



## **Ethical Code of the Czech Banking Association**

### **I.**

#### **General Principles of Bank Behaviour**

1. The bank in its activities on the financial market shall, beyond the requirements of the law, pursue the ethical rules of conduct to its clients, set in the codes, to which it had acceded.
2. The bank shall maintain the confidentiality of information, connected with its contractual relation to the client, and observe the obligation of discretion. This includes also the principle of neither publishing nor releasing the data on the accounts, names and addresses of the clients to the third party. An exception to this principle is admissible in the cases, when the bank is obliged to provide data by the provisions of the law or in the interest of the protection and the safety of banking transactions and when the data are provided on the request of the client concerned or with his consent. Personal data of the client are handled by the bank in accordance with the Law on Personal Data Protection.
3. The bank shall cautiously handle the money deposits, the origin of which cannot be safely determined or is suspicious. The bank shall proceed so as to resist efforts to cover up illegal origin of money. The bank shall prudentially approach the clients, who collect their deposits in inadequately short time interval since when they were deposited, especially if these operations are repeated and if other circumstances indicate, that this might be an effort to conceal the origin of money.
4. When merging the financial means in the interest of the client (e.g. in establishing consortia) the bank shall maintain the same rules and conditions, as do other participants, and shall not push through unjustified advantages vis-a-vis other participants.
5. In promoting its products and services and in its advertising activities the bank shall present true information, without misleading components, and refrain from withholding significant facts and from offering the advantages, which could not be guaranteed. The bank shall follow the principles of trustworthy conduct both in advertising and in comparing its services with the services of competitors.

### **II.**

#### **Relationship of the Employee to the Bank-His/Her Employer**

1. The bank employee shall use his/her authorisation and fulfil his/her obligations ensuing from his/her position in the bank honestly and thoroughly, in good faith, with proper care and in the bank's best interest.
2. The bank employee shall care for deepening and expanding his/her professional and language qualifications. He/she shall fully utilise his/her qualification, abilities and working potential in the bank's interest.
3. The bank employee shall avoid any activity bringing his/her interest into conflict with the interest of the bank. This means in particular, that he/she shall give up any activity in business companies, whose activities are or could be contradictory to the interest of the bank. He/she shall not utilise on its own information and advantages acquired at the bank, where he/she is employed. He/she shall not use, without



employer's consent in writing, facilities or information of the bank, where he/she is employed for his/her private interest and private activities (e.g. software). Only with a consent of the responsible senior bank officer may a bank employee accept a position in other business subject, including the membership in its statutory bodies and supervisory boards, even if the activity of the subject is not in conflict with the bank's interest.

4. The bank employee shall maintain strict confidentiality in the matters of the bank, where he/she is employed, and in the clients' matters, which he/she would learn during the performance of his/her activities in the bank.
5. In his/her public presentations (that means e.g. in his/her publishing activities, in providing information to the media etc.) the employee shall always care for the bank's interest and business policies. He/she shall provide information on the internal matters of the bank, its intentions and strategies only after an approval by the bank management, by the public relations officer of the bank or through him/her. The bank employee shall avoid revealing any information for public and/or in communication with media, that contains data on the bank's client situation, which he/she acquires in the framework of the bank's business relation with the client, and any assessment of the client.
6. The bank employee shall not exploit his/her position in the bank for accepting or demanding financial or material advantages from any person, in particular from the bank's business partners and/or bank's competitors. He/she shall not utilise his/her position in the bank for offering similar advantages as well.
7. The bank employee shall also handle his/her personal and family matters in such a way as not to impair the good reputation of the bank-employer or give a reason for distrust.

### **III.**

#### **Relations of the bank and its employees to the clients**

1. The bank shall apply an impartial approach to all clients and refrain from giving unjustifiable advantages. In rendering services it shall not favour its interest over the interest of the customer and shall not try to misuse its position for imposing to the client unjust or unequal conditions of the business relation. The employee of the bank shall apply a polite, correct and impartial approach to all clients. Business dealing shall be conducted fairly, impartially and in accordance with the criteria of the commercial consideration, without giving to anyone either prejudiced or preferential treatment, ensuing from the personal motives of the employee.
2. The bank shall render services to clients on a qualified standard, professionally, honestly and carefully, with proper care, regarding the individual conditions and requirements of clients.
3. The bank shall consider suitability of service for certain client on the basis of facts emerging from the negotiation on the contractual relation and refrains from offering to the future client the service, the contract obligation connected to which might be beyond the client's ability to comply with. Even in applying the rule "know your client" the bank shall regard the client's right for privacy and for personality protection.



4. The bank shall give the clients non-misleading, true and clear information on its services and conditions under which they are offered, understandable for an average client, on whom the given product is focused.
5. The bank shall render to the clients sufficient information and explanation, relating to the envisaged or existing contractual relation to the client, including the service on offer. This information shall be rendered to the client prior to the conclusion of the contract at a time notice, adequate for familiarising with the contract; in the course of the contract's duration the client shall be informed of the envisaged alterations of the conditions in a time advance, determined in the contract.
6. The bank shall inform the client of the possibility to raise an incentive or complaint in connection with the bank's activity and with the conduct, applied by the bank in the solution of complaints, including further possible proceedings in case of either non-solution of the complaint or complaint solution to the dissatisfaction of the client.

#### **IV.**

##### **Mutual relations between banks**

1. The bank shall observe good practices, rules of the economic competition, commercial practices and rules of fair and honest business contacts. The banks shall compete by an offer of good quality services and shall not underbid the clients by rendering of unjustified advantages. The bank shall avoid untrue, slanderous and contemptuous statements about the services of its competitors. Business competition, acquisition, publicity and advertising shall be performed so as not to impair the creditworthiness nor damage the prestige of commercial banking sector as a whole.
2. The banks shall avoid all that might lead to an impairment of the requirements of this Code either in its general part or in its parts relating to the employees.
3. In staff matters the banks shall behave prudentially, so as not impair each other the potential of committing the employees to maintain the ethical principles of the Code or to draw consequences from breaching of these principles. Particularly in the cases, when the employee leaves a bank to become employee of another one, the bank shall, when accepting such an employee, consider whether the employee had not previously violated strongly the principles of this Code.
4. Observance of this Code shall be monitored by the Ethical Council of the Executive Board of the Czech Banking Association (CBA) and the conclusions or contradictions established from this shall be resolved by the Ethical Council of the Executive Board of the CBA in accordance with the appropriate parts of the CBA Statutes. CBA shall assess In appropriate time intervals CBA shall assess the possible of up-dating or further specifying of this Code.

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