



ALEXBANK

## CREATING SHARED VALUE

DRIVING FINANCIAL INCLUSIVITY  
ACROSS EGYPT







# TABLE OF CONTENTS

<b>MESSAGE FROM OUR CEO &amp; MANAGING DIRECTOR</b>	<b>6</b>
<b>1. ABOUT THIS REPORT</b>	<b>8</b>
1.1 Aspect Materiality and Boundary	13
<b>2. ABOUT US</b>	
2.1 Our Mission	19
2.2 Our Values	21
2.3 Strategic Goals	24
<b>3. A YEAR IN REVIEW</b>	<b>26</b>
3.1 Our Growth in Numbers	30
3.2 A Year of Sustainable Growth	31
3.3 Comprehensive Efforts to Drive SME Growth	32
3.4 Digital Outreach – A Paradigm Shift	34
3.5 Community Investments – Value Creation	36
<b>4. OUR SUSTAINABILITY PHILOSOPHY</b>	<b>39</b>
4.1 Our Stakeholders	44
4.2 Our Commitment to Sustainability	46
<i>Internarional Memberships</i>	52
<i>Local Memberships</i>	54
<b>5. A DIVERSE PORTFOLIO THAT CATERS FOR ALL</b>	<b>58</b>
<b>6. DRIVING INCLUSION THROUGH OUR CORE BUSINESS</b>	<b>58</b>
6.1 Microfinance - A Success Story In 2017	46
6.2 Technology For Inclusion: Digitizing Our Portfolio	52
6.3 Fueling the Economy: SME Banking	54
6.4 Banking The Unbanked	58
<i>Financial Literacy: Ask the Expert</i>	
<i>Fostering Women's Financial Inclusion</i>	
<i>Spreading The Word</i>	

*Knitting done by the hands of one of the women from Moatamadeya, Giza governorate.*

In order to remain true to our values as ALEXBANK and reduce possible negative impacts on the environment, we have included videos that you will only be able to watch if you read the electronic version of our 2017 Sustainability Report. Please consider the environment before printing our 2017 Sustainability Report.

**7. CREATING SHARED VALUE THROUGH STRATEGIC SOCIAL INVESTMENTS** **60**

**7.1 Creative Economies: Ebda3 Men Masr (EMM)** **64**

*International Handicrafts Show (IHS)*  
*Paving the Way to International Markets*  
*Fair Trade Empowerment and Promotion in Egypt*  
*Cluster Formation for Handicrafts and Entrepreneurship Development in Upper Egypt*  
*Tunis Village: Applying an Integrated Development Approach*  
*Yadaweya*

**7.2 Inclusive Supply Chains** **80**

*Abu Teeg Carpet Production Unit*  
*«From Farm to Fashion»*  
*«From Farm to Fork»*  
*ALEXBANK Corporate and Seasonal Employee Gifts*

**7.3 Prosperous Communities** **86**

*Education*  
*Eastern Saft Preparatory School Transformation*  
*Educate Me- Transformational Teaching Program*  
*Integrated Development Approach in Upper Egypt*  
*Villages – Edfu*

**7.4 Health and Well-being** **92**

*57357 Children Cancer Hospital*  
*Protecting Homeless Children*  
*Leprosy Colony in Abu Zaabal*

**8. GOOD GOVERNANCE** **99**

**8.1 Our Board of Directors** **100**  
**8.2 Committees** **103**  
**8.3 Governance Codes and Guidelines** **106**  
**8.4 Shareholder Relations** **107**

**9. COMMUNITY-SHIP- THE POWER OF UNIFIED COLLECTIVE CONSCIOUSNESS** **109**

**9.1 Our Employees** **110**  
**9.2 Employee Satisfaction and The HR Care Program** **116**  
**9.3 Performance Management & Capacity Development** **119**  
**9.4 Employee Community Engagement Programs** **120**  
*For My People Competition*  
*Those Who Need Us Campaign*  
*Employee Family Support Program*  
*Ambassadors of Environmental Responsibility*  
*Internal Communication*

**10. ENSURING SUSTAINABLE OPERATIONS** **124**

**10.1 Customer Privacy & Satisfaction** **126**  
**10.2 Risk Management** **131**  
**10.3 Environmental Sustainability** **134**  
**10.4 Supply Chain Management** **136**

**ANNEX 1. AUDITED STATEMENT OF FINANCIAL POSITION** **138**

**ANNEX 2. GRI CONTENT INDEX** **141**



# MESSAGE FROM OUR CEO AND MANAGING DIRECTOR



**DANTE CAMPIONI**

It is my pleasure to share ALEXBANK's first sustainability report, which clearly presents our business directions and core values, embodies our efforts to align to GRI G4 Guidelines, and confirms our commitment to Intesa Sanpaolo Group's Standards and Policies, including transparent reporting on social, environmental, and business performance. Decisions about how we invest, who we fund and how we spend our money have a significant impact on the communities where we operate, and this knowledge underpins our sustainability and stakeholder engagement strategies. Our activities have evolved to support a vast array of stakeholders, including clients, employees, suppliers, business partners, community leaders and investors.

Integrating sustainability principles in our business operations has allowed us to recognize and respond to gaps resulting from both global and local trends. ALEXBANK embraces a sustainable growth model that creates value for all our stakeholders, by leading, promoting, and affirming innovative and sustainable practices in the Egyptian financial sector.

We believe that the innovative design of new products and services, implemented within a framework of shared value creation and social responsibility, can have significant positive social, economic and environmental impacts. Accordingly, our newly created "CSR and Sustainable Development" Office adopts the principles of creating shared value (including maximizing partner engagement and contributions) in all its initiatives in several dimensions: environmental sustainability; employee engagement; relief projects; and economic empowerment.

ALEXBANK's considerable outreach is achieved through over 172 branches throughout Egypt, staffed with approximately 4,700 employees, serving nearly 1.5 million direct customers. ALEXBANK's robust growth in 2017 underscores our efficient banking operations, our solid balance sheet structure, strong capital base, and effective asset quality and liquidity indicators.

**«Our efforts to increase our microfinance coverage reflects our commitment to responsibly serve this sector mostly composed by marginalized people in need to be financially included, in line with ALEXBANK's Code of Ethics and Egypt's targets.»**

Total customer deposits grew by 23 percent, while total performing loans grew by 7.8 percent (within which medium-sized enterprises grew by 17.6 percent, small businesses grew by 137.5 percent, and microenterprises grew by 59 percent). Our net income reached EGP 2,783 million, increasing by EGP 1,269 million (84 percent) in 2017.

Our efforts to increase our microfinance coverage reflect our commitment to responsibly serve the segment of Egyptians in most need of being financially included. These efforts are in line with ALEXBANK's Code of Ethics, which was recently updated to conform with Intesa Sanpaolo Group sustainability guidelines regarding financial inclusion and access to credit, besides supporting the national economy, and engaging in strategic social investments. Accordingly, ALEXBANK refrained from raising microfinance lending product interest rates during the last two rounds of official rate increases by 400 Bps in total.

ALEXBANK's customer engagement continued in 2017, with intensified communication activities targeting all stakeholders. This coincided with increased capacity building and training for our staff members to further embed our customer-centric approach, as well as developing our communication capabilities through a series of digital services such as electronic wallet solutions and an outstanding social media presence.

As part of Intesa Sanpaolo Group's commitment to improve its environmental impact, ALEXBANK has pledged to combat climate change by initiating actions for carbon neutrality at its headquarters and selected branches in 2017. Our commitments to international standards, guidelines and principles, are reflected in our membership to the UN Global Compact Network (since 2014) and to the Equator Principles (since 2012). This report also highlights our alignment with EGYPT's 2030 Vision, as well as the UN Sustainable Development Goals (SDGs), which are adopted by our Intesa Sanpaolo Group and are embedded in our business plan.

Our sustainability report reflects our commitment to responsible, transparent, ethical and compliant business. I invite you to explore it and learn more about how our strategic partnerships and stakeholder engagement efforts have created positive economic, social and environmental impacts.<sup>1</sup>

Thank you

Dante Campioni  
CEO and Managing Director



# 1. ABOUT THIS REPORT<sup>1</sup>

This report is based on the Global Reporting Initiative's (GRI) G4 guidelines. The report's content is based on consultations and interviews with key stakeholders, internal reports and monitoring systems, as well as audited statements. The report covers indicators that are material to our activities, as per the requirements of GRI "core" disclosure areas, as well as the insights gained from our stakeholders. Disclosure labels (ex. G4-1) are included in footnotes throughout the text to facilitate use of the GRI "In Accordance – Core" Content Index at the end of the report.

For more information about the report, please contact:  
The CSR and Sustainable Development Office CSR  
Team (CSR.Team@alexbank.com)



1.1 ASPECT MATERIALITY & BOUNDARY

To determine the scope of this report, we conducted a multi-stakeholder consultation to gather key stakeholders’ insights on material areas. We also complemented stakeholder insights with reporting aspects from the GRI G4 guidelines and the Financial Services Sector Supplement that are of high materiality to the financial services sector in Egypt, the priorities of Intesa Sanpaolo, and our own senior management.

The below table details GRI Aspects and their materiality in relation to ALEXBANK. It complements the summary table, which includes each aspect’s materiality and the aspect boundary for every material aspect.

Materiality indicators Legend:

- Indicates an indicator that is Not Material to ALEXBANK
- Indicates an indicator that is Material to ALEXBANK

Boundary indicators

‘Inside’ – indicates that the aspect has impacts that occur inside ALEXBANK  
‘Outside’ – indicates that the aspect has impacts that occur outside ALEXBANK

PERFORMANCE CATEGORY	ASPECT	ASPECT MATERIALITY	ASPECT BOUNDARY
ECONOMIC	Economic Performance Market Presence Indirect Economic Impacts Procurement Practices	■ ■ ■ ■	Inside / Outside Inside Inside / Outside Inside / Outside

PERFORMANCE CATEGORY	ASPECT	ASPECT MATERIALITY	ASPECT BOUNDARY
ENVIRONMENTAL	Materials	□	-
	Energy	■	Inside
	Water	□	-
	Biodiversity	□	-
	Emissions	■	Inside / Outside
	Effluents and Waste	■	Inside / Outside
	Products and Services	■	Inside
	Compliance	■	Inside / Outside
	Transport	■	Inside
	Overall	■	Inside
	Supplier Environmental Assessment	■	Inside / Outside
	Environmental Grievance Mechanisms	■	Inside / Outside
	SOCIAL: LABOR PRACTICES & DECENT WORK		
	Employment	■	Inside
	Labor/Management Relations	■	Inside
	Occupational Health & Safety	■	Inside
	Training & Education	■	Inside
	Diversity & Equal Opportunity	■	Inside
	Equal Remuneration for Women & Men	■	Inside
	Supplier Assessment for Labor Practices	■	Inside / Outside
SOCIAL: HUMAN RIGHTS	Labor Practices Grievance Mechanisms	■	Inside
	SOCIAL: HUMAN RIGHTS		
	Investment	■	Inside / Outside
	Non-discrimination	■	Inside
	Freedom of Association & Collective Bargaining	■	Inside
	Child Labor	■	Inside / Outside
	Forced or Compulsory Labor	■	Inside / Outside
	Security Practices	■	Inside / Outside
	Indigenous Rights	■	Inside / Outside
	Assessment	■	Inside
	Supplier Human Rights Assessment	■	Inside / Outside
	Human Rights Grievance Mechanisms	■	Inside
	SOCIAL: SOCIETY		
	Local Communities	■	Inside / Outside
	Anti-corruption	■	Inside / Outside
	Public Policy	■	Inside / Outside
	Anti-competitive Behavior	■	Inside / Outside
	Compliance	■	Inside / Outside
	Supplier Assessment for Impacts on Society	■	Inside / Outside
	Grievance Mechanisms for Impacts on Society	■	Inside / Outside
SOCIAL: PRODUCT RESPONSIBILITY	SOCIAL: PRODUCT RESPONSIBILITY		
	Customer Health & Safety	■	Inside / Outside
	Product & Service Labeling	□	-
	Marketing Communications	□	-
	Customer Privacy	■	Inside / Outside
	Compliance	■	Inside / Outside



## 2. ABOUT US<sup>1</sup>

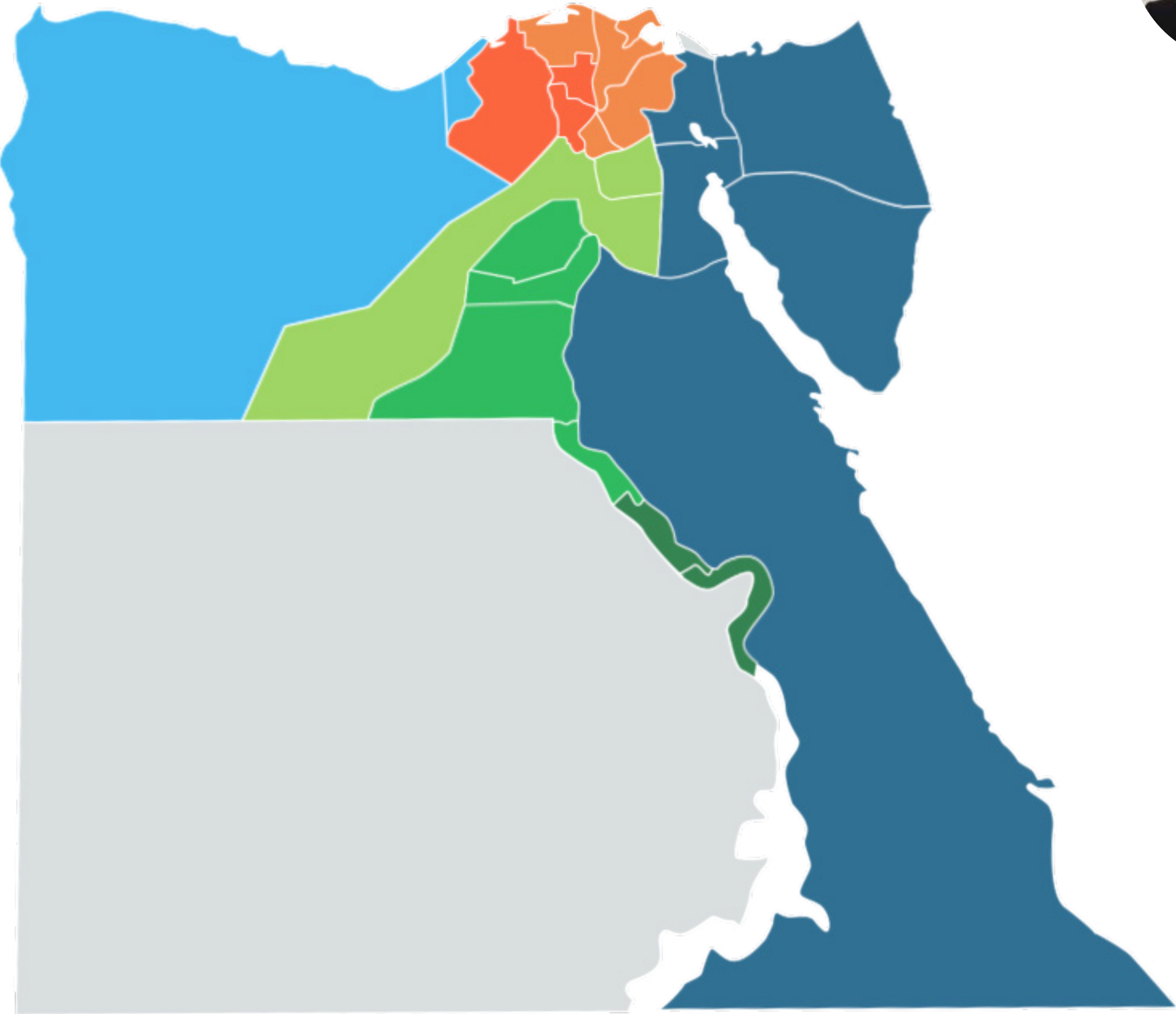
ALEXBANK is one of Egypt's leading private banks, featuring one of the largest branch networks in the country. The Bank was established in 1957, and Intesa Sanpaolo became its main shareholder in 2007. Our family of 4,700 employees proudly serve close to 1,500,000 customers through 172 branches located across all Egyptian governorates. Our portfolio caters to the below listed customer groups, geographically broken across the following regions: Cairo, "Delta, Alexandria, Sinai", and Upper Egypt.

We consistently work towards ensuring that our products and services add value to our customers, and are built on the principles of economic, social and environmental sustainability. In an effort to foster inclusivity through our core operations, we focused on growing our Small and Medium Enterprises (SME) and Retail business in 2017, leading to a significant increase in our net profit. Our efforts to serve Egyptian SMEs culminated in our being named "Middle East's Best Bank for SMEs" by EUROMONEY for the second year in a row.

*Established in 1957, today ALEXBANK is one of Egypt's leading private sector banks, participated by Intesa Sanpaolo Group since 2007. This is ALEXBANK's Headoffice in Downtown Cairo.*



ALEXBANK HAS 172 BRANCHES  
DIVIDED INTO EIGHT REGIONS



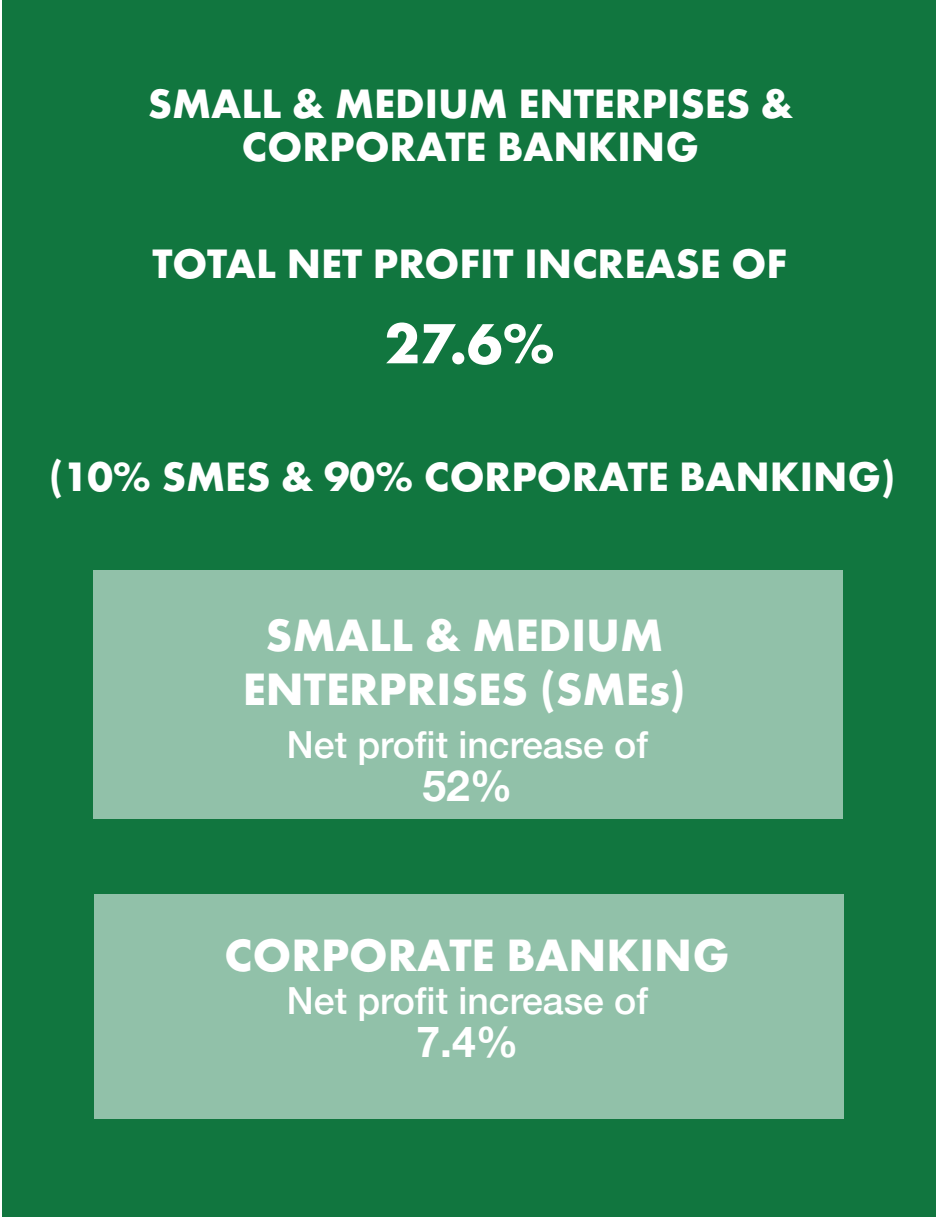
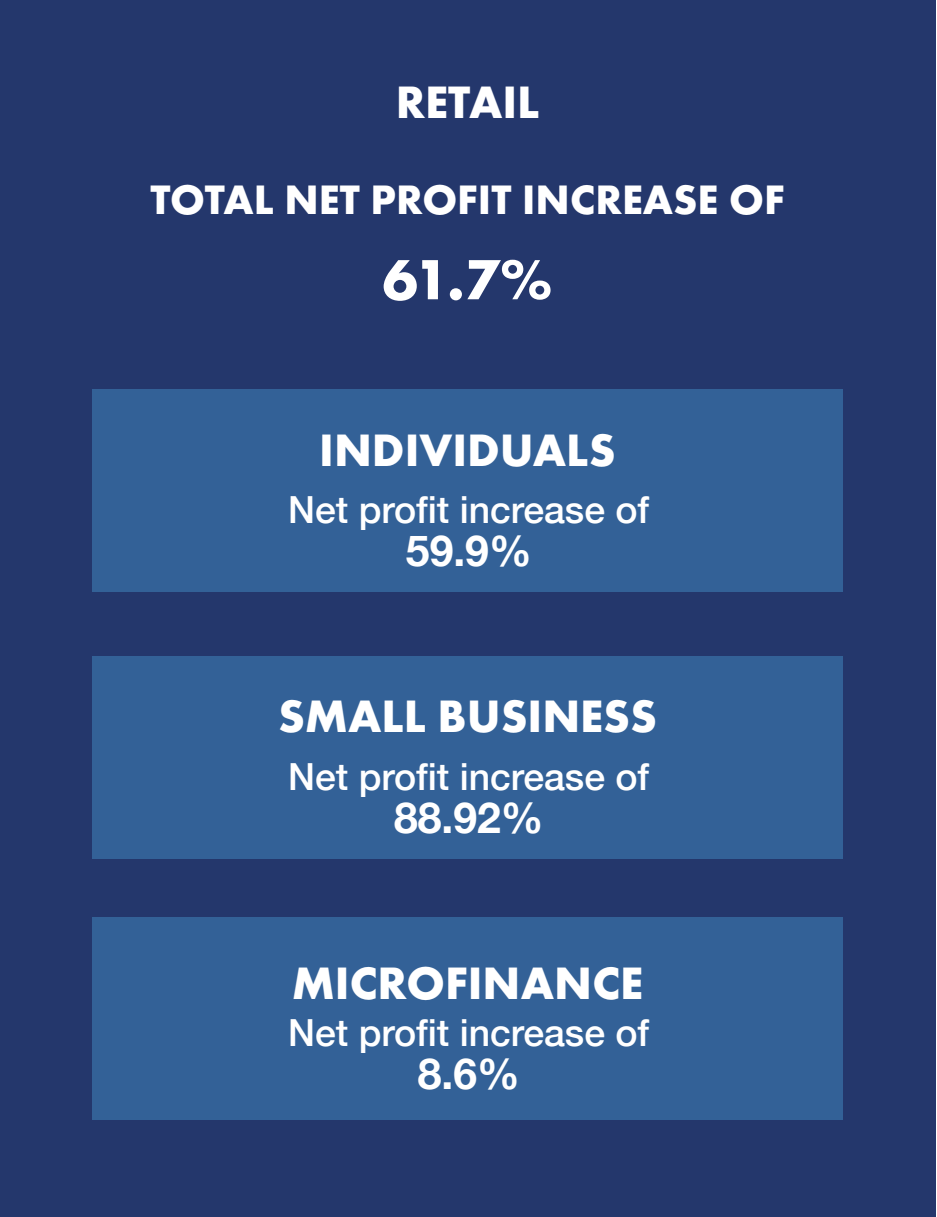
ALEXBANK’s expansive branch network is an important channel linking us to our clients accross Egypt. Our journey of branch network development is designed to achieve sustainable business operations, and today, ALEXBANK has a innervate branch network of 172 branches in Egypt.

Tamer Abd-El Fattah  
Head of Branch Network Development Office.

- |  |  |
|--|--|
| <b>Alexandria:</b><br><br>Alexanadria<br>Matrouh   | <b>Northern Upper Egypt:</b><br><br>Menya<br>Bani Suef<br>Fayoum<br>Asyut    |
| <b>Canal:</b><br><br>North Sinai<br>Damietta<br>Ismailiya<br>Port-Said<br>South Sinai<br>Red Sea<br>Suez | <b>South Cairo:</b><br><br>Cairo<br>Giza<br>Menoufiya                        |
| <b>El Delta:</b><br><br>Dakahliya<br>Kalyoubeya<br>Sharkiya  | <b>Southern Upper Egypt:</b><br><br>Aswan<br>Qena<br>Luxor<br>Sohag          |
| <b>North Cairo:</b><br><br>Cairo<br>Sharkiya   | <b>West Delta</b><br><br>Kafir El-Sheikh<br>Beheira<br>Gharbiya<br>Menoufiya |



# TOTAL NET PROFIT INCREASE OF 84%



## 2.1 OUR MISSION

Providing high quality banking and financial services to our customers and activate ways to promote development in all the areas in which we operate, while focusing on sustainable results and the creation of a process, based on the trust deriving from customer and shareholder satisfaction.

## 2.3 STRATEGIC GOALS<sup>1</sup>

Our strategic goals for the year 2017 include:

- Increasing market penetration by reaching out to marginalized areas and digitizing products and services for ease of accessibility.
- Banking the unbanked, working towards financial inclusivity for all segments and incorporating the informal sector.
- Moving from Corporate Social Responsibility (CSR) towards Creating Shared Value (CSV) by leveraging our core business to create sustainable impact.
- Formalizing a more robust risk management system that monetizes the cost of infractions to the Bank to avoid losses, which will give a more efficient and secure system and doing business environmente

## 2.2 OUR VALUES

We adopt Intesa Sanpaolo's Code of Ethics, which is structured as a "Charter of Relations" between the Bank and its stakeholders. Our operations and growth strategy are thus based on the following values:

- INTEGRITY
- EXCELLENCE
- TRANSPARENCY
- RESPECT
- EQUALITY
- VALUES OF THE INDIVIDUAL
- RESPONSIBILITY IN THE USE OF RESOURCES



Our artisans working on their unique embroidery pieces.



# 3. OUR YEAR IN REVIEW<sup>1</sup>



Mohamed cutting brass sheets for "Nour", the Elemental Light Fixture  
ALEXBANK worked on in collaboration with ENID.



# 2017 BREAKOUT YEAR

The year 2017 represents a breakthrough for ALEXBANK in terms of our commercial operations in the Egyptian market. We successfully expanded our operations to achieve unprecedented revenue growth, a significant shift in the composition of our customer base, exponential growth in Average Revenue per Customer (ARPC), and the introduction of diligent cost control and risk management mechanisms. These shifts were made possible by ALEXBANK's highly-dedicated management team, who were set on fulfilling the Intesa Sanpaolo Group's 4-year global business plan with a clear statement to the market, as well as setting a new benchmark as we embark on the 2018 - 2021 Business Plan.

Our 2017 financial performance was exceptional in comparison to our peers, allowing us to be one of the largest banks in terms of revenue base, and the largest private segment bank in terms of customer base.

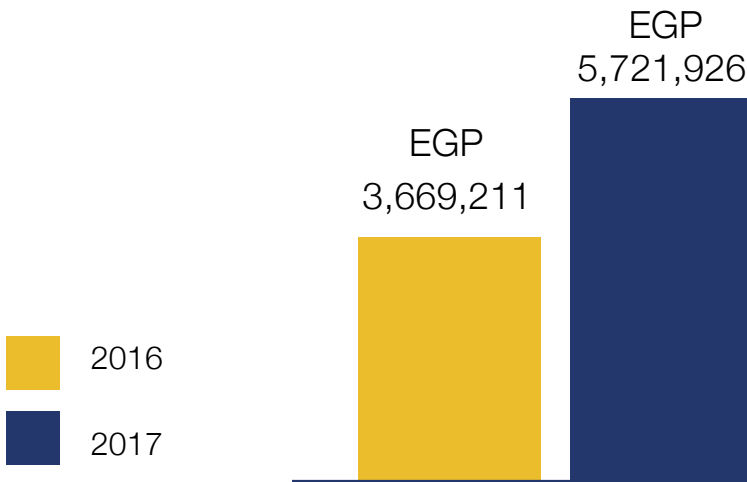


I believe there is something truly unique about the work environment in ALEXBANK. We work in harmony and believe in and empower each other. This spirit of collegueship and cooperation is the real driving force behind our collective performance and is the essence of ALEXBANK.

**Mohmed Roushdy**  
Head of Planning & Control Department

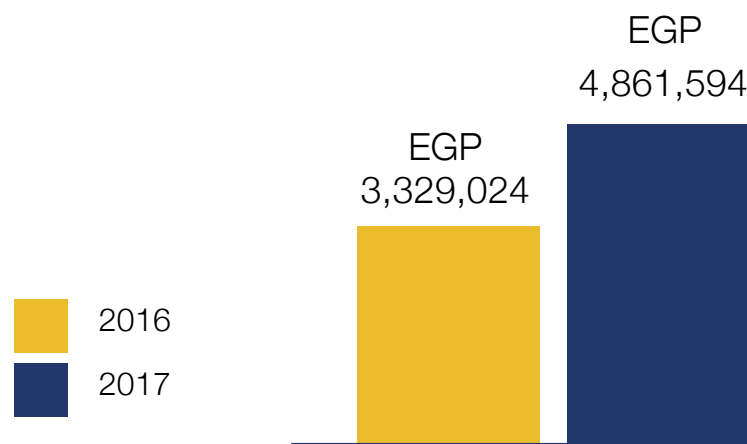
An oil diffuser taking the shape of a bird, by the hands of the girls in the village of El Mahrousa, Qena Governorate.

## OI OPERATING INCOME



Our Operating Income (OI) growing by an aggressive 56 percent YOY. Furthermore, our financial diligence in the cost control and risk management arenas enabled us to record Net Profit Growth of 84 percent in 2017.

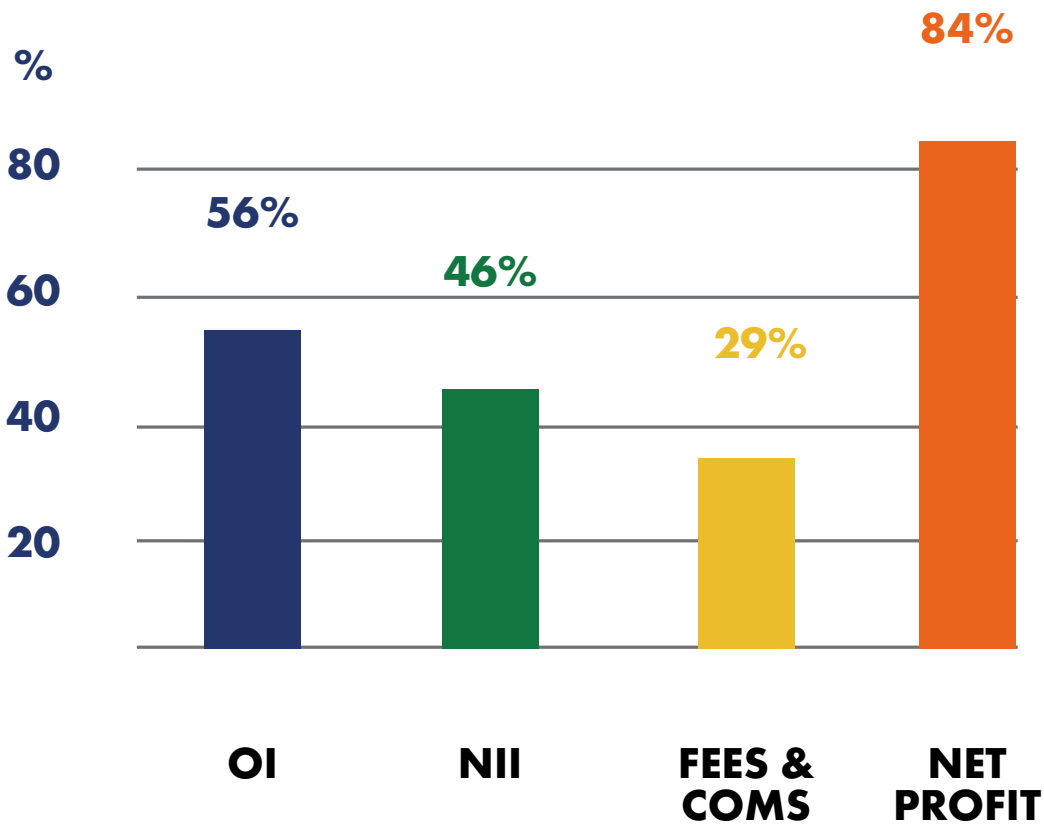
## NII NET INTEREST INCOME



Net Interest Income (NII) grew by 46 percent; fees and commissions grew by 29 percent, while the ALEXBANK's Cost-to-Income Ratio dipped to an unprecedented 31.85 percent.



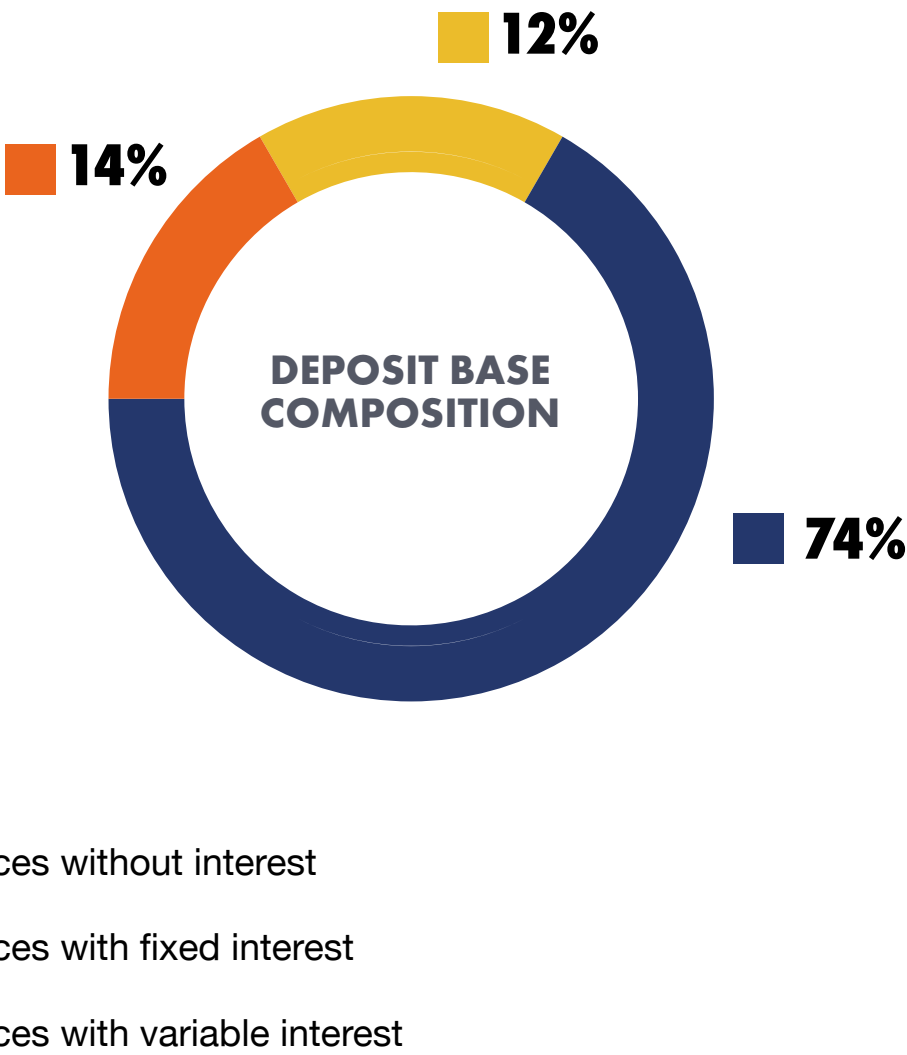
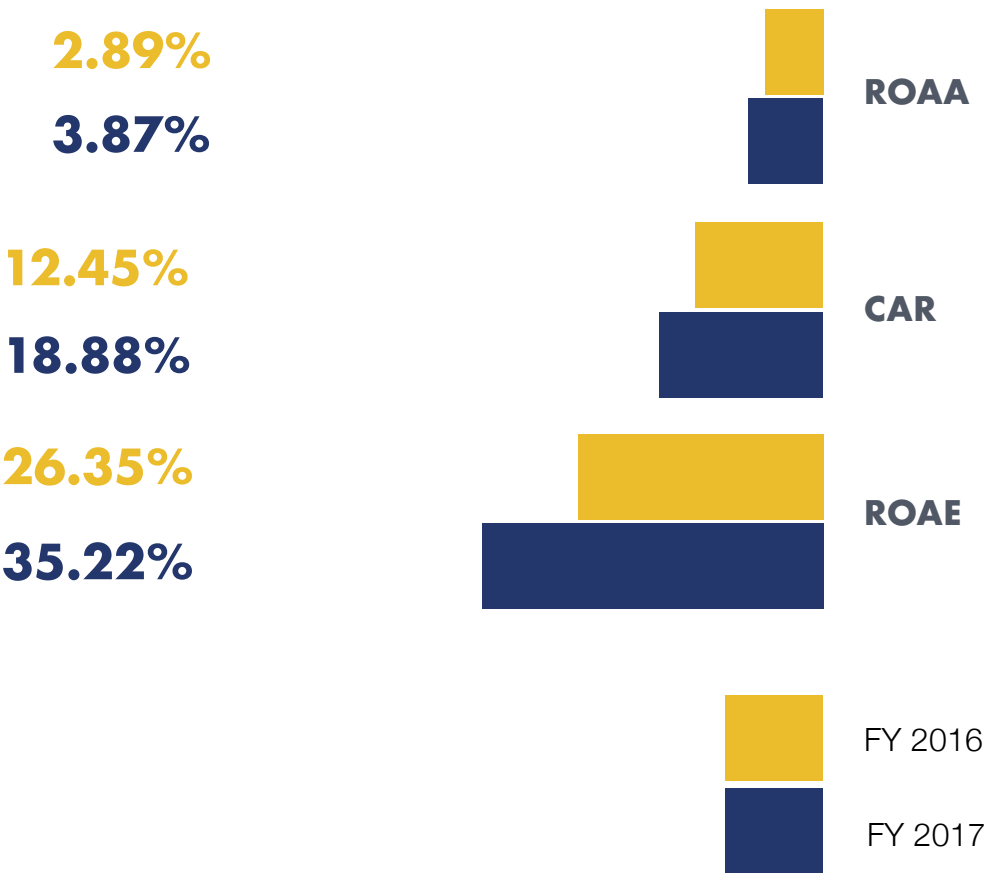
**KEY FINANCIAL HIGHLIGHTS**  
 2017 KEY FINANCIAL METRICS (GROWTH YOY)



Our exceptional 2017 performance was also driven by unprecedented income growth from our key business divisions. Our Retail and SME & Corporate Banking divisions achieved 61.7 percent and 27.6 percent net income gains respectively. Not surprisingly, these results boded strongly for investors with Return On Average Equity (ROAE) reaching 35.22 percent (up from 26.35 percent) and Return On Average Assets (ROAA) (pre-dividend) reaching 3.87 percent (up from 2.89 percent). Our Capital Adequacy Ratio (CAR) has also solidified, reaching 18.88 percent (up from 12.45 percent). Total deposits grew by 23 percent, reaching EGP 63.5 billion (EUR 3 billion) while net loans grew by 7 percent.

**IMPROVED INVESTOR RETURNS AND A SOLIDIFIED CAPITAL BASE**

While the financial results tell a story of aggressive performance enhancement, one of our key takeaways from 2017 is the careful restructuring of our deposit base, which strategically situates us for sustained future profitability. Restructuring efforts included moving the majority of interest expenses to non-interest bearing or variable rate deposits, which allows for hedging ALEXBANK against forecasted sharp interest rate declines, ensuring a flexible and profitable deposit base to build on in the coming years, and allowing us to responsibly offer our retail clients as first in the market, access to retail loan at variable rate, fully benefiting now from the downward interest rate scenario.





3.2 A YEAR OF SUSTAINABLE GROWTH

We achieved significant growth across a series of business segments, allowing us to ensure a more diversified and thus sustainable customer base. These include a 43 percent growth in affluent segment’s deposits, reaching EGP 22.47 billion (EUR 1.26 billion), and a 63 percent growth in private banking deposits, reaching EGP 12.4 billion (EUR 574 million). Currently, both portfolios account for over 66 percent of our total retail deposits portfolio.

This growth was made possible by revamping both propositions in 2017 to ensure a newly developed and comprehensive service model. The new model includes market-leading lifestyle benefits such as a global concierge, dedicated products, and world-class relationship management practices. These enhancements led to a 90 percent growth in our loans, and 80 percent YOY growth for both affluent and private banking segments which in return account for over 36 percent of total retail loans.

In addition, our Cross Sell Ratio (number of products held by a single customer) rose from 1.8X to 3X when the new propositions were first launched. Today, the affluent and private banking propositions act as the main drivers of New to Bank Clientele. The affluent customer base grew by 35 percent, and the private banking customer base grew by 50 percent.

We further distinguished ourselves by signing a landmark deal with Liverpool Football Club (LFC) in October 2017 to engage our Private, Cards and Corporate customers with one of the world’s leading Football clubs and Egypt’s national hero and the Premier League’s top scorer: Mohamed Salah. The LFC World Debit Card is the Egyptian Market’s most sophisticated card product offering 3X Reward Points, access to 850 airport lounges globally, full purchase protection and emergency cash drop-off if a customer loses their card. This product will include the release of five segment-based cards targeting the private banking clientele all the way down stream to youth customers.



The Ebda3 Men Masr (EMM) tent at the International Handicrafts Show (IHS).



One of our artisans working on wood to create an arabesque piece.



Leading in the Financial Institutions and Transaction Banking team made it possible for me to take part in the collaborative efforts done to maximize the value created for all stakeholders, not only through internal streams to enhance and diversify FCY liquidity, but also to extend our partnership with our clients through providing a series of technical assistance. The latter is specifically tailored and provided by top ranked institutions with the ultimate goal for ALEXBANK to achieve cross-sector cooperation.

Menna El-Nahas

FI & Trade Finance Team Leader  
Financial Institutions and Trade Finance Office





3.3 COMPREHENSIVE EFFORTS TO DRIVE SME GROWTH

In parallel, we furthered our leadership in the SME lending and support space by introducing a series of new practices and products. Among the introduced changes is a rule-based system that cuts lending procedures down from 12 weeks to three days, as well as four small business products with a pre-defined amount, tenor, limits, system parameters, documentation, terms and conditions, controls and processes. As a result, our small business loans and deposits grew by 66.5 percent and 32.7 percent respectively. The small business segment’s customer base grew by over 20 percent.

The SME Business Passport also enabled us to generate significant further growth. The SME Business Passport is a value-added digital services bundle that allows entrepreneurs to build their own website free of charge, access an SME Toolkit and digital knowledge bank, manage their finances, and receive 25 percent off all their company mobile bills. It has generated over 2,000 customer leads within the first two weeks of its release. Medium enterprises grew at a similar rate; recording 55 percent in net loans growth. Country regulators showcased the SME Business Passport as an example for how banks can strengthen the national entrepreneurial ecosystem.



We also signed a series of SMS loan-agreements with key actors, including:

- ❑ An International Finance Corporation (IFC) loan agreement worth USD 100 million.
- ❑ A European Bank for Reconstruction and Development (EBRD) loan agreement worth USD 50 million, paired with a technical support package that aims at enhancing customers’ financial literacy, and building our SME lending capacity.
- ❑ A Sanad Micro, Small and Medium (MSME) loan agreement worth USD 30 million.
- ❑ A Green Economy Financing Facility (GEFF) initiative agreement, which includes a USD 30 million loan agreement to promote energy efficiency.

Stemming from our firm belief in the importance of coupling SME-specific products and services with comprehensive technical support, we signed various partnership agreements with key players from the entrepreneurship support space, including:

- ❑ The Information Technology Industry Development Association (ITIDA)
- ❑ The Industrial Development Association (IDA)
- ❑ The Credit Guarantee Company (CGC)
- ❑ The Egyptian Stock Exchange, to help SMEs go public by providing advisory and placement services for SMEs on the NileEX.
- ❑ A multi-year agreement with private equity firm Tanmeya Capital Ventures (TCV), which aims at sustaining the growth of Egyptian Mid-Corporate and Medium enterprises by enabling fast growing enterprises to access private equity funds and strengthen their capital base. The signed protocol turns both ALEXBANK and TCV into one-stop-shop solution providers to enterprises looking at the optimization of their financial structure.



IN RECOGNITION OF ALL OF OUR EFFORTS, EUROMONEY AWARDED US THE BEST BANK FOR SMES IN THE MIDDLE EAST IN BOTH 2015 AND 2016.



2017 has witnessed a huge transformation in ALEXBANK’S experience with Medium Enterprises. Our exposure in this area was aggressive all over the country and our focus on Upper Egypt was challenging but paid off.

Amr Khaled  
Head of Medium Enterprise Office



### 3.4 DIGITAL OUTREACH – A PARADIGM SHIFT

In 2017, we earned a further accolade by becoming the Egyptian market’s largest bank in terms of social media following. Currently, our fan-base is made up of 3.6 million individuals, growing over 150 percent in 2017, and ranking 1st in terms of absolute fan growth in Egypt’s banking industry. Globally, we ranked 8th largest bank in terms of Facebook followers by the end of 2017. ALEXBANK also engineered one of the runaway hits on social media by launching “ASK THE EXPERT,” a 8-episode web-series that focuses on financial education in a humorous and light-hearted manner. The show has attracted over 15 million views to date. These achievements were recorded at market-leading efficiency in terms of marketing spending, recording the lowest marketing expenditure over revenue ratio by utilizing 0.42 percent of marketing spent versus revenue generated only.



Dante Campioni, ALEXBANK CEO and Managing Director and Mr. Hisham El Gazzar, Deputy Head of the Egyptian Export Council of Handicrafts at the signing of the IHS cooperation protocol.

### 3.5 COMMUNITY INVESTMENTS - VALUE CREATION



//

Sellers are a vital part of our continued growth and commitment to our customers. We are proud to have helped thousands of artists bring unique product offerings to our customers and make selling online as simple and seamless as possible for local SMEs. As we grow, we remain committed to fostering the entrepreneurship and SME ecosystem in Egypt.

Omar El Sahy  
GM of Souq.com

//

We further aligned our social and business pedigrees in 2017 by taking our flagship initiative Ebda3 Men Masr a step forward. Designed around the principles of shared value creation, Ebda3 Men Masr aims at empowering traditional handicraft producers and young product designers with the tools and platforms to produce world-class products, and market them globally.

This year, ALEXBANK added core elements to the initiative to enable the local crafts industry to connect with and integrate into global markets. Among these elements, we are providing artists and designers with financial products such as Point of Sales (PoS) acquiring and online acquiring services, product development trainings, marketing and packaging consultancy services, and an online brand store on leading e-commerce platform Souq.com. We are also working closely with a group of unique producers towards obtaining International Fair Trade Certifications, which will enable them to export their products to foreign markets. To date, Ebda3 Men Masr has impacted more than 4,000 artists across 15 Egyptian governorates.



A photograph of two men in a desert setting, likely Egypt, engaged in carving Marmor (a traditional Egyptian craft). The man on the left, wearing a grey shirt, is smiling and looking towards the other man. The man on the right, wearing a blue beanie and a brown jacket, is focused on carving a piece of Marmor with a tool. They are surrounded by large, light-colored rocks and a brick wall in the background.

## 4. OUR SUSTAINABILITY PHILOSOPHY

In line with national sustainable development frameworks, we set a roadmap for driving financial inclusion, shared value creation, and transparent performance forward in 2017. Our objective remains, to create impactful partnerships with our stakeholders that lead to simultaneous economic and social value creation. Creating Shared Value (CSV) is thus at the core of our philosophy and is being led by our “Corporate Social Responsibility (CSR) and Sustainable Development” office.

Both our roadmap and strategy capitalize on all stakeholder groups, including our individual shareholders (Intesa Sanpaolo Group 70.25 percent, Government of Egypt 20 percent, and International Finance Corporation (IFC) 9.75 percent), employees, clients, business partners, and surrounding communities. Together, we are working towards establishing a new way of doing business that is based on the principles of CSV. We realize that fulfilling such a mandate will only be possible through the consistent and impactful engagement of our stakeholders. ALEXBANK’s roadmap includes an extensive stakeholder engagement and communication strategy, which includes the issuance of this 2017 Sustainability Report. The upcoming section details our stakeholder engagement efforts over the past year.



4.1 STAKEHOLDERS<sup>1</sup>

The below chart visualizes ALEXBANK’s core stakeholders, who we engage throughout the year, and who we have engaged as part of a comprehensive stakeholder consultation to produce this report. During the consultation specific to issuing this report, we shared our current sustainability roadmap and strategy to obtain stakeholder feedback. Insights gathered from the stakeholders are summarized below.



During the consultation, all stakeholder groups displayed a medium level of awareness regarding our sustainability efforts across all bank operations. Stakeholder recommendations regarding raising the level of awareness included:

- ❑ Creating a social media page that is specific to our sustainability efforts;
- ❑ Creating audio-visual footage to increase awareness about our efforts; and
- ❑ Increasing internal stakeholders’ awareness of ALEXBANK’s comprehensive sustainability strategy and various interventions.



The below table summarizes key insights derived from key stakeholder groups during the stakeholder consultation conducted to produce this report.

		Expressed Recommendations	Our Response	Our Efforts
A. Community Partners, Foundations and Regulators	Weekly, Bi-Monthly, Monthly and Quarterly	<ul style="list-style-type: none"><li>- Raising awareness regarding the CSV efforts using social media<ul style="list-style-type: none"><li>. Short videos</li><li>. Infographics</li><li>. Stand-alone social media accounts</li></ul></li><li>- A new line of services geared towards “base of the pyramid” clients.</li><li>- Spreading similar CSV practices to other banks.</li></ul>	<ul style="list-style-type: none"><li>- A plan to better raise awareness and increase outreach of CSV programs will be developed</li><li>- The creation of the “Ebda3 Men Masr Loan” including special services with special rates to increase accessibility for the informal sector.</li><li>- Discussions with the Central Bank of Egypt for potential partnerships with other banks.</li></ul>	See Creating Shared Value Through Strategic Social Investments See Driving Inclusion Through Our Core Business
B. Clients and Business Partners	Daily, Weekly, Bi-Monthly, Monthly and Quarterly	<ul style="list-style-type: none"><li>- The bank adopts global standards and practices, but not all employees are fully aware of them, or capable of adopting them.</li></ul>	<ul style="list-style-type: none"><li>- Training will be provided to employees to ensure, to increase customer satisfaction.</li></ul>	See Section Nurturing Talent
C. Employees	Daily, Weekly, Bi-Monthly, Monthly and Quarterly	<ul style="list-style-type: none"><li>- Enhance the physical and IT infrastructure of the whole organization including:<ul style="list-style-type: none"><li>.Physical Layout of Branches</li><li>.Communication Infrastructure between employees</li><li>.Quality standards across all governorates</li></ul></li><li>- Equip call center staff with the authority to instantly address clients’ problems.</li><li>- Bringing back off-site meetings that allow employees and managers across different functions to interact.</li></ul>	<ul style="list-style-type: none"><li>- All bank infrastructure is being upgraded for efficiency and quality.</li><li>- Scenarios for equipping call center staff while ensuring client privacy will be explored.</li><li>- Off-site meetings are being re-introduced starting 2018.</li></ul>	See Section Nurturing Talent





4.2 OUR COMMITMENT TO SUSTAINABILITY<sup>1</sup>

INTER-  
NATIONAL  
MEMBERSHIPS

In an effort to accelerate the implementation of ALEXBANK’s sustainability strategy, and stay aligned with international best practices, we are active members of several international networks, including:

**THE UN GLOBAL COMPACT NETWORK**  
We have been a signatory of the UN Global Compact Network since 2014 and have been submitting its Communication on Progress Report since then.

**EQUATOR PRINCIPLES**  
We have been adoptees of the Equator Principles since 2012 and implement the framework to manage the impact of financing large projects on local communities and the environment.

**FEDERATION OF EGYPTIAN BANKS (FEB)**  
ALEXBANK has been an active member of FEB since 2013; we are also a member of FEB’s Social Development Steering Committee. The committee has successfully encouraged Egyptian banks to contribute 2 percent of their net profit to the development of informal areas in Egypt, enhancing the livelihoods of over 250,000 citizens. In 2017 alone, the committee has started establishing three new schools in an informal area in Helwan, as well as the development of ten schools and across ten locations in Giza governorate.

LOCAL  
MEMBERSHIPS



ALEXBANK plays a very vital role in creating shared value for the Egyptian community at large. It is not only a proactive partner and member of the Federation of Egyptian Bank’s Social Development Committee for slum area development, but ALEXBANK’s corporate social responsibility and sustainable development initiatives are highly impactful in the fields of education, health and infrastructure, too. Together with the Central Bank of Egypt and the National Council of Women ALEXBANK is championing the sphere of the financial inclusion of women and youth.

Lamise Negm  
Head of the Social Development Committee (SDC)  
Central Bank of Egypt



Intesa Sanpaolo, specifically within the 2018-2021 Business Plan, has confirmed its commitment towards sustainability and the creation of long-term value for its stakeholders, with actions that involve the whole Group. Alexbank is consistently committed to achieving the Group’s sustainability goals and the publication of its first Sustainability Report is an important step in this respect.

Elena Flor  
Head of CSR  
Intesa Sanpaolo Group



Rawya’s unique pottery.  
Tunis village, El Fayoum.



## 5. A DIVERSE PORTFOLIO THAT CATERS FOR ALL<sup>1</sup>

Our customers' insights and feedback enable us to constantly enhance, innovate, and tailor our products and services, to exceed their expectations, as well as ensure high satisfaction rates. Building on this feedback, ALEXBANK introduced various new products to our portfolio. We have also been expanding our portfolio with a series of offerings that further the inclusion of the un-banked. Among ALEXBANK's newly launched products and services are:





“ALEXBANK views its customers as being its partners. We are always trying to exceed our customers’ expectations of ALEXBANK through providing them with full-fledged innovative products and solutions covering all their banking needs. In line with ALEXBANK’s approach towards shared value creation, we provide our customers with the necessary support in achieving their personal ambitions as well as realising their business goals.”

**Mohamed Tharwat**

Head of Mass Retail & Products Development



“Nour”, the Elemental Light Fixture - a product of traditional Egyptian craftsmanship.

## PAYROLL

We are launching three new packages with competitive offerings which cater to various corporate segments.

## ASSETS

- ❑ Variable Rate Loan: A personal loan based on the Central Bank of Egypt lending rate, with a tenure that can reach up to ten years.
- ❑ Home Renovation Loan: A loan dedicated to home renovation, with an extended tenure that can reach up to 12 years.
- ❑ Installment Postponement: We pioneered a feature that allows our customers to enjoy a 12 months’ installment postponement plan, allowing them to pay back loan interest only, and to postpone the loan principle.
- ❑ Auto Loan: An loan that provides our customers with the opportunity to purchase a new or used car without prohibition on car sale or insurance requirements.
- ❑ Micro Company: A loan facility that is especially tailored to registered micro-business owners, allowing them to obtain a



Pottery vase by Abdel Sattar from Tunis village, El Fayoum.



2017 was a turning point for the cards business ensuring ALEXBANK creating the momentum for growth. On the issuance side, ALEXBANK have created a new partnership with MasterCard in addition to the existing Visa products. Our partnership with Liverpool Football Club and being the cards’ official partner in Egypt was a significant milestone, creating shared value for the ALEXBANK, Liverpool Football Club and the card holders.

**Hesham Mazoun**

Head of Cards Office



## LIABILITIES

- ❑ Variable CD: We have pioneered the practice of variable rate offerings in the Egyptian banking market by launching the 3-year variable Certificate of Deposits.
- ❑ Smart Time Deposit: The smartest short-term investment, which gives customers a monthly return and the flexibility of choosing their investment’s duration. It is available over three, six, or 12 months.
- ❑ Tawfeer Plus: A saving account bundling monthly returns with a unique and attractive free life insurance coverage.

## CARDS<sup>1</sup>

- ❑ Card Migration System: We migrated both debit and credit cards to a new platform (Compass Plus) to provide our customers with advanced features and an enhanced customer experience.
- ❑ Visa Platinum Debit Card: We launched the Visa Platinum card, which is tailored to suit the Magnifica and Private segments.
- ❑ E-commerce: We launched an e-commerce feature in late 2017, enabling merchants to accept online payments, and to rapidly expand their businesses.



# INSURANCE

This year witnessed 241 percent growth in terms of our sales volumes (year-to-year), and 190 percent growth in terms of our insurance revenues (year-to-year) representing the highest Bancassurance growth rates within the Egyptian banking industry. Our Life Bancassurance offering with MetLife currently includes six unique programs that cater to all of ALEXBANK's customers' diverse insurance needs and four new programs will be launched in 2018.

# REMITTANCES

Remittances have been of growing importance to Egyptians since the 1970s. ALEXBANK's Remittances department seeks to increase the number of correspondent banks in countries with high concentrations of Egyptian workers, enabling us to formally channel remittances, and in turn foreign currency, into the Egyptian economy. We have also partnered with Western Union (WU) to offer remittance services and deploy WU's worldwide network of agents and branches. The number of contracted correspondents has reached up to 48 banks and companies, distributed among six Arab countries.

## PRIVATE: AN EXECUTIVE OFFERING

We launched the Private Segment in 2017 through an exclusive event that took place at the Cairo Citadel, and was attended by more than 1,000 private clients. This new segment is custom-designed to deliver a one of a kind banking experience, exceptional products, and exclusive lifestyle benefits covering all private customers' travel and concierge needs. Private Relationship Managers have been expertly trained to ensure unrivaled services to private customers' investments and banking requirements.



//

ALEXBANK has always been a market leader and a preferred choice for Egyptian expatriates residing abroad for sending their hard-earned incomes to their families back home. Thanks to the wide availability of our strategic business partners worldwide, our extensive network across Egypt, and the rapid advancements in remittances fin-tech, we are able to offer innovative products tailored exclusively to meet the needs of our valued customers abroad.

**Mohamed El Daly**

*Head of Remittances Department*

//



*More of Rawya's unique pottery pieces.*



## 6. DRIVING INCLUSION THROUGH OUR CORE BUSINESS



Dante Campioni, ALEXBANK CEO and Managing Director in the panel about "Financial Inclusion and Economic Empowerment for Women" alongside Mrs. Mona ThuAlFaqr, Egyptian lawyer and Human Rights activist, Mrs. Lobna Helal, Deputy Governor of the Central Bank of Egypt, and H.E. Dr. Ghada Wali, Minister of Social Soliarity. Global Policy Forum 2018, Alliance for Financial Inclusion.



6.1 MICROFINANCE:  
A SUCCESS STORY IN 2017

Stemming from our firm belief in enhancing financial inclusivity in Egypt, we introduced micro-finance offerings to our portfolio in 2007. Since then, we have financed more than 300,000 clients. To add real value to our micro-enterprise clients, we also offer them with much needed technical assistance around their business needs and growth prospects.

ALEXBANK’s micro-enterprise arm mainly focuses on micro-business owners in rural areas, or Egyptian locales who are typically excluded from formal financial services. We provide these business owners with the relevant financial tools and services to become active contributors to the formal growth of the Egyptian economy, and to job creation at large.

In 2017, we have bundled our micro-lending offerings with social and economic development interventions, enabling us to add more value to our customers, and to expand our customer base. In addition, the Microfinance department experienced structural changes and new formations, including:

- ❑ Comprehensive amendments to product features and criteria.
- ❑ The establishment of three new offices; Microfinance Segment Development, Sales and Performance, and Quality Assurance.
- ❑ Incorporating additional means of collection, such as Fawry and Ma7fazty.
- ❑ Enhancement in monitoring reports; which include; following up, analysis and segregation.
- ❑ The development of human capital through our Microfinance Academy, in addition to ongoing trainings provided to the Microfinance department team.
- ❑ The creation of a conservative incentive scheme for external agents, in addition to the maintenance and development of relationships with ALEXBANK’s various other departments.

ALEXBANK is currently the second-largest supporter of micro-enterprises in Egypt in terms of market share. For 2018, we aim to further expand our impact on micro-enterprises through leveraging the agreements that we have signed with the Ministry of Local development, The National Council of Women and the CBE.



Ehab Mounir  
Head of Microfinance



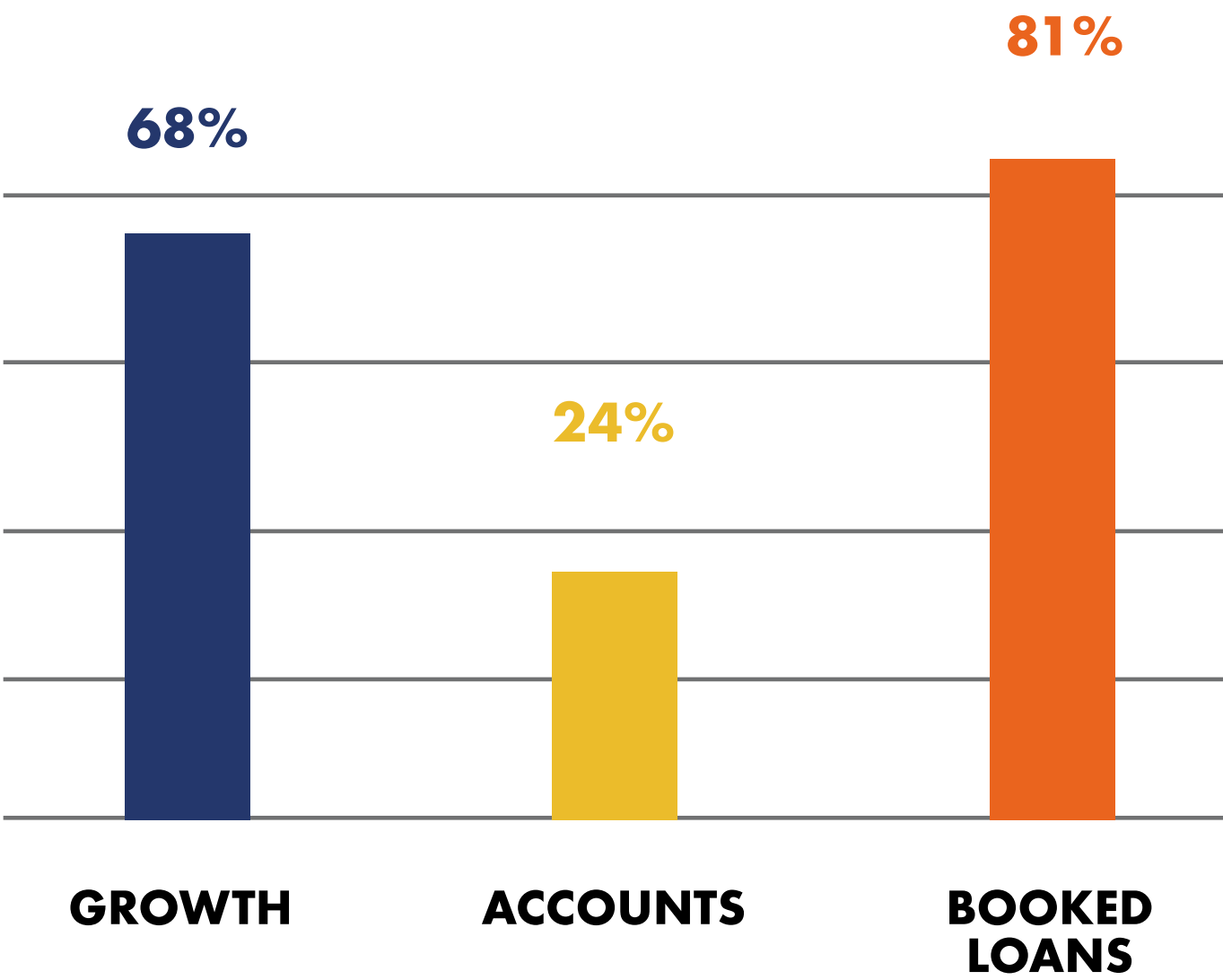
In 2017, we have injected more than EGP 700 million worth of microfinance loans to serve 73,000 customers. In addition to our financial products, we have managed to accelerate the process of all banking and investigation procedures and studies, to provide our customer with prompt and high quality service.





MICROFINANCE MARKET SHARE

2016	EGP, BILLION		2017	EGP, BILLION	
ALL	6.8	These numbers represent 4 percent of total market share and 14 percent of the banking sector.	ALL	6.9	These numbers represent 6.5 percent of total market share and 22 percent of the banking sector.
NGOs	3.78		NGOs	2.9	
COMPANIES	1.1		COMPANIES	1.9	
BANKS	1.8		BANKS	2.1	



OUR OUTSOURCE STORY

	2016	2017
Salaries	EGP 4.9 MILLION	EGP 5.7 MILLION
Incentives	EGP 1.1 MILLION	EGP 2.3 MILLION
Total	EGP 6 MILLION	EGP 8 MILLION
Headcount	170	170
Average per head	EGP 35.3 K	EGP 47.1 K
	2016	2017
Booking	EGP 230 MILLION	EGP 473 MILLION
Average per head	EGP 1.4 MILLION	EGP 2.8 MILLION
Number of Accounts	36,975	51,189
Average per head	218 Accounts	302 Accounts



MICROFINANCE IN 2016, 2017 AND  
OUR TARGETS FOR 2018

	2016	2017	2018 Our Target
Balance (Performing)	EGP 263 MILLION	EGP 431 MILLION	EGP 726 MILLION
Booking	EGP 389 MILLION	EGP 705 MILLION	EGP 1 BILLION
Cost of Risk	2.9 %	1.70 %	1%
Avg per head Out & In	EGP 2 MILLION	EGP 3.7 MILLION	EGP 4.5 MILLION
Operating Income	EGP 44.6 MILLION	EGP 48.4 MILLION	EGP 86.5 MILLION





6.2 DRIVING INCLUSION  
THROUGH TECHNOLOGY  
FOR INCLUSION: DIGITIZING  
OUR PORTFOLIO.

The role that technology can play in fostering financial inclusion at scale is undeniable. Thus, ALEXBANK is consistently working on further digitizing our portfolio, which enables us to simultaneously expand our commercial base and include more citizens into the formal banking system. Among our digitization efforts are:



Blown glass, the produce of one of the projects by Fair Trade Egypt.

//

2017 was a very progressive year in moving our banking system towards more digitalisation. We launched various campaigns targeted at fostering ALEXBANK’s vision of financial inclusion with direct results on ALEXBANK’s portfolio including new segments of clients, especially women and youth.

Nermine Hassouba  
Head of PR & Media Relations

//

MA7FAZTY

WHERE YOUR MOBILE PHONE  
BECOMES YOUR WALLET

Mahfazty is a mobile application that combines all of its users’ essential daily financial transactions, offering secure money transactions via a few simple steps only. It facilitates the array of transactions, including sending and receiving money, paying utility bills, phone bills and ADSL, purchasing goods, paying for other services, in addition to cash-in and cash-out from ALEX-BANK branches or Fawry agents.



INTERNET  
BANKING

WE LAUNCHED A RESPONSIVE  
INTERNET BANKING PLATFORM

ALEXBANK launched a responsive internet banking platform that is fully integrated with Egypt’s largest e-payments platform, Fawry, allowing our customers to:

- Receive information about specific bills
- Perform single payments towards major providers
- Set recurring payments
- Access the archive of all payments made through Fawry.

In addition to the above, users could easily check their accounts, facilities, savings, cards and perform various payments including credit card payoff through a series of simple steps on Mahfazty.

VODAFONE  
CASH

ALEXBANK signed a strategic partnership agreement with Vodafone to support Vodafone Cash’s Mobile Money Transfer. The partnership enables Vodafone Cash customers to enjoy a complete portfolio of financial services featuring easy, convenient, and safe payment services via their mobile phone and through the MasterCard network.

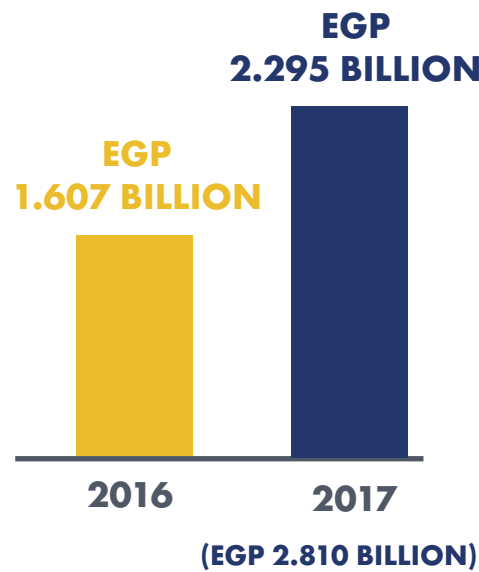




6.3 FUELING THE ECONOMY: MSME BANKING



OUR SME PORTFOLIO  
(INCLUDING PERFORMING AND  
NON-PERFORMING LOANS)



Micro, Small and Medium Enterprises’ (MSMEs) access to finance is crucial in Egypt’s inclusive economic growth moving forward, which is why the government and CBE have prioritized SME lending.

The 2017 number can be increased by EGP 515 million to reach EGP 2.810 billion, when considering the funding to NGOs and associations that are contributing to the SME and microfinance fields and are not directly segmented as SMEs/ Small Businesses.

To drive SME lending forward, ALEXBANK developed a comprehensive SME lending strategy that builds on Intesa Sanpaolo expertise in the arena. Paired with a comprehensive training pillar to increase awareness rates among both clients and employees, and a segmented product development approach, ALEXBANK’s strategy will capitalize on its wide network of branches and will ensure that 20 percent of ALEXBANK’s total lending portfolio is made up of MSMEs.



“We are very proud to be part of ALEXBANK, a bank truly committed to empowering women in the workplace. In accordance with ALEXBANK’s strategy, we were able to grown our corporate portfolio sustainably and have managed to achieve all our milestones set for 2017.”

Ghada Gawish  
Head of Mid Corporate Office

In the beginning of 2017, Fair Trade Egypt received a short-term loan from ALEXBANK at 5 percent interest, with direct consequences on Fair Trade Egypt’s capacity to supply its artisans with larger quantities of high quality raw materials at international standards, and their ability to purchase more goods produced by its artisans for resale.

These two consequences positively affected the size of Fair Trade Egypt’s product offering and the resulting increase in cash flow enabled artisans to raise their production capacity and retain talents and hire additional calibers. Before the loan, the lack of high quality raw materials at international standards constituted the main obstacle to their capability to respond to international export demands. Through obtaining the loan, Fair Trade Egypt and its artisans are able to penetrate international markets and bring foreign currency into the Egyptian market.



One of the integrated development project beneficiaries Edfu.



In parallel, we also created a Microfinance academy to raise financial awareness in areas where we operate. To cater for the unique needs of Medium Enterprises, we started launching business centers in 2015. We launched five new centers this year across Delta, Canal, and Upper Egypt governorates, and served by a team of 50 dedicated employees.

ALEXBANK’s MSME lending efforts are supported by our Business Passport, which is a full-fledged proposition of value added services that aims at empowering Egyptian enterprises with a comprehensive package of information and resources on SME growth.

To deepen our impact on MSMEs in Egypt, we have collaborated with leading institutions, such as:

# THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

EBRD has granted us a USD 50 million loan to further develop our MSME lending portfolio. The loan is complemented by investments in the technical capacity building of ALEXBANK staff members, as well as comprehensive technical support packages to SMEs receiving loans to help improve the quality of their loan applications, financial skills and general business know-how, implemented in partnership with the Egyptian Banking Institute (EBI).

# CREDIT GUARANTEE COMPANY (CGC)

We signed a collaboration agreement in late 2017 with the aim of improving the investment climate in Egypt by facilitating procedures of providing finance to small investors.



Mohamed Farid  
Head of Small Business Segment



Magdy Sharawy  
Head of Small Business Client Department



It is difficult to work in the Small Business department given the rather challenging country context. However, 2017 saw ALEXBANK achieve success stories through its tailor-made services and products which not only met market requirements, but also fulfilled customer needs. We enhanced our service provision and built capacity among our staff members who interact directly with Small Business clients in all of ALEXBANK branches.



# IDA INITIATIVES FOR INDUSTRIAL DEVELOPMENT

ALEXBANK collaborated with IDA to empower industrial sectors through providing much needed financing opportunities. Our partnership entails financing small enterprises interested in buying industrial units with an interest rate of 5 percent.

# EGYPTIAN STOCK EXCHANGE (EGX)

ALEXBANK signed a cooperation protocol with the EGX in early 2017 to support and empower Egyptian SMEs. We are currently a nominated advisor for potential SMEs under the EGX register, enabling us to provide the necessary technical assistance to SMEs planning to become publicly listed.



6.4 BANKING THE UNBANKED

We believe that the lack of adequate and simple communication channels between banks and citizens at the base of the economic pyramid is a cause of mutual mistrust. Communication and access to information are major challenges to higher rates of financial literacy and inclusion. To overcome these challenges, ALEXBANK decided to tackle this challenge by capitalizing on different social media channels and employing effective communication mechanisms by launching a series of innovative and clear programs, including:



Our partnership with ALEXBANK is the first step to implement the protocol signed with the Central Bank of Egypt. The National Council for Women aims at developing mechanisms to expand financial inclusion to ensure women’s access to financial and non-financial services in every Governorate and village in Egypt. stressing that this. This partnership is in line with the Egyptian National Women Strategy 2030.

**Dr. Maya Morsy**

President of the National Council for Women (NCW).



1. FINANCIAL LITERACY

ASK THE EXPERT



“Ask the Expert” is an online edu-tainment series based on the question “How much does the everyday Egyptian really know about banking?”. It was launched on ALEXBANK’s Facebook page and uses simple terms and local sense of humor to help ALEXBANK costumers and fans understand banking terminologies, services and products.

“Ask the Expert” answers basic questions such as “What is the difference between Certificates of Depos- it (CDs) and Time Deposits?”, “What is the difference between Credit and Debit Cards?”, “What is Internet Banking?”. With only the first episode of eight planned episodes released, “Ask the Expert” attracted more than 400,000 views in less than 24 hours. Eventually, the whole series reached a total of 15,000,000 views throughout the first year of its release.

Building on “Ask the Expert’s” success, we launched “Ask ALEXBANK,” a simple online competition that allows individuals to ask about any piece of informa- tion regarding banking. All questions are answered within half an hour. The question with the highest en- gagement rate receives a Samsung Level 1 Bluetooth speaker as a gift. So far, 4,750 questions have been asked, with an average engagement of four percent of the competition’s duration, which lasted for 4 weeks.

2. FOSTERING WOMEN’S FINANCIAL INCLUSION



Dr. Maya Morsy, Head of Egypt’s National Council for Women and Dante Campioni, ALEXBANK CEO and Managing Director during the signing of the Memorandum of Understanding.



ALEXBANK signed a Memorandum of Understanding (MoU) with the National Council for Women (NCW) as part of the CBE’s national financial inclusion program. Together, we are targeting 18,000 women as direct beneficiaries and more than 50,000 family members as indirect beneficiaries through a variety of programs that foster women’s financial inclusion.

3. SPREADING THE WORD



Students of the Al-Tonat preparatory mixed school during ALEXBANK’s “World Savings Day” campaign.

On the event of the “International World Savings Day”, we successfully reached 1,500 children, and 2,000 women through a series of partnerships with Nebny Foundation, the German University in Cairo, Educate Me Foundation, and Khair Wa Baraka NGO.

In addition to our own efforts to ensure inclusivity, we also engage in multiple efforts to garner support around the cause of more inclusive growth, and to encourage other stakeholders to follow our path. ALEXBANK participated in the 9th Annual Financial Inclusion Forum that took place in Sharm El Sheikh, Egypt. Our CEO was part of the panel discussion about “Financial Inclusion and the Economic Empowerment of Women” with Mona Thu Al-Faqar, Egyptian Lawyer and Human Rights Activist, and Mrs. Helal, Deputy Governor, CBE Deputy Governor. ALEXBANK also contributed to the Arab Financial Inclusion Week by our “ALEXBANK Truck Roadshow.” The objective of the roadshow was to offer a mobile financial literacy platform in 27 different locations across Egypt. The “ALEXBANK Truck” toured the governorates, spending one day in every location. The roadshow also permitted us to distribute educational courses among more than 3,000 women and 5,000 children and allowed more than 10,000 citizens to remotely open accounts with ALEXBANK.



# 7. CREATING SHARED VALUE THROUGH STRATEGIC SOCIAL INVESTMENTS<sup>1</sup>

Naturally, our commitment to creating shared value extends to our social investment efforts. ALEXBANK focuses its social investment programs on three core pillars:

- ❑ Fostering the Egyptian creative economy through our flagship program Ebda3 Men Masr
- ❑ Building inclusive supply chains
- ❑ Creating prosperous communities through a variety of education and health programs





Ebda3 Men Masr was a paradigm shift in the handicrafts industry in Egypt. This initiative supported so many Egyptian artisans and entrepreneurs who feel passionate about the Egyptian heritage in all its shapes. I am truly pleased about this partnership and I believe ALEXBANK sets one of the best examples for active involvement in preserving our national heritage.

**Mosad Omran**

*President of Egyptian Chamber of Handicrafts*



ALEXBANK has been a proactive agent of change in the field of development through innovative projects and initiatives. ALEXBANK contributes to the National Social Protection Strategy by creating jobs and increasing incomes through expanding operations and in parallel investing in SMEs. Also, the Bank always contributes to encouraging youth and supporting handicrafts through its leading initiative “Ebda3 Men Masr” as it has a great role in enhancing the promotional and marketing opportunities for these products in Egypt and abroad.

**Mrs. Ghada Wally**

*Minister of Social Solidarity*



Proud to belong to an organization that continuously takes new and bold steps towards sustainability, that is integrated in the business. ALEXBANK is one of the pioneer banks in Egypt that aims at doing business responsibly, in addition to having a strong arm in environmental sustainability and community investments.

**Mariam Nashaat**

*Senior CSR & Sustainable Development Officer*



*Tunis village pottery, El Fayoum.*



# EBDA3 MEN MASR



## STRATEGIC SOCIAL INVESTMENTS

ALEXBANK firmly believes in the role of a sound entrepreneurial ecosystem in strengthening economic growth, as well as raising the wellbeing of individuals, families, and communities. Egypt has a rich history of artisanal activity that can be leveraged to preserve local heritage and identity and easily integrated in export markets, both vital to sustainable job-creation.

Launched in 2016, Ebda3 Men Masr aims at promoting the Egyptian creative economy through benefiting from ALEXBANK's core business and network to effectively supporting Egyptian artisans and creative entrepreneurs.

<http://ebda3menmasr.org/en/>



VOCATIONAL TRAINING



CLUSTER DEVELOPMENT



DESIGN & PACKAGING ENHANCEMENT



FINANCIAL INCLUSION



MARKETING & SALES OPPORTUNITIES



FAIR TRADE CERTIFICATION



Kilim display at the International Handicrafts Show (IHS).

These pillars compliment Ebda3 Men Masr's main goals:



To date, Ebda3 Men Masr has directly supported about 4,000 artisans and indirectly benefitted more than 8,000 individuals, of which 90 percent are women and 60 percent youth. Ebda3 Men Masr's support is spread across 17 Egyptian governorates, in Sharqia, Monufia, Beheira, Matrouh, Giza, Cairo, North Sinai, South Sinai, Fayoum, Sohag, Qena, Luxor, New Valley, Aswan, the Red Sea, Assiut and Kafr El Sheikh. To further expand the reach of supported artisans, we created an e-commerce platform on Souq.com where Ebda3 Men Masr partners have sold over 2,000 pieces since its launch in August 2017.



//

ALEXBANK's approach to CSR is a truly genuine model. They support the SMEs (specifically the local handicrafts sector) with innovative tools like access to finance and banking solutions, trainings on design, pricing along with opening up local and international sales channels to lead sustainable partnerships based on mutual benefit and shared value promoting the local economy and financial inclusion.

//

**Ibrahim Shams**  
Co-Founder  
Kilim



Further, Ebda3 Men Masr has created a series of partnerships to drive its mandate forward, including:

**INTERNATIONAL HANDICRAFTS SHOW (IHS)**

A core pillar of Ebda3 Men Masr’s support is holding local and international exhibitions to provide artisans with the necessary exposure to promote their products and eventually yield foreign currency inflows through the exportation of these locally produced goods. IHS is the first international handicrafts exhibition to take place in Egypt. In 2017, and for the second year in a row, ALEXBANK lead and officially sponsored the IHS in Egypt. Our support of IHS, along with wide mass-media exposure resulted in expanding Ebda3 Men Masr’s reach in terms of artisans’ groups across Egypt, with 47 exhibitors in 2017, and 2,400 indirect beneficiaries.

As part of raising awareness for local artisanship, we created a video clip for “Bekaf Edeik”, [a song produced by ALEXBANK](#) and considered to be the anthem for Egypt’s heritage and local artisans showcasing their work in IHS 2017. The video reached more than 10 million views on social media platforms, and was crucial in attracting 100,000 visitors to the IHS. We also created daily web-episodes on Egypt’s diverse crafts and featuring exhibitors and visitors of [ALEXBANK’s tent at the exhibition](#).

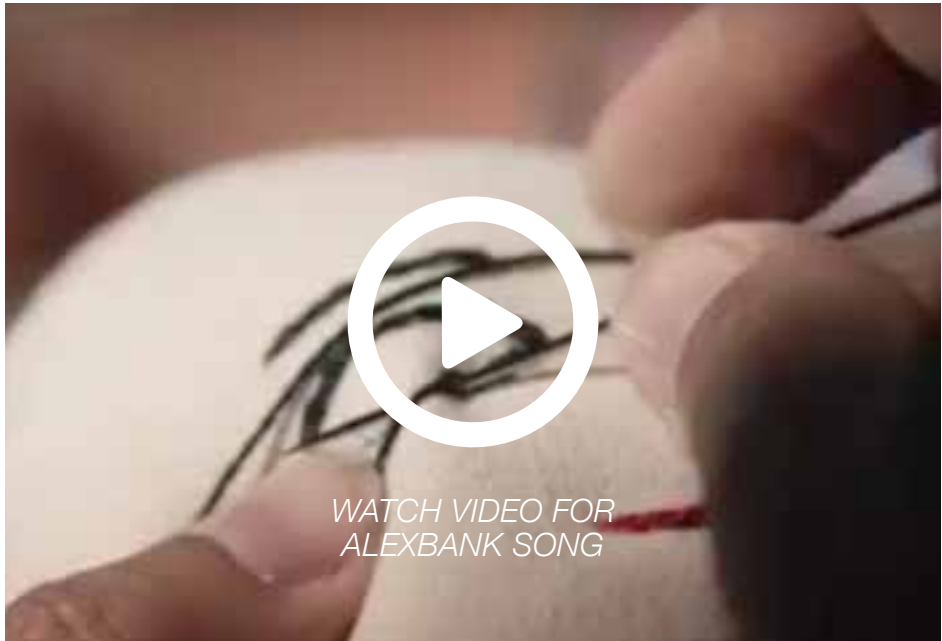


//

I would like to thank EECH for choosing my company Nourhands Co. as one of the first wave of companies who benefits from ALEXBANK grant to be a member in WFTO. By proceeding in WFTO membership process, we discovered our points of weakness, strength and areas of development that will help us to guarantee our sustainable development. Being a member in WFTO not only opens international markets. And being one of the first wave gives my company a privilege to be a pioneer fair trader in Egypt.”

**Nermeen Soliman**  
Owner of Nourhands

//



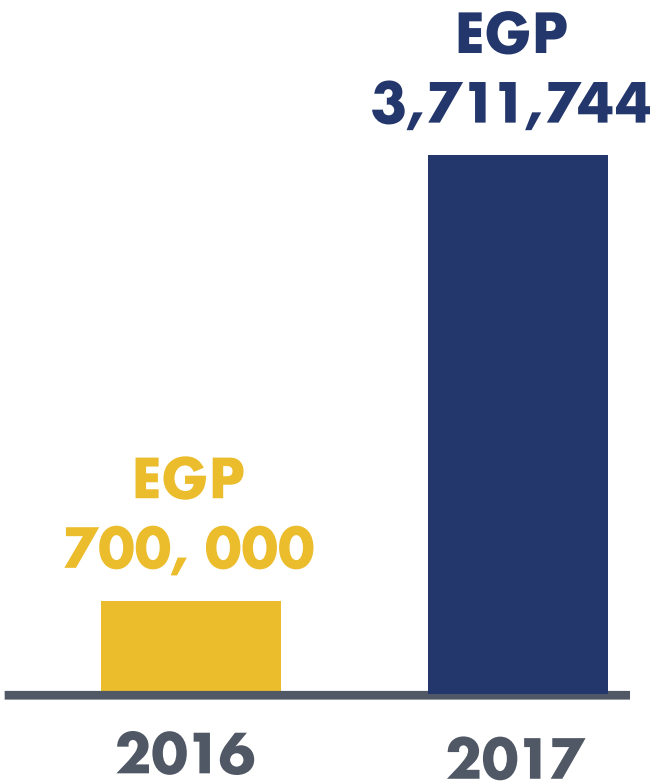
Some of the products handmade by our artisans and displayed at the International Handicrafts Show (IHS).

Ebda3 Men Masr (EMM) tent and handicrafts landmark at the International Handicrafts Show (IHS).



Capitalizing on our core business, we provided exhibitors with PoS, permitting them to accept card payments, while waving all transaction commissions. ALEXBANK offered favorable terms to entrepreneurs who wished to maintain the service after the exhibition.

The exhibition’s sales reached more than EGP 3,000,000 in 2017. Furthermore, IHS enabled several local artisans to sign deals with international buyers, like for instance Rawya, a pottery artist from Tunis village in El Fayoum, who sealed a deal with an international buyer based in Poland to export her pottery to several countries around the globe. ALEXBANK is managing the export deal with Rawya and supporting her in terms of sampling, delivery, logistics and banking operations.





PAVING THE WAY TO  
INTERNATIONAL MARKETS



El Nidaa Foundation in partnership with ALEXBANK has empowered me by providing me with my first job opportunity and a sustainable source of income in a community that used to marginalize women in the labor market.

**Mansoura Mohamed**

*Ebd3 Men Masr Artisan  
Egyptian Network for Integrated Development - Al Nidaa*



In 2017, Ebd3 Men Masr embarked on another phase of its journey with a strong focus on empowering new and modern design techniques, and ultimately integrating local artisans in global markets. This was achieved by enabling young designers and companies to build their marketing platform and accelerate their production capacity.

ALEXBANK signed an agreement with the Egyptian Export Council for Handicrafts to accelerate the process of global market integration and our partnership paved the way for 25 creative enterprises to obtain International Fair Trade certifications by 2018. The certification requires the adherence to ten principles set by the World Fair Trade Organization, including fair payment; transparency and accountability; no discrimination and good working conditions; no discrimination; no child labor and no forced labor; respect for the environment; and capacity building.

Obtaining International Fair Trade certifications will permit Egyptian entrepreneurs to sustain and expand their businesses through opening up international markets, while ensuring their own operations are ethical and sustainable. To date, this initiative has indirectly benefited about 1,000 individuals.

To further facilitate integration in global markets, ALEXBANK is working with the Egyptian Export Council for Handicrafts on including Egyptian artisans in prominent international handicrafts exhibitions in France, Germany, Spain, and the United Arab Emirates.

*Khayameya artisan in Ebd3 men  
Masr tent at the International  
Handicrafts Show 2016.*







Earth Pottery Collection by Abdel Sattar from Tunis village, El Fayoum.

## FAIR TRADE EMPOWERMENT AND PROMOTION IN EGYPT



<sup>1</sup>ALEXBANK partnered with Fair Trade Egypt to support marginalized artisans and enable them to generate sustainable revenue stream from their production. Our partnership focuses on providing artisans with the necessary technical assistance to enhance their capacity, including production quality, and ability to promote and export their products.

To date, our networks include more than 3,600 individual artisans clustered in 18 artisan groups across eleven different governorates, namely: Cairo, Giza, Beheira, Assiut, Sohag, Qena, Aswan, Red Sea, Fayoum, Marsa Matruh and North Sinai. Our ultimate aim is to further expand the exports of high-quality Egyptian handicrafts, and to reach more than 2,000 artisans, mostly women.



Tunis village Pottery.



ALEXBANK's Ebda3 Men Masr initiative has empowered the handcraft industry in Egypt by creating a strong network among partners of this initiative to work towards shared values of empowering the communities of artisans. Sustainability, increasing market access and innovations are integrated tools of Ebda3 Men Masr to enhance artisans capabilities and their products to compete in the market.

### Mona Sayed

Co-Founder and Managing Director  
Fair Trade Egypt



Brass lanterns made in one of ENID's workshops.



Despite how small our group is, the sustainably increasing orders of Fair Trade Egypt are a big support to us. Our new products like shawls and cushions distinguished our work from others working in embroidery and the support offered by ALEXBANK and Fair Trade Egypt enables us to buy more raw materials that help us to work all year long. We feel proud when we participate at the exhibitions held by Ebda3 Men Masr as they give us experience in dealing with the public.



### Zamzam Bakreen

Ebda3 Men Masr Artisan  
Fair Trade Egypt



# CLUSTER FORMATION FOR HANDICRAFTS AND ENTREPRENEURSHIP DEVELOPMENT IN UPPER EGYPT

ALEXBANK collaborated with the Egypt Network for Integrated Development (ENID/EI Nidaa) on the “**Cluster Formation for Handicrafts and Entrepreneurship Development in Upper Egypt**” project. The project addresses critical issues such as job creation, skills development, and employability in MSMEs. The project has contributed to the employment of 1,200 women, as well as the economic diversification of various governorates in Upper Egypt.

Like so many others, Saaeda Atta Ahmed had to drop out from school since education is still considered a luxury for girls in her region. In rural Upper Egypt, there remains a significantly high rate of out-of-school students and a large gender gap in education. Recent surveys show that some 22.1 percent of young women aged 10-29 have not had the opportunity of receiving a proper educational experience. The village Saaeda lives in has one primary school only, and no institute for secondary education or vocational training. Without a proper education, young women like Saaeda become among the most disadvantaged groups in rural Egypt.

<sup>1</sup>Fortunately, Saaeda has found another path when ENID/EI Nidaa partnered with a local NGO to provide literacy and skills training for drop-out girls in the village of El Makhzan. She enrolled in the literacy class for 9 months, along with 24 other girls. Following the literacy class, they are now enrolled in a vocational training course to teach girls how to sew garments.



Through EI Nidaa Foundation’s cross-sector partnership with ALEXBANK over the last two years, we have been able to revive traditional handicrafts while improving socioeconomic conditions of marginalised women and youth in the south of Egypt via innovative and sustainable best practices.

**Dr. Heba Handousa**  
*Founder and Managing Director.  
 Egyptian Network for Integrated Development  
 - Al Nidaa*

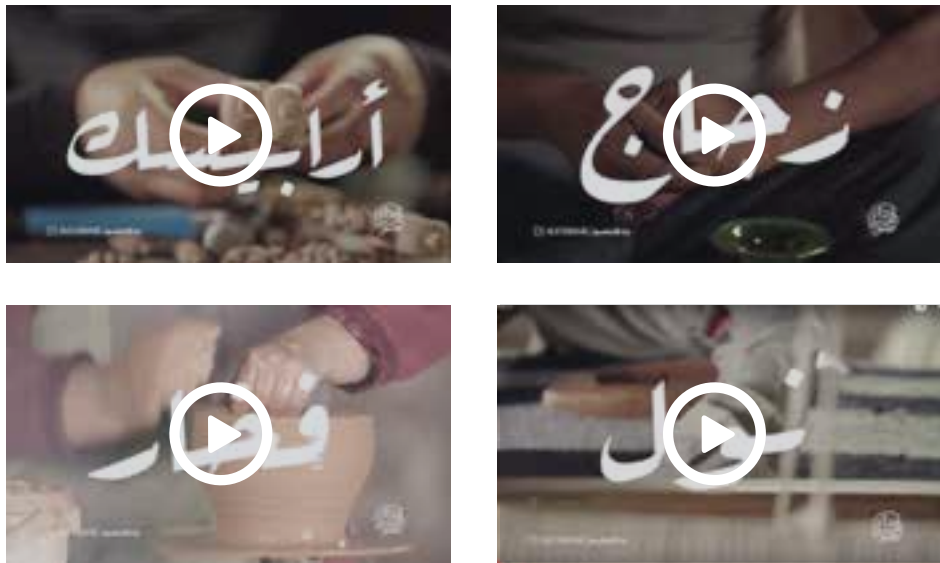
ENID collection of handicrafts 2017.



# TUNIS VILLAGE : APPLYING AN INTEGRATED DEVELOPMENT APPROACH

ALEXBANK’s partnership with potters based in Al Fayoum’s Tunis village started with sponsoring the 5th Annual Tunis Village Festival for Pottery and Crafts. Since 2016, we decided to source all of ALEXBANK giveaways to clients and partners from local artisans including potters from Tunis village.

In an effort to formalize and cement the initiative, ALEXBANK helped Tunis village potters establish a Non-Governmental Organization (NGO), as well as equipped all workshops with PoS machines and the advantage of 0 percent commission during festivals and exhibitions. ALEXBANK also kicked off the village’s beautification project with Egyptian NGO “Alwan.” To increase export opportunities and enhance the quality of the artisans’ products, ALEXBANK donated 12 electric pottery wheels to 12 workshops. To date, more than 600 people have directly benefited from this partnership.



Our partnership with ALEXBANK made a huge difference in our lives at Tunis Village, Ebda3 Men Masr helped us in creating more jobs for more people and marketing for the village’s unique pottery.

**Evelynne Porret**  
*Founder of Tunis Village*



Ebda3 Men Masr helped us a lot in reaching out to a lot of people and letting them know about the pottery production industry and how it all started in Tunis Village. It also helped in developing our products and tailoring them for the customers needs.

**Ibrahim Samir**  
*Tunis Village Potter*



Tunis Village Annual Festival and our cooperation with ALEXBANK enabled us to raise our sales rate, also our products were used as giveaways to the Bank’s partners in 2016 which was a great exposure for all Tunis Village Potters

**Rawya Abdelkader**  
*Tunis Village Potter*



*Ragab, one of the potters in Tunis village arranging his products.*



# YADAWEYA

In 2017, Yadaweya cooperated with ALEXBANK to provide local artisans with access to local markets. Overall, more than 800 craftsmen and their families, across six governorates, have benefitted from this partnership. The project organizes four exhibitions across Cairo and Alexandria and includes enhancing the capacity of artisans’ workshops to scale. Our partnership with Yadaweya focuses on specific products such as Siwa salt, Siwa copper, silver jewelry, Talli Nubia products, palm leaf, leather, and kilim.

To complement the various activities, we created a grand map for handicrafts across Egypt, which will act as an electronic database for Ebda3 Men Masr’s e-Commerce platform. To date, this initiative has directly benefitted more than 400 individuals and about 300 individuals indirectly.

<sup>1</sup>**Mo’tamadiya Community Giza Governorate:**

In the suburbs of Giza, not far from the Pyramids, more than 150 women gather daily to teach each other the art of embroidery and collaborate on their marketing their products. They created their own NGO to help institutionalize their efforts. Their art is inspired by the greenery and nature surrounding them, which translates into embroidered wool cloth that is reflective of the Egyptian natural landscape and color palette.

**Mervat Ahmed:** Mervat is a brilliant young member of Mottamadeya Womens’ Association. Despite the odds, Mervet now holds a bachelor degree in Business Administration. Having seen her mother and the other women of the Mottamadeya Women’s Association wonderfully detailed pieces of art, she took up the craft herself and started developing her own line of products. She wanted to give these colorful characters that she sees getting embroidered life, and so she started creating small plush toys of the Egyptian male and female farmers. She is currently working with a group of six other young women.

بِسْوَیَا  
YADAWEYA



A Bedouin woman from South Sinai in her traditional Bedouin attire.





*A group of Nubian artisans from west Aswan taking part in a training workshop to revive and produce traditional palm leaf bags.*



//

For our communities in Nubia, the continuous support of Yadaweya and Ebda3 Men Masr initiative with partnership of Yadaweya, giving us a great exposure and marketing opportunities through IHS show and also strengthen capacity of local women through training programs

**Hamdy Abouzeid**

*Ebda3 Men Masr Artisan/Gharb Aswan Community  
Yadaweya*

//



//

We are proud at Yadaweya with our impactful partnership with ALEXBANK's Ebda3 Men Masr initiative giving support for artisan communities through access for markets and capacity building that ensure creating a shared value aims to support Egypt's heritage and economy.

**Usama Ghazali**

*Co-Founder  
Yadaweya*

//



*Women from Shandwil village in Sohag producing beautiful handmade pieces.*

G4-EC8, G4-SO1



# ABU TEEG

## CARPET PRODUCTION UNIT

In line with Egypt’s 2030 plan to develop rural areas, and with the ultimate goal of creating job opportunities for underprivileged communities in Upper Egypt, ALEXBANK partnered with the Sawiris Foundation for Social Development (SFSD), the Ministry of Trade and Industry, and the Egyptian Handicrafts Chamber and Export Council on a three-year project to support the creation of a handmade carpet production unit in Abu Teeg village in Assuit, Upper Egypt.

The project’s main goal is to identify more than 400 male and female workers, and to qualify them for producing distinguished products. The partnership also helps the artisans establish their own workshops or become trainers at other centers in Assuit. More than 700 individuals have benefitted indirectly from the Abu Teeg carpet production unit.



One of the carpet weavers in Abu Teeg.



# FROM FARM TO FASHION

## COTTON FOR LIFE

“Cotton for Life – C4L” is conducted in cooperation with Filmar Nile Textile (FNT) and the Egyptian Ministry of Technical Education. It includes two components, education and upcycling, and aims at developing cotton production through the adoption of modern agricultural methodologies and eco-sustainable industrial processes.

In 2017, “From Farm to Fashion” was launched. This project, inspired by C4L and launched by United Nations Industrial Development Organization (UNIDO), aims at enhancing the sustainability of long staple and extra-long staple Egyptian cotton value chains across 12 governorates.



Products in the making.

<sup>1</sup>In addition to 600 indirect beneficiaries, “From Farm to Fashion” has directly benefited:



Participants during the workshop.



Participants during the workshop.



# FROM FARM TO FORK

In partnership with the Knowledge Economy Foundation for Sustainable Development, ALEXBANK launched the initiative “Farm to Fork” to support micro-entrepreneurs in rural areas. “Farm to Fork” operates through the “Bashaier” network supporting women in rural areas in building and scaling-up their business activities. It focuses on processing tomatoes into high-quality consumer products. “From Farm to Fork” is currently being piloted in Beheira, Minia and Fayoum governorates, and directly supports more than 100 women directly and about 400 individuals indirectly, potentially scaling up to 4,000 women entrepreneurs in the future.

4,000  
WOMEN  
ENTREPRENEURS

# ALEXBANK CORPORATE & EMPLOYEE GIFTS

As of 2016, we stopped using imported products for ALEXBANK corporate and staff giveaways and decided that our giveaways will always be handmade, authentic Egyptian products. Since its inception, this program has benefited more than 3,000 artisans across Egypt’s least fortunate villages in Upper Egypt by enabling them to become our suppliers. Indirectly, this initiative benefitted additional 6,000 individuals.

In 2017, our corporate and staff gifts were designed and handmade by a hybrid mix of traditional artisans and talented young Egyptian designers, impacting more 2,300 artisans. Those pieces represent Ebda3 Men Masr’s most sophisticated and valuable products to date, featuring a unique merge between modern minimalist designs, high quality Egyptian craftsmanship and the finest materials that Egypt has to offer.



“We in Yellow, believe that Egypt can have well designed and produced local products, our partnership with ALEXBANK enriched this belief. As they gave us a chance to mass produce local handicrafts.”  
**Yasmine Elwani**  
Co-Founder  
Yellow Designs



A group of women in Minia in the process of dry tomato-making.

“Shomous” - Ramadan bag 2017.



ALEXBANK giveaway assortment 2017.





Two Tamkeen Project beneficiaries in the middle of their entrepreneurship training



Tamkeen Project is the perfect model for partnerships that are driven by shared values, principles and concern for the Egyptian community. And through this partnership, Professional Development Foundation, ALEXBANK, and Sawiris Foundation for Social Development offer sustainability and financial stability for women in rural communities in Upper Egypt, who suffer from very high rates of poverty and unemployment.

**Jacqueline Mourad**  
Deputy Executive Director  
Professional Development Foundation (PDF)



# EDUCATION

## TAMKEEN

We collaborated with the Professional Development Foundation, the International Labor Organization (ILO) and SFSD to launch “Tamkeen” in 2017. “Tamkeen” aims at promoting the employability of youth and women through investing in their education and skills development. It also works on enhancing the capacity of NGOs to promote entrepreneurship across the four governorates of Bani-Suef, Minia, Assuit and Sohag.

To date, “Tamkeen” has trained 1,200 young women and men on how to start a micro-project, and 400 university students and fresh graduates on how to start their own small businesses. Most of the trainees are in the process of obtaining loans from ALEXBANK. The project also trained 40 NGOs to enhance their capacity to support the trained entrepreneurs moving forward. To date, a total of more than 1,300 individuals have directly benefitted from “Tamkeen”.



We collaborate together to scale up the level of partnerships and actions across all sectors to advance sustainability in Egypt. It is increasingly acknowledged that responsible business practices can actually lead to better creation of decent jobs and make a significant contribution to the economy.

**Peter Van Rooji**  
Country Manager  
International Labour Organization (ILO)



International  
Labour  
Organization



A group picture for some of the Tamkeen beneficiaries in Assiut after receiving their training.



# EASTERN SAFT PREPARATORY SCHOOL TRANSFORMATION

In partnership with Takatof Association for Development (TAD), the “Eastern Saft Preparatory School Transformation Project” in Beni Suef Governorate, Upper Egypt, aims at developing both the infrastructural, educational and human development programs of the school. The project targeted 600 students and 92 teachers and has successfully enhanced the school capacity with over 37 percent. The size of the school playground increased by 40 percent, providing a friendlier more inclusive environment for all students.

Additionally, **the school has become the only school that is accessible to differently-abled children in this area, and has been transformed to a mixed school accommodating both genders.** All bathrooms, classrooms and facilities have been renovated. The transformation program also included an introduction to new curricula, and a dedicated teachers’ capacity building program.



A group picture with Dr. Ghada Wali, Egyptian Minister of Social Solidarity taken at the opening ceremony of Saft El-Sharkia school in Beni Sweif.



Eastern Saft Preparatory School picture before renovation.



Eastern Saft Preparatory School picture after renovation.

600  
STUDENTS

92  
TEACHERS

40%  
BIGGER  
PLAYGROUND

37%  
ENHANCED  
CAPACITY



# EDUCATE ME

## TRANSFORMATIONAL TEACHING PROGRAM

In 2016, ALEXBANK embarked on a three-year long partnership with Educate Me and MetLife with the objective of designing and delivering professional development programs for teachers working in governmental schools. The partnership offers teachers with practical training on behavioral management, including critical thinking and problem-solving skills when dealing with unwanted behaviors in the classroom.

In 2017, the project achieved an important milestone by implementing a public-private partnership that enables the implementation of the professional development program upon teachers' request. To date, the project has significantly affected the lives of 3,500 teachers across 150 schools.



*Educate Me Teachers brainstorming new educational ideas to be implemented in the classroom - Teachers Camp in December 2018.*



In a country like Egypt with a challenged and under-resourced educational system, public-private partnerships are inevitable to maximise resources while leveraging private sector's effectiveness, public sector's access to scale and civil society's impact focus. More importantly, relying on building the capacities of teachers is the most sustainable way of creating systemic change.

**Yasmine Helal**  
*Founder and Executive Director  
Educate Me*



We benefited a lot from the trainings, it helped me and other teachers strengthen their potentials which was reflected in their performance with the students. I personally witnessed the impact of that on their behavior and relations with the students.

**Mr. Mohamed Fahim**  
*Educate Me Teacher  
Modern School 2*



## INTEGRATED DEVELOPMENT APPROACH IN UPPER EGYPT VILLAGES

### EDFU

We have been partners of Kheir Wa Baraka NGO since 2016. Our partnership focuses on supporting ten of the most underprivileged villages in Aswan's Edfu Center, including: El Akabia, El Hamam, El Hoosh, El Rakekyn and El Karabla Gharb, Elghonaimeya, Dar Alhana, Al Nakhl, Abo Ghalab and Al Marinab. The initiative supports these villages via an integrated development approach that tackles cultural literacy, life skills development, and micro-projects that help residents become financially independent. Moreover, the partnership addresses infrastructure development, and basic preventive and curative health care services. Over the past two years, more than 3,000 families have benefited from the project, and 250 microloans were provisioned to inhabitants of these villages.



Proud to partner with ALEXBANK in such a beautiful display of tri-sector harmony. Shared value creation, with a strong backdrop of upholding human rights and welfare, is the path for our beloved Egypt to prosperity.

**Mohsen Sarhan**  
*CEO  
Kheir Wa Baraka NGO*



*One of the Integrated Development Project beneficiaries Edfu.*



57357

CHILDREN’S CANCER HOSPITAL

The 57357 Children’s Cancer Hospital has been a long-standing strategic partner of ALEXBANK. We support the hospital through an array of activities including direct funding volunteering programs, and blood donation drives. In 2017, we helped fund a Dental Radiology Room in the hospital’s new outpatient clinic. ALEXBANK staff members also donate to the hospital on a monthly basis. In 2017 alone, staff donations reached EGP 750,000, the donation was used to support the hospital’s Tanta branch with six new transport stretchers and beds to accommodate the increasing number of children and a revamp of the external clinic.



مؤسسة مستشفى سرطان  
الأطفال - مصر  
Children's Cancer Hospital  
Foundation - Egypt



Since 2009, ALEXBANK has been a partner to 57357 Children Cancer Hospital through funding, volunteering programs and staff blood donation campaigns. At the hospital, we appreciate the Bank’s employee citizenship; working on our shared values we always look forward to building on this partnership year after year.

Dr. Hanaa Faried  
Director of Strategic Planning and  
Development of Resources  
57357 Hospital



Dante Campioni, ALEXBANK CEO and Managing Director with one the children at the hospital.



A group picture for ALEXBANK employees during their visit to the 57357, Children Cancer Hospital.



# PROTECTING HOMELESS CHILDREN

ALEXBANK signed a three-year protocol agreement with SFSD for the protection of homeless children across Egypt by supporting Banati Shelter and Center for Homeless Children (Banati) in Haram City 6th October area. The partnership aims at renovating the infrastructure of Banati and building an educational kitchen to teach girls the principles of cooking and principles of teamwork.

The partnership’s scope also entails ensuring a better standard of living for 300 girls and young mothers who currently reside in Banati shelters. In 2017, 1,500 young women received direct aid on the street and the center provided support to almost 1,500 homeless children. ALEXBANK also organizes seasonal recreational trips for the children.



Banati singing group performing during the Ramadan Iftar.



“ALEXBANK has been amazing in investing expertise and funds in the Egyptian civil society, working cross-sectionally with NGOs and individuals to help them sustain their existence in a very difficult economy.”

**Hanna Aboulghar**

President of Board of Banati Foundation for Children in Street Situations  
Banati Foundation



Asmaa serving the food Banati girls cooked for the Ramadan Iftar.



G4-EC8, G4-SO1



Banati girls preparing Iftar in the Banati edu-kitchen during Ramadan.



# OUR PARTNERSHIP WITH SAWIRIS FOUNDATION FOR SOCIAL DEVOLPMENT

ALEXBANK and Sawiris Foundation for Social Development (SFSD) signed a Memorandum of Understanding (MoU), establishing a long-term partnership that aims at improving the living conditions of homeless children in Egypt.

This 3-year MoU is a continuation of a previous two-year partnership between the two institutions that addressed the same field and yielded significant accomplishments. It entails an EGP 15 million investment from both ALEXBANK and SFSD, and will engage multiple NGOs in the implementation of planned activities, including Abnaa El-Ghad Foundation “Banati”, the Egyptian Foundation “Ana El Masry,” and Samusocial Egypt.

The initiative’s ultimate purpose is to provide children with safe accommodation in care homes, offer proper nutrition, treatments, medications, counseling, education and professional training, which will ultimately facilitate future access to jobs that fit them best. To secure the children’s immediate, medium and long term needs, the objectives of this initiative also entails enhancing the capacity of non-governmental organizations that operate in this field.



We are proud of our impactful partnership with ALEXBANK – working together on addressing some of the most challenging issues in Egypt: from children without shelter to unemployment. We have complemented each other, working innovatively to drive sustainable impact and proving that together – the private sector and civil society – can achieve more.

**Noura Selim**

Executive Director  
Sawiris Foundation for Social Development



مؤسسة ساويرس للتنمية الاجتماعية  
Sawiris Foundation For Social Development

ALEXBANK annual Iftar for homeless children in collaboration with SFSD and Samusocial International Egypte.



# LEPROSY COLONY

## ABU ZAABAL

ALEXBANK provided support to the leprosarium of Abou Zaabal in cooperation with Embassy Order of Malta. Specifically, we supported key staff members including: the ophthalmologist, the gynecologist, the sonographer, the surgeon, the orthopedist, otolaryngologist and the dermatologist. We also supported the hospital’s general capacity and maintenance, as well as purchased essential tools such as consumables, bandages, gauze, and syringes.



Hospital garden



Ophthalmology room



Hospital facilities



## 8. GOOD GOVERNANCE'







COMMUNITYSHIP is a way of leadership. We are all CEOs, and everyone has to apply the same level of responsibility and accountability.



**Mr. Dante Campioni**  
*CEO & Managing Director, ALEXBANK*

Our highest governance body is the Board of Directors (BoD), which is composed of seven members: two executive members and five non-executive members. The BoD gathers the experience and expertise of distinguished industry professionals active in a variety of technical fields. Committed to offering the BoD with a diversity in expertise, ALEXBANK is looking to expand the representation of women and recruit experts in the fields of economic, social, and environmental sustainability to provide best possible guidance during the BoD's decision-making processes.



**DANTE CAMPIONI**  
**CHIEF EXECUTIVE OFFICER (CEO) & MANAGING DIRECTOR, REPRESENTATIVE OF INTESA SANPAOLO.**



**ANDREA BRESSANI**  
**MEMBER OF THE BOARD, REPRESENTATIVE OF INTESA SANPAOLO.**



**GIOVANNI BERGAMINI**  
**MEMBER OF THE BOARD, 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.**



**MOHAMED MAAIT**  
**MEMBER OF THE BOARD, REPRESENTATIVE OF THE REPUBLIC DOMAIN.**



**ATER EZZAT HANNOURA**  
**MEMBER OF THE BOARD, REPRESENTATIVE OF THE REPUBLIC DOMAIN.**



An open process for nominating BoD members in consultation with our major shareholders is in place. The selection and screening process is guided by a set of rubrics that are designed to capture the nominee’s technical capabilities, relevance to ALEXBANK’s context, and ability to execute the rights and duties of membership. Upon internal approval, we submit the candidates to the CBE for final approval. Our BoD membership and composition guidelines include:

- Total number of directors
- Ensuring adequate collective knowledge and experience relevant to the activities of ALEXBANK
- Length of service
- Diversity, including skill mix, regional and industry experience, and gender
- Responsibilities of specific directors
- Scope of outside experience brought to the BoD
- Expected time commitment required of non-executive directors

## 8.2 COMMITTEES

The BoD delegates implementation and capacities to its five core committees.

### 01. THE EXECUTIVE COMMITTEE (EXCO)<sup>1</sup>

Along with the new Banking Governance Principles and in compliance with the art. 82 of the Central Bank, Banking Sector and Money Law no. 88 of 2003, the Executive Management Committee (hereinafter: EXCO) is a committee of the Board of Directors of Bank of Alexandria set with the purpose to:

- Decide on credit risk exposures of the Bank to a single legal entity and affiliated entities, within the limits set by the Board of Directors of the Bank.
- Propose to the Board of Directors corporate equity operations.
- Propose to the Board of Directors significant modifications to the organizational structure of the Bank.
- Submit the following: classification of finance and credit facilities, clients’ provisions, contribution to corporate equities.
- Provide oversight and strategic guidelines aimed at assuring achievement and adherence of commercial targets as defined in the budget and strategic plans.
- Discuss any matter that is considered strategic in the Bank’s activities.

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 Executive Committee 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.

### 02. THE RISK COMMITTEE

Along with the Parent Company’s Guidelines on Risk Management and local Regulatory requirements, the Risk Committee:

- Ensures the management of the risks to which the Bank is exposed to and the protection of the company assets and worthiness.
- Formulates proposals and provide consultancy and information regarding risk management strategies and policies.

### 03. THE REMUNERATION COMMITTEE

The Remuneration Committee is a body of the Board of Directors set with the purpose of recommending the approval/endorsement of the Group Remuneration Policy, the final approval of the remuneration rules of the Board members, not directly subject to the Group Remuneration Policy, and also verify the alignment with the Group Remuneration Policy of the following issues:

- Total expenses of the annual remuneration for senior executives of the Bank including Board of Directors members.
- Total expenses of the annual remuneration of the heads of the Control Functions.

The committee also discusses and recommends to the Board of Directors 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 of Directors.

### 04. THE GOVERNANCE AND NOMINATION COMMITTEE

Along with the Parent Company’s Guidelines on Corporate Governance, local Regulatory requirements and the Articles of Association, the Governance and

Nomination Committee is a Committee of the Board of Directors of Bank of Alexandria set with the purpose to:

- Regularly evaluate the Bank’s governance system.
- Support the Board of Directors in the consulting, selection and propositional tasks regarding the composition of the Board of Directors and its Committees.

### 05. THE AUDIT COMMITTEE

The Committee has respectively recommending, advisory and investigative functions towards the Board of Directors with particular 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 in performing its duties is assisted by the Bank’s Internal Audit function, which must be technically and adequately skilled in order to support the Committee in carrying out its audits, analysis and other duties undertaken on an ongoing basis.



In addition, the BoD elects Management Committees for an unlimited period and they can be revoked by the BoD only. Endowed with the mandate of their respective charters, committees meet at regular intervals, procedures for convening in extraordinary situations are also in place.

The Management Committees currently in place are:

# 01.

## THE CREDIT RISK GOVERNANCE COMMITTEE

Which defines and updates credit risk strategic guidelines and credit management policies based on constant credit portfolio monitoring.



Sayedra is part of the women working group who undertook a training to develop and produce ALEXBANK's employee Ramadan gift pack in 2017.

# 02.

## CREDIT COMMITTEE

The Credit Committee is the highest permanent decision-making committee of the Bank regarding performing counterparties, whose main responsibility consists in adopting credit decisions in line with the issued strategic guidelines and credit policies, while acting within the credit prerogatives of the Bank and in compliance with the applicable laws and Group regulations.

# 03.

## THE PROBLEM ASSETS COMMITTEE

Which is ALEXBANK's highest permanent decision-making committee regarding risky and non-performing counterparties and has the mandate of taking necessary measures in order to prevent and mitigate credit losses associated with risky and deteriorated assets.

# 04.

## THE FINANCIAL RISK COMMITTEE

Which focuses on the financial risks arising from proprietary banking and trading books, the active value management issues, and on the strategic direction of assets and liabilities management.

# 05.

## THE OPERATIONAL RISK COMMITTEE

Which was established to support management and the BoD oversee ALEXBANK's overall operational risk profile and operational risk management functions. It is also responsible for approving and monitoring all aspects pertaining to the Bank's operational risk framework and regulatory requirements, and to submit feedback and advice that is aligned with the guidelines of Intesa Sanpaolo and BoD.

# 06.

## THE TENDER COMMITTEE

Which is designed to ensure that ALEXBANK makes effective decisions when selecting suppliers and contractors on a tender basis. The committee functions on a permanent basis to approve the awarding of contracts, as well as select the tender winners in full compliance and respect of our procurement rules.



Brass-decorated alabaster lamp.



8.3 GOVERNANCE CODES AND GUIDELINES

Our BoD , employees and daily operations are governed by a series of codes and guidelines, including ALEXBANK’s values and principles, the Code of Ethics, and Code of Conduct.

CODE OF ETHICS¹

Our BoD approved a new version of the Code of Ethics that mainstreams the notion of sustainability across ALEXBANK’s operations in 2017. The new code introduced a “Relations Charter” between ALEXBANK and its stakeholders, some of the changes are:

Mainstreaming the significance of financial inclusion across all business lines and especially in terms of the provision of credit or capital, and sourcing products and services.

Emphasizing support to the national economy through core operations by:

- ❑ Supporting companies with impactful projects;
- ❑ Supporting the public sector and local authorities without interference, and promoting financial solutions that ensure a long-term equilibrium;
- ❑ Developing new medium-term financing mechanisms; and
- ❑ Going beyond providing credit and participating in the risk capital of enterprises to support projects with high growth potential in new sectors.

Adding the value of “Promotion of local economies and strong roots in Italy - Egypt and abroad” to ensure linkages between economic results and adding value to local communities.

Adding the value “Corporate Social Responsibility Investments” to:

- ❑ Place more weight on Environmental, Social, Governance (ESG) standards across operations; and
- ❑ Devise corporate strategies, policies and procedures with shared ethical principles and values.

8.4 SHAREHOLDER RELATIONS

We ensure constant and transparent communication with our shareholders regarding our strategies, performance, and results through a series of channels and supporting documents including:

Financial statements

Interim reports

An annual corporate governance report

Providing shareholders with information regarding their rights in meetings participation and collection of dividends

Press releases and presentations with corporate results

Providing figures indicating the trend of securities on the stock market and the shareholders’ structure

Ratings assigned to ALEXBANK by specialized agencies





# 9. COMMUNITYSHIP: THE POWER OF UNIFIED COLLECTIVE CONSCIOUSNESS<sup>1</sup>

At ALEXBANK, we believe in the power of a unified culture where empowerment, respect and collaboration bring about a collective consciousness towards value creation every day. Our human capital is our most recognized and valued asset, allowing us to deliver quality services and value to our clients, surrounding communities, and the Egyptian economy as a whole.

ALEXBANK's core values of integrity, excellence, transparency, equality, individual values and responsible use of resources are carefully weaved with our internal culture's blueprint of COMMUNITYSHIP. The notion of COMMUNITYSHIP allows us to ensure accountability, constant adaptability, continuous innovation and consistent engagement during our daily operations and interactions with stakeholders. This is the essence of our culture as an organization.

Our human capital and talent management systems are fully in line with local and international regulations and best practices. Clear procedures are in place to prevent favoritism, abuse, discrimination based on gender, ethnic origin, religion, political beliefs, language, or disability. We hire from our local community, enabling us to contribute to the local economy and increase job opportunities.

We are committed to employing the best talent across all age groups, to ensure diversity in terms of experience, mentorship, and institutional stability. We have undertaken active efforts to recruit young talent and gradually decrease the average age of employees from above 50 at the time of acquisition by Intesa Sanpaolo in 2006, to 45 years old. In parallel, every ALEXBANK employee has a clear path of career progression and recognition.



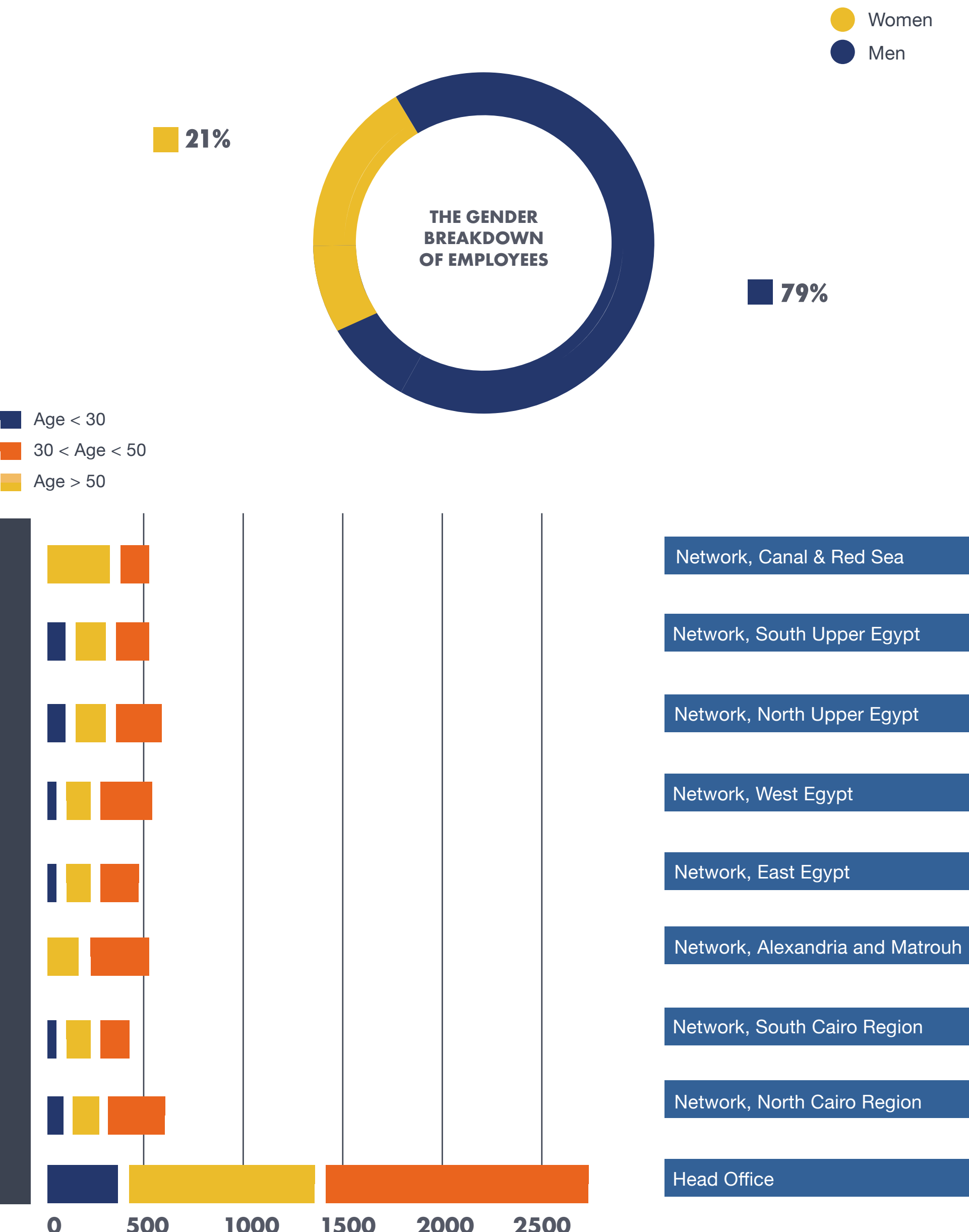
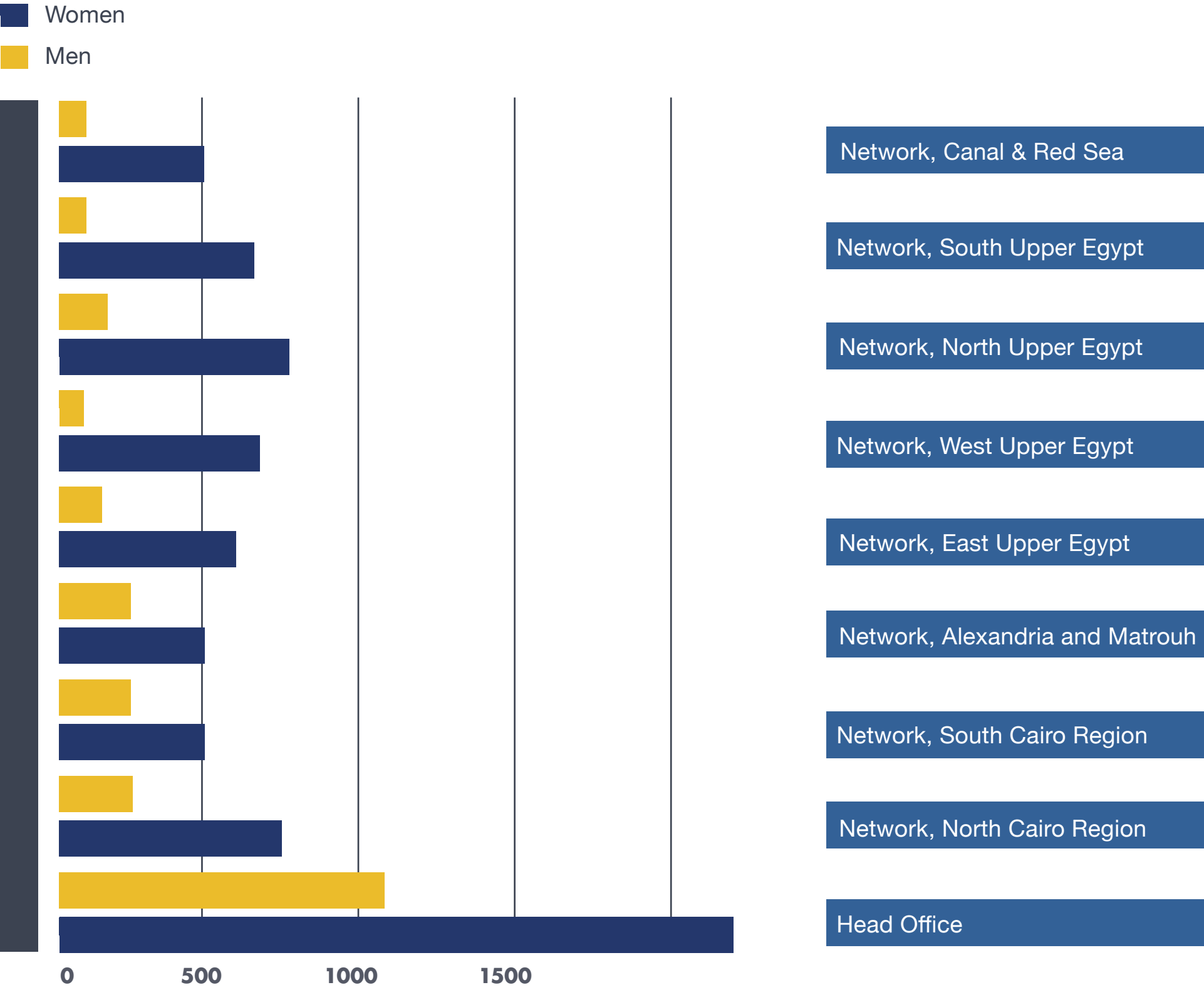
*A group picture of some of the ALEXBANK Community.*



9.1 OUR EMPLOYEES<sup>1</sup>

ALEXBANK currently employ 4,707 full-time employees and no part-time employees. There are no major seasonal variations in the types of job descriptions and the number of our employees throughout the year. The below figures and tables provide with a breakdown of our employees by age, gender, and region of operation. Additional tables include information about new hires and employee turnover. Data is based on the year of 2017 in our main areas of operation, namely: Cairo, North Cairo Region, South Cairo Region, Alexandria and Matrouh Region, East Delta Region, West Delta Region, North Upper Egypt, South Upper Egypt, and Canal and Red Sea Region.

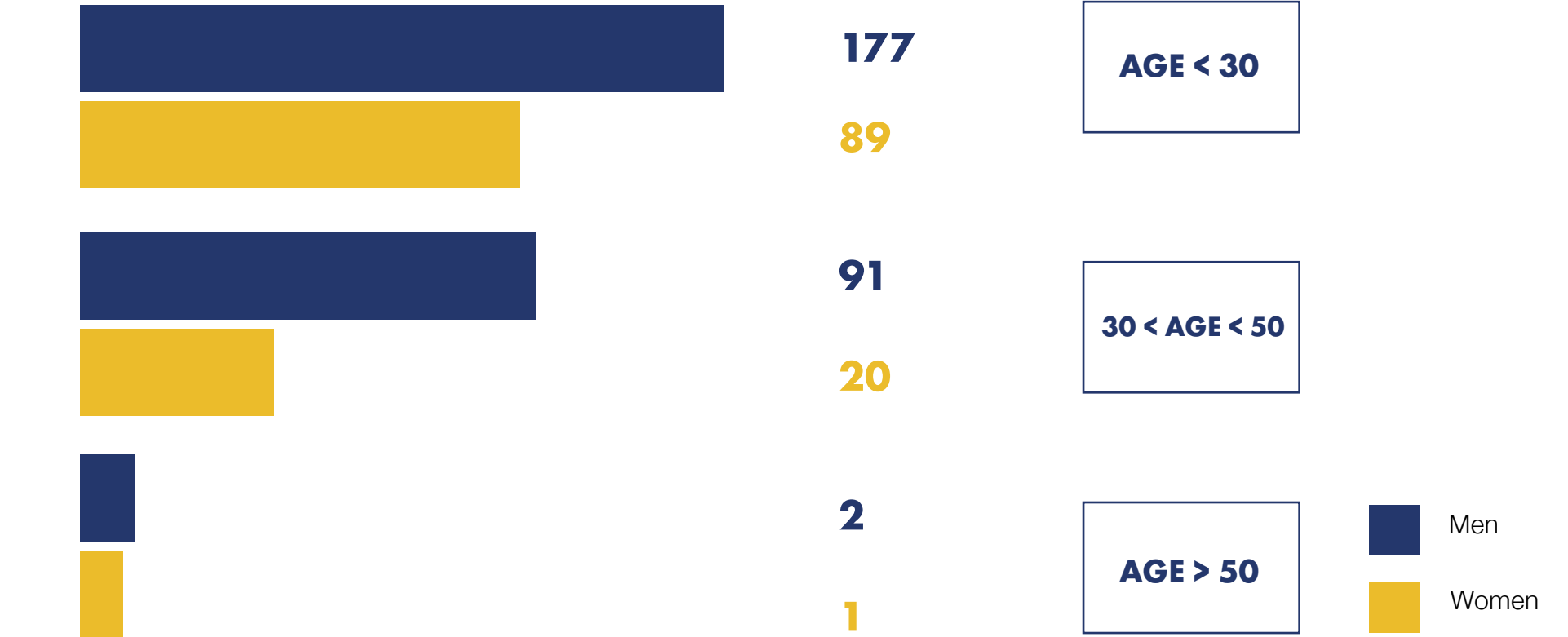
The gender and age breakdown of employees across ALEXBANK is as follows:





GENDER BREAKDOWN OF EMPLOYEES (G4-10)

REGION	FEMALE EMPLOYEES	MALE EMPLOYEES
Head Office (Cairo)	*567	1647
North Cairo	89	355
South Cairo	72	234
Alexandria and Matrouh	67	232
East Delta	42	234
West Delta	35	268
North Upper Egypt	49	277
South Upper Egypt	33	264
Canal and Red Sea	39	203 <sup>1</sup>



BREAKDOWN OF EMPLOYEES (G4-10)

REGION	AGE < 30	30 < AGE < 50	AGE > 50
Head Office (Cairo)	229	928	1057
North Cairo	83	133	228
South Cairo	71	100	135
Alexandria and Matrouh	29	96	174
East Delta	42	106	128
West Delta	47	103	153
North Upper Egypt	66	113	147
South Upper Egypt	56	112	129
Canal and Red Sea	11	132	99

NEW HIRES	AGE < 30	30 < AGE < 50	AGE > 50
MALES	177	91	2
FEMALES	90	20	1

EMPLOYEE TURNOVER <sup>1</sup>	AGE < 30	30 < AGE < 50	AGE > 50 *	* RETIRED
MALES	27	39	280*	188
FEMALES	6	15	25*	11

\*Almost 26 percent of the employees in our Head Office are women, while they constitute just over 14 percent in all other ALEXBANK regions.



EMPLOYEE TURNOVER DIVIDED INTO REGION AND AGE¹

REGION	AGE < 30	30 < AGE < 50	AGE > 50 *	* RETIRED
Head Office (Cairo)	15	45	136	95
North Cairo	4	2	38	23
South Cairo	1	1	36	22
Alexandria and Matrouh	1	-	20	14
East Delta	1	2	16	9
West Delta	3	1	17	9
North Upper Egypt	6	1	14	7
South Upper Egypt	2	2	13	8
Canal and Red Sea	-	-	15	12

The below table details the number of employees who took parental leave, and their return rates:

PARENTAL LEAVE

REGION	MEN	WOMEN
Entitled to Parental Leave	-	993
Took Parental Leave (2016)	-	52
Returned to Work after Parental Leave in (2016)	-	21
Returned after Parental Leave and Stayed for 12 months	-	19
Return to Work Rate	0.40	0.40
Retention Rate	0.37	0.37

BREAKDOWN OF TURNOVER FOR > 50

REGION	CONTRACT TERMINATION	DEATH	DISMISSAL	LEGAL RETIREMENT «AGE OF 60»	PHYSICAL DISABILITY	RESIGNATION	VOLUNTARY EARLY RETIREMENT	TOTAL
Head Office	1	5	14	95	1	2	18	136
North Cairo	-	2	-	23	1	-	12	38
North Upper Egypt	-	2	-	7	-	-	5	14
West Delta	-	1	-	9	-	-	7	17
Alexandria and Matrouh	-	-	-	14	-	-	6	20
Canal, and Red Sea	-	1	-	12	-	-	2	15
East Delta	-	3	-	9	-	-	4	16
South Cairo	-	1	-	22	-	1	12	36
South Upper Egypt	-	-	-	8	-	-	5	13
TOTAL	1	15	14	199	2	3	71	305



ALEXBANK employees working, Head Office.



9.2 EMPLOYEE SATISFACTION  
AND THE HR CARE PROGRAM<sup>1</sup>

We have a Human Resources (HR) CARE Program that is based on the principles of shared value creation, and is designed to ensure our employees’ wellbeing and satisfaction. It includes an array of programs, benefits and added-value services, such as:

MEDICAL CARE  
BENEFITS

OUR MEDICAL CARE  
PROGRAM ENSURES:

Full medical coverage of employees during employment and after retirement through a wide network of providers.

Local medical insurance for employees and their families during employment. Employees pay a small contribution to add their family members to their insurance package.

International medical care for critical cases, covered by Intesa Sanpaolo’s “Best Doctors” initiative.

PROFIT-  
SHARING  
ALL EMPLOYEES ARE  
ENTITLED TO THE  
COLLECTIVE PROFIT  
SHARE ACCORDING TO  
ANNUAL COLLECTIVE  
PROFIT SHARING  
CRITERIA:

In addition, a discretionary profit sharing mechanism that is based on merit and performance is in place for managerial, non-managerial and non-revenue generating populations. For revenue generating roles, a performance-based incentive system is operated based on a matrix of Key Performance Indicators (KPIs) set for every role and is paid periodically throughout the year.

INSURANCE

LIFE, ACCIDENT  
& DISABILITY  
INSURANCE  
BENEFITS:

Life insurance benefits in the case of a normal death, inheritors receive 24 months of the deceased employee’s latest base salary.

In the case of an accidental death, inheritors receive 48 months of the deceased employee’s latest base salary.

Employees who suffer from long-term disabilities receive 24 months of their latest salary base, and employees who suffer from short-term disability receive up to 104 weeks’ worth of their monthly salary.

PENSION  
SERVICES<sup>1</sup>

ALEXBANK provides several pension programs in addition to a special desk in the HR department that is solely in charge of handling retired employees’ needs.

PROVIDED SERVICES  
INCLUDE:

- Full medical care
- Support with employees’ social insurance
- Trips and excursions
- Internship and learning opportunities for employee’s children



Our staff is our most valuable asset and the basis for our success. Coping with sustainable development requires technical execution and effective training hand in hand, under the umbrella of COMMUNITYSHIP values. ALEXBANK’s training and development unit is a community-oriented function where we are investing time, financial resources and effort in helping others develop. This investment pays great dividends for both the community at large and ALEXBANK’s employees and blended with innovative training activities, this investment creates a high level of engagement and optimizes growth sustainably. We are very keen to cope with the management strategy, by creating cross-sector partnerships and develop shared goals which will drive the next wave of innovation and productivity growth in the global economy.

Safinaze Abaza

Head of Training & Development Unit





THE “EDUCARE” PROGRAM

EduCare aims at supporting staff members with their children’s educational development. Specifically, it targets employees across the whole organization, including ALEXBANK’s banking and non-banking segments. EduCare’s focus is on differently-abled children to facilitate their school enrolment, attend special education programs, or receive educational support services. In 2017, the EduCare program impacted more than 1,505 employees and 2,250 children with EGP 7.1 million worth of investments.



Being responsible for the Staff Union, I am pleased that part of our mission is to address the problems faced by ALEXBANK workers and their families. The Bank’s effective response to our needs commends a constructive work environment and helps overcome any obstacle.

Ahmed Ezz  
Head of Staff Union



One of my favourite initiatives is EduCare through which ALEXBANK aims at supporting us with our children’s educational development. Personally, my son in primary school and daughter in kindergarten were part of “EduCare” this year and I have already prepared everything for applying for “EduCare” next year.

Ibtesam Lotfy  
Auditor  
Corporate Audit Unit



9.3 PERFORMANCE MANAGEMENT AND CAPACITY DEVELOPMENT<sup>1</sup>

Further, we have made several developments regarding capacity development programs, including:

In line with Intesa Sanpaolo’s rules, a KPI-based appraisal system is in place and is implemented on an annual basis. In addition to individual appraisals, each branch has its own performance scorecard, which addresses key performance areas that are aligned with our sustainability mandate. These include the portfolio of products and activities, ensuring financial inclusivity and supporting SMEs. To ensure the consistent growth and development of our employees’, all employees have equal access to training and capacity development opportunities. Training is provided to employees at all levels and of all ages across ALEXBANK’s hierarchy, in addition to ALEXBANK’s outsourced staff. For instance, the outsourced population working in the call center also receive trainings. During the year 2017, 90 percent of our employees accessed more than 125,000 hours of training.

TRAINING DELIVERED FOR MSME LENDING AND SEGMENTS GROWTH

ALEXBANK acknowledges the importance of the MSME segments and has dedicated in 2017 many training hours for the purpose, leveraging on agreements with landmark entities like the European Bank for Reconstruction and Development (EBRD) and the IFD, whereby modules were delivered to cover for sustainable finance, credit knowledge through credit certifications.

INTERNSHIP AND TALENT PROGRAMS

ALEXBANK continuously strives towards extending its core expertise to all its stakeholders through a series of internships and educational opportunities. We offer graduate and undergraduate students from our surrounding communities with summer internships. More than 700 students participate in the ALEXBANK summer internship program annually. In addition, a talent program is offered to fresh graduates, providing them with intensive training, and potentially full-time employment with ALEXBANK.

Participants of the program benefit from hands-on work experience at ALEXBANK, as well as various trainings on various topics including writing a resume, interview skills, dress codes, among others. ALEXBANK has also participated in 2017 in the International Talent Program of Intesa Sanpaolo Group with high demand, whereby the program selection chose two of ALEXBANK talents to join a **Group-wide program** with **inter-divisional, inter-functional** and **international** job rotations. The program is a **fully flexible** development path, tailor-made to fit individual’s aspirations and needs in line with Group priorities, along ten thematic areas (e.g., credit, risk, products, business commercial), and a balance of **managerial** and **technical skills**.

THE BRANCH MANAGER ACADEMY AND BRANCHES NETWORK TRAINING

ALEXBANK is keen on growing the knowledge and potential of our commercial arm across the geography of Egypt. Our branch managers and branch manager role nominees are taken through an academy blending internal and external knowledge leveraging on the strong synergy with the Egyptian Banking Institute and other key development opportunity providers. This includes advances selling techniques, leadership including communication and negotiation and emotional intelligence, and a full control module in line with the regulator requirements. Our branch population is kept abreast our new products and services through continuous inductions and on the job trainings by our products, segments and quality teams.

THE MICROFINANCE ACADEMY

Stemming from ALEXBANK’s commitment to supporting Egyptian MSMEs, we launched the “Microfinance Academy” to ensure that our staff members are equipped with the knowledge and skills to lead a vibrant MSMEs lending portfolio. The academy aims at creating microfinance team leaders, and has graduated 21 employees to date.

3,944  
TRAINEES

90%  
OF STAFF

129,105  
TRAINING  
HOURS



9.4 EMPLOYEE COMMUNITY  
ENGAGEMENT PROGRAMS<sup>1</sup>

ALEXBANK runs a variety of employee community engagement programs to ensure the satisfaction and well-being of our employees. These consist of volunteering programs, educational support programs, and investments in employees and their families' well-being. Engagement programs include:

AMBASSADORS OF  
ENVIRONMENTAL  
RESPONSIBILITY



*During our excursion to plant 30 trees in Giza and Haram.*

Environmental responsibility is a major focus of Intesa Sanpaolo's 2018-2021 Business Plan. ALEXBANK employees are also committed to protecting and preserving the environment. In 2017, members of the ITC department – IT Service Unit – have embarked on a unique project to contribute to a greener Egypt. Initially, the IT team planted 15 trees in Giza, ten trees in Haram, and five trees on the opposite side of Om Al-Abtal School in Haram. The General Authority for Giza Cleaning and Beautification has supported their efforts by providing information about best locations for planting these trees and offered protection and care for the planted trees.

FOR MY PEOPLE  
COMPETITION

In 2012, ALEXBANK launched a one of a kind internal CSR competition for employees titled “For My People” with the aim of involving employees across all regions in the design of ALEXBANK’s social investment programs. As part of the competition, staff members propose a project idea, and the best ideas are selected through employees’ votes. The six projects with the highest votes win. To date, ALEXBANK has funded a total of 26 projects across all regions where ALEXBANK operates



*Dante Campioni, ALEXBANK CEO and Managing Director, handing over a donation cheque to one of the winning projects in the “For My People” competition.*

THOSE WHO  
NEED US  
CAMPAIGN

Launched in 2014, “Those Who Need Us” is a monthly campaign that allows employees to suggest and propose ideas for volunteering causes all over Egypt. Over the past three years, more than 10.5 percent of the ALEXBANK staff members have engaged in this program, and employees submitted 114 unique proposals with more than 500 volunteers enrolled.



*One of the girls in the Hana and Hanady shelter drawing during our visit.*

EMPLOYEE FAMILY  
SUPPORT PROGRAM

This program dedicates financial support to employees’ direct family members suffering from severe medical cases and calamity cases. In 2017, more than 500 cases were supported.



# INTERNAL COMMUNICATION

## CLOSER NEWSLETTER

This newsletter published in Arabic and English is an evolution of the weekly CEO message “Our Click.” It is a bi-monthly electronic communication addressed to all ALEXBANK employees. The Closer newsletter aims at keeping all employees informed and aware of all business activities and developments to create synergies and further strengthen teamwork. Between March 2015 and December 2017, we have published 66 issues of Closer.



## CLOSER IS CURATED BY ALL OF ALEXBANK'S FUNCTIONS, AND INCLUDES:



CEO insights reflecting the momentum of each issue or a topic of general interest.

Financial results, business updates, products and services, tools, systems, Magnifica news (Customer Relationship Management (CRM), Bancassurance, etc.)

Concepts (cross selling, customer satisfaction, reaching customers, etc...)

Market competition and the financial arena

Social investment events and campaigns

New hires at the managerial level

## MAGNIFICA BEY2OLLAK NEWSLETTER

Magnifica’s role is to ensure of-fering ALEX-BANK’s affluent clients with a distinguished and unique banking experience through a customer-centric team, as well as dedicated services and privileges inspired by their needs and lifestyles. Accordingly, we launched “Mag-nifica Bey2ollak”, a bi-monthly publication that includes informative tips designed to help all staff, especially front liners, deliver better ser-vice to ALEXBANK customers. This is done through ensuring they have full information about Magnifica’s features, procedures as well as other useful and relevant topics such as: “How to attract new customers?”, “How to build a trusting relationship with customers?” and “How to manage your time?”.





# 10. ENSURING SUSTAINABLE OPERATIONS



Sayedra is part of the women working group who undertook a training to develop and produce ALEXBANK's employee Ramadan gift pack in 2017.



10.1 CUSTOMER PRIVACY AND SATISFACTION¹

Customer Privacy

Protecting our customers’ assets and confidential information is the basis of the trusting relationship that ALEXBANK upholds with each and every one of its customers. Every year, we introduce more advanced technology enhancements to upgrade the security procedures around our customer’s information. Additionally, we continuously inform our clients about their rights to privacy and the way in which their personal information is handled. We have not received any severe privacy complaints/requests of information over the past year.

Customer Satisfaction

We believe that requests for information and complaints are opportunities, and not threats. We use them to continuously enhance our services, products and to improve our overall performance.

In 2011, we officially established the Voice of Customers Office, an independent entity that reports to the CEO. The office is designed to support and encourage ALEXBANK customers to voice their complaints/requests for information and to provide us with their feedback. It is mandated with mystery shopping assignments, regular customer surveys, ensuring service quality, as well as complaints/requests for information management and periodic reporting.



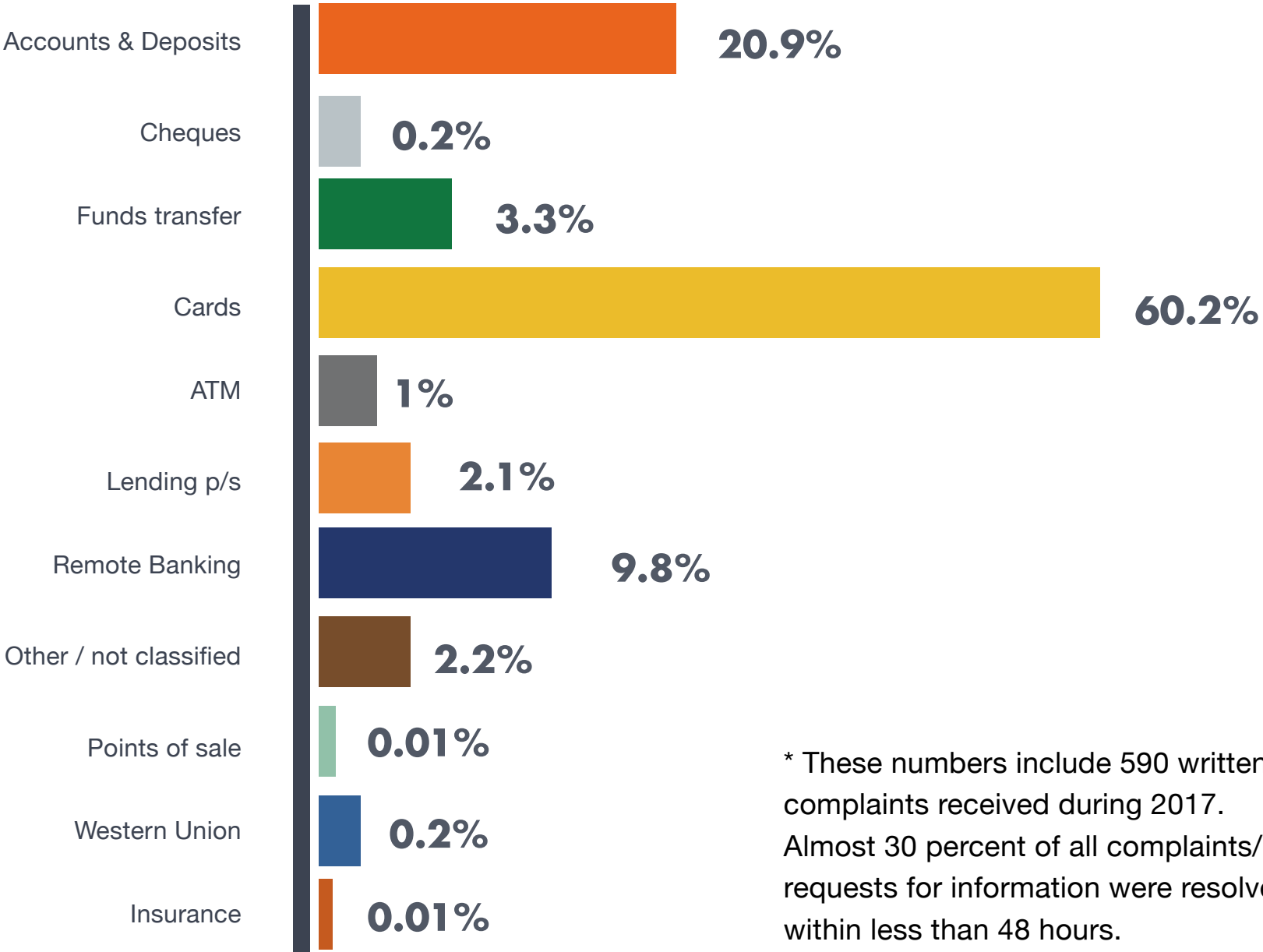
Brass lanterns artisan in Beshlaw village, Qena Governorate.



Ashraf Hamed  
Head of Customer Satisfaction Office

To effectively and responsibly respond to customer feedback cross-sectoral cooperation is essential. Thus, a shared understanding of partnership and cooperation is key. With the ultimate goal of customer loyalty in mind, the nature of customer feedback is a constant reminder to continuously improve the quality of our services.

THE BELOW FIGURE SUMMARIZES 2017 COMPLAINTS/ REQUESTS FOR INFORMATION MOSTLY RECEIVED THROUGH OUR CALL CENTER. THEY ARE DIVIDED BY PRODUCT CATEGORY AND AMOUNT TO A TOTAL OF 60,698 COMPLAINTS/REQUESTS FOR INFORMATION\*.



\* These numbers include 590 written complaints received during 2017. Almost 30 percent of all complaints/ requests for information were resolved within less than 48 hours.



We distribute performance booklets to our customers incorporating all repeated and major complaints explaining how we will address them moving forward. This practice enables us to keep ALEXBANK’s customers in the loop, which is in line with our main focus for 2017 (“providing excellent quality”).

<sup>1</sup>To ensure the effective and secure handling of all received complaints and requests for information, all verbal and written complaints and requests of information are recorded. Written complaints and requests of information are treated very cautiously, and guidelines are provided by Intesa Sanpaolo to ensure privacy and rapid action.

The reporting procedure is as follows:

- 01.
- 02.
- 03.
- 04.
- 05.

Complaints/requests for information are sent to the Customer Satisfaction department and recorded at Customer Care.

Complaints/requests for information are transferred to the relevant department.

An explanation and feedback is sent back to the Customer Satisfaction department regarding the incident.

If the feedback provided is solid, it is sent to the Legal and Compliance department for approval. If the complaint is not supported by sufficient data, it is sent to the Audit department for review.

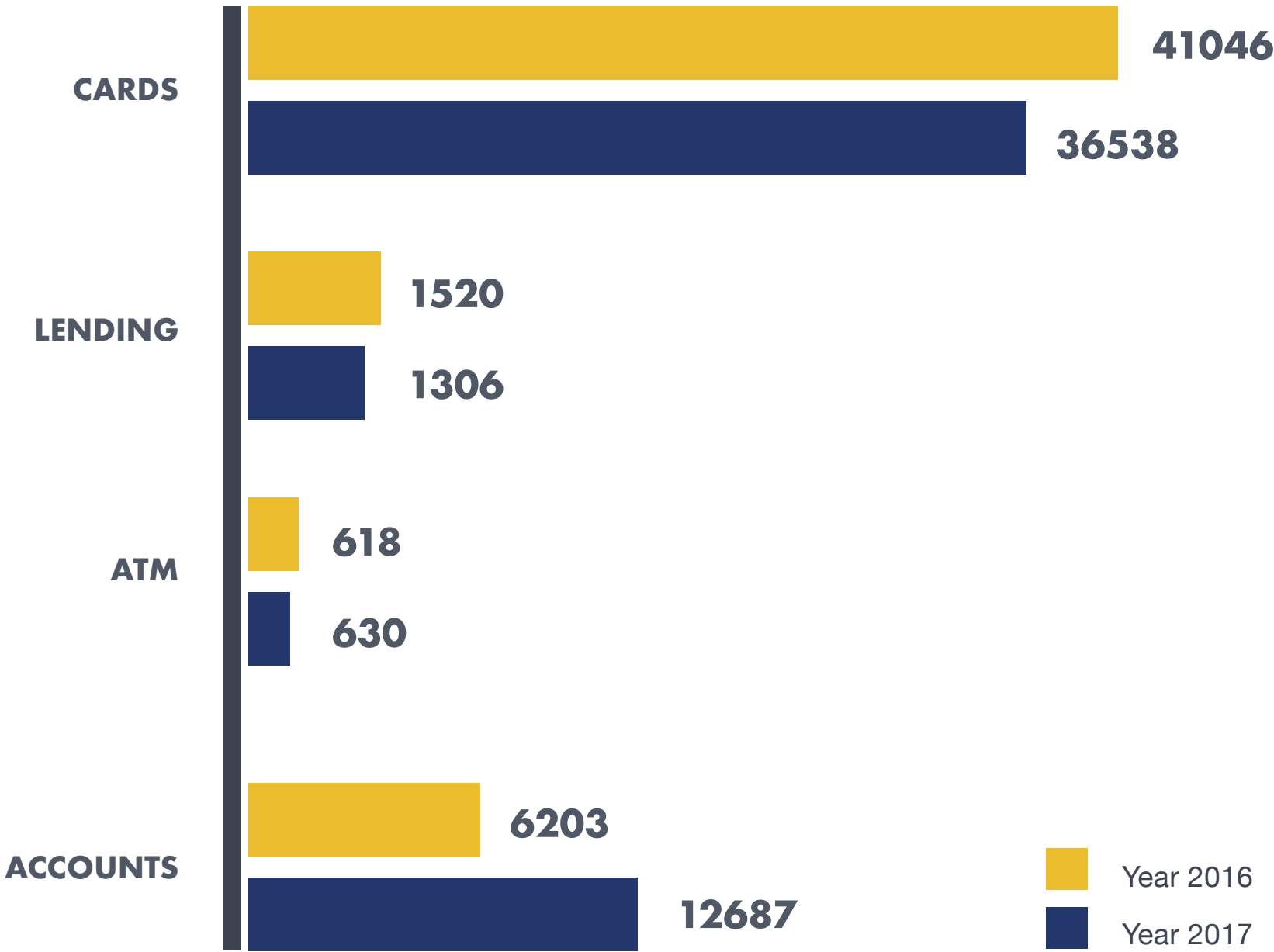
Finally, according to the outcome, an email is sent to the customer or the CBE.



Brass lanterns made in one of ENID’s workshops.

The below figures demonstrate the changes in the nature of complaints received in 2017:

Complaints related to cards decreased by 11 percent, lending complaints decreased by 14 percent, ATM complaints increased by 2 percent, and accounts and deposits related complaints increased by 105 percent. To ensure that all of our staff members are equipped to handle customer complaints, ALEXBANK conducts a yearly customer satisfaction competition for staff members. In 2017, more than 900 employees participated in the competition and ten distinguished employees were awarded by the CEO.





THE NEWLY LAUNCHED  
CUSTOMER  
RELATIONSHIP  
MANAGEMENT  
APPLICATION

To further enhance our customers' experiences, we introduced a Customer Relationship Management (CRM) application, which provides more comprehensive customer care services. The CRM furnished ALEXBANK's various departments, division heads and managers with efficient ways to communicate on a daily basis and thereby ensure a high level of control over the workload between the contact center and ALEXBANK's various departments.

THE NEW  
SYSTEM  
FEATURES  
ARE:



SELF REPORTING

For every Cc officer to track his/her duties



AUTOMATED REPORTS

That generate & send emails on specific duration



CALENDAR

For every officer per call for any needed action/follow-up



SENDING NOTES

To all contact center officers through the system



Q&A FEEDBACK

For every call to the agents where it's inbound or outbound

10.2 RISK MANAGEMENT<sup>1</sup>

ALEXBANK is characterized by a solid risk management and mitigation culture based on the principle that all professionals are accountable for risks taken. Our risk management model is key for ensuring employees' compliance with our culture and values. Our screening activity follows the Equator Principles, a process that allows an assessment of social and environmental risk in financing activities.

IN 2017

We introduced the second release of our Corporate and SME risk model, a first of its kind predictive model that includes financial modules, internal behavioral modules, external behavioral modules and a qualitative questionnaire. This model currently has an accuracy ratio of 73 percent, which is considered the standard benchmark in developed markets. The model was plugged into our Electronic Credit Application platform (ECA) where the rating now serves as a benchmark to complement the underwriting decision for Corporate and SME clients. The new model is in line with the CBE's initiatives of financial inclusion, enables usage for IFRS 9 provisioning, usage for credit strategy to determine optimum risk return tradeoff, and ensures a proactive credit management approach.

LATE THIS YEAR

We also launched a systematic approach for adopting the IFRS 9 accounting standards. This led to our positioning as one of the first bank's in the Egyptian Market to adopt the new standards using an electronic application and process. In order to overcome a major deficiency in the old international accounting standard, the new framework allows ALEXBANK to recognize credit losses in a forward-looking perspective without waiting for a trigger event. In addition, it considers the macroeconomic conditions to determine lifetime expected losses. We launched IFRS 9 reporting at the end of December 2017, while the CBE required banks to start adopting the new standard by January 2019, giving us a one-year head start.

<sup>1</sup> G4-46, G4-DMA



ALEXBANK ALSO INTRODUCED A SERIES OF OTHER ENHANCEMENTS TO OUR RISK MANAGEMENT PORTFOLIO OVER THE PAST YEAR, INCLUDING:

## RETAIL AND SMALL BUSINESS RESTRUCTURING

The Risk Management department has already performed a full assessment of the Retail, Individual and Small Business segments in terms of workflow, process, system implementation and product documentation. In December 2017, a formalization of the Debt Service Ratio (DSR) documentation was carried out in coordination with other bank functions while bearing in mind system implementation and process automation. A methodology for better assessing risk among these categories is being created, which will assess each product’s workflow, identify strategies and a plan of action for fixing anomalies.



Embroidery work unique to the Siwa Oasis.

## INTRODUCTION OF THE PROACTIVE CREDIT MANAGEMENT OFFICE

An office dedicated to Proactive Credit Risk Management that covers Corporate, SME, Small Business and Retail clients. It identifies risky cases, defines the most appropriate strategies to minimize potential losses, and ensures their implementation. A thorough monitoring process allows for detecting risky or deteriorating lenders at an early stage, and handling them in a timely fashion.

## DETAILED PRODUCT REVIEW AND REPORTING

Driven by our regular monitoring of the portfolio combined with our internally developed models for each segment, the Credit Risk team analyzes the portfolio’s special aspects. This allows the team to guide the Credit Risk Governance Committee on strategic decisions, and maintains a balanced approach in product controls, growth and profitability. For example, a detailed sectorial analysis of the Corporate and SME portfolios was introduced on both the performing and non-performing sides. This analysis showed the credit underwriting functions, the evolution of our sectorial concentration over time, and diversification needs moving forward.

Another example was a detailed analysis on our micro-finance portfolio which showed growing early delinquency trends, and early signs of deterioration combined with a huge growth in new microfinance clients. This led to the introduction of suspension criteria for our different sourcing channels. An analysis of our retail NPL portfolio enabled us to understand socio-demographic aspects that impact default trends, including age distribution, salary brackets, gender, and regional factors. These detailed reviews are being integrated with the renewal or update of relevant products in order to support decision making and introduce the relevant controls for the products.

## 'REVIEWING THE RISK POLICY, PROCESS AND PROCEDURES

The Credit Risk Governance Committee and BoD have approved a new Credit Policy in early 2017. It presents a framework for processes, procedures and controls that govern lending activities. In addition, a roadmap for a thorough policies review and enhancement was developed to assess the status of credit and risk documentation policies and procedures. This resulted in identifying a list of mandatory documents that need to be developed to enhance our framework.

## THE FIRST INTERNAL ADEQUACY ASSESSMENT PROCESS (ICAAP) BOOK

ALEXBANK produced the first ICAAP book in 2017, which details our internal adequacy assessment process and the methodologies the we apply to measure all types of risk. It is based on the Egyptian accounting standards 2016 Audited Financials.

## THE RISK ACADEMY

The recent economic developments led to a dramatic increase in the size, complexity and diversity of the activities required from the risk management department. These developments have created an unprecedented need for skilled resources in various fields of risk management.

The Risk Management department collaborated with the HR department to create an in-house “Risk Academy”. It offers top performing university graduates with high-quality and experiential training sessions to equip them with the needed skills and knowledge to contribute to enhancing ALEXBANK’s risk management framework.

The top ten candidates were selected in February 2017 and are currently being trained and coached by the academy.



Our “Shomous” Ramadan Bags in the making.





## OPERATIONAL RISK FRAMEWORK

The Operational Risk team has worked on integrating the operational risk framework into ALEXBANK's core processes, systems, products and activities. The objective of this effort is to ensure that ALEXBANK's risk profile is in line with its risk strategy and appetite framework. The team has also started working on developing a comprehensive training and awareness sessions plan to ensure that all relevant functions are aware of and capable of implementing our operational risk framework.



Compliance with all regulatory bodies within ALEXBANK is key to responsible sustainable operations. Indeed, our special focus on ethics and compliance has helped us comply with regulatory instructions and respond effectively to practical concerns and regulatory challenges, such as the Anti Money Laundering rules and Counter Financing of Terrorism.



**Mohamed Abd El-Kader**

*Head Of Compliance & AML Department*



Armed with our internally developed models across all segments combined with our multifaceted monitoring and analysis of our portfolio, we are standing on solid grounds to swiftly adapt to our dynamic macroeconomic forces and our market competitiveness. This manifests itself through a disciplined approach of portfolio quality reporting, regular products enhancements and portfolio risk-return optimization.



**Tamim Elsaady**

*Head of Credit Risk Office*

## 10.3 ENVIRONMENTAL SUSTAINABILITY

Decisions regarding how we invest, who we finance and what we spend our money on have a significant impact on our society. Accordingly, and as previously mentioned, we have been abiding by the Equator Principles since 2012, and we implement the framework for managing the impacts of our investments on the environment and on local communities.

In an effort to enhance our commitment to environmental sustainability even further, we created our own climate change pledge aligned with the Paris Climate Accord. It includes ALEXBANK's commitment to making our headquarters, and several of our branches carbon neutral. We launched the "Energy Efficiency Project" in ALEXBANK's main premises in Kasr el Nile and in Gomhoreya, in cooperation with the Ministry of Electricity and the United Nations for Development (UNDP).

H.E. Mohamed Shaker, Minister of Electricity and Renewable Energy presented us with a special award this year in recognition of our efforts in transforming conventional lighting systems across seven of our premises into efficient ones. Our efforts were also aligned with the National Energy Efficiency Improvement Project. The new lighting systems have enabled ALEXBANK to make annual cost savings of EGP 102,750, to reduce annual KW consumption by 12 percent, and decrease carbon dioxide emissions by 35.5 tons. We are applying the same practice to all newly opened or renovated ALEXBANK branches.



We take active steps towards environmental sustainability by decreasing our carbon footprint. At ALEXBANK, we are aware of negative impacts our operations might have on the environment. This year alone, we reduced our electricity consumption by replacing conventional lighting with LED light bulbs in a lot of our branches and we are planning to do even more next year.



**Emad Migalla**

*HVAC Team Leader*

*Real Estate Department*



*Pottery plates by the hands of Abdel Sattar from Tunis village, El Fayoum.*



10.4 SUPPLY CHAIN  
MANAGEMENT<sup>1</sup>

ALEXBANK supply chain can have a significant impact on ALEXBANK’s sustainability performance and environmental and social footprint.

We firmly believe in the importance of maintaining positive relationships with our suppliers, and to consistently protect their rights. We have been focusing on enhancing our supplier relationships and developing new systems to ensure effective, cost efficient, excellent quality and long-lasting relationship with our suppliers this year. This has meant introducing significant amendments and enhancements to our procurement process. Specifically, we introduced the Procurement Centralization Project to create a database of all vendors and suppliers within the Procurement department and developed a cost management sheet to ensure efficient interactions with all suppliers.

A new procurement structure was also approved in late 2017 to ensure the alignment of ALEXBANK’s procurement practices with our own Code of Ethics and commitment to sustainability. We give preference to suppliers that adopt measures to minimize their environmental footprint and have plans to introduce an Oracle e-procurement portal to further enhance our procurement processes.



Brass lanterns artisan and his lantern. Beshlaw village, Qena Governorate.



# ANNEX 1. AUDITED STATEMENT OF FINANCIAL POSITION1

<b>Bank of Alexandria</b> <b>(Egyptian Joint Stock Company)</b> <b>Balance sheet</b> <b>At 31 December 2017</b>			
	<b>Note</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>Assets</b>	<b>No.</b>	<b>EGP 000</b>	<b>EGP 000</b>
Cash and due from Central Bank of Egypt	(16)	4 137 615	2 146 767
Due from banks	(17)	23 795 746	15 424 789
Treasury bills and other governmental notes	(18)	14 885 831	11 845 036
Loans and advances to customers	(19)	32 148 661	30 000 028
Financial assets classified at fair value through profit and loss	(20)	5 388	6 430
<b>Financial investments :</b>			
Available -for- sale	(21)	1 244 791	2 134 901
Held -to- maturity	(21)	31 885	26 565
Investments in associates	(22)	58 122	43 584
Intangible assets	(23)	152 308	41 222
Other assets	(24)	777 220	772 076
Fixed assets	(25)	459 331	370 789
<b>Total assets</b>		<b>77 696 898</b>	<b>62 812 187</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Due to banks	(26)	404 737	318 947
Customers' deposits	(27)	63 537 024	51 620 592
Other loans	(28)	718 578	756 397
Other liabilities	(29)	2 049 291	2 100 442
Other provisions	(30)	564 728	510 687
Current income tax liabilities		515 376	154 152
Deferred tax liabilities	(31)	133 050	155 142
Retirement benefits obligations	(32)	798 000	705 629
<b>Total Liabilities</b>		<b>68 720 784</b>	<b>56 321 988</b>
<b>Shareholders' equity</b>			
Share capital	(33)	800 000	800 000
Reserves	(34)	1 896 198	1 609 248
Retained earnings	(34)	6 279 916	4 080 951
<b>Total Shareholders' equity</b>		<b>8 976 114</b>	<b>6 490 199</b>
<b>Total liabilities and Shareholders' equity</b>		<b>77 696 898</b>	<b>62 812 187</b>

The accompanying notes from page (6) to page (76) are an integral part of these financial statements and are to be read therewith.

Auditors' Report "attached"

//

Dante Campioni  
CEO and Managing Director

Mohamed Raef  
Chief Financial Officer



# ANNEX 2. GRI CONTENT INDEX

**Bank of Alexandria**  
**(Egyptian Joint Stock Company)**  
**Statement of income**  
**for the year ended 31 December 2017**

	Note No.	For the year 31/12/2017 EGP 000	For the year 31/12/2016 EGP 000
Interest and similar income	(6)	9 268 731	5 423 714
Interest and similar expense	(6)	(4 407 137)	(2 094 690)
<b>Net interest income</b>		<b>4 861 594</b>	<b>3 329 024</b>
Fee and commission income	(7)	705 256	547 446
Fee and commission expense	(7)	(142 443)	( 111 687)
<b>Net fee and commission income</b>		<b>562 813</b>	<b>435 759</b>
<b>Net income</b>		<b>5 424 407</b>	<b>3 764 783</b>
Dividend income	(8)	31 705	26 362
Net income from financial assets classified at fair value through profit and loss	(9)	1 651	2 926
Net trading income	(10)	87 351	97 578
Gain on financial investments	(21)	226 324	23 130
Bank's share in undistributed Profit of associated companies		18 020	4 337
Impairment loss on loans and advances	(13,19)	(234 222)	( 97 667)
Administrative expenses	(11)	(1 822 402)	(1 702 299)
Other operating expenses	(12)	(67 532)	( 249 905)
<b>Net profit before income tax</b>		<b>3 665 302</b>	<b>1 869 245</b>
Income tax expense	(14)	(882 557)	( 355 279)
<b>Net profit for the year</b>		<b>2 782 745</b>	<b>1 513 966</b>
Earnings per share (EGP/share) - Basic	(15)	<b>6.26</b>	<b>3.41</b>

The accompanying notes from page (6) to page (76) are an integral part of these financial statements and are to be read therewith.

Dante Campioni  
CEO and Managing Director

Mohamed Raef  
Chief Financial Officer

The report has been prepared in accordance with the GRI G4 reporting guidelines at the "Core" option. The table below presents the GRI G4 Content Index for this Sustainability Report.





GENERAL STANDARD DISCLOSURES		
GENERAL STANDARD DISCLOSURES	PAGE NUMBER (OR LINK)	SDG LINKAGES
<b>Strategy Analysis</b>		
G4-1	6-7	
G4-2	12-17	
<b>Organizational Profile</b>		
G4-3	13	
G4-4	36-40	
G4-5	ALEXBANK's headquarters are located in 49 Kasr El Nile, Cairo, Egypt	
G4-6	ALEXBANK operates in Egypt, including the majority of its governorates.	
G4-7	Joint Stock Company	
G4-8	14-16	
G4-9	108, 137-138 ALEXBANK's debt versus equity in 2017 amounted to EGP 718,578 versus EGP 8,976,114	
G4-10	ALEXBANK does not employ part-timers; all employees are employed on a full-time basis. ALEXBANK started tracking the proportionality of female to male employees in the organization starting 2017. 106-113	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-11	There are no collective bargaining agreements in ALEXBANK, however, there is room for communicating grievances or any type of feedback due to ALEXBANK's open door policy and systematic cycle of feedback between managers and employees. A staff union is in place.	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-12	134	
G4-13	134	

G4-14	It is addressed by the organization. Any changes made to the organization, whether regarding its products, services, employees, clients, structures, etc, are communicated to the whole organization and management makes sure that guidelines are followed to guarantee that any changes or developments made will cause no harm to the organization and abides by all social and environmental rules.	
G4-15	34	
G4-16	34	
<b>Identified Material Aspects and Boundaries</b>		
G4-17	137-138	
G4-18	10-11	
G4-19	10-11	
G4-20		
G4-21		
G4-22	This is ALEXBANK's first Sustainability Report	
G4-23	This is ALEXBANK's first Sustainability Report	
<b>Stakeholder Engagement</b>		
G4-24	32-33	
G4-25	Diversified, as including all types of stakeholders is crucial to devising efficient strategies and goals	
G4-26	32-33	
G4-27	32-33	
<b>Report Profile</b>		
G4-28	2017	
G4-29	This is ALEXBANK's first Sustainability Report	
G4-30	Annual	
G4-31	ALEXBANK CSR Office <CSR.Team@alexbank.com> Report Profile	



G4-32	142		G4-EC1	137-138	SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture and SDG 5: Achieve gender equality and empower all women and girls and SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
G4-33	ALEXBANK will not be seeking external assurance for the report				
<b>Governance</b>					
G4-34	98-104				
G4-45	98-104				
G4-46	The BoD and management have always had an open door policy for communication of any risk caused to the Bank or by the Bank. Starting 2017, a strict policy is in process of implementation where risks, issues, topics regarding any aspect in the organization is reported, while monetizing each incident to measure the penalties caused to the Bank to avoid loss. The process is, reporting, filtering and following up on incidents in the Bank. 129-132				
<b>Ethics And Integrity</b>					
G4-56	104	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	G4-EC3	114-115	
			G4-EC4	The corporate Income Tax rate is at 22.5 percent and Tax Authority collects the treasury bills and bonds taxes in advance for income tax, and it is settled within the income tax due amount during the tax year. (i.e. Paid income tax “legally tax year end” = Corporate Income tax due – treasury bills and bonds tax)	
			<b>Aspect : Market Presence</b>		
			G4-DMA	ALEXBANK has an open door policy and a transparent system which is of great importance. Each department filters and prioritizes its issues then it is directly communicated to the top management	
			G4-EC5	ALEXBANK’s entry level salary across all functions is EGP 3,500, which is almost 3 times Egypt’s minimum wage amounting to EGP 1,200	SDG 1: End poverty in all its forms everywhere and SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment an
			G4-EC6	All ALEXBANK’s employees are from the local community, with the exception of the CEO and CRO, which is due to structural guidelines given by Intesa Sanpaolo in addition to localization	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SPECIFIC STANDARD DISCLOSURES

STANDARD DISCLOSURE	PAGE NUMBER (OR LINK)	SDG LINKAGES
<b>CATEGORY: ECONOMIC</b>		
<b>Aspect Economic Performance</b>		
G4-DMA	ALEXBANK continuously extends efforts to expand its economic impact. It creates as many programs and initiatives as possible to move individuals from the informal sector to the formal sector	



ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-DMA	We focus on ensuring financial inclusion through our core business products, and have developed a significant social investment portfolio, one of the biggest in the market	
G4-EC7	ALEXBANK is committed to insuring that communities around its branches are taken into account and considered. Each location is assessed for its accessibility to clientele and in accordance to the building and zoning codes of the Egyptian Government	SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture and SDG 5: Achieve gender equality and empower all women and girls and SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all and SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation and SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
G4-EC8	58-95	SDG 1: End poverty in all its forms everywhere and SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture and SDG 3: Ensure healthy lives and promote well-being for all at all ages and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 10: Reduce inequality within and among countries and SDG

Aspect: Procurement		
Practices		
G4-DMA	ALEXBANK takes great care to vet its suppliers and empower local firms whenever possible. Supplier tenders are evaluated on a series of financial and technical criteria. We ensure sourcing from local suppliers to ensure greater impact on .surrounding communities	SDG 1: End poverty in all its forms everywhere and SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-EC9	All products and services are a 100 percent purchased locally and Alex Bank’s significant area of operation is divided into the headquarters and the branches	SDG 12: Ensure sustainable consumption and production patterns

ASPECT: ENERGY

G4-DMA	ALEXBANK is working on being as environmentally conscious as possible thus it started digitizing most services and products, including paper records. 129-133	
--------	---	--

ASPECT: EMISSIONS

G4-DMA	Intesa Sanpaolo’s social and environmental commitment, marked by participation in a series of international initiatives – including the Global Compact and the Sustainable Development Goals of the United Nations, the United Nations Environment Programme Finance Initiative (UNEP-FI) and the Equator Principles. In 2017 Intesa Sanpaolo also maintained its place in the “Engaged Tracking (ET) Carbon Rankings”, which includes listed companies that have stood out for their reporting and their actions to reduce greenhouse gas emissions. Given the positive experience of these Plans, in 2017 the CSR Sub-department, in association with the Real Estate and Logistics, Procurement, Human Resources, Information Systems, Safety and Protection Head Office departments and the International Subsidiary Banks	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
--------	--	---



	<p>Division, drafted a new Environmental Plan - the Climate Change Action Plan - with targets for 2022 and 2037. The goals for 2022 include a reduction in absolute emissions connected with energy consumption (direct and indirect) of 37 percent compared with 2012 (a 31 percent reduction was recorded in the period 2012-2016). The Intesa Sanpaolo Climate Change Action Plan is in accordance with the international climate change agreements. It was the first Italian bank to issue a green bond, in June 2017, worth an overall amount of EUR 500 million.</p> <p>In line with Intesa Sanpaolo, ALEXBANK has been increasing its efforts in the direction of reducing its carbon footprint.</p>		G4-EN16	Information unavailable, efforts to measure them may be introduced in the future.	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages</p> <p>SDG 12: Ensure sustainable consumption and production patterns</p> <p>SDG 13: Take urgent action to combat climate change and its *impacts</p> <p>Acknowledging that the * United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response .to climate change</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
G4-EN15	<p>The main source of direct emissions associated with ALEXBANK is its transportation fleet. Since 2015, and further in 2017, the ALEXBANK bus fleet was reduced from more than 45 53-seater busses to only nine 53-seater Mitsubishi busses Model 2006. These nine buses operate predominantly in Cairo and Alexandria, and occasional trips to Tunis village in El Fayoum. They are regularly maintained but there is no information available on their emission production or fuel efficiency. ALEXBANK has plans to measure CO2 emissions of its fleet. ALEXBANK rents out cars based on need. Cars used are of the brand Toyota, models 2015/2016, which are among the most fuel-efficient. There is no information available on their emission production or fuel efficiency.</p>	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages</p> <p>SDG 12: Ensure sustainable consumption and production patterns</p> <p>SDG 13: Take urgent action to combat climate change and its impacts*</p> <p>* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	G4-EN17	Information unavailable, efforts to measure them may be introduced in the future.	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages</p> <p>SDG 12: Ensure sustainable consumption and production patterns</p> <p>SDG 13: Take urgent action to combat climate change and its *impacts</p> <p>Acknowledging that the * United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response .to climate change</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>



G4-EN18	Further information on GHG emissions and their respective intensities is unavailable. Efforts to measure them may be introduced in the future	<p>SDG 13: Take urgent action to combat climate change and its *impacts Acknowledging that the * United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response .to climate change</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	G4-EN21	Information unavailable, efforts to measure them may be introduced in the future.	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG 12: Ensure sustainable consumption and production patterns SDG 13: Take urgent action to combat climate change and its *impacts Acknowledging that the * United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response .to climate change</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
G4-EN19	In line with Intesa Sanpaolo, ALEXBANK has been increasing its efforts in the direction of reducing its carbon footprint. As part of the National Energy Efficiency Improvement Project (a joint initiative by United Nations Development Programme (UNDP) and the Ministry of Electricity and Renewable Energy), ALEXBANK succeeded in transforming seven of its premises from conventional lighting to efficient lighting systems. This contribution lead to cost saving of EGP 102,750 in 2017, total power reductions by 12 percent KW, and in a decrease in CO2 emission by 35.5t. Measurements, as well as technical support were provided by the UNDP. ALEXBANK has plans to take this project further and transform conventional lighting to more efficient LED lighting systems of all the remaining premises and ALEXBANK branches.	<p>SDG 13: Take urgent action to combat climate change and its *impacts Acknowledging that the * United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response .to climate change</p> <p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>			
G4-EN20	Information unavailable, efforts to measure them may be introduced in the future.	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG 12: Ensure sustainable consumption and production patterns</p>			
ASPECT: EFFLUENTS AND WASTE					
G4-DMA				ALEXBANK is commitment to managing all the waste it produces, hazardous and non-hazardous. There is a department responsible for facilities management that is responsible for everything related to effluents and waste management.	
G4-EN22				There is neither any recorded water discharges nor spills of any sort, nor are there any water bodies that could be directly affected.	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG: 6 Ensure availability and sustainable management of water and sanitation for all SDG 12: Ensure sustainable consumption and production patterns SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>



G4-EN23	<p>ALEXBANK’s organic waste is collected daily and amounts to very small kilograms per day. Detailed information on break-down of waste as well as their final disposal methods is unavailable. Paper waste produced by ALEXBANK is collected and retained for a year before being sold to a paper manufacturing company that recycles it. In 2017, the paper waste that was produced in 2016 amounted to about 115t and was recycled entirely. ALEXBANK has plans to decrease the amount of paper waste with the help of raising awareness about its environmental impact.</p>	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG: 6 Ensure availability and sustainable management of water and sanitation for all SDG 12: Ensure sustainable consumption and production patterns</p>	G4-EN26	<p>ALEXBANK operations near protected areas are minimal. Information about the impact of investments is unavailable; efforts to measure them may be introduced in the future.</p>	<p>SDG: 6 Ensure availability and sustainable management of water and sanitation for all SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
G4-EN24	<p>No spills have been recorded within our own operations. Data is unavailable about our investments, and maybe collected in the future.</p>	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG: 6 Ensure availability and sustainable management of water and sanitation for all SDG 12: Ensure sustainable consumption and production patterns SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	ASPECT: PRODUCTS AND SERVICES		
G4-EN25	<p>ALEXBANK does not generate hazardous waste. Data about the waste of lenders is unavailable and maybe collected in the future.</p>	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages SDG 12: Ensure sustainable consumption and production patterns</p>	G4-DMA	<p>Most of ALEXBANK’s products and services are non-tangible. For communications in form of paper or fabric (i.e letters, flyers, posters, outdoor billboards, etc), no recycled material is used. The same is true for the plastic used for bankcards.</p>	
			G4-EN27	<p>With regards to lending products, we are launching green loans in 2018, and will start tracking their impact in the future.</p>	<p>SDG: 6 Ensure availability and sustainable management of water and sanitation for all SDG: 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG 12: Ensure sustainable consumption and production patterns SDG 13: Take urgent action to combat climate change and its impacts* * Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change. SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems,</p>



G4-EN28	Does not apply to our direct operations. Data about investments is unavailable.	<p>sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p>SDG: 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG 12: Ensure sustainable consumption and production patterns</p>
---------	---	---

ASPECT: COMPLIANCE

G4-DMA	We ensure the rigorous screening and evaluation of the organizations who work with us through our commitment to the Equator Principles.	
G4-EN29	ALEXBANK has not faced any sanctions in this reporting period.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: TRANSPORT

G4-DMA	ALEXBANK’s business nature does not include much transportation, except minor events, for example, delivering credit cards.	
G4-EN30	Due to ALEXBANK’s business nature, transportation is not a major issue, however have plans to decrease our carbon footprint by encouraging employees to car pool are in place.	SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable and SDG 12: Ensure sustainable consumption and production patterns and SDG 13: Take urgent action to combat climate change and its impacts

ASPECT: OVERALL		
G4-DMA	As much of ALEXBANK’s environmental impact is executed by our partners and suppliers, we make sure to build a rigorous system of screening and evaluation of the organizations who work with us.	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all and SDG 12: Ensure sustainable consumption and production patterns and SDG 13: Take urgent action to combat climate change and its impacts and SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development and SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss and SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development
G4-EN31	ALEXBANK has plans for installing solar panels; a training was provided for solar panel installation. In addition, more LED lights, and sustainably locally-sourced building materials are being used. Over the next two years, new policies will be strictly implemented to ensure greener operations and track all the changes and improvements. 133	
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-DMA	ALEXBANK ensures that any suppliers it deals with follows their code of conduct. Impactful that may have significant impacts are assessed as per the Equator Principles.	
G4-EN32	Suppliers do not have significant environmental impacts, and thus are not monitored accordingly. Moving forward, updated procurement mechanisms will ensure the preference of suppliers that adopt sustainability practices.	
G4-EN33	As mentioned negative impacts were not tracked thus no actions were taken. However, procedures and guidelines will include a systematic process on how to deal with such incidents over the next two years.	



ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

G4-DMA	ALEXBANK is very keen on implementing strict procedures for communicating grievances with regards to our investments over the next two years.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
G4-EN34	No grievances have been reported in this reporting period	

ASPECT: EMPLOYMENT

G4-DMA	Several mechanisms are used for hiring and evaluating our employees, in order to ensure fairness. A number of programs are provided to ensure the employees' satisfaction in addition to a staff union to communicate any grievances	
G4-LA1	108-113	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-LA2	There are no part-time employees in ALEXBANK	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-LA3	108-113	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ASPECT: LABOR/MANAGEMENT RELATIONS

G4-DMA	Mechanisms are in place to allow transparent channels of communication between management and employees, as well as the submission of anonymous and confidential complaints/requests of information.	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
G4-LA4	There is no set minimum period, notifications are sent out as soon as possible. However, a formal communication system is being developed in order to be as transparent as possible and include the whole organization in any changes taking place	

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	ALEXBANK's business nature is not prone to much risk, however all staff, internal and external to the bank are provided with the health and safety policies and procedures of the bank	
G4-LA5	By Egyptian law, if a space has more than 50 people, a health and safety committee is created. ALEXBANK conducts inspections and issues a report, then it is checked by a governmental entity which provides remarks and The Head of Health and Safety department checks these remarks and informs the committee	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ASPECT: TRAINING AND EDUCATION

G4-DMA	117	
G4-LA9	117	SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all and SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and



G4-LA10		
G4-LA11	All employees at ALEXBANK are offered the continual job skills training for skills upgrade.	sustainable economic growth, full and productive employment and decent work for all
		SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	100 percent of employees, both male and female get performance and career development reviews every year. Feedback and comments are given from both sides, the employee and the employer	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA		
G4-LA12	When looking through applications in order to hire, ALEXBANK's system remove the name in order to avoid bias. Equal opportunities are given to both males and females	
	108-113	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA		
G4-LA13	ALEXBANK's remuneration policies are based on experience and caliber	
	The ratio of basic salary and remuneration of women to men on the managerial level is 1:0.86, Non-managerial in the head office is 1:0.92 and 1:0.83 in the branches	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 10: Reduce inequality within and among countries

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-DMA	Moving forward, updated procurement mechanisms will ensure screening and preferring suppliers that adopt sustainability practices	
G4-LA14	Moving forward, updated procurement mechanisms will ensure the preference of suppliers that adopt sustainability practices	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
G4-LA15	No potential negative impacts have taken place, however with 2018's new policies and procedures, strict guidelines will be followed	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	There is a clear channel of feedback and reporting grievances	
G4-LA16	No grievances have been reported in this reporting period	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



ASPECT: INVESTMENT

G4-DMA	Human rights laws are implemented in all contracts with internal and external organizations to the bank	
G4-HR1	All employee contracts include human rights clauses that are strictly implemented	
G4-HR2	No training takes places, however there is a focus regarding this topic in 2018 to ensuring all employee's understanding of such rights	

ASPECT: NON-DISCRIMINATION

G4-DMA	Discrimination laws are of huge importance and several channels of communication are provided for ease and transparency	
G4-HR3	No discrimination incidents have taken place in this reporting period	SDG 5: Achieve gender equality and empower all women and girls and SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	All employees' comfort is accounted for and channels of communications are provided for any grievances, however there are no collective bargaining associations. A staff union is in place	
--------	--	--

G4-HR4	All employees' comfort is accounted for and channels of communications are provided for any grievances, however there are no collective bargaining associations. A staff union is in place	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
--------	--	---

ASPECT: CHILD LABOR

G4-DMA	ALEXBANK operates in Egypt and adheres to the Egyptian labor law safeguarding its employees of all segments. Furthermore, the Procurement department has strict regulations at place that prevent it from dealing with suppliers that have inconsistent or incomplete records on its workers, or with suppliers who fall at risk for incidents of child labor or hazardous exposure to its employees. The Procurement department updates its vendor register every two years, and all new suppliers need to prove they are certified and that adhere to Egyptian laws and sector-specific regulations. They are then investigated by the department prior to adding them to the vendor registry.	
G4-HR5	ALEXBANK operates in Egypt and adheres to the Egyptian labor law safeguarding its employees of all segments. ALEXBANK is committed to measures set by the local labor laws, Intesa Sanpaolo's code of ethics, rules and policies updated annually, and international regulations and standards.	SDG: 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: FORCED OR COMPULSORY LABOR

G4-DMA	ALEXBANK operates in Egypt and adheres to the Egyptian labor law safeguarding its employees of all segments. Furthermore, the Procurement department has strict regulations at place that prevent it from dealing with suppliers that	
--------	---	--



G4-HR6	<p>on its workers, or with suppliers who fall at risk for incidents of child labor or hazardous exposure to its employees. The Procurement department updates its vendor register every two years, and all new suppliers need to prove they are certified and that adhere to Egyptian laws and sector-specific regulations. They are then investigated by the department prior to adding them to the vendor registry.</p> <p>ALEXBANK operates in Egypt and adheres to the Egyptian labor law safeguarding its employees of all segments. ALEXBANK is committed to measures set by the local labor laws, Intesa Sanpaolo's code of ethics, rules and policies updated annually, and international regulations and standards.</p>	<p>SDG: 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
--------	--	--

ASPECT: SECURITY PRACTICES

G4-DMA	All security personnel receive customer service, communication, and verbal de-escalation training.	
G4-HR3	The whole security team has been provided with training regarding human rights policies and their application to security	<p>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>

ASPECT: INDIGENOUS RIGHTS

G4-DMA	In 2017 no reports emerged on possible violations of the rights of the natives; Equator Principles.	
G4-HR8	In 2017 no reports emerged on possible violations of the rights of the natives; Equator Principles.	<p>SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>

ASPECT: ASSESSMENT		
G4-DMA	Human rights assessments are vital and that is why in 2018 strict procedures will be implemented	
G4-HR9	No operations are subject to human rights reviews or human rights impact assessments, given the low materiality to our own operations.	
Aspect: Supplier Human Rights Assessment		
G4-DMA	Supplier human rights clauses are included in all contractual agreements. Performance of suppliers is not monitored.	
G4-HR10	No new suppliers are subject to human rights impact assessments.	
G4-HR11	No suppliers are subject to human rights impact assessments	
Aspect: Human Rights Grievance Mechanisms		
G4-DMA	Transparent communication is available for any grievances reporting.	
G4-HR12	There were no grievances.	<p>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>

ASPECT: LOCAL COMMUNITIES

G4-DMA	ALEXBANK works extensively on financial inclusion of which local communities are the main targets	
G4-SO1	58-95	



G4-SO2	There are no operations that have a negative impact on local communities	SDG 1: End poverty in all its forms everywhere and SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
--------	--	--

ASPECT: ANTI-CORRUPTION

G4-DMA	ALEXBANK has bylaws incorporating all aspects that fall under the umbrella of corruption. Any incidents that take place are written about in the newsletter for everyone to see, for no mistakes to be repeated	
G4-SO3	Any operation that takes place within the organization is heavily assessed for any kinds of risks that may exist. ALEXBANK takes risks very seriously as they perceive it as losses for the bank. For example, compliance trained 1,300 branch employees on fraud, money laundry, any incidents that can take place and at the end of this training takes place an assessment and if the employees don't pass it twice, they are removed from client interaction	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
G4-SO4	<p>a) Updated anti-corruption policies and procedures are in place, and are currently being reviewed by the BOD and Audit Committee.</p> <p>b) They will be published on our website, and circulated to all bank employees through our internal information network by the end of the second quarter of 2018.</p> <p>c) The anti-corruption policies and procedures will be published on the Bank's website and circulated to all business partners by second week of May 2018.</p> <p>d) &amp; e) 3,250 staff members have been trained on our policies and procedures in 2017, representing 70% of our staff population. The breakdown of trainees by functions is as follows:</p> <p>a. Risk: 296</p> <p>b. Compliance and AML: 18</p> <p>c. COO: 298</p> <p>d. Audit: 52</p> <p>e. HR: 48</p> <p>f. Marketing, Research and PR: 2</p>	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

	<p>g. CFO: 61</p> <p>h. Legal: 19</p> <p>i. Retail &amp; Branch Network: 2,211</p> <p>j. Microfinance: 5</p> <p>k. SBs: 24</p> <p>l. General Secretariat: 2</p> <p>m. Treasury and ALM: 3</p> <p>n. Corporate and MEs: 54</p> <p>o. Other (resignation and retirement): 157</p>	
G4-SO5	All incidents are reported and are minimal.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: PUBLIC POLICY

G4-DMA	Alex Bank does not deal with political figures	
G4-SO6	The bank does not fund political figures	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: ANTI-COMPETITIVE BEHAVIOR

G4-DMA	ALEXBANK does not engage in any activities that could affect the operations of any of its stakeholders	
G4-SO7	There are no legal actions pending	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



ASPECT: COMPLIANCE		
G4-DMA	ALEXBANK makes sure that it implements a rigorous system of screening and evaluation of any potential transaction.	
G4-SO8	No fines exist in the reporting period.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY		
G4-DMA	Moving forward, updated procurement mechanisms will ensure screening and preferring suppliers that adopt sustainability practices	
G4-SO9	All suppliers follow ALEXBANK's code of conduct and policies that cover impacts on society. However, their performances are not monitored	
G4-SO10	No suppliers are subject to assessments for impacts on society	
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY		
G4-DMA	ALEXBANK works on protecting human rights in all its operations and any human rights violations can be filed and will be aggressively taken care of	
G4-SO11	No grievances have been reported in this reporting period	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: CUSTOMER HEALTH AND SAFETY		
G4-DMA	<p>ALEXBANK's health and safety function is responsible to safeguard the health and safety of all individuals present in its premises (staff and customers) and adheres to the Egyptian health and safety regulations.</p> <p>Customers in general are a top priority for ALEXBANK. In this light, ALEXBANK's Customer Satisfaction Office was established in 2011. It is an independent office reporting to the Chief Executive Officer directly. The Customer Satisfaction office manages complaints/requests of information, whether verbal or written and prepares 3-monthly, bi-annual and annual reports that are shared with top management, the respective business, as well as the Audit Committee.</p> <p>Health and safety of ALEXBANK customers is taken seriously whether physically in our premises and branches or in form of the protection of their information and all related processes. Physical safety is ensured through the constant security monitoring of all branches, as well as the constant presence of trained security personnel and national police force representatives.</p> <p>ALEXBANK is also fully committed to cyber security threats through governance practices to ensure the customer services, products and customers related data stored, processed through ALEXBANK. Inset Sanpaolo offers its customers insurance product, a Global BBB, for negative impacts they might experience as a result of employee infidelity; forgery, counterfeiting and alteration of documents or securities; and computer fraud. ALEXBANK has a Local BBB that covers employee infidelity; loss of valuables on premises; loss during transport; forgery, counterfeiting and alteration of documents or securities; counterfeiting of money; damage to premises and their contents; and computer fraud.</p>	
G4-PR1	ALEXBANK is fully committed to cyber security threats through governance practices to ensure the customer services, products and customers related data stored, processed through ALEXBANK	



G4-PR2	<p>using the following practices:</p> <p>1. Governance over the customer services digital channels Customer facing service channels including and not limited to electronic financial channels undergo independent third party security assessment annually or upon major upgrade or release to ensure compliance with local regulatory (Central Bank of Egypt), Intesa Sanpaolo company security rules and regulations and industry standards are in compliance. Thus, ensuring consistent secure channel is offered to ALEXBANK customers.</p> <p>2. Governance over the partners' services As part of vendor governance program planned for 2018, ALEXBANK will ensure channels security policy that are derived from the Intesa Sanpaolo security rules, regulatory and industry standards will be enforced and ALEXBANK will practice due diligence on service providers and service partners involved in the digital backend services and channels that enable the customers' channels indirectly.</p>	
	No cyber safety and security violations have been recorded. Information about the violations in the portfolio of investments, if any, is not available, and maybe collected in the future.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: PRODUCT AND SERVICE LABELING

G4-DMA	ALEXBANK ensures the clear labeling of relevant products such as credit cards that are delivered to consumers	
G4-PR5	122-127	

ASPECT: MARKETING COMMUNICATIONS

G4-DMA	ALEXBANK ensures the use of effective, efficient marketing tools, with its own social media page, that does not violate any ethical standards, or targeted vulnerable populations such as children, given the nature of the industry	
--------	--	--

G4-PR7	No violations took place in the reporting period.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
--------	---	---

ASPECT: CUSTOMER PRIVACY

G4-DMA	All customer data processed is held internally within ALEXBANK with a very secure system	
G4-PR8	No breaches of customer privacy took place throughout ALEXBANK's lifetime or this reporting period.	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

ASPECT: COMPLIANCE

G4-DMA	All of our offerings are in line with the CBE's guidelines. Strict procedures are in place to protecting the rights and privacy of our customers	
G4-PR9	ALEXBANK does not have any fines in this reporting period	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all



