



# Code of ethics and conduct

Living our culture,  
living our values.



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“Ethics is knowing the difference between what you have the right to do and what is the right thing to do.”

**Potter Stewart**

For more than a century our company has been an example of ethical work and it has been committed to the country's development; attributes based on the values with which we were born and governed by them, we have constantly behaved accordingly before society. The fundamental premise of Banco Pichincha's philosophy and management has always been “building and giving back trust”.

This recognition is the result of appropriate strategies and, above all, clear guidelines of conduct for shareholders and employees; which also represents a permanent commitment to all our stakeholders.

Hence, the “Code of Ethics and Conduct” is a guide that establishes general standards which covers how we should conduct ourselves as members of the Pichincha Family, and it is the guide which outlines our responsibilities in order to uphold the institutional image and reputation that we have built.

Therefore, care is taken to ensure knowledge of the “Code of Ethics and Conduct” and we encourage compliance thereof, as it is a document specifying “what should be done and what should not be done”, as well as providing practical information and resources to improve relationships with our stakeholders.

**Sincerely,**

**Antonio Acosta**  
**Presidente**

**Santiago Bayas**  
**Gerente General**

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# Preliminary Considerations

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This Code of Ethics and Conduct reflects the values as well as ethical and behavioral principles that BANCO PICHINCHA C.A. (hereinafter referred to as the "Bank"), as such and as the parent company of the 'Grupo Financiero Pichincha', considers must be observed both in the Bank itself and in the companies of its Financial Group, and to this end, each of them should adopt it as their own, in their working relationships with shareholders, clients, employees, goods and services providers, other institutions of the Financial System and society in general.

This document is intended to provide and support good practices, uses, constitutional guidelines, relevant laws, and guidelines established by control bodies. It also seeks to preserve legal principles on confidentiality, ethical and professional management of assets, of information and documentation; the compliance with the provisions contained in the Manual of Policies on Prevention of Money Laundering and, in general, in the rest of the Bank's manuals and policies.

Compliance with the standards set out in this code will ensure that relationships, behaviors, actions and contracts continue to adhere to the ethical, moral and legal principles that have characterized and differentiated the Bank since its establishment. Non-compliance with the conduct set out in this Code shall be penalized in accordance with the Bank's Internal Working Regulation and each of its Subsidiaries and Affiliates' Internal Working Regulations, if applicable.

# How we work

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# 1

# How we work

## 1.1. Our values

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The culture of the Bank, as well as of the 'Grupo Financiero Pichincha', is based on institutional values which govern the relationships among its employees, clients, shareholders, suppliers, communities, oversight entities, and colleagues. Such values are the following:

### Coherence:

- We act with principles of honesty and transparency
- We foster fair relationships with clients from all segments
- We act under the principles of integrity

### Effort (to be the best):

- We strive for excellence in everything we do
- We promote the desire to grow and improve
- We challenge ourselves to envision business opportunities
- We provide clarity on objectives and goals to be reached

### Responsibility:

- We honor our commitments
- We act diligently and decisively with our clients
- We are open to be held accountable for our actions

### Significance:

- We act as "coaches" (trainers), to help people to be better
- We help our clients throughout their whole life
- We get involved with the community
- We act as entrepreneurs
- We promote collaboration and search for synergies

We have the responsibility and conviction to act in an ethical manner and to report immediately any behavior that goes against the values and principles within this Code, through the channels for such purpose, and which are included in this document.

## 1.2. Senior Management and Managers Responsibility

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The Bank's administrators, representatives, officials and employees in general, must become behavior models and practice ethical leadership with all their stakeholders. The leaders are responsible for periodically addressing ethical issues with their teams and for promoting the alignment of all employees with the Bank's philosophy.

Ethical behavior is considered as a key variable to consider the continuance of an employee with the Bank, regardless of their position or office. Senior Management and Managers must look out for situations or actions that may be considered as breaching this code, legal standards in general, as well as internal policies and processes.

Senior Management and Managers shall never participate nor tolerate any kind of code violations; having knowledge of them and not reporting them shall be considered as a major violation that may risk the reputation of the Bank, its employees, clients, providers, among others.



## 1.3. Purpose of the Code of Ethics and Conduct

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The principles, duties, conduct, and obligations provided within this code are oriented towards strengthening the ethical values and principles that consolidate all the relationships as a result of the Bank's operations. This code aims to establish and communicate the conduct the Bank expects.

The Bank must permanently align and reinforce its ethical culture by voluntarily adhering to internal or external initiatives towards promoting better economic, social, and environmental practices within its chain of value.

## 1.4. Field of Application

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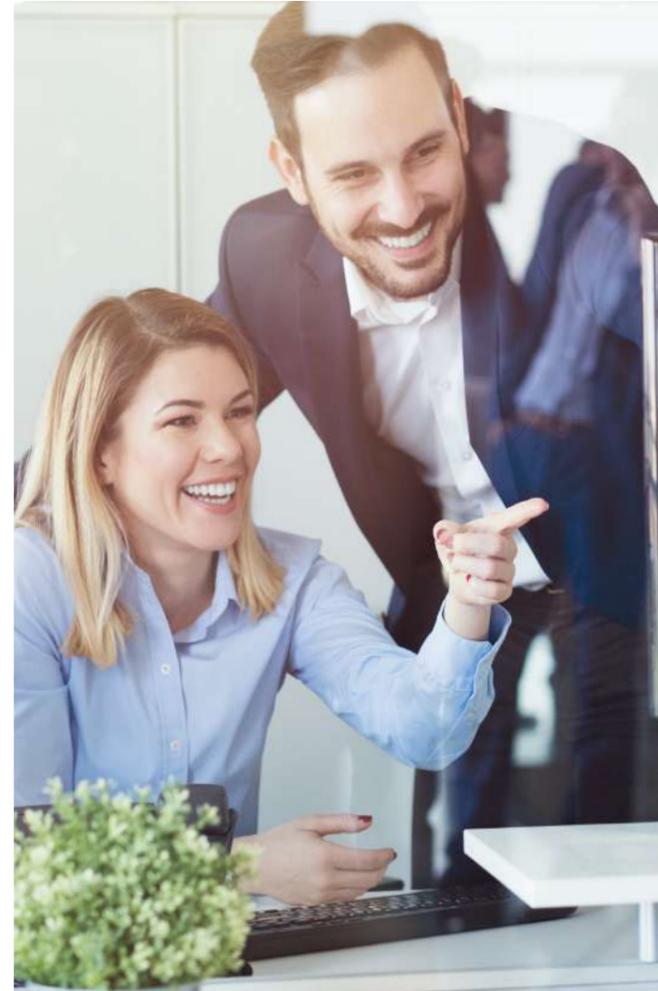
### Scope

This Code of Ethics and Conduct must be applied and fulfilled in the Bank, as well as in the companies within its Financial Group which have adopted it as their own, in every relationship, and especially and particularly with the following people:

- Shareholders and Directors.
- Employees, with or without a contract, such as: consultants, officials, agents, business factors, and interns.
- Providers of goods or services in general.
- Clients.

## Ethical Behavior

This document must be constantly made known among all the people and stakeholders through the Bank's formal channels (web page, institutional email, among others). Every person within the scope of its application is individually responsible for knowing and promoting its compliance and request advice for its correct application, if necessary.



This Code aims to provide and communicate the conduct expected from all our employees.

## Code Application Management

Every person within the scope of its application, is responsible for reporting or taking any concern to their supervisor, their HR advisor, the Social Work staff, or the Oversight and Internal Affairs staff, especially anything that goes against the code, the legal standards, as well as the Bank's policies and procedures.

### The contact channels are as follows:

- E-mail ([usrpdenu@pichincha.com](mailto:usrpdenu@pichincha.com)): Internal suggestions, recommendations, and concerns about ethical and financial issues, for example, but not limited to fraud, actions against the Internal Regulations, non-ethical proposals, corruption/bribes, conflicts of interest, breaches of the Information Security policies, anything that goes against the Bank's policies and procedures, misuse of classified client information or regulations subject to bank secrecy by employees.
- Phone number: (593) 2 2980 980. Extension 595859
- Or the ones periodically established by the Bank.

## Ethical issues approach

Those who are part of the Bank or render services to the Bank shall comply with principles, such as loyalty to the bank, rectitude, independence, impartiality and discretion without superimposing any kind of personal interest; maintaining an impeccable professional conduct; avoiding and reporting any situation which may be considered as a conflict of interest.

Any suspicion, evidence or knowledge that someone within the Bank or associated with it, is participating in a wrong or inappropriate behavior, must be promptly reported by the person who has the suspicion, evidence or knowledge including all the information they may have. The report must be made "in good faith," without seeking to harm the other person, but safeguard the interests of the Bank.

The Bank will not tolerate nor take action against a person who in good faith files a report of a potentially malicious event.

This Code provides a general description of the conduct employees and stakeholders who act on behalf of the Bank must abide by; however, it does not foresee all negative situations that a person may face when carrying out their responsibilities or in their daily activities as a Bank employee. If the person considers an action may constitute an awkward, wrong or unethical situation, it is best to reflect on it and analyze its scope in order to decide if it must be reported. The complainant will have the Bank's full support, as well as the necessary protection and discretion of the case during the entire investigation process. As it is the obligation of the employees to be loyal to the Bank; no employee may refuse to be part of an investigation to mitigate malicious or unethical events.



## 1.5. Regarding the Ethics Committee, the conflict of interest and the personal benefits

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The employees of Banco Pichincha and of the Organization in general should not take action to obtain personal benefits on occasion or as a result of performing their functions, nor in any transaction in which a shareholder, official, director, or administrator, or their spouses or partners and relatives within the second degree of kinship or first of affinity, may have any interest.

They shall not be allowed to grant any type of benefit that goes against the limitations and conditions established by the Bank and the Organization's policies, their bylaws, and regulations in force, to any client, supplier or any other person.

Given the nature of the business, a transaction (not limited only to credit transactions) between the Bank and a third-party may result in a potential conflict of interest, the Ethics Committee shall analyze every transaction with an inherent risk of conflict of interest of over 3% of the Bank's assets before they are carried out, it shall supervise that any potential risk of conflict of interest, related to these transactions, is appropriately handled, and the transactions with no potential for conflict of interest shall be monitored ex-post. The Ethics Committee shall be comprised of independent Directors.

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**“Ethics are  
nothing but  
reverence  
for life”  
Albert Schweitzer**

# Our Organization

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## 2. Our Organization

### 2.1 Relationship with employees

- Hiring philosophy
- Continuity philosophy Dismissal philosophy
- Diversity and non-discrimination
- Harassment
- Family and work life balance
- Personal and family welfare
- A safe workplace
- Absenteeism
- Respect and promotion of Human Rights
- Speaking on behalf of Banco Pichincha
- Appropriate Conduct
- Use of company's goods and services

### 2.2 Sustainable management model

- Fair and diverse work practices
- Responsible finances
- Fair work practices

# 2

## Our Organization

### 2.1. Relationship with employees

#### Hiring Philosophy

The Bank applies a recruitment process based on an objective assessment methodology which allows selecting and hiring candidates with values, knowledge and suitable skills for each job position.

It is key to respect the candidate during the process, as it is based on dignity and the right to self-identity, respecting every person without discriminating by gender, ethnic minorities, special capacities, or others.

#### Continuity Philosophy

The Bank aims to favor a healthy and productive work environment which channels potential and innovation of each of the employees and promotes cooperation and teamwork. Equal opportunities for employees are based on their profile, i.e. their education, skills, and attitude, for which, fair assessment measures of their knowledge and performance are put into place.

### In order to achieve this, the Bank is conscious of:

- Abiding by the labor laws.
- Respecting and appreciating the identity and difference among people (gender, ethnic minorities, special capabilities, among others).
- Protecting the environment, as well as occupational safety and health.
- Offering compensations and benefits according to the corresponding salary levels.
- Providing training and acknowledgement programs according to the organizational needs.
- Promoting the professional development of employees using internal promotion policies, succession plans, and career routes.
- Managing and facilitating the adaptation of employees to the transformational processes the organization requires.



## Dismissal Philosophy

The Bank manages cases in which the civil or labor relationship with an employee is terminated in a timely and appropriate manner and ensures the compliance of the legal regulation in force.

## Diversity and non-discrimination

The Banks respects the constitutional and legal rights and recognizes the individual's dignity, by respecting their self-identities, differences, freedom, and privacy, therefore any kind of harassment and discrimination based on race, creed, religion, sex, age, different capabilities, sexual orientation, skin color, gender, marital status, language, criminal record, socio-economic status, migration status, health condition, HIV positive, physical difference, nationality, or any other political, ideological, social, and philosophical reason; or in any other personal or collective, temporary or permanent distinction, is forbidden.

## Harassment

Any kind of harassment is forbidden, including but not limited to verbal harassment (degrading comments, mockery, threats, or defamations, among others), physical harassment (unnecessary and offensive contact), visual harassment (dissemination of images, gestures, or degrading or offensive messages) or sexual harassment (insinuations or requirements).

## Family and Work Life Balance

Each person must ensure an appropriate balance between their work and personal life. Furthermore, the Bank offers adequate conditions so that its employees may find a balance between their work and personal activities, by promoting respect for the working hours established by law, work licenses, and encouraging the use of vacation time for engaging in other activities equally important such as spending time with their families, as well as fun, sporting, cultural, educational activities, in order to ensure their physical and psychological well-being, as well as their appropriate work performance.

## Personal and Family Balance

The Bank promotes a safe work environment by providing adequate conditions and training among its stakeholders and tries to extend these good practices to the families of their employees. It is their duty to know and abide by, as it well does, the Environmental, Health and Safety Regulations and Policy.



## The main lines of action are the following:

- **Prevention of occupational risks.**– Generating a culture of occupational safety and health, emergency plans, and simulations, creation of joint committees, identification, measurement, assessment, and risk control.
- **Prevention of occupational illness.**– Employees are subject to occupational examinations, prevention and vaccination campaigns, research on occupational diseases and accidents.
- **Promoting the integral development of the person.**– In accordance with the law, in case of severe and occupational accidents, presumed occupational illnesses, catastrophic illnesses, severe family problems, cases requiring prior analysis of the HR consultant, first level intervention, and work harassment claims, assistance will be provided through social work.



With Family

**A Family-Responsible  
Company**

## A safe workplace:

- **Drug-free workplace.**– The Bank has a drug and narcotic-free work environment, it does not allow their employees to use them within its premises or attend work under the influence of drugs.
- **Violence.**– In the event of threats or violent actions, these shall not be tolerated and must be reported. Every employee who threatens or commits a violent act will be subject to disciplinary measures, including the termination of their contract in accordance with the Law.

### Absenteeism

The Bank has an absenteeism policy which is aimed at defining policies for correctly controlling the level of absenteeism of its employees, in order to implement procedures and actions to be applied and to support the correct control and compliance of the applicable regulations. For more information, employees may refer to the aforementioned document.

### Respect and Promotion of Human Rights

The Bank promotes respect and contribution to the protection of Human Rights together with all its stakeholders who are aligned with their corporate culture within the framework of what is established in the International Charter and the Universal Declaration of Human Rights. Refer to the Human Rights Policy for more information.

### Speaking on behalf of Banco Pichincha

Interaction with the media and public appearances must be channeled by the competent internal authorities, i.e. the President and General Manager. Furthermore, only those previously appointed or authorized by the Bank President or General Manager, with the President's knowledge, may, officially or unofficially, comment on the matters related to the Institution.

The employees should not accept nor participate in activities regarding public relations on behalf of the Bank, nor disclose information owned by the Bank or about it in any way, oral or written, without a previous written authorization from the President or the General Manager, as stated.



### Use of trademarks and facilities

The Bank's name, trademarks, logotype or its facilities may not be used for matters not related to the work.

**Social media.**– Managing the official information about the Bank on social media is the exclusive responsibility of the Marketing Department; therefore, the employees are not authorized to post any message about the Organization or on behalf of it. Also, they may not post photographs of them in uniform, credentials or within the Bank's facilities without previous authorization. They will only be allowed to share official information created by the Bank on social media.

If a negative comment about the Bank is posted on social media, the employees should not respond to it, unless they are authorized to speak on behalf of the Bank, and they should report what they saw to their supervisor or the competent area.

### Appropriate Conduct

**Confidentiality and Information Privacy.**– The information originated in the Bank by virtue of the employee's tasks and through their tools, is property of the Bank. The Bank's employees, as receivers of the confidential or sensitive information, must protect confidential information they have knowledge of for performing their tasks and that may be made known using the following media, but not limited to: in writing, by receiving literary works or other intellectual creation works, such as programs, list of programs, programming tools, mathematic models, documentation, reports, diagrams, and similar works the Bank may provide; or, lists, databases, and any other printed material or information means, and which includes any information on clients receiving some service from the Bank; or through oral or visual presentation.

The employees must proceed as carefully and discreetly when handling the Bank's information as if it were their own personal or classified information, and prevent it from being disclosed, published or disseminated; in the same manner it should use the Bank's information with the sole purpose for which it was disclosed, or lastly, only for the Bank's benefit.

Every employee of the Bank must sign the confidentiality agreement at the beginning of the employment relationship or at any time it is required, and agree to sign any instrument that may ensure the confidentiality of the Bank's information and comply with what is provided in the "General Policy on Information Security" in force, in the aspects related to classification, confidentiality, integrity, and availability of information.



In Banco Pichincha, we handle confidential and sensitive information; it is essential to be cautious and coherent when handling it.



## Nepotism

Without affecting the impediments provided in article 258 of the Monetary and Financial Organic Code, as well as the Resolutions Coding of the Superintendence of Banks, regarding kinship, the spouses, partners or relatives within a fourth degree of kinship or second degree of affinity of a member of the Board of Directors or a legal representative of the Bank may not be members of the Bank's Board of Directors.

Employees of Banco Pichincha, or of its Subsidiaries, or Affiliates, must have a work contract exclusively with the entity where they render their services throughout the term of their contract.

Also, they may not carry out their own activities related to their profession or position, paid or unpaid, for any natural or legal person, whether public or private, with a similar or complementary line of business of the Bank, its Subsidiaries and Affiliates.

In order to carry out external activities of any kind, free of charge or paid for, the prior approval from the Internal Control Department will be required, and such activities will be duly registered by the Human Resources Department. Likewise, and complying with the confidentiality obligations, the Bank's employees will not be allowed to reveal to any person any information they may have knowledge of as part of their job.

## Conflict of Interest

The Bank's Supervisors should prevent and manage the potential risk that may arise in situations of personal interest of the employees, and which may influence their judgment or decision making which may affect the Bank. To that effect, the Bank should not hire employees who, due to nepotism, may create a conflict of interest. If during the term of their work contract, bank officials create a conflict of interests for having a formal emotional relationship or have procreated, that which is established in the Bank's Nepotism Policy should be taken into account.

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“The extreme of  
injustice is to seem  
to be just when one  
is not”

**Plato**

Everyone, in order to start their employment or professional relationship with the Bank, and during their continuance in office, shall declare if kinship in the types or degrees stated in the corresponding policy with employees of the entity, exists or not, so that the Bank may ensure an appropriate management environment of such people, in order to avoid possible conflicts of interest. In the event that there is a family relationship between employees, the case shall be referred to the Internal Control Department to determine if there is a conflict of interest and it shall be analyzed by the Human Resources Vice-Presidency.

If a situation of marriage, domestic partnership, procreation, emotional coexistence occurs, which creates a link or kinship among employees who are under a common leader within the Bank (or within their Subsidiaries or Affiliates, if such was the case) and that, in addition, as a result of this situation a conflict of interest arises, the employees must report this event in writing so that these employees must decide within thirty (30) days who will stay in their job.

### **Dress Code and Image Management**

The personal image of the employees projects the institutional image, therefore, all staff members working at the Bank shall be responsible for wearing the uniform correctly, and taking care of their personal image.

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#### **In view of this, the Bank states the following:**

- The uniform is considered as work clothes.
- Wearing the uniform is mandatory for all the staff who receive it by virtue of their position. When the uniform is not available, clothing worn at work must be according to the dress code.
- It is recommended not to wear the uniform at personal events outside the Bank's premises.
- Every employee of the Institution must carry their identification credential during work hours.

### **Appropriate management of personal finances and obligations.–**

The Bank's employees must handle their personal finances in a manner that do not affect the interests of the Bank, their relatives, colleagues or others, at all times. By not doing so, the employee shows improper personal management which may affect their work performance. The appropriate management of personal finances is evidenced by proper compliance with loan obligations the employee might have with the Bank or with any other financial or credit entity.

Timely payment of credit obligations or alimonies reflects the responsibility that an employee has on a daily basis and shows a professional and responsible image.

### **Use of cellphones and Internet**

These are both fun and professional tools, in this regard, such tools must be used during work hours only for work-related activities or for urgent personal matters.

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“Honesty:  
the best of all  
the lost arts”

**Mark Twain**

When such tools are provided by the Bank, the employee is responsible for taking care of them and for ensuring their appropriate use as per the abovementioned terms.

### **Use of the Bank's assets and services**

The employees are responsible for the proper use and maintenance of the Bank's assets and resources as well as those provided to them for performing their tasks and they will be held liable for any situation or incident which may result in loss, damage, misuse, theft, misappropriation, or destruction of such assets and resources. The Bank shall determine the manner to enforce such liability.



## **2.2. Sustainable Management Model**

The Bank has a Sustainable Management Model which aims to manage risks, as well as economic, social, and environmental opportunities as a result of its operation which consolidate its corporate reputation and financial responsibility.

**Within the model, we have the following work approaches:**

### **Fair and diverse work practices**

We align the management of the employees at the Bank and of our chain of value with the best work practices within the national and international regulatory framework.

### **Responsible finances**

We develop and offer responsible products and services that satisfy the needs of our clients and their families, that allow for their progress and strengthen the inclusion of vulnerable groups in the financial sector.

### **Safety, health and environment**

We promote a culture of prevention by protecting our employees, clients, suppliers, and the society's safety and health, as well as respecting the environment through efficient processes for using resources (water, energy, paper), seeking to reduce the Organization's impact on climate change.

# Our stakeholders

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# 3. Our stakeholders

**3.1**  
Relationship  
with clients

Commandments  
for service

- Client protection
- Conflict of interests  
with clients

**3.3**  
Relationship  
with the  
authorities

**3.2**  
Relationship  
with providers

Responsible procurement  
practices

- Conflict of interests  
with providers

# 3

## Our Stakeholders

We seek to establish long-term business relationships with our stakeholders acting in an ethical and transparent manner. The Bank as well as its employees must act in a diligent manner in order to prevent its products and services to be used for money laundering, financing terrorism, committing fraud, criminal offenses, corruption and detect any suspicious activity in accordance with the applicable laws and regulations. Also, it is their duty to ensure the correct management of confidential information of their stakeholders, and it is their responsibility to have systems and mechanisms that guarantee information security.

### 3.1. Relationship with clients

#### Commandments for service

The Bank strives for client satisfaction through quality service and attention.

- **We are all hosts:** Provide an effective response to all your client's enquiries. If you do not know the answer, make an enquiry and provide an assertive solution.
- **We advise and resolve in each interaction:** Look into your client's needs, offer alternatives, demonstrate your knowledge and command over the topics and explain using clear and common language.
- **Our client's time is important to us:** Present and comply with the time expectation for the requirement.
- **We take care of the relationship by being warm and close:** Always greet and say goodbye cordially. Always assist your internal and external clients without distractions.



## Client protection

Abiding by the best international practices for client protection, the Bank takes into account the following factors: that the design of products and services truly meet client's needs and that their distribution is through the appropriate channels in order to promote banking and financial inclusion; that they provide advice and prevention on over indebtedness, that they are transparent in business relationships, offering responsible prices in accordance with the national regulations and which are affordable for clients, giving fair and respectful treatment in every interaction with a client, safeguarding client's private information, carefully following the bank secrecy regulations and providing its clients with claim and requirements channels and mechanisms.



## Conflict of interests with clients

Employees must remember that, with their work, they have an important role in the life of the country, especially because of the trust vested in them not only by the Bank, but by the clients and general public. Therefore, qualities of trustworthiness, attentiveness, confidentiality and manners are key for performing their job.

Bank employees may not serve as the client's intermediary in their transactions, doing for example, transfers from their relatives' accounts and from other clients' accounts to their own account or that of people related to them; nor making undue debits from accounts or client accounts. An employee may not grant guarantees for Bank procedures to clients, except when they are for close relatives, and as long as they are approved and there is no legal impediment.

Neither may they request or accept loan offers, guarantees, financial help, gifts, donations or any other incentive to perform the tasks assigned to their position, to benefit clients of the Bank.

The appropriate treatment towards work colleagues and clients is a fundamental part of the service for which we are known, therefore the employees must at all times, use warm and respectful language with clients.

Each employee is responsible for having the adequate knowledge about clients and their activities, in order to identify unusual transactions, applying the rules, laws, and regulations for Money Laundering Prevention, Financing of Terrorism and other offenses, and use their common sense and experience.

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**We must work  
within a framework  
of ethics and  
transparency.**

## 3.2. Relationship with providers

### Responsible procurement practices

The Bank firmly sees its providers as strategic allies with whom to grow together, and who enable it to better channel products and services, with the best quality and in the most ethical manner to benefit its

clients. Consequently, it applies responsible procurement practices ensuring the most positive environmental, social and economic impacts possible during the whole life cycle.

## Conflict of interests with providers

### Legal compliance

The Bank's providers must maintain a formal behavior and be governed by the highest standards of compliance with current regulations in all aspects.

The Bank has an express policy on Safety, Health, and Environment, and encourages its providers to comply with the existing standards and regulations on the subject. The providers should ensure a safe and healthy environment with the required equipment for all the functions they perform, both in the tasks they perform in the Bank's facilities, as in all other activities in the supplier company. The providers must comply with the regulations for environment preservation applicable to their line of business and which motivate those within their companies to include practices of responsible use of natural resources in all their operations.

### Commercial relationship

Through the Money Laundering Prevention Policy, the Bank complies with all mandatory laws and regulations regarding corruption, bribery, and money laundering required for a financial institution; in the same way, the providers must at all times behave in an ethical, honest and transparent manner in their business actions.

In the event that a provider discovers their employees actions contravene the ethical behavior provided in this code, the provider must inform the Bank about this matter without excluding internal sanctions in accordance with their own policies. The Bank shall not tolerate any bribe, extortion or corruption by its providers. Also, the providers shall be obligated to report any illegal action by the Bank's employees which may violate the regulations described herein.

### Presents and gifts.

The providers shall not offer the Bank's employees any gifts, money, loans, guarantees, financial help, discounts, donations, services or benefits of any kind. In the same way, the Bank's employees shall refrain from receiving such gifts. Promotional objects, invitations, gifts or others that do not exceed the amount the Bank periodically establishes, are not included in the previous categories. However, the Supervisor together with the HR Vice-Presidency shall be responsible for approving any and all possible exceptions to the former provision.

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Our relationship  
with our providers  
is strictly work  
related



## Conflict of interests and hiring

The Bank has internal policies and procedures in order to avoid conflict of interests and business relationships with hired staff, which apply to all employees, regardless of their hierarchical level. All of the Bank's providers must declare if they and/or their spouses; or in the case of legal entities, if their administrators and/or main shareholders, have a conflict of interest or relationship up to the fourth degree of kinship and second of affinity with any staff member in the Bank directly or indirectly in charge of the procurement process of assets and services and contract administration, except when the Bank's Supply Chain Department or who the Bank itself subsequently determines as the "Only Provider" of the asset or service they provide.



## Information management

The nondisclosure agreements the Bank has with its providers are enforceable even for the provider's employees and managers; it is their obligation not to disclose information regarding the Bank even after their business relationship has ended.

## 3.3. Relationship with the authorities

When an employee is a relative of a public officer, whether by appointment or by popular vote, it is appropriate to inform the Bank of this, so that it can take the corresponding measures regarding Persons under Public Exposure. If regarding work responsibilities, the employees are related to the aforementioned authorities, their behavior shall be of total transparent and ethical cordiality.

Receiving or offering gifts, invitations or privileges of any kind is not an appropriate behavior towards authorities.



Transparency and honesty are the cornerstones of Banco Pichincha.

Our  
industry

4

# 4. Our industry

**4.1**

Behavior towards  
the competition

**4.2**

Conflict of  
interests

**4.3**

Prevention of  
money  
laundering

**4.4**

Insider  
trading

**4.5**

Our  
values

# 4

## Our Industry

### 4.1. Behavior towards the competition

Faithful to its principles, the Bank has healthy competitive practices within the framework of the provisions set out in the Constitution of the Republic of Ecuador and in the Organic Law of Regulation and Control of Market Power with companies they consider as their competitors, by practicing honest customs or habits in the carrying out of their economic activities. To that effect, the Bank does not engage in nor encourage unfair practices against its competitors, and requires its providers and employees to act accordingly.

Consequently, the Bank condemns unfair competition, all fact, act or practice contrary to the law, such as acts of deceit, denigration, comparison, exploitation of third-party reputation, violation of trade secrets, aggressive practices.

### 4.2. Conflict of interests

A situation where the individual's judgement concerning their primary interest and the integrity of an action tend to be unduly influenced by a secondary interest, usually economic or personal.

### 4.3. Prevention of money laundering and other offenses

The Bank condemns money laundering and other offenses; therefore, it promotes a money laundering prevention-based culture in order to prevent an employee, provider or client to engage directly or indirectly, in any illegal activity, such as:

- The acquisition, transfer, possession, management, use, preservation, safeguard, delivery, transport, conversion or the benefit derived from assets of illicit origin, in any way.
- Concealing disguising or preventing the identification of the true nature, origin, source or connection of assets of illicit origin.
- Committing any of the offenses referred to in this article, on their own behalf or on behalf of the company where the individual is a member or shareholder.



- The organization, management, advise, participation or financing the offenses referred to in this article.
- Carrying out economic and financial operations and transactions directly or through third parties in order to give money laundering activities a legitimate appearance.
- Moving illegally sourced money across borders.

All employees are responsible for reporting any behavior or suspicion of money laundering or any other offense to the competent authorities.

## 4.4. Insider trading

Inside information is defined as any act, fact or event whose disclosure could affect the price of securities and stock market brokering, while such information is not publicly available. Anyone who has access to inside information, by virtue of their office, employment, position or relationship with market participants, must be required to observe strict secrecy about that information, under civil and criminal liabilities in accordance with the law.



Information should be handled with professionalism and ethics.

## 4.5. Reporting obligations

It is the obligation of the financial system entities' shareholders, managers or staff members who become aware of evidence of the perpetration of an offense related to activities of financial institutions to immediately report it to the Attorney General's Office, in accordance with the provisions of Article 356 of the Monetary and Financial Organic Code.

# Commitment statement

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# 5 Commitment statement

This Code of Ethics and Conduct shall be disseminated by the Bank to its Financial Group's companies with the conviction that all of them acknowledge and practice the same ethical and behavioral principles. Consequently, the Bank Administration shall ensure that the regulations of this code are properly circulated to their executives, staff members, employees, providers and clients of the companies comprising the Financial Group, and that they apply them to their working relationships within the Financial Group.

# Repealing

# 6



# 6 Repealing

Once this code comes into force, by action of the Bank's Board of Directors, approved in the Board meeting of July 1st, 2012, and amended by the Board in the Board meeting on October 11th, 2016, the current Code of Ethics shall be repealed and with no value or legal effect.



**BANCO  
PICHINCHA**