

BANQUE MISR

FINANCED EMISSIONS **2024 REPORT**



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BANQUE MISR



01

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

To address its role in the global climate transition, **Banque Misr** is focusing more on the environmental impact of its capital allocation. Recognizing that financed emissions (Scope 3, Category 15) constitute the vast majority of its carbon footprint, The Bank is focused on quantifying these emissions to align our core business model with a low-carbon future. This data-driven approach enables us to identify carbon-intensive hotspots, assess portfolio resilience against transition risks, and engage strategically with our clients to facilitate a sustainable economic transformation.

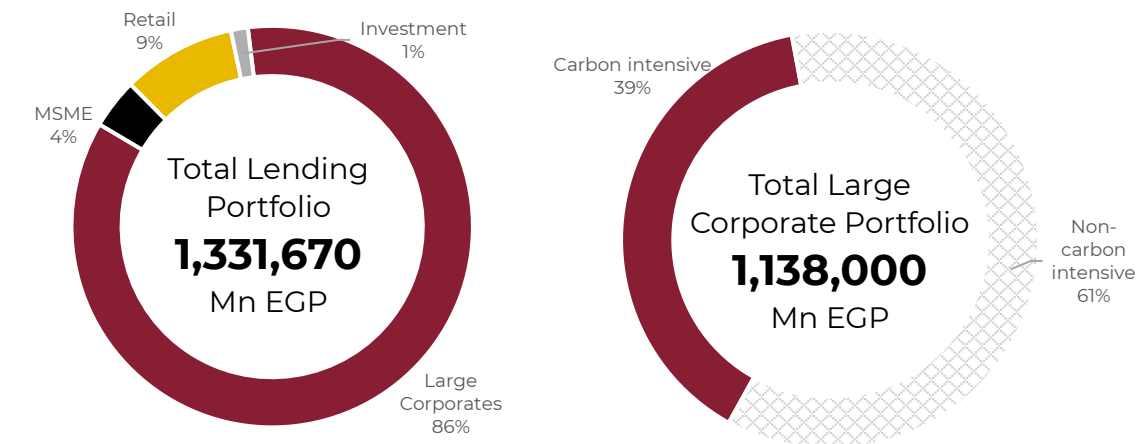
In line with this strategy, **Banque Misr** is disclosing its financed emissions for the **second consecutive year**, relying on financial data as of **December 31, 2024**. This report focuses on the **Large Corporate** lending portfolio, which represents **86%** of the Bank's total lending activity. By providing this transparent disclosure, **Banque Misr** reaffirms its commitment to managing the emissions associated with its financing activities in alignment with the **Partnership for Carbon Accounting Financials (PCAF)** and the **Global GHG Accounting and Reporting Standard** for the Financial Industry.



Within our **Large Corporate** lending portfolio, the Bank's exposure to **carbon-intensive sectors** stands at **39%**. This assessment encompasses all carbon-intensive sectors, including **Oil and Gas, Construction and Real Estate, Transport, Power Generation, Iron and Steel, Cement, and Agriculture**. These facilities are categorized under the **Business Loans** and **Project Finance** asset classes. To ensure a comprehensive evaluation of our financed emissions, the analysis includes Scope 1, 2, and 3 emissions of our clients.

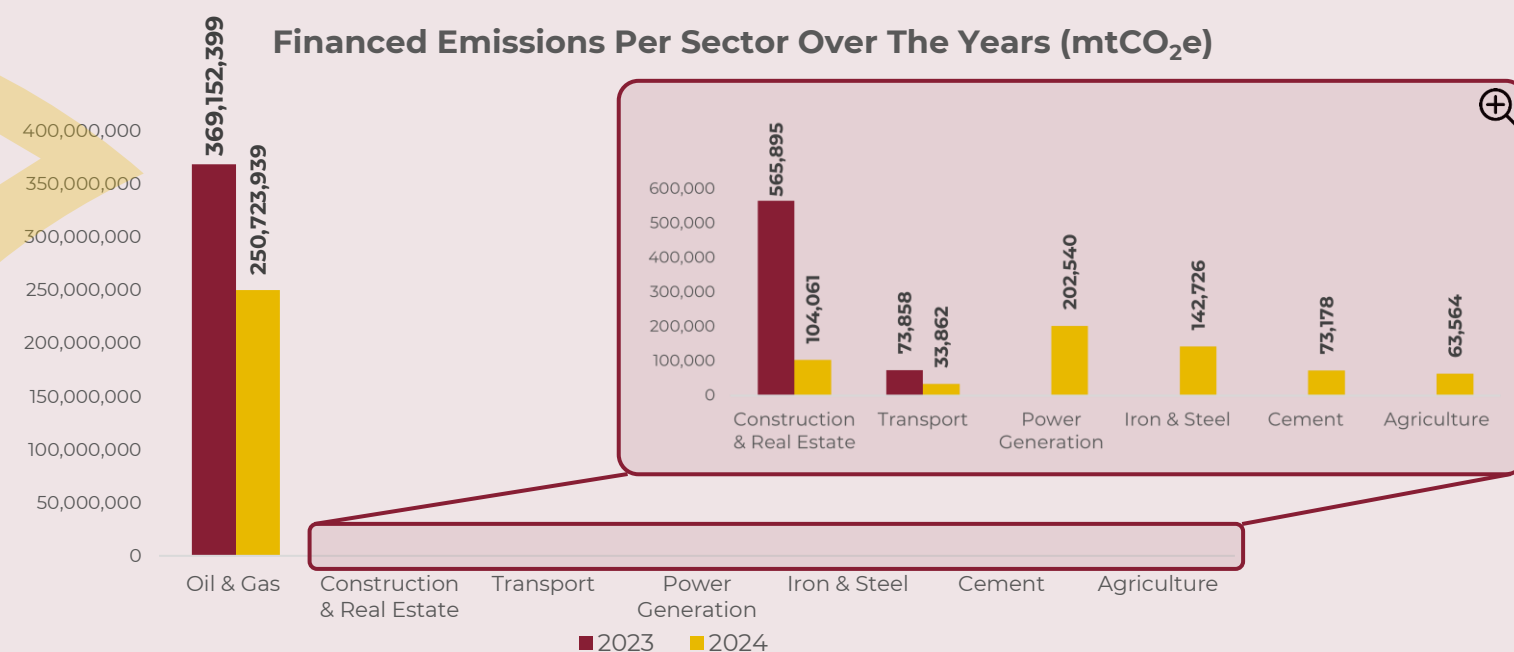
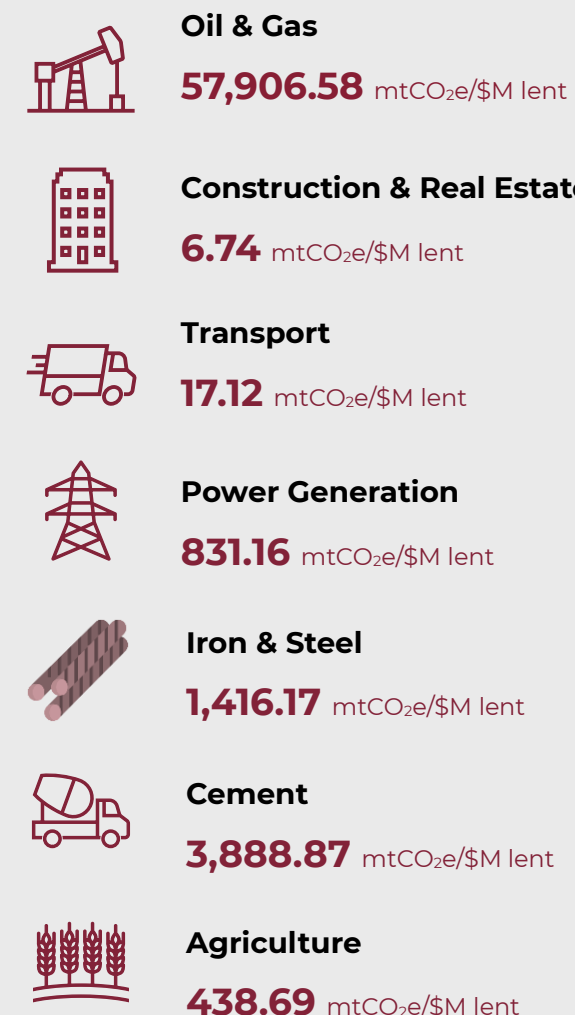
Total absolute financed emissions for this assessment reached **251,343,870 mtCO₂e**, with the oil and gas sector accounting for **99.8%** of the total. This concentration is expected given the carbon-intensive nature of the industry and **Banque Misr's** strategic role as a state-owned institution. Our portfolio includes significant financing for both large corporations and major governmental entities, all of which are integrated into these calculations. This inclusive methodology underscores our commitment to transparency, ensuring the full scale of emissions tied to our financing activities is accurately captured.

To effectively manage and reduce financed emissions, **Banque Misr** has established a framework of preliminary decarbonization actions. This process begins with proactive stakeholder engagement and a commitment to supporting our clients as they calculate, report, and mitigate their greenhouse gas emissions.



Total financed emissions 2024
251,343,870 mtCO₂e

Scope 1 + 2 Intensity Per Sector



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INTRODUCTION



INTRODUCTION

As the world intensifies its efforts to combat climate change, financial institutions have become primary drivers of economic transformation. Banque Misr recognizes that the true environmental impact is defined not by its physical offices, but by the strategic capital the Bank direct into the economy.

As capital allocators and enablers of economic growth, the decisions that are made today directly influence the trajectory of global emissions. Recognizing this responsibility, the Bank is committed to managing the environmental footprint associated with its lending and investment portfolio. Calculating **Financed Emissions** (the greenhouse gas emissions linked to our clients' activities) is a vital step in this journey.

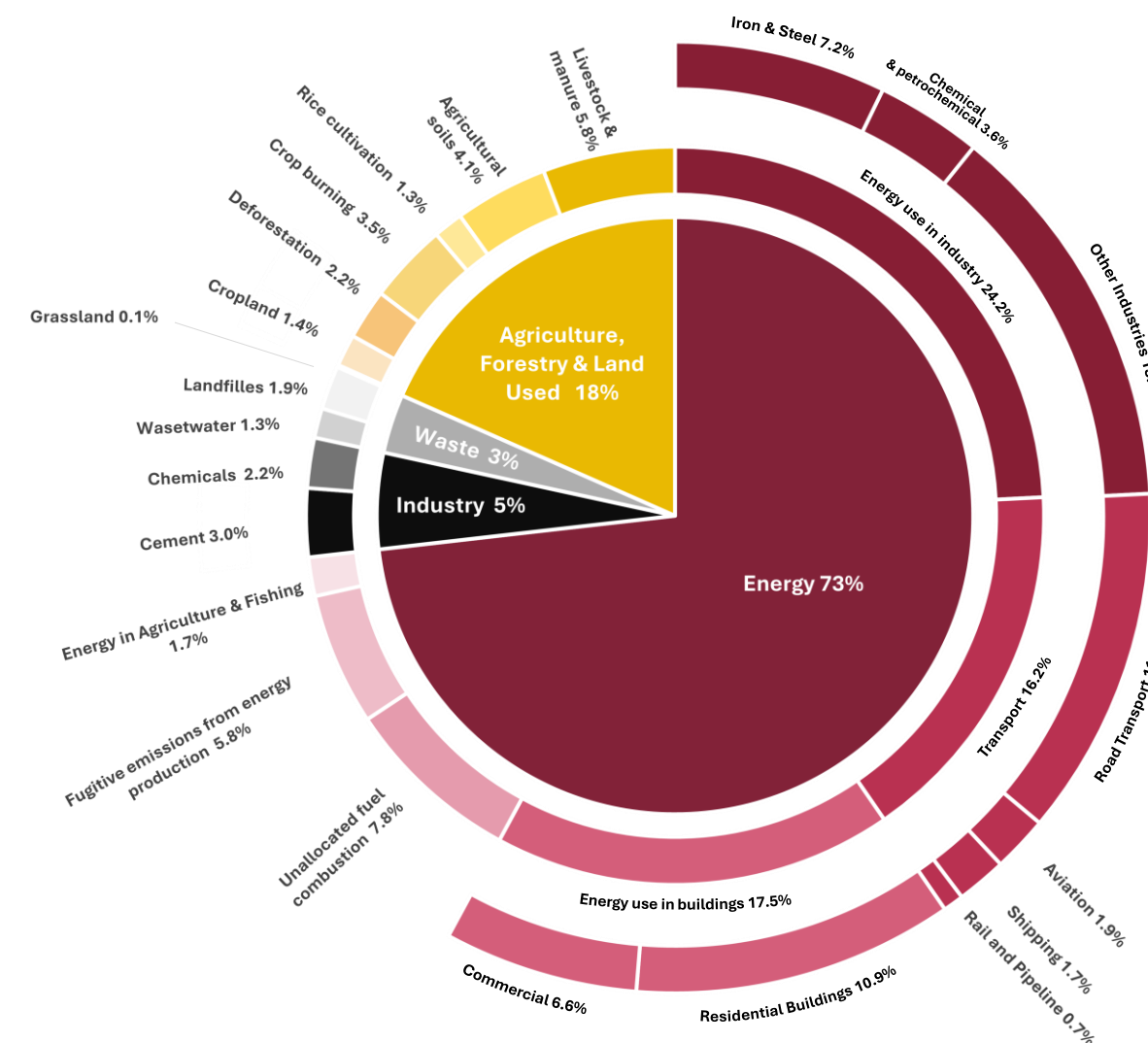
Financed emissions, categorized under **Scope 3, Category 15**, typically represent the vast majority of a financial institution's total carbon footprint. By quantifying these emissions, the Bank moved beyond operational sustainability to address the core of its business model. This data-driven approach allows the Bank to:

- Identify carbon-intensive “hotspots” and proactively manage transition risks.
- Assess climate-related risks to ensure portfolio resilience.
- Engage more effectively with clients across sectors to facilitate their shift to a low-carbon economy

The **2024 Financed Emissions Report** marks the Bank's second disclosure, building upon the foundations of its inaugural 2023 report. The scope of analysis has been broadened this year to provide a more comprehensive assessment of climate impact.

This expanded scope now encompasses all carbon-intensive sectors within the **Large Corporates** lending portfolio. This analysis now covers **seven sectors**: Oil and Gas, Construction and Real Estate, Transport, Power Generation, Iron and Steel, Cement, and Agriculture. Each of these sectors constitutes a vital pillar of Egypt's economy and represents a central challenge in the global climate transition. As illustrated in the adjacent chart, energy-related emissions account for **73% of the global total emissions**, which includes contributions from the transport, real estate, and industrial manufacturing sectors.

Global Greenhouse Gas Emissions by Sector¹



Banque Misr's assessed Financed Emissions are

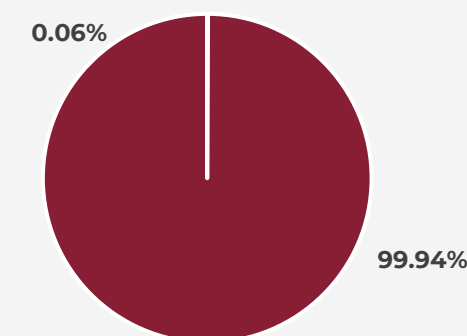
>1,600x greater than its operational emissions

According to the PCAF, Financed Emissions of financial institutions can be

>700x greater than operational emissions

Significance of Financed Emissions Relative to Operational CFP

Based on Banque Misr 2024 Results



■ Operational CFP ■ Financed Emissions

¹ Source: Climate Watch, the World Resource Institute (2020).

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METHODOLOGY & APPROACH



METHODOLOGY & APPROACH

01

Guidelines & Frameworks

Financed emissions are calculated according to the guidance provided by the **Partnership for Carbon Accounting Financials (PCAF)**, which outlines how financial institutions should account for their Scope 3 emissions from category 15: investments. The Global GHG Accounting and Reporting Standard Part A for Financed Emissions presents the industry's foremost framework for calculating and reporting these emissions to investors.

Developed by the PCAF, the Standard aligns with the GHG Protocol's requirements for the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, as set forth by the World Resources Institute and the World Business Council for Sustainable Development. It specifies preferred methods for calculating the financed greenhouse gas emissions generated by an entity, as well as for tracking and reporting these emissions over time.

PCAF's guidance is dynamic, which means it may influence the Bank's methodology, assumptions, and calculation results as it evolves. The PCAF Standard encourages financial institutions to start reporting their emissions, even in the face of data limitations, recognizing that ideal reporting methods may not always be achievable, and estimated or proxy data may need to be utilized.

This assessment is guided by various frameworks, including but not limited to:

- **PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.**
- **Greenhouse Gas Protocol Guidelines.**
- **2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories (with 2019 Refinements).**

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Calculation Approach

In adherence to the PCAF methodology and following the WBCSD/WRI GHG Protocol, the financed emissions assessment has incorporated all seven Kyoto Protocol greenhouse gases, whenever relevant and significant.

Global warming potentials (GWPs) serve as coefficients that quantify the radiative forcing impact of a specific greenhouse gas, such as methane, in comparison to an equivalent amount of carbon dioxide. These GWPs are employed in GHG accounting to standardize greenhouse gas emissions, expressing them in a common unit for easy comparison, known as carbon dioxide equivalent (CO₂e).

In the course of this inventory, **Banque Misr** has applied 100-year GWPs to all emissions data to calculate the total emissions in metric tonnes of carbon dioxide equivalent (mtCO₂e).

The emissions calculation approach is based on multiplying the attribution factor by the client's total emissions for the reporting year. The attribution factor determines the portion of emissions that the financial institution is responsible for, based on the loan amount provided to the client. As for the client's emissions, there are various methods for estimating it, including:

- 1- **Reported Emissions** – Uses emissions data directly reported by companies (e.g., carbon footprint reports) or verified third-party sources.
- 2- **Physical Activity-Based Emissions** – Estimates emissions using physical activity data (e.g., energy consumption, production levels) and applies verified emission factors.
- 3- **Economic Activity-Based Emissions** – Estimates emissions using financial data (e.g., revenue, sectoral assets) and applies statistical or input-output models for emission factors.

Attribution Factor X Client/Project Emissions (mtCO₂e)

Financed Emissions (mtCO₂e)

METHODOLOGY & APPROACH

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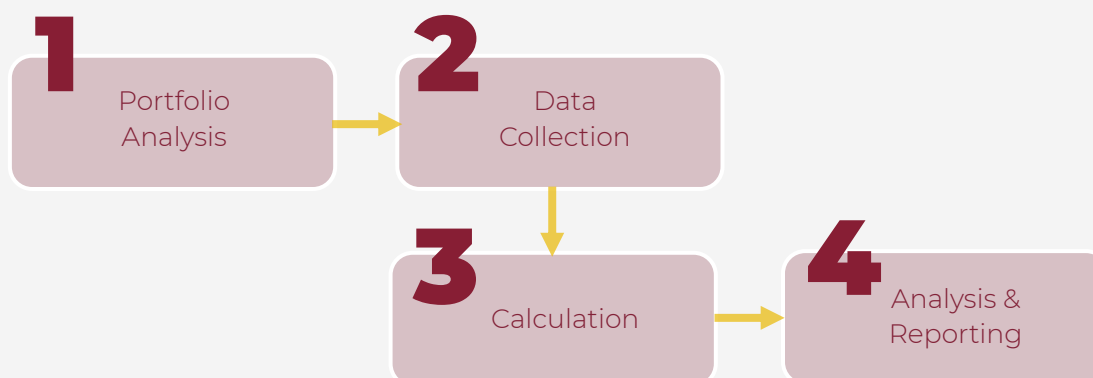
General Approach

The assessment methodology follows **four** key steps. First, a comprehensive analysis of the Bank's total lending portfolio is conducted to define the scope, including the specific lending divisions and carbon-intensive sectors covered.

Next, data collection is performed using internal records, while emission factors are sourced from verified external sources; all financial data is converted from EGP to USD using the 2024 average exchange rates.

Following this, a detailed analysis is performed to present the results and assign data quality scores in accordance with the PCAF Standard.

The Bank's outstanding exposure is measured based on on-balance sheet loans as of year-end 2024, while off-balance sheet items are excluded from the assessment.



Reporting Period & Base Year (BY)

This assessment relies on financial data as of **December 31, 2024**. This year serves as the **Base Year (BY)** for the four newly included sectors, while **2023** remains the BY for the Oil & Gas, Construction and Real Estate, and Transport sectors. The BY remains subject to adjustment should any significant changes occur in the future.

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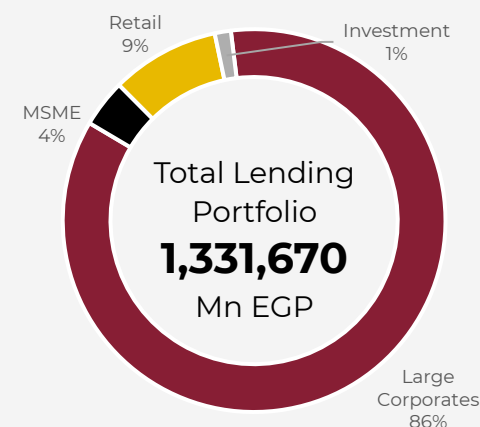
Assessment Boundaries

Based on the bank's portfolio analysis, the **Large Corporate division** was selected for in-depth assessment, as it represents **86%** of the total lending portfolio; the remaining **14%** is distributed across the Retail, MSME, and Investment divisions. Within this segment, clients were evaluated against carbon-intensive sectors to determine the bank's exposure, which was found to account for **39%** of the Large Corporate portfolio.

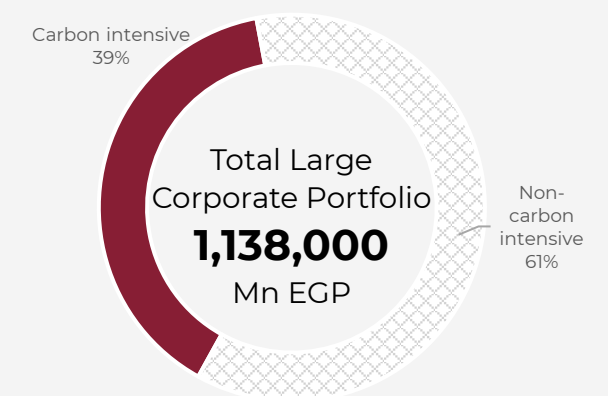
This assessment encompasses all carbon-intensive sectors, including **Oil and Gas, Construction and Real Estate, Transport, Power Generation, Iron and Steel, Cement, and Agriculture**. The disclosed emissions represent **\$9.36 billion** of the bank's large corporate lending. Due to data limitations, Banque Misr utilized the **Economic Activity-Based methodology** for this assessment.

All calculations are based on loan exposures as of December 31, 2024, and cover **Scope 1, 2, and 3** financed emissions.

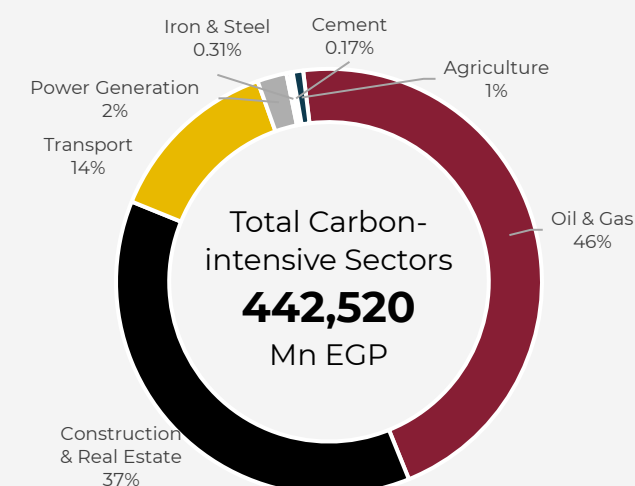
Banque Misr Lending Portfolio per Division | 2024



Exposure to Carbon-Intensive Sectors in Banque Misr's Large Corporate Lending Portfolio | 2024



Banque Misr's Large Corporate Lending Portfolio Per Sector | 2024



METHODOLOGY & APPROACH

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Outline For Assessment Boundaries Selection Process

To define the boundaries for the current assessment, a specific selection criterion has been applied, as illustrated in the diagram below.

Banque Misr Portfolio Analysis to Decide the Focus of the Assessment

Exposure from total portfolio

Priority is given to the lending division with the largest percentage share within the Bank's total lending portfolio

Carbon intensive sectors

Priority is given to the carbon-intensive sectors.

Large Corporate Lending Portfolio

Oil & gas

Construction & Real Estate

Transport

Power Generation

Iron & Steel

Cement

Agriculture

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Data Challenges & Limitations

The availability and quality of data remain significant challenges in reporting financed emissions. As highlighted by PCAF, current estimation methodologies for financed emissions often rely on low-quality data, which may not accurately reflect the actual emissions performance of borrowers. High-quality data (particularly direct emissions data from borrowers) is frequently unavailable, especially in Egypt, where most of the companies are not yet required to measure and disclose their emissions.

Given the limitations in data quantity, quality, and accuracy, as well as the constraints of the methodology used, achieving precision in reporting financed emissions is challenging. Nevertheless, **Banque Misr** has disclosed its financed emissions based on the best available data to date.

Currently, the Bank does not incorporate client-reported emissions data in its calculations, as many clients have yet to disclose their emissions, and those that do often lack standardized reporting practices. As more clients begin to report their emissions in a consistent and verifiable manner, the Bank will integrate this data into its calculations. Verified client-reported data is expected to provide the most accurate basis for assessing financed emissions.

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RESULTS

Oil & Gas Sector	13
Construction & Real Estate	15
Transport Sector	17
Power Generation Sector	19
Iron & Steel Sector	21
Cement Sector	23
Agriculture Sector	25



OIL & GAS SECTOR

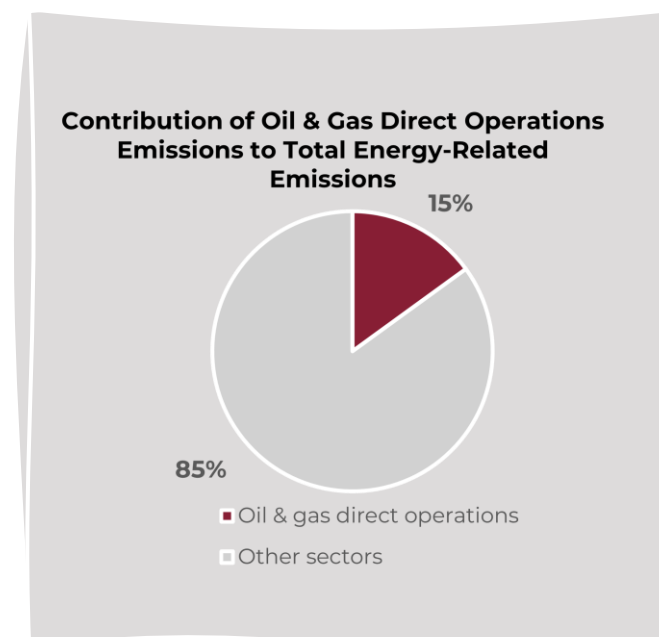


SECTOR INSIGHTS & TRENDS²

The oil and gas industry is managing the simultaneous challenge of meeting global demand for **affordable energy** while addressing the critical imperatives of the **energy transition**. According to IEA forecasts, the sector will evolve through **two distinct phases**:

1. A period of **continued consumption growth** through 2030, driven by emerging market demand and petrochemical use.
2. **A post-2030 decline** as renewable energy and low-carbon mobility solutions scale globally.

This transition exposes the sector to **significant risks**, including the potential for stranded assets and increasing pressure from regulators, clients, and investors. Currently, O&G sector accounts for approximately **15%** of global energy-related greenhouse gas emissions, totaling roughly **5.1 billion tonnes of CO₂e**.



NATIONAL LANDSCAPE³

Under Egypt's updated Nationally Determined Contributions (NDCs), the government has committed to a 65% reduction in oil and gas emissions by 2030 relative to business-as-usual levels. This target is supported by a comprehensive modernization program focusing on energy efficiency and low-carbon technology across the value chain. Key operational pillars include the recovery of associated gases to eliminate flaring, the implementation of efficiency measures to cut sectoral energy consumption by 5%, and the large-scale production of green fuels, such as algae oil and bioethanol.

The Ministry of Petroleum and Mineral Resources (MoPMR) has established a strategic framework centered **on six core pillars** designed to align industrial expansion with modern sustainability and efficiency standards. These pillars focus on meeting domestic demand through increased **production and exploration**, while maximizing value via refineries and petrochemicals. Additionally, the Ministry is committed to re-launching the mining sector and **enhancing the national energy mix**, specifically leveraging Egypt's strategic location for **hydrogen production and energy trading**.

During the **FY 2024/25**, Egypt's oil and gas sector demonstrated significant progress in operational decarbonization by successfully completing **107 energy efficiency projects** and **42 flare reduction programs**. These technical interventions were instrumental in achieving a **7.75% reduction in energy consumption intensity** across the value chain.

² Information in this section are retrieved from: IEA, Emissions from Oil and Gas Operations in Net Zero Transitions.

³ Information in this section are retrieved from: Egypt's Second Updated Nationally Determined Contributions and Egypt Leading Oil & Gas Excellence Supplement: (November 2025)

OIL & GAS SECTOR

VALUE CHAIN

The oil and gas sector operates through a complex, tiered value chain categorized into **upstream** (exploration and extraction), **midstream** (transportation and storage), and **downstream** (refining and distribution) activities. An organization's position within this chain dictates its primary emissions drivers, ranging from the heavy methane and operational footprints of upstream production to the significant Scope 3 liabilities inherent in downstream product combustion.

Operational emissions are driven by the high energy intensity inherent in every stage of the lifecycle, including power for extraction rigs, heat for refining and hydrogen production, and processing for natural gas purification.

The assessment focuses primarily on **upstream activities**, specifically exploration and production, alongside the manufacturing and processing of refined petroleum products (downstream).



SCOPE & BOUNDARIES

This assessment covers clients within the oil and gas sector, representing total outstanding loans of **\$4,289 million** as of **December 31, 2024**. The sector constitutes **45.82%** of Banque Misr's carbon-intensive large corporate lending portfolio, with all associated clients categorized under the business loans asset class. To provide a comprehensive view of climate impact, the underlying calculations encompass **Scope 1, 2, and 3** emissions.

RESULTS

As of December 31, 2024, outstanding loans to the oil and gas sector resulted in total financed emissions of **250,723,939 mtCO₂e** across Scopes 1, 2, and 3. This represents a decrease from the **369,152,399 mtCO₂e** reported in 2023. This reduction is primarily attributed to the devaluation of the Egyptian Pound (EGP) against the US Dollar (USD), which altered the valuation of the portfolio and the corresponding emissions allocation.

Scope 1 emissions accounted for approximately **97%** of total oil & gas sector emissions, primarily originating from flaring, methane leaks and energy consumption in the extraction process.

As a state-owned bank, the client base is expected to include not only large corporates but also major governmental entities, all of which are accounted for in the calculations. This reflects the Bank's commitment to capturing the full scope of emissions associated with its financing activities and the dedication to transparency.

Scope 1

243,179,214 mtCO₂e

Scope 2

5,173,472 mtCO₂e

Scope 3

2,371,253 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

250,723,939 mtCO₂e

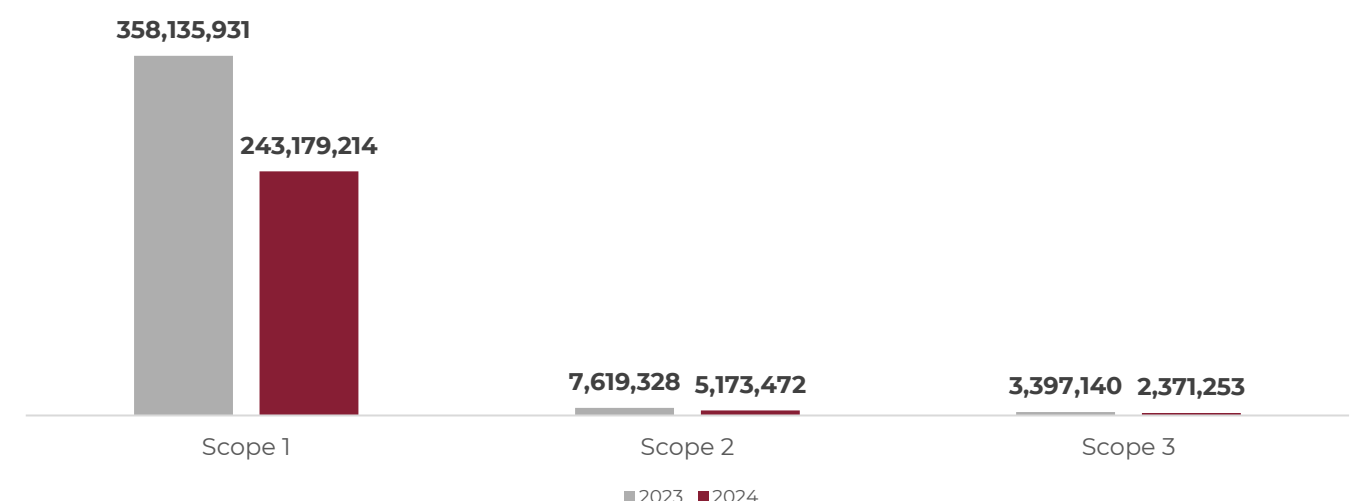
Scope 1 + 2 Intensity

57,906.58 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.06

Oil & Gas Emissions per Scope (mtCO₂e) | 2024 vs 2023



CONSTRUCTION & REAL ESTATE SECTOR

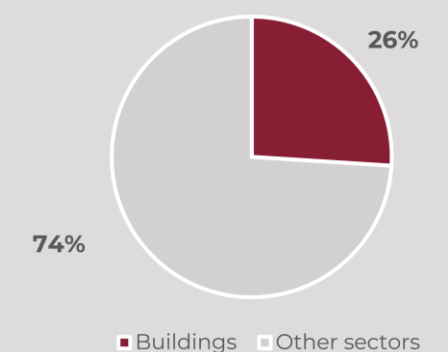


SECTOR INSIGHTS & TRENDS⁴

The buildings sector accounts for **26%** of energy-related emissions. According to the IEA, these emissions are split between direct operational outputs (8%) and indirect impacts from electricity and heat production (18%). Under the Net Zero Emissions (NZE) by 2050 Scenario, global floor area is projected to **expand by 55%** by 2050, with 80% of this growth concentrated in emerging economies. While the abundance of stringent energy codes and the adoption of renewable technologies are accelerating, the sector requires a more rapid transformation to remain aligned with the NZE pathway.

This decade is a pivotal window for implementing the structural measures necessary to meet 2030 targets, specifically ensuring that all new construction and at least 20% of the existing building stock are **zero-carbon-ready**.

Contribution of Buildings to Total Energy-Related Emissions



NATIONAL LANDSCAPE⁵

To align the real estate sector with Nationally Determined Contributions (NDCs), decarbonization strategies must prioritize sustainability across both new and existing building stocks. This transition is centered on the integration of **renewable energy** and the rigorous application of **energy efficiency standards**. Key operational measures include the widespread deployment of rooftop solar photovoltaic (PV) systems, the adoption of solar water heaters, and a comprehensive transition to LED lighting in the residential sector by 2030.

Furthermore, the advancement of green building initiatives is critical to achieving long-term climate targets. This involves strengthening energy efficiency codes for new construction while implementing renovation protocols to enhance the performance of existing structures. By adopting voluntary green building guidelines and providing incentives for the utilization of best-in-class sustainable technologies, the sector can effectively reduce its carbon footprint and enhance overall environmental resilience.

⁴ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

⁵ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

CONSTRUCTION & REAL ESTATE SECTOR

VALUE CHAIN

The real estate sector's value chain consists of three key stages:

- 1. Building Materials and Construction:** This stage involves extracting raw materials, transporting them to manufacturing facilities, processing and manufacturing materials, delivering them to construction sites, and carrying out the final construction.
- 2. Operations:** This stage covers the building's usage phase, including energy consumption, water usage, maintenance, repairs, and refurbishments.
- 3. End of Life:** This stage includes demolition, transportation of construction waste, and waste processing and disposal.

Building Materials and construction → Operations → End of life

SCOPE & BOUNDARIES

This assessment covers several construction companies and real estate developers, with total outstanding loans amounting to **\$3,489 million** as of December 31, 2024. This sector accounts for **37.3%** of Banque Misr's carbon intensive sectors in large corporate lending portfolio. Clients range between business loans and project finance asset classes. The calculations encompass **Scope 1, 2, and 3 emissions**.

RESULTS

The outstanding loans for the clients in the construction & real estate sector resulted in financed emissions of **104,061 mtCO₂e** including Scope 1, 2 and 3 emissions, with majority of emissions coming from **Scope 3** with a percentage of **77%** of total construction & real estate emissions, mainly driven by energy consumption during the building operations phase. The year-over-year **decrease** observed in 2024 is primarily attributable to the devaluation of the Egyptian Pound (EGP) against the US Dollar (USD).

The Bank client base includes not only large corporates but also major governmental entities, all of which are incorporated into the calculations.

Scope 1

19,997 mtCO₂e

Scope 2

3,498 mtCO₂e

Scope 3

80,566 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

104,061 mtCO₂e

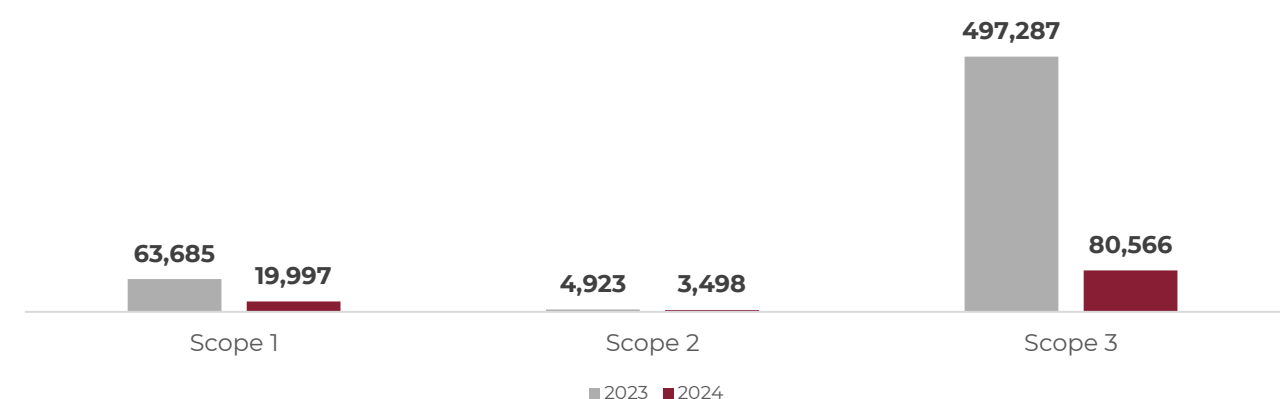
Scope 1 + 2 Intensity

6.74 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.00

Construction & Real Estate Emissions per Scope (mtCO₂e) | 2024 vs 2023



TRANSPORT SECTOR

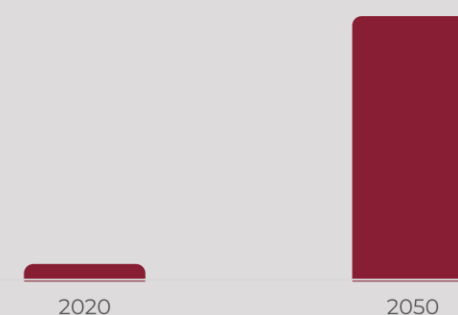


SECTOR INSIGHTS & TRENDS⁶

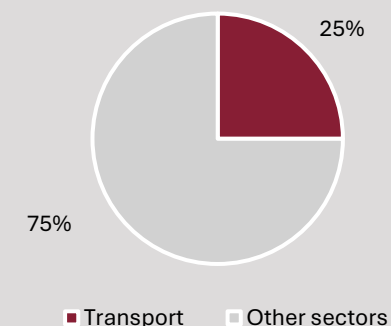
In 2022, the resurgence of passenger and cargo transport activity following the COVID-19 pandemic led to a 3% increase in transport-related CO₂ emissions compared to the previous year. To align with the NZE by 2050 scenario, CO₂ emissions from the transport sector **must decline by more than 3% annually through 2030.**

The sector is undergoing a rapid shift away from oil, which accounted for over 90% of fuel consumption in 2020. In road transport, electricity is set to become the dominant energy source, supplying over 60% of the sector's energy by 2050, while hydrogen and hydrogen-based fuels play a smaller role, primarily powering long-haul heavy-duty trucks. By the early 2040s, **electricity** is expected to be the leading fuel in the global transport sector, representing approximately **45%** of energy consumption by **2050** (up from 1.5% in 2020). Hydrogen and hydrogen-based fuels will account for nearly 30% (compared to almost zero in 2020), while bioenergy will contribute around 15% (up from 4% in 2020).

Future of Electricity contribution to Transport Sector



Contribution of Transport Emissions to Global Energy-Related Emissions



NATIONAL LANDSCAPE⁷

To mitigate road transport's role as the primary driver of sector-wide emissions, **Egypt's updated NDCs** target a **7% reduction** in transport-related greenhouse gases by 2030 against business-as-usual levels. This strategy centers on a modal shift from private vehicles to a comprehensive, low-carbon mass transit network. Key infrastructure pillars include the expansion and rehabilitation of the Cairo and Alexandria Metro systems, the deployment of innovative monorail and Light Rail Transit (LRT) networks connecting the New Capital, and the introduction of high-speed electric rail. Complementing these rail projects is the modernization of the public bus fleet through natural gas conversion and the implementation of Bus Rapid Transit (BRT) systems. Furthermore, the state is investing in active transport by developing dedicated cycling infrastructure, collectively fostering a more sustainable and diversified urban mobility landscape.

⁶ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

⁷ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

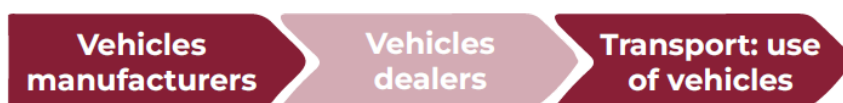


TRANSPORT SECTOR

VALUE CHAIN

Transport vehicles are predominantly powered by the combustion of fossil fuels, which are essential for running their engines. This combustion process releases significant amounts of GHGs, which contribute to global warming.

Beyond direct emissions from vehicle operation, the upstream fuel supply chain (including extraction, refining, and transportation) also generates GHG emissions.



SCOPE & BOUNDARIES

This assessment evaluates clients within the transport sector—encompassing road, maritime, and air transport—representing total outstanding loans of **\$1,255.5 million** as of December 31, 2024. The sector constitutes **13.41%** of Banque Misr's carbon-intensive large corporate lending portfolio, with all associated clients categorized under the business loans asset class. To ensure a rigorous climate impact analysis, the underlying calculations encompass **Scope 1, 2, and 3** emissions, specifically incorporating **Well-to-Wheel (WTW)** boundaries to capture the full lifecycle of fuel production and consumption.

RESULTS

As of December 31, 2024, outstanding loans within the transport sector, comprising both large corporate clients and major governmental entities, generated total financed emissions of **33,862 mtCO₂e** across Scopes 1, 2, and 3. This represents a **54% decrease** compared to the previous year. This was driven by a **5% decline** in EGP outstanding loans, which, when coupled with the currency devaluation, resulted in a **38% decrease** in the USD equivalent.

Scope 1 emissions represent approximately **55%** of the sector's total footprint. These are primarily driven by direct fuel combustion in vehicles, often referred to as Tank-to-Wheel (TTW) emissions, which typically constitute the largest share of transport-related impacts. The remaining balance includes **Scope 3** emissions, which capture critical upstream activities such as the extraction and transportation of fuels.

Scope 1

18,786 mtCO₂e

Scope 2

2,704 mtCO₂e

Scope 3

12,371 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

33,862 mtCO₂e

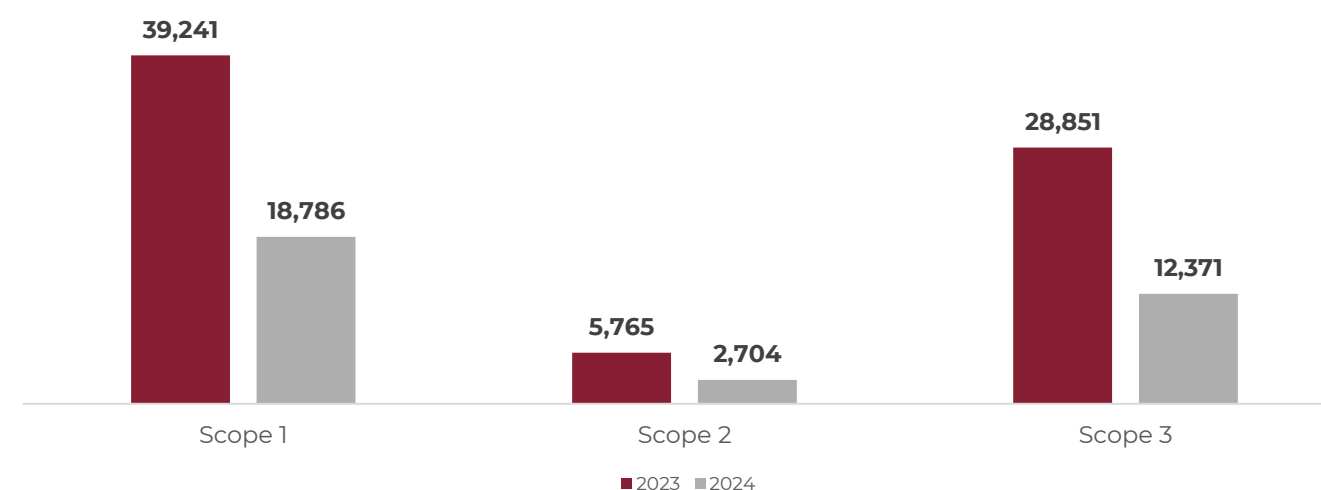
Scope 1 + 2 Intensity

17.12 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.00

Transport Emissions per Scope (mtCO₂e) | 2024 vs 2023



POWER GENERATION SECTOR



SECTOR INSIGHTS & TRENDS⁶

The power generation sector represents a primary source of global GHG emissions, representing roughly **40% of energy-related CO₂ emissions** according to the IEA's World Energy Outlook 2022. As the cornerstone of the energy transition, electrification is essential for decarbonizing the transport, building, and industrial sectors. Consequently, the IEA's Net Zero Emissions (NZE) scenario projects that global electricity generation will need to **increase by 250%** between 2022 and 2050 to meet these demands.

NATIONAL LANDSCAPE⁷

Egypt is significantly expanding its renewable energy footprint through landmark initiatives such as the **Benban Solar Park** and various wind farms in the **Gulf of Suez**, targeting a **42% renewable energy share by 2035**. Alongside its foundational hydropower from the **Aswan High Dam**, the country is prioritizing natural gas as a transitional fuel to displace more carbon-intensive alternatives. These supply-side shifts are complemented by robust energy efficiency measures, including **comprehensive grid modernization** and large-scale **LED lighting programs**.

⁶ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

⁷ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

POWER GENERATION SECTOR

VALUE CHAIN

Emissions within the power sector are distributed across the entire value chain, originating from upstream fuel extraction, direct combustion during the generation process, and losses incurred during transmission and distribution. While each stage contributes to the sector's footprint, the **power generation phase** remains the primary source of impact, accounting for the vast majority of total greenhouse gas emissions.



SCOPE & BOUNDARIES

This assessment covers clients operating in the power generation sector, with total outstanding loans amounting to **\$208.3 million** as of December 31, 2024. This sector accounts for 2.22% of Banque Misr's carbon-intensive sectors in large corporate lending portfolio. All these clients are classified under the business loans asset class. The calculations encompass **Scope 1, 2, and 3 emissions**.

RESULTS

The outstanding loans for the clients in the power generation sector resulted in financed emissions of **202,540 mtCO₂e** including Scope 1, 2 and 3 emissions.

Scope 1 emissions accounted for approximately **75%** of total power generation sector emissions, primarily originating from fuel combustion during generation processes.

As a state-owned bank, the client base is expected to include not only large corporates but also major governmental entities, all of which are accounted for in the calculations. This reflects the Bank's commitment to capturing the full scope of emissions associated with its financing activities and the dedication to transparency.

Scope 1

152,341 mtCO₂e

Scope 2

20,828 mtCO₂e

Scope 3

29,372 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

202,540 mtCO₂e

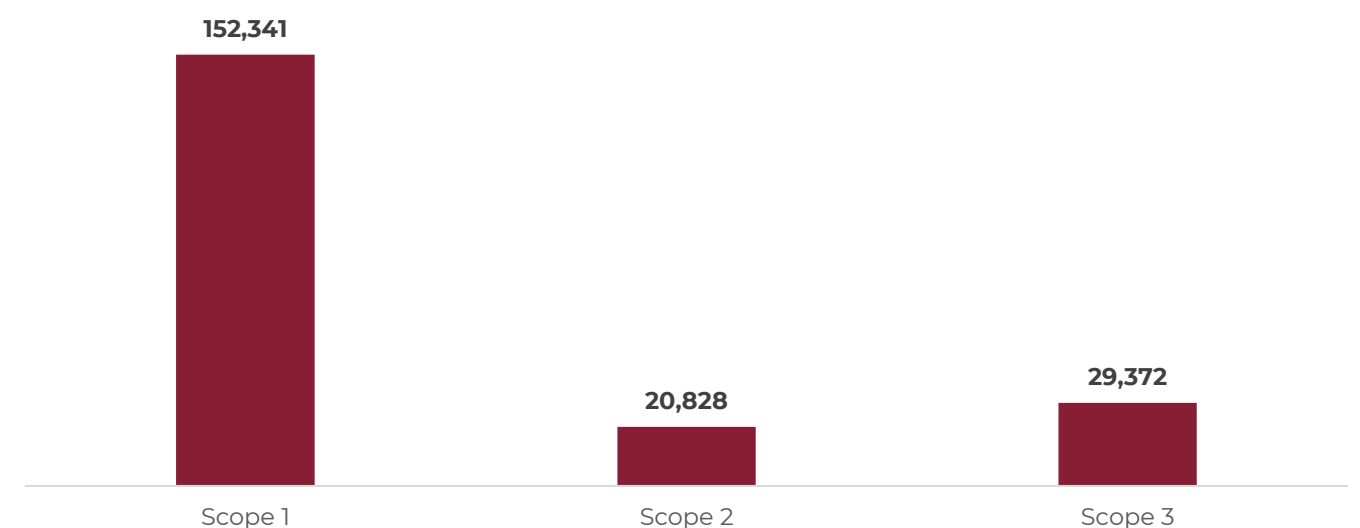
Scope 1 + 2 Intensity

831.16 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.00

Power Generation Emissions per Scope (mtCO₂e) | 2024



IRON & STEEL SECTOR



SECTOR INSIGHTS & TRENDS⁸

Steel is a cornerstone of the global economy, providing a critical input for essential sectors including construction, automotive, aerospace, and heavy machinery. Despite its industrial importance, the iron and steel sector remains a significant consumer of energy, representing approximately **8% of global final energy demand** and **7% of energy-related CO₂ emissions** (including process-related emissions). To align with global decarbonization pathways, the IEA's Net Zero Emissions (NZE) scenario mandates a **24% reduction in carbon intensity by 2030** relative to 2022 levels.

NATIONAL LANDSCAPE⁹

In response to evolving international trade regulations—most notably the EU's Carbon Border Adjustment Mechanism (CBAM)—the Egyptian government is prioritizing the transition to low-carbon steel production to safeguard export competitiveness. Through the Ministry of Trade and Industry, the state is fostering strategic partnerships with key producers, research institutions, and technology providers. These collaborations focus on accelerating the adoption of **Electric Arc Furnaces (EAF)** and the integration of **green hydrogen** to transition the sector toward sustainable manufacturing standards.

⁸ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

⁹ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

IRON & STEEL SECTOR

VALUE CHAIN

Emissions in the steel value chain are generated across three primary stages: upstream raw material extraction, midstream manufacturing, and downstream forming and shaping. However, the **midstream manufacturing phase** is the most carbon-intensive, accounting for the vast majority of the sector's total greenhouse gas emissions. The intensity of these emissions is determined by the production pathway employed:

- **Blast Furnace–Basic Oxygen Furnace (BF-BOF):** The most carbon-heavy route, as it relies on coal and coke as both primary energy sources and reducing agents.
- **Direct Reduced Iron–Electric Arc Furnace (DRI-EAF):** A mid-range pathway that utilizes a combination of natural gas, coal, and electricity.
- **Electric Arc Furnace (EAF-Scrap):** A secondary production method that uses recycled scrap and electricity; it represents the least carbon-intensive route and is critical for circular economy goals.



SCOPE & BOUNDARIES

This assessment covers clients operating in the iron and steel sector, with total outstanding loans amounting to **\$28.7 million** as of December 31, 2024. This sector accounts for 0.3% of Banque Misr's carbon-intensive sectors in large corporate lending portfolio. All these clients are classified under the business loans asset class. The calculations encompass **Scope 1, 2, and 3 emissions**.

RESULTS

Financed emissions associated with outstanding loans in the iron and steel sector totaled **142,726 mtCO₂e**, covering Scopes 1, 2, and 3. **Scope 1 and 2 emissions** account for approximately **28%** of this total, primarily driven by direct combustion activities and iron reduction processes. **Scope 3 emissions** represent **72%**, as they capture the upstream impact of raw material procurement.

Scope 1
36,134 mtCO₂e

Scope 2
4,453 mtCO₂e

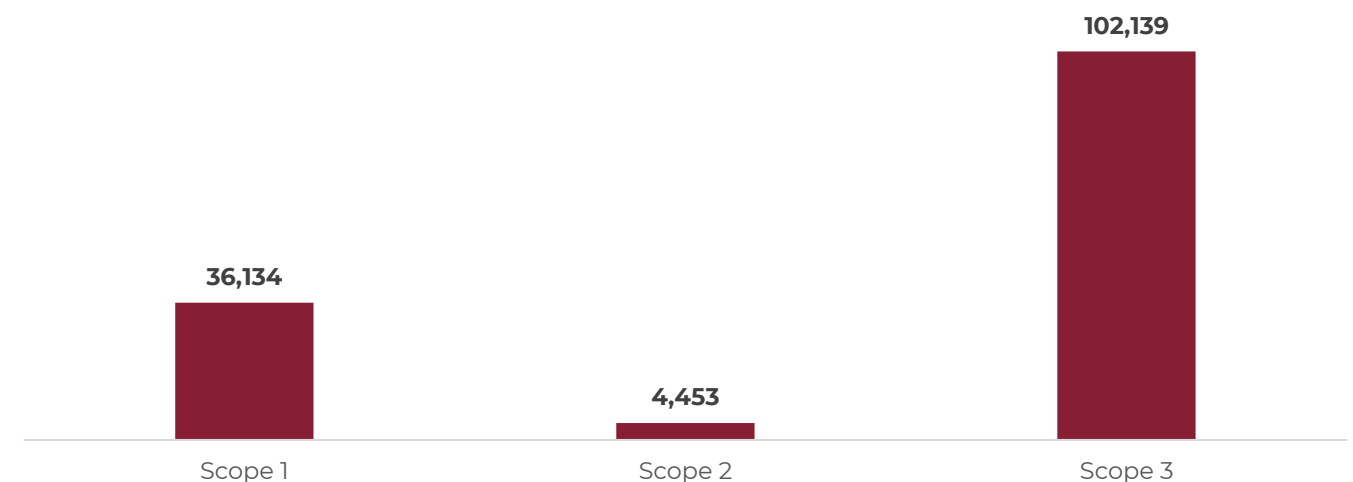
Scope 3
102,139 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)
142,726 mtCO₂e

Scope 1 + 2 Intensity
1,416.17 mtCO₂e/\$M lent

Data Quality Score as per the PCAF
4.00

Iron & Steel Emissions per Scope (mtCO₂e) | 2024





CEMENT SECTOR



SECTOR INSIGHTS & TRENDS¹⁰

The cement sector remains a primary driver of industrial emissions, primarily due to the high-heat requirements of kiln operations and the chemical release of CO₂ during clinker production. Decarbonization efforts are currently focused on four key levers: **clinker substitution** with supplementary cementitious materials (SCMs), the use of **biomass and waste-derived fuels**, **waste heat recovery (WHR)** systems, and the eventual deployment of **CCUS**.

NATIONAL LANDSCAPE¹¹

The Egyptian cement sector represents a significant segment of the national economy, though it faces increasing pressure from both domestic energy reforms and international environmental regulations, such as the **EU's Carbon Border Adjustment Mechanism (CBAM)**. In alignment with **Egypt's Vision 2030** and the **National Climate Change Strategy 2050**, the government is incentivizing the sector to reduce its heavy reliance on coal and petcoke. This shift is being realized through the expanded use of **Refuse-Derived Fuels (RDF)** and the promotion of **blended cement products**, which aim to lower the carbon footprint of the domestic industrial base while maintaining regional export competitiveness.

¹⁰ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

¹¹ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

CEMENT SECTOR

VALUE CHAIN

The cement value chain is categorized into three distinct phases: **upstream** raw material extraction (primarily limestone and clay), **midstream** clinker production and grinding, and **downstream** distribution to construction end-users. The **manufacturing phase** is the most carbon-intensive phase, responsible for the vast majority of the sector's carbon footprint.



SCOPE & BOUNDARIES

This assessment covers clients operating in the cement manufacturing sector, with total outstanding loans amounting to **\$15.9 million** as of December 31, 2024. This sector accounts for 0.2% of Banque Misr's carbon-intensive sectors in large corporate lending portfolio. All these clients are classified under the business loans asset class. The calculations encompass **Scope 1, 2, and 3 emissions**.

RESULTS

The outstanding loans for the clients in the cement sector resulted in financed emissions of **73,178 mtCO₂e** including Scope 1, 2 and 3 emissions.

Scope 1 emissions accounted for approximately **84%** of total cement sector emissions, primarily originating from process emissions and direct combustion activities.

Scope 1

61,748 mtCO₂e

Scope 2

268 mtCO₂e

Scope 3

11,161 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

73,178 mtCO₂e

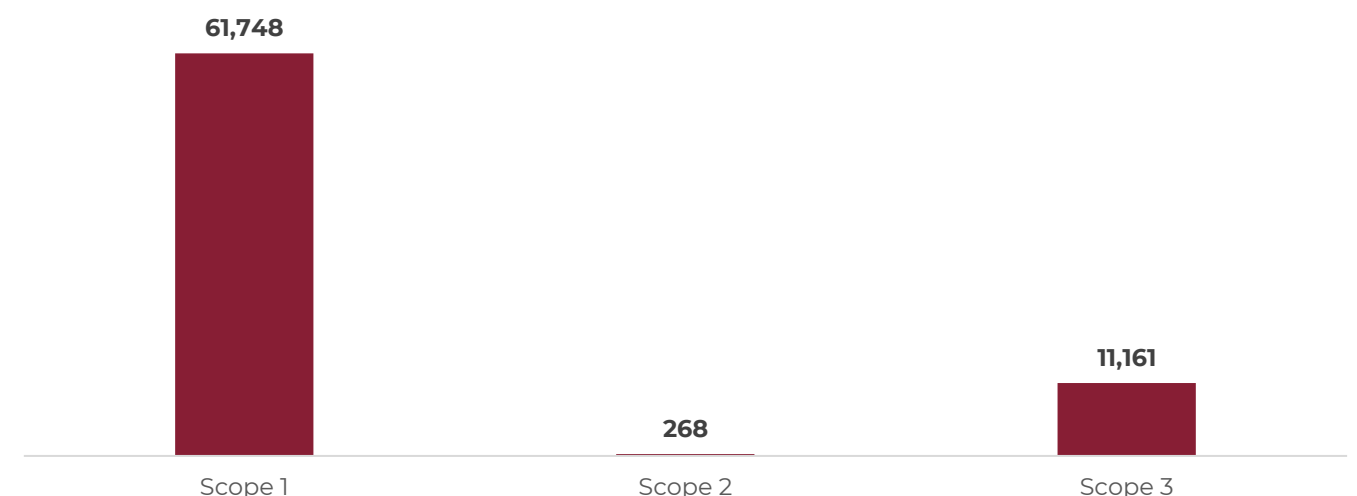
Scope 1 + 2 Intensity

3,888.87 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.00

Cement Emissions per Scope (mtCO₂e) | 2024



AGRICULTURE SECTOR



SECTOR INSIGHTS & TRENDS¹²

Agriculture remains a fundamental pillar of global food security and economic growth, its environmental footprint is substantial. The sector is responsible for approximately **14% of total greenhouse gas (GHG) emissions**, with combined emissions from agriculture, forestry, and other land use (AFOLU) nearly doubling over the last five decades. In the absence of a systemic transition toward sustainable agricultural practices, these emissions are forecasted to follow an upward trajectory through 2050.

NATIONAL LANDSCAPE¹³

Egypt's climate adaptation framework for the agricultural sector focuses on bolstering systemic resilience through the deployment of **efficient irrigation technologies**, the **development of climate-resilient crop varieties**, and the enhancement **of soil management and biodiversity**. This multifaceted strategy extends to the protection of livestock, poultry, and fisheries, while proactively reviewing land-use policies to mitigate risks associated with sea-level rise. Central to these efforts is the empowerment of smallholder farmers through targeted training, cooperative engagement, and the implementation of nature-based solutions.

¹² Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.

¹³ Information in this section are retrieved from Egypt's Second Updated Nationally Determined Contributions.

AGRICULTURE SECTOR

VALUE CHAIN

The agricultural value chain spans upstream input supply (seeds and fertilizers), midstream farm production, and downstream processing and distribution. In terms of emissions intensity, the **midstream production phase** is the primary driver, characterized by high concentrations of non-CO₂ greenhouse gases. Specifically, methane (CH₄) from enteric fermentation in livestock and nitrous oxide (N₂O) from synthetic fertilizer application and manure management represent the most significant carbon-intensive phase.



SCOPE & BOUNDARIES

This assessment covers clients operating in the upstream and midstream Agriculture sector, with total outstanding loans amounting to **\$74.1 million** as of December 31, 2024. This sector accounts for 0.8% of Banque Misr's carbon-intensive sectors in large corporate lending portfolio. All these clients are classified under the business loans asset class. The calculations encompass **Scope 1, 2, and 3 emissions**.

RESULTS

The outstanding loans for the clients in the Agriculture sector resulted in financed emissions of **63,564 mtCO₂e** including Scope 1, 2 and 3 emissions.

Scope 1 emissions accounted for approximately **38%** of total Agriculture sector emissions, while **Scope 3** emissions accounted for **49%**.

Scope 1

24,363 mtCO₂e

Scope 2

8,131 mtCO₂e

Scope 3

31,070 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

63,564 mtCO₂e

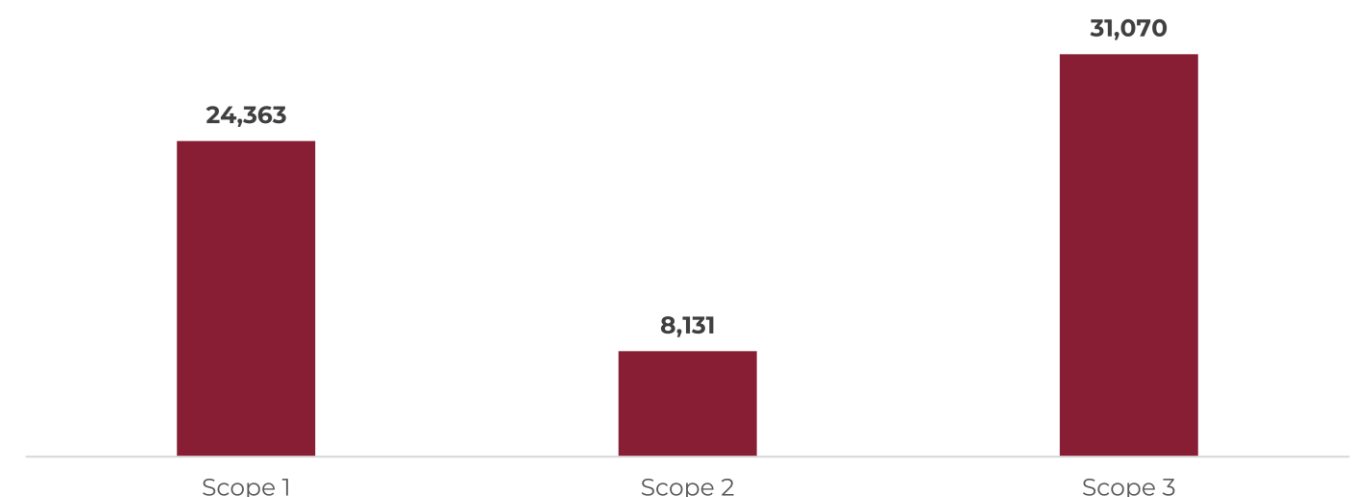
Scope 1 + 2 Intensity

438.69 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.00

Agriculture Emissions per Scope (mtCO₂e) | 2024



04

RESULTS

SUMMARY





RESULTS SUMMARY

Financed emissions are concentrated in the **oil and gas** sector, which accounts for **99.8%** of the total portfolio. These are largely Scope 1 emissions stemming from operational activities such as flaring and methane leakage. Outside of this sector, the highest contributors are **Power Generation** (202,540 mtCO₂e), followed by **Iron and Steel** (142,726 mtCO₂e) and **Construction and Real Estate** (104,061 mtCO₂e). The combined footprint of the **Cement, Agriculture, and Transport** sectors totals 170,603 mtCO₂e.

	Oil & Gas	Construction & Real Estate	Transport	Power Generation	Iron & Steel	Cement	Agriculture
Bank Exposure per sector							
Outstanding loans (\$M)	4,288.9	3,488.5	1,255.5	208.3	28.7	15.9	74.1
Sector % from carbon-intensive sectors within the large corporate lending portfolio	45.8%	37.3%	13.4%	2.2%	0.3%	0.2%	0.8%
2024 Results							
Scope 1 (mtCO ₂ e)	243,179,214	19,997	18,786	152,341	36,134	61,748	24,363
Scope 2 (mtCO ₂ e)	5,173,472	3,498	2,704	20,828	4,453	268	8,131
Scope 3 (mtCO ₂ e)	2,371,253	80,566	12,371	29,372	102,139	11,161	31,070
Total Emissions (mtCO ₂ e)	250,723,939	104,061	33,862	202,540	142,726	73,178	63,564
Scope 1 & 2 Emissions Intensity (mtCO ₂ e/\$M lent)	57,906.58	6.74	17.12	831.16	1,416.17	3,888.87	438.69

Total Financed Emissions

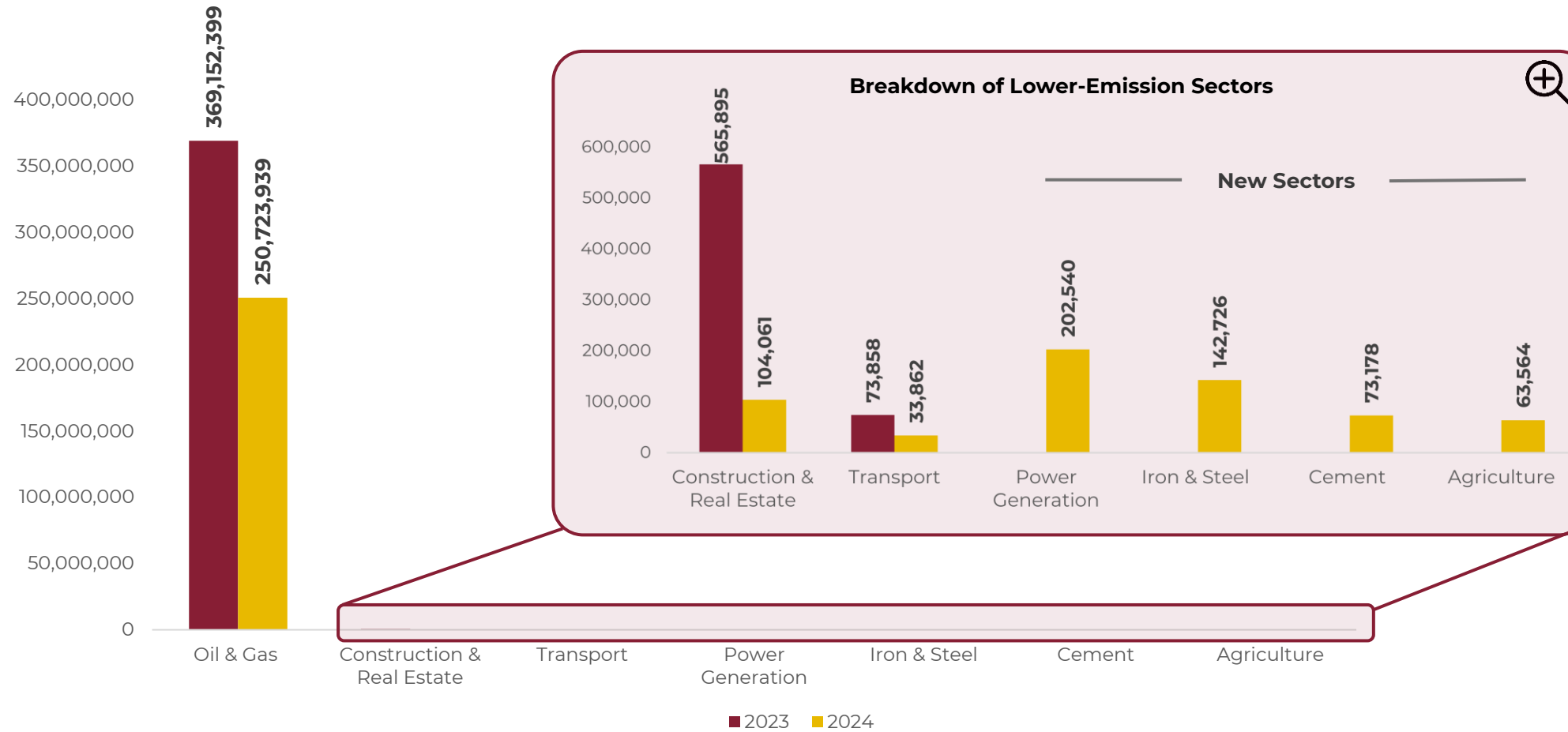
251,343,870
mtCO₂e





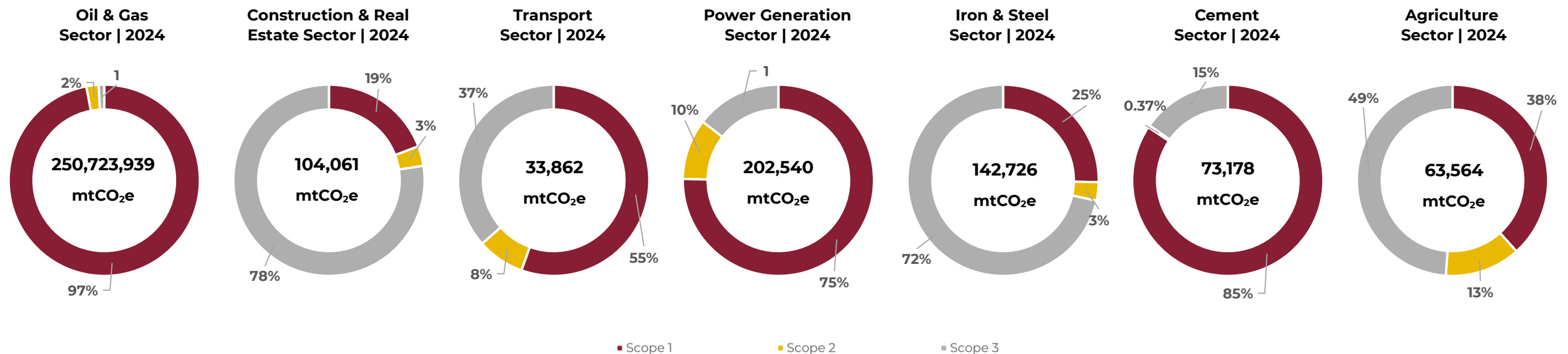
RESULTS SUMMARY

Financed Emissions Per Sector Over The Years (mtCO₂e)



The adjacent chart shows the bank's financed emissions by sector over the years. **Oil and gas** remains the primary contributor, accounting for **over 99%** of emissions in both years. While there was a general decrease in financed emissions in 2024 compared to 2023, this trend is primarily attributed to the devaluation of the EGP against the USD. Because the assessment is based on financial data recorded in EGP, the currency shift significantly impacted the reported totals.

Below are the sector-specific details, with emissions distributed across Scopes 1, 2, and 3.

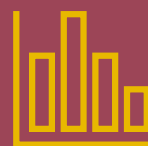


05

WAY
FORWARD



WAY FORWARD



Data Quality Enhancement

A fundamental step in achieving emissions reduction is improving the quality of emissions data collected from clients by obtaining actual emissions figures. However, this presents a challenge, as many of the Bank's clients currently do not assess their GHG emissions. To address this, Banque Misr plans to support its clients in measuring and reporting their emissions in alignment with established standards. This approach will enable the Bank to rely on more accurate data, enhancing the quality of the reported financed emissions.



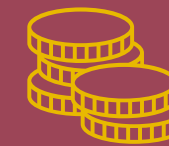
Stakeholder Engagement

Collaboration with stakeholders is essential for financed emissions reduction. The Bank is planning to work closely with its clients, guiding them through their transition toward sustainability. Additionally, Banque Misr aims to engage with industry groups and regulators to build expertise, gain insights, identify effective strategies, and promote best practices in decarbonization.



Client Selection Criteria

Banque Misr is investigating the possibility of prioritizing finance for companies that demonstrate a clear commitment to sustainability through robust transition plans and reduction targets.



Financial Incentives

Provide financial incentives, such as preferential loan terms or reduced interest rates, for projects focused on decarbonization. This approach encourages clients to integrate sustainability into their operations.



Strengthening Risk and Monitoring Frameworks

Banque Misr aims to enhance its risk assessment and monitoring frameworks to fully integrate net-zero objectives and climate risk KPIs. This will ensure that climate considerations are embedded in the Bank's decision-making processes, reinforcing the commitment to sustainable finance.



06

ANNEX





DEFINITIONS AND TERMINOLOGY

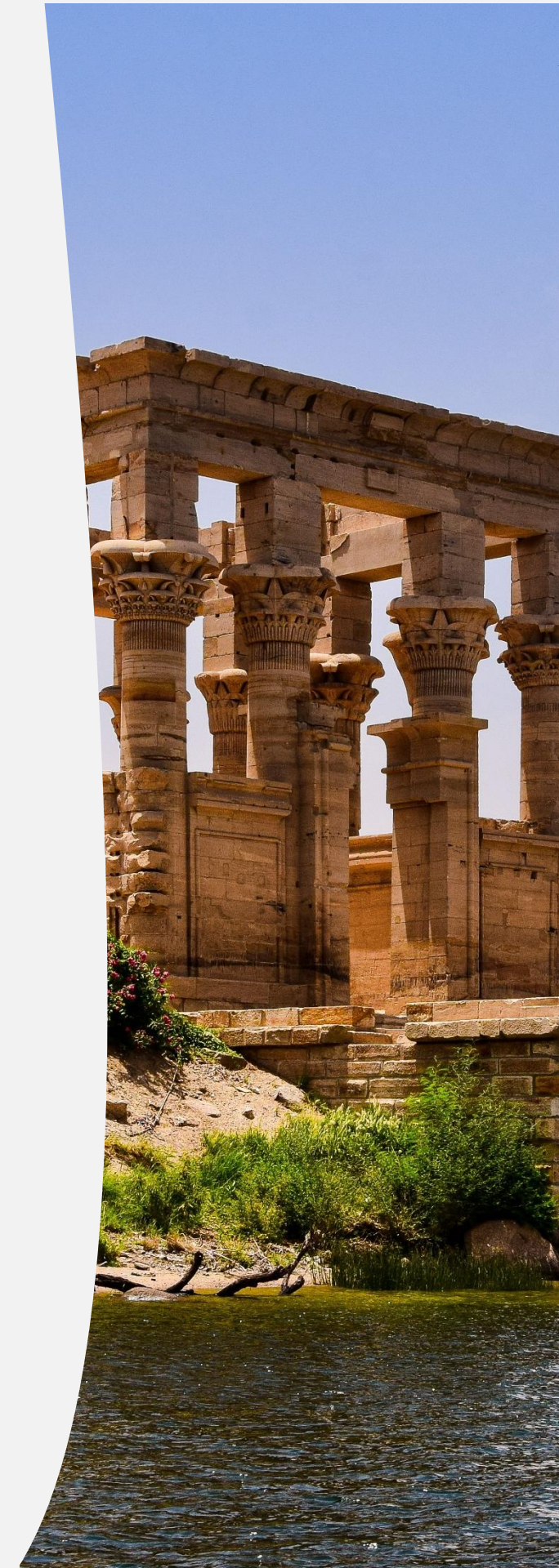
Absolute emissions	Emissions attributed to a financial institution’s lending and investing activity. (Expressed in tonnes CO ₂ e.)
Asset class	A group of financial instruments that have similar financial characteristics.
Attribution factor	The share of total GHG emissions of the borrower or investee that are allocated to the loan or investments.
Base year	A base year is a reference year in the past with which current emissions can be compared. To maintain consistency and comparability with future carbon footprints, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments). If no changes to the boundaries of the inventory happen, the base year is not adjusted.
Business loans	Loans and lines of credit for general corporate purposes (i.e., with unknown use of proceeds as defined by the GHG Protocol) to businesses, non-profits, and any other structure of organization that are not traded on a market and are on the balance sheet of the financial institution.
Carbon footprint	The amount of Carbon Dioxide that an individual, group, or organization lets into the atmosphere in a certain time frame.
CO ₂ e	Carbon dioxide equivalent or CO ₂ equivalent, abbreviated as CO ₂ e, is a metric used to compare the emissions from various GHGs based on their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
Emissions factors	Specific value used to convert activity data into greenhouse gas emission values.
Financed emissions	GHG emissions that occur as a result of financing, including lending and investment activity. These activities fall within scope 3, category 15 of the GHG protocol.
GHG protocol	Greenhouse Gas Protocol is a uniform methodology used to calculate the carbon footprint of an organization.
Greenhouse gases	GHGs are atmospheric gases that absorb and emit radiation within the thermal infrared range and that contribute to global climate change. The seven gases include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃).
Indirect emissions	Greenhouse gas emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity.
Kyoto protocol	It operationalizes the United Nations Framework Convention on Climate Change by committing industrialized countries to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets.
Scope 1	Direct emissions from sources that are owned or controlled by the reporting entity (i.e., any owned or controlled activities that release emissions straight into the atmosphere).
Scope 2	Indirect emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the company.
Scope 3	Indirect emissions resulting from other activities that are not covered in scope 1 and 2. This includes transport fuel used by air business travel, and employee-owned vehicles for commuting to and from work; emissions resulting from courier shipment; emissions from waste disposal, etc.





DATA QUALITY SCORE TABLE

Data Quality (Score 1 = highest: Score 5 = lowest data quality)	Options to Estimate the Financed Emissions		When to Use Each Option
Score 1	Option 1: Reported emissions	1a	Outstanding amount in the company and total company equity plus debt are known. Verified emissions of the company are available.
Score 2		1b	Outstanding amount in the company and total company equity plus debt are known. Unverified emissions calculated by the company are available.
	Option 2: Physical activity- based emissions	2a	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's energy consumption and emission factors specific to that primary data. Relevant process emissions are added.
		2b	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's production and emission factors specific to that primary data.
Score 3	Option 3: Economic activity- based emissions	3a	Outstanding amount in the company, total company equity plus debt, and the company's revenue is known. Emission factors for the sector per unit of revenue are known (e.g., tCO2e per euro of revenue earned in a sector).
Score 4		3b	Outstanding amount in the company is known. Emission factors for the sector per unit of asset (e.g., tCO2e per euro of asset in a sector) are known
Score 5		3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO2e per euro of revenue earned in a sector) and asset turnover ratios for the sector are known.





DISCLAIMER

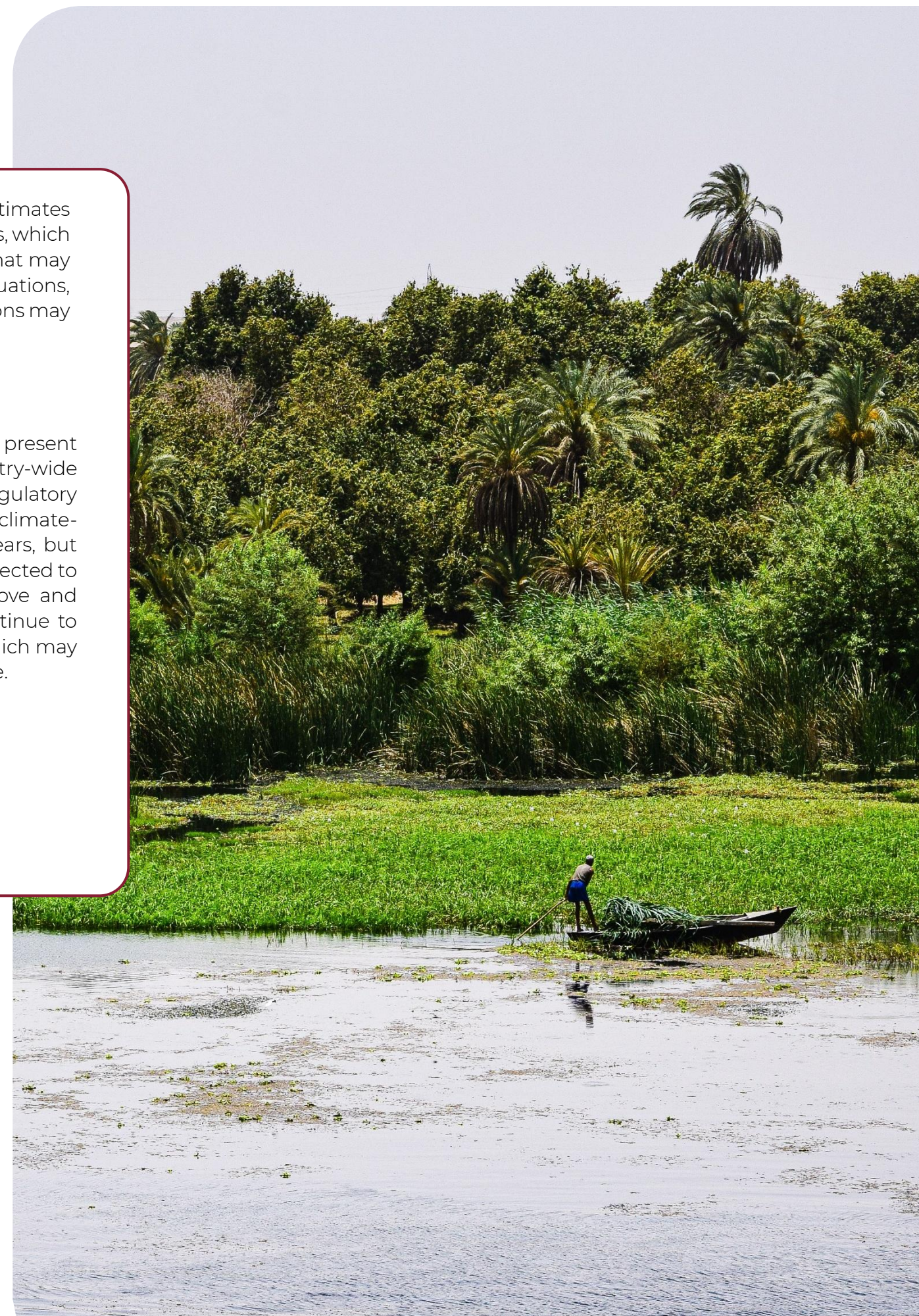
Please note that the analysis and estimation of financed emissions are an ongoing processes. The estimates presented in this report are based on internal bank data and non-financial metrics from external sources, which Banque Misr does not independently verify. These estimates involve inherent risks and uncertainties that may cause actual outcomes to differ significantly from expectations. Factors such as financial market fluctuations, economic conditions in Egypt and globally, market volatility, national policies, and the Bank clients' actions may impact the final results.

Data Quality

The indicators presented in this report are derived from a combination of internal and external data sources, all of which are subject to measurement uncertainties. At present, climate-related data remains incomplete, inconsistent, and lacks universally accepted global standards. However, as more clients adopt climate disclosure frameworks and reporting practices, the Bank anticipates an improvement in the accessibility and reliability of external emissions data. Despite ongoing enhancements, data collection, verification challenges, and the absence of standardized industry-wide measurement techniques continue to pose obstacles to data consistency. Addressing these limitations remains a priority for stakeholders striving for greater transparency

Methodology

Current emissions calculation methodologies present challenges in terms of consistency, industry-wide adoption, and cross-sector replicability. Regulatory guidance and reporting requirements for climate-related disclosures have evolved in recent years, but these frameworks are still developing and expected to stabilize over time. As methodologies improve and data quality advances, Banque Misr will continue to assess their impact on reported baselines, which may result in refinements to calculations over time.





QUALITY ASSURANCE STATEMENT

To Banque Misr's Board of Directors,

We have been appointed by Banque Misr to conduct the financed emissions calculations pertaining to the bank's loans portfolio as of the 31st of December 2024.

AUDITORS' INDEPENDENCE AND QUALITY CONTROL

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behavior. We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

AUDITORS' RESPONSIBILITY

In conducting the financed emissions calculations, we have adopted the Partnership for Carbon Accounting Financials (PCAF) (The Global GHG Accounting and Reporting Standard for the Financial Industry. 2022 "second edition"), and the Greenhouse Gas Protocol Guidelines.

It is our responsibility to express a conclusion about the quality and completeness of the primary data collected/ provided by Banque Misr. We have performed the following quality assurance/ quality control tasks:

- Several rounds of data requests were performed whenever the received information was not clear;
- All data presented in this report were provided by the reporting entity and revised and completed by our technical teams;
- For data outliers, meetings were held to investigate the accuracy of the data and new data was provided when requested;
- Any gaps, exclusions and/or assumptions have been clearly stated in the report.

CONCLUSION

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that Banque Misr raw data used in the carbon footprint calculations have not been thoroughly collected, verified, and truly represent Banque Misr resource consumption in the reporting period related to all categories/aspects identified in this report. We do not assume and will not accept responsibility to anyone other than Banque Misr for the provided assurance and conclusion.

Dr. Abdelhamid Beshara, Founder and Chief Executive Officer

MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E CAIRO,

June 2026






ABOUT MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specializes in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED), as well as corporate sustainability strategies, reporting and certification.

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