

A photograph of a person climbing a palm tree trunk in a dense palm forest. The person is wearing a red headscarf and a dark jacket. The background is filled with the intricate patterns of palm fronds, creating a textured and layered appearance. The lighting is dramatic, with strong highlights on the person and the tree trunk, and deep shadows in the surrounding foliage.

**Impact Through Innovation:  
A New Phase of  
Sustainable Growth**



*Palm trees of Kharga Oasis.*



#### Disclaimer

The 2018 Sustainability Report is an outline of ALEXBANK's sustainable business and operations. While ALEXBANK has made every attempt to ensure that the information contained in this publication is accountable and accurate, all information and performance indicated in this publication is historical; past performance is not an assurance of future results.

All Intellectual Property Rights associated with this publication are proprietary.

**Corporate and Registered Head Office\*<sup>1</sup>**  
**Address:** 49 Kasr El-Nile, Downtown – Cairo. Egypt

View “Impact Through Innovation: A New Phase of Sustainable Growth” online. In order to remain true to our values as ALEXBANK, we ask you to please consider the environment before printing this report.

## About this Report\*<sup>1</sup>

Bank of Alexandria (“ALEXBANK”) is an Egyptian Joint Stock Company (S.A.E) and subsidiary of Intesa Sanpaolo S.P.A., performing under the provisions of the Central Bank of Egypt and Monetary Law No. 88/2003. ALEXBANK was established in 1957, and Intesa Sanpaolo became its main shareholder in 2007.

## Editorial Policy

ALEXBANK publishes its second annual Sustainability Report to further cement its incorporation of social development and environmental sustainability dimensions into its core business operations, creating shared value for all ALEXBANK stakeholders, including but not limited to its employees, customers, partners and the communities that host and support the Bank's activities. We are fully convinced that creating long-term value for all our stakeholders is a direct function of doing business sustainably and responsibly. Integrating sustainability principles into our business operations allows us to recognize and respond to gaps resulting from both global and local trends.

like it is common for Intesa Sanpaolo Group, we have chosen society to be the direct beneficiary of all our initiatives, while upholding good governance principles and without compromising the sustainability of the environment. 2018 marks the first year of the CSR & Sustainable Development Office Strategy. Just For the coming three years, we have plans to further increase our efforts towards environmental and social sustainability, wider financial inclusion, further develop our responsible investments and support a variety of local actors active in the arts, culture and preservation of heritage.

## Referenced Reporting Guideline\*<sup>2</sup>

This report is prepared according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards: core option. The content is based on consultations and interviews with stakeholders, reports and audited statements. It covers indicators that are material to ALEXBANK's activities as per the requirements of GRI “core” disclosure areas. Disclosure labels are included in footnotes throughout the report to facilitate the use of the GRI Content Index at the end of the Sustainability Report.

## Scope of the Report Period and Cycle Covered\*<sup>3</sup>

The report covers the fiscal year 2018 (from 1st of January to the 31st of December) and reviews the results achieved with a vision on the future. It describes ALEXBANK's strive towards responsible and sustainable development and management in all its operations. Any efforts described outside this period are indicated in the respective sections.

## Date of Previous Report Sustainability\*<sup>4</sup>

ALEXBANK's first Sustainability Report with the title “Creating Shared Value – Driving Financial Inclusivity Across Egypt” was published on the 31st of August 2018 and covered the year 2017 (from 1st of January to the 31st of December).

## Forward-Looking Statement

The second Sustainability Report by the title “Impact Through Innovation: A New Phase of Sustainable Growth” contains various forward-looking statements about future developments which are based on the current status of ALEXBANK and Intesa Sanpaolo Group's assumptions and forecasts. Subject to any number of predictable or unpredictable risks or challenges, the current outcome, its future development or performance could considerably change.

## For Further Information

Laila Hosny  
 Head of CSR & Sustainable Development Office  
 Email: laila.hosny@alexbank.com  
 Address: 49 Kasr El-Nile, Downtown – Cairo. Egypt

Amina Khalil  
 Head of Social Performance & Reporting Unit  
 CSR & Sustainable Development Office  
 Email: amina.khalil@alexbank.com  
 Address: 49 Kasr El-Nile, Downtown – Cairo. Egypt

Copyright © 2018 by ALEXBANK

1. 102-1  
 2. 102-54  
 3. 102-50 - 102-52  
 4. 102-51

# Table of Contents

A Message from our CEO & Managing Director	8
Behind the Lens: Ahmed Hayman	10
<b>01 About Us</b>	<b>12</b>
<b>02 Reporting for shared value</b>	<b>14</b>
<b>03 Growth for impact: our year in review</b>	<b>24</b>
3.1 Financial Highlights & Position	26
3.2 Our Market Share	30
3.3 Our Economic Value Distribution	32
<b>04 Partners of Success</b>	<b>40</b>
4.1 Engagement Activities & Key Topics Raised	42
4.2 Risks & Opportunities	46
4.3 Topic Boundaries & Materiality Matrix	48
<b>05 ALEXBANK's Code of Ethics</b>	<b>54</b>
<b>06 Good Governance</b>	<b>56</b>
6.1 The Board of Directors	56
6.2 Control Committees	58
6.3 Organizational Structure	62
6.4 Compliance	64
6.4.1 Reporting & Monitoring	
6.4.2 Training & Awareness	
6.5 Social & Environmental Governance	68
<b>07 Risk Management for Sustainability</b>	<b>74</b>
7.1 Responsible Risk Management & Governance	75
7.2 Our Operational Risk Culture	76
7.3 Serving with Impact	77
7.4 ECA: A Digital Transformation	78
<b>08 Our Sustainability Redefined</b>	<b>82</b>
8.1 Creating Shared Value	83
8.2 Framework of Action	84
8.3 Communicating Our Impact	85
<b>09 Creating Social Impact &amp; Value</b>	<b>88</b>
9.1 Ebda3 men Masr	90
9.1.1 Corporate Giveaways 2018	
9.1.2 Ramadan Giveaways	
9.1.3 Qesetna Fi Herfetna	
9.1.4 Exhibitions: Breaking Marketing & Sales Thresholds	
9.1.5 Impact Through Partnerships	
9.1.6 Ebda3 men Masr: A Model for Social Solidarity	
9.2 Community Development Projects	109
9.3 Our Main CSR Contributions	118
9.4 ALEXBANK for ALEXBANK	120
<b>10 Our Commitment to the Environment</b>	<b>124</b>
10.1 Direct Environmental Impacts	125
10.1.1 Energy Efficiency	
10.1.2 Greenhouse Gas (GHG) Emissions	
10.1.3 Paper Consumption & Waste	
10.1.4 Waste Management	
10.2 Indirect Environmental Impacts	128
10.3 Dialogue & Listening	130
<b>11 Financial Inclusion</b>	<b>134</b>
11.1 Microfinance: Serving the Underserved	134
11.1.1 Our Microfinance Portfolio	
11.1.2 Tamkeen: Responsible Micro-lending	
11.2 Our YOUTH Proposition	142
11.3 FinTech for Inclusion	143
11.4 Financial Literacy: Tailored Learning	145
11.4.1 Ask the Expert	
11.4.2 Tamkeen	
11.4.3 The SME Toolkit	
11.4.4 YOUTH	
11.4.5 Women	
11.4.6 Hady Bady	
11.5 Digital Financial Inclusion (DFI)	147
11.6 Agriculture & Rural Inclusion	148
<b>12 Serving with Excellence</b>	<b>154</b>
12.1 Enabling Digitalization, Driving Innovation	154
12.2 Liverpool Football Club (LFC) Cards	156
12.3 Remittances	156
12.4 Beyond Banking	157
12.5 Physical Accessibility	158
12.6 Customer Satisfaction & Privacy	158
<b>13 Strong in Our Diversity: Our Human Capital</b>	<b>162</b>
13.1 Beyond Traditional Benefits	164
13.1.1 Health Insurance	
13.1.2 EduCare	
13.1.3 Children with Special Needs: EduCare & Early Retirement	
13.1.4 Early Retirement Program	
13.2 Women of ALEXBANK	166
13.3 Talent Acquisition, Development & Growth	170
13.3.1 Talent Acquisition	
13.3.2 Training & Development	
13.4 Our Summer Internship Program	171
13.5 Staying in Touch	171
13.6 ALEXBANK's Staff Union	171
<b>14 Our Commitment to Sustainability</b>	<b>174</b>
14.1 Global Report Index (GRI)	174
14.2 The Advancement of the United Nations Sustainable Development Goals (SDGs)	174
14.3 United Nations Global Compact Principles (UNGC)	180
14.4 Equator Principles	181
<b>15 Memberships &amp; Awards</b>	<b>182</b>
15.1 Memberships	182
15.2 Awards	183
Content Index	186
External Assurance Statement	188

## A Message from our CEO & Managing Director<sup>\*1</sup>



Following the launch of ALEXBANK's first sustainability report last year, it is with great pleasure that we present our second edition, which highlights the directions to which ALEXBANK has and will continue to evolve its business, affirming its sustainable and socially responsible nature. In alignment with Intesa Sanpaolo Group and the Global Reporting Initiative (GRI) guidelines, ALEXBANK remains committed to offer its contribution to combat environmental issues and social inequalities, both in the field of finance and beyond. Our Sustainability Report reflects the values we hold at ALEXBANK, all of which place great emphasis on the relationships we have with our customers, partners and community, seeking to preserve the long term welfare of all our stakeholders.

Out of 6,000 listed companies worldwide, Intesa Sanpaolo Group – to which we proudly belong to – is among the top performing banks in sustainably globally. The Intesa Sanpaolo Group Business Plan (2018-2021) not only clearly identifies economic targets, but also sets social objectives

such as financial inclusion, responsible lending, environmental sustainability, social development, and governance. Sustainable and responsible practices remain central to our business approach which, in continuation with tradition, will remain a crucial component of our guidelines and values. Thus, ALEXBANK has welcomed the introduction of the Group's four-year Business Plan and has mirrored it with a CSR & Sustainable Development Office Strategy spanning over the same period, cementing our responsibility towards all our stakeholders including the communities where we operate. We are committed to promoting financial inclusion among Egyptians from marginalized communities, recognizing that this can be an accelerator for their individual as well as the country's collective economic growth. To address this issue, we are constantly developing new products leveraging on the digital technologies we keep developing, also applicable to efficient, affordable and responsible lending and micro-lending solutions. To widen our reach, we are developing tailor-made microfinance products to enable marginalized Egyptians to realize their hopes and dreams.

We reaffirm our commitment to the ten principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labor, Environment and Anti-Corruption and commit to sharing all the available information with our stakeholders using all our primary channels of communication. Since 2014, ALEXBANK has been a signatory of the principles adopting a wide array of initiatives to anchor and align the principles with our strategies, policies and procedures. Throughout the report, it is highlighted how these principles are incorporated into our business, our daily operations and our culture. It is also demonstrated how these guidelines are assisting us in applying a principles-based approach to doing business purposefully, promoting a vision of sustainable growth.

The process and implementation of policies in favor of sustainability are often neglected in traditional business models. At ALEXBANK, we recognize the crucial role these can play in securing the relationships we maintain with our stakeholders including our employees, and in generating posi-

tive impact on communities beyond the spheres of the specific business performed. As such, Intesa Sanpaolo Group ensures their members act ethically and that social and environmental progress remain integral to their policies and daily practices. In 2018, our approach to sustainable development and CSR has led to international recognition of our achievements, receiving the award for "Best Bank for Corporate Social Responsibility in the Middle East" by EUROMONEY, one of the most prominent international magazines in assessing the performance of financial institutions worldwide.

ALEXBANK is introducing new guidelines and key features to promote environmental and social advancement across the country in line with its Code of Ethics. We place great emphasis on enforcing the Egypt Vision 2030, through which the Egyptian government approaches economic, social and environmental welfare nationwide. Over the coming decade, ALEXBANK will be dedicating its efforts to affirm its standing as a successful bank while contributing to the sustainable development of Egypt. Dedication to both the social and environmental spheres, we believe, is crucial to Egypt's future success, –an endorsement, that both ALEXBANK and the Intesa Sanpaolo Group will continue to witness and support endlessly. In this regard, ALEXBANK has received a special recognition for implementing an efficient LED lighting system in seven of our largest premises, supporting the National Energy Efficiency Improvement Project.

Local communities benefit most when the financial institutions they trust and turn to for assistance offer their support to sustainable and socially impactful projects. ALEXBANK believes in making available its financial support to build initiatives that matter, that recognize the value of diversity and enable social and environmental progress. With our creating shared value approach, and in alignment with the national regulators and Intesa Sanpaolo Group, ALEXBANK is consistently embarking on new initiatives to solidify its relationship with partners, while simultaneously supporting different groups of Egypt's diverse landscape with a view to future generations. The

Sustainable Development Goals (SDGs), aligned with the Egypt Vision 2030 and our four year CSR & Sustainable Development plan, continue to pave the way for ALEXBANK, to lead its 175 branches and more than 1.5 million direct customers to economic prosperity without compromising environmental sustainability. Our goal for the future is to continue reducing the environmental impact of our activities, also supporting the community by dedicating specific efforts and funding such as the Sustainable Energy Financing Facility provided by European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), which supports energy saving investments.

It is of paramount importance that Egypt's banking ecosystem realizes the significance of environmentally conscious practices, and our 2018 Sustainability Report is a testimony of the expansion of our efforts towards the affirmation of sustainable development's logics. More than ever, ALEXBANK has been enhancing its sustainability profile by extending its support to sustainable businesses, empowering their growth and development. I invite you to explore this Sustainability Report, as we journey through the practices that reflect our commitment to responsible, sustainable and transparent business, allowing us to create shared value, which helps securing a brighter future to our community.

Thank you

Dante Campioni,  
Managing Director & CEO

## Behind The Lens: Ahmed Hayman

---



From Cairo, to the New Valley and Upper Egypt. A journey to the center of Egypt's most thrilling locations bursting with untapped potential and opportunities.

I was able to meet and photograph generous people who welcomed us with open arms to show us how they are attempting to strengthen and preserve their heritage. So many women, men and children are finding unique ways to turn everyday surroundings that are so often ignored into a craft that can sustain their community and environment.

The people we met were rich in spirit, and simply needed further support to sustain their achievements. ALEXBANK has provided multiple communities across the country with the necessary resources to realize their potential and pursue their goals.

The hope and positivity I witnessed for 10 days was certainly very moving to me. Thank you ALEXBANK for giving me the chance to document such hopeful dreams in the making.

*Ahmed Hayman*

Established as a public institution 61 years ago, ALEXBANK continuously furthers itself without compromising its Egyptian identity. By implementing a sustainable development strategy, ALEXBANK was able to navigate the national economic situation over the past few years without disrupting the functions that benefit its stakeholders and communities where it operates. The Egyptian society remains central to our initiatives and delivering services that enable its welfare will always remain essential to our business decisions.

Intesa Sanpaolo Group, of which ALEXBANK has been a subsidiary since 2007, is a responsible financial intermediary that ensures innovation, creation of new services and financial solutions remain integral to its practices. ALEXBANK is in line with Intesa Sanpaolo Group's four-year Business Plan (2018 – 2021) which prioritizes strong and sustainable value creation, while maintaining a solid capital position and reducing the risk profile at no cost to shareholders. Moreover, ALEXBANK is committed to maintaining its leadership position in Corporate Social Responsibility (CSR) and strictly adhering to national and international standards with regards to social and environmental principles.

Guided by the Intesa Sanpaolo Group guidelines and the Egypt Vision 2030, ALEXBANK continues to serve Egypt and contribute to the Sustainable Development Goals (SDGs). Our business offers tailored products and services to all our 1.584 million customers who are served by 4,509 employees. Our community benefits from one of Egypt's largest distribution networks, with 175 branches and over 375 ATMs across the nation. They also enjoy world-class online, mobile and phone banking services, with a seamless digital access to their accounts 24 hours per 7 days a week. In 2018, we call a total of five fully accessible branches our own, with more accessible branches planned for 2019.\*<sup>1</sup> Furthermore, in the desire to achieve safe and sustainable ALEXBANK branches, and together with all relevant internal stakeholders as well as external consultants, ALEXBANK's 2019 plans include the development of a Sustainable & Accessible Branches Policy to ensure the whole branch network can continue growing inclusively, truly be safe, sustainable and accessible to everyone, thereby ensuring financial inclusion and highest service quality to our existing and potential customers.

**Our Branch Network\*<sup>2</sup>**

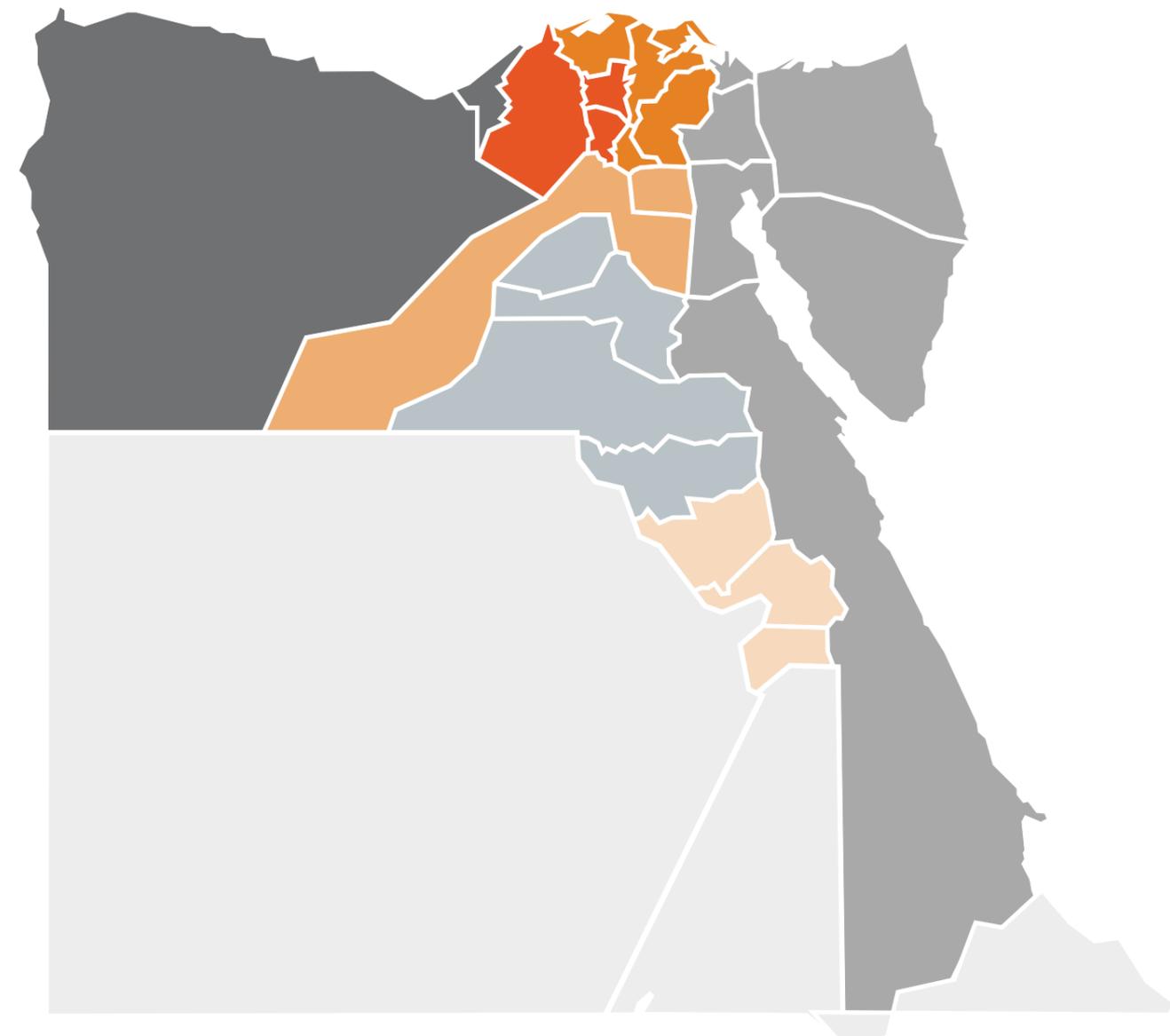
While we have more and more customers connecting with us via our internet and mobile banking services, still a large part of our customers values the experience associated with our branch network staff. ALEXBANK is a personal bank, with deep-rooted relationships of trust between our customers and staff in the branches, and our network has been key in carrying decades-long connections into 2018. This year, we opened three new branches to reach a total of 175 branches across Egypt. In conjuncture with the expansion of our network, we renovated six branches to guarantee a welcoming environment and the best ALEXBANK customer experience.



**Tarek Salah**

Head of Network Department

**“Through our new branches and continuous improvements of the existing ones, in addition to our various alliances with the concerned governmental entities (the General Authority for Investment and Free Zones (GAFI) and the Industrial Development Authority (IDA), we are supporting the growth of the Egyptian economy by extending our support to MSMEs nationwide and the expansion of microbusiness too.”**



**ALEXANDIRA**

Alexandria  
Matrouh

**SOUTH CAIRO**

Cairo  
Giza  
Menoufiya

**NORTHERN UPPER EGYPT**

Menya  
Bani Suef  
Fayoum  
Asyut

**CANAL**

North Sinai  
Damietta  
Ismailiya  
Port-Said  
South Sinai  
Red Sea  
Suez

**WEST DELTA**

Kafr El-Sheikh  
Beheira  
Gharbiya  
Menoufiya

**EL DELTA**

Dakahliya  
Kalyoubeya  
Sharkiya

**SOUTHERN UPPER EGYPT**

Aswan  
Qena  
Luxor  
Sohag

**NORTH CAIRO**

Cairo  
Sharkiya

1. 102-2 - 102-4 - 102-6

2. 102-4

ALEXBANK accepts as true that its investment decisions and credit policies must consider environmental and social risks, given business that produces economic value can be sustainable only if it does not simultaneously destroy social or environmental value. Furthermore, ALEXBANK believes that negative impacts on project-affiliated ecosystems, communities and climate should be avoided where possible and, in the cases, where these impacts are unavoidable they should be mitigated.

Aligned with Intesa Sanpaolo Group's Business Plan (2018-2021), Egypt 2030 Vision and the Sustainable Development Goals (SDGs), ALEXBANK's four-year CSR & Sustainable Development Strategy resulted in a new structure for the CSR & Sustainable Development Office which now directly reports to the CEO & Managing Director of ALEXBANK. By addressing environmental and social issues at a highest management level, the Bank ensures its operations are consistent with this Strategy.

As ALEXBANK continues to progress towards a more sustainable future, this report acts as a tool to highlight the context in which we operate, internal policies and guidelines, past performance, challenges, achievements as well as plans and commitments. Through our reporting practices, we aim to remain in constant dialogue with all stakeholders. Our goal remains to create shared value to all our stakeholders, increase customer satisfaction as well as achieve higher levels of inclusion and equality.

Throughout this report, we reflect on the growing connections between ALEXBANK's three core elements that constitute the foundation of our sustainability:

- A sound system for managing social and environmental impacts and minimizing risks to our economic performance.
- The integration of responsible lending principles into our core business practices.
- Our deep commitment to investing in our employees as the foundation for our success.



*Salsabeel, Um Gana's five-year old daughter, posing in her family's farm in Dakhla Oasis.*

The stories we share are one of our greatest assets. ALEXBANK is extremely proud of all the work and achievements of its beneficiaries. We treasure the inspiration they provide to all of us and we are very keen on sharing these powerful stories with all our partners and clients. Throughout this report you will find photos, snippets and details of many of these success stories that we are so proud to be a part of. We hope they inspire you through text and photos as much as they inspire us in real life.



One of the many women working with Um Gana weaving dried palm leaves.



A peak inside Um Gana's bazaar: woven baskets made by the working women.

## Um Gana

Palm Leaves, Individual Artist,  
Dakhla Oasis, New Valley  
Ebda3 men Masr

600 kilometers away from Cairo and in the heart of the abandoned Islamic touristic village of AlQasr, it is impossible to pass by the glorious abandoned Old Kasr village without paying a visit to Um Gana. What used to be the house of Um Gana's family is now being used as a museum, with a bazaar attached to it. The historic house museum in Old Kasr village allows visitors to imagine how the inhabitants of the village used to live prior to its abandonments.

The bazaar showcases Um Gana's hand-crafted products made of dried palm leaves, a popular raw material used for a wide array of decorative and day-to-day items. Back in 2009, with not more than EGP 300 to invest and the sidewalks of

roads as her display area, Um Gana was selling accessories and traditional embroidery products only. Once her business started to flourish, she cooperated with other women active in traditional local crafts. The women enabled Um Gana to diversify her merchandise, enabling her to increase her profits while making it possible for them to earn an income with the sale of their handmade products.

Today, she works with a network of 20 women from five different villages, to provide them with an opportunity to market for their palm leave products through her bazaar and the exhibitions she takes part in. ALEXBANK's Crafti Exhibition held in October 2018 was Um Gana's first experience with "Ebda3 men Masr".

Through "Ebda3 Men Masr", she encountered a very different kind of customer than what she is usually accustomed to and interacted with new peers. Based on her belief that women must be financially independent, Um Gana is teaching school girls how to make accessories from locally sourced materials during holidays, encouraging them through providing them with an outlet through which they can earn additional pocket money by selling their products. She dreams of having a permanent workshop where women can work for fixed working hours. She is certain that eventually, improvements in quality and higher levels of production will bring about prosperity to her growing network of women bursting with potential.



*A peak inside Um Gana's bazaar: light shining through the shop and its many traditional and hand-crafted products displayed for the village visitors.*



*A group of women working with Um Gana making products using dried palm leaves.*

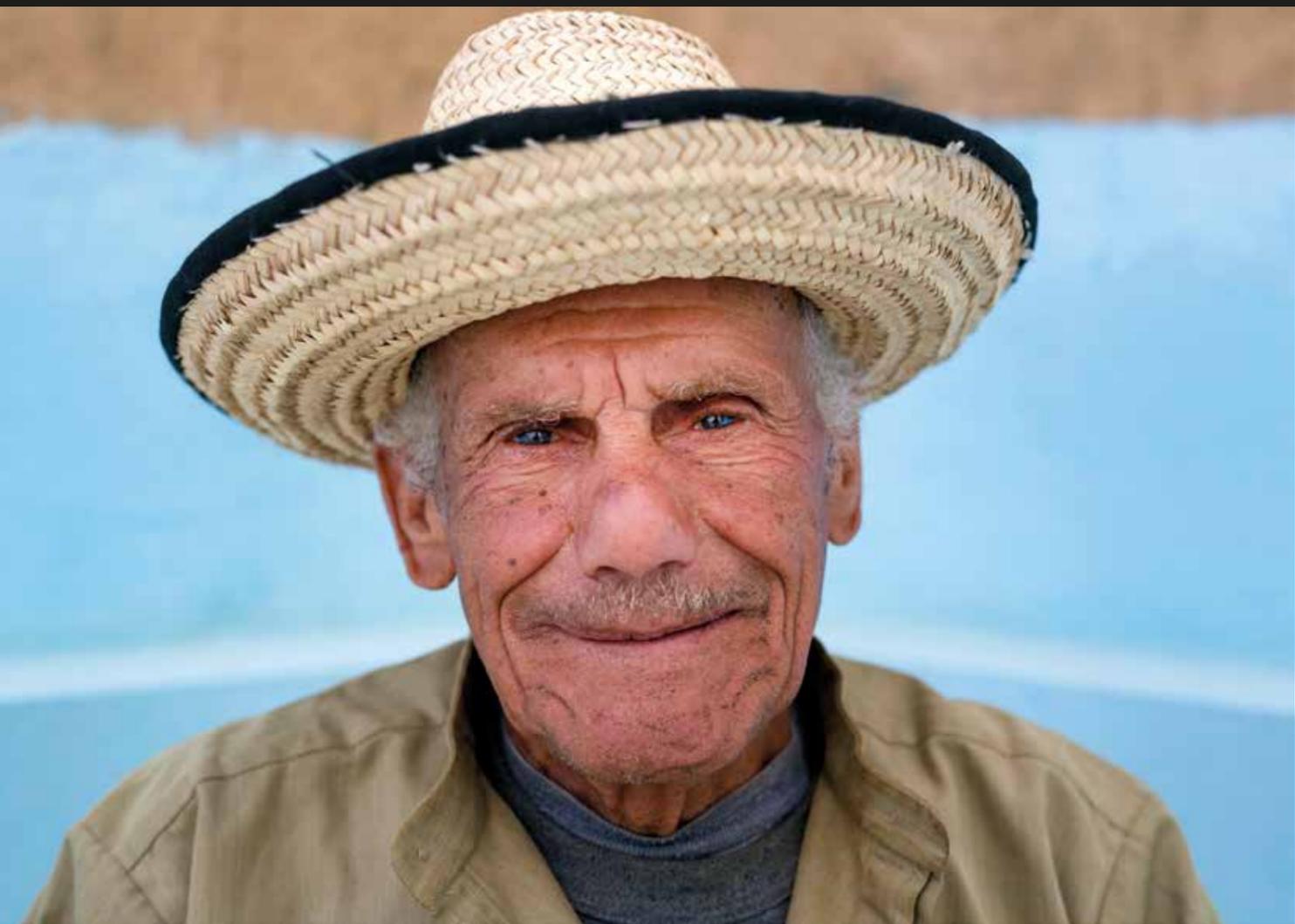


*The abandoned village of Old Kasr in Dakhla Oasis.*

**“I was the only woman who had broken the customs and traditions of the village and traveled for exhibitions, of course with the support of my husband. The exhibitions I attended added so much value to me and to the women who I work with. My goal for the future is to have a permanent workshop where women can earn a fixed income making products at the highest quality.”**

---

**U m G a n a**



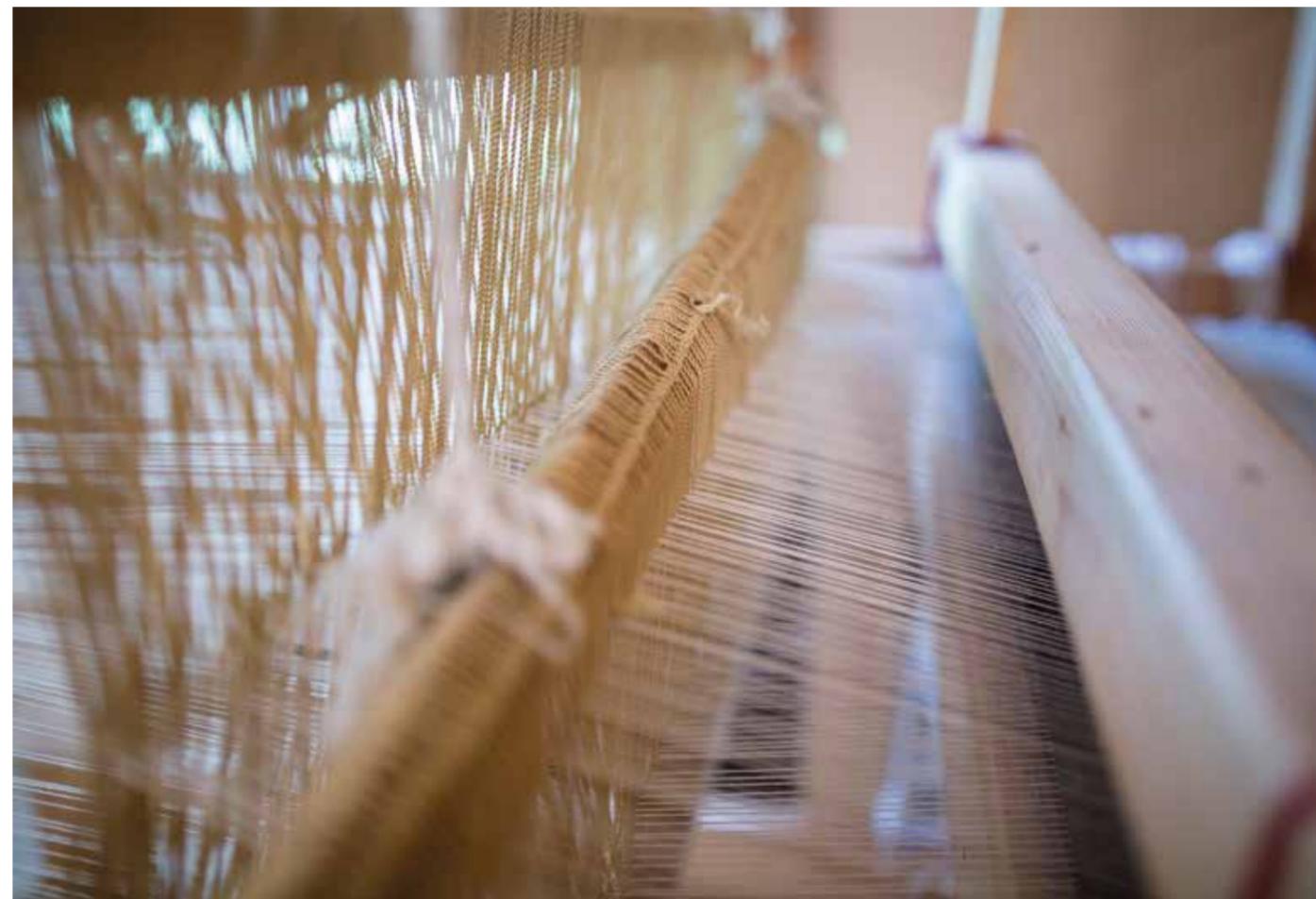
*Um Gana's father-in-law, Hag Mahmoud ElSenousy, a proud resident of Old Kasr village carrying fresh produce that he cultivates from his farm. The hat he wears is made of palm leaves and an old practice by farmers in the area to protect them from the brilliant sun.*

Connecting Egypt and Italy in the past laid the foundations for an exceptional present and a confident outlook to sustainably serving our customers in the future. With 70.25% of ALEXBANK falling under the ownership of Intesa Sanpaolo Group, the Egyptian government maintaining 20% ownership and 9.75% owned by the International Finance Cooperation (IFC), the Bank is equipped with a deep understanding of the national context, needs, challenges, regulatory requirements, a distinctive and profound grasp of international best practices and a solid future vision.

ALEXBANK offers current and savings accounts, deposits, overdraft accounts, loans, credit facilities, financial derivatives, credit cards, and personal and mortgage loans. ALEXBANK also provides companies' mergers, investments purchase, company restructuring financing, and financial instruments, as well as treasury management services. Against a backdrop of a challenging economic situation and a high interest rate environment, the Bank kept a set of commendable results for 2018.

In the fiscal year 2017/2018, Egypt's Gross Domestic Product (GDP) grew at a rate of 5.3% compared to 4.2% in the previous year. Also in 2018, the Central Bank of Egypt (CBE) increased its efforts towards wider financial inclusion, strengthening the resilience of small and medium enterprises (SME) and micro financing. ALEXBANK has embraced these initiatives and capitalized on the resulting business opportunities to provide long term value-added services to all its SME customers. Indeed, ALEXBANK's loans to SMEs active in the industrial and agricultural sectors increased by around EGP 60 million (ca. 8.3%). This was made possible via flexible financing programs designed to cover all financing needs of our customers and innovative non-financial services including advisory, financial inclusion and literacy initiatives.

ALEXBANK's network of 175 branches nationwide remains an important channel linking us to our customers. As a result, in 2018, ALEXBANK crossed EGP 3 billion net profit for the first time.



*Loom threads of a hand-sewed carpet, a new activity introduced in the Oasis, supports the conscious use of resources. These carpets are set to secure an extra source of income for the Oasis.*



**Aiy Wasfy**

Head of Accounting Department

**This year, we accomplished unprecedented results reflecting our commitment and determination to grow sustainably. We place equal importance on considering economic results and maximizing positive social impact to affirm our strong position in the Egyptian Market. The fair distribution of economic value created for all the stakeholders is our primary aim.”**

1. 102-4 - 102-5

### 3.1 FINANCIAL HIGHLIGHTS & POSITION\*1

#### Total Assets (EGP, Million)

2018	95,133
2017	77,697
2016	62,812

#### Net Interest Income (EGP, Million)

2018	5,573
2017	4,862
2016	3,329

#### Net Fees and Commissions Income (EGP, Million)

2018	679
2017	563
2016	436

#### Net Profit before Income Tax (EGP, Million)

2018	3,981
2017	3,685
2016	1,869

#### Net Profit (EGP, Million)

2018	3,025
2017	2,783
2016	1,514

#### Net Loans (EGP, Million)

2018	38,239
2017	32,149
2016	30,000

#### Customers' Deposits (EGP, Million)

2018	78,782
2017	63,537
2016	51,621

#### TOTAL ASSETS

ALEXBANK's total assets reached EGP 95.1 million in 2018, an increase of more than 22% vis-à-vis 2017 (EGP 77.7 million). Balance Sheet volumes displayed noticeable growth compared to December 2017, primarily driven by strong increases in Net Loans to Customers and Customer Deposits. Lending activities have been addressed to create the conditions for sustainable growth through selectively rebuilding and re-balancing the corporate portfolio.

#### NET INTEREST INCOME

Net Interest Income increased by EGP 711 million, a 14.6% jump versus 2017.

#### NET FEES AND COMMISSIONS INCOME

Total Net Fees and Commissions increased by 20.8% (EGP 117 million) year-on-year to record EGP 680 as of December 2019 versus EGP 563 million in the full year 2017.

#### NET PROFIT BEFORE INCOME TAX

The Bank registered an increase in Net Profit Before Income Tax by 8.6% to reach EGP 3.9 million.

#### NET PROFIT AND INCOME

Net profit for the year grew by 8.7% to a record EGP 3 billion. This performance was partially attributed to the surge in Net Income by around 15.3% year-on-year to reach EGP 6.253 billion in 2018. The overall performance was sustained by the healthy growth of our Operating Profit which increased to reach EGP 6.4 billion supported by the continued growth of both Net Interest Income and Fees & Commissions of 21% versus 2017. The increase of revenues from loans to customers has constituted 17% (equivalent to EGP 728 million) of Net Income.

#### CUSTOMER DEPOSITS & NET LOANS

The Central Bank of Egypt initiatives and ALEXBANK's efforts have reflected on our customer landscape:

- Customer Deposits increased by 24% in year-on-year to reach EGP 78.8 billion. The increase in total Customer Deposits volume is attributed to the growth of retail deposits by 26.2% mainly driven by AlexPrime and a 11.5% boost in Corporate Deposits.
- Total Net Loans and Advances (performing and non-performing) increased by 18.9% to reach a total of EGP. 38.2 billion in 2018, mainly driven by an increase in the gross performing corporate loans.

#### NET TRADING INCOME (NTI)

ALEXBANK's NTI decreased by 32.2% to reach EGP 59 million versus EGP 87 million in 2017, mainly due to the EGP 10.5 million decrease in profits from foreign currency exchange.

### Cost / Income (%)



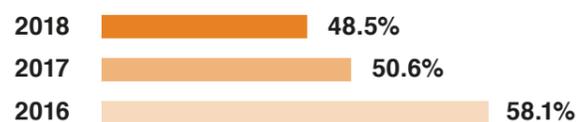
### Return on Equity (%)



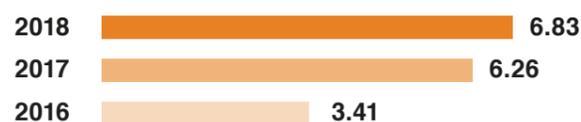
### Return on Assets (%)



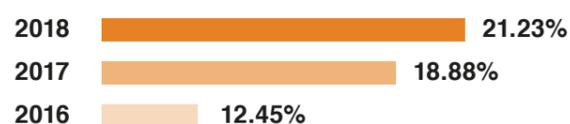
### Loans (Net) / Deposits (%)



### Earnings per Share (EGP)



### Capital Adequacy (Basel II) (%)



### COST TO INCOME

ALEXBANK continues to build-up revenue growth over expenses with a Cost-to-Income ratio reaching 36% versus 32% in 2017. The higher ratio in 2018 is driven by the high cost impacted by higher inflation rates.

### SHAREHOLDERS' EQUITY

Total Shareholders' Equity increased by 17%, equivalent to EGP 1.529 million, due to the following:

- Increase of retained earnings by EGP 1.578 million reaching EGP 7.858 million..
- Decrease in ALEXBANK's reserves by EGP 49 million, affected by the decrease in the net change in fair value of available for sale investments compared to 2018 revaluations.

### RETURN ON AVERAGE ASSETS

The 0.5% decrease is due to the 24% increase in average assets, which is primarily driven by the business activity.

### NET LOANS TO DEPOSITS

Our Net Loans-to-Deposits ratio has slightly decreased year-on-year driven by the enormous growth in loans utilized in CBE placements.

### EARNINGS PER SHARE

Our Earnings-Per-Share rose by 9% to reach EGP 6.83/share.

### CAPITAL ADEQUACY RATIO (CAR) (BASEL II)

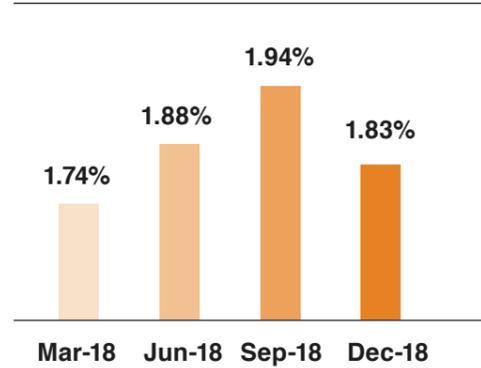
The Bank's liquidity position and capital base are adequate to support its future growth plans, since the CAR increased by 2.4% at the level of 21.2% versus 18.9% in 2017.

ALEXBANK's audited 2018 financial statements can be viewed via this link:<sup>1</sup>

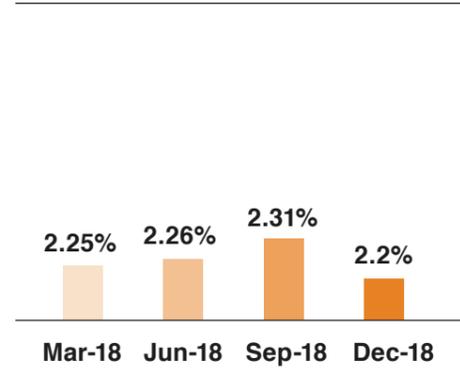
[https://www.alexbank.com/Cms\\_Data/Contents/AlexBank\\_En/Media/pdf/Financial-S/BOD\\_Annual-Report\\_2018\\_English.pdf](https://www.alexbank.com/Cms_Data/Contents/AlexBank_En/Media/pdf/Financial-S/BOD_Annual-Report_2018_English.pdf)

### 3.2 OUR MARKET SHARE

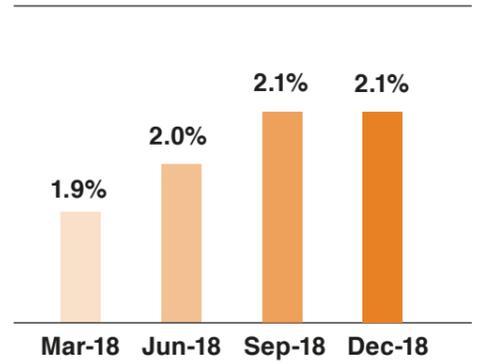
Total Assets (EGP, Million)



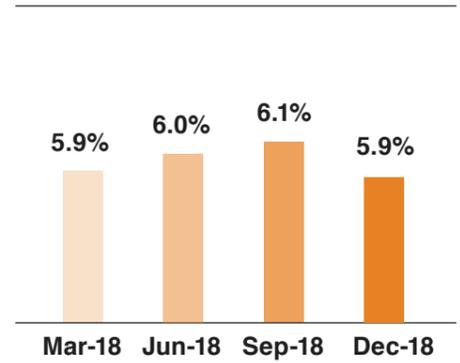
Total Loans (Gross)



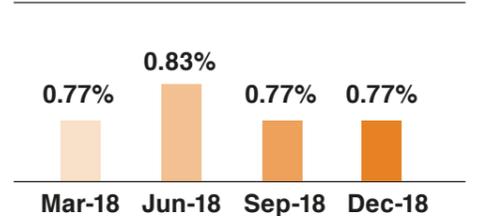
Total Deposits



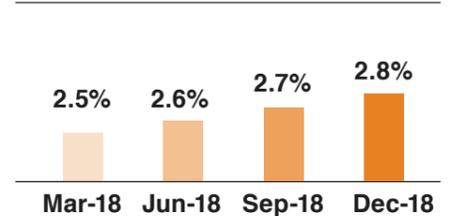
Retail Loans



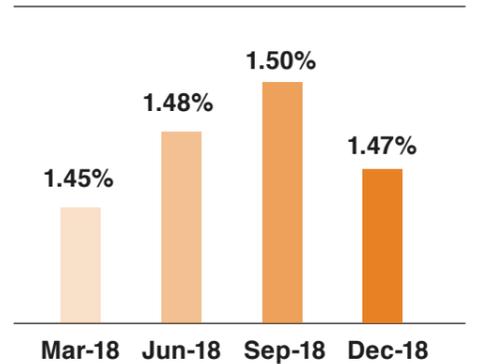
Corporate Deposits



Retail Deposits



Corporate Loans



#### TOTAL ASSETS MARKET SHARE

By December 2018, ALEXBANK's market share of total assets decreased by 0.2% compared to January 2018.

#### TOTAL LOANS MARKET SHARE

Despite an increase in performing retail loans portfolio by 18.1% due to new fully cash covered loans of low cost to the customers, total loans market share dropped to 2.3% by the end of 2018 due to the decrease in the market share of corporate loans to 1.5%.

#### TOTAL DEPOSITS MARKET SHARE

Total Customer Deposits market share increased by 2.1% on December 31, 2018 versus 1.8% in January of the same year.



**Galal Fahmy**

Head of Treasury Office

“Despite challenging economic and political situations in the world, and especially the emerging markets, our division was able to work in harmony with all our internal and external counterparts. Being part of a Group such as Intesa Sanpaolo, strongly asserting its global position while choosing to operate responsibly and sustainably, continues to give me the confidence in our chosen creating shared value approach.”

Loom threads of a hand-sewed carpet, a new activity introduced in the Health and Hope Oasis.

### 3.3 OUR ECONOMIC VALUE DISTRIBUTION\*1

In line with Intesa Sanpaolo Group's strategy, ALEXBANK strives and continues to provide sustainable solutions to its customers, while maintaining responsible lending activities, highest levels of social cohesion and conscious environmental practices.

#### WELFARE OF EMPLOYEES

2018 witnessed an increase of the post-retirement medical benefits by around EGP 143 million, 17.9% more than in 2017. The rise in pension cost was due to the cost of the Early Retirement Plan, reaching EGP 120 million in 2018. Salaries cost increased by EGP 61 million, around 6.7% more than in 2017.

#### CUSTOMERS

ALEXBANK's financing businesses and individuals grew by 18.9% to reach EGP 38.3 billion, with a loan market share of 1.91%.

#### STABLE PARTNER TO THE EGYPTIAN GOVERNMENT

ALEXBANK's operations generated EGP 1.36 billion in corporate, payroll and various taxes. Excluding payroll taxes and contributions, ALEXBANK's payments for corporate income tax and other taxes amounted to EGP 937 million for 2018.

#### GROWTH FOR THE ECONOMY \*1

Supply chain\*2 impacts on sustainability, environmental footprint and creating shared value performance can be significant. ALEXBANK's indirect impact on the stability of its operations and jobs of its suppliers can be measured by the EGP 1.1 billion allocated for local procurement in 2018. Following the Procurement Department's success to transform into a strategic business partner over the past few years, in 2018, the Department took far-reaching steps to further raise the bar for its standards. We currently do not have a supply chain, which does not hinder us from improving the quality of our vendors' management process by including more vendors and enhancing the relationship with new and existing suppliers through regular meetings to discuss the market, new products and services.

We are using the database comprised of all our 180 vendors and suppliers mostly located in Egypt. This database was created within the Procurement Centralization Project in 2017 which had as purpose allowing efficient interactions with all our suppliers. Furthermore, we were able to see direct positive results of the new procurement structure that was approved in late 2017, which ensuring the alignment of all our procurement practices with the Code of Ethics.

#### SUPPORT TO THE COMMUNITY

In 2018, the team responsible for CSR and Sustainable Development initiatives grew to nine members after having been a trio for the past two years at least.

#### Impact in Numbers:\*1



The hand-sewn carpets are close to see the light and be placed in the Oasis rooms to welcome the visitors.

1. 204-1  
2. 102-9 - 102-10  
3. 401-1

1. 102-6

## Faiza AbdelKhalick

Founding Member, Friends of Children with Cancer,

Wadi El Natroun, El Beheira,

Health & Hope Oasis Education Kitchen Project

Faiza Abdel-Khalick is a key person at the Health & Hope Oasis sanctuary in Wadi El Natroun, whose smile never escapes her face. The sanctuary spread over a 50-feddan large farm aims to alleviate the effects of harsh experiences on children undergoing cancer treatment and their families. Faiza believes that to truly help children, entertainment and psychological support are as important as the medical treatment.

A key feature of the wellness aspect provided by the Oasis is a rich and balanced nutritional program, which plays a crucial role in promoting health and supporting recovery of the cancer patients and their families. In this light, ALEXBANK contributed with a new kitchen in which fresh, home cooked meals will be made for everyone to enjoy. In the future, Faiza looks forward to accommodating more families. Being a force behind reaching higher rates of cured children with cancer in Egypt is her biggest hope.

**“Our dream is to make this place a hub for recovery for everyone who comes to us.”**



Children and their families along with the Oasis team members at the end of a day filled with games and activities.

## Siham Samir Fawzy

Head of Child and Family Program,

Care with Love NGO.

(A partner of Friends of Children with Cancer)

Health & Hope Oasis Education

Kitchen Project

**“Our goal is to make the families feel at home with us. We offer psychological care and entertainment activities in addition to awareness activities targeting mothers who contribute directly to their child’s healing process. We want them to reclaim their hope.”**



Live moments of a normal day for the Oasis visitors.

“The Oasis makes me feel home, we do not suffer here.”

Um Ismail

Mother of four children

diagnosed with cancer

Health and Hope Education

Kitchen Project

“I have been coming here for a long time. I like everything about the Oasis, especially how we are being taken care of. The Oasis makes me feel home, we do not suffer here. I have learned so much about nutrition and hygiene and how they affect my children’s state of physical and mental being.”



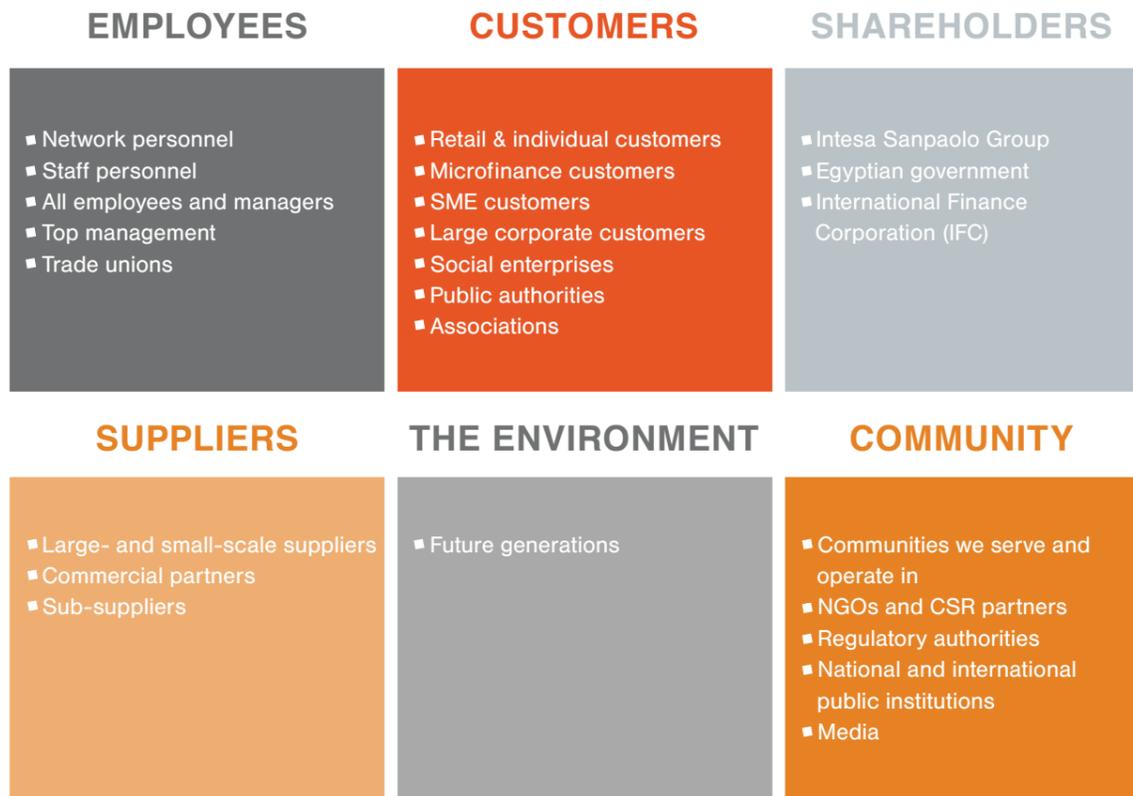
Um Ismail with three of her children diagnosed with cancer.



*Beautiful greenery showing through the window of the Health and Hope Oasis kitchen, which will be opened in 2019.*

With a growing business and wider outreach of our services, our direct and indirect impacts grow in magnitude. An integral part of our approach to sustainability is the relationship we maintain with all our stakeholders, which is built on trust, CommUnityShip and shared value. Ongoing dialogue and engagement activities, directly through listening actions and emails as well as indirectly through the analysis of reports and documents, allows us to address these impacts and identify areas of priority with all our stakeholders. Each function in the Bank assesses its needs and acts accordingly in respect to the dialogue it establishes with all its stakeholders. Internally, the dialogue also takes place between all functions and their respective governance bodies in charge of their supervision in accordance to ALEXBANK's policies and the influence and significance of each arising matter. The basis for identifying and selecting stakeholders with whom to engage and not to engage varies depending on new emerging matters and regulations, changes in our strategy, and the launch of new products and /or services.

**STAKEHOLDER MAP**



1. 102-40 - 102-42



*The daughter of Safaa, one of many women receiving assistance for a microproject within our Tamkeen Integrated Village Development Project in collaboration with Khair wa Baraka, NGO. Her daughter also frequents the project nursery in the village.*

#### 4.1 ENGAGEMENT ACTIVITIES & KEY TOPICS RAISED\*<sup>1</sup>

Continuous communication ensures we deliver on our objectives, meet all expectations and respond adequately and timely to all opportunities and challenges. Our engagement is often via regular reports and site visits but embraces other channels and activities outlined throughout this report.

A major step in our multi-stakeholder consultation for this report encompassed three engagement workshops held in the presence and participation of ALEXBANK's management and representatives from all functions to collect their insights on material areas. These workshops were structured around their feedback on how our 2017 Sustainability Report presented their respective functions, how it affected the way they perceive ALEXBANK, what synergies they deemed important to cultivate, which aspects they believed needed further strengthening, how ALEXBANK's sustainability efforts and plans have been mirrored in their day-to-day operations during 2018, and what were their plans for the future of ALEXBANK.

The management team, in attendance of the Bank's CEO & Managing Director, CRO and COO highlighted the significance of sustainability reporting as a main initiator and driver of dialogue. The underlying themes of many discussions revolved around main risks, challenges and opportunities essential for our business continuity and operational success. Main aspects of the engagement activities, stakeholder categories and topics covered are summarized below.



*"The grocery shop helps me cover for my children's education expenses. I do not want them to drop out of school and envision a future in which this grocery shop turns into a full-fledged supermarket."  
- Safaa*



*A panoramic view of the Ghonymiah village in Edfu captured from the rooftop of a local NGO within the scope of Tamkeen project.*

1. 102-43 - 102-44

 Channel of Communication

 Frequency

 Issues Covered & Raised

EMPLOYEES

- In-person and online trainings
- Company intranet and email
- Face-to-face meetings
- Performance reviews
- Employee engagement events
- CLOSER and other periodical internal communications
- Surveys on priority topics

**DAILY**  
**WEEKLY**  
**MONTHLY**  
**QUARTERLY**

- CommUnityShip
- Learning and development programs
- Tailored career development plans
- Diversity and Human Rights aspects
- Transparent performance appraisal processes
- Accessibility of offices to colleagues with special abilities
- Health & Safety
- Work-life balance and employee wellbeing
- Various compensation and benefits programs
- Intesa Sanpaolo talent program
- Full-time job opportunities for outsourced personnel

CUSTOMERS

- Customer satisfaction surveys and calls
- Customer service hotline
- Marketing campaigns
- Help desk tickets
- Social media

**DAILY**  
**WEEKLY**  
**MONTHLY**  
**QUARTERLY**

- Enhancing customer financial education and access to credit
- Protection and responsible management of savings
- Cyber security
- Transparency and accountability
- Social inclusion of specific segments of society (youth and women)
- Expansion of microfinance services to more businesses, individuals and sectors
- Electronic Credit Application (ECA) digital platform with the objective to reduce the "Time to YES" (approve) and "Time to CASH" (disburse)
- New digital services
- Development of non-financial advisory services, including the SME Toolkit in the ALEXBANK Business Passport
- Individualized advisory services for business customers
- New maintenance plan for ATMs and digital services
- Accessibility of branches to customers with special abilities
- New Customer Relationship Management (CRM) reducing time associated with handling customer complaints

SHAREHOLDERS

- Board of Directors meetings
- Board Committee Meetings
- Policies and circular communication
- Regular reports on ALEXBANK's performance
- Delegations
- Quarterly meetings at Headquarters
- Direct calls and meetings

**MONTHLY**  
**QUARTERLY**

- Compliance to rigorous national laws, Intesa Sanpaolo Group rules and international principles
- Integrity
- 2018 growth, value and profitability indicators
- Corporate governance and transparency
- Timely disclosures
- Adherence to international best practices
- Ventures into the agricultural and industrial sectors
- Environmental and social guidelines, due diligence and management system (indirect environmental impacts)
- Application of ESG criteria and standards
- Direct environmental impacts
- Health & Safety matters
- Employee wellbeing
- Quality and innovation in customer relations

SUPPLIERS

- Face-to-face meetings and direct calls.
- Communication of updated policies or requirements from the Bank

**DAILY**  
**WEEKLY**  
**MONTHLY**  
**QUARTERLY**

- Integrity in corporate conduct
- Alignment with new Group Procurement Rules
- Direct environmental impacts
- Relationships with contractors and subcontractors
- Labor practices
- Expansion plans
- Long term partnerships
- Sustainability requirements

THE ENVIRONMENT

- Directly via email published on the ALEXBANK website encouraging dialogue on environmental and social matters related to ALEXBANK's business activities.

**DAILY**  
**WEEKLY**  
**MONTHLY**  
**QUARTERLY**  
**ANNUALLY**

- Alliance with global Sustainable Development Goals (SDGs)
- Implementation of ALEXBANK's Social and Environmental Management System (SEMS)
- The implementation of Equator Principles
- Energy Efficiency and resource consumption issues directly impacting the environment

COMMUNITY

- Regular meetings
- Field visits
- Capacity building trainings
- Partnerships and collaborations
- Industry associations
- Participations in advocacy forums
- Press conferences
- Membership of government-affiliated councils and committees

**WEEKLY**  
**MONTHLY**  
**QUARTERLY**

- CSR & Sustainable Development Office Strategy (2018-2021)
- Amendments in the microfinance product catalogue to accommodate underserved segments of society
- New microfinance units and branches in Upper Egypt to expand reach to underserved segments of the population
- Specialized training for marginalized entrepreneurs
- Projects directly addressing community needs
- Local in international Exhibitions and trade fairs serving supporting "Ebda3 men Masr" artisans
- Capacity building programs
- Partnerships with leading NGOs
- Financial inclusion and literacy initiatives
- Agricultural and livestock development activities

## 4.2 RISKS AND OPPORTUNITIES\*<sup>1</sup>

Together with insights gathered from our stakeholder engagement sessions, topics presenting risks and/or opportunities have been identified and presented according to the GRI standard matrix.

Topics	Risks	Opportunities
<b>FINANCIAL INCLUSION</b>	The presence of a large, highly dynamic informal sector undermines our capacity to monitor and accurately forecast economic activity.	Large unbanked segments translate into a huge untapped market with significant prospects for growth.
<b>DIGITALIZATION</b>	The rise of digitalization is expected to disrupt traditional banking services in unprecedented ways.	Digital transformation permits us to widen our customer base, deliver better services, improve work flows, and increase customer satisfaction.
<b>CYBER SECURITY</b>	While online banking is convenient, it has potential negative impacts on the privacy of financial information globally.	ALEXBANK is keen to apply customer protection principles to decrease financial and reputational risks. Introducing new ways to educate our customers on how to detect security breaches, while simultaneously providing them with reliable channels through which they can seek assistance is the foundation for a sustainable trust relationship.
<b>CLIMATE CHANGE</b>	With largely uncertain implications, a changing climate presents the most challenging risk. With boundaries beyond anything familiar, all sectors are expected to suffer.	The financial sector has the potential to mobilize resources that support measures to mitigate climate change, as well as increase the resilience of communities around the world. The incorporation of ESG criteria not only results in lower levels of negative environmental impacts, but also long-term financial sustainability.



*Fresh bread rolls ready to be baked by Mona, one of the women benefiting from the microproject support under Tamkeen.*



**Dureen Shaheen**

Head of Information Security Department

**“Protecting our customers is our priority. In line with Intesa Sanpaolo Group’s Business Plan for 2018-2021, ALEXBANK’s resilient cyber-security strategy spans through all corporate bodies and functions and is one of our core business goals. We remain committed to constantly improving the efficiency of our information security program by integrating global and local regulatory compliance requirements.”**

### 4.3 TOPIC BOUNDARIES & MATERIALITY MATRIX \*1

The collective information is the base for defining this report's content, its various sections, and the topic boundaries to ensure implementation of the reporting principles. Each section of the report was once again presented to the relevant business units and top management for review, verification and/or incorporation of any significant additional input.

It is important to highlight the major challenges that ALEX-BANK encountered and which it has addressed in the past two years. These challenges would be those related to customers in remote and frontier areas and our dependence on our partners in monitoring and evaluation of our community projects due to our limited capacity. In regards to the former, the Bank has implemented rigorous control practices and customer satisfaction efforts which have been key to paving the way for more effective communication with our customers. These efforts are outlined throughout the report; however, it is notable to mention that ALEXBANK's digital re-vamping and the KYC protocol undertakings were essential measures leading to the elimination of any such barriers. To overcome the latter challenge, significant due to the fact that ALEXBANK has one of the largest community development programs and projects among Egyptian banks, site visit, capacity building activities and focus groups have been vital elements enabling us to engage directly with all our beneficiaries. The CSR & Sustainable Development Office has updated its reporting processes and built robust monitoring and evaluation procedures.

The results of our materiality assessment are detailed in the table below as per GRI aspects and their materiality in relation to ALEXBANK. The table complements the summary table above, and includes each aspect's materiality and the aspect boundary for every material aspect. The various indicators reflect the position of the topic on ALEXBANK's Materiality Matrix. To assess the priority of each topic within the context of the Bank, we analyzed the materiality in relation to our goals and the expectations of our stakeholders.

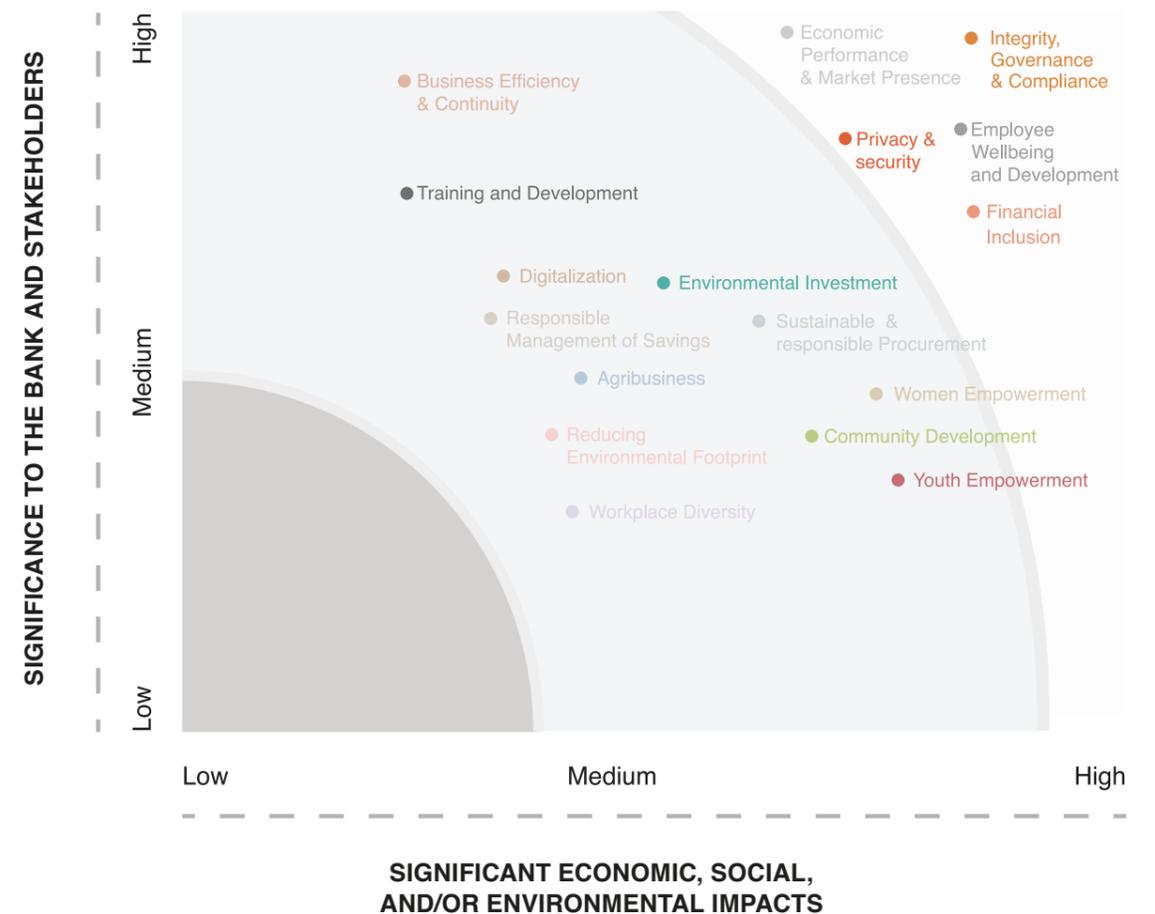


**Heba Iskandar**

North Cairo (2) Area Manager

**“Team work and the exchange of ideas and experiences among the various teams across all branches is a key element enabling us to attain long-term customer satisfaction.”**

2018 MATERIAL TOPICS	Priority	Topic Boundaries
Integrity, Governance & Compliance	High / High	Inside / Outside
Financial Inclusion	High / High	Inside / Outside
Employee Wellbeing & Development	High / High	Inside / Outside
Privacy & Security	High / High	Inside / Outside
Digitalization	High / Medium	Outside
Training & Development	High / Medium	Inside
Business Efficiency & Continuity	High / Medium	Outside
Economic Performance & Market Presence	High / Medium	Inside
Responsible Management of Savings	High / Medium	Inside
Sustainable & Responsible Procurement	Medium / High	Outside
Women Empowerment	Medium / High	Outside
Youth Empowerment	Medium / High	Outside
Environmental Investment	Medium / High	Outside
Community Development	Medium / High	Inside / Outside
Reducing Environmental Footprint	Medium / Medium	Inside / Outside
Agribusiness	Medium / Medium	Outside
Workplace Diversity	Medium / Medium	Inside



1. 102-46 - 102-47 - 102-49

Compared to 2017, the main variations in the Bank's Materiality Matrix are\*<sup>1</sup>:

### 1. Integrity, Governance & Compliance

Remains at equal materiality given the continuous alignment with Intesa Sanpaolo Group policies and the regulatory stability.

### 2. Economic Performance & Market Presence

Just as in 2017, ALEXBANK's economic performance remains its top priority. Sound risk management, responsible asset management, sustainable operations and an expanding branch network resulted in unprecedented net profits.

### 3. Financial Inclusion, Financial Literacy and Access to Finance

Gained momentum in light of the increased national efforts to make banking services more available and accessible to a broader base of the Egyptian population. Under the CBE's 2016 initiative to finance SME's and indirectly create job opportunities, 20% of bank loans were to be allocated to SME's by 2020. ALEXBANK established strong mutual collaborations with governmental and private sector entities in support of this initiative and to provide financing solutions and non-financial support to SME's.

### 4. Responsible Management of Savings

ALEXBANK's incorporation of Environmental, Social and Governance (ESG) criteria into its investment lines is in line with stakeholder's expectations. We have incorporated ESG across our different business segments and into the risk process. The Bank complies with social and environmental standards, Equator Principles and is keen to conform to the strategic objectives laid out in the Egypt Vision 2030.

### 5. Quality & Innovation in Customer Relations

The materiality of this topic remain highly relevant to all stakeholders given its cross-cutting nature and impacts on all stakeholders. The dialogue between us and our customers has evolved and promptness of service provision has decreased through innovation to guarantee a higher level of customer satisfaction without compromising efficiency of operations. Digitalization has allowed further degrees of financial inclusion through e-solutions in collaboration with strategic partners, such as ALEXBANK's internet banking and mobile application.

### 6. Employee Wellbeing & Development

Highly significant. The promotion of Human Rights, diversity and the values in our Code of Ethics continue to guide us in our operations.

### 7. Direct Environmental Impacts

ALEXBANK's efforts towards efficient use of resources, better the management of waste and the improvement of its environmental footprint are pronounced, moving up slightly in terms of materiality.

### 8. Community Development

This topic's materiality last year was cemented by the new four-year CSR & Sustainable Development Strategy (2018–2021) with its three dimensions: economic development, social innovation and education; environmental sustainability; and financial inclusion and sustainable finance.



*Mona, while preparing her home-made bread ahead of selling it to retail shops and neighbors. The oven is annexed to her home.*

1. 102-49



*Mona's daughter watching her mother bake.*

## Um Ziyad

Atelier Project Owner, Assiut

Tamkeen Microfinance

Um Ziyad learnt how to sew from her mother. When she got married, she left her job as a teacher and focused her efforts on sewing. With support and encouragement from her husband, she rented a small workshop, put her mother's old machine to use and the business picked up.

In 2017, she came across information about a training course on business management offered by Al-Nagah NGO.

She underwent a three-day training that taught her the basics of money management, budgeting, costing, and profit/loss calculations. At the end of the training, she received a EGP 10,000 microloan from ALEX-BANK and bought a new sewing machine. In 2018, she received a second 40,000 EGP microloan that allowed her to buy two more machines.

**“In 2017, I came across information about a training course on business management offered under Tamkeen program. After a 2-day training, I applied for a loan and here I am with three sewing machines, two workers and a busy business to run.”**



ALEXBANK has been entrusted with the welfare of individuals and businesses nationwide. Trust is at the center of our activities as our reach not only impacts our customers but extends to all our stakeholders and communities where we operate. We are guided by our Code of Ethics which is a governance tool and is part of the wider vision of ALEXBANK's social and environmental responsibility.

### Integrity

ALEXBANK 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

The Bank sets itself the target of continuous improvement, farsightedness, anticipating challenges, cultivating extensive creativity aimed at innovation. Moreover, it recognizes and rewards merit.

### Equality

We are 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 ALEXBANK's routine, which adopts listening and dialogue as tools for continuously improving its relationships with all stakeholders.

### Transparency

We are committed to making transparency the basis of our actions, advertisements and contracts to allow stakeholders to make independent and informed decisions.

### Respect for Specific Qualities

It is ALEXBANK'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.

### Responsibility in the Use of Resources

The Bank 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.

These values\*<sup>1</sup> put forth by our Code of Ethics are the foundation of our principles of conduct in governing our relations with our customers, shareholders, employees, suppliers, the environment and communities hosting our operations.

1. 102-16

To actualize our vision of sustainable and responsible banking while creating shared value, ALEXBANK ensures sound governance processes are implemented to maintain the trust of all our stakeholders. ALEXBANK is guided by the principles outlined in the United Nations Global Compact (UNGC), Equator Principles, Sustainable Development Goals (SDGs), and the Egypt Vision 2030 to:

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Further strengthen our governance framework</li> </ul>                       | <ul style="list-style-type: none"> <li>• Provide value to consumers through effective stakeholder engagement</li> </ul>                           | <ul style="list-style-type: none"> <li>• Promote gender equality, diversity and wellbeing of all employees</li> </ul>     |
| <ul style="list-style-type: none"> <li>• Respect the protection of internationally proclaimed human rights</li> </ul> | <ul style="list-style-type: none"> <li>• Build inclusive, healthy and sustainable communities</li> </ul>  | <ul style="list-style-type: none"> <li>• Undertake initiatives to promote greater environmental responsibility</li> </ul> |
| <ul style="list-style-type: none"> <li>• Promote responsible access to finance and sustainable finance</li> </ul>     | <ul style="list-style-type: none"> <li>• Communicate our sustainable development commitments to all internal and external stakeholders</li> </ul> |   |

In compliance with our Code of Ethics, lines of responsibility, governance and accountability are set as follows:

- The Board of Directors**
- Board Committees**
- Organizational Structure\***

## 6.1 THE BOARD OF DIRECTORS

ALEXBANK's highest governance body, the Board of Directors, determines the strategic orientation of the Bank and supervises its implementation. It is also responsible for ensuring all departments are complying with internal regulations, executive laws and Group policies while guaranteeing an adequate risk management approach is executed comprehensively.

Our board of seven experts provides ALEXBANK with the necessary tools and insight to enable sustainable growth, deliver strong financial performance as well as uphold our commitment to ensuring sustainable development remains a core value across all operations.



**Dante Campioni**

CEO & Managing Director, Representative of Intesa Sanpaolo



**Elena Breno**

Deputy Chairman of the Board, Representative of Intesa Sanpaolo



**Eduardo Bombieri**

Executive Member of the Board, Representative of Intesa Sanpaolo



**Andrea Bressani**

Member of the Board, Representative of Intesa Sanpaolo



**Giovanni Bergamini**

Member of the Board, Representative of the Republic Domain



**Atter Ezzat Hannoura**

Member of the Board, Representative of the Republic Domain.



**Mohamed Maait**

Member of the Board, Representative of the Republic Domain



**Dr. Ehab Mohammed Hassan Abou-Eish**

\*replaced Mohamed Maait, who has been Minister of Finance since his resignation from ALEXBANK's Board of Directors in May 2018.

1. 102-18

## 6.2 CONTROL COMMITTEES

For high level deliverables, the Board of Directors strategic supervisory functions are supported by five control committees. Control Committees act according to policies and regulations approved by the Board of Directors as part of the **Banking Governance Principles** that allow ALEXBANK to be fully aligned with Intesa Sanpaolo Group.

### 1 Executive Committee (EXCO)

Along with the Banking Governance Principles and in compliance with the article number 82 of the Central Bank of Egypt and Banking Sector and Money Law number 88 of 2003, the EXCO is set with the purpose to: (1) decide on credit risk exposures of the Bank to a single legal entity and affiliated entities, within the limits set by the Board of the Bank; (2) propose to the Board corporate equity operations; (3) propose to the Board significant modifications to the organizational structure of the Bank; (4) submit the following: classification of finance and credit facilities, clients' provisions, contribution to corporate equities; (5) provide oversight and strategic guidelines aimed at assuring achievement and adherence of commercial targets as defined in the budget and strategic plans; and (6) discuss any matter that is considered strategic in the Bank's activities. The EXCO shall have the right to delegate any of its prerogatives including lending authority (in compliance with Parent Company Guidelines) and procure fulfillment of any of its duties to the appropriate specialized internal bodies of the Bank. It is resolved that the EXCO delegates to the Credit Committee the responsibility to study and take decisions related to finance and credit facility. The Board of Directors must be informed of all the decisions/rulings of the EXCO.

### 2 Risk Committee

Along with Intesa Sanpaolo Group Guidelines on Risk Management and local regulatory requirements, this Committee ensures the management of the risks to which the Bank is exposed to and the protection of the company assets and worthiness and formulates proposals and provide consultancy and information regarding risk management strategies and policies.

### 3 Remuneration Committee

The Committee's purpose is recommending the approval/endorsement of the Group Remuneration Policy, the final approval of the remuneration rules of the Board members and verify the alignment with the Group Remuneration Policy of the (1) total expenses of the annual remuneration for senior executives of the Bank including Board of Directors members and (2) total expenses of the annual remuneration of the heads of the Control Functions. The Committee also discusses and recommends to the Board the final approval of the remuneration policies/incentive schemes and the total expenses of the annual remuneration for the rest of the personnel and receives and analyses the annual independent review from Internal Audit, related to the remuneration issues, recommending the appropriate actions to the Board.

### 4 Governance and Nominations Committee

Along with the Intesa Sanpaolo Group Guidelines on Corporate Governance, local regulatory requirements and the Articles of Association, the Governance and Nomination Committee is set with the purpose of (1) regularly evaluating the Bank's governance system and (2) supporting the Board in the consulting, selection and propositional tasks regarding its composition and committees.

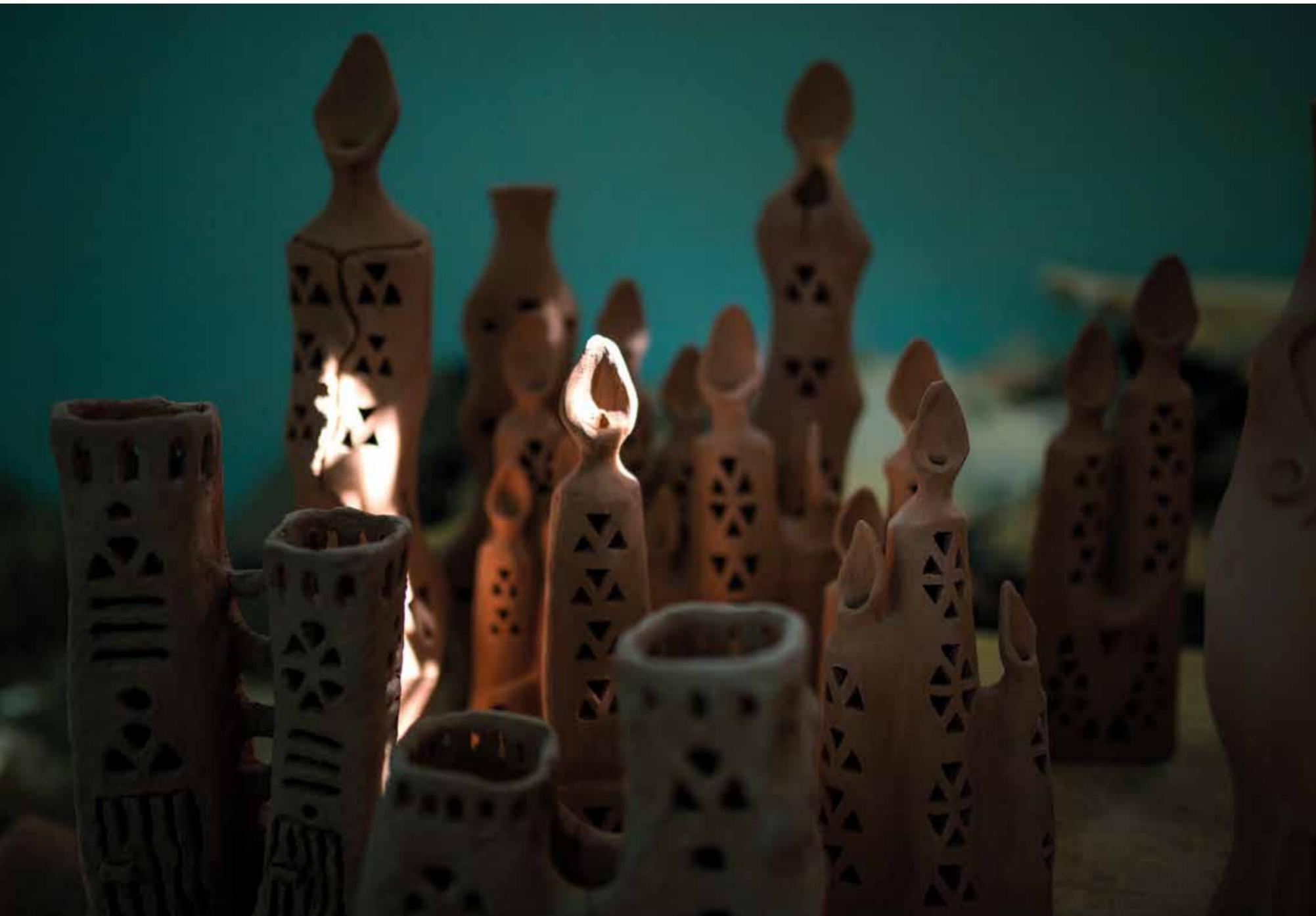
The composition and responsibilities of each committee are articulated in ALEXBANK's General Rules & Charters for Management Committees which ensure duties are performed to reflect the Bank's core values<sup>x2</sup>. A crucial component of these Committees stems from the Rules of Compositions that guarantee effective management representation, where members of the Committees include the Bank's chief officers and heads of all departments.

The effect of this mechanism is both evident and reflected in:

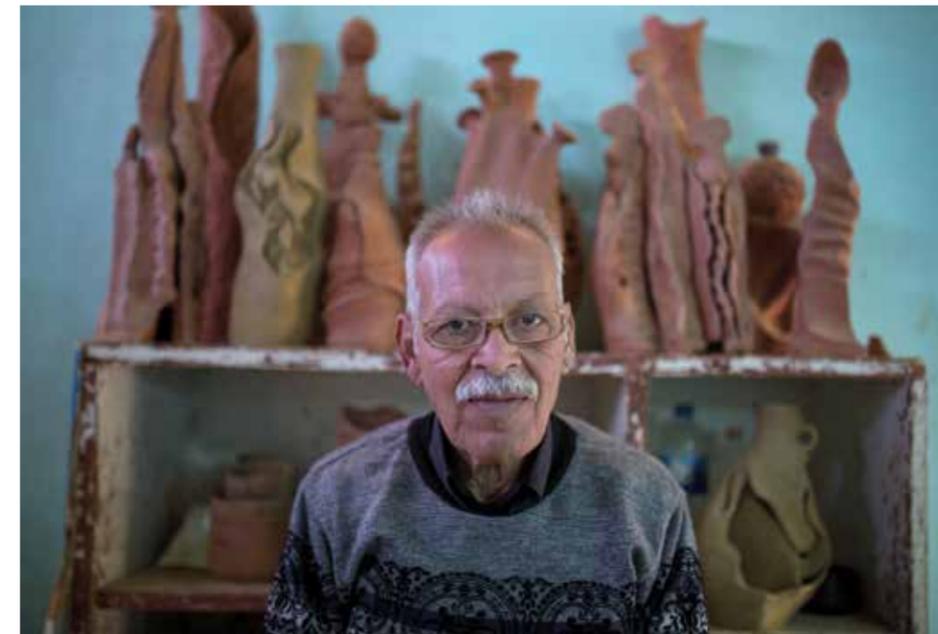
### 5 Audit Committee

The Committee has respectively recommending, advisory and investigative functions towards the Board with reference to the periodic evaluation of the adequacy and effectiveness of the overall internal controls system of the Bank. It must perform on a continuous basis its functions according to the principles of independence and autonomy. The Committee is assisted by the Bank's Internal Audit function in carrying out its audits, analysis and other duties undertaken on an ongoing basis.

- An accelerated implementation process of Committee decisions;
- Consistency of operations across all relevant departments and units; and
- Effectiveness, efficiency and alignment with Board of Directors strategies, especially those relating to operational processes.



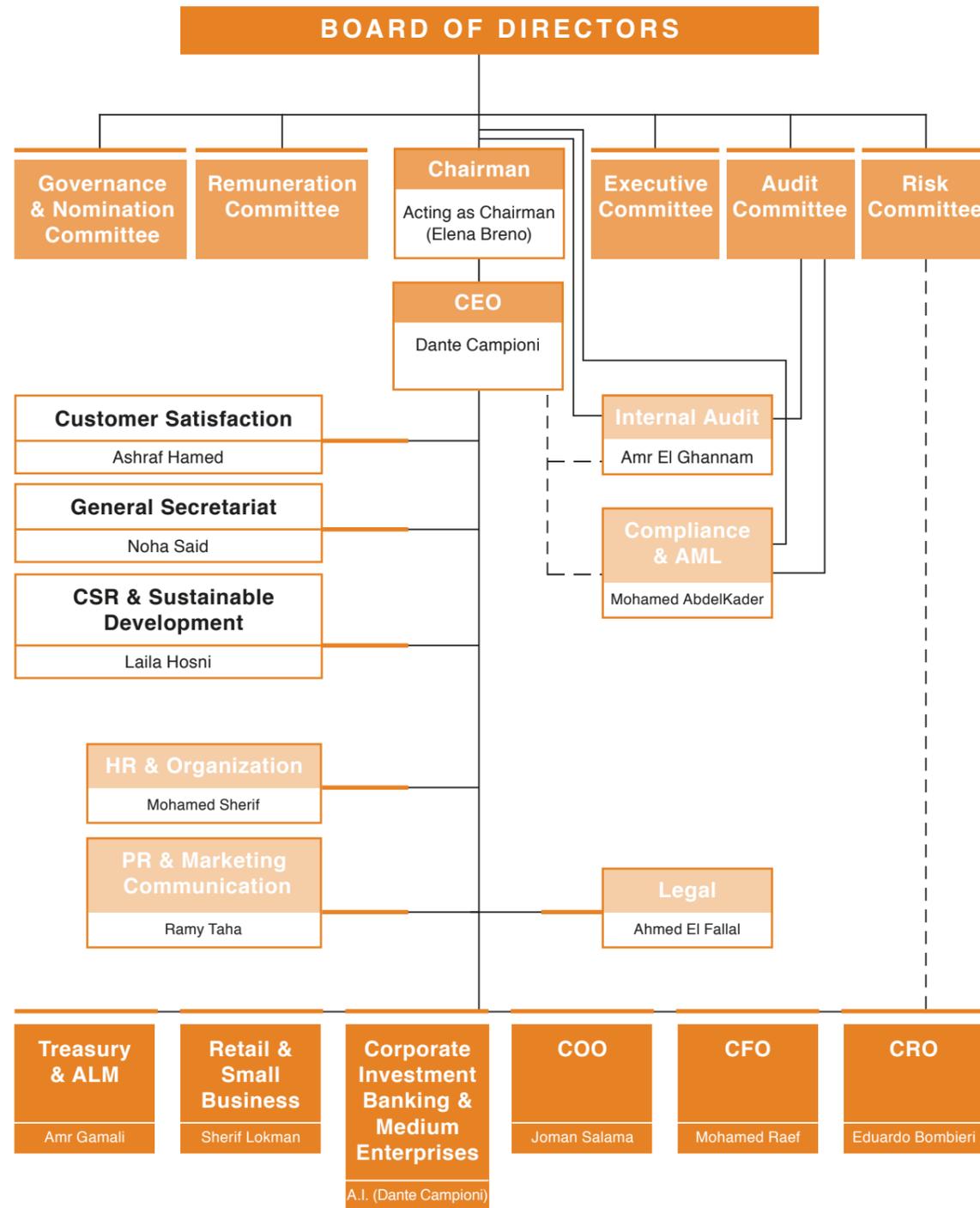
**“Pottery teaches me patience. It is the oldest craft that man has ever known. It is a vivid art and full of spirit.”**



*Anwar Rashwan, a potter from the Cultural Palace Pioneers Association in Kharga Oasis and a sample of his crafted lighting units. He views life in metaphors, with this installation shedding a ray of light on human beings from within and showcasing their differences in the shadows. To him, light shows the truth within.*

## 6.3 ORGANIZATIONAL STRUCTURE

Our organizational structure allows a top-down implementation of strategies while maintaining a bottom-up feedback loop required for sound decision making.



### Legend



Osama Mousa

Head of Legal Affairs

“To stay abreast with the Bank’s direction towards digitalization, the Legal Department has been working on introducing new features governing its work. This year, our efforts culminated into launching the automated system for legal affairs. A critical step for the facilitation of implementing sound governance standards, the system ensures appropriate management of social, environmental, and economic factors preserving the interests of all the stakeholders.”



Another landscape of the truly unique Dakhla Oasis.

## 6.4 COMPLIANCE

As a subsidiary of Intesa Sanpaolo Group, the approach to combating corruption is also guided by applicable international conventions, principles and best practices of responsible banking. Compliance Function is an independent and autonomous from operating and business functions which reports dotted line to the CEO and straight line to the Audit Committee and the Board of Directors. The compliance and AML structures are directly reporting to Head of Compliance & AML. The main objectives of this function include performing direct governance on the most important regulatory contexts concerning banking and intermediation activity; overseeing the financial crime component of the conduct risk through the compliance macro-processes which describes compliance risk governance and control procedures regulatory alignment; advisory and clearing; assurance; diffusion of the compliance culture; interaction with the authorities; and management of non-compliance events with information flows to corporate bodies. With 175 branches across Egypt, compliance assurance and culture diffusion require a systematic process and continuous monitoring of all branches.

### 6.4.1 REPORTING & MONITORING

The Head of Compliance & AML Department reports directly to the Audit Committee to which he is a permanent invitee. The Audit Committee members include two external auditors (or their representatives) and ALEXBANK's the Head of Internal Audit Department. The monitoring of compliance is carried out through electronic and digital reporting by the Heads of Branches as well as site visits by representatives of the Compliance & AML Department to address challenges and ways to improve efficiency of internal controls.



*A woman from the village of Bashandi while weaving the palm leaves, a very common and traditional craft in Dakhla Oasis. She can showcase her work regularly through the platforms granted to her by Ebda3 men Masr.*

### Anti-Corruption Guidelines\*<sup>1</sup>

Reporting on anti-corruption is overseen by the AML Office in collaboration of the Human Resources Department and Legal Division. The Guidelines reinforce a zero-tolerance approach to dealing with corruption, which is reported on in line with regulatory requirements, Intesa Sanpaolo Group policies and Code of Conduct. The Office reviews all risk areas set out in Bank's Guidelines to have an assessment of overall exposure to the risk of corruption. Based on the risk assessment results, the Office identifies necessary management measures.

With 175 branches across the nation, compliance assurance and culture diffusion require a systematic process and continuous monitoring to all branches. Due to the volume and complexity of the activities subject to control, these controls are rigorously planned and regularly carried out with the utmost diligence. They are adequately documented to support the findings and recommendations made, with the results of the control activities reported throughout the branch network. In the case of issues arising, organizational units that are subject to controls are promptly informed and involved. These processes support ALEXBANK in measuring the extent and effectiveness of risk assessment and implementation across all its divisions, while it also detects possible incidents of corruption. The monitoring of compliance is carried out via two parallel processes: (1) electronic and digital reporting by the Heads of Branches addressed to the Head of Compliance Department (accessible by all control and organizational functions and regional directors who are in charge of resolving issues and reporting back to the Head of Compliance for adequate action); and (2) site visits to all branches conducted by the Head of Compliance or representatives of the Compliance Department in order to directly address challenges and ways to improve the efficiency of internal controls.

The diffusion of our corporate culture is on principles of honesty, fairness and respect for the spirit and letter of our Code of Conduct. Accordingly, the AML & Internal Sanctions Office conducts trainings for corporate officers and employees who are most exposed to the risk of corruption. These training initiatives are mandatory and monitored. The Head of Compliance Department also acts as a focal and contact point for queries from staff members or for interpreting the Code of Conduct and assists employees with guidance to the proper management of conflicts of interest.

### AML & International Sanctions

Under Egypt's laws to combat money-laundering and the financing of activities associated with terrorism, and as part of the World Bank's requirements, ALEXBANK has taken rigorous measures to investigate up to 33% of reported "unusual transactions" identified via digital detection platform. This interactive digital reporting tool is a national data base directly connected to the Egyptian Money Laundering and Terrorism Financing Combating Unit (EMLCU) overseeing all public and private Egyptian banks.

### Whistle Blowing\*<sup>2</sup>

ALEXBANK's Whistle Blowing Policy encourages employees to feel confident in raising serious concerns, suspected fraud cases or corruption. Intesa Sanpaolo Group guarantees to protect individuals from any form of retaliation, discrimination or penalization, and ensures maximum confidentiality, except in cases otherwise indicated by law. A dedicated email is set in place to direct any communications to the Head of AML and the CEO directly, who is the only designated person to receive whistle-blowing cases of non-compliance.

1. 102-11 - 205-1

2. 102-17

## Foreign Account Tax Compliance Act (FATCA)

One of ALEXBANK's most comprehensive due diligence processes undertaken is the update of our customer database to ensure all our customers are compliant with the FATCA (part of Intesa Sanpaolo Group's FATCA digital engine). As of July 2014, the Bank registered on IRS portal as FATCA Participant FFI with applying FATCA Final Regulations according to CBE decision with ALEXBANK's CFO being the "FATCA Responsible Officer - FATCA RO". Said project aims at comprehensive due diligence control processes to be applied on new and pre-existing customers prior to the date of implementation through Intesa Sanpaolo Group's centralized FATCA engine, which is integrated with the core banking system to support customer classifications and reporting activities. Since 2015, the Bank has been successfully submitting all requested FATCA reporting to IRS and Intesa Sanpaolo Group on time in line with the CBE and FATCA rules. We also submit FATCA certifications which confirm ALEXBANK's compliance with IRS requirements for Periodical Certification and Pre-existing Customers Accounts Certification (COPA).

In terms of reinforcement of due diligence and updating activities, FATCA Partial Block was applied in December 2018 for unreachable customers (recalcitrant) upon Bank communication with available tools, urging these customers to provide ALEXBANK with updated documents. In this context, ongoing monitoring and controls are carried out by the Compliance & AML Department together with Branches Network team and concerned business units to ensure the Bank's compliance with regulations and avoidance of any related risks



A mural painting performed by Adel ElOmda, an Ebda3 men Masr artist at his own showroom located in Tneeda village, also in the Oasis of Dakhla. The mural depicts the various roles played by women in his village.

## 6.4.2 TRAINING & SUPPORT

To further equip staff with necessary tools to identify and prevent non-compliance incidents, the department supports ALEXBANK's implementation of national regulations and Group policies through various trainings<sup>1</sup>, including:

01

Detecting Forgery  
& Falsification  
(291 participants)

Participants from the branches network acquire the skills needed to detect forged currency and falsified documents, the training supported by real cases.

02

Specific training to  
prevent bribery and AML  
(2,709 participants)

Designed to enable participants to prevent bribery and/or AML in their daily work with a special focus on ALEXBANK policies and procedures.

03

CLOSER editions  
circulated to all Bank's  
staff

For raising their awareness regarding ALEXBANK's rules and regulations in addition to Intesa Sanpaolo Group guidelines, particularly on topics related to: proper reporting under the whistleblowing policy; Anti-Corruption; Rules for Management of Gifts and Entertainment Expense; and reporting on immoral and illegal cases.

An electronic library was developed by the Information & Communication Technologies (ICT) Department to provide full disclosures and updates on any CBE related matter. This is to ensure efficiency and adequacy of the Bank's internal control system and maintain alignment with CBE regulations and instructions. The library is an interactive platform in both Arabic and English. The Head of Compliance & AML Department remains the contact person for staff members inquiring about ALEXBANK's Code of Conduct.

1. 205-2

## 6.5 SOCIAL & ENVIRONMENTAL GOVERNANCE\*<sup>1</sup>

Under the guidance of ALEXBANK's CEO & Managing Director, the CSR & Sustainable Development Office oversees the Bank's framework for sustainable development. Beyond compliance, ALEXBANK complements its internal procedures, Code of Ethics and good governance principles with relevant local, national and international regulations to integrate environmental sustainability and social considerations into our core business.

---

Adopting a framework of Creating Shared Value, the Office has integrated sustainable practices across all corporate levels throughout the Bank, with two inter-connected facets:

1. Explicitly as strategic objective based on specific targets; and
2. Implicitly, as a component of the ALEXBANK's management system measured by key performance indicators.

---

In 2018, the new four-year CSR & Sustainable Development Office Strategy was launched with special emphasis on four key dimensions:

1. Economic Development, Social Innovation and Education
2. Financial Inclusion and Sustainable Finance
3. Environmental Sustainability
4. Employee Engagement

---

As a common corporate objective, environmental and social issues are addressed, and projects must be measurable against sustainability standards; ensuring that, in addition to financial risks, environmental and social impacts are taken into consideration in the decision-making process. To remain in dialogue with all our stakeholders, we created a channel for addressing internal and external queries and concerns over environmental and social matters related to our capital investments, which is managed by the CSR & Sustainable Development Office. Interested and affected parties may submit queries or concerns without fear of retribution may reach out to ALEXBANK via e-mail to [CSR@Alexbank.com](mailto:CSR@Alexbank.com) on the ALEXBANK's website<sup>2</sup>. Any issues or risks associated with our investments' sustainability, our projects' and suppliers' workers' rights to exercise their freedom of association or collective bargaining power and labor rights may be raised and inquired about via this email address also.<sup>3</sup>

---

1. 102-11 - 102-19  
2. 102-17  
3. 407- 1



*Two residents of Kharga Oasis wandering among the oasis's abundant palm trees.*

# Ahmed Wahba

Sand Painting, Individual Artist,

Kharga Oasis, New Valley

Ebda3 men Masr

Ahmed Wahba, the “wizard of sand” is a 58-year old Egyptian artist who was born in the desert of Kharga Oasis. His love for the desert and all its creations is his constant inspiration for the paintings he draws with sand. The various colors of sand, pure and mixed, reflect the vibrant culture of his hometown and its different landscapes.

Ahmed works as an employee in El-Kharga Culture Palace, but his sand paintings became locally and internationally acclaimed. His recognition is manifested international publications concerned with non-traditional environmental art, which he aims to safeguard and revive not only in the memory of his community but worldwide.

**“Ebda3 men Masr has produced a great impact on my life, no one before joining Ebda3 men Masr had heard about me. Now, through the exhibitions I am getting people inside and outside Egypt to know more about the Oasis culture through my paintings.”**





**“No one  
before  
joining  
Ebda3 men  
Masr had  
heard about  
me.”**

---

Ahmed Wahba

The Bank's approach to assessing, managing and mitigating risks ensures profits are not compromised and customer welfare is maintained. Our risk management has become a major stakeholder in the decision making and strategy setting process. It strongly advocates for corporate values and principles, supported by a robust risk culture that is clearly defined, communicated, and strongly reinforced throughout the Bank. Ultimately, our risk management approach aims at increasing the reliance on advanced analytical models to support decisions and enhancing regulatory (including Basel and Intesa Sanpaolo Group) focus. Eventually, our goal is the automation of decisions and processes with minimal manual interventions.



**Eduardo Bombieri**

Chief Risk Officer

**“ALEXBANK’s risk strategy demonstrates its adherence to creating value for all our stakeholders without jeopardizing the environment. To maintain our goals, we regularly develop and upgrade our risk framework to ensure it is properly considering all the recognized risks, including among others financial, environmental and reputational risks with their potential economic impact. The risk appetite framework does not only serve the objective of controlling, but also of meeting our customers’ expectations by lending responsibly. We have also been introducing new digital and proactive systems to help manage our credit portfolio and ensure adequate support to strategic areas of the Bank in line with the national main guidelines of financial inclusion.”**

1. 102-11

## 7.1 RESPONSIBLE RISK MANAGEMENT & GOVERNANCE



*A member of the Association for the Protection of the Environment (A.P.E.) family sewing a clutch made of recycled cans tabs at their premises in Mansheyet Nasser.*

The Bank undertakes rigorous screening activities to appropriately manage financial risks and account for environmental and social risks and impacts of its lending activities, guaranteeing all projects are aligned with strict Group rules and international standards, including the Equator Principles. In this respect, and as a subsidiary of Intesa Sanpaolo Group, the Bank implements Intesa Sanpaolo Group guidelines while remaining in line with national rules and regulations. We guarantee the existence and enhancement of robust risk management activities throughout ALEXBANK by embedding a vital risk culture throughout the Bank and ensuring the appropriate mitigation of potential risks through strong risk governance supported by Committees, internal rules and policies.

Our Internal Capital Adequacy Assessment Process (ICAAP) was prepared in line CBE regulations, Intesa Sanpaolo Group guidelines and ALEXBANK internal audit considerations to ensure the Bank has enough capital to cover the current and future risks and to ensure that our client can absorb our conditions. The first Internal Liquidity Adequacy Assessment Process (ILAAP) was prepared with the purpose to evaluate ALEXBANK’s short- and medium-term liquidity risk over an appropriate set of time horizons, ensuring that we maintain adequate levels of liquidity buffers.

We effectively monitor and control ALEXBANK’s credit risk exposure and forward measurements through internally developed statistical models and continue to strengthen our risk data governance and reporting processes as data is becoming a key asset for financial institutions such as ALEXBANK. Regarding risk aggregated data and reporting, we ensure compliance to Basel regulations through adopting strong data governance for risk management analytics and reporting. ALEXBANK’s “Data Repository” was upgraded to a more advanced analytical database for faster analytical activities, self-reporting and business intelligence capabilities. Moreover, ongoing improvements are implemented to ensure that ALEXBANK’s operational risk management is integrated into core activities, products, processes and systems in line with business lines through understanding criticalities and being part of the overall solutions.

## 7.2 OUR OPERATIONAL RISK CULTURE

ALEXBANK attributes great importance to Operational Risk, particularly to contain operational losses within a set limit. The Bank adopts an operational risk management strategy based on prudent management principles and aimed at guaranteeing long-term solidity and continuity for the Bank.

We focus on achieving an optimal balance between growth and profitability, ensuring resulting risks are managed responsibly. In 2018, the Operational Risk Unit under the Enterprise Risk Office succeeded in ensuring a robust operational risk culture is embedded throughout ALEXBANK. The Unit developed solid monitoring tools, governance and policies that were integrated into the Bank's core activities, products, processes and systems in line with business lines. A solid control environment was secured by appropriate internal controls, risk mitigation and risk transfer strategies. We activated the Operational Risk Committee, which took decisions based on analysis and rigorously followed up on mitigation actions up until their finalization. Finally, an operational risk e-learning module and quiz were communicated bank-wide and classroom operational risk awareness sessions for branch managers, area managers, regional managers and the COO Division and its Office Heads were conducted. In our efforts to sustainably deepen our operational risk culture, operational risk awareness is now part of the new hires' induction training.

For ALEXBANK, achieving effective enterprise risk management means going beyond reactively managing our internal and external risks. In 2017, our Proactive Credit Management (PCM) Office was established. The Office is dedicated to proactively managing our risk, thereby sustaining robust levels of profitability and growth.



*A close-up of the clutch*

## 7.3 SERVING WITH IMPACT

ALEXBANK's Credit Policy in place since 2017 has permitted a strong framework for processes, procedures and controls that manage all our lending activities. To soundly estimate credit losses, optimize portfolio and allocate capital, our credit granting underwriting process is designed to provide time efficient solutions to the many services customers seek. Our advisory services are consistently evolving to produce a successful system through which we mitigate risks for our customers. Credit proposals are prepared following thorough investigations to provide clients with a tailored arrangement to meet their individual needs.

With a diversified and robust market and credit portfolio that is continuously optimized, ALEXBANK directly aligns with and contributes to the national economy through a wide array of sectors and through its widespread branch network\*<sup>1</sup>

## CORPORATE PORTFOLIO BY SECTOR

Oil & Gas	Financials Metallurgy & Metal Products	Telecom- munication Utility
Food & Beverage	Wholesale and Retail Trade	Technology and Electronics
Waste Management	Textile & Ap- parel	
Construction		
Automotive Business Support Activities	Pharma- ceuticals	Media and Publishing

In line with our credit policies, the Bank introduced a plan that aims to reduce the "Time to YES", as well as ensure the credit decision-making process remains effective. In 2016, five junior credit committees delegated prerogatives and underlying business segments for which the latter are applicable. ALEXBANK is also committed to tailoring payment plans to meet specific customer needs. A process matrix designed to identify a logical disbursement timeframe and payment plan based on individual customer industry backgrounds resulted in shorter "Time to CASH" particularly relevant to our customers who depend on seasonal financial sales and returns. This step not only increased our approval ratio, but it also anchors ALEXBANK's support the growth of SMEs manifested in the cooperation protocol with the Bank signed with the Ministry of Agriculture, which has allowed agribusinesses to receive the financing they need.

To ensure credit policies for both small business and retail customers are aligned with changes in Intesa Sanpaolo Group guidelines and consistently implemented, they are reviewed annually. Policies are approved by the Credit Risk Governance Committee and the Board of Directors after being previously endorsed by relevant functions in the Group.



**Gilan ElBassuni**

Head of Credit Administration

Department

“Technology uptake is now a prerequisite for business growth and sustainability. This prompted us to revisit our processes across all segments resulted in a better customer experience in terms of time to cash. We decreased the number of documents that our customers have to sign which has allowed us lower our consumption of paper while maintaining transparency.”

## SME PORTFOLIO BY SECTOR

Wholesale and Retail Trade	Leisure and Tourism	Machinery Information and Telecom
Intermediate Products	Agriculture	Transport Equipment Utility Today

### 7.4 ECA: A DIGITAL TRANSFORMATION

As part of ALEXBANK’s digital transformation, the Electronic Credit Application (ECA) platform was developed. This integrated, workflow-driven software platform enriched with risk analytics places the entire credit origination process under structured control, which improves the quality of our credit portfolio credit. In 2018, we were able to launch phase one of the ECA platform for small business following the same logic implemented for the SME and corporate segments back in 2015.

Ultimately, the objectives of ECA include (1) accuracy of information pertaining to all functions during preparation, approval and monitoring phases; (2) ensuring transparency of documents and data related to all credit lines; (3) automate designation of Credit Prerogatives based on credit facility type; (4) reducing approval time to a maximum of three weeks; (5) raising automated alarms in case of negative indicators, expiry of collaterals, or mismanagement; and (6) detecting deficiencies and promptly report to the corporate bodies. ECA indirectly supports ALEXBANK’s efforts to reduce its environmental footprint by the reductions in paper consumption it brings about.

We are proud that ALEXBANK to have been identified by the Group as pilot project for the ECA systems, which is planned to be applied throughout the Intesa Sanpaolo Group.



**Sherif Mahrous**

Head of Small Business

Credit Office

“ALEXBANK is dedicated to financing small business enterprises with a special focus on the agricultural sector and exporting enterprises, aiming to contribute to the national economy’s growth and development, thereby creating employment opportunities for our youth sustainably.”



Her colleague finalizing another bag made from cans tabs, an approach to dealing with collected waste that adds value to materials by upcycling.



*Antonella, an 8-months old baby girl, after getting her weekly shower at A.P.E. This initiative is part of the health program targeting recent moms of the local community and raising their awareness and capacities to adequately cater for the needs of their first-borns.*

Intesa Sanpaolo Group’s Business Plan (2018-2021) has taken unprecedented steps towards incorporating social development and environmental sustainability into its core business activities. Just like Intesa Sanpaolo Group, ALEXBANK, has an approach to value creation that prevails in its day-to-day operations. We take a long-term approach to sustainably serving the interests of all our stakeholders, including customers, employees, shareholders, suppliers, potential customers, the environment, and the community at large.

In 2018, ALEXBANK embarked on a new roadmap for shared value creation, financial inclusion, sustainable finance, environmental sustainability, and social and transparent performance reporting. Pioneering a full-fledged shared value platform based on sustainable community development projects, inclusive finance, socially responsible investments, broad-scale financial literacy programs, and environmental sustainability initiatives, the new four-year CSR & Sustainable Development Office Strategy (2018-2021) strengthens ALEXBANK’s efforts toward integrated sustainable development in the business, environmental and social realms. Our four-year strategy is in line with UN Global Compact Principles, Equator Principles, Intesa Sanpaolo Group guidelines, Egypt Vision 2030 and other national regulations, and the SDGs.



**Laila Hosni**

Head of CSR & Sustainable

Development Office

“In 2018, ALEXBANK’s achievements in sustainable development and corporate social responsibility have culminated to being awarded “Best Bank for Corporate Social Responsibility in the Middle East” by EUROMONEY, one of the most prominent international magazines in assessing banks and the performance of financial institutions. Ultimately, our strategy will not only serve as a continuation of ALEXBANK’s mission in accordance with its recognition in the Egyptian market, but it will also contribute to the fulfillment of Intesa Sanpaolo Group’s Business Plan 2018-2021.”

## 8.1 CREATING SHARED VALUE (CSV)

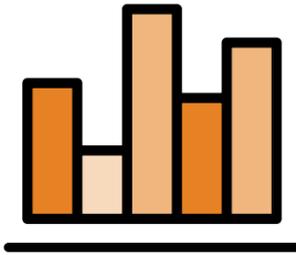
ALEXBANK’s shared value model addresses business activities through the design and implementation of social projects that generate economic value, business value and social value in response to the economic, social and environmental needs of the community. We believe that our corporate success is directly related to our social contributions and environmental commitments.

### THE STRATEGY’S DIMENSIONS

<p><b>01</b></p> <p><b>Economic Development, Social Innovation and Education</b></p>	<p><b>02</b></p> <p><b>Environmental Sustainability</b></p>	<p><b>03</b></p> <p><b>Financial Inclusion and Sustainable Finance</b></p>
<ul style="list-style-type: none"> <li>■ Designing income-generating activities that lead to creativity and productivity in economic fields such as handicrafts, social entrepreneurship, agriculture and rural activities.</li> <li>■ Developing educational opportunities to enhance vocational skills and employability among children, women, elderly, and persons with disabilities (PWDs).</li> </ul>	<ul style="list-style-type: none"> <li>■ Raising awareness about environmental issues, encouraging stakeholders’ participation in environmental and social initiatives, and building capacity of ALEXBANK staff to ensure the Bank’s environmental and social objectives, commitments, and standards are met.</li> <li>■ Integrating environmental and social considerations into ALEXBANK’s core business activities by implementing an environmental and social risks management system with strong foundations in Intesa Sanpaolo Group rules and international environmental principles.</li> </ul>	<ul style="list-style-type: none"> <li>■ Providing financial services to under-served populations thereby boosting financial inclusion.</li> <li>■ Supporting financial literacy programs via partnerships with national regulatory bodies and organizations active in the realm of financial inclusion.</li> </ul>

## 8.2 FRAMEWORK OF ACTION

The CSR & Sustainable Development Office, whose Head reports directly to the CEO & Managing Director, oversees the implementation and monitoring of the four-year strategy.



### CSR & Creating Shared Value Unit

Addressing societal needs through a 360 degree approach enabling the concept of Creating Shared Value through:

- **Community Investments:**
  - Incorporating social issues into core business strategies
  - Developing new long term partnerships and building upon existing partnerships
- **CSR & Activations:**
  - Strategic CSR events
  - Activating/Marketing projects on ground
- **Employee Engagement:**
  - Encourage employee citizenship
  - Alignment with internal and national strategy



### Social Performance & Reporting Unit

Mitigate and integrate Environmental and Social (E&S) impact and/or risk considerations into ALEXBANK core business operations through:

- **Social Impact & Governance:**
  - Contribute to the development of sustainability policies and strategies
  - Set targets and performance indicators and analyze return on investment
- **Environmental Risks & Governance:**
  - Develop policies, strategies and plans for managing E&S impacts and/or risks in lending activities together with risk and corporate business teams
- **Reporting**
  - Issue ALEXBANKS's annual Sustainability Report
  - Publish Sustainability publications



### Sustainable Finance for Development unit

Continuous integration of sustainable and responsible finance methodology in ALEXBANK's business through:

- Furthering responsible lending
- Microfinance
- NGO financial empowerment
- **Development of social and environmental lending products together with the business teams**
- **Financial literacy & inclusion**
- **Staying abreast of local market trends in green finance**

With ALEXBANK's wide network of 175 branches, the Bank has a responsibility towards all the communities in which it operates. With an ever-expanding portfolio of sustainable and socially responsible initiatives, we are on track with our targets for the first year of the Strategy. In 2018 alone, our CSR and sustainable development initiatives benefited more than 30,000 citizens.\*<sup>1</sup>

The strategy remains mendable, preserving its adaptability to our stakeholder needs and requirements. Our goals, projects and initiatives are reviewed regularly based on the assessment of past outcomes and current situations. Accurate identification and categorization of beneficiaries, benchmarking our performance against best practices and international standards, and research are integral parts of how the Office sets its targets and assess its impact. Efforts to structure our monitoring and evaluation mechanism, where baseline indicators have been set and field visits are conducted regularly, have resulted in maximizing our understanding of opportunities and challenges. Our key performance indicators are both realistic and ambitious, to allow a true reflection of sustainable development.



Regulars of all age groups attending a literacy class at A.P.E. in Mansheyet Nasser.



1. 102-6 - 102-7

### 8.3 COMMUNICATING OUR IMPACT

Communicating our activities, commitments and lessons learned to all our stakeholders is an essential part in putting our values of transparency, accountability and good governance into action.

We remain in regular contact with all our partners through direct interaction, meetings monitoring visits, progress reports, and status updates. In addition to ALEXBANK's annual sustainability report which is published for the second time this year, the CSR & Sustainable Development Office submits an annual report on the status of its activities to ALEXBANK's Board of Directors. It is also in constant dialogue with Intesa Sanpaolo Group, contributes to its yearly Consolidated Non-Financial Statement and takes part in Group-wide projects such as the 2017 and 2018 ISO 26000, World Savings Day and the World Environment Day. For 2019, the Office has plans to introduce a bi-annual publication intended to update especially ALEXBANK's external stakeholders with its CSR and sustainable development activities.



*Two participating women practicing what they have learnt during literacy class in A.P.E.*

ALEXBANK is traditionally active in the field of community development and CSR. In 2018, we have been recognized for our social contributions and shared value creation. Our strength is rooted in our connections with local communities, our commitment to impactful development interventions and transparent monitoring and evaluation mechanisms. This year alone, we have directly impacted the lives of more than 30,000 individuals.

	Number of Direct Beneficiaries	Number of Partner Organizations	Total CSR Spending
2016	9,500	13	EGP 10 Million
2017	20,000	18	EGP 13 Million
2018	30,000	36	EGP 22 Million



**Hesham EIBadrawy**

Teller  
Belqas Branch, East Delta Region

**“Our customers’ satisfaction and the continuity of our relationships with them is our primary goal; hence, we strive to provide excellence-based services founded on transparency, accuracy and timeliness.”**



A group of children attending the nursery, as part of Tamkeen, our Integrated Village Development project in Edfu.

## 9.1 EBDA3 MEN MASR\*<sup>1</sup>

“Ebda3 men Masr” is our flagship CSR initiative. Launched in 2016 with an aim to support the Egyptian Creative Economy and save diminishing national crafts, “Ebda3 men Masr” has supported more than 5,000 artisans across all Egyptian governorates to date. 90% of our beneficiaries are women, while 60% are youth. The initiative leverages on more than 25 partnerships and collaborations between NGOs, governmental bodies, private sector entities, and individual actors. “Ebda3 men Masr” key partnerships are with the Egyptian Ministry of Social Solidarity, Fair Trade Egypt, the Egypt Network for Integrated Development (ENID), Yadaweya and Tunis Village in Fayoum.



*Amal Mansour, an Ebda3 men Masr artisan working on stone craved items made out of naturally colored sands found in the Oasis Dakhla.*



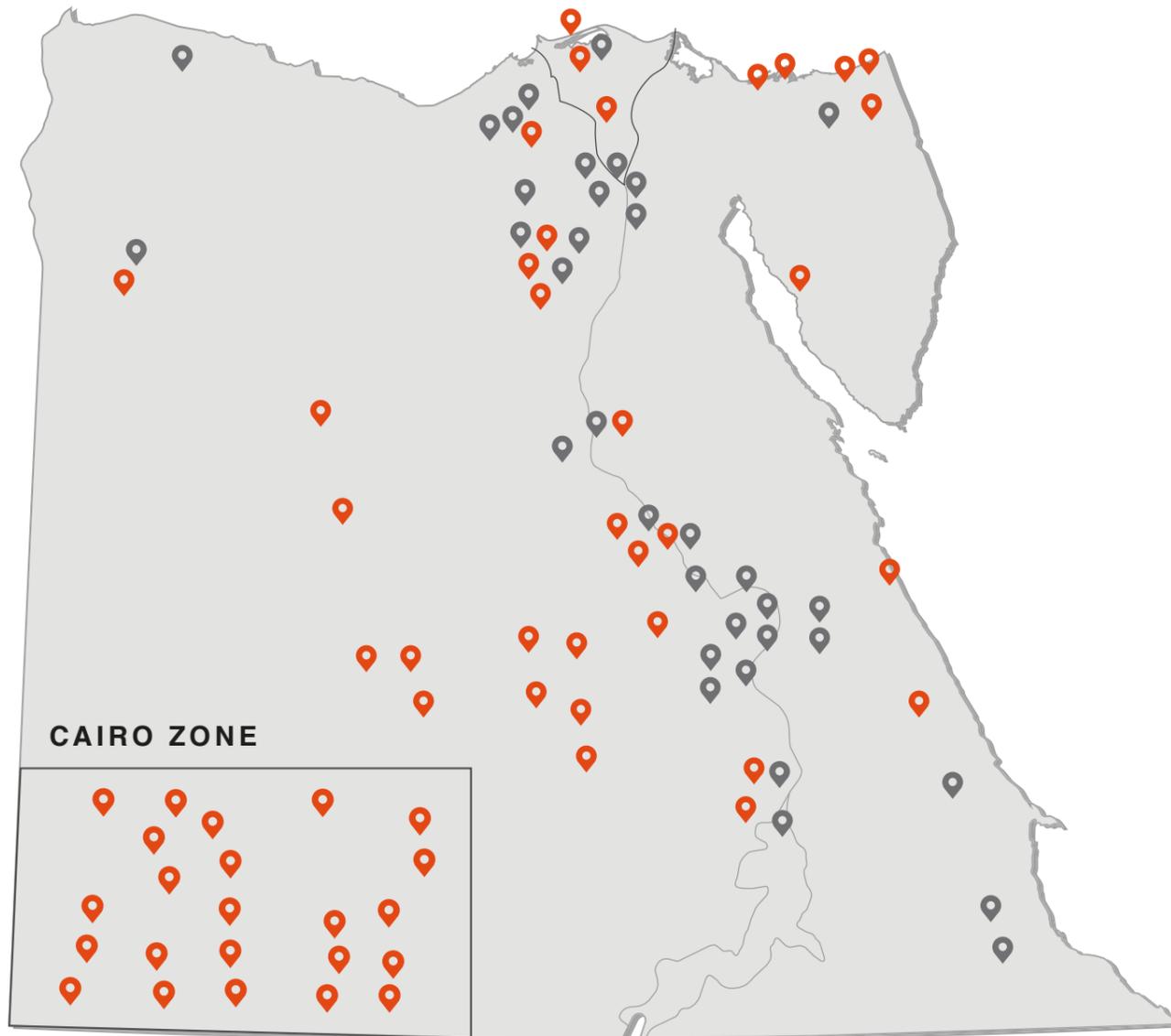
### Amal Mansour

Artist, Stone Carving,  
Ebda3 men Masr

“Before ‘Ebda3 men Masr’ I thought I was invisible and the work I did destined to stay behind closed doors. The exhibitions I attended as part of ‘Ebda3 men Masr’ made me realize that the art I make is valued and appreciated by Egyptians beyond my community in Dakhla Oasis. I still remember how I cried after making my first sale.”

1. 203-1 - 203-2 - 413-1

ALEXBANK'S EDBA3 MEN MASR'S IMPACT MAP



-  -Communities supported by capacity building workshops and projects
-  -Communities supported via exhibitions and access to markets



**52**  
Crafts



**55**  
Region/Village/  
Town in Egypt



**86**  
Artisans group/  
Community



**2600**  
Direct Beneficiary

Copyright © Usama Fathallah, ALEXBANK CSR Consultant

**“Ebda3 men Masr” Success Stories**



**Esraa Shoman**  
Founder, Alwaneta

Esraa, through Alwaneta, decided to uplift the art of crochet and change how people perceive it. She began by introducing new designs and integrating different materials such as genuine leather, palm and argoun leaves decorated with typical Siwa Oasis embroidery.

In 2017, Esraa participated in an “Ebda3 men Masr”-affiliated exhibition for the first time - the International Exhibition of Handicrafts. Since then, Esraa has been to several local and international exhibitions. With an expanding horizon of possibilities for expansion in front of her, she registered her business. Today, Alwaneta employs a network of 35 ladies in Cairo and Monufia. Alwaneta’s pieces stand out in the market and the percept of crochet has forever changed among those who are familiar with Alwaneta.



**Tony ElMasry**  
Founder, Tony Leather

The International Handicrafts Show in 2017 was also Tony’s first exhibition experience with us and ever since, he has been participating independently in bazaars and exhibitions powered by “Ebda3 men Masr”. After enhancing his skills, receiving wider exposure and making more sales profits, Tony decided to register his business, enabling him to obtain a P.O.S and giving him access to a loan to further grow his business.

## 9.1.1 CORPORATE GIVEAWAYS 2018

Since 2016, it has been customary for the CSR & Sustainable Development Office to manage and design ALEXBANK's gifts to its partners and important clients with the goal of empowering local communities and talents through a laser-focused economic development and value creation approach. With a new concept and implementing partners every year, our corporate giveaways tell the story of Egypt's artisans and the heritage they guard with their hands and hearts. The total number of individuals whose lives have been positively affected by our having our corporate giveaways made by them has reached more than 2,000, of which 75% are women.

### Mary Saad

Founder, Macramé.Rouh, Assiut

Ebda3 men Masr



Mary Saad struggled for years to convince her parents with the significance of what she was doing but they never saw the point behind the handwoven threads. The support she received from ALEXBANK changed this.

Macramé.Rouh started as a workshop for women three years ago and slowly developed into becoming a company with the goal to revive the almost extinct craft of macramé. Macramé is a form of textile produced using various combinations of knotting techniques. Macramé art needs no hooks, needles, gadgets or tools: only a few yarns of pure Egyptian cotton and creative, expert hands to make wonders out of it.

Marrying modern designs with traditional Egyptian craftsmanship, Mary Saad, the founder of Macramé.Rouh, not only bridges the gap between people but also creates designs that fit in any setting. Mary focuses on training girls and women aged between 17 and 42 years old have not been fortunate enough to enjoy a sound basic education. The training furnishes them with the opportunity to unleash their creativity after acquiring skills on all stages of production. By doing so, Macramé.Rouh is giving them the chance to learn a handcraft and earn a sustainable source of income, in addition to expanding and challenging social notions of women's entrepreneurship and the associated stigma of female labor.

**“Ebda3 men Masr transformed the way my parents perceive my work. It also changed my view on exhibitions. Before Ebda3 men Masr, the exhibitions were merely channels to assess how much money I made versus the rest. Today, I think of expansion, marketing and the responsibility I have towards the team of women supporting me. Ebda3 men Masr truly is reviving the handicrafts in Egypt.”**

## 9.1.2 RAMADAN GIVEAWAYS

Following the same custom, 2018 Ramadan giveaways to ALEXBANK employees were unique bags made of palm leaves, macramé and leather. “Rouh”, the name we gave these bags, married materials originating from five governorates (El-Fayoum, New Valley, Asyut, Aswan and Giza) and initiated connections between craftsmen and artists across the five governorates. Representing a value chain that is typical for “Ebda3 men Masr”, 85% of the 300 artisans who handmade “Rouh” were women who live in marginalized areas. “Rouh” represents a new milestone, another Ramadan during which we shared our happiness and gratitude with others, empowering and women community across Egypt and proudly promoting Egyptian craftsmanship.

**OUR CONTRIBUTION** - Investment: EGP 1 million  
- Preparation Time: 64 days from inception to delivery (320 hours)

**OUTPUT 2018** Number of direct Beneficiaries: 300 artisans  
Organizations involved:  
• Fayoum Agro Organic and Development Association  
• Yadaweya  
• Macrame.Rouh

## 9.1.3 QESETNA FI HERFETNA (“OUR CRAFT: OUR STORY”)

ALEXBANK and the Sawiris Foundation for Social Development (SFSD) launched “Qesetna Fi Herfetna” aiming to integrate persons with disabilities into “Ebda3 men Masr” by providing them with a quality handicrafts training program. The project is planned to build the capacity of more than 500 young men and women with motor, visual, audio or mental disabilities in four governorates and over the course of four years. To achieve real inclusion, target beneficiaries will join their non-disabled peers in trainings to psychologically prepare all participants for dealing with disabilities in the labor market as well as raise awareness comprehensive integration among their families.

The launch of “Qesetna Fi Herfetna” was part of the celebratory event concluding the year 2018, dubbed the “Year of People with Disabilities” by the President of Egypt. Organized by the Federal Egyptian Association for Intellectual Disabilities and under the auspices of H.E. the President of Egypt, the first “Qesetna Fi Herfetna bazaar took place, featuring handicrafts and traditional products made by differently abled artisans.



## Safaa Mahran

Founder, Sendan NGO, Sohag

Ebda3 men Masr

Qesetna Fi Herfetna

Safaa Mahran, is the founder of Sendan NGO based in Sohag. The NGO's work primarily focuses on providing vocational training to members of her community living with a wide range of disabilities. The training enables these unique individuals to receive the necessary tools to make hand-crafted kilims and handmade products using bamboo and leather. Despite receiving criticism from her community for challenging gender norms and independently pursuing an entrepreneurial project, Safaa maintains her motivation which has always been to empower people living with special abilities and provide them with opportunities to join the workforce and added their very own value to society.

Sendan continues to feature local crafts and handmade products in exhibitions, providing many artisans with a platform to gain attention and national recognition. In the future, Safaa hopes to lead three permanent production units, securing a fixed income for her comrades.

From 2016 to 2018, Safaa provided training to 186 disabled persons from various governorates around Upper Egypt.

**“I defy all the customs and traditions that limit the women in my village to empower people living with disabilities to become active citizens.”**



## Mostafa Galal

**“I went to the exhibition in Cairo to deliver the message that we can and I hope I can go to more exhibitions in the future.”**

*Students of Sendan during their daily class practicing the art of bamboo braiding. Eventually, students can become teachers bringing this craft closer to others in Sohag.*



Dar Al-Salam Galal

**“What matters to me the most is to learn and teach others this craft and anything else this life has taught me.”**



*Safaa giving her students some bamboo braiding tricks and finishing advice.*

## 9.1.4 EXHIBITIONS: BREAKING MARKETING & SALES THRESHOLDS

Exhibitions are a major dimension of our “Ebda3 men Masr” initiative. The greatest challenge facing the crafts industry in Egypt is the lack of opportunities to establish a strong presence in local and international markets. To address this issue, we created points of sale across three different levels.

LOCAL

NATIONAL

INTERNATIONAL

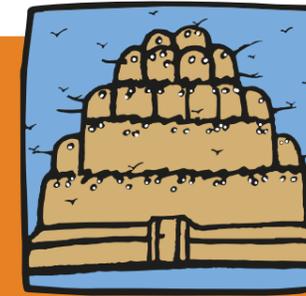
### Local Exhibitions

Our exhibitions are held across Egypt. Some are old staples, while others are pop-ups that change annually.

In 2018, ALEXBANK demonstrated presence in numerous local exhibitions, including Turathna, In-doors 2018, Library of Alexandria, among others. The most significant local event of the year remains Tunis Village Festival.



Pottery designed and displayed in the Cultural Palace Pioneers Association, Kharga Oasis.



## Tunis Village Festival

The 8th Annual Tunis Village Festival was organized and sponsored by “Ebda3 men Masr” in cooperation with Tunis Village Potters Association and under the auspices of El-Fayoum Governorate. For the fourth time in a row, ALEXBANK has been supporting the Festival, which encompassed concerts, an open-air cinema, workshops and various handicrafts from different governorates. Artisans from all over Egypt showcased thousands of handmade products, from wood and granite carving, to palm leaf baskets, handmade carpets, needle works, clay objects and hammered copper.

During the three-day Festival, visitors are encouraged to learn more about the rich handicrafts’ heritage and wealth of Egyptian crafts. In 2018, the Festival attracted more local and international visitors than ever before, garnering national and international exposure to the beautiful village of Tunis in El-Fayoum and to all Festival exhibitors.

### OUR CONTRIBUTION

- Financial Contribution: EGP 1.2 million
- Preparation Time: two months prior to the Festival
- On-ground organization support
- Village Beautification: Phase II in collaboration with Alwan NGO 
- Business Support: P.O.S machines at 0% commission
- ATMs

### OUTPUT 2018

- 15 workshops by “Ebda3 men Masr” partners
- 80 Exhibitors
- 3,000 visitors, including 200 ALEXBANK employees from across Egypt.



**Mahmoud ElSherif**

Fayoum's Potters' Association  
President

“Currently, the festival is more than just an annual event which takes place in the city. It has become to a greater degree a national day for all villagers and Fayoum residents.”



**Usama El Ghazali**

Founder of Yadaweya

“This year, the festival has been transformed into an open museum featuring over 80 exhibitors coming from 15 different governorates. The spirit is incredible, performances are very engaging and entertaining.”



A member of the Cultural Palace Pioneers Association's decoration division working on completing perfecting a pottery piece.



Potter of the single remaining pottery workshop in Kasr village in the Oasis Dakhal where the process of pottery production is still 100% hand-made and all natural including the kilns where the firing takes place (as opposed the modern electric ovens being used in most pottery workshops today).



**Mrs. Janet Heckman**

EBRD Egypt Managing Director

“We are very impressed. ALEXBANK’s involvement truly transformed the village. We have bought pottery pieces from all workshops. The bank should be very proud of such an achievement. The tours organized with the help of AUC students are a great addition.”



**Yasmina Abou Youssef**

Tawasol NGO for developing  
Istabl Antar

“I have never seen Tawasol’s kids that happy; this has been a retreat for them, they don’t want to leave. This festival has been a great opportunity for them to expose their talents on stage.”

## National Exhibitions

Every year, we organize an annual national exhibition which then becomes our largest and most highly anticipated show. It is the event where all our “Ebda3 men Masr” artists participate and the whole sector gathers for a comprehensive exhibition of Egyptian crafts. This annual event alone constitutes more than 50% of direct annual sales generated by most of our them.



This year, we partnered with Craffiti Egypt as the main sponsor. Extending the initiative's support to the entire creative economy, we subsidized the space rental fees for all partaking exhibitors, not just “Ebda3 men Masr” artists.

### OUR CONTRIBUTION

- Financial Contribution: EGP 3 million
- Preparation Time: 400 hours
- Marketing campaign on social media
- Booth and ATMs setup for ALEXBANK banking services
- On ground organization and consulting support.

### OUTPUT 2018

#### Direct Beneficiaries: 162

- Full support provided to 86 artisans (48 women and 38 men)
- Subsidized 76 artisans (40 women and 36 men) amounting to a total of EGP 349,000 to cover the rental cost of exhibition space

#### Indirect Beneficiaries: 2,124

- Exhibitors: 250
- Sales generated: EGP 1.5 million
- Total ATM transactions: 1,013
- Total value of cash dispensed from ALEXBANK ATMs: EGP 732,950
- 49 P.O.S machines (39 existing and ten new machines) at 0% commission over the period of the exhibition.

## International Exhibitions

In 2017, ALEXBANK launched the first World Fair Trade Certification Program in Egypt to support 22 active members of the creative economy. Eleven of these craftsmen received provisional certificates by 2018, opening the international market for their merchandise.

“Ebda3 men Masr” kicked-off 2018 by visiting two of the biggest trade shows in Europe “Maison & Objet” in Paris and “Ambiente” in Frankfurt. Alongside five aspiring Egyptian designers, we embarked on a journey to learn more about the latest trends in the international handicrafts scene. Our experience in Paris and Frankfurt paved the way to our first participation in the principal handicrafts marketplace in the world - L'Artigiano in Fiera, by year end.



## L'Artigiano in Fiera

Our work with the craftsmen and -women in Egypt has kept us aware of the lack of accessible opportunities to participate in the international market despite the high quality and uniqueness of their products. In 2018, determined to support our artists in breaking that ceiling, five of them were able to participate in Italy's nine-day “L'Artigiano In Fiera”.

### OUR CONTRIBUTION

- Financial Contribution: EGP 1.3 million
- Preparation Time: 10 weeks prior to the event

### OUTPUT 2018

- Number of Exhibitors: 24 Egyptian Exhibitors, including five “Ebda3 men Masr” artists
- Sales generated: EUR 32,215



*The various stages of pottery production in a glimpse.*

## 9.1.5 IMPACT THROUGH PARTNERSHIPS

### Fair Trade Empowerment and Promotion in Egypt (2016 – 2018)

With a total reach of 3,600 artisans in clusters across eleven governorates, we are proud to announce the conclusion and success of our first strategic partnership under “Ebda3 men Masr”. In 2018 only, Fair Trade Egypt has worked on the capacity building of 571 beneficiaries (496 women and 75 men), in addition to providing them with marketing and sales opportunities in collaboration with ALEXBANK.

### Cluster Formation for Handicrafts and Entrepreneurship Development in Upper Egypt (2016 – 2018)

After three years of addressing critical issues like reviving traditional handicrafts, improving socioeconomic conditions of marginalized women and youth of Upper Egypt, and breaking the stereotype of male-dominated crafts, “Ebda3 men Masr” in collaboration with Egyptian Network for Integrated Development (ENID) provided 1,200 women with tailored crafts-based training. Most participants are now skilled enough to proudly call themselves experts in Khayameya, French loom and furniture making. Moreover, they received the opportunity to display their products in an international exhibition in Dubai for the first time in 2018.

### Yadaweya (2017 - 2018)

One of “Ebda3 men Masr” most important milestones is our partnership with Yadaweya, which has been significantly impacting the lives of more than 800 craftsmen and their families across six governorates since 2017. The partnership not only revived and developed almost extinct craftsmanship like Telli and Siwa salt carving, but it also provided sales opportunities for its artisans.

Within our partnership, we were able to create a comprehensive map of handicrafts in Egypt. Additionally, we have created a children’s book that tells the story of the Egyptian handicrafts, their heritage and cultural ties to the numerous communities. Both, the map and the children’s book will be published in 2019 as a reference to Egypt’s authentic handicrafts for the whole world.

## 9.1.6 EBDA3 MEN MASR: A MODEL FOR SOCIAL SOLIDARITY

ALEXBANK signed a two-year agreement worth EGP 3 million with the Egyptian Ministry of Social Solidarity to further expand its impact and ensure long-term resilience of our artisan community, embracing 25,000 local artisans across all governorates. The partnership entails enhancing their sales opportunities by promoting them locally and globally through organizing a few local and international exhibitions.



Ghada Waly

Minister of Social Solidarity

”We always pride ourselves on collaborating with ALEXBANK for their continuous efforts contributing to the advancement of our Egypt Vison 2030. The handicrafts sector falls under the strategic focus of the Ministry for the preservation of the Egyptian creative heritage and industry, and ALEXBANK through ‘Ebda3 men Masr’ has been a loyal supporter to thousands of artisans nationwide who succeeded in getting their nascent projects off the ground. Together, we are hoping to integrate additional markets globally and bolster the image of Egypt globally. Capitalizing on this longstanding partnership, a decent life will be secured for thousands of great minds and souls.”

## 9.2 COMMUNITY DEVELOPMENT PROJECTS\*<sup>1</sup>

Project	Partner(s)
<p><b>ABO TEEG</b> (2018 – 2019)</p> <p><b>ASYUT</b></p>	<p>A handmade carpet production facility and training center projected to produce high-quality carpets for the export market. <b>150 students</b> will be trained and equipped with skills that will enable them to directly contribute to improving the local carpet industry, with the prospect of employment in the facility.</p> <ul style="list-style-type: none"> <li>▪ Sawiris Foundation for Social Development (SFSD)</li> <li>▪ Egyptian Chamber of Handicrafts</li> <li>▪ Egyptian Export Council for Handicrafts</li> <li>▪ Ministry of Trade and Industry (through The Micro, Small and Medium Enterprises Development Agency)</li> </ul>
<p><b>WOMEN EDUCATION AND ECONOMIC EMPOWERMENT TO COMBAT EARLY MARRIAGE</b> (2018 – ONGOING)</p> <p><b>GIZA</b></p>	<p>Our project with ACT supports women in vulnerable communities through raising awareness and capacity building workshops. To raise their resilience against different forms of abuse, our target is to pave the way for financial independence and stability for <b>50 women</b>.</p> <ul style="list-style-type: none"> <li>▪ Appropriate Communication Techniques for Development Center (ACT)</li> </ul>



## G . A . & A . A .

Small Business Owner, Giza

Women Education and Economic

Empowerment to Combat Early Marriage

ACT

G.A. and A.A. are sisters. Together, they run their very own make up and accessories shop in Giza. They are planning the expansion of their store, purchasing a photocopy machine and integrating new services to offer their ever-growing client base.

They credit their newfound success to ACT, an NGO that aims to combat early marriage and empower women. G.A. and A.A. participated in public awareness sessions held by ACT, equipping them with the social and financial support necessary to embark on this ambitious career path.

Today, G.A. and A.A. not only own a growing business enterprise, they also recognize the importance of raising their daughters to become independent young women and empowering them through education.

**“I now know we do not need to completely rely on men and I recognize the importance of educating my daughters from a young age onwards.”**



## M . M

Grocery shop owner, Giza

Women Education and

Economic Empowerment to

Combat Early Marriage

ACT

This shop used to be my mother-in-law’s property and when I offered to work with her, we expanded it in terms of space and product range. Today, it is my source of income enabling me to actively contribute to my family’s wellbeing.”



A . M

Field coordinator

ACT

**“We prepare them for life away from what they believed will be their destiny forever.”**



Women Attending

Literacy Class

ACT

**“We are now able to help our children with their school work, which has changed the way they look at us.”**

**“My daughters will not go through what I had to endure.”**





*H.A is one of the women who applied for the financial grant as part of the economic empowerment component of our project with ACT in Gizah. Her project is a fish stand in Gizah, where the tasks are divided up between her and her husband who goes on daily fishing trips on the Nile. Her dream is to continue providing for her children.*

Project		Partner(s)
<p><b>COTTON FOR LIFE (C4L) (2015 – 2019)</b></p> <p><b>ALEXANDRIA AND DAMIETTA</b></p>	<p>This project continues to educate farmers, vocational school students and young designers aiming at enhancing the sustainability of their agricultural methodologies, industrial processes and value added of the long staple and extra-long staple Egyptian cotton value chains across 12 governorates. More than <b>650 students, 50 teachers, 50 technicians, 20 farmers</b>, and more than <b>25 designers</b> are part of C4L.</p>	<ul style="list-style-type: none"> <li>Filmar Nile Textile (FNT)</li> <li>Ministry of Agriculture and Land Reclamation</li> <li>United Nations Industrial Development Organization (UNIDO)</li> <li>Ministry of Trade and Industry</li> </ul>
<p><b>TAMKEEN: INTEGRATED VILLAGE DEVELOPMENT IN EDFU (2017 – ONGOING)</b></p> <p><b>ASWAN</b></p>	<p>The integrated development approach covers a range of development interventions and assistance to ultra-poor families in five villages in the center of Edfu. Our support includes basic, preventive and curative healthcare services, skill-development workshops, in-kind donations, and micro-projects assistance with the objective of raining the villagers' independence. To date, more than <b>50 families</b> living in these five villages have profited and <b>67 microloans</b> provisioned.</p>	<ul style="list-style-type: none"> <li>Khair Wa Baraka NGO</li> </ul>
<p><b>HEALTH &amp; HOPE OASIS EDUCATIONAL KITCHEN (2018 – 2019)</b></p> <p><b>BEHEIRA</b></p>	<p>ALEXBANK contributes directly to the well-being of cancer-ridden children and their families. We financed a community edu-kitchen for whole family, in which a team of experts can raise awareness about appropriate hygiene and infection control practices and provide balanced nutrition to support the children's medical treatment. The edu-kitchen is set to benefit <b>250 individuals</b>.</p>	<ul style="list-style-type: none"> <li>Friends of Children with Cancer NGO</li> </ul>
<p><b>FROM FARM TO FORK (2017 – 2018)</b></p> <p><b>BEHEIRA, MINYA AND FAYOUM</b></p>	<p>This project aims to support <b>4,000 women</b> living in rural areas in scaling up their micro-business activities. The focus lies on processing tomatoes into high quality consumer products, with a pilot phase completed in 2018.</p>	<ul style="list-style-type: none"> <li>Knowledge Co. for Sustainable Development</li> </ul>

Project		Partner(s)
<p><b>ONE-DREAM (2018 – ONGOING)</b></p> <p><b>CAIRO</b></p>	<p>One Dream's mission is to improve the living conditions of communities involved in waste recycling active in Mansheyet Nasser and Tora's informal areas. Over the period of two years, the project will target <b>35,000 individuals</b> through the completion of virus C screenings and treatment, combating anemia, early detection for diabetes, new born and premature care, addiction treatment, adult literacy, and financial literacy for women and kids.</p>	<ul style="list-style-type: none"> <li>Sawiris Foundation for Social Development (SFSD)</li> <li>Star Care Egypt Foundation</li> <li>Shorouk Misr Foundation</li> <li>Association for the Protection of the Environment (APE)</li> </ul>
<p><b>IMPROVING THE LIVING CONDITIONS OF CHILDREN IN STREET SITUATIONS (2017 – 2019)</b></p> <p><b>CAIRO</b></p>	<p>Under the three-year long partnership with SFSD, we launched this project to contribute to better living standards for <b>450 children</b> in shelters and up to <b>1,500 children</b> in street situations.</p>	<ul style="list-style-type: none"> <li>Sawiris Foundation for Social Development (SFSD)</li> <li>Banati and "I The Egyptian" Foundation</li> </ul>
<p><b>TRANSFORMATIONAL TEACHING PROGRAM (2016 – 2019)</b></p> <p><b>CAIRO AND GIZA</b></p>	<p>With the objective of designing and delivering professional development programs for teachers working in governmental schools, the program offers teachers practical training on best practices in dealing with children in the classroom. More than <b>3,500 teachers</b> across <b>150 schools</b> participated to date.</p>	<ul style="list-style-type: none"> <li>MetLife Foundation</li> <li>Educate Me Foundation</li> </ul>



**Tamer Magdy**  
Executive Director, APE

**“We aim to have a positive impact on all the lives of everyone we encounter. For the future, we are looking forward to more partnerships to maximize the impact of our interventions.”**

## 9.3 OUR MAIN CSR CONTRIBUTIONS

### ▶ “Donate A Meal with Every Transaction”

The CSR & Sustainable Development Office, Cards Products Office and the Marketing, Public Relations & Research Department join forces for the first time.

Since Ramadan is the month of giving, ALEXBANK, in partnership with VISA, donated a set percentage of every purchase made via ALEXBANK VISA Card for during the holy month. In partnership with Misr El Kheir Foundation and VISA, we covered the cost of a Ramadan tent located in El Sheikh Zayed City in Giza, which hosted more than **500 people every day** and provided more than **18,000 “iftar”** meals during the 30 days of Ramadan.

### ▶ “Iftar El-Abtal”

#### ALEXBANK’s Second Annual Ramadan Iftar for Children in Street Situations

For the second consecutive year, ALEXBANK and SFSD dedicated their annual Ramadan iftar to marginalized children in street situations. Organized in cooperation with Samusocial International Egypte, the iftar took place at the “Al-Horreya Park” in Zama-lek. Entertainment activities offered a gateway from day-to-day realities of **800 children**, 100 of which differently disabled. On the sidelines of the celebration, ALEXBANK and SFSD signed a cooperation protocol worth **EGP 50 million** aiming at providing health and educational support improvement of their living conditions and adequate housing opportunities especially for children with disabilities. The cooperation extends over a period of 5 years and will be based on the collaboration with NGOs and the relevant government authorities.

### ▶ The CSR Conference

#### ALEXBANK’s 4th Annual CSR Conference

Co-organized with the International Labor Organization (ILO), SFSD and Professional Development Foundation (PDF), ALEXBANK invited experts and practitioners to an interactive discussion on “The Impact of Responsible Business on Economic & Social Empowerment”. 2,000 entrepreneurs and representatives of business organizations, multinationals, SMEs, universities, research centers and NGOs attended the two-day conference. Light was shed on the private sector’s role in job creation directly and reflected in a matchmaking forum where participants had the chance to present their case studies and network with like-minded professionals. “Ebda3 men Masr” was also present through a bazaar on the sidelines of the conference.



Sanaa AbdelRady

Attendee of the literacy class

“The community I live in does not support the education of girls. Today, I feel proud of myself having educated myself and even learnt a little English. My husband and I agreed that our daughter will stay at school and will not get married before 18.”



Women of Ghonaymiah village in Edfu while attending a literacy class as part of the Tamkeen Integrated Village Development project in partnership with the NGO Khair wa Baraka. Usually the classes are conducted in Arabic and English.

## 9.4 ALEXBANK FOR ALEXBANK\*<sup>1</sup>

### Forsa Bazaar

A monthly pop-up bazaar initiated in July of 2018, “Forsa” (“Chance”) is a unique ALEXBANK happening that places special emphasis on a different theme ever basis. The bazaar provides a platform for homegrown enterprises to promote their skills and showcase their merchandise. Different exhibitors reflecting the various themes are chosen each month, presenting their products and offering the ALEXBANK community with a unique shopping experience every month. More than 60 exhibitors participated in our six “Forsa” bazaars. Themes included: “Summer”, “Back to School”, and “Pink for Breast Cancer Awareness”.

### “For My People”

#### (aka “Make Their Dreams Come True”) Competition

The CSR & Sustainable Development Office engages ALEXBANK employees across all locations in the design of ALEXBANK’s social investment programs. As part of the annual competition, staff members propose ideas for social projects which then undergo a selection process. The projects with the highest votes win a donation.

In 2018, and in line with the national agenda, the focus was on projects that serve people with disabilities. Six ideas were submitted and received a total of 1,712 votes. The two winning proposals included collaborations with “Deraz Charitable Foundation” for orphan care and “Alhassan Foundation”, a Disabled People’s Organization (DPO) with more than 50% of its board members being wheelchair users, in addition to 80% of the foundation’s employees being permanent wheelchair users. A total donation of EGP 300,000 to be used in supporting a comprehensive rehabilitation programs for people living with a wide range of disabilities was divided equally among the two winners.

To date, ALEXBANK has funded a total of **26 projects** across Egypt representing all regions.

### Ramadan Lights 2018

ALEXBANK supported the Egyptian Food Bank’s packaging of thousands of Ramadan bags that were gifted to underprivileged people, helping them in meeting their basic nutritional needs during the holy month. Also, considering the initiative, employees from all over ALEXBANK visited our “Misr El Kheir” tent, helping the team on the field (see section: 9.2 Our Main CSR Contributions).



Children and their teachers on a day at the nursery in Edfu.

### “Those Who Need Us”

A monthly campaign launched in 2014, “Those Who Need Us” is a channel through which employees can suggest and propose volunteering opportunities. In 2018, our volunteering visits conducted included:

- August: **Leprosy Colony in AbuZaabal** where **5 wheelchairs, 56 crutches, and 38 mattresses** were donated from ALEXBANK employees.
- September: “**Kheir on the Go**” campaign where employees passed donated around **100 milk packs and nutritious date biscuits** to give to homeless children on their way back home.
- November: Extending emergency relief to “**Awaad Island**” in Aswan in collaboration with Kheir Wa Baraka NGO and ALEXBANK’s Network Department. We aided **40 families** living in extreme poverty in form of food supplies covering a period of two months, along with the provision of in-kind cash donations and a medical convoy of doctors (pediatrics, ophthalmology, GIT, and OB/GYN) serving more than **350 individuals. 12 employees** from Aswan, Qena and Luxor joined the visit, distributed food distribution and assisted doctors. More than **EGP 15,000** were donated by ALEXBANK employees to directly support the island’s inhabitants.
- December: Decorating Children’s Cancer Hospital 57357 in celebration of Christmas and the New Year.

Over 35% of ALEXBANK’s staff have engaged in “Those Who Need Us” campaigns.

Additionally, we organized three blood donation campaigns in collaboration with the Association of Friends of the National Cancer-Free Initiative (AFNCI).



*Nadine, one of more than 250 children attending nursery in her village in Edfu.*

#### **ALEXBANK Cares about You**

The health of our employees is at the forefront of ALEXBANK's priorities. 2018 witnessed our first comprehensive medical care campaign, where our Medical Care Unit in collaboration with the CSR & Sustainable Development Office launched an awareness campaign for Vitamin D Deficiency, Prostate Cancer and Breast Cancer.

The campaign ran for two months and included free vitamin D tests were provided to employees, across all governorates in collaboration with Glob Med and with Children Cancer Hospital 57357 for those in Cairo and Giza. For every test conducted, the Bank donated EGP 200 to Children Cancer Hospital 57357. In addition to the vitamin D tests, all relevant employees were given the chance to undergo prostate cancer tests and mammograms provided in Glob Med labs across all governorates.

**1,006 employees** underwent voluntary vitamin D testing, resulting in a contributed of EGP 201,000 donated to the Children Cancer Hospital 57357.

**200 male employees** took prostate cancer tests and **50 female employees** underwent mammography.

As part of our CSR & Sustainable Development Office Strategy (2018-2021) and in line with the Group's Business Plan spanning over the same period, we aim to advance our environmental performance within a process of continuous improvement. Our guiding principles are laid out in ALEXBANK's Code of Ethics and the Intesa Sanpaolo Group Rules for the Environmental and Energy Policy concerned with managing, reducing, and where possible preventing, direct and indirect environmental impacts of our operations, such as the reduction of waste, energy efficiency improvements, and the consideration of environmental and social consequences tied to our lending activities and investment decisions.



Common local goodies of dates and oranges used for greeting visitors of the Oasis of Dakhla. Both are sourced from the widespread palm trees thriving everywhere in the oasis.

## 10.1 DIRECT ENVIRONMENTAL IMPACTS

To remain accountable to our customers from whom we demand higher levels of environmental and social integrity and based on environmental sustainability being one of the three dimensions of ALEXBANK's CSR & Sustainable Development Office Strategy, we develop various initiatives to reduce our negative direct environmental impact. Most of these endeavors are owned and implemented by teams consist of representatives from several divisions. Often led by the CSR & Sustainable Development Office, these initiatives frequently result in the creation of internal "networks" in which we can assess multidimensional issues effectively.

### 10.1.1 ENERGY EFFICIENCY

Energy efficiency is a national priority under the Egypt Vision 2030 "Energy Security" pillar. The urgency and importance of this topic was subsequently highlighted in the National Plan for Energy Efficiency (2018-2020) and the National Energy Strategy.

In 2017, installing a LED-lighting system in two of our three main premises has resulted in cost savings of EGP 102,750. Our energy consumption reduced by 12% in addition to producing 35.5 tons less carbon dioxide emissions than in 2016. As ALEXBANK, we aim to reduce our energy consumption even further to reach 37% reduction by 2022 (with 2012 as base year).



Alaa Gaafar

Head of Real Estate Department

**"Sustainability is a red thread throughout all stages of our operations; we use locally manufactured materials whenever possible, energy saving equipment to reduce electricity consumption, reduce water consumption by using low flow tap switches while upholding our environmental integrity."**



Yellow flower field in Dakhla Oasis.

### 10.1.2 GREENHOUSE GAS (GHG) EMISSIONS

Although comprehensive information on the fuel efficiency of our vehicles is currently unavailable, it is safe to assume that our transportation fleet remains the main source of our direct greenhouse gas (GHG) emissions.

ALEXBANK downsized its transportation fleet from 53 buses in 2015 to only nine buses in 2018, significantly decreasing fuel consumption. Currently, the fleet cover Greater Cairo and Alexandria and serves 940 subscribed employees, up from 908 in 2017. Between 2017 and 2018, we cut our gasoline consumption by 47% and diesel fuel consumption by 17%.

#### FUEL CONSUMPTION

	Gasoline	Diesel Fuel
<b>2016</b>	71,357	213,006
<b>2017</b>	42,000 (decrease by 42% vis-à-vis 2016)	153,167 (decrease by 28% vis-à-vis 2016)
<b>2018</b>	22,249 (further reduction by 47% vis-à-vis 2017)	126,872 (further reduction by 17% vis-à-vis 2017)

#### NUMBER OF BUS SUBSCRIBERS

	Cairo	Alexandria	Total
<b>2017</b>	692	216	908
<b>2018</b>	724	216	940

### MACHINE REPLACEMENT PROGRESS

	2018 (Achieved)	2019 (Achieved)	2019 (Planned)	Total
<b>Large Multifunction Machines</b>	35	179	40	254
<b>Small Multifunction Machines</b>	116	13	60	189

The new and significantly more efficient machines are linked to a software that monitors paper consumption per employee and produces monthly consumption reports. Our aim is to monitor, regulate, and effectively reduce our paper consumption through educated awareness exercises planned for 2019.

#### OUR PROGRESS TO DATE

	2016	2017	2018	
<b>Paper purchased</b>	22,426 boxes	26,436 boxes	21,168	
<b>Shredded paper waste</b>	113 tons	115 tons	137 tons *	* Due to changes in archival policy



**Ayman Younis**

Head of General Services Office

**“We managed to cut paper consumption by more than 15% and have plans to decrease it even further in 2019.”**

### 10.1.3 PAPER CONSUMPTION & WASTE

We are committed to consistency in our pursuit of sustainable operations. Paper and waste management are linked to various functions across the Bank. Moreover, both are affected by changes in the archival policy, CBE laws and regulations, Group rules on resource efficient consumption, and advancements in ALEXBANK’s digitalization efforts.

To reduce our paper consumption and waste, and as a logical step in our digitalization strategy, an assessment of all printing machines was conducted. This assessment identified 14 different models, each requiring a different type of cartridge, paper, and spare parts. The findings, specifically in terms of cost efficiency and waste implications, prompted our Operations Division to start replacing all machines across all branches and headquarters with multifunction machines over a period of two years starting 2018.

### 10.1.4 WASTE MANAGEMENT

The expansion and sustainability of our environmental initiatives depends first and foremost on ALEXBANK’s employees’ awareness and agency. The Operations Division together with the CSR & Sustainable Development Office are designing a new waste management and collection system piloting our two of our main premises in Downtown, Cairo. The aim of this project is to reduce our imprint on the environmental footprint by (1) recycling most of our waste which will be segregated at source; (2) engaging our employees in the process by raising awareness and creating an incentive scheme; and (3) creating shared value by engaging local social enterprises active in the field or recycling and up cycling. Eventually, we aim to roll out this project across all our branches.

## 10.2 INDIRECT ENVIRONMENTAL IMPACTS

ALEXBANK's commitment to environmental sustainability stems from our deep conviction that sustainable financial returns come hand in hand with sound social and environmental management. As an active participant in society, we do not have merely economic responsibilities but must be accountable for social and environmental consequences of their decisions. Thus, the protection of the environment is key to our commitment to responsible operations.

Since adhering to the Equator Principles in 2012, our management approach of environmental & social risks and impacts has been evolving. The principles are a framework for managing environmental and social risks. They provide financial institutions with guidance to address environmental and social matters associated with their business activities and large financial projects. As such, ALEXBANK has had a Social & Environmental Management System (SEMS) Policy and Procedures in place since 2012. This year, together with the Risk Division as well as all other relevant functions, the CSR & Sustainable Development Office is drafting the "Guidelines for the Implementation of the Equator Principles in the Management of Environmental & Social Risks and/or Impacts When Granting Loans". The "Guidelines", aimed at assessing and managing environmental and social risks and impacts in respect to its relevant financing operations, shall replace the SEMS in 2019. Furthermore, in 2019, we will proceed by creating procedures that enable a clear and effective division of roles and responsibilities between all relevant functions once the Board of Directors approve them.

In 2018 alone, ALEXBANK has signed a senior unsecured term loan agreement amounting to the equivalent of EUR 20 million (i.e. USD 25 million) with the aim of financing projects by SMEs and Mid-Cap enterprises implemented on the territory of Egypt. This loan from the European Investment Bank (EIB) is associated with a technical assistance grant package of up to EUR 500,000. The technical assistance package and cooperation agreement will have a focus on financial services for pre-IPO preparation for SMEs seeking to go public and be listed on NILEX. The cooperation agreement is planned to be signed during the first quarter of 2019.

ALEXBANK places great emphasis on equipping its employees with the tools necessary to make sound decisions. Thus, in 2018 the Bank invested in training sessions on "Sustainable Energy Finance" provided by IFC and another one on "Green Economy Financing" by EBRD and Green for Growth by Finance in Motion. Furthermore, many relevant ALEXBANK employees took part in "MOSTADAM: Introduction to Sustainable Finance", a platform promoting sustainable finance in the financial sector in Egypt and the MENA region. All training sessions were attended by representatives of the Retail & Small Business Division, Corporate Investment Banking & Medium Enterprises Division, and the CSR & Sustainable Development Office.



## Client Story

The Green for Growth Fund (GGF) has the ultimate aim to contribute to enhancing energy efficiency and fostering renewable energies in various regions around the world, including in Middle East and North Africa (MENA) via public-private partnerships and mainly through providing dedicated financing to businesses and households. In this light, GGF's endeavours in strengthening and developing positive environmental impacts through their impact-driven approach have been producing continuous success stories. Especially relevant to the nascent biogas segment in Egypt is GGF's method of addressing responsible management of waste while generating energy sustainably.

In 2018, and within ALEXBANK's strive to deepen its support of Egypt's renewable energy sector, the Bank provided financing to a 1 MW biogas plant with funding from the GGF credit line. This plant by the startup 'Empower NRE' is a waste-to-energy solution that is actively promoting sustainable waste management in Egypt. Located in close proximity to an existing wastewater treatment facility, the plant is continuously supplied by sewerage sludge.

The 160 cubic meters of sludge that the plant is expected to treat per day will produce electricity and fertilizer. Moreover, through the energetic use of by-products, the plant will reduce its residual waste, thereby contributing to the environmental impact of otherwise landfilled wastes and permitting additional sources of revenue through the production of energy and fertilizer. For the future, 'Empower NRE' has plans to set up more of these facilities.

More about this success story can be read in the Annual Impact Report 2018 published by the GGF

For the remaining three years of the four-year CSR & Sustainable Development Office Strategy, we have plans to institutionalize our responsible lending activities even further by endorsing the United Nations Environment Programme - Finance Initiative (UNEP FI) Six Principles for Responsible Banking and become a member of the UNEP FI (planned: 2020).<sup>\*1</sup> More than 230 financial institutions, including banks, insurers, and investors, work with UNEP to understand today's environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them. The Principles (alignment; impact; clients & customers; stakeholders; governance & target setting; and transparency & accountability) provide guidance for banks to create value for their customers, shareholders and society. They are the first global framework to enable banks to integrate sustainability across all business areas, from strategic, to portfolio, to transaction level. Just like Intesa Sanpaolo Group and ALEXBANK, the coalition of banks behind these Principles is committed to align their strategy, portfolio and business practices with the SDGs and the Paris Climate Agreement.

### 10.3 DIALOGUE & LISTENING

At ALEXBANK, the CSR & Sustainable Development Office represents the “voice” of the environment. The Office is working together with many stakeholders to advance ALEXBANK’s response to environmental concerns, including the integration of ESG criteria into our credit policy, supplier assessment criteria, investment strategy, and product design.

Our annual Sustainability Reports will continue to provide important updates on our commitment to the environment to all our stakeholders. Moreover, we remain accessible to interested parties and affected stakeholders via e-mail [CSR@Alexbank.com](mailto:CSR@Alexbank.com) which is published on the ALEXBANK’s website.\*<sup>2</sup>



*Yellow flower field in Dakhla Oasis.*

---

1. 102-12  
2. 407-1



## Adel El-Omda

Palm Wood Engraving, Individual Artist,  
Tneeda Village, Dakhla Oasis  
Ebda3 men Masr

Residing in the abandoned Tneeda Village in the Oasis Dakhla, Adel El-Omda has made it his mission to transform palm wood into art.

Traditionally, palm wood has been deemed unusable and as a result, burned annually. However, Adel believes it is an excellent tool to create art with. Aside from upcycling palm wood waste, Adel uses palm wood to create art that addresses social topics. His art often represents the women in his village, highlighting their significance and their value to the community, thereby ensuring their social contributions are made public.

Adel's work has since been featured in numerous ALEXBANK supported exhibitions, which have provided him with the platform and necessary reach to expand his work. Adel is currently running a small museum in his home to showcase his art. He looks forward to producing work that attracts tourists and preserves the heritage of his village.

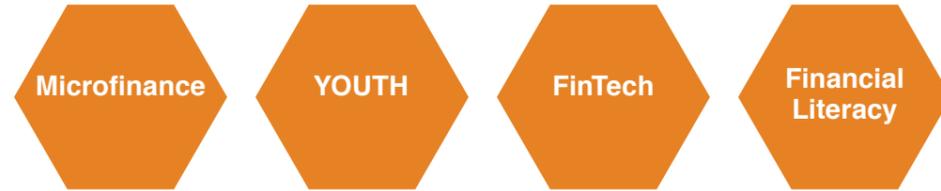


**“The message I try to convey about palm wood - an often neglected component of the palm tree - is that it can be made into art and put to good use.”**

Adel El-Omda

Financial inclusion has become a core responsibility of financial institutions in their efforts towards sustainable development. With more than 60% of Egyptians unbanked, particularly in areas where poverty is rampant, ALEXBANK has increased its investments in the microfinance and small business segments. This focus was fueled by a growing and dedicated team, research-based marketing strategies, and strong partnerships with governmental and private sector entities.

Our approach to financial literacy remains true to CSV principles. The fruit of ALEXBANK's contribution to financial inclusion can be divided among five clusters.



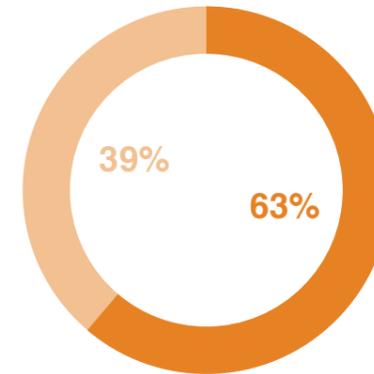
### 11.1 MICROFINANCE: SERVING THE UNDERSERVED\*<sup>2</sup>

Microfinance has become one of our fastest growing financial services at ALEXBANK. We invest in tailoring our microfinance products to match the needs of our local market and to the communities where we operate. Key elements of our microfinance model are agility in responding to the different segments and their individual requirements and a special focus on the unbanked.

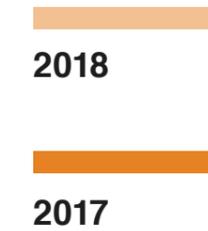
### 11.1.1 OUR MICROFINANCE PORTFOLIO\*<sup>1</sup>

Our clientele consists predominantly of customers active in the commercial and crafting sectors such as plumbing, welding and sewing.

#### Outstanding Volumes



Increase in outstanding portfolio (year-on-year)



#### Total Booked Amounts\*<sup>2</sup>

Microfinance asset Volume		2016	2017	2018
Individuals	Number of Accounts	58,750	68,698	82,390
	Total Amount in EGP	266,000,000	422,000,000	535,000,000
Companies	Number of Accounts		306	2,303
	Total Amount in EGP		11,975,213	66,510,000
Tamkeen	Number of Accounts			28
	Total Amount in EGP			1,191,000
Total	Number of Accounts	58,750	69,004	84,721
	Total Amount in EGP	266,000,000	433,975,213	602,701,000

		2015	2016	2017	2018	Total
Total Booking	Number of Accounts	48,597	54,332	69,050	77,305	249,284
	Total Amount in EGP	391,836,000	424,583,000	705,336,600	941,633,600	2,463,389,200

1. 102-6 - 102-7  
2. FS7  
3. 102-2

1. 102-6 - 102-7 - 203-1 - 203-2  
2. 203-1 - 203-2

## Microfinance Success Stories

### Abeer Wesal

Branch: El Bagour

Type of Activity: Hair and face products

Abeer's journey started with a loan of EGP 4,000, and gradually increased to EGP 7,500 in 2015, EGP 10,000 in 2016, EGP 15,000 in 2017 and EGP 20,000 in 2018.

### Hany El-Maghawry

Branch: El Bagour

Type of Activity: Photo studio

A loan of EGP 10,000 was the beginning of Hany's business endeavor. His success is showcased in the ever-increasing loans he has been granted ever since: EGP 15,000 in 2013, EGP 12,000 in 2014, EGP 25,000 in 2015, EGP 20,000 in 2016 and another EGP 20,000 in 2018.

### Hoda Elsayed

Branch: El Maamoun

Type of Activity: Kiosk

Hoda's relationship with the Bank started with a loan of EGP 7,500 in 2017. She was able to rent a storage room to expand her business by doubling her loan amount in 2018.

### Wafaa Mostafa

Branch: Quesna

Type of Activity: Basic groceries (eggs and margarine)

Her small business of basic groceries jump-started with a loan of EGP 5,000 in 2016 and kept growing in the following years. Wafaa took a loan of EGP 15,000 EGP in 2018.

## 11.1.2 TAMKEEN: RESPONSIBLE MICRO-LENDING\*<sup>1</sup>

Tamkeen is a modern and responsible response to the needs of underserved segments without compromising ALEXBANK's Code of Ethics, strict compliance rules and sound risk management policies.

The product addresses the needs of the rural communities, tailored for agricultural, commercial and manufacturing activities. Livestock and fixed asset finance are also feasible over a 36-months scheme and an optional three-month grace period. Particularly significant is that the Tamkeen is offered at a competitive interest rate. The product, an innovative and closely monitored banking product, proved successful in generating a new customer base.

Tamkeen was first conceived as a development project to promote women and youth employability through skill enhancement trainings, NGO capacity building, self-employment as well as creating new job opportunities. In 2018, the first phase of the training was completed in Asyut for 488 selected recipients through civil associations and grass root NGOs. It quickly became apparent that the standard microfinance product is not a convenient offering for the targeted segment with large parts not considering banks to be of service. Issues with previous representations of banking in Egypt deter the trust from members of vulnerable communities, assuming banks are meant to serve wealthier citizens. Oftentimes, they have only used rural cooperatives and microfinance NGOs for access to credit before reaching out to ALEXBANK.

Our traditional microfinance products provide access to loans through standardized applications that identify certain financial thresholds. These tiers are irrelevant in Tamkeen given the pre-credit services and selection process. People eligible for Tamkeen were chosen through a comprehensive filtration process that assessed non-financial indicators like skill-sets in addition to standard financial requirements. Furthermore, we collaborate with local NGOs to provide continuous monitoring, coaching, and general support to keep our customers' micro businesses alive and healthy. Our main purpose is to establish a connection and build trust between ALEXBANK and the community that represents a wide untapped segment of the Egyptian population. We are proud that Tamkeen has proven itself as a unique service that is tailored to achieve sustainable financial inclusion.

Results and lessons learnt from the first phase will feed into specific tailor-made financial inclusion products. We will continue our path in reimagining microfinance and challenging conventional banking norms. All in effort of better serving our community and furthering financial inclusion.



## Amal Mahfouz

Live Stock, Assiut

Tamkeen Microfinance

Amal Mahfouz's family owns a livestock farm where she used to help take care of the cows and buffalos on a daily basis. I did not own any heads of my own. She talks about the training she received from ALEXBANK with her neighbors and acquaintances and how she learnt how to manage her project, as well as how to further benefit from it. Amal has been managing her business for 6 months now and currently has one buffalo, four cows and four sheep.

ALEXBANK granted her a EGP 50,000 loan and with the help of her husband and people living on her farm, Amal raises and feeds the livestock and then milks them to produce cheese, milk, and ghee. She is then able to sell the produce to people living in her area. The farm helps Amal provide for herself and her family.



*Amal Mahfouz and her family portrait in the barn of her small agricultural venture.*



**“I continue to take care of the cows and buffalos, but now the herd has heads that I own and I have a voice in how our cheese and milk business is managed.”**

---

**Amal Mahfouz**

## ▶ 11.2 OUR YOUTH PROPOSITION

- ▶ We aim to equip young people with both financial knowledge and services to enhance their financial literacy, initiate their savings and encourage their entrepreneurial ambitions. ALEXBANK provides its financial services to the youth population through the “Youth and Small Depositor” tailored to individuals between 16 and 25 years old. The account requires a minimal opening balance and monthly interest rate. Designed to be managed through our digital platform, the “Digital Youth Package” permits YOUTH account holders to manage and monitor their spending via e-statements sent on a monthly or a quarterly basis and accessible through ALEXLINK, the Bank’s internet banking.
- ▶ Among an array of benefits, YOUTH account holders receive a free Vodafone Cash e-wallet to make sending and receiving money at any time and from anywhere in Egypt safe and convenient. Ultimately, we aim to raise financial awareness, ignite a young adult’s habit of savings and dismiss any potential discomfort of engaging in entrepreneurial endeavors that may lead to a prosperous future. Moreover, the YOUTH account offers a competitive minimal opening balance and monthly interest rate, underlining our commitment to creating a ripple effect that impacts our youth customers and the sustainability of Egypt’s economy on multiple levels.



**Ramy Taha**

Head of PR & Marketing  
Communication

“ALEXBANK’s marketing strategy reflects the unified vision of the Bank. We are consistently working towards establishing a wider reach, as well as promoting financial inclusion, particularly among youth groups. Digitalizing our services and establishing a strong presence on social media has made communicating with our customers and stakeholders more convenient. Aside from guaranteeing our services are accessible, diversifying communication channels has made reaching diverse segments of Egyptian society possible.”

## 11.3 FINTECH FOR INCLUSION

Our commitment to digitalization has never been more evident than in 2018. In line with Egypt’s efforts towards a cashless society. In addition to our partnership with Vodafone Egypt to provide our YOUTH account holders with a free Vodafone Cash e-wallet, ALEXBANK strongly ventures into financial technologies to provide all its customers with excellent services.

Ma7fazty (“My Wallet”) is ALEXBANK’s first mobile banking application and our own mobile wallet, offering fast and secure money transactions via a few simple steps only. It combines all essential daily financial transactions users may need, including but not limited to paying utility bills, phone bills and ADSL, purchasing goods, paying for services, and to cash-in and cash-out from ALEXBANK branches or Fawry agents.

Mobile banking services have been found to serve financial inclusion objectives globally. However, the variables negatively affecting their adoption rates persist and include the perception of risk, security concerns and the complexity of dealing with digital solutions. ALEXBANK’s legacy of integrity, trust and our sustainable community development initiatives has been vital in our quest for financial inclusion through mobile banking. Today, Ma7fazty serves large segments of the Egyptian population living in remote areas. With a user-friendly interface and the fact that no bank account is required to benefit from Ma7fazty’s services, the application which is featured in Arabic can tear down most of the residual barriers to adoption.



**Mohamed Aly**

Head of Multichannel Department

“Reflecting Intesa Sanpaolo Group’s directions, digitalizing the customer experience was one way in which we strengthened our relationship with the banked and non-banked alike while directly supporting the CBE’s financial inclusion initiatives. For our existing customers, we released the internet and mobile banking applications with multiple payment services including bill payments, top-ups, currency exchange and credit cards pay-offs. our mobile wallet Ma7fazty, an application providing users with additional features, includes clients who do not have an ALEXBANK account”



*"A healthy, stable foundation for anyone must start with access to education." The A.P.E. school prepares children of the community to succeed in life and build a future for themselves.*

## 11.4 FINANCIAL LITERACY: TAILORED LEARNING

---

We believe financial literacy is foundational to financial inclusion and sustainable finance. Through developing content that is easy to understand and relevant to respective target audiences, we pave the way for its applicability. ALEXBANK's financial services for under-served populations are presented with financial literacy programs via partnerships with national regulatory bodies and organizations active in the realm of financial inclusion we aim to reach continuously higher levels of financial inclusion. All our financial literacy efforts are structured to develop skills and acquire knowledge necessary to effectively manage participants' own financial situation and support progress toward meeting their financial needs. These efforts consider participants' diverse realities, including educational background, age, income levels, and ambitions.

### 11.4.1 ASK THE EXPERT

---

"Ask the Expert" is our 8-episode online edutainment series that addresses basic questions around banking terminologies, financial services and products. It has been running since 2017.

### 11.4.2 TAMKEEN

---

ALEXBANK collaborated with Sawiris Foundation for Social Development (SFSD), the International Labor Organization (ILO) and the Professional Development Foundation (PDF) on "Tamkeen", a project that aims at promoting the employability of youth and women by investing in their education and skills development. To ensure the sustainability of these trainings and to provide opportunities for income creation, ALEXBANK developed a micro-credit line that caters specifically to the beneficiaries of the program. Beneficiaries who successfully pass the "Tamkeen" training program are entitled to apply for this special micro-credit product at ALEXBANK at favorable conditions (lower interest, grace period and higher credit limit).

### 11.4.3 THE SME TOOLKIT

---

In addition to the intensive advisory service and guidance offered to applicants during the lending process, ALEXBANK provides a value-added digital service for new and existing SME customers. The SME Business Passport supports customers to optimize their business operations while enabling ALEXBANK to generate further growth. Included in the Business Passport is a SME Toolkit and digital knowledge bank that helps entrepreneurs manage their finances in addition to several other tools that strengthen the national entrepreneurial ecosystem.

#### 11.4.4 YOUTH

ALEXBANK was present at 22 locations of youth concentration, including universities and sports clubs, introducing its YOUTH proposition tailored to individuals between 16 and 25 years old. We provided financial information and guidance to interested individuals in Cairo, Qena, Edfu, and Sohag, together with “How-to-save” workshops for students. Through our interactions and engagement activities, more than 3,500 YOUTH accounts were opened in 2018. A parade promoting the importance of saving was in

#### 11.4.5 WOMEN

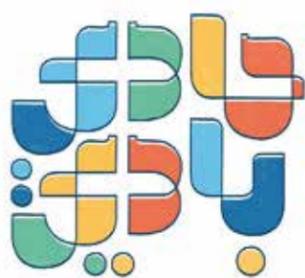
Globally, women are less likely than men to have a bank account. Even in cases where women have access to banking services, they face much greater challenges in obtaining services that meet their needs. In line with the CBE’s efforts towards ensuring women are recognized in nation-wide financial inclusion initiatives, ALEXBANK took part in the Arab Financial Inclusion Week under the auspices of the CBE. Through our awareness campaigns, over 900 females participated in various financial literacy workshops and 3,982 ALEXBANK accounts were opened for female customers across all governorates.

#### 11.4.6 HADY BADI

ALEXBANK celebrated the World Savings Day with a financial awareness workshop dedicated to children aged between 8 and 10 years old. Organized in collaboration with “Educate Me” community school in Talbeya, Giza, the event was structured around “Hady Bady”. “Hady Bady” is ALEXBANK’s first financial literacy game tailored for Egyptian children with the purpose of enshrining principles of prioritizing financial needs in balance with supporting others with less fortunate financial circumstances. The game educates children how they can spend for belongings they desire, save to purchase items they love and donate money to help people in need. With initially 20 children reached, the CSR & Sustainable Development Office is planning a national rollout of the game to reach more than 8,000 students across seven governorates in 2019.

### 11.5 DIGITAL FINANCIAL INCLUSION (DFI)

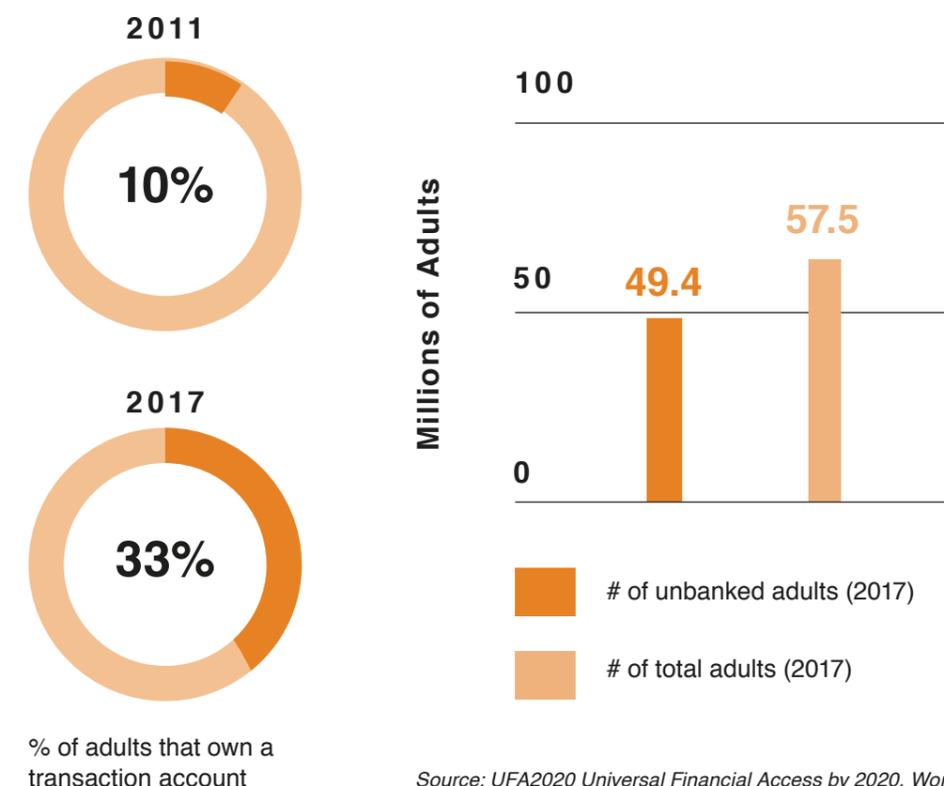
The banked population tripled in the last six year. This growth was in large part powered by technology and digital financial services. Today, more than 30% of employees in Egypt receive their salaries via electronic transaction accounts.



Children playing - at A.P.E., children seek entertainment through their learning experiences.



### EGYPT'S UNBANKED AT A GLANCE



ALEXBANK established the Digital Financial Inclusion Office to promote financial inclusion using reliable and secure digital inclusion solutions. In line with the National Telecom Regulator Authority’s (NTRA) plans to avail access to services via Information & Communication Technologies (ICT), our full-fledged new DFI strategy permits the so-called Base of the Pyramid (BOP) to gain digital access to financial services. In accordance with Pillar I, ALEXBANK signed a Memorandum of Understanding with the National Council of Women for implementing a women financial Inclusion program based on the “Village Save & Loan Association” (VSLA) model. This initiative is in partnership with Vodafone. The protocol with the Ministry of Agriculture and Land Reclamation directly answers to Pillar II. For data and customer protection purposes (Pillar III), ALEXBANK built a data mart dedicated to financial inclusion data with clear KPIs that are reviewed by the CBE monthly.

### THE 3 DFI PILLARS

	PLATFORM	INDUSTRY INTEGRATION	DATA & CUSTOMER PROTECTION
WHAT	<ul style="list-style-type: none"> <li>Increase access and usage of Banks’ products &amp; services</li> <li>Create seamless digital customer journey</li> </ul>	<ul style="list-style-type: none"> <li>Acquire large number of merchants through supply chain integration</li> <li>Introduce &amp; migrate customer to new affordable channels</li> </ul>	<ul style="list-style-type: none"> <li>Enable data-driven decision-making</li> <li>Drive sales choreography and customer conversions based on data</li> </ul>
HOW	<ul style="list-style-type: none"> <li>Set digital targets for alternative channel mix</li> <li>Human experience tailored products/services using crowding &amp; new technology</li> </ul>	<ul style="list-style-type: none"> <li>Digitization of credit scoring</li> <li>Extend partnership with MNO &amp; money transfer companies</li> <li>Focus on specific use case in FMCG, Agribusiness &amp; Remittance</li> </ul>	<ul style="list-style-type: none"> <li>Build data repository for FI</li> <li>Apply analytics as the core engine for lead generation on commercial register DB</li> <li>Introduce financial health via consumer protection rule</li> </ul>

## 11.6 AGRICULTURE & RURAL INCLUSION

Agriculture remains an important element of the Egyptian economy, and a long-standing priority for the government. To enable sound rural development, ALEXBANK has signed a cooperation protocol with the Ministry of Agriculture and Land Reclamation, establishing a strong and mutual alliance for financing SMEs devoted to livestock activities. The protocol includes a package of integrated services and facilities aimed at implementing projects that will contribute to pursue the country's development strategy.

Egypt's agricultural sector has become key to cater to national as well as export demand. With a rise in global prices and demand, it is set to benefit from a renewed popularity as a reliable export market. Signing this protocol is based on our belief in the importance of supporting SMEs, especially those active in the agricultural sector, a cornerstone of the Egyptian economy providing livelihoods for more than 70% of the rural population and exports exceeding 15% of Egypt's total exports. It is our contribution to supporting the agricultural sector's potential for creating inclusive and sustainable economic growth.



- 
1. 102-6
  2. 102-2
  3. 102-12

*Landscape from Assiut*



**Asmaa  
Abdelghany**

Poultry Farm, Assiut  
Tamkeen Microfinance

Asmaa Abdelghany started a duck farm in her own home; however, the demands of her neighboring community were not sufficient for her to be able to sustain a stable income for her and her family. She therefore decided to start raising chicks and included them in her micro-business. When she heard of receiving a loan from ALEXBANK, she jumped at the opportunity and contacted Mohamed from the Assiut branch. She was then able to receive a loan of EGP 30,000 LE.

The loan helped Asmaa buy heaters, barrels and even helped her build a new room for her chicks and chickens. She was happy to elaborate upon the 24-hour special care that they require in order to grow. Furthermore, she received training from the Professional Development Foundation (PDF) that taught her how to manage both her money and business. Asmaa was pleasantly surprised that ALEXBANK granted her the loan within a week and was very happy to see the effects the loan had on her growing business.



“I learnt about Tamkeen from my local NGO. I received the training that taught me how to manage both my money and business. When I heard of receiving a loan from ALEXBANK, I jumped at the opportunity. I am very happy to see the effects the loan has on growing my business.”

Asmaa Abdelghany



Asmaa's husband showing us the chicks being raised in a dedicated, highly sanitized room in their home. Asmaa' and her husband provide for their small family by selling the chicks, once older, to local outlets.

The Bank works to provide quality banking and financial services to its customers and activates ways to promote development in all the areas where it operates. Conscious of our Code of Ethics, we aim to creating shared value for all our stakeholders, promoting sustainable prosperity and creating service based on trust and customer satisfaction. ALEXBANK takes responsibility for prudent savings management, undertakes initiatives to widen access to credit and financial services and sustainably develops the commercial system, while being aware of the direct and indirect environmental and social impacts of its decisions.



**Mohamed AbdelAziz**

Manager

West Delta Regional

**“Despite challenges, West Delta region succeeded to maintain high achievements due to the excellence of the team members and the sense of responsibility they own.”**

**12.1 ENABLING DIGITALIZATION, DRIVING INNOVATION**

Digitalization is an imperative tool to providing a service of excellence to all our customers. In 2018, our Multichannel Department lead the way with its innovative service, which are always offered in Arabic and English. Indeed, our strides have reflected not only on our financial performance this year, but they have also significantly impacted our image as an innovator in the Egyptian financial sector.

To cement its commitment to further advance the Bank’s performance, the Department developed a comprehensive multi-channel action plan that extents to 2019.

**1 ALEXBANK Internet Banking & Mobile Application**

**ACCOUNTS & DEPOSITS**

- Access all types of accounts details
- Access all types of deposits details
- Display and export transactions and transactions history
- Total account balance segregated by available and reserved funds

**CARDS**

- Access all types of debit and credit cards details
- Display and export cards transactions
- Information on card balance, available funds due amounts, and due dates

**LOANS & FACILITIES**

- Access all types of loans details
- Access overdraft account details
- Display loan installments (paid vs non-paid installments)
- Display and export all facilities’ transactions and transactions history

**FUNDS TRANSFER**

- Transfer funds between own accounts in EGP
- Transfer funds between foreign currency accounts or from foreign currency accounts to EGP accounts
- Settle credit card dues
- Transfer funds to any other EGP account inside or out side ALEXBANK within Egypt
- Schedule and/or save any of fund transfer requests
- Execute Fawry bill payments (for individual customers only)
- Execute payroll and bulk transfers (for corporate accounts only)

**OTHER SERVICES**

- Access to personal data
- Create favorites list to facilitate the daily payments
- Locate your nearest ALEXBANK branch or ATM across Egypt
- Currency Calculator and latest FX rates
- Customize display of accounts, deposits, cards and credit facilities
- Change transfer limits (decrease only)
- Dual control (maker and checker profiles) on transactions (for Corporate customers)

**2 Ma7fazty**

- Transfer money from one wallet to another
- Cash-in and cash-out from ALEXBANK ATMs and branches
- Make purchases from any outlet in Egypt displaying a “MasterCard Mobile” logo.
- Fawry services

**3 Fawry**

- Utility bills inquiry and payments through ALEXBANK ATMs
- Direct donations through ALEXBANK ATMs.

## 12.2 LIVERPOOL FOOTBALL CLUB (LFC) CARDS

ALEXBANK offers a wide range of cards that suit all needs. In 2017, we signed a breakthrough deal with LFC to engage our customers with one of the world's leading clubs. ALEXBANK distinguished itself by becoming LFC's official card partner in Egypt, introducing a set of new cards as part of its efforts to improve existing products and introduce new ones. The new cards were launched in partnership with MasterCard and are offered to all customer segments.

Specifically designed to offer unique banking experiences reflecting the uniqueness of each individual cardholder with packages of exclusive features, our Liverpool World Debit Card is tailor-made for our private customers. In addition to the waiving of withdrawal fees from non-ALEXBANK ATMs, private segment customers can also apply for the Liverpool World Credit Card which offers a wide array of additional privileges and a credit limit of up to EGP 1 million.

## 12.3 REMITTANCES

We aim to remain a national gate for our Egyptian expatriates is evident by the EGP 211 million increase in remittances we channeled back into Egypt in 2018. In addition to our longstanding partnership with Western Union, ALEXBANK has signed a new cooperation with the Jordan Post Service. The Jordan Post Service expands over 300 branches spread across the country, a network that will significantly facilitate services to Egyptians living in the Hashemite Kingdom of Jordan. Our cooperation will further allow potential new receivers to utilize ALEXBANK's unique banking services.



**Mohamed  
Abouelmagd**

Senior Health, Safety  
& Environment Officer

**“Coupled with ensuring compliance with international standards and national safety laws, we have set in motion diverse safety training programs to members of staff across our wide branches network. To guarantee ALEXBANK staff and our customers are safe in times of crises, we started upgrading of firefighting and fire alarm system and expect to finalize works by the end of 2019.”**

## 12.4 BEYOND BANKING

As part of the Bank's vision to offer our customers all what they need, and with a special focus on our affluent customers, we launched the ALEXBANK Concierge in 2018. In cooperation with Les Concierges, Egypt the ALEXBANK Concierge is a one-stop-shop to an unlimited bouquet of lifestyle services handling unique demands of our Private and Magnifica customers' daily lifestyle. The bespoke services cover most personal and professional aspects, anywhere and 24 hours for 7 days a week. Ultimately, our customers do not need to look beyond ALEXBANK for their banking and non-banking needs alike.

### ALEXBANK CONCIERGE

Travel	Health & Wellness	Government Services
Personal Services	Personal Shopping	Pick-up & Drop-off Services
Entertainment & Leisure	Home Services	Party & Event Planning
Auto Services	Bill Payment	Airport VIP Services

\*Magnifica customers can enjoy Travel & Governmental services only

## 12.5 PHYSICAL ACCESSIBILITY

In line with the year 2018 being declared “Year of Persons with Disabilities”, ALEXBANK partnered up with “Helm Consulting” to conduct an assessment on the physical accessibility situation of our branches. Consequently, five branches have been made physically accessible. The physical changes that took place in these branches include: installation of ramps, installing lights for alarm systems, renovation of bathrooms to include disabled cabinets and disabilities signage with Braille. To cement the impact of this initiative, a training on “disabilities equality” was delivered to 17 employees to change attitudes towards the greater inclusion of people in mainstream operations, services and activities.

## 12.6 CUSTOMER SATISFACTION & PRIVACY

We believe that customers should always be at the center of our attention and that only through on-going dialogue can we truly understand their actual expectations and maintain excellent relations. We continuously strive to meet ever increasing expectation and improve the delivery of all our services to our diverse portfolio of customers. Protecting their interests and needs and responding to all their concerns remain our top priority.

This year, we introduced a new Complaint Relationship Management (CRM) system applied in our Contact Center. This incrementally improved our Net Promoter Score (NET), a measure by which customer loyalty.

### CUSTOMER RELATIONSHIP MANAGEMENT (CRM)



Moreover, in 2018, the CSR & Sustainable Development Office, in collaboration with the Customer Satisfaction Office, the Contact Center, and the People Management & Development Office implemented the Intesa Sanpaolo Group wide the Ethical Complaints Management Project. The training session that embraced 16 participants representing different functions: Customer Satisfaction Office, Contact Center, Microfinance Quality Assurance Office, CSR & Sustainable Development Office, and Branch Network Development Office. The objective was to provide all teams involved in the handling of customer complaints a more comprehensive understanding of how the nine principles of conduct are put into action. It was dedicated strengthening their ability to identify and handle complaints proactively.



**Ihab Nour**

Head of CRM Office

**“In managing our relationships and interactions we ensure to stay connected with our customers and improve x-selling, upselling and profitability. Our CRM strategy resulted in us performing above the Intesa Sanpaolo Group average in small business central driven sales only within 18 months since Small Business joined ALEXBANK’s Retail Division.”**

## PRINCIPLES OF CONDUCT IN CUSTOMER RELATIONS



**Mahmoud Amin**

Head of Contact Center Office

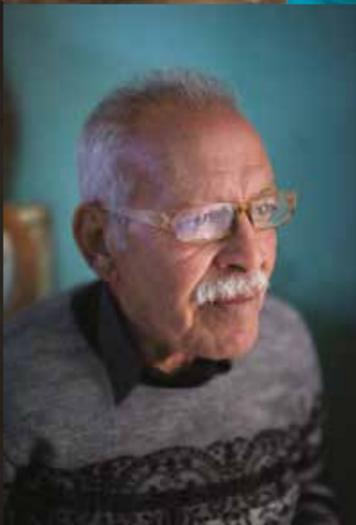
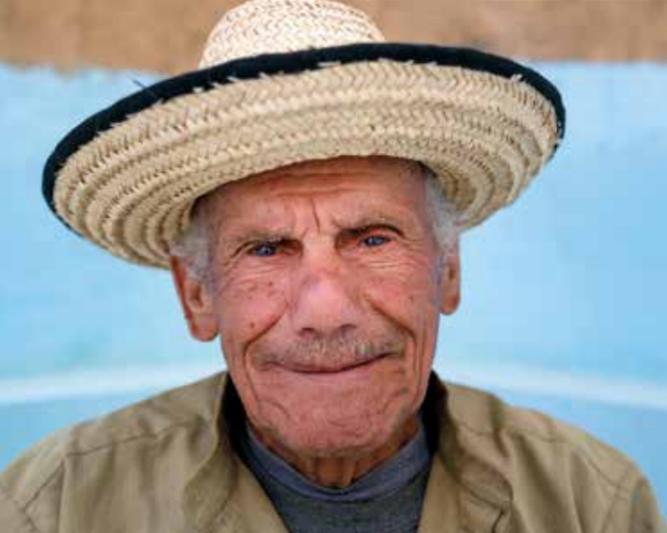
**“For us at the call center, the new Customer Relationship Management (CRM) system covering all relevant departments and our whole branches represents a milestone towards our goal of ultimate customer satisfaction. The new system is providing us with deeper analysis of complaints we receive, which has enabled us to increase turnaround time of complaints to 88% compared to 71% last year.”**

We realize that the increasing number of newly banked customers will continue to have direct effects on how we respond to complaints. Consequently, our customer satisfaction strategy based on our strict customer protection policies is becoming increasingly comprehensive. In line with national regulations governing how banks handle written complaints, adequately responding to inquiries or complaints through our Contact Center requires agility and flexibility. We are aware of the challenges ahead and we are looking forward to witnessing previously unbanked Egyptian joining the landscape.

### THE SHIFT: FROM FIXED TO VARIABLE RATES

This year, we transformed our liability structure from a fixed to a variable rate, a challenging but important step that is echoed both in our increased profitability as well as our customer satisfaction levels. This shift highlighted the gravity of our retail team reach along with our commitment to reaching out to our customers to ensure that they are aware of this shift, its consequences and options. More than 300 phone calls and visits to unreachable customers across the country were conducted under a full call-back.

Under a strict CEO mandate and a well-structured plan, the outreach presents the largest and most complex communication experience in the history of our Bank to date. It reaffirmed the principles we stand for in their highest forms, particularly valuing our commitment to the protection of our customers’ rights and interest.



Our success stems from our belief in collective leadership and a unified culture of Communityship.

Communityship is the essence of our people management and our internal culture blueprint. It entails delivering quality services and creating shared value creation for all our stakeholders. Fully in line with regulatory requirements and Intesa Sanpaolo Group policies, the development and management of our people is governed by clear procedures and international best practices. Devoid of favoritism and discrimination of any sort, we undertake enormous efforts to recruit the best talents.

PILLARS OF COMMUNITYSHIP



**Dante Campioni**

CEO & Managing Director

“Local communities benefit most when the financial institutions they trust and turn to for assistance place their support in projects that are sustainable. ALEXBANK believes in building initiatives that matter, that recognize the value of diversity and enable social progress without jeopardizing the environment. This is reinforced by the notion of commUnityship which is the essence of our culture as an organization.”

We are proud of the cultural transformation and the paradigm shift the Bank has gone through in the past 50 years. This shift was carried by the diversity of our body of staff, primarily, an outcome of the unique history and legacy of ALEXBANK. We consider our diversity a competitive advantage, which allows us to better understand the communities where we operate to whom we cater. We strive to create a safe and supportive work environment, respond to the evolving needs and demands of our staff and invest in their life-long learning and career progression.

HEADCOUNT \*1

Female	Under 30	30-50	Over 50	Total
20%	11%	41%	48%	4,718
21%	13%	39%	48%	4,707
22%	15%	38%	47%	4,509

MANAGEMENT POSITIONS \*2

Female	Under 30	30-50	Over 50	Total
10%	0%	49%	51%	182
14%	1%	53%	46%	205
21%	2%	56%	44%	238

NEW HIRES \*3

Female	Under 30	30-50	Over 50	Total
20%	11%	41%	48%	4,718
21%	13%	39%	48%	4,707
22%	15%	38%	47%	4,509

TURNOVER \*4

Female	Male	Under 30	30-50	Over 50	Total
20%	14%	11%	41%	48%	254
21%	9%	13%	39%	48%	332
22%	12%	15%	38%	12	315

2016

2017

2018



**Mariam El Gammal**

Head of People Management & Development Office

“We consider ourselves in an optimum position to foster diversity here at ALEXBANK - a top priority for the national development agenda and one of Intesa Sanpaolo Group’s main commitments in its strive to achieve an inclusive workplace, thanks to the diversity of our own demographics.”

ALEXBANK’s high rates of growth, competitiveness, profitability and regulatory excellence are based on its performance management culture, which is based on three pillars: individual performance, Bank performance and local economic priorities.

Founded on a performance-based approach and through a sound performance appraisal cycle that considers Key Performance Indicators, PA ratings and a fair merit cycle, we can tailor individual development needs and paths for ALEXBANK staff. To encourage the “WE” instead of the “ME” and safeguard or values as stipulated in the Code of Ethics in line with the Bank’s commercial interests, we measured ALEXBANK’s commercial performance in 2018 in terms of individual role criticality, performance and business segment profitability.

1. 102-7 – 405-1      4. 401-1  
 2. 102-8 – 405-1  
 3. 401-1

## 13.1 BEYOND TRADITIONAL BENEFITS\*<sup>1</sup>

Constructing fair, adequate, and comprehensive compensation packages is a top priority and an area we always strive to improve. This is emphasized across multiple spheres across ALEXBANK. We comply with the provisions set by the Egyptian Labor Law and provide additional premiums across most categories. Intesa Sanpaolo Group's current Business Plan (2018-2021) involves topics of work-life balance and stress management as a priority for the subsidiaries, which we will follow closely in the coming phases.

Therefore, in addition to the usual benefits provided in the banking sector, ALEXBANK distinguished itself through a set of benefits to further cement our role towards the community and creating shared value.



*Samar and one of her pigeons. She holds pigeons and sells them in her own livestock microproject that she was able to grow due to Tamkeen Integrated Village Development project in collaboration with Khair wa Baraka NGO.*

### 13.1.1 HEALTH INSURANCE\*<sup>1</sup>

We provide medical insurance to employees and their families with the opportunity to expand their coverage to full insurance coverage.

Additionally, ALEXBANK International Healthcare program allowing international access to a network of second degree medical advisory consultation, in addition receiving worldwide high-class medical treatment for employee and for family members. Noting that family members are supported and provided with small contribution from staff members based on the level of the monthly income, ensuring the access to the scheme to all our employees.

### 13.1.2 EDUCARE\*<sup>2</sup>

Our "EduCare" program is a real-life example of our commitment to global and national development goals. Sustainable economic development cannot be achieved without substantial investment in tomorrow's talents. The program, initiated in 2016, provides support to employees in their children's educational development. Priority is given to our colleagues in the lower income tranches of our ALEXBANK community

	Parents	Children	Total Financial Contribution
<b>2016</b>	1,189	1,793	1,400
<b>2017</b>	1,793	2,250	2,252
<b>2018</b>	EGP 5 Million	EGP 7.1 Million	EGP 9,1 Million

### 13.1.3 CHILDREN WITH DISABILITIES: EDUCARE & EARLY RETIREMENT \*<sup>1</sup>

In response to our increased awareness of the daily struggles of living with disabilities, ALEXBANK decided to intensify its efforts and extend additional support to our employees caring for children with disabilities.

This support, reflected in a sharp increase the financial contribution to our EduCare program, also covers rehabilitation therapy and treatment. Furthermore, our early retirement program also embraces parents of children with disabilities.

### 13.1.4 EARLY RETIREMENT PROGRAM\*<sup>2</sup>

ALEXBANK continues to provide voluntary early retirement options to its staff in 2018. Features of our program are based on the welfare of the employee and ensure a smooth transition to retirement.

1. 401-2  
2. 401-2

## 13.2 WOMEN OF ALEXBANK\*2

Empowering women and young professionals within ALEXBANK and in the wider community is critical to our business continuity. Women and youth constitute a growing segment of our customer base thus, identifying and serving their needs begins with their inclusion in our decision-making processes. In 2018, the number of women in managerial positions increased significantly. Our ambitious hiring strategy will further target the slowly increasing proportion of young professionals in our total headcount, with a goal of 58% of managerial positions to be filled by young professionals. Leveraging on our Group declaring “Diversity & Women Inclusion” as one of its main pillars, we have organized several workshops targeting 153 participants from our female leaders and young professionals.



Samar's pigeons, the source of her income.



Ayten ElAshi

Head of Mid Corporate Office

“I joined ALEXBANK after graduating and have been in the Corporate Banking Division for more than 12 years now. I was lucky enough to witness and be part of the evolvement and continuous development of Corporate Banking along with all areas of our Bank. The opportunities I was granted were key to my development, enabling me to handle diversified portfolios with a wide exposure to different sectors, large corporates and syndicated transactions. In 2011, I was nominated by ALEXBANK to participate in the first edition of the Talent Program offered by Intesa Sanpaolo Group. The one-year long “Executive Program in Banking Management” offered by SDA Bocconi contributed significantly to my knowledge of all functions within the Bank, an experience I continuously benefit from.

For the past few years, I had been responsible for the construction, real estate and building material sectors where my team succeeded in growing the portfolio substantially, establishing strong relationships with major players in the market. In 2018, the Bank granted me a new challenge, where I have been assigned the responsibility of Head of Mid Corporate Office as one of the youngest managers in the Corporate Banking Division. My target is to widen the corporate clientele base, diversify the portfolio and ultimately penetrate a major segment in the Egyptian economy.”



### “The Women Leadership” – Development Dimensions International (DDI)

ALEXBANK joined hands with the Egyptian Banking Institute (EBI) to bring DDI’s “The Women Leadership” workshop to Egypt. The workshop is exclusively tailored for women in middle and senior management and aims to drive change and productivity by empowering them to take on leadership roles that align with their respective business goals. Dr. Lamis Negm – CSR Advisor to H.E the Governor of the CBE shared her very own success story at the workshop.



**Lamise Negm**

CSR Advisor to the Governor,  
Central Bank of Egypt (CBE)

“ALEXBANK continues to represent a unique model that successfully promotes social responsibility without compromising economic growth. This is particularly evident in the Bank’s support of the handicrafts and efforts to preserve Egypt’s national heritage. We encourage and support ALEXBANK’s endeavors to unify these efforts, as they maximize positive impacts the Central Bank of Egypt is planning to achieve.”

### “Juggling the Balls” Program

The program comprised of one-day interactive workshops is devoted to young female professionals across the Bank. It is designed to address and provide tools to help women mitigate challenges associated with balancing both their professional and personal lives. In 2018, ALEXBANK’s women in the Retail & Small Business Division, Corporate Investment Banking & Medium Enterprises Division and the Risk Division have taken part in the “Juggling the Balls” program, with more workshops planned for the remaining divisions in 2019.

We leverage on ALEXBANK’s “Ebda3 men Masr” initiative to provide for our giveaways for training participants. By so doing, we remain true to our CSV approach while encouraging handmade and locally sourced products while raising awareness about the Bank’s community development and handicraft preservation initiatives.

### After Maternity\*1

The rate of return from maternity leave has decreased in 2018, indicating that the transition back to work after giving birth has been experienced as more difficult than in the preceding years. We are closely monitoring this rate and studying actions to pave an obstacle-free way for our mothers.

#### AFTER MATERNITY\*1

	2016	2017	2018
Number of Employees who took Maternity Leave	37	37	38
Rate of Return from Maternity Leave within 4 Months	21.6%	21.6%	39.5%
Rate of Return from Maternity Leave within 1 Year	64.9%	64.9%	60.5%
Rate of Return from Maternity Leave within 2 Years	13.5%	13.5%	0%

1. 401-2 - 401-3



“My financial situation has improved a lot since receiving assistance to start my own project and it has been getting increasingly better with time.” Amal, readymade garments shop owner and Tamkeen beneficiary from Edfu.



“My life is better now.” Amna, grocery shop owner and Tamkeen beneficiary from Edfu.

### 13.3 TALENT ACQUISITION, DEVELOPMENT & GROWTH\*1

ALEXBANK recognizes that in a dynamic and competitive work environment such as the Egyptian banking sector, it is the caliber and quality of its employees that distinguish one bank from the rest. We are committed to providing our employees with continuous opportunities for learning and development for them to reach their full potential and achieve their career aspirations.

#### 13.3.1 TALENT ACQUISITION

Our recruitment processes juxtapose a candidate's qualifications and ambitions with ALEXBANK's needs and values. We aim at growing our community sustainably, so a look on the future is integral in making our final decision. While external hiring brings new and fresh mind sets to our Bank, internal vertically and horizontal mobility remains one of the key career advancement opportunities of existing employees. We are proud to be one of the banks in Egypt that have young HR Account Managers who prove to be a great asset, especially in assessing entry-level candidates and young professionals.

#### 13.3.2 TRAINING & DEVELOPMENT\*2

ALEXBANK's training activities are equally directed to the personal growth and professional development of our people. We are guided by the Bank's business strategy, which in 2018 entailed training in agriculture fund management (More on our training activities in sections 14.3, 6.4.2 and 12.7). In 2018 alone, our investment in training and development amounted to EGP 13 million. We delivered more than 127,000 hours, an estimated 29,000 hours of which delivered in trainings especially catered to Health, Safety & Environment Office, Physical Security, and Anti-Corruption requirements).\*3

	2016	2017	2018
<b>Total Spending</b>	EGP 6.1 million	EGP 11 million	EGP 13 Million
<b>Total Hours</b>	87,700	129,100	127,300



**Laila ElOteifi**

Director of SME Unit, Egyptian Banking Institute (EBI)

**“In 2009, the SME Unit of the EBI in light of the CBE’s handling of access to finance and support of SMEs as top priority. Acting as a catalyst for the CBE, the Unit works on bridging the gap between bankers and SMEs to facilitate the process of access to finance and creating an enabling environment for SMEs in Egypt. Moving forward with our purpose, we maintain a thriving long term relationship with ALEXBANK. In 2018, the Unit succeeded in instilling ALEXBANK SME bankers with the tools necessary to facilitate the planned development in ALEXBANK’s SME financing and handling. Also, and in line with our goal to enhance the capacities of entrepreneurs, we cooperated with ALEXBANK’s CSR & Sustainable Development Office to guide the Bank’s existing SME clients and entrepreneurs related to Ebda3 men Masr and ‘Cotton for Life’ through the processes required to establish robust business plans that result in sustainable businesses.”**

1. 404-2  
2. 404-1  
3. 404- 1

### 13.4 OUR SUMMER INTERNSHIP PROGRAM

2018 witnessed a breakthrough in our Summer Internship Program. The program was published on ALEXBANK's LinkedIn page and more than 1,000 candidates applied to our internship openings. For the first time, we embraced university students with disabilities. In partnership with Alhassan Foundation and Cairo University, we welcomed 29 students with a wide range of disabilities. To advance their financial knowledge, we arranged for our interns a two-day financial literacy training in collaboration with EBI. The 29 interns spent the whole month of September.



**Nora ElMasry**

Intern, Summer 2018 Internship

**“My summer internship at ALEXBANK was my first internship ever and I hope it will not be the last.”**

### 13.5 STAYING IN TOUCH

ALEXBANK's people are also its ambassadors, who we always keep informed and educated.



Closer is our bi-monthly electronic newsletter, delivered in both Arabic and English to all our employees. It is a special communication tool that plays a great role in informing and aligning the ALEXBANK community.

- Announcements, new offerings, events
- Surveys
- Compliance procedures
- Updates on the national economy

Every issue includes a personal message from our CEO & Managing Director providing an overview of the highlights of the issue. Our last issue in December was the 89th and included reflections by all our Chief Officers on 2018 achievements, challenges and plans for the new year.

### 13.6 ALEXBANK'S STAFF UNION\*1

Our Staff Union Committee was established in 1957. The Union is regulated by law No. 213 of 2017 and is part of the General Syndicate of the Banking Sector and Financial Institutions. 100% of our employees are covered by the staff Union, noting that the proportion of staff subscribed in the Union is 91%.

1. 102-41



**Rahma Shafik**

School Coordinator

“At this point, I can see that we truly have an impact on people’s lives.”



**Mariam Isaac**

Parent

“The awareness sessions are so useful for us and for our children. We always exchange experiences and we learn new things from each other every day.”

*One of many health-related activities organized for children, adults and the elderly of the A.P.E. community in Mansheyet Nasser*



In an increasingly interconnected world, ALEXBANK has embarked on a quest to reach continuously higher levels of sustainable development. This ambition is supported by national development strategies, Intesa Sanpaolo Group's Business Plan and guidelines as well as the SDGs.

### 14.1 GLOBAL REPORTING INITIATIVE

The GRI Sustainability Reporting Standards are the first and most widely adopted standards for sustainability reporting globally. With higher levels of transparency and accountability, reporting supports ALEXBANK to identify and manage risks, safeguard the environment for future generations, develop communities sustainably, and enhance good governance practices. By communicating our impacts and performance, we seek to build a relationship of trust with all our stakeholders.

### 14.2 THE ADVANCEMENT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Our commitment to the SDGs considers our 2017 materiality analysis. The following are our prioritized targets for 2018, reaffirming our commitment to both create shared value and increase the sustainability of ALEXBANK's operations moving forward.



**“Target 1.4: Ensure that all men and women, in particular the poor and the vulnerable have access to financial services, including microfinance.”**

Our contribution to this target is clearly outlined in 11.1 **Microfinance: Serving the Underserved.**<sup>\*1</sup>



**“Target 2.3: Double the agricultural productivity and incomes of small-scale food producers through secure and equal access to financial services.”**

ALEXBANK signed a cooperation protocol with the Egyptian Ministry of Agriculture that aims to support small agricultural businesses. More on this can be found in section 11.5 **Agriculture & Rural Inclusion**<sup>\*2</sup>



**“Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.”**

ALEXBANK commits to ensure the wellbeing of all its employees and the renewal of the Intesa Sanpaolo Banks Division (ISBD) “International Healthcare Program” from 1 December 2018 to 31 December 2019 is an example of this commitment. Moreover, regular health awareness campaigns tackling numerous health issues such as Vitamin D deficiency prevention strategies. Employees are encouraged to donate blood as part of blood donation campaigns or contribute in kind to causes in question. Access to healthcare is crucial, especially to less privileged communities living in marginalized areas. As such, medical check-ups provided to beneficiaries are part of most of the projects under the CSR & Sustainable Development Office. Furthermore, the Office engages either directly or within partnerships with NGOs and governmental entities, in making available targeted prevention and assistance to persons suffering from diseases. Our contributions to this target are laid out in **9.2 Community Development Projects**<sup>\*1</sup>; **9.3 ALEXBANK for ALEXBANK**<sup>\*2</sup>; and **13.1 Beyond Traditional Benefits**<sup>\*3</sup>



**“Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.”**

We contribute to this target primarily through our “Ebda3 men Masr” projects outlined in section **9.1 Ebda3 men Masr**<sup>\*4</sup>

**“Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.”**

ALEXBANK recognizes the role of education both as a human right and a tool of empowerment for multiple segments of the society. Our CSR & Sustainable Development Office works towards supporting projects that advance and empower women. More in **9.2 Community Development Projects**<sup>\*5</sup>

1. 102-6  
2. 102-6

1. 413-1  
2. 413-1  
3. 401-2  
4. 203-1 - 203-2 - 413-1  
5. 413-1

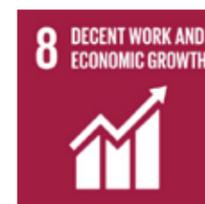


**“Target 5.2: Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.”**

The CSR & Sustainable Development Office supports multiple projects that provide holistic solutions to an issue that is as complex as violence against women. We will continue to collaborate with organizations that enable, educate and support women who have been victims of abuse. More on this target in section **9.2 Community Development Projects**<sup>\*1</sup>

**“Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.”**

Ensuring women are provided with equal opportunities at ALEXBANK is embedded in all our policies and guidelines. In fact, it prompted an 11% increase of women in managerial positions in just three years. This is further outlined in **13. Strong in Our Diversity: Our Human Capital**<sup>\*2</sup> and **13.2 Women of ALEXBANK**<sup>\*3</sup>



**“Target 8.3: Encourage the formalization and growth of micro-, small- and medium sized enterprises, including through access to financial services.”**

Financial inclusion has become core to ALEXBANK’s efforts towards sustainable development. With more than 60% of Egyptians unbanked, particularly in areas where poverty is rampant, ALEXBANK has increased its investments in the microfinance and small business segments. This focus was fueled by strong partnerships with governmental and private sector entities within the CBE’s SME initiative. Furthermore, ALEXBANK CSR activities and community development projects are being embedded as part of the Bank’s 4-years Strategy, its core business activities and practices of shared value creation. These practices are coupled with financial literacy efforts; we created its first financial literacy game, “Hady Bady”, to educate children on spending and saving principles More in sections **11.1 Microfinance: Serving the Underserved**<sup>\*1</sup>; **11.5 Agriculture & Rural Inclusion**<sup>\*2</sup>; **9.1 Ebd3 men Masr**<sup>\*3</sup>; and **9.2 Community Development Projects**.

**“Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.”**

The CSR & Sustainable Development Office is engaged in projects targeting youth employability through skill-enhancement and vocational training. Some of our contributions hereto can be found in sub-sections **9.1 Ebd3 men Masr**<sup>\*4</sup> and **9.2 Community Development Projects**<sup>\*5</sup>

**“Target 8.8: Protect Labor rights and promote safe and secure working environments for all workers.”**

In accordance with the Egyptian Code, our Health, Safety & Environment Office in the COO division is tasked with guaranteeing health and safety measures are implemented consistently to provide all employees with a secure working environment. Moreover, the Office provides regular training to ALEXBANK’s staff in the branch network on how to handle situations of crisis. Furthermore, ALEXBANK recognizes the importance of protecting all its employees. As such, the Bank remains committed to aligning with Intesa Sanpaolo Group’s guidelines as well as national labor laws and regulations. All matters pertaining to labor rights are embedded in our business strategy, safeguarding employee. Moreover, ALEXBANK has had an established Staff Union Committee since 1957, with 100% of our employees covered by the Staff Union. This is further outlined in sections **5. ALEXBANK’s Code of Ethics**<sup>\*1</sup>; **14.3 United Nations Global Compact Principles (UNGCP)**<sup>\*2</sup>; **13.3.2 Training & Development**<sup>\*3</sup>; and **13.6 ALEXBANK’s Staff Union**<sup>\*4</sup>



**“Target 7.3: By 2030, double the global rate of improvement in energy efficiency.”**

As part of Intesa Sanpaolo Group, we have ambitious targets in place to reduce our energy consumption significantly by 2022. This is further outlined in sections **10. Our Commitment to the Environment**; **14.3 United Nations Global Compact Principles (UNGCP)**<sup>\*4</sup>; and **14.4 Equator Principles**<sup>\*5</sup>

**“Target 7.a: Enhance international cooperation to facilitate access to clean energy research and technology and promote investment in energy infrastructure and clean energy technology.”**

ALEXBANK’s partnerships with the European Bank for Reconstruction and Development (EBRD) and the International Finance Cooperation (IFC) highlight our commitment to promoting sustainable investments and promote sustainable banking practices in Egypt’s banking industry. More on this is laid out in sections **4.2 Risks and Opportunities**<sup>\*6</sup> and **10.2 Indirect Environmental Impacts**.

1. 413-1  
2. 102-8 - 405-1  
3. 405-1  
4. 102-12  
5. 102-12

1. 102-6  
2. 102-6  
3. 203-1 - 203-2 - 413-1  
4. 203-1 - 203-2 - 413-1  
5. 413-1

**“Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.”**

Our contribution to this target is clearly outlined in sections **10. Financial Inclusion**<sup>5</sup>; **12. Serving with Excellence**<sup>6</sup>; and **3.4 Our Economic Value Distribution**.<sup>7</sup>



**“Target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.”**

In addition to our micro-finance lending facilities, ALEXBANK signed a cooperation protocol with the Egyptian Industrial Development Authority that highlights our commitment to small businesses and empowering marginalized communities.

Our commitment to this target is clearly outlined in sections **3.4 Our Economic Value Distribution**<sup>8</sup>; **10. Financial Inclusion**<sup>9</sup>; and **15. Memberships & Awards**.<sup>10</sup>



**“Target 10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”**

Inclusion and diversity are the foundation of ALEXBANK’s culture. Discrimination of any kind is prohibited as evidenced in Intesa Sanpaolo Group’s guidelines and our Code of Ethics. Moreover, most of our CSR & Sustainable Development Office projects seek to promote inclusivity both inside the Bank and beyond.

More on this is in sections **5. ALEXBANK’s Code of Ethics**<sup>11</sup>; **9. Social Impact & Value**<sup>12</sup>; **10. Financial Inclusion**<sup>13</sup>; and **13. Strong in Our Diversity: Our Human Capital**<sup>14</sup>



We are committed to making sound investments with the goal of creating a positive societal impact. Our efforts are directed to improving our operational efficiency and demonstrate ALEXBANK’s strong emphasis on responsible consumption and sustainable practices; thus, not only reducing our environmental footprint, but also operating more consciously.

Our beneficiaries and customers are provided access to our knowledge, network and resources through workshops, and partners to support their growing businesses while remaining sustainable. With an increasing number of businesses offering ever more opportunities to their employees and suppliers, overall more sustainable incomes are generated. Moreover, ALEXBANK’s efforts towards banking the unbanked, thereby working towards formalizing the informal economy. In addition, we are proud that all our giveaways are 100% sourced and produced locally. More on our efforts can be found in sections **9. Social Impact & Value**<sup>1</sup>; **9.2 Community Development Projects**<sup>2</sup>; and **10. Our Commitment to the Environment**.



**“Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.”**

These targets are embedded in our Code of Ethics and Code of Conduct. Moreover, they are in line with Intesa Sanpaolo Group, the Equator Principles and the national strategy laws and regulations which we are aligned with. We encourage capital investment to comply with the UN’s Global Compact principles.

**“Target 16.4: By 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime.”** **“Target 16.5: Substantially reduce corruption and bribery in all its forms.”**

**“Target 16.6: Develop effective, accountable and transparent institutions at all levels.”**

Our Anti-Corruption statement, policy and measures in place are all part of our efforts to eradicate bribery and corruption. We have also harnessed the power of technology and digital tools to detect fraud or manipulation and develop accountability and transparency on all levels.

More on ALEXBANK’s Code of Ethics<sup>3</sup>; Anti-Corruption Guidelines<sup>4</sup>; United Nations Global Compact Principles (UNGCP)<sup>5</sup>; Equator Principles<sup>6</sup>; and Memberships & Awards<sup>7</sup> can be read throughout the report.

- |                                  |                                  |                                   |
|----------------------------------|----------------------------------|-----------------------------------|
| 1. 102-16                        | 6. 102-2 - 102-6                 | 11.102-16                         |
| 2. 102-12                        | 7. 201-1                         | 12. 102-6 - 203-1 - 203-2 - 413-1 |
| 3. 404-1                         | 8. 201-1                         | 13. 102-6 - 102-7 - 203-1 - 203-2 |
| 4. 102-41                        | 9. 102-6 - 102-7 - 203-1 - 203-2 | 14. 102-8 - 405-1                 |
| 5. 102-6 - 102-7 - 203-1 - 203-2 | 10.102-12 - 102-13               |                                   |

- |                                  |                    |
|----------------------------------|--------------------|
| 1. 102-6 - 203-1 - 203-2 - 413-1 | 6. 102-12          |
| 2. 413-1                         | 7. 102-12 - 102-13 |
| 3. 102-16                        |                    |
| 4. 102-11 - 205-1                |                    |
| 5. 102-12                        |                    |



We recognize that the only solution to securing a sustainable business is by ensuring all our partnerships consider social and environmental implications. As outlined in this report, our innovative solutions, responsible products, customer-centric services and community development practices are rooted in multi-stakeholder partnerships. Some of these partnerships benefit tens of thousands, enjoy international exposure and are acclaimed nationwide, such as our “Ebda3 men Masr” initiative. More on our partnerships can be found throughout all sections of this report.

### 14.3 UNITED NATIONS GLOBAL COMPACT PRINCIPLES (UNGC)\*<sup>1</sup>

ALEXBANK has been a signatory to the ten principles of the UNGC since 2014. Our business and non-business actions are mapped against principles in the areas of Human Rights, Labor, and Environment and Anti-Corruption to help us move towards a more sustainable entity. The ten principles are also deeply anchored in our culture and Code of Ethics.

#### On Human Rights Principles

Our Bank adheres to Human Rights Principles and promotes a culture that values diversity and individuality, placing employee welfare and career development at the forefront of its priorities. In March 2018, ALEXBANK’s Board of Directors approved the Principles on Human Rights, which specify Intesa Sanpaolo Group’s commitment to identify, mitigate and where possible prevent, potential Human Rights violations linked to its own activities. The Principles are in line with our Code of Ethics and have implications on our relationship with our stakeholders: employees, customers, suppliers, community and the environment. Our benefit programs provide medical assistance to all our employees and extends to their family members. Additionally, with freedom of expression being a fundamental right, ALEXBANK has a staff union that is elected by the employees. All staff are covered by the staff union, with 91% subscribed with voting rights.

#### Our Labor Principles

ALEXBANK strictly abides by Egypt’s labor laws. Beyond ensuring the Bank is fully aligned with national requirements, we guarantee a legal precedent is set in place to secure the rights of all matters pertaining to our employees and promoting their welfare.

#### Environmental Principles

Environmental welfare is a core component of ALEXBANK’s financing of large projects. This is addressed through an environmental and social risk management system that ensures social and environmental impacts are accounted for and mitigated. Furthermore, embedded in our policies, the Bank has been a signatory of the Equator Principles since 2012. ALEXBANK’s creating shared value goals ensure resources are consumed responsibly to steadily reduce the Bank’s carbon footprint and secure ALEXBANK’s position as a sustainable institution active in the Egyptian banking industry.

#### Anti-Corruption Principles

A clear and defined policy on anti-money laundering and anti-corruption is integrated in every facet of ALEXBANK’s operations. Our anti-corruption stance is further reiterated through mandatory training sessions to inform employees on accountability and the importance of abiding by Bank policies from the Head of Compliance.

#### Reporting and Communicating our Commitment

As a financial institution that embraces the Principles of the UNGC, we recognize the importance of transparent reporting to stakeholders as part of our commitment to operating sustainably. ALEXBANK’s annual Communication on Progress (COP) is a key component of our commitment to the UN Global Compact. This year, our Sustainability Report presented to the Board of Directors will be submitted in alignment with the COP reporting cycle.

### 14.4 EQUATOR PRINCIPLES\*<sup>1</sup>

Since 2012, ALEXBANK has been implementing by the Equator Principles. The Principles provide the Bank with the guidance necessary to limit the environmental and social impact of large financial projects, providing financial institutions with the resources to operate sustainably. They are a framework for managing environmental and social issues that are directly linked to financial industries and provide financial institutions with guidance to address environmental and social risks associated with business operations.

1. 102-12

ALEXBANK's memberships define our commitment to promoting sustainability through multiple international frameworks and incorporating diversity in our approach.

### 15.1 MEMBERSHIPS



#### Equator Principles

We have been adoptees of the Equator Principles since 2012 and implement the framework for managing the impacts on the environment and on local communities that may arise from financing large projects.



#### The United Nations Global Compact (UNGC)

ALEXBANK has been a signatory of the UNGC initiative since 2014. The UNGC policies are multifaceted, addressing ten universal principles to promote environmental welfare, human rights and ethical practice. The Bank's membership ensures business operations are approached through a framework that is both ethical and sustainable.



#### Federation of Egyptian Banks (FEB)

Since 2013, ALEXBANK has been an active member of the FEB, which is deeply committed to positively impacting Egyptian communities. We are member in the Social Development Steering Committee of the Social Development Committee, which has successfully encouraged Egyptian banks to contribute 2% of their net profit to the development of informal areas in Egypt. This initiative embraces a few sub-projects within an integrated development approach that targets education, sustainable agriculture, youth employability, and the economic empowerment of women.

### 15.2 AWARDS

Following in the footsteps of Intesa Sanpaolo Group, ALEXBANK has chosen society at large to be the direct beneficiary of all its activities. In 2018 alone, our CSR and sustainable development initiatives benefited more than 30,000 citizens.



H.E. Governor of the Central Bank of Egypt, Tarek Amer, bestowed our "Ebda3 men Masr" initiative the award for "Most Socially Impactful Project in the Banking Sector" was presented to by the Central Bank of Egypt.



ALEXBANK received a special award in recognition of its efforts in transforming the conventional lighting system in seven premises into an efficient LED-lighting system. The "Energy Efficiency" award, supported by the National Energy Efficiency Improvement Project was presented by H.E. Mohamed Shaker, Minister of Electricity and Renewable Energy.



Our work culminated to ALEXBANK being awarded "Best Bank for Corporate Social Responsibility in the Middle East", by EUROMONEY, one of the most prominent international magazines in assessing banks and the performance of financial institutions.



Through ALEXBANK's collaboration with J. Walter Thomson Worldwide (JWT) on the "Ebda3 men Masr" song and campaign in 2017 to shed light on Egyptian handicrafts and the stories of Egyptian craftsmen and women, JWT won the 2018 Middle East Effie Award.

1. 102-12 – 102-13

**Bank of Alexandria**  
**(Egyptian Joint Stock Company)**  
**Financial Position**  
**As at 31 December 2018**

Assets	Note No.	31 December 2018 EGP 000	31 December 2017 EGP 000
Cash and balances at Central Bank of Egypt	(16)	3 915 184	4 137 615
Due from banks	(17)	29 238 822	23 795 746
Treasury bills and other governmental notes	(18)	19 070 088	14 885 831
Loans and advances to customers	(19)	38 239 121	32 148 661
Financial assets classified at fair value through profit and loss	(20)	4 384	5 388
<b>Financial investments :</b>			
Available -for- sale	(21)	2 571 649	1 244 791
Held -to- maturity	(21)	30 187	31 885
Investments in associates	(22)	60 373	58 122
Intangible assets	(23)	193 523	152 308
Other assets	(24)	1 225 539	777 220
Fixed assets	(25)	583 753	459 331
<b>Total assets</b>		<b>95 132 623</b>	<b>77 696 898</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Due to banks	(26)	419 215	404 737
Customers' deposits	(27)	78 782 023	63 537 024
Other loans	(28)	778 510	718 578
Other liabilities	(29)	2 553 171	2 049 291
Other provisions	(30)	492 163	564 728
Current income tax liabilities		524 744	515 376
Deferred tax liabilities	(31)	136 869	133 050
Retirement benefits obligations	(32)	941 443	798 000
<b>Total Liabilities</b>		<b>84 628 138</b>	<b>68 720 784</b>
<b>Shareholders' equity</b>			
Share capital	(33)	800 000	800 000
Reserves	(34)	1 846 982	1 896 198
Retained earnings	(34)	7 857 503	6 279 916
<b>Total Shareholders' equity</b>		<b>10 504 485</b>	<b>8 976 114</b>
<b>Total liabilities and Shareholders' equity</b>		<b>95 132 623</b>	<b>77 696 898</b>

Auditors' Report "attached"

The accompanying notes from page (6) to page (73) are an integral part of these interim financial statements and are to be read therewith.

**Dante Campioni**  
**CEO and Managing Director**

**Mohamed Raef**  
**Chief Financial Officer**

**Bank of Alexandria**  
**(Egyptian Joint Stock Company)**

**Statement of Income**

**For the year ended 31 December 2018**

	Note No.	For the year end 31 December 2018 EGP 000	For the year end 31 December 2017 EGP 000
Interest and similar income	(6)	11 960 183	9 268 731
Interest and similar expense	(6)	(6 387 252)	(4 407 137)
<b>Net interest income</b>		<b>5 572 931</b>	<b>4 861 594</b>
Fee and commission income	(7)	871 537	705 256
Fee and commission expense	(7)	( 191 833)	( 142 443)
<b>Net fee and commission income</b>		<b>679 704</b>	<b>562 813</b>
<b>Net income</b>		<b>6 252 635</b>	<b>5 424 407</b>
Dividends' income	(8)	36 711	31 705
Net income from financial assets classified at fair value through profit and loss	(9)	( 1 413)	1 651
Net trading income	(10)	58 877	87 351
Gains from financial investments	(21)	1 036	226 324
Bank's share in undistributed profit of associated companies		5 734	18 020
Impairment (loss) recovery on loans and advances	(13,19)	( 19 840)	( 234 222)
Administrative expenses	(11)	(2 270 997)	(1 822 402)
Other operating revenues/ (expenses)	(12)	( 81 765)	( 67 532)
<b>Net profit before income tax</b>		<b>3 980 978</b>	<b>3 665 302</b>
Income tax expense	(14)	( 955 493)	( 882 557)
<b>Net profit for the year</b>		<b>3 025 485</b>	<b>2 782 745</b>
Earnings per share (EGP/share) - Basic	(15)	6.83	6.26

The accompanying notes from page (6) to page (73) are an integral part of these interim financial statements and are to be read therewith.

**Dante Campioni**  
**CEO and Managing Director**

**Mohamed Raef**  
**Chief Financial Officer**

## GRI 102: GENERAL DISCLOSURES (CORE OPTION) 2016

Disclosure/ Category of Information KPIs	Page Number(s) or URL References	Sustainable Development Goals	UNGC Principles
<b>ORGANIZATIONAL PROFILE</b>			
G 102-1	Name of the organization	5	
G 102-2	Activities, brands, products, and services	12,26,27,28,29, 135,142,148,154, 155,156,157	8
G 102-3	Location of headquarters	4	
G 102-4	Location of operations	12,24	
G 102-5	Ownership and legal form	24	
G 102-6	Markets served	12,76,77,78,85, 88,134,146,148	1,2,8,9,10,12,16
G 102-7	Scale of the organization	85,134,135,163	8,9,10
G 102-8	Information on employees and other workers	163	5,10
G 102-9	Supply chain	32	Principle 6
G 102-10	Significant changes to supply chain	32	
G 102-11	Precautionary principle or approach	65,68,74,76	7,16
G 102-12	External initiatives	86,104,105,108,109, 14,181,182	7,8,9,16
G 102-13	Membership of associations	167,182	7,9,16
<b>STRATEGY</b>			
G 102-14	Statement from senior decision-maker	8	
G 102-15	Key impacts, risks and opportunities	46	7,8
<b>ETHICS AND INTEGRITY</b>			
G 102-16	Values, principles, standards and norms of behaviour	54,55	8,10,16
G 102-17	Mechanisms for advice and concerns about ethics	65,66,68	All Principles
<b>GOVERNANCE</b>			
G 102-18	Governance structure	56,57,58,59,61	
G 102-19	Delegating authority	14,68	
G 102-20	Executive-level responsibility for economic, environmental and social topics	14	Principle 7
<b>STAKEHOLDER ENGAGEMENT</b>			
G 102-40	List of stakeholder groups	40	
G 102-41	Collective bargaining agreements	171	8
G 102-42	Identifying and selecting stakeholders	40	Principles 3 & 4
G 102-43	Approach to stakeholder engagement	42	
G 102-44	Key topics and concerns raised	42,44,45	

## REPORTING PRACTICE

G 102-45	Entities included in the consolidated financial statements
G 102-46	Defining report content and topic Boundaries
G 102-47	List of material topics
G 102-48	Restatements of information
G 102-49	Changes in reporting
G 102-50	Reporting period
G 102-51	Date of most recent report
G 102-52	Reporting cycle
G 102-53	Contact point for questions regarding the report
G 102-54	Claims of reporting in accordance with the GRI Standards
G 102-55	GRI content index
G 102-56	External assurance

ALEXBANK's audited 2018 financial statements can be viewed via this link: [https://www.alexbank.com/Cms\\_Data/Contents/AlexBank\\_En/Media/pdf/Financial-S/BOD\\_Annual-Report\\_2018\\_English.pdf](https://www.alexbank.com/Cms_Data/Contents/AlexBank_En/Media/pdf/Financial-S/BOD_Annual-Report_2018_English.pdf)

Our Sustainability Report has been assured by the independent firm DCarbon Consultants. The report has been submitted for approval by the Bank's Board of Directors in its Meeting of 6 May 2019.

## GRI 103: MANAGEMENT APPROACH 2016

Disclosures on the management approach has been reported on all material topics through the relevant section covering the material topic.

## MATERIAL TOPICS: KEY PERFORMANCE INDICATORS

G 201-1	Direct economic value	26, 27, 28, 29, 32, 33, 95, 101, 104, 105	8,9
G 201-3	Defined benefit plan, obligations and other retirement plans	164,165	
G 203-1	Infrastructure investments	88, 90, 101, 104, 105, 134	4,8,9,12,16
G 203-2	Indirect economic impacts	88, 90, 95, 134	4,8,9,12,16
G 204-1	Spending on local suppliers	32, 33	
G 205-1	Operations assessed for risks related to corruption	65, 66	16
G 205-2	Communication and training about anti-corruption policies and procedures	67	Principle 10
G 401-1	New employee hires and employee turnover	163	5,8
G 401-2	Benefits provided to full-time employees	165, 168	3, 8
G 401-3	Parental leave	168	5,8
G 404-1	Average hours of training per year per employee	170	8
G 404-2	Programs for upgrading employee skills and transition assistance programs	170	8
G 405-1	Diversity of governance bodies and employees	163, 166, 167	5
G 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	68	Principle 6
G 413-1	Operations with local community engagement, impact assessments and development programs	88, 90, 92, 95, 101, 104, 105, 108, 109	3,4,5,8,10, 12,16,17

"Principles 1,2,4"

**Independent Assurance Statement**

To the Board of Directors  
ALEXBANK Egypt

**Introduction**

*Dcarbon is a local sustainability and environmental consultancy firm registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. Dcarbon is a certified training partner to the Global Reporting Initiative (GRI), and a GRI Gold Community member. Our main focus is to assist organizations, public and private, in understanding and addressing their economic, environmental, and social impact.*

DCarbon was engaged by ALEXBANK (The Bank) to perform an independent assurance on ALEXBANK Sustainability reporting process ('the Report'), in order to advance the implementation of GRI reporting principles and disclosures for fulfilling the GRI Standards Core option.

**Scope, Boundary and Limitations**

The scope of assurance has included data and information for the period 01 January 2018 to 31 December 2018 for operations in Egypt, based on Global Reporting Initiative's (GRI) Standards in accordance with Core option.

The boundary of the report comprises of data and information that were captured for all functions and branches through the Bank's Head Office and stakeholders engagement were undertaken as part of this assurance and as indicated in the report.

**Assurance scope excludes:**

- Data and information in the Report outside this reporting period indicating looking-forward statements by the bank .
- Verification statements indicating testimonial, opinion, success stories, and / or aspiration by the Bank.
- Verification of claims ( limited to data and information presented )

**Assurance procedures**

The assurance was conducted by a multidisciplinary independent team including experts in auditing environmental, social and economic information and abiding to our values of integrity, confidentiality, professional competence, objectivity, and due attention.

The nature, timing and extent of procedures selected , depended on our engagements with the Bank, data provided from the bank, followed by the review of Intesa Sanpaolo Group Management , and the revision and approval of ALEXBANK Board of Directors.



ALEXBANK was responsible for identification of material sustainability issues, establishing and maintaining appropriate internal performance management and the relevant internal control systems for the reported data.

**Assurance activities included procedures to obtain evidence about the reliability of the disclosures:**

- Review of internal policy, procedures, and strategy documents as provided by the Bank.
- Review of materiality and stakeholder engagement framework deployed at ALEXBANK
- Assessment of the systems used for data collection and reporting of the Standard , including data collection through surveys and/or writing prompts.
- Real-time evaluation of the processes for determining, processing, and monitoring of data collection for disclosures.
- Assessment that the report has been prepared in accordance with GRI Standards: Core option and Topic Specific Standard Disclosures of material topics as listed in the report
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- An external context analyses that verifies the SDG and Egypt Vision 2030 mapping section of this report.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Reasonable assurance was obtained with regard to the disclosures covering governance, stakeholder engagement exercises, materiality assessment, scale of the organization, market presence , management approach of activities under social investments and employee well-being.

A limited assurance level was obtained for disclosures on procurement practices, ecological responsibility (energy, and waste).

We advise stakeholders to review the annual report for assurance on financial performance and other standards of practice.

**Conclusions**

We have reviewed the Sustainability Report of ALEXBANK. Considering the risk of material error, we received necessary explanations from the ALEXBANK to support sufficient evidence to our assurance conclusion.

Based on the activities performed and the evidence received, in our opinion, ALEXBANK - subsidiary of Intesa San Paolo Group, has complied, in all material respects, with the GRI Standards sustainability reporting criteria.

**Ehab Shalaby, Ph.D.**  
Chief Executive Officer



