

**Main Highlights of CAE's Audit Committee
Meeting held on 25th July 2019**

The Audit Committee Meeting was held on Thursday 25th July 2019 at 10:00 am.

The meeting was attended by:

Mr. Paul Carite	Non-Executive Board Member – Chairman of Committee
Mr. Assem Ragab	Non-Executive Board Member – Member of Committee
Mrs. Mona El-Baradei	Non-Executive Board Member – Member of Committee - (Represented by Mr. Assem Ragab by Proxy)

Attendees:

Mr. Hesham Helmy	Head of Internal Audit (CAE)
Mr. Samer Masoud	Deputy Head of Internal Audit (CAE)
Mr. Ismail Hegazy	Deputy General Counsel (CAE)
Mr. Mohamed Ragaie	Deputy Head of Compliance (CAE)
Mr. Ehab Azer	Partner – Ernst & Young
Mrs. Nehal El-Shazly	Ernst & Young
Mrs. Dalia El-Kattan	Hazem Hassan & Co.
Mr. Hany Nassef	Chief Financial Officer “CFO” (CAE)
Mr. Tarek Fouad	Financial Administration (CAE)
Mr. Ayman Fawzy	Financial Administration (CAE)
Mr. Franck Flament	Chief Risk Officer “CRO” (CAE)
Mr. Vincent Gancel	Observer with Expertise – CASA

The following are the most important items discussed:

- 1) Looking into the status of implementation of the decisions and recommendations of the previous meeting of the Audit Committee.

- 2) Reviewing the Bank's financials for the period ended 30/6/2019 including the financial analysis of the Bank's subsidiary EHFC.
- 3) Reviewing the Internal Audit Dept.'s report including the audit missions performed in the second quarter of the year 2019; following up the executed part of the Audit Mission for 2019; the Internal Audit Dept.'s assessment of the branches & departments during Q2 of the year; the key recommendations of the Internal Audit Dept. to monitor and improve the Bank's internal control environment & maintaining the Bank's assets; and also presenting the data of the Internal Audit staff members.
- 4) Reviewing the reports submitted by the Bank's Risk Dept. regarding the evaluation of collaterals provided by customers against the financing and credit facilities provided to them.
- 5) Follow-up on the reports submitted by the Risk Dept. including a report from the Permanent Control & Operational Risk Dept., as well as reports submitted by the Head of Compliance for the period ended 30/6/2019.
- 6) Reviewing the reports prepared by the Head of Legal Dept. on the status of the lawsuits brought against or by the Bank and presenting the recommendations of the Legal Department in this regard.
- 7) Discussing the External Auditors' opinion on the financial statements prepared for the period ended 30/6/2019.

Key Decisions taken by the Audit Committee:

- 1- The Head of Compliance shall provide the Audit Committee with a list of the key violations escalated to the competent committee in the Bank, and also the actions taken in this concern.
- 2- The Audit Committee approved – in principle – contracting with an independent external audit office, on a tender basis, to review the interest rate risk in the Bank's records and the related fees for such task, in adherence to the instructions issued by the Central Bank of Egypt in this regard. The final outcome of the tender shall be submitted to the Audit Committee for ratification.

- 3- The Audit Committee was briefed on the updated Charter of Internal Audit Dept. and the updated Charter of the Audit Committee, which will be subject to an overview and a final review by the Legal Dept. and, in the absence of any amendment, they will be adopted.
- 4- The Head of Compliance shall provide the Audit Committee with a report including a chart reflecting the development of the action plans set for the renewal of the KYC Form, as well as close follow-up of the action plan for the renewal of this Form in the competent department.
- 5- The Head of Compliance shall provide the Audit Committee with a statistic about the size of the correct and false alerts from one of the compliance programs of Anti-Money Laundering (AML).
- 6- The Committee reviewed the reports submitted by the CRO of the Bank about reviewing the values of collaterals provided by customers against the financing and credit facilities granted to them.

Paul Carite

**Chairman of Audit Committee
& Member of Board**

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