

UNITED IN TIMES OF CRISIS

ALEXBANK's Measures
In Response To Covid-19

December 2020

Since 1957



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In January 2020, at the outset of the novel Coronavirus globally, ALEXBANK was amongst the first entities in Egypt to embark on a plan to respond to the outbreak of the international pandemic. This plan included activating all monitoring tools and gathering information about the virus and all its possible impacts. In February 2020, the Bank moved from the “Observation” to the “Alert” mode, examining a variety of sanitization service providers and personal protective equipment vendors to supply the vast network of branches and more than 4,000 employees with all tools and measures enabling safe and seamless operations.

When the World Health Organization (WHO) declared COVID-19 a global pandemic, ALEXBANK swiftly moved to the “Emergency” mode, triggering the “Crisis Governance Committee” (CGC) for timely follow up on the latest developments of the health crisis and to ensure the necessary measures are put in place to guarantee the safety of ALEXBANK employees as priority, while assuring the maximum possible business continuity and customer satisfaction.

The CGC’s roles has as been pivotal in ensuring ALEXBANK’s dynamic approach to the ever-evolving situation both locally and globally, in addition to ensuring that customer and staff safety standards remain in line with global best practices and continue to be supported in full by ALEXBANK’s parent bank, Intesa Sanpaolo.

ALEXBANK is also continually publishing clear awareness and behavioral guidelines in all its branches and asks all its clients and employees to keep cooperating in abiding to these protective instructions for the safety of all its stakeholders. In line with national efforts and the Central Bank of Egypt (CBE) regulations, the following are the key measures taken to protect and support our people, the communities we operate in, and our clients and customers.



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Our Business Continuity Plan

Since mid-March 2020, ALEXBANK has initiated a Business Continuity Plan based on the foundation of three workstreams with specific tasks, roles and responsibilities. This Plan has been enabling the Bank to deal with the emerging situation efficiently, communicate with stakeholders transparently, coordinate with all internal functions effectively, and manage all outsourcers and regulatory bodies professionally.

Monitoring & Communication

Since March 18th, CGC meetings have been organized on regular basis to review the situation nationally, share emerging information, review measures put in place, and agree on necessary decisions and next steps.

- Continuous monitoring of the global virus outbreak, local developments, and internal occurrences in addition to regular internal communications with all Bank staff to provide updates on the latest status of the health crisis, safety measures to apply and maintain in the workplace as well as activating continuously amended internal continuity plans.
- Rigorous application of all regulations and circulations by the CBE related to COVID-19 to support clients during the critical phase, including postponement of loan installments, cancellation of transfer fees and ATM withdrawal fees.
- Establishment of a clear strategy imposing strict quarantine guidelines for all members of staff that have been in contact with positive-tested individuals in order to ensure staff and clients are shielded from potentially infected individuals.
- Systematic monitoring of socio-political consequences of the crisis for the Bank as well as for all our stakeholders.

Health & Hygiene

The Bank maintains the standardized sanitization processes for all its branches daily, in accordance with Ministry of Health standards in addition to also applying Nano-technology, a market first, to ensure an even higher level of decontamination.

- All branches and ALEXBANK buildings have been covered by a sanitization process using Nano technology, which prevents viral dissemination via air and surfaces for a period of one year.
- Sterilizing materials are available in all branches for use by staff and customers before entering a branch, in addition to distributing thousands of masks to customers at times when it was challenging to find facemasks in the market. We continue to provide masks on exceptional basis.



- All staff wear facemasks during their presence in any and all Bank premises. As additional precautionary measures, face shields for employees have been distributed across all branches.
- ALEXBANK's Medical Unit has carried out a review of the medical history of all staff to identify those with chronic diseases and other serious health conditions rendering them especially vulnerable to COVID-19. The review has led to allowing the identified employees to work remotely from the safety of their homes with full salary entitlement.



- To date, more than 600 PCR tests have been conducted for ALEXBANK employees who have sought certainty, noting that all positive cases conducted more than one PCR test to guarantee they are negative before resuming working from the office.
- All medical expenses accumulated by positive cases have been covered by the Bank and sick leave with full salary entitlements have been provided. Furthermore, a survey was disseminated among COVID-positive staff members to evaluate and collect their feedback on the support provided by the Bank during their isolation and treatment in order to insure best possible support is presented perpetually.
- The Bank has arranged a mobile air-conditioned bus whereby suspicious cases would take an appointment to conduct the PCR in order to minimize the risk of infection in case of negative case and to facilitate the process.
- Mirroring our parent company for possible maximum protection of employee's health and safety, we launched a flu vaccination campaign for all employees free of charge accompanied with a structured communication plan for the available distribution centers of the vaccine across the governorates in November 2020.

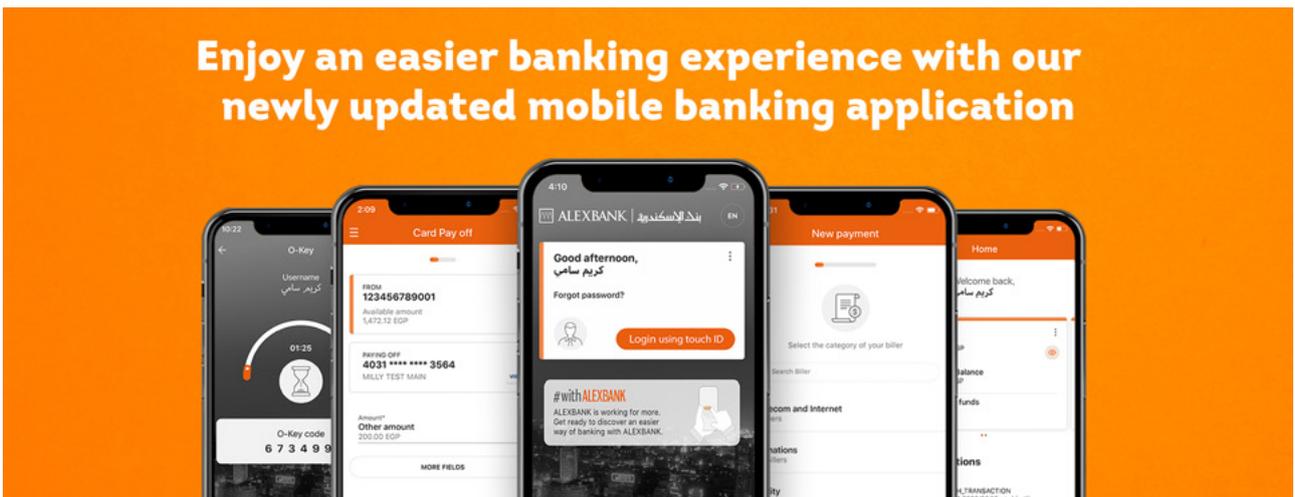
Mitigating the Business Impact

Various solutions have been applied on each function depending on the nature of its work and its business requirements. These solutions include smart working, relocation strategies, splitting of teams, rotation plans as well as enhancements of ALEXBANK's digital banking services to ensure social distancing and Business Continuity at all times.

- All meetings, whenever possible, have taken place virtually.
- ALEXBANK availed smart working measures for over 72% of its Head Office staff to ensure their safety as well as Business Continuity.
- Onsite staff was reduced gradually to reach 20% for Head Offices. At the beginning of September 2020, this proportion increased to reach 50%, while it has been reduced to 35% again in mid-November 2020.



- Business continuity plans have been prepared and applied on all branches. In case of the closure of a branch, the nearest branch geographically will act as its substitute branch. The decisions are made and revisited by the CGC continuously.
- All safety measures have been applied in branches, including availing a seating area outside branches, social distancing inside the branches, and ensuring all clients are wearing masks in branches at all times.
- The use of digital channels to minimize the number of clients in branches have been encouraged throughout the past year, including undergoing enhancements of ALEXBANK's digital banking services and ensuring satisfactory services provided by automated channels.



Our Customers

In prompt reaction to the CBE instructions to postpone the loans installments for six months communicated to all banks operating in Egypt, and in an effort to protect the quality of the Bank's portfolio after the end of moratorium without compromising our responsibility to protect the customers during the global outbreak of the COVID-19 virus, working groups have been formed jointly by Risk Division and Business Division functions to monitor the situation and provide solutions to the customers who have been facing financial difficulties. These solutions are distributed among the different channels to be communicated adequately to relevant customers.



In parallel, we have been implementing numerous steps to proactively cover the Bank's portfolio and prepare for any unforeseen changes in the market that might affect the customers and shareholders investments within the Bank. ALEXBANK proactively implemented mandatory physical distancing guidelines and markers in its branches, in addition to also designating eligible seating areas and providing customers with a dedicated landing page on www.alexbank.com, documenting all safety measures produced for customers.

Retail Customers

- As mandated by the CBE, the instalments postponement option has been introduced for all types of loans allowing skipping installment and tenure modifications due to COVID-19 related events for up to six months, while fees over certain rendered services were waived.
- In terms of insurance related products, we have facilitated the procedures for policies issuance relevant to the life insurance product "Hasad" ("Harvest"), allowing the customers to benefit from an accelerated package of services.
- In line with the CBE regulations, we have been introducing a series of enhancements to promote our digital banking services, which have been crystalized at first by waiving the fees associated with digital banking services, most notably waiving all subscription and transfer fees.
- We have rendered the process for the digital banking registration easier, faster and safer through our Contact Center. Currently we are also working towards making it feasible via our website, thereby saving our customers the trip to the branch. The same was extended to the activation of mobile banking and O-Key applications respectively.



- In parallel, we have intensified our awareness campaigns promoting for our available digital banking services to our customers through publishing user manuals guiding customers on how to execute their desired transactions electronically. These campaigns are continuously circulating through SMS and our social media platforms.

Micro, Small and Medium Enterprise (MSME) & Corporate Banking Customers

- We applied the CBE's set instalments moratorium up to 6 months for all types of loans excluding only the clients who expressly refused the postponement. Once the CBE included the Micro-segment as well, the exemption was extended to Micro loans upon request.
- Also, in alignment with the CBE instructions concerning the regulations relevant to the end of the six months moratorium, we are currently assessing the capability of the clients to meet their obligations and when needed we extend/relax the due payments to meet the expected cashflows and avoid jeopardizing the business cycle.
- For the Micro segment, and in addition to the CBE initiative, we designed a special loan installment postponement scheme based on a lower rate applied during the postponement, however to be paid, which allowed customers to maintain the original instalment amount after the postponement period. This solution particularly aimed at mitigating the burden of the capitalized interest on the customers.
- About 42% of the microfinance customers have availed the postponement option under both the CBE and ALEXBANK schemes, freely choosing amongst the two options offered.
- Around 70% of the total Medium Enterprise customers benefited from the CBE's loan postponement initiative.



The Communities Where We Operate

ALEXBANK, in line with its responsible approach to doing business and as mandated in its Code of Ethics, remains committed, if not more so than before, in supporting the social progress and economic advancement of the country where it operates during the COVID-19 crisis. Accordingly, and in line with the Egyptian governmental efforts and regulatory directions, we stepped in and joined the race to provide a comprehensive COVID-19 relief package to as many people as possible. To date, we have been able to impact the lives of 86,468 individuals directly and indirectly impacted by the outbreak of COVID-19.

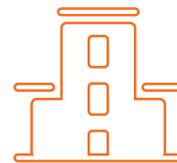
- To maneuver the people the Bank serves and the communities it is active in safely into the post-pandemic era, the CSR & Sustainable Development Office redirected about EGP 11 million of its budget towards a comprehensive relief package to the most vulnerable and exposed to the consequences of the COVID-19 crisis.
- The Bank successfully impacted thousands of lives as part of the emergency response across all 27 governorates thanks to our deep partnership with eight implementing partners and NGOs on the ground.
- The Support provided was in form of 20,000 food boxes, six ventilators, vital awareness creation, and sales and marketing opportunities for tens of NGOs and thousands of craftsmen and women through securing a digital market access for our network of artisans in form of the “Ebda3 men Masr” launched on the online store “Jumia”.
- A direct support opportunity presented to all employees in form of the employee edition of the “Doing Good” challenge with the Egyptian Food Bank. Though in crisis, our commitment to safeguarding the compliance with our “Rules for Donations in ALEXBANK” remains intact, guaranteeing donations are managed adequately, transparently and effectively.
- The Bank also contributed with a relevant amount to the fund- raising campaign led by the Federation of Egyptian Banks in alignment with the CBE.



EGP 11 million
towards the most
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86,468
lives



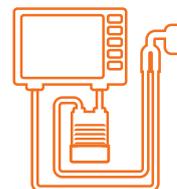
**Partners
and NGOs**



27
governorates



20,000
food boxes



6
ventilators

Our Parent Company

Intesa Sanpaolo remains our compass through its responses to the health emergency, helping families, and supporting businesses. It remains committed to society and the real economy hit by the COVID-19 crisis.

Intesa Sanpaolo was quick to respond to the emerging Coronavirus pandemic. The Bank was Italy's first bank to suspend mortgage and loan installments for families and companies.

Here are all of Intesa Sanpaolo's COVID-19 initiatives – large and small – to care for its people and customers, supporting society and the real economy, and ensuring business continuity:

<https://group.intesasanpaolo.com/en/editorial-section/COVID-19-initiatives>

