



BANK
OF ALEXANDRIA

بنك الإسكندرية

Code of Ethics

February 2010

Bank of  

Our values

Our social and environmental responsibility

Nowadays Banks are required to take on a broader responsibility, which is not limited to the economic effects of their activity. In fact their functions are more and more extended and articulated.

In supplying efficient responses to an ever-increasing range of needs, Banks must prove their complete awareness of the fact that interests concerning not only the “customer” – who must certainly find an appropriate economic response – but also the “citizen” are included in their production cycles and the ensuing products.

These interests are related to the preservation of our natural environment, health, work, and the future, the well-being of the entire community and the protection of the social relations system.

The number of stakeholders with which it must have relations will increase together and in parallel with the range of interests affected by Bank activity.

All the people, both in-house and external, who have a stake in the carrying out of the Bank business, either because they contribute to the achievement of the Bank's mission, or because their well-being is significantly affected, either positively or negatively, by such business, thus sharing part of the Bank's risk, should be recognized as stakeholders.

These people are customers, shareholders, employees as well as suppliers, not to mention the environment itself – or rather the rights those future generations have in this respect – and, ultimately, society as a whole.

Furthermore, Banks find themselves operating more and more frequently in different kinds of areas and dealing with different regulations.

This is why self-discipline is important since, while respecting regulations in force, it establishes higher standards which the Bank intends to respect in the areas in which it operates.

Bank of Alexandria a bank of Intesa Sanpaolo "BA" has therefore decided to draw up its own Code of Ethics "the code" in light of the parent company Intesa Sanpaolo code of ethics, structured as a real “Relations Charter” between the Bank and all its stakeholders.

This code explains the values in which BA believes and to which it commits itself, it outlines the principles of conduct which derive from the context of the relationship with each stakeholder and as a consequence raises the standards which each person, within the Bank, must maintain in order to merit the trust of all the stakeholders.

The values declared in this Code are the expression of BA cultures and backgrounds from which it comes and represents, on the one hand, the “lenses” through which to observe and interpret the various situations, and on the other, a goal to reach, the end of a path, which will characterize its activity over the next few years.

This Code, which is a governance tool, is part of the wider vision of BA social and environmental responsibility and attributes primary importance to relations with its stakeholders. From constructive dialogue with them springs a process that activates a circle of continuous improvement, through listening to requests and balancing them with respect to its strategy.

By publishing the Group's Social and Environmental Report every year, together with transparent reporting of what we shall have achieved, we shall list the requests emerging from the continuous dialogue with our stakeholders and declare the goals we are aiming at. Constant checking of our capacity to provide answers for stakeholders will help us to keep the values that this Code sets out alive and working properly in our company life.

Our mission

The Bank works to provide quality banking and financial services to its customers and activate ways to promote development in all the areas where it operates.

Conscious of the value of the BA activity in Egypt and abroad, to promote a style of growth that is attentive to sustainable results and the creation of a process based on the trust deriving from customer and shareholder satisfaction, a sense of belonging on the part of the Bank employees and close monitoring of the needs of the community and the local area.

The Bank competes on the financial market with a sense of fair play and is ready to cooperate with other economic entities, to reinforce the overall capacity for growth of the economies of the country.

The Bank takes responsibility for prudent savings management; it undertakes to widen the access to credit and financial instruments to everyone, and the sustainable development of the commercial system, being aware that its decisions have important impacts, direct and indirect, on the natural environment and the community.

The Bank wants to contribute to the well-being (not only material) of both by sustaining and carrying out cultural projects and others that are for the common good.

Reference values and principles

BA growth strategy aims at creating solid and sustainable values from economic and financial, social and environmental points of view, built on the trust of all its stakeholders and based on the following values:

Integrity

BA pursues its goals with honesty, fairness and responsibility in the full and true respect of the rules and professional ethics and in the spirit of signed agreements.

Excellence

BA sets itself the target of continuous improvement, farsightedness, anticipating challenges, cultivating extensive creativity aimed at innovation; moreover it recognizes and rewards merits.

Transparency

BA is committed to making transparency the basis of its actions, advertising and contracts in order to allow all its stakeholders to make independent and informed decisions.

Respect for specific qualities

It is the Bank's intention to combine large-scale operations with profound local roots and to be a bank with a broad vision, without losing sight of individuals.

Equality

BA committed to eliminating all forms of discrimination from its conduct and to respect differences in sex, age, race, religion, political and union persuasions, language or disability.

Values of Individual

The value of each single person is a guide for the Bank's routine, which adopts listening and dialogue as tools for continuously improving its relationships with all stakeholders.

Responsibility in the use of resources

BA aims to use all its resources attentively, promote behavior based on the best use of resources and the avoidance of waste and ostentation, and gives priority to choices that take sustainability into account.

Principles of conduct in stakeholder relations

Through this Code, BA explains its values and intends to direct individual behaviors accordingly, being aware at the same time that consideration for social and environmental factors contributes to minimizing exposure to credit and compliance risks and strengthens the Bank's reputation.

In line with the local laws and regulations and the Code of Ethics principles promoted by Intesa Sanpaolo, with which BA complies, the Bank therefore undertakes to:

- Sustain the protection of human rights
- Recognize the principles of labour rights
- Contribute to the fight against financial crimes

BA undertakes to promote, in all of the Bank's branches and in all the territories in which it operates, behaviors that abide by these principles in all its stakeholder relations. The Bank is also committed to spreading the values and principles of this code in companies where it holds minority stakes.

Principles of conduct in customer relations

Listening and dialogue

BA believes that customers should always be at the centre of its attention and that only through on-going dialogue it can truly understand their actual expectations and maintain excellent relations:

- In the development of new products and services the Bank uses systematic dialogue aids in order to understand the suggestions made by customers.
- through dialogue with our customers we can accurately identify their risk profiles, a fundamental starting point to offering advice and financial products that are consistent with their needs. We realize that in so doing we play an important role in assisting investors and providing prudent savings management services;;
- The Bank promptly responds to questions and complaints, aiming for a real and not formal resolution to controversies.

Transparency

BA believes enduring relationships based on trust require communication that allows customers to understand always the features and value of all the Bank's products and services:

- The Bank simplifies the products, make contracts easily understood and reduce possible misunderstandings and ambiguities by providing clear and exhaustive information. The Bank promptly communicates any changes in contracts and the conditions therein.
- The Bank prepares a clear notification through all available channels, thereby saving time for customers.

Equity

BA believes its products and services must be accessible to everyone:

- The Bank does not discriminate against its customers on the basis of their nationality, religion or gender.
- The Bank formulates its offers so that all social levels can find a response to their needs.
- The Bank applies a price policy in line with the quality of service offered.
- The Bank intends to make its branches accessible to disabled persons by eliminating architectural barriers.

Access to credit

BA believes that expanding credit accessibility to the weaker social levels is a fundamental way for social inclusion, enabling people to improve their condition and fully exercise their rights of citizenship.

While considering the principles of prudence in the assessment of creditworthiness, which safeguard not only the Bank's interest but also that of the customers themselves:

- The Bank identifies the possible areas of intervention and as a consequence it widens its range of products and services that support continuously evolving social dynamics better.
- The Bank sustains the development of new enterprises to favor activities having the potential to create previously unexpressed economic and social value.
- The Bank pays special attention to socially-oriented and non-profit ventures, recognizing that their activities represent an important factor in social structure and the promotion of civil rights.

Supporting the development of the country

BA believes that a great bank has a specific responsibility to promote economic and social growth in the country where it operates and to:

- Assist companies in expanding and improving of their competitiveness, and in developing their business abroad.
- Support worthy companies with valid projects, even at difficult times, in the achievement of innovative solutions for reorganizing and restarting.
- Support the public sector and local authorities as far as its role allows, by cooperating without interfering and promoting financial solutions that ensure a long-term equilibrium in view of a growth and modernization that concur to improve the quality of life for society in general.
- Apply the best standards and internationally recognized guidelines so as to assess the environmental and social impacts in the area of project finance, and specifically infrastructure projects.
- Develop new medium-term financing mechanisms to favor innovation and entrepreneurship of those who, though lacking capital, have promising ideas and projects – go beyond providing credit and participate in the risk capital of enterprises to support projects having a high growth potential in new sectors.

Promotion of local economies and strong roots in Egypt and abroad

BA believes that effective support for all the areas where it operates, linking economic results with respect for the fundamental values of local communities, thus the Bank intends to:

- Highly value its relations with local communities.
- Study the evolution of local economic systems to support enterprises in their strategic decisions and direct its policies to support the specific financial needs of economic entities operating in a given area or district.
- Offer its products and services not only as suppliers of credit or capital but also as partners for promotion and development.
- Work closely with individuals and the community with the aim of promoting the best possible development and supporting social and economic progress.
- Promote initiatives with a high social value.
- Develop multi-channels to favor accessibility to its products and services.

Socially responsible investments

It is the Bank's belief that investments must always give more weight to social and environmental criteria and the good governance of companies in order to promote balanced and sustainable development.

Thus BA offers its customers the opportunity to choose products managed according to ethical, social and environmental principles for two reasons: a) to improve their risk/yield profile and b) to activate a process involving the progressive sensitization of customers and the commitment of companies to sustainable behavior:

- The Bank extends its offer with ethical investment instruments
- It intends, as part of its ethical asset management activities, to express its position regarding the decisions of companies in which it invests its assets (active shareholding).

Security and Safety

BA believes that protecting the security of its customers, as well as their assets and confidential information, is not only a primary duty but also the basis of a trusting relationship that it wishes to maintain with them:

- The Bank undertakes to protect persons, their assets and valuables, as well as their wealth of information and internal organizational processes in such a way as to provide a service that completely meets the requisites of reliability, continuity and confidentiality.
- The Bank guarantees constant compliance with the applicable laws and regulations.
- The Bank observes criteria of absolute transparency in informing its customers about their rights to privacy and the way in which it handles their personal information.

Assessment of social-environmental risk

BA believes that its investment decisions and credit policies must also take into account social-environmental risks in as much as a business that produces economic value can be sustainable only if it does not simultaneously destroy social or environmental value:

- The Bank complies with social and environmental standards.
- The Bank excludes financial relationships which support economic activities that contribute, even indirectly, to the violation of basic civil rights or hinder human development, or severely damage the health of persons or the environment.
- The Bank promotes peaceful coexistence, and avoids providing financial support to economic activities that might jeopardize it.
- The Bank gives priority to projects having high environmental and social value.

Principles of conduct in Shareholder relations

BA has adopted the “dualistic system” in which the functions of control and strategic policy, exercised by the Board of Directors, are separate from those of company shareholders represented by the General Assembly.

This model draws a more defined boundary between ownership and management because the Board of Directors acts as a filter between shareholders and the management body, and can therefore respond more effectively than the traditional model to the need for greater transparency and reduce potential risks arising from conflicts of interest.

The multifaceted role attributed by the law and the company articles of association to the Board of Directors emphasizes the detachment of the management and strategic policies from the control function, thereby making it possible to define more clearly the roles and responsibilities of the corporate entities. This also ensures a healthy and prudent management of the Bank.

To strengthen representation on the Board of Directors, the latter is appointed by the General Assembly representing the Bank's shareholders.

The corporate governance system is illustrated in the Annual Reports, available at our web site www.alexbank.com It gives indications regarding the requisites of the members of the Board of Directors and in particular, with reference to the latter, its independence requirements.

Equity

BA acts in such a way that the value of all shareholders' capital invested in the Bank is protected and increased in a sustainable manner.

- The Bank guarantees equal information and the best attention to shareholders, without any discrimination or preferences.
- The Bank believes that the General Assembly Meetings represent a good opportunity to establish a successful dialogue, in compliance with the principle of fair information and regulations regarding price-sensitive information. In this regard, the Bank encourages the widest possible participation in General Assembly Meetings and ensures that voting rights are exercised correctly.
- The Chairman of the Board of Directors presides over and guides the General Assembly Meetings and guarantees the rights of all shareholders

Transparency on the market

All the financial communications of BA, as well as those submitted to the Control Authorities and the parent company, are based on the transparency, exhaustiveness and timeliness of the information, as well as on full respect for the law and the codes of self-discipline adopted:

- The Bank guarantees to shareholders and the financial community in general timely and transparent communication with the intent of providing clear, complete and prompt information on the status of the Bank's implementation of strategies and the results it achieves. In order to guarantee equal information to all its shareholders and the various other organizations affected by the Bank's trends, information is made available through various channels, including its web site which publishes, among other things:
 - Financial statements and External Auditors report.
 - our annual corporate governance report;
 - Information to shareholders on the terms and formalities required for exercising their rights, such as participation in the General Assembly Meetings.
 - Press releases and presentations of corporate results and strategies.
 - Principal corporate documents.
 - Figures indicating the trend of securities on the stock market and the shareholders' structure.
 - Ratings awarded to the Bank by specialized agencies
- In conformity with international best practices, the Bank periodically holds meetings and conferences, with the financial community, both Egyptian and international, in order to reinforce long-term and on-going relations that contribute to the creation of sustainable value.

Remuneration policies for management and staff

Apart from what is envisaged by the Articles of Association, the laws currently in force and the regulations of the Watchdog and Controlling Committees, the remuneration and incentive mechanisms for management and staff are transparent, thus favoring our bank's competitiveness by attracting the best professional skills.

In defining the remuneration and incentive structure, we ensure a central role for the bank's Board. As a result of the new watchdog regulations concerning corporate organization and governance in banks:

- the General Assembly Meeting has been adequately informed with regard to the policies adopted for staff remuneration and incentives; this approves the remuneration policies and establishes the compensation for the Members of the Board of Director;
- The Board of Director has the task of establishing remuneration for top executives and for management in charge of control functions, and approving staff remuneration policies.

As to the criteria applied constantly, the remuneration policy adopted with regard to management is based on equity, on the correlation between remuneration (including the variable components) and responsibilities assumed in relation to the position covered, on merit and on the sustainability of the results. The guidelines for the definition of the management remuneration policy are based on objective parameters and elements deriving from the assessment of job roles, performance and tasks and aim at constituting an integrated system for managing staff and aiding their development.

Our remuneration systems are in line with policies advocating prudent risk management and long-term strategies. We envisage incentivating forms of retribution – also based on financial instruments or connected to company results – which should be congruent with respect to the risk taken and structured in such a way as to avoid producing incentives that are not in keeping with the bank's interests from a long-term point of view.

All the members of the Board of Director receive compensation according to the entire period of their appointment and are not based on financial instruments, nor on incentives connected to economic results. As far as compensation for the Managing Director and management, is concerned, we envisage limits based on an equal balance of fixed and variable components and, with regard to the latter, we apply suitable risk assessment mechanisms aiming at ensuring a connection with effective and lasting results.

The same limit system aimed at adequate balancing between the fixed and variable components form the basis for policies aimed at all staff, including market operators and traders.

We also ensure adequate compensation for those in charge of internal auditing and for the executive in charge of drawing up financial statements, taking into account their responsibilities and the commitment that their role involves.

We apply a limit to the remuneration envisaged in the case of cessation of employment, in keeping with the recommendations of the EC Commission on Remuneration Policies in the Financial Service Sector and with respect to legislative and contractual rules and regulations currently in force. We exclude the distribution of incentives in the case of negative results

Principles of conduct in employee relations

Respect for the individual

BA believes that respect for the personality and dignity of each employee is fundamental for developing a work environment based on reciprocal trust and loyalty and which is enriched by the contribution of each individual, thus the Bank:

- Adopts procedures for the hiring and management of employees that are based on fairness and consistent conduct, preventing favoritism, abuse and discrimination based on gender, ethnic origin, religion, political beliefs or union participation, language, age or disabilities.
- Guarantees equal opportunities for professional development and growth, access to training programs, and the assignment of job positions.
- Acknowledges the possibility for all employees to express individuality and creativity in their job and the Bank brings out the best in each of them. This gives a push towards innovation and provides an essential contribution to the growth of the Bank.
- Pursues excellence in its results in terms of quantity and quality through commercial deals and budget policies that are targeted, planned and monitored in compliance with the ethical principles of this Code. The Bank respects the professional standing and dignity of all its employees, as well as the singularity of the context in which they operate.
- Pays maximum attention to defining its goals, making them easy to understand and share in order to promote proper and transparent behaviors in its relations with customers.
- Sets up objective and transparent incentive systems that contemplate realistic attainable goals.

- Makes employees' work easier by simplifying the products, procedures and forms of communication and safeguards their health and safety by adopting increasingly effective measures.)
- Promotes policies that make the personal and professional lives of all its employees easier by favoring forms of flexibility and carrying out initiatives for the reconciliation of work commitments with private needs being well aware that the private life of each employee is essential to his/her well-being.

Appreciation and motivation

BA intends to apply fairness, equality and merit in the assessment, rewards, motivation and career development of its staff, thus the Bank:

- Recognizes that the ensemble of relational, organizational and technical skills of each employee is the main strategic resource; the Bank undertakes to protect and bring out the best in them because this is a key factor in maintaining sustainable competitive advantages.
- Adopts systems for assessing the behaviors, skills, know-how and potentialities of its employees according to criteria of transparency and appreciation of their merits in order to reinforce motivation and give fair rewards to incentivate the achievement of excellent results.
- Develops training programs that focus on individual needs in the conviction that listening to the needs expressed by employees is vital in designing training processes.
- Puts each individual in a condition to best interpret their role to favor the on-going improvement of their skills, developing their capacity for teamwork and contributing to the achievement of the Bank's goals.
- Promotes the responsible participation of individuals and asks that they always apply themselves earnestly so that they feel involved in the Bank's growth process, through which they too can achieve their own professional increase.
- Asks employees to cooperate in the responsible use of all the resources they need to do their job.

Listening and dialogue

BA believes that listening and dialogue are the foundation of relationships that generate trust, hence the Bank:

- Promotes the strategic role of internal communication to help employees to participate with more awareness in the life of the Bank.
- Bases communication on criteria of correctness, completeness, simplicity and transparency.
- Develops instruments for sharing information and promotes the discussion of experiences that also favors comparisons and integration among the various territorial entities of the Bank.
- Intends to develop, in those who have positions of responsibility, a specific sensitivity and perceptiveness toward the needs of employees; they are well-informed to appreciate suggestions and differences of opinion as opportunities for the Bank growth and improvement.

Cohesion

Cohesion is the distinctive trait of a community of employees who work well together and are proud to belong to a large Bank.

In order to foster and strengthen the spirit of cohesion in all employees within a strong and shared community the BA will:

- Explain and spread its values, and continuously check their relevance so that all employees can identify with those values.

- Make information available to everyone about the Bank's strategies and goals for sharing the elements that characterize its identity.
- Foster, in those holding positions of responsibility, the capacity to act as guides and referees; their actions always comply with the Bank's ethical principles.
- Adopt management and reward policies that acknowledge and appreciate individual and group contributions to the achievement of its goals.

- Envisage forms of co-participation, even on an economic level, in the Bank's achievements.
- Promote initiatives for building solidarity to support colleagues who are going through difficulties and to pursue socially significant goals.

Principles of conduct In supplier relations

Listening and dialogue

BA believes that behavior based on listening and sharing ideas with its suppliers fosters the on-going improvement of those relationships, reinforcing them and generating reciprocal value through:

- Attitudes based on trust that involve the suppliers in an active role.
- Measuring the level of satisfaction of its suppliers and determining the areas that need improvement, particularly regarding transparency, communication and compliance with terms of payment.

Transparency

BA believes that a clear and transparent attitude contributes to maintaining enduring relationships with its suppliers. The Bank is convinced that integrity is a fundamental premise of these relationships and therefore:

- Choice of suppliers is based on clear and proven criteria through an objective and transparent procedure.
- The Bank is faithful to its policies that base relationships on maximum honesty, especially in the management and conclusion of contracts, thereby avoiding situations of conflict of interest, even potential ones.
- In the specific case of professional consultancy, the Bank bases its decisions on professional and competence criteria and avoids conflicts of interest, even potential ones.
- BA is committed to publishing our policies regarding relations with suppliers

Equity

BA believes that a large bank must be able to manage responsibly the position of contractual strength it wields, thus the Bank:

- Guarantees equal opportunity in the selection of suppliers and commercial partners, taking into account their compatibility with and capacity for the size and needs of the Bank.
- Intends to make sure that the contracts stipulated with its suppliers are based on fairness, especially regarding terms of payment and administrative compliance.

Principles of conduct Regarding the environment

Environmental protection is one of the key dimensions of BA commitment to fulfill its responsibilities.

One of the areas of the Bank's social responsibility is the refusal to waste resources and pay attention to the environmental consequences of its decisions. It is believed that a large bank such as Bank of Alexandria has significant influence in terms of environmental sustainability, particularly in the social and environmental context in which it carries out its operations, both in the short-term and long-term.

This influence is attributable to the consumption of resources and the generation of emissions and waste directly connected to its business activities (direct impact) as well as activities and behaviors which it does not control directly because these have been put in place by third parties, i.e. customers and suppliers, with whom the Bank deals (indirect impact). From this vantage point the Bank:

- Guarantees complete and substantial compliance with legislative provisions regarding the environment.
- Continuously seeks new and effective solutions for the environment, even through the offer of specific products and services to customers and solutions for its suppliers.
- Intends to spread best practices regarding environmental responsibility, through the implementation of local and international principles.
- Is open to dialogue and exchange with all those who represent the “voice” of the environment.

Responsible and efficient use of resources

- The Bank pursues the conscientious consumption of the resources it needs to carry out its business by implementing an environmental management system and actively improving the energy efficiency of activities.
- The Bank endeavors to improve the environment continuously, also by monitoring environmental data and stimulating the awareness of its employees.

Environmental and social responsibility along the supply chain

- The Bank recognizes that its responsibility to the environment and society extends along the entire supply chain and for this reason; it tries to orient the policies of its suppliers and subcontractors towards environmental protection and the respect of human and workers' rights.

- The Bank values suppliers who base their business on environmental and social sustainability and who adopt the measures and instruments needed to minimize the negative impacts caused by their activities.
- The Bank intends to make its suppliers sensitive to adopting a responsible attitude that favors awareness of the environmental, social and ethical risks and opportunities deriving from their activities.

Principles of conduct Regarding the community

Dialogue with associations representing our stakeholders

BA feels that dialogue with associations is of strategic importance for the sustainable development of its business and moreover the Bank:

- Listens to and takes into account observations about its activities expressed by various organizations throughout society.
- Keeps a channel of communication open with associations that represent the interest of its stakeholders, with the aim of cooperating in relation to mutual interests and preventing possible situations of conflict.
- Informs the associations considered to be the most representative of stakeholders and actively involves them in the issues that specifically affect them.

Support to non-profit organizations

By acknowledging the role of non-profit organizations in promoting the fair and cohesive development of society BA intends to:

- Support non-profit and socially-involved entities and develop partnerships to carry out projects that benefit the community.
- Promote the setting up of a network of social entities to carry out initiatives in favor of underprivileged social levels.
- Set up and/or participate in non-profit entities, whose purpose is social utility and community service.
- Favor supplementary welfare programs.

Responsibilities to the global community

Being aware of the fact that worldwide economic, environmental and social balance depends on the integration of local factors, BA seeks to influence the global scenario by:

- Giving utmost consideration to the issue of sustainable development every time it has the opportunity to participate in processes that define macroeconomic scenarios.
- Orienting the policy of its corporate customers and supporting them in their internationalization processes when they find themselves operating in countries with lower standards of social-environmental protection.
- Supporting initiatives for international solidarity.

Support to communities through contributions and sponsorships

BA determines the needs, material and otherwise, of the community and supports them, also through liberal grants and sponsorships:

- In choosing possible areas of intervention, the Bank pays special attention to the observance of its reference values, the merit of the initiatives proposed to it and the importance of the social needs they will respond to among which the appreciation and protection of historical, artistic and cultural heritage.
- By operating according to transparent and accountable procedures and through formalities that prevent any possible personal or corporate conflicts of interest.
- Making sure that its grants are unrelated to the pursuit of commercial interests.

Relations with institutions

BA institutional relations with the State in its various agencies and with international organizations are aimed exclusively at forms of communication for assessing the implications of legislative or administrative activities regarding Bank of Alexandria. Who will respond to informal requests, questions and enquiries, etc and in any event make known its position on significant issues:

- To establish dedicated and authorized channels of communication with all institutional contacts whether they are international, domestic or local.
- To represent its interests in a transparent manner.
- To adopt specific organizational models to combat financial crimes and thereby protect the interests of society and all its stakeholders.
- To actively contribute to the initiatives taken by regulators, supervisory or other institutions and business organizations aimed at the growth, stability and fairness of the banking and financial system.

Implementation and control

Mechanisms for implementing the principles, governance and internal audit

The mechanisms for implementation, governance and control explained here are aimed at achieving the following goals:

- Integration of corporate strategies, policies and procedures with shared ethical principles and values.
- Audit and control over compliance with actions and behaviors with respect to shared ethical standards.

Implementation of the Code of Ethics

The Code of Ethics and any future amendments shall be approved by the Board of Directors of the Bank of Alexandria. The Compliance Division is responsible for updating the Code.

Code of Ethics Governance

Procedures for disclosure, participation and involvement

The Code of Ethics is published on the web site (www.alexbank.com) where it can be accessed by customers and interested parties; it is also available in a section of the Bank's intranet.

A hardcopy of the Code is to be handed over, signed as read and acknowledged by each manager, director, employee and every external collaborator upon their appointment, hiring or the start of a job relationship.

The values and principles that BA intends to affirm through the Code of Ethics shall be conveyed through training activities aimed at achieving consensus on the contents of the Code of Ethics and providing instruments for raising awareness and knowledge about the mechanisms and procedures for translating the ethical principles into behaviors to be implemented materially in daily activities.

In particular training courses will be set up with contents suitable to the job role of each participant and developed according to a process that will complete their professional training and foster their personal growth.

The culture and values of the Code of Ethics will also be developed and circulated by means of all internal communication channels.

The assessment of the performance of those in positions of responsibility will also take into account compliance with the ethical principles concerning relationships with employees.

Procedures for the internal management and control of the Code of Ethics

In BA there is a Group's Internal Code of Conduct that, in compliance with the ethical principles and values of the present Code, defines the essential standards of conduct for managers, directors, employees and consultants in implementing and protecting the values of the Code of Ethics.

The model from which BA draws inspiration is based on the self-responsibility of departments that pursue and defend the reputational value of socially responsible behavior.

BA intends to formulate and implement operative policies for each area of activity having significant ethical and reputational impact.

Every branch/department preserves and guarantees the compliance of their actions and activities with the principles and values of the Code of Ethics.

Every branch/department Manager is therefore directly responsible, within its own sphere of influence, for determining and formalizing the goals as well as the consequent plan of actions and projects to give a tangible meaning to the Principles of Conduct that dictate the Bank's behavior in all of its relationships, even in multi-stakeholder logic.

Moreover each branch/department is responsible for carrying out the line controls in its own area of competence, detecting cases of non-compliance that might occur within its branch /department and reporting them to the appropriate

divisions according to the procedures set up by the bank. Heads of Divisions / Branch Managers, in order to make the principle of self-responsibility effective, shall support the Compliance position in their units. They shall operate within the scope of the Bank's Compliance Policy and in a network of Compliance Officers in divisions / branches. They shall also cooperate with the Compliance Division by identifying the compliance objectives within their own department, managing, monitoring, and periodically reporting on the compliance issues.

The Compliance Division

Supports and advises branches/departments within the Bank and sees to the preparation of effective monitoring procedures to ensure that policies, products and processes comply with the Code of Ethics. To this end, in concert with the assigned divisions, amongst which in particular the Internal Audit, Human Resources, Risk Management, it identifies specific indicators that allow them to assess the achievement of social and environmental goals. These assessments shall be included in a report to guarantee that commitments have been honored. Furthermore it cooperates with the Human Resources Division in the development and spreading of the culture and values contained in the Code of Ethics.

It performs secondary controls for the purpose of determining potential critical issues; it monitors the development of the same, and, in cooperation with the departments concerned, deals with the corrective measures for overcoming said critical issues.

It proposes the appropriate changes to be made to the Code to make it consistent with and current to the Bank's situation. It assures an on-going flow of communication to the Audit Committee, with regard to, compliance monitoring reports, and the handling of unexpected situations.

The Internal Auditing Division

Supervises to make sure the Bank's operations and processes are carried out properly, as well as to ensure staff compliance with the rules governed by the Internal Code of Conduct to protect the value of activities, including those relative to the Bank's ethical commitments and social responsibilities (ethical audit).

It supports the Audit Committee in overseeing compliance with the principles and values contained in the present Code of Ethics. To this end it receives and analyzes reports relevant to breaches of compliance.

The Audit Committee,

in its supervisory role, oversees compliance with the principles and values contained in the present Code of Ethics. It receives a periodical report from the Internal Audit and the Compliance Divisions in order to refer to the Board of Directors, regarding the outcome of auditing, internal adjustment processes aimed at each branch/department and the management of corrective measures. It also receives reports about serious anomalies and non-compliances.

Actions in cases of non-compliance

In cases of non-compliance of this Code, BA shall adopt the consequent measures according to a constructive approach – in cases other than fraudulent conduct or acts committed by the infringement of applicable laws/regulations or contracts – sometimes even establishing training programs to reinforce the sensitivity and attention of individuals regarding compliance with the values and principles declared in the present Code of Ethics.

Reporting cases of non-compliance

Reports of cases of non-compliance with the present Code should be sent by email to hmhamdy@alexbank.com or by regular post to the following address: Bank of Alexandria – 28 El-Gomhoria Street, Cairo. The Bank guarantees that whoever reports a case of non-compliance in good faith will be protected from any form of retaliation, discrimination or penalization, and ensures maximum confidentiality, except in cases otherwise indicated by law.