

Louisiana Bankers Association

Code of Ethics

Adopted at the 28th annual LBA Convention in 1928

A bank is a quasi-public institution, essential to every trade, industry and profession. A bank is first a repository of the confidence of its customers, then it becomes a depository for their funds.

As a bank is the depository of its depositors' confidence, the name of the banker should be a synonym, and a pledge, of honor and fair dealing.

A banker, sensible of the trust placed in him, and mindful of the responsibilities of his profession is eager to earn and to maintain the confidence of his customers and the esteem of his community.

To this end he will support a standard of conduct, in the practice of his profession that will merit the approval of all just men.

The members of the Louisiana Bankers Association, acknowledging the responsibilities and the obligations of a banker, set up the following code of ethics and regulations as standard of conduct for a banker, and pledge themselves to maintain this standard.

The banker should interest himself in the civic welfare of his community. He should at all times hold himself at the service of his government, city, parish, state or national, especially in those movements for public betterment in which his training and experience qualify him to act. The banker should avoid activity in partisan politics likely to engender antagonism to his bank, yet upon moral questions before his community his stand should be made clear.

The banker should be interested in the development of the legitimate enterprises of his community; he should realize that what is best for his community and his customers, is best for his bank. Service to the public is the chief justification for the existence of a bank. The greatest service a bank can render a community is the conduct of a sound bank, sympathetic to its welfare and industries, ever adhering to recognized principles that will assure the stability of the institution. The banker is intrusted with the cash and credits of a community which involves a heavy responsibility as to their proper use.

The first obligation of a banker is a rigid obedience to the laws of his state and nation, and strict compliance with the rules of the supervising authorities.

The banker should keep his corporate records, and books of account so as to constitute a complete, exact and faithful record of all transactions.

The banker should be absolutely frank with the banking departments of state and nation, and should establish cordial relations with them.

A bank executive or employee should be an individual of good, moral character, reputation, and unimpaired personal credit. He should have the best education, training and experience that he

can acquire. By proper study he will equip himself with a knowledge of commercial law, credits, economics, sound banking practice, and the history of banking and finance. He will keep up with the increasing information on these subjects, and the improvement in practice.

The soundness, usefulness, and prosperity of a bank depends upon the honor, integrity, fidelity and ability of its managing officers and their associates.

The banker will not only be courteous to his associates and to the public, but considerate and friendly, realizing that in such an atmosphere the best business is done, and that friendship itself is the best part of happiness. Courtesy is not only right, it pays dividends.

It is his duty to advise the borrower in the matter, especially advising against unsound or speculative investments, and even at times, refusing to make loans to a solvent borrower, when satisfied that loss will certainly follow.

The banker will so place his loans as to build up his community, not capitalizing any enterprises by his loans, but providing facilities for the current seasonal needs of his customers.

The banker should earn a commensurate profit for his shareholders, yet profit should be secondary to service, trust, and stability.

The banker, having the confidence of the public, should not write letters of introduction, recommendation, or endorsement, or head lists of subscription, or solicitation, the doing of which by the use of his own or his bank's prestige, would influence one to a decision that would involve injury.

A bank is an institution of trust, before being the personal money making enterprise of its officers or shareholders. They must not, aside from authorized salaries, dividends, and lawful compensation, profit from the use of its funds, credit or prestige.

The banker will not without the full knowledge and consent of his board of directors, use his time in any other occupation or business.

The banker will not, himself, borrow money from his bank, nor lend to any business in which he is substantially interested, without the previous full knowledge and consent of his board of directors, recorded in the minutes.

Competition is legitimate, and will always exist; within bounds it is helpful, it should be recognized and welcomed.

A banker should be tolerant and considerate of his fellow banker, according to him all the rights and privileges that he claims for himself. With open mind he should seek to avail himself of the benefits to be derived from the knowledge and experience of others, and from the wisdom that comes from a multitude of counsel. The soundness of each bank in a community is of vital concern to all the banks of that community and it demands mutual help, interchange of information, warnings and counsel preferably through a clearing house or other organization.

Others engaged in banking are to be regarded not as combatants in strife, but as associated in an honored profession of service, with a need of fraternal solidarity, uniformity of practice, mutuality of interest and a common code of ethics.

Character building in his employees is an important duty of a banker. He should teach them honesty, devotion to their bank, accuracy, prompt attention to work, speed, and courtesy to every one, thrift in their personal affairs, the cultivation of good habits, the principles of banking and banking practice, having in view their advancement to higher responsibilities.

The banker should be a leader of his subordinates, not a driver. He should encourage their initiative, be frankly appreciative of good work, give advancement on merit, uphold this code of ethics by precept and example, and help them with their banking education.

He should at all times watch over their health and provide the best of working conditions.