



Group Customer Complaints Management Policy

1. PURPOSE

It is important that the Group including Top Management instil a culture where complainants are treated fairly. The complaints handling mechanism is perceived as a valuable opportunity to find out what the Group needs to do to improve, re-build and enhance communication and relationships with its customers as well as to safeguard clients' trust and confidence, especially when something goes wrong.

The purpose of this policy is to provide the foundation for implementing a consistent, diligent, efficient and impartial approach throughout the Group for the handling of customer complaints, specifically, to introduce common organisational governance, procedures and tools for the support of a customer complaints management system in order to ensure that:

- i. All Group Entities are committed to the fair treatment of their customer complaints.
- ii. All requirements of applicable legislation are fulfilled.
- iii. All customers are adequately informed as to the procedure to follow when they want to make a complaint.
- iv. All members of staff understand how to effectively handle a complaint and all roles and responsibilities in relation to complaints handling are well defined (see appendix A).
- v. All customer complaints are independently investigated and properly handled.
- vi. All customer complaints are recorded, resolved and the resolutions are made known to the customer in due course, within the deadlines specified in the related legislation and guidelines issued by local competent authorities, so that the Group can maintain a high level of service and excellent customer relations.
- vii. All complaints received through the Financial Ombudsman, are treated effectively within the time frames set.
- viii. All Data Privacy related complaints are recorded, resolved and the resolutions made known to the customer within set strict timeframes as described in the relevant procedures.
- ix. All issues arising from a customer complaint are correctly managed, honouring the Group's commitment to:
 - a. True and fair dealing with customers; ~~and~~
 - b. Compliance with the spirit as well as the letter of all regulations
 - c. Investigate the root cause and implement controls to avoid reoccurrence
- x. The Group benefit from the systematic statistical analysis of the customer complaints recorded in the system through:
 - a. Suggestions and recommendations for remedial actions and for the improvement of products, processes ~~and~~ services and internal controls and
 - b. Pro-active actions to eliminate complaints of similar nature.

2. APPLICABILITY

This policy applies to all Group Entities.

All Group Entities must, as a minimum, meet the requirements of this policy. In any country where the requirements of applicable legislation, directives or practices establish a higher standard, the corresponding Group Entity must meet those standards.



3. DEFINITIONS

Customer Complaint:

An oral or written expression of dissatisfaction, protest, objection, dispute or disagreement whether justified or not, made to an organization, in relation to its products or services, its personnel or the organization itself.

Financial Ombudsman (FO):

The Financial Ombudsman (or Financial Commissioner) is appointed by the local government, but with a significant degree of independence, and under certain circumstances he/she acts as an additional dispute complaints resolution authority to investigate and addressing complaints and propose friendly settlements (out of court) on disputes between consumers and financial institutions.

Alternative Dispute Resolution Body (ADR):

An organisation accredited by the relevant local authorities so as to provide out of alternative dispute resolution services in accordance with the requirements of the legislation. Alternative Dispute Resolution (ADR) refers to any procedure for settling a dispute out of court.

4. POLICY - GENERAL PRINCIPLES

Each Group Entity must ensure that they maintain and implement written policies, procedures and controls for complaint handling that encompass the following principles:

- i. This policy is endorsed by the Entity's Senior Management who is ultimately responsible for its implementation and for monitoring compliance with it. Specifically, complaints handling should be embedded in the Group's governance structure with Senior Management actively monitoring the process and driving remedial actions and policies to improve procedures, products etc. Senior Management should have ownership of the procedure, receive regular reporting on customers' complaints, impose remedial actions and, as and when necessary, discuss complaints as a standing item at Executive Committees.
- ii. Procedures for handling customer complaints should be documented in local procedures manuals and circulars. The definition of complaint should be adequately explained in all related written complaints procedures (e.g. with practical examples) and should also include but not restricted only to complaints arising from the negotiations of credit terms and granting of loan facilities and loan restructurings, etc.
- iii. Pro-active and efficient measures should be designed and implemented to promote the Group's policy that all customer's complaints are welcomed based on the Group's commitment to deliver excellent service every time a customer interacts with and also as a source of information used that help the Group to continually improve processes and procedures, so as to deliver the best possible service to its customers.
- iv. The procedure on how to file a complaint and how this will be resolved should be adequately communicated to customers in an easily accessible manner. For example, this should include:
 - Reasonable means that should be made available to customers to file a complaint, e.g. in writing, in person, via telephone, through the website, etc.
 - The process to be followed when handling a complaint, including the handling timelines and acknowledgements required. The complainant should be kept informed in cases where more time – beyond the expected regulatory time limits - is needed for further handling of a complaint.



- Timeframes for complaints handling as stemming from the Regulatory Framework should always be implemented. It should be noted that timeframes may differ from regulation to regulation. Therefore, these should be taken into account accordingly and should be specified in circulars and procedures e.g. Payment Services Directive 2 differs from those of Financial Ombudsman Law.
- Alternative dispute resolution process such as their right, the circumstances and the procedure to refer to the FO/ADR Body if they are not satisfied with the complaint's resolution (including contact details of FO/ADR Body).

This procedure should at least be published on the Bank's website. It can also be displayed at the Bank's servicing points and included as a reference in customer documentation.

- v. All employees should be aware of the relevant procedures and receive appropriate training. Guidance should be provided to support front-line complaint handlers on resolving complaints (e.g. guidance on common simple complaints).
- vi. Complaints are handled and monitored by the CMU in cooperation with the line LCCCs. The CMU should monitor each complaint/ requirement, by contacting the relevant line LCCCs involved, to get their comments/information in order to prepare and finalise the reply to the FO. In case of HR related complaints (that is, complaints that relate to staff behaviours, bad management practices, violation of the Bank's policies and/or procedures and/or Code of Conduct etc.), the complaints are assigned to regional management and simultaneously the HR Division is informed.
- vii. All complaints should be recorded, whether they are resolved locally or escalated further to other authorities within the Group entity. The Group should have in place processes and procedures that allow the easy and non-bureaucratic recording of complaints. This should be actively monitored and encompassed by local management.
- viii. All complaints should be investigated thoroughly, consistently, fairly, promptly and independently. Management controls should be in place to achieve this.
- ix. The procedures should contain at least the following:
 - Mechanisms for logging, assigning and tracking complaints.
 - Mechanisms for efficient record-keeping of complaints.
 - Mechanisms and controls to ensure confidentiality in dealing with the customer complaints.
 - Requirements for an immediate written reply to be given to acknowledge the receipt of a complaint. If possible, the customer should be provided with an expected notification date of resolution at the time of logging a complaint.
 - Requirements for informing a complainant that an answer cannot be provided within the expected time limits, and if possible, indicate when the Bank's investigation is likely to be completed.
 - To effectively examine and respond to complaints received by the FO/ADR Body based on the local regulation and guidelines set by the competent authorities.
 - All written correspondence with the customer regarding the complaint should be reviewed by Legal (unless relevant templates exist or response is of an administrative and/or operational issue nature such as acknowledgments, general policy issue etc.), pre-agreed templates may be used to eliminate legal and other related risks.



- x. Processes should ensure that entities/branches/service lines analyse, on an on-going basis, complaints–handling data to ensure that they identify and address any recurring or systemic problems and potential legal and operational risks. These may include technical/ compliance /policy/operations or any other issues. Any significant trends, systematic problems or causes of complaints should come to the attention of senior management for remedial action. More specifically, root- cause -analysis should be used and remedial actions should be properly planned, implemented and monitored so as to avoid reoccurrence and eliminate potential operational and reputational risks.
- xi. Procedures and management information tools should be in place to ensure proper internal and external reporting on complaints. Reporting requirements should be well identified and implemented, and reporting ownership should be decided, even though, as a general principle, reporting should be done and monitored at each Line Level. Reporting should also include proactive recommendations for management response. As regards to external reporting, each entity should ensure that it provides their competent authorities with timely and effective reports as required by the local regulatory framework.
- xii. Procedures and controls should be in place to obtain independent assurance (e.g. from Group Internal Audit, Compliance Division etc) as to the compliance of the complaints procedures with the requirements of all internal policies, manuals and external regulatory requirements.
- xiii. Liaisons should be assigned to act as a central point of contact with the FO or other ADR Body. The liaisons must ensure that the complaints received through the FO or other ADR Body are duly dealt with.
- xiv. Bank customers and other external stakeholders may use the complaints handling mechanism to report also any suspicions for fraud. These cases should be escalated in strict confidence and in accordance with the Banks internal procedures.
- xv. Local Management should actively oversee the implementation process and ensure that all complaints are properly and efficiently escalated, resolved and recorded and that the customer is properly and timely informed.

Each department of the Bank is responsible for overseeing compliance with this policy via monitoring the implementation of internal procedures. Final responsibility for implementing the above procedures rests with Line Management, while Top Management must have an overall oversight.

5. ROLES & RESPONSIBILITIES

All responsibilities should be clearly assigned, explained and monitored (please refer to Appendix 1). Replacements should also be assigned.



6. SUPPORTING PROCEDURES

- i. A Circular must be drafted by each implementing Group Entity and submitted to local compliance function for approval. The Circular should describe the standards and procedures for handling customer complaints in such a way as to comply with this policy. It should be revised as the need arises.
- ii. Each Country Unit implementing a Customer Complaints application(system) must configure it in such a way that:
 - a. It meets all internal and/or legal service level agreements,
 - b. It meets any external regulatory requirements on the handling of customer complaints (e.g. Central Bank requirements)
 - c. It suits its current/local infrastructure; however, the application must be implemented in such a way, that it is accessible by all members of staff, depending on their predetermined role.
- iii. All responsibilities should be clearly defined and monitored. The assignment of responsibilities should be decided at an Entity level to accommodate local requirements and it needs to be approved by Top Management of the Country and the local compliance function.

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RESPONSIBILITIES IN RELATION TO COMPLAINTS HANDLING

<p>Board of Directors</p>	<p>The Board of Directors is responsible for overseeing the Group's compliance with this policy.</p>
<p>CEO</p>	<p>The CEO has the final responsibility for implementation and adherence to this policy throughout the Group, and the imposition of remedial action.</p>
<p>Line Directors</p>	<p>Line Directors have the ultimate responsibility and accountability for adherence to this policy (owners) and corresponding circular within their Divisions. Specifically, Line Directors are responsible for monitoring the implementation of relevant procedures, taking final decisions when necessary on complaint resolution, receiving regular reporting and imposing remedial actions when deemed necessary.</p>
<p>Business Unit Manager / Regional Managers/Branch Managers</p>	<p>Officers with supervisory, regional or Branch management duties are responsible for ensuring the business unit is operating in a manner that deals with customer complaints as per the requirements of this policy and corresponding circular. This includes ensuring all staff receive the appropriate training and supervision and understand the requirements of this policy. Middle level managers are responsible for all written correspondence pertaining to customer complaints, which they should sign. Subject to the nature and degree of seriousness of the complaint, Unit or Regional Managers may take final decisions or forward to the next level of authority for approval.</p> <p>Middle level managers are also responsible for reporting any compliance breakdowns to the next level of management and for taking measures to minimize the risk of breakdowns in the future.</p>
<p>Line Customer Complaints Specialist/Coordinator (LCCC)</p>	<p>Each Line of Business should assign a LCCC who should act as a specialist in the resolution of customers' complaints. S/he should be a member of staff with a wide range of knowledge of the products and services offered by the division/subsidiary. S/he should have an advisory role and his /her input may be obtained before a complaint is forwarded to the next level of authority (e.g. the Director). Such a person may also be assigned at each Regional Management level.</p> <ul style="list-style-type: none"> • Have the overall responsibility to monitor, coordinate and facilitate the implementation of this policy in his/her line of Business and support Management and staff (e.g. via training) in fulfilling his/her duties in relation to this policy and corresponding circular. S/he should have full access to the system application and should prepare the relevant complaints reports of the specific business line and



relevant complaints statistics including relevant recommendations using the root cause analysis and follow up remedial actions. Quarterly reports prepared for and submitted to local Management and the CMU, form part of this monitoring of complaints.

- Act as a coordinator who will receive for further handling and resolution complaints coming from the FO office / ADR Body (not directly but through the department acting as Liaisons) This person should also be responsible for providing the Central Coordinating Authority with progress information for each complaint on a regular basis as above.
- Prepare quarterly reports to his/her Management, the CMU and Compliance Division in relation to the management and handling of complainants, on customer complaints statistics and other relevant issues and make relevant recommendations for remedial actions.
- Monitor the number of complaints of their Division / Region, their severity and their resolution timeframe, in relation to the expected completion date.
- Monitor any delays in handling and resolving complaints and assist in the smooth and speedy conduct of the process.
- Monitor the development and implementation of measures resulting from his/her recommendations for corrective actions and include relevant reference in his/her reports.

This role may be assigned to the Local Compliance Officer.

Complaints Liaison Officer

An officer acting as a point of contact between the FO or other ADR Body, and the organization for issues relating to customer complaints (other than appeals on Loan restructuring).

All complaints received from the FO/ADR Body are initially recorded into the supporting system by the CLO and forwarded to the responsible LCCCs (according to the line of Business that the complainant belongs) for further handling.

All communication between the organization and the FO or other ADR Body goes through the CLO, who maintains records of all complaint cases forwarded to the organization by the FO/ADR Body and monitors the pending requests aiming in the effective and efficient cooperation between the organization and the FO/ADR Body during in the resolution process.

Compliance Division

CD has the overall responsibility for coordinating, facilitating and monitoring the implementation of the policy.



CD is responsible for:

- Updating this policy as and when required (at least once a year).
- Monitoring (as second line of defence) at least on an annual basis adherence to this policy and procedures and informing Top Management accordingly.
- Providing guidance, support and advice to Local Compliance Officers and Business Units (including subsidiaries) on compliance with this policy apart from the routine support to be provided by the CMU.
- Reviewing all external announcements in relation to complaints handling procedures of the Bank (e.g website announcements).
- Monitoring the complaints management regulatory framework and ensure that any changes are implemented by the Group on time in an efficient and effective manner.
- Overseeing and monitoring the complaints management process and key statistics (including reports submitted by the CMU), utilizing customer complaints as a source of relevant information and reporting accordingly (as and when required) to Top Management as to the effectiveness of the process; providing recommendations that require management response.
- Providing relevant quarterly reporting to competent authorities.
- Support Lines to engender a truly customer centric philosophy.

**Complaints
Management Unit
(CMU)**

CMU operates under the Deputy CEO and is responsible to:

- Follow the relevant regulatory framework and ensure that the relevant procedures, systems and circulars are in compliance with this.
- Capture, register, facilitate and recommend remedial actions regarding the management and resolution of the complaints submitted.
- Organize and lead focus groups aiming to collect primary information and identify problems/weaknesses related with current processes or systems (Business Analysis) and follow root cause analysis to identify areas of improvement / remedial actions.
- Proceed with Business Analysis and Requirements and submit relevant IT Requests upon collecting relevant approvals required from the related stakeholders (e.g. CDC, Compliance, Divisions, etc).
- Support CD and Line Divisions in monitoring complaints that come through the FO office / ADR Bodies as well as other competent authorities such as the CBC and ECB. This may entail registering



and escalation of complaints from these competent authorities, collection of data required, direction on remedial actions, etc.

- Monitor prioritization and ensuring that regulatory time-frames are met and complaints' resolution is achieved.
- Liaise with Legal to prepare pre-agreed response templates to be used to eliminate legal and other related risks etc.
- Liaise with Compliance Department for recommendations on the complaints handling process.
- Recommend & facilitate the implementation of remedial actions/resolutions of customer complaints cases, both at Divisional and Bank Level.
- Ensure the non-bureaucratic recording of all customer complaints in the Complaints Management System and capitalize on the learnings derived from the acknowledgement of these complaints.
- Identify Bank training needs on Complaints Handling, prepare training material and organize training sessions/seminars in collaboration with relevant stakeholders (e.g. Compliance Division and other Divisions management and staff).
- Provide relevant support to the staff as and when required
- Facilitate and co-ordinate the provision and availability of various tools required to support complaints management, and guide and support LCCCs and other members of staff accordingly. This involves amongst other:
 - Administrating the Complaints Management System, reporting tools and related procedures.
 - Preparing supporting documents and procedures, e.g. managing notification procedures with relevant timeframes.
- Report to Divisional Director and CD on customer complaints statistics (including root cause analysis) and other relevant issues and recommendations.
- Report to Top Management on customer complaints statistics (including root cause analysis) and other relevant issues and recommendations. More specifically, provide Group analysis & statistics with recommendations on remedial actions to be taken on a monthly basis to the EXCO and half-yearly to the AC.
- Prepare and update accordingly the Circular which describes the standards and procedures for handling customer complaints in accordance with this policy.
- Potentially assuming the role of the CLO, acting as Liaison with the FO/ADR Body with regards to qualified complaints referred to his office. The initial complaint from the FO/ADR Body will be forwarded to this Authority (CLO). CLO will record and then forward to LCCCs where it will be escalated and monitored accordingly.



<p>Legal Services</p>	<p>Legal Services are responsible for providing general advice on relevant legislation pertaining to customer complaints, and for providing support, guidance and advice to Business Units/Subsidiaries in relation to legal issues on specific customers' claims. Legal Services are also responsible for providing templates and review as and when necessary written correspondence with customers. Also, a methodology should be used to align customer complaints that were led to legal claims/cases.</p>
<p>Information Technology (IT) Services</p>	<p>IT Services are responsible for providing the relevant tools to support implementation of this policy. In particular, they are responsible for collecting all user requirements for changes / upgrades to the system, assessing the requirements, estimating the implementation cost and implementing the required changes/enhancements.</p>
<p>Internal Audit Division</p>	<p>As third Line of Defence, the Internal Audit Division, in accordance with its risk-based procedures, carries out periodic reviews in relation to the management of customer complaints, in order to provide assurance as to the adequacy and effective implementation of the policy and relevant procedures.</p>
<p>Operational Risk Management Department</p>	<p>The operational risk department should review from time to time complaints statistics and relevant data to identify weaknesses / gaps to ensure that any valid complaints leading to potential operational losses are properly recorded by business lines as per ORM policy / procedures.</p>
<p>Human Resource Division</p>	<p>It should be noted that it is also responsible for the handling of HR related complaints, in line with internal procedures. In case of HR related complaints (that is, complaints that relate to staff behaviours, bad management practices, violation of the Bank's policies, procedures and/or Code of Conduct etc.), the complaint must be forwarded to HR Division for handling in consultation with Internal Audit (where applicable).</p>
<p>All other officers/staff</p>	<p>All officers of the Group are responsible for complying with this policy and its related procedures.</p>

