

## SUSTAINABILITY REPORT 2015



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البنك السعودي للاستثمار  
The Saudi Investment Bank



مجلس  
البحر  
البيضا



King Salman bin Abdulaziz Al Saud  
Custodian of The Two Holy Mosques



Prince Mohammed bin Nayef bin Abdulaziz Al Saud  
Crown Prince



Prince Mohammed bin Salman bin Abdulaziz Al Saud  
Deputy Crown Prince

GRI G4-17

# ABOUT THIS REPORT

The Saudi Investment Bank (SAIB) is proud to present its fifth annual Sustainability Report, covering the calendar year 2015 and the direct operations of The Saudi Investment Bank. All data included in the report is presented as of December 31, 2015. The operations of the Bank's subsidiaries are not included in the scope of this report, with the exception of the financial performance data presented on page 37, and some of the data presented in the Re'aya (workforce) chapter. We have clearly indicated the scope of each indicator in the report in Appendix B. SAIB used the Global Reporting Initiative (GRI) G4 Guidelines and GRI G4 Financial Sector Disclosures. SAIB declares this report to be in accordance with GRI G4 Guidelines' Core option, and Appendix A contains a GRI G4 Content Index.



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GRI G4-1

## A MESSAGE FROM THE CHAIRMAN

On behalf of the Board of Directors, I am pleased to present The Saudi Investment Bank's 2015 Sustainability Report.

The bank has continued to make solid progress in 2015. We have enhanced our corporate and sustainability governance mechanisms, achieved greater transparency in our public reporting, and realized significant achievements across our financial, social and environmental performance.

Financially, our strategy of broad diversification has allowed SAIB to maintain resilient performance in a challenging economic context. In 2015, the bank achieved another profitable year, and continued to grow its customer base among each of its three customer segments.

In terms of caring for our people, we are pleased to have been recognized once again in 2015 by the Great Place to Work Institute. We have also continued to enhance the recruitment and retention of qualified Saudi nationals within our workforce, increasing our nationalization rate by 5% in 2015 to 82%.

By actively providing small businesses with quality banking services we contribute to the Kingdom of Saudi Arabia's employment and business growth. In 2015, SAIB increased the number of small and medium-sized enterprise (SME) customers it serves by almost 3,000, representing more than a 40% increase against 2014. We are also working to support more local businesses through our procurement decisions; last year we increased the number of Saudi companies in our supply chain by 18%.

Environmentally, we are aligned to the Kingdom's strong ambition of greater energy and water efficiency and overall resource use optimization. This makes excellent financial sense for the Kingdom, for SAIB and for its shareholders, and we are aggressively working towards ambitious goals in this regard.

We are convinced that an intense focus on sustainability practices is fundamental to business competitiveness. We are therefore particularly proud to have achieved Second Place Silver in the King Khalid Awards for Responsible Competitiveness, improving upon our third place position in 2014, a track record which recognizes our efforts and reinforces our solid sustainability commitment.

As the Kingdom continues to accelerate its drive towards sustainable development and enhanced global competitiveness, SAIB is strongly positioned to be the top partner of business and government in achieving solid financial performance, and a strong contribution to our country's economic, social and environmental development.

**Abdallah Salih Jum'ah**  
Chairman



## A MESSAGE FROM THE CEO

Welcome to The Saudi Investment Bank's 2015 Sustainability Report. We take this opportunity to share with you an assessment of our company's financial and non-financial performance in 2015, the challenges and opportunities we face, and our priorities for the coming year and beyond.

Sustainability at SAIB revolves around the five pillars of our sustainability framework, anchored to the Islamic principles of takleef, nummow, re'aya, hifth, and awn. These pillars guide our long-term planning as well as our day-to-day decision-making. We fundamentally believe that our job is to help customers achieve something that's important to them. The principles behind our sustainability framework keep us focused on this objective.

Many people ask how living these Islamic principles helps to build a successful business. It is very clear that they help us connect better with our customers, to build loyalty and deepen relationships. This allows us to maintain our strong financial performance and continue to invest in our people and our business. Our sustainability framework also encourages us to better manage risk and to offer products and services in line with customers' and regulatory expectations, enhancing the value of our bank.

In 2015, we implemented mechanisms to ensure that sustainability practices are systematically adopted and deployed across our organization. We appointed a SAIB Sustainability Committee, composed of high-level management, and chaired by myself to oversee this process. One of the committee's first actions has included the approval of a new Sustainability Policy to guide the consistent application of sustainability by all employees across the organization. The committee has also endorsed a set of ambitious targets to enhance our performance over the next three years in line with the strategic sustainability priorities defined for each area of our framework.

We have also made good progress across all five pillars of our sustainability framework in 2015. Under our pillar of nummow, we continue to focus on understanding and meeting our customers' evolving needs and expectations. We appreciate that customers' financial needs are becoming more complex, and at the same time they want their banking to be dramatically simpler, more convenient and more efficient. That is why our overall company vision is 'to offer the simplest and most accessible products and services to each of our customers.'

We are working to harness new technologies that give us more flexibility in the way we deliver products and services, and provide an excellent opportunity to become even more competitive and efficient. Our evolving online and mobile banking platforms, increasing number of cash deposit ATMs, and continuous automation of internal processes are all part of these efforts. In 2015, we were proud to achieve 93% customer satisfaction with our overall performance in addition to a significant decrease in customer complaints. We also continued our trend of robust growth, achieving a 43% increase in SME clients, a 31% increase in personal banking customers, and a 13% increase in corporate banking customers. These figures serve as further evidence of our success in meeting our customers' needs.

At the core of SAIB's ability to meet the challenges of the future and transform the way we deliver service is our people and our organization's culture. Under the pillar of re'aya, our aim is to attract and nurture employees who put customers' interests first, are highly engaged, and provide an inclusive service. We attained an 82% engagement rate of employees in our biennial employee satisfaction survey for 2015, which is an 8% increase of our 2013 rate; these results testify to our success in caring for our people.

Our Saudization strategy is focused on deepening the pool of talent, to ensure there are more and more nationals that have the necessary qualifications and experience to succeed in the banking sector. The bank continues to deliver its Young Hire and Saudi Graduate programs, and has also introduced several new training programs focused on developing skills for specific positions within the Personal Banking, Corporate Banking, Risk, Administration, and Operations departments of the



bank. In 2015, 233 recruits participated in these various training programs, 30% of which were women. We continue to be committed to greater inclusion of women in our workforce; in 2015, 33% of new hires were women. We're proud of this outcome, but we recognize that we have significant work to do to keep up momentum and create true inclusion.

Under the pillar of hifth, we approved a new environmental policy in 2015 to help us to continuously improve our environmental performance, integrate recognized environmental management best practices into our business operations, as well as improve the efficient use of natural resources. To enhance our impact under the pillar of awn, we have expanded our positive contribution to our local communities with an 82% increase in community investment spending.

Finally, under our pillar of takleef, it is our ambition to be recognized by customers, investors, employees and the public as the most genuine, integrity-based, values-driven and accountable bank in Saudi Arabia. Our holistic approach to integrating sustainability across our operations is fundamental to achievement of this ambition. Furthermore, to earn this reputation, we are particularly focused on enhancing our impact on salient issues for the banking sector that are important to our customers and our broader community, such as financial inclusion, financial literacy, and responsible lending and investment. For example, by the end of 2015, more than 135,000 workers were benefiting from EasyPay, more than a 180% increase from 2014. We are also building financial literacy through the provision of awareness sessions in workplaces and universities, messages broadcast on our social media channels and Flexx Call line, and a new page on our website. We continue to explore mechanisms to implement best practice in responsible lending and investment.

On June 23, 2016, SAIB will celebrate 40 years of business. As we look forward to celebrating this important milestone, our deep desire to add value to our customers, employees, shareholders and broader community will position us for a successful fifth decade of business.

**Musaed Mohammad Al Mineefi**  
Chief Executive Officer

CHAPTER 1 – THE SAUDI INVESTMENT BANK

GRI G4-4 GRI G4-8

# ABOUT THE SAUDI INVESTMENT BANK

The Saudi Investment Bank (SAIB) is a prominent financial institution that has been successfully operating in the Kingdom of Saudi Arabia for almost 40 years, with 48 branches, including 12 ladies sections, located throughout the Kingdom. SAIB is publicly listed on the Saudi Stock Exchange, with a market capitalization of SAR 10,355 million, and total assets of SAR 93,634 million in 2015.

We offer traditional wholesale, retail and commercial banking products. Our Personal and Corporate Banking segments provide deposits, loans, and other credit products for individuals, small to medium-sized businesses and corporate and institutional customers.

On the wholesale side, we arrange financing of quasi-government and private industrial sectors and trade finance products for facilitating imports and increasing Saudi exports. We offer both conventional as well as shariah compliant products to our corporate customers. On the retail side we offer a comprehensive range of shariah compliant products and services including accounts, Murabaha investments and personal finance solutions.

We also provide a comprehensive range of Treasury and Institutional Banking products and services. Our Treasury segment provides money market services, manages investments, and offers other treasury services such as

**OUR VISION**

To offer the simplest and most accessible products and services to each of our customers.

**OUR MISSION**

**Towards Our Customers**

- We make banking simple and accessible for each of our customers.
- We are flexible, adaptive and responsive to deliver what suits our customers.
- We listen to our customers and understand their needs and preferences in order to evolve and improve.

**Towards Our Employees**

- We value ideas, inputs, and initiatives.
- We empower our staff to bring out their best and go the extra mile.
- We recognize individual contribution and we support individual development.
- We enhance team spirit, which allows us to collectively build the smartest solutions.

foreign exchange, derivatives and structured products to clients.

We have also established successful joint ventures and subsidiaries to offer services in the fields of investment banking and share trading, asset management, leasing, mortgage finance, credit cards and payment services. Our wholly owned subsidiary, Alistithmar Capital, provides brokerage services, investment products, and corporate finance services. Our four associates include American Express Saudi Arabia, Amlak International, and Saudi ORIX Leasing Company.

GRI G4-56

**48**  
branches, including 12 ladies sections

**60.0 bn**  
lending

**70.3 bn**  
customer deposits

**260,694**  
customers

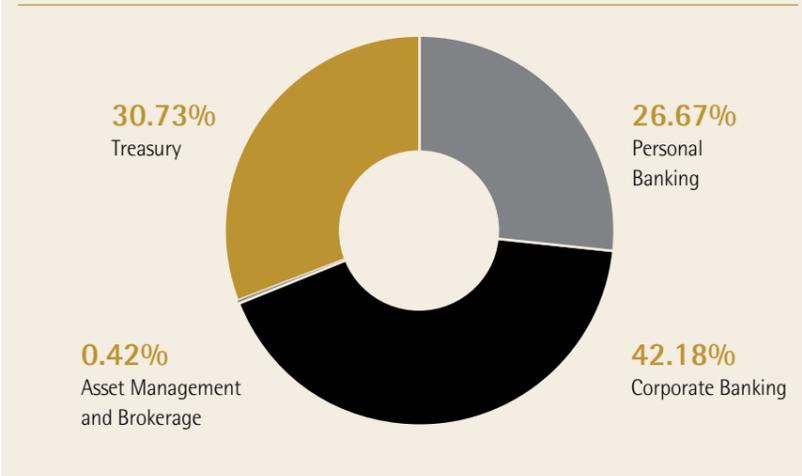
**2.4 m**  
community investment

**1,747**  
employees

**1.3 bn**  
net income

**PORTFOLIO BY BUSINESS SEGMENTS**

(% of Total Assets)



GRI G4-4 GRI G4-8

GRI G4-4 GRI G4-8

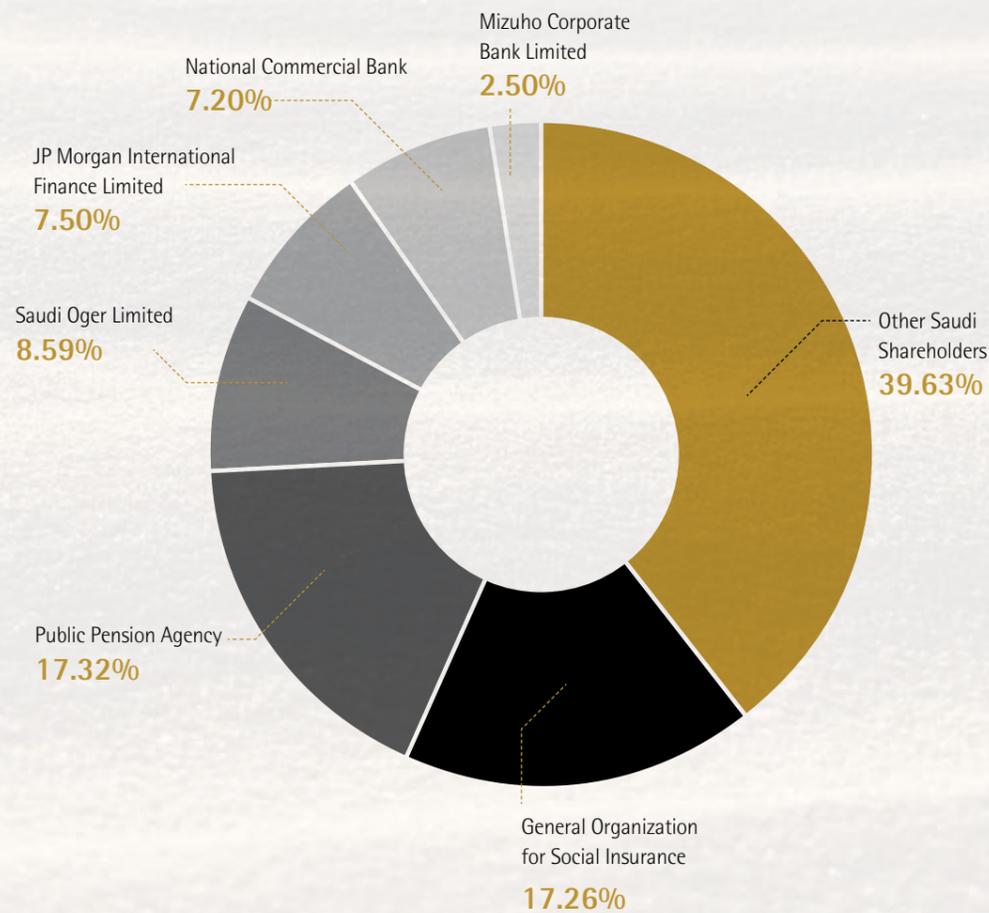
INPUTS – THE RESOURCES WE USE	OUTPUTS – WHAT WE DO		FLOW OF MONEY	PRODUCTS AND SERVICES					OUTCOMES – THE VALUE WE CREATE
	BUSINESS ACTIVITIES			Individuals	Small and medium businesses	Corporates	Financial institutions and banks	Sovereigns and institutions	
<ul style="list-style-type: none"> <li>Funds and capital received from investors</li> <li>Deposits provided by customers</li> <li>Skilled, knowledgeable, dedicated employees</li> <li>Commitment to shared values of nummow, takleef, re'aya, hifth, and awn</li> <li>Branches and other properties</li> <li>ATMs</li> <li>IT systems and equipment</li> <li>Digital platforms and products</li> <li>Energy, water, and paper for operations</li> </ul>	Provide a safe place to save, invest, and manage cash	SAIB manages shareholder funds, accepts customers' and clients' deposits and facilitates their payments and investments through transactional banking platforms. This generates liabilities on which we pay interest, and enables lending.	<ul style="list-style-type: none"> <li>Interest paid to depositors and other funders</li> <li>Returns generated for shareholders</li> <li>Investments made on behalf of clients</li> </ul>	Current accounts and overdrafts Savings, deposits, and investment products Mobile and electronic payments Stock broking and trading services      Access to global financial markets Cash management, payment systems, and international trade services					<ul style="list-style-type: none"> <li>Returns for shareholders</li> <li>Interest earned on customer deposits creating improved livelihoods</li> <li>Economic growth and employment generation through our direct operations and supply chains</li> <li>Salaries and benefits paid to employees, who contribute to their local economies as consumers and taxpayers</li> <li>Employee engagement and satisfaction in their work</li> <li>Economic growth and employment driven by lending to small businesses and corporate customers, provision of market access for clients, and attraction of foreign direct investment</li> <li>Contribution to national finances through the payment and collection of taxes</li> <li>Financial system efficiency and stability driven by participation in equity and debt capital markets</li> <li>Enhancement of the level of financial services and related knowledge and skills through national employee development</li> <li>Enhanced financial literacy and empowerment driven by customer education and awareness building initiatives</li> <li>Stakeholder trust in our brand and reputation</li> <li>Environmental impacts of direct operations, mainly GHG emissions and waste, and indirectly through investment and lending decisions</li> </ul>
	Provide funds for purchases and growth	SAIB lends money to customers and clients within its risk appetite; this creates assets from which it earns interest income.	<ul style="list-style-type: none"> <li>Receive interest income from borrowers</li> <li>Fee income relating to lending activities</li> </ul>	Residential home loans, vehicle and asset finance, personal loans and credit cards	Commercial property finance and business loans		Asset and lease finance, trade and supplier finance and working capital solutions		
	Provide financial and business support	SAIB provides individual and business advice and investment research and advisory.	<ul style="list-style-type: none"> <li>Fee income from advisory services</li> </ul>	Wealth advisory and private banking services, including investment advice, wills and trusts	Relationship managers and support				
	Manage business and financial risks	SAIB undertakes flow-trading activities for clients to mitigate foreign exchange, commodity, interest rate and market risk. Flow of Money	<ul style="list-style-type: none"> <li>Commission income</li> <li>Trading revenue</li> </ul>	Foreign exchange rate hedging Inflation and interest rate hedging					

**OWNERSHIP**

GRI G4-7

SAIB is a joint stock company publicly listed on the Saudi stock exchange. Saudi shareholders hold 90% of the stocks listed, while foreign shareholders hold 10% of the stock.

**SHAREHOLDERS**



## CORPORATE GOVERNANCE

Effective governance is the foundation for achieving our strategy, and supports the delivery of responsible, ethical, and sustainable business outcomes. Good corporate governance helps us ensure quality decision-making, operate more efficiently, and mitigate risk.

The Board, composed of nine independent non-executive members, is responsible for setting the direction, strategy and financial objectives for SAIB and monitoring performance against those objectives. SAIB's governance structure provides oversight from the Board down on the risks and opportunities arising from our activities. The Board also monitors compliance with regulatory and legislative requirements, internal policies and ethical standards.

Five committees report directly to the Board: the executive committee, nomination and remuneration committee, risk committee, shariah committee, and audit committee. Board members are appointed for tenure of three years by the Bank's shareholders. A process of self-

assessment assesses the performance of the board and its committees annually.

SAIB complies with all governance requirements set out by Basel III, the Saudi Arabian Monetary Agency (SAMA) and the Capital Market Authority (CMA). For more information on the members of our Board of Directors, please refer to page 5 (english version) of our 2015 Annual Report, and visit: [www.saib.com.sa/en/content/board-directors](http://www.saib.com.sa/en/content/board-directors)

The Head of Corporate Governance and Legal Affairs has responsibility at the executive level for the Bank's corporate governance. The Board committees are supported by our Chief Executive Officer, and various business and support services managers who are responsible for the day-to-day oversight and management of key risks facing the business. For more information about our management team, please visit: [www.saib.com.sa/en/content/management-team-0](http://www.saib.com.sa/en/content/management-team-0)

**EXECUTIVE REMUNERATION**

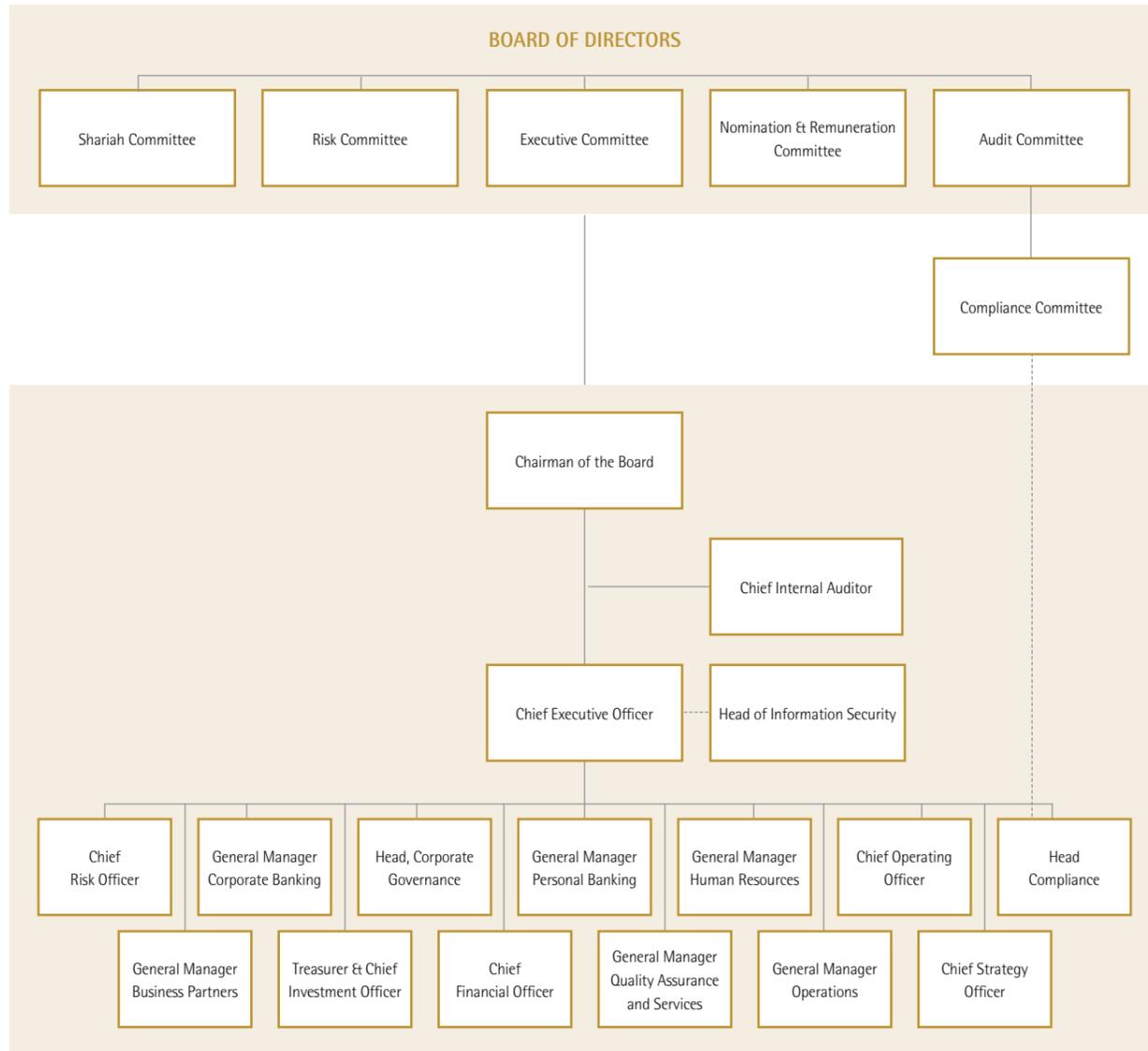
Executive bonus schemes are designed to provide incentives which are aligned with prudent risk-taking. The Board first determines the maximum available bonus, and the Board's remuneration committee then determines retrospectively the sum that will be awarded to individual senior executives. The Bank has incorporated a claw-back clause to recover excessive bonus payments if, in due course, they are shown to not have been merited in part or in full. SAIB's executive remuneration practices are in compliance with SAMA Rules on Compensation Practices and Financial Stability Forum Principles for Sound Compensation Practices. The Bank conducts an independent assessment annually to verify the same.

To view our Corporate Governance framework, please visit: [www.saib.com.sa/en/content/corporate-governance](http://www.saib.com.sa/en/content/corporate-governance)



GRI G4-34

ORGANIZATION CHART



2015 HIGHLIGHTS

<b>82%</b> increase in community investment	<b>31%</b> increase in personal banking customers	Establishment of Sustainability Policy and committee	Launch of Travel Card
New fraud monitoring system established	<b>26%</b> increase in total transactions	<b>x4</b> financial literacy awareness sessions delivered	<b>43%</b> increase in SME customers
<b>7%</b> decrease in female turnover	Launch of staff social media platform <b>Yammer</b>	<b>5%</b> increase in nationalization	<b>Information security</b> awareness program for staff and customers
Establishment of environmental policy	<b>18%</b> increase in the number of local suppliers engaged	Recognition by the 'Great Place to Work' Institute	<b>8%</b> increase in employee satisfaction

SAIB is proud to have been recognized for its sustainability management practices, earning Second Place Silver in the King Khalid Award for Responsible Competitiveness in 2015, improving on our third place position in 2014. The Responsible Competitiveness Award recognizes companies that go beyond philanthropy initiatives and focus on aligning Corporate Social Responsibility (CSR) practices with business imperatives such as promoting growth, improving profitability, enhancing brand and reputation, and deepening engagement with key stakeholders. To qualify for the award, SAIB submitted a detailed questionnaire demonstrating how it manages social and environmental issues throughout its core operations. Responses to this questionnaire were analyzed through an internationally-recognized framework and evaluation methodology, and the top three companies participating received the prestigious award.



CHAPTER 2

# OUR APPROACH TO SUSTAINABILITY MANAGEMENT

We seek to enable individuals and organizations to use money more consciously in ways that benefit people and the environment, and promote the sustainable development of Saudi Arabia. Banks play an important role helping societies to grow and develop. We are convinced that central to this is the extent to which they finance the sustainable economy, where their money can have the greatest impact on people's lives.

Our approach to sustainability is defined through the five pillars of our sustainability framework, which are anchored to Islamic principles of good governance and management. It is around these pillars that we engage our stakeholders, and build our sustainability policy and approach to manage our most material issues, measure our performance, and set targets and objectives for the future. Our Sustainability Committee drives the successful implementation of the SAIB Sustainability Framework.



## SUSTAINABILITY FRAMEWORK

Our Sustainability Framework represents the integrated approach we are taking to make our business more sustainable. The Bank has identified five pillars of this framework to organize our approach, anchored to Islamic principles of good governance and management.



Pillar	Nummow (Growth)	Takleef (Responsibility)	Re'aya (Workforce)	Hifth (Environmental Protection)	Awn (Helping Others)
Reference	{والله يضاعف لمن يشاء} سورة البقرة	{وقل اعملوا فسيرى الله عملكم ورسوله والمؤمنون} سورة التوبة	"كلكم راع وكلكم مسئول عن رعيته..." حديث نبوي	{ولا تسرفوا إنه لا يحب المسرفين} سورة الأعراف	{وتعاونوا على البر والتقوى} سورة المائدة
Definition	Nummow means to 'give life' and to 'grow'. In Arabic, it refers to a positive change. For SAIB, Nummow represents the Bank's efforts to create economic stability and growth, to build quality, accessible products and services, and to sustainably build on the Bank's financial performance. Nummow embodies sustainable, accessible and inclusive growth that encompasses the Bank and its stakeholders.	Takleef means to be held responsible. For SAIB, this encompasses responsible banking practices, ethical conduct, and measures that protect our customers and earn their trust.	Re'aya refers to the establishment of strong relationships between one another. It encompasses the Bank's efforts to engage employees, and work as one family to embody inclusiveness and respect, to develop our talents, and to preserve human rights.	Hifth describes the sustainable use of natural resources by local communities. It entails conservation of the environment by the Bank through its lending and investment decisions, and its efforts to limit emissions and waste and reduce consumption of electricity, water, and paper in its direct operations and suppliers.	Awn means to help, to offer what you can for others. It refers to SAIB's responsibility to support local communities. Awn encompasses our Zakat investments, community investment programs, and local procurement.
2015 Achievements	<ul style="list-style-type: none"> <li>Launch of Travel Card</li> <li>31% increase in personal banking customers</li> <li>26% increase in total transactions</li> <li>43% increase in SME customers</li> <li>13% increase in corporate banking customers</li> </ul>	<ul style="list-style-type: none"> <li>135,000 workers are benefiting from the EasyPay service, more than a 180% increase from 2014</li> <li>New fraud monitoring system established</li> <li>Four financial literacy awareness sessions delivered</li> <li>Information security awareness program for staff and customers</li> </ul>	<ul style="list-style-type: none"> <li>12% increase in total workforce</li> <li>7% decrease in female turnover</li> <li>Launch of staff social media platform Yammer</li> <li>5% increase in nationalization</li> <li>Recognition by the 'Great Place to Work' Institute</li> <li>8% increase in employee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of environmental policy</li> <li>CSR Award for Best Environmental Practices at the CSR Saudi Arabia Summit</li> <li>Replacement of conventional lighting with LED lighting – more than 300 light bulbs per branch</li> <li>Installation of water saving tools on all taps and toilets</li> </ul>	<ul style="list-style-type: none"> <li>82% increase in community investment</li> <li>18% increase in the number of local suppliers engaged</li> <li>Launch of WooW Al Khair Initiative</li> <li>New procurement and vendor management policy</li> </ul>

Pillar	Nummow (Growth)	Takleef (Responsibility)	Re'aya (Workforce)	Hifth (Environmental Protection)	Awn (Helping Others)
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2016 Commitments	<ul style="list-style-type: none"> <li>Grow our SME and retail customer bases.</li> <li>Expand youth and female customer segments.</li> <li>Reduce the number customer complaints per customer engagement or transaction by 10% from 2015 performance.</li> <li>Increase customer transactions by 15%, with a strong emphasis on enhancing our electronic banking channels and encouraging customers to better utilize these channels to bring a larger portion of our total transactions online.</li> </ul>	<ul style="list-style-type: none"> <li>Further incorporate sustainability principles into the investment selection process through the development of a comprehensive procedure with specific sustainability criteria for a positive screen for investments.</li> <li>Develop an online sustainability data management system and accompanying dashboard to ensure accurate, timely, at-a-glance sustainability performance information at all times.</li> <li>Help customers develop better money habits by enhancing our phone banking application to make it more dynamic and customizable, allowing customers to set transaction limits, and view statistical data such as spending trends.</li> </ul>	<ul style="list-style-type: none"> <li>Increase percentage of new hires who are female so that women represent 50% of new hires to non-management positions.</li> <li>Increase Saudization of overall workforce and management.</li> <li>Hire differently-abled employees to represent 1% of the total workforce.</li> <li>Achieve a 5% increase in score from the 2015 Internal Customer Satisfaction Survey.</li> <li>Engage all employees on our new vision, mission and strategy and ensure they understand how to implement these in their day to day activities through innovative and interactive training and awareness raising.</li> </ul>	<ul style="list-style-type: none"> <li>Install Building Management System (BMS) in our headquarters and five branches to improve management of electricity and water consumption at our facilities.</li> <li>Reduce paper consumption per employee.</li> <li>Raise awareness among staff to reduce waste through a comprehensive campaign.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a critical assessment of SAIB's CSR initiatives, process and impact and develop a fresh strategy to significantly increase the impact of SAIB community investments per riyal invested.</li> </ul>

## SUSTAINABILITY POLICY AND STRATEGY

In 2015, we took some time to reflect on how we could better position our business to promote sustainable development in Saudi Arabia. The output was a clearly defined set of strategic sustainability priorities and three-year targets to guide and focus the implementation of sustainability across each pillar of our sustainability framework and all phases and functions of our organization.

Upon completion of this strategy work, SAIB also developed a new Sustainability Policy which lays out the Sustainability Framework followed by the Bank, the corresponding strategic objectives for SAIB, and the policies and practices SAIB will apply in conducting its business to achieve these objectives. This policy received the endorsement of the SAIB Sustainability Committee and approval of the CEO in early January 2016.

## SUSTAINABILITY COMMITTEE

The SAIB Sustainability Committee, formed in December 2015, is the strategic leadership body responsible for performing an oversight, advisory and advocacy role in supporting the successful implementation of the SAIB Sustainability Framework and Policy, putting it into practice across the organization and measuring and monitoring the results. The goals and function of the Sustainability Committee are to:

- Use the SAIB Sustainability Framework, Policy and the agreed associated strategic sustainability priorities and targets to guide the implementation of sustainability across all phases and functions of the organization.
- Champion and embed sustainability into SAIB's corporate strategy, policies, procedures, management systems, activities and culture.
- Identify / support the identification and implementation of high leverage sustainability initiatives that will improve performance.

- Measure and report on performance internally and externally, maintaining a meaningful dialogue with stakeholders.
- Periodically review and adapt (as necessary) the agreed strategic sustainability priorities and targets in the context of evolving sustainability trends, risks, and opportunities.

The Chief Executive Officer (CEO) serves as Chairman of the Committee, appoints the five additional members of the Sustainability Committee, and defines the term of their office. Members are chosen based on their expertise on sustainability issues of particular relevance to the business, and the importance of sustainability risks and opportunities to their business line or department. SAIB's Corporate Sustainability Manager serves as the Committee Secretary.

Each member of the Committee has the dual responsibilities of championing and embedding sustainability within their department's strategy, activities and culture and contributing to the overall sustainability focus and results of SAIB across the Bank. However, all staff members of the Bank are expected to contribute towards attainment of the Bank's sustainability objectives. The Committee reports on sustainability performance against targets, and progress on initiatives to executive management and the Board on a quarterly and annual basis.



GRI G4-24 GRI G4-25 GRI G4-26 GRI G4-27

GRI G4-24 GRI G4-25 GRI G4-26 GRI G4-27

# OUR STAKEHOLDERS

We realize that our success is linked to understanding and responding to the interests of all our stakeholders. Through ongoing dialogue with internal and external stakeholders we are able to better understand these expectations and ensure our business activities add value for all stakeholders.

Our Stakeholders	How We Engage	Their Expectations	Our Response
<p><b>CLIENTS</b> Our clients include almost 250,000 retail banking customers, in addition to more than 10,000 small businesses and 1,400 large companies utilizing our corporate banking and treasury services.</p>	<ul style="list-style-type: none"> <li>• Branches</li> <li>• Flexx Call contact center</li> <li>• Mobile and online banking</li> <li>• Website</li> <li>• Social media channels</li> <li>• Relationship managers</li> <li>• Customer research</li> <li>• Voice of Customer Unit</li> <li>• Customer Complaint Unit</li> <li>• Customer satisfaction surveys</li> <li>• Customer awareness and education unit</li> <li>• Customer protection policy</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative, high quality products and services</li> <li>• 24/7 quality customer service</li> <li>• Secure, accessible and easy banking</li> <li>• Transparent and fair fees and charges</li> <li>• Privacy</li> <li>• Shariah compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Flexx Click internet and Flexx Touch mobile banking</li> <li>• Flexx Call Contact Center</li> <li>• First Call Resolution Program</li> <li>• 24/7 branch banking through video teller ATMs</li> <li>• WooW and Aseel loyalty programs</li> <li>• Code of Conduct</li> <li>• Privacy Policy</li> <li>• Shariah compliance</li> <li>• Customers segmentation</li> </ul>
<p><b>STAFF</b> More than 1,700 employees.</p>	<ul style="list-style-type: none"> <li>• Employee engagement survey</li> <li>• SAIB internal magazine</li> <li>• Training and development</li> <li>• Regular meetings</li> <li>• Annual performance reviews</li> <li>• HR helpdesk</li> <li>• Employee Suggestions Program – "My Idea"</li> <li>• Recognition and awards programs</li> <li>• Code of Conduct</li> <li>• Innovation center</li> <li>• Yammer (staff social media app)</li> <li>• Internal Communication announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Equal opportunity &amp; fairness</li> <li>• Employee health, safety and wellbeing</li> <li>• Open &amp; two-way communication with management</li> <li>• Competitive salary &amp; benefits</li> <li>• Opportunities for training &amp; career development</li> <li>• Transparent and accountable management</li> </ul>	<ul style="list-style-type: none"> <li>• HR policy</li> <li>• Employee grievance policy</li> <li>• Safety training and inspections</li> <li>• Employee satisfaction survey</li> <li>• Thank You Program</li> <li>• SAIB E-learning Academy</li> <li>• Al-Aqeeq SAIB Academy Training Center</li> <li>• Ask HR</li> <li>• Creative Mornings Initiative</li> </ul>
<p><b>SHAREHOLDERS</b> SAIB's shareholders include the Saudi public, two Saudi government organizations, and three financial services companies.</p>	<ul style="list-style-type: none"> <li>• Annual general assembly</li> <li>• Board of Directors meetings</li> <li>• Annual, semi-annual and quarterly reports</li> <li>• Shareholder Relations team</li> <li>• Complaints handling mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Profitability and growth</li> <li>• Strong, sustainable financial returns</li> <li>• Excellent corporate reputation</li> <li>• Sound corporate governance</li> <li>• Transparent communication</li> <li>• Compliance with all laws and regulations</li> <li>• Strong risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Net income growth</li> <li>• On-going development of the corporate governance framework</li> <li>• Strengthening of risk management capabilities</li> <li>• Constitutional rights</li> <li>• Dividend entitlements</li> <li>• Voting rights</li> </ul>

<p><b>ENVIRONMENTAL GROUPS</b> The environment is a silent stakeholder that must be considered and protected to ensure long-term, sustainable operations. Environmental groups give voice to the needs of the environment.</p>	<ul style="list-style-type: none"> <li>• Engagements with various environmentally oriented non-governmental organizations (NGOs)</li> <li>• Annual Sustainability Reports which publish environmental performance data</li> </ul>	<ul style="list-style-type: none"> <li>• Minimization of waste and emissions</li> <li>• Limited use of finite resources (energy, water, and paper)</li> <li>• Improvement in measurement of resource consumption</li> <li>• Incorporation of environmental criteria in financed projects, investments, and supplier qualification</li> </ul>	<ul style="list-style-type: none"> <li>• Water &amp; power usage reduction</li> <li>• Recycling initiative</li> <li>• Reducing printing</li> <li>• Electronic document archiving</li> <li>• Funding of environmental protection initiatives in the community</li> </ul>
<p><b>REGULATORS</b> SAIB is regulated and supervised by the Saudi Arabian Monetary Agency (SAMA), the Capital Market Authority (CMA), and the Ministry of Commerce and Industry (MCI).</p>	<ul style="list-style-type: none"> <li>• Letter correspondence and email communications</li> <li>• Meetings and onsite visits</li> <li>• Regular reporting</li> <li>• Participation in governmental initiatives and campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to policies and regulations</li> <li>• Reporting disclosures as per engagements</li> <li>• Delivering best banking practices</li> <li>• Investment in customer awareness and education initiatives (financial literacy)</li> <li>• Consumer protection</li> <li>• Alignment to Saudi Arabia National Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• SAIB's detailed compliance plan for the year overseen by its Audit and Compliance committee</li> <li>• Reporting performance for relevant disclosures such as Basel-III</li> <li>• Seeking consultation to increase transparency and prevent non-compliance</li> </ul>
<p><b>LOCAL COMMUNITY</b> This includes the Saudi Arabian society</p>	<ul style="list-style-type: none"> <li>• Public reports</li> <li>• Media relations activities</li> <li>• Our own employees, who are primarily nationals</li> <li>• Charitable initiatives supporting important local issues</li> <li>• Website</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Financial education</li> <li>• Affordable housing</li> <li>• Advancing social development via investments in the community</li> <li>• Developing local human resources and providing employment opportunities</li> <li>• Minimizing environmental impacts</li> <li>• Corporate responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• EasyPay</li> <li>• Partnership with Real Estate Development Fund (REDF)</li> <li>• FlexxBike program</li> <li>• Community investment</li> <li>• Lending for crucial sectors and projects in the economy</li> <li>• Young Hire, Saudi Graduate and Saudi Fast Track (FaTra) programs for Saudi nationals</li> </ul>
<p><b>VENDORS AND SERVICE PROVIDERS</b> 90 vendors and service providers delivering goods and services to SAIB.</p>	<ul style="list-style-type: none"> <li>• Bidding and tendering</li> <li>• Procurement and vendor management policy</li> <li>• Complaint management framework</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor and service provider communications</li> <li>• Fair contract bidding and awarding processes</li> <li>• Ethical business dealings</li> <li>• Favoring local bids from local companies</li> <li>• Timely payment</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain mutually beneficial cooperative relations</li> <li>• Increase the number of vendors and service providers with preference to local suppliers where possible</li> </ul>

## OUR APPROACH TO MATERIALITY

The information from our stakeholder engagement provides essential input to our regular 'materiality assessment' – the process of identifying those issues that are core to the Bank's sustainable development. Our materiality assessment guides our focus for reporting and informs our strategic approach.

In 2014, we engaged representatives of each division of our business to identify the material issues that are most important to our business and our stakeholders. They are the topics that are presented in this report. The issues have been analyzed on the basis of a comprehensive list of matters that may affect our business or are of concern to stakeholders. Sources for this list include GRI G4 aspects, GRI G4-sector disclosures,

SASB disclosure topics for the financial sector, industry and sector benchmarks, and internal documents.

The material issues selected reflect our organization's significant economic, environmental, and social impacts, or they influence substantively the assessments and decisions of stakeholders. The issues with the highest level of materiality (in green) are of greatest importance to both organizational success and stakeholder expectations. These topics are a major focus of our organizational objectives and sustainability policy, and are clearly reported both internally and externally in our annual sustainability reports. The issues assigned a medium level of materiality (in

orange) represent a range of topics that the organization must manage well and report on consistently. The issues given the lowest level of materiality (in red) are not currently of major strategic importance to the organization or stakeholders and thus will not be a focus for immediate action or extensive reporting.

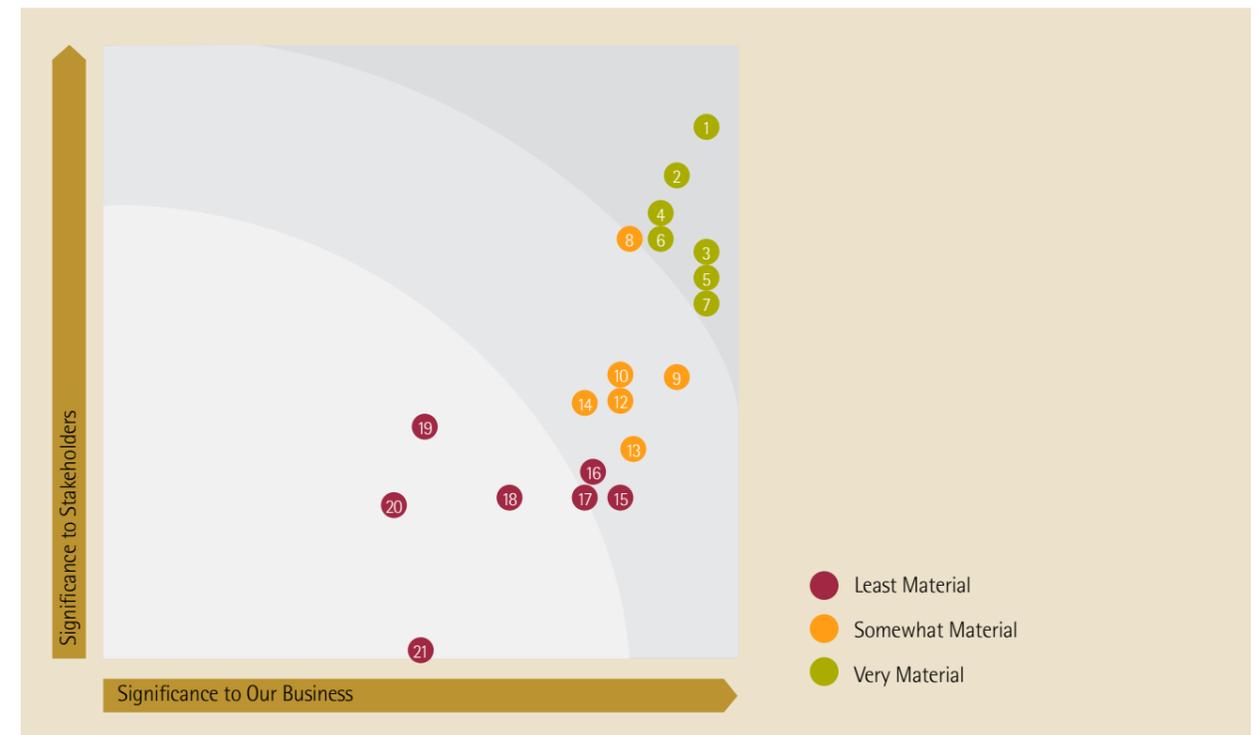
All material issues change over time, as does knowledge about them, and new issues may arise. We will therefore review the materiality analysis process on a recurring basis. In the future, we will endeavor to engage our external stakeholders directly in our materiality assessment. The chart below offers a snapshot of SAIB's material issues.

GRI G4-18 GRI G4-19 GRI G4-20 GRI G4-21

SAIB Material Issues	GRI Material Aspects	Chapter
1 Customer Trust and Protection	Customer Privacy	4 – Customer Trust and Protection
2 Quality of Services and Customer Satisfaction	Product and Service Labeling	3 – Customer Experience
3 Compliance with Regulations	Compliance	4 – Ethics and Integrity
4 Accurate and Transparent Disclosure of Performance	N/A	4 – Ethics and Integrity
5 Data Security	Customer Privacy	4 – Customer Trust and Protection
6 Financial Performance	Economic Performance	3 – Financial Performance
7 Governance and Accountability	Governance	1 – Corporate Governance 3 – Operational Efficiency
8 Financial System Stability	N/A	
9 Business Ethics and Prevention of Financial Crime	Anti-Corruption	4 – Ethics and Integrity
10 Human and Labor Rights	Child Labor, Forced or Compulsory Labor, Security Practices	Appendix A: GRI Index
11 Workforce Training and Education	Training and Education	5 – Training and Career Development
12 Community Investment and Engagement	Local Communities	7 – Community Investment
13 Risk Management	N/A	Annual Report 2015 p. 12
14 Saudization	Market Presence	5 – Our Team
15 ESG Risks in Lending and Investment	Products and Services	4 – Responsible Banking
16 Equal Opportunity and Anti-discrimination	Diversity and Equal Opportunity	5 – Our Team
17 Employee Satisfaction and Engagement	Employment, Occupational Health and Safety	5 – A Rewarding Workplace
18 Sustainable Procurement	Procurement Practices	7 – Local Procurement
19 Infrastructure and Accessibility	Indirect Economic Impacts	3 – Availability and Accessibility of Services
20 Adherence to Islamic Banking Principles	N/A	
21 Reduction of Environmental Impact of Operations	Energy, Water, Effluents and Waste	6 – Environmental Protection

GRI G4-19 GRI G4-20 GRI G4-21

Material Issues	Most Concerned Stakeholders
1 Customer Trust and Protection	Customers, Regulators
2 Quality of Services and Customer Satisfaction	Customers
3 Compliance with Regulations	Shareholders, Regulators
4 Accurate and Transparent Disclosure of Performance	Shareholders, Regulators
5 Data Security	Customers
6 Financial Performance	Shareholders
7 Governance and Accountability	Employees, Shareholders, Regulators
8 Financial System Stability	Customers, Employees, Regulators
9 Business Ethics and Prevention of Financial Crime	Shareholders, Regulators
10 Human and Labor Rights	Employees
11 Workforce Training and Education	Employees
12 Community Investment and Engagement	Customers
13 Risk Management	Customers, Shareholders
14 Saudization	Employees, Shareholders
15 ESG Risks in Lending and Investment	Customers, Shareholders, Environment
16 Equal Opportunity and Anti-discrimination	Employees
17 Employee Satisfaction and Engagement	Employees
18 Sustainable Procurement	Environment
19 Infrastructure and Accessibility	Customers
20 Adherence to Islamic Banking Principles	Social
21 Reduction of Environmental Impact of Operations	Environment



GRI G4-9

## SUSTAINABILITY PERFORMANCE SUMMARY 2015

	GRI	Unit	2012	2013	2014	2015
<b>Nummow (Growth)</b> 						
<b>Customer Experience</b>						
Corporate Banking customers	--	#	-	1,061	1,205	1,367
Personal Banking customers	--	#	-	151,880	190,155	248,760
Small and Medium Enterprise (SMEs) customers	--	#	-	4,174	7,300	10,441
Payment accuracy	--	%	-	99.95	99.95	99.98
Payment timeliness	--	%	-	99.70	99.80	99.86
Customer satisfaction	PR5	%	-	89	92	93
<b>Availability and Accessibility of Services</b>						
Total ATMs	--	#	-	396	442	436
Penetration of Flexx Click internet banking services	--	%	-	29.3	42.6	61.8
Net Loans and Advances	--	000s SAR	34,050,692	47,566,871	57,472,514	60,024,979
<b>Financial Performance</b>						
Net income for the year	EC1	000s SAR	912,037	1,286,834	1,436,479	1,328,657
Total assets	--	000s SAR	59,066,650	80,495,413	93,626,440	93,633,719
<b>Takleef (Responsibility)</b> 						
<b>Ethics and Integrity</b>						
Incidents of non-compliance	S08	#	7	7	6	3
<b>Re'aya (Workforce)</b> 						
<b>Our Team</b>						
Total workforce	G49	#	1,253	1,418	1,563	1,747
Percentage of youth in workforce	LA12	%	41	42	39	41
Saudization among total workforce	--	%	73	75	77	82
Female employment	LA12	%	10	13	14	18
<b>A Rewarding Workplace</b>						
Employee satisfaction	EC6	%	-	76	-	82
Total employee turnover	LA1	%	20	14	11	13
Voluntary employee turnover	--	%	16	10	9	8
Total salaries and benefits paid	EC1	000s SAR	361,831	439,020	531,405	619,474
<b>Employee Competency and Career Development</b>						
Average days of training per employee	LA9	#	3.0	7.0	10.0	10.0

	GRI	Unit	2012	2013	2014	2015
<b>Hifth (Environmental Protection)</b> 						
<b>Our Environmental Impact</b>						
Electricity expenditure per full-time employee		SAR	6,451	5,712	5,698	5,716
Fuel consumption per full-time employee	EN5	GJ	2.8	2.2	2.0	2.0
Paper consumption per full-time employee		kg	52	48	47	46
Water expenditure per full-time employee		SAR	50	45	78	183
<b>Awn (Helping Others)</b> 						
<b>Community Investment</b>						
Community investment	S01	SAR	-	1,335,500	1,313,500	2,391,000
<b>Local Procurement</b>						
Amount of money spent on local contractors and suppliers	EC9	millions SAR	65	75	80	83
Percentage of procurement spending on locally-based suppliers	EC9	%	80	90	91	92



# NUMMOW (GROWTH)

Nummow means to 'give life' and to 'grow'. In Arabic, it refers to a positive change. For the SAIB Sustainability Framework, Nummow represents the Bank's efforts to create economic stability and growth for its customers, shareholders, its employees, and Saudi Arabia. We empower our customers to make investments and create growth by building simple, accessible, quality products and services. When we provide an outstanding customer experience, and maximize the efficiency of our operations, we position ourselves to deliver strong financial results for our shareholders and employees.



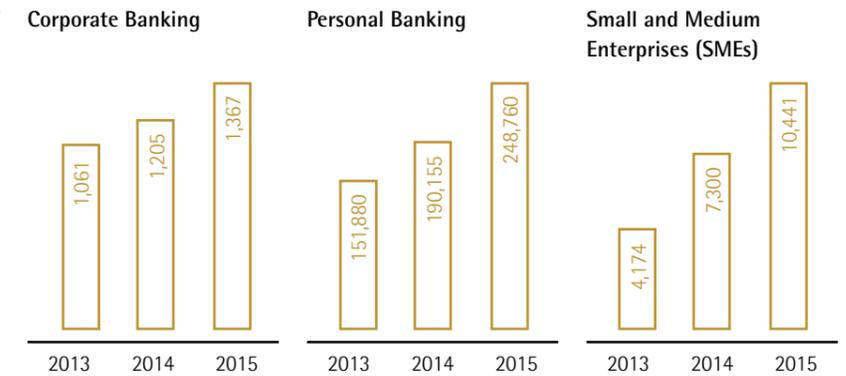
# CUSTOMER EXPERIENCE

We strive to offer the best possible banking experience for our customers, as they are at the heart of our operations, and are the drivers of our long-term growth and profitability. This means delivering a simple, consistent service to every customer at every touchpoint. Through frequent communication with customers we evaluate our customer service performance; the results help drive improvements at SAIB and influence the development of new products and services to meet customers' evolving needs and expectations.

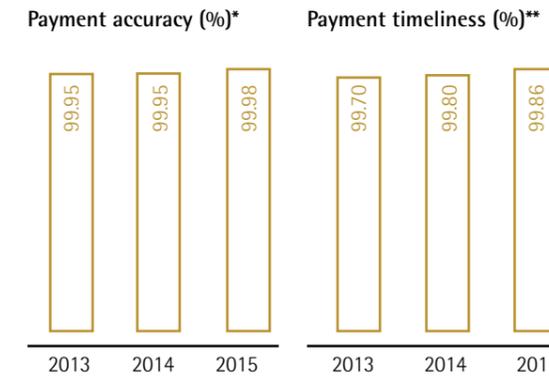
In 2015, we continued to see healthy growth in our customer base, witnessing a 31% increase in our retail banking customers, a 13% increase in our corporate customers, and a 43% increase in our small business customers. This means we have exceeded our robust 2014 growth for all three of these groups. The quality of our service delivery remained high with 99.98% payment accuracy and 99.86% payment timeliness.

SAIB continues to specifically target and support SME customers through its participation in the Kafalah Program. The Kafalah Program is a collaboration between the Ministry of Finance, represented by the Saudi Industrial Development Fund (SIDF), and Saudi banks, which aims to promote financing to Small and Medium Enterprises (SMEs) within the Kingdom of Saudi Arabia. Through this program, the Bank offers finance to SME customers up to SAR 2 million, and simultaneously, the SIDF issues a guarantee to the Bank, covering up to 80% of the financing amount.

## NUMBER OF CUSTOMERS



## QUALITY OF SERVICE DELIVERY



\*We track all returned payments and identify reasons for return. Wherever it is the Bank's error, they are classified as inaccurate transactions.

\*\* Time taken to execute payments is tracked and wherever the time is beyond same day turnaround, they are classified as delayed payments.

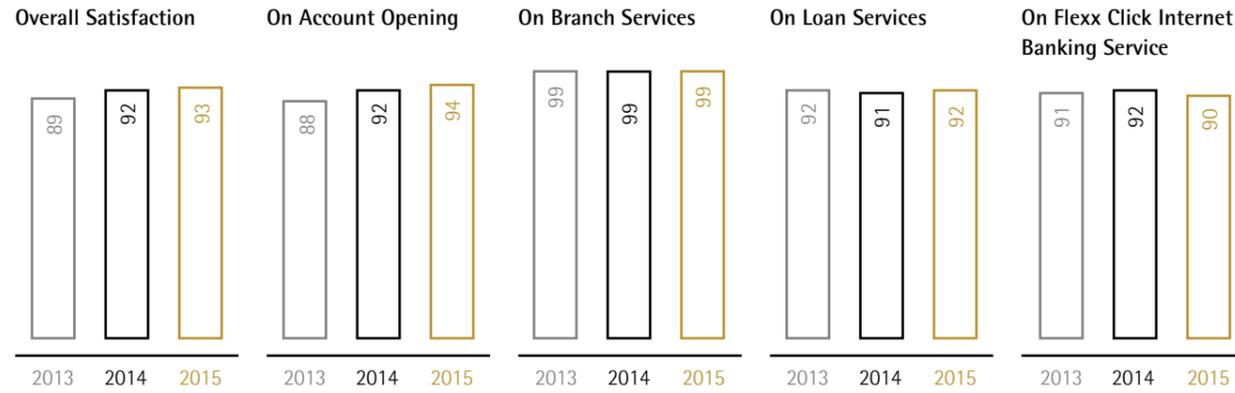


**COMMUNICATING WITH OUR CUSTOMERS**

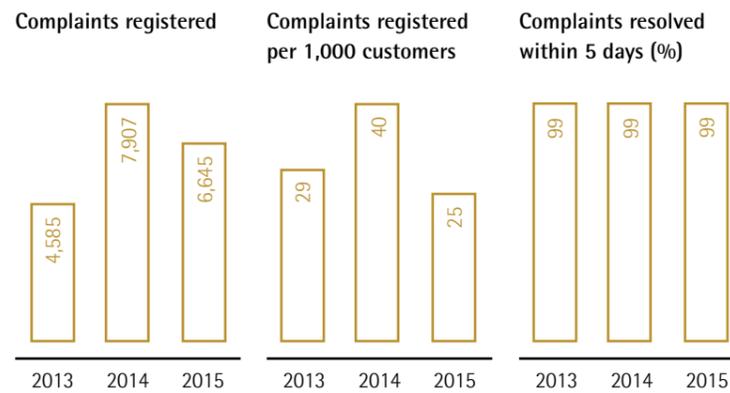
In order to provide our customers with the best possible banking experience, we must maintain clear channels of communication to receive and address customers' questions and complaints and fully understand their evolving needs and expectations. We communicate with our customers through our website, email, SMS alerts, social media channels, our Flexx Call contact center and our relationship managers. The Customer Complaint Unit at our Head Office, which handles and processes all customer complaints, has been certified to ISO 9001.

Our Voice of Customer (VOC) function conducts frequent customer satisfaction surveys to gauge our customer service performance. In 2015, we are pleased to have achieved 93% satisfaction with our overall performance. We also achieved the lowest number of complaints registered per thousand customers since 2013.

**CUSTOMER SATISFACTION (%)**



**CUSTOMER COMPLAINTS**



For the latest performance report from our Voice of Customer function, please visit: [www.saib.com.sa/en/content/complaints-report](http://www.saib.com.sa/en/content/complaints-report)

**DEVELOPING NEW PRODUCTS AND SERVICES**

We continue to leverage the feedback we receive from our customers to develop new products and services to meet their evolving needs and expectations. In 2015, these included a number of items designed to make our financial services even more accessible for our customers:

- A Corporate Cash Card that allows companies to deposit cash at selected ATMs.
- A Travel Card, the first of its kind in KSA, which offers a convenient and secure channel for payment while traveling instead of carrying cash, is available to all customers. The card also offers a free exchange rate during purchases using the loaded currencies.
- 24x7 self-service card issuance kiosk implemented at our Head Office branch.

**REWARDING CUSTOMER LOYALTY**

SAIB is also committed to rewarding customer loyalty to our bank. Our Aseel Loyalty Program offers customers benefits every time they use a SAIB mada debit card or SAIB credit card to pay at any of our participating partners. Our WooW Loyalty Program allows members to earn points by completing day-to-day banking transactions with SAIB. Membership is complimentary for our customers, who can then use the WooW points they collect to redeem rewards from our online catalogue which includes a variety of electronics, home appliances, fashion accessories, and gift vouchers from globally famous retailers, as well as hotel stays and plane tickets. In 2015, we were proud to receive a Loyalty Award from Loyalty Magazine in recognition of our loyalty programs. For more information on our rewards programs, please visit:

[www.saib.com.sa/en/content/loyalty-program](http://www.saib.com.sa/en/content/loyalty-program)



GRI G4-DMA Indirect Economic Impacts GRI G4-EC7

## AVAILABILITY AND ACCESSIBILITY OF SERVICES

We strive to make our services as simple and convenient to access as possible for our customers. We operate 48 branches throughout the Kingdom of Saudi Arabia, including 12 ladies sections, as well as 436 ATMs, including 53 online cash deposit ATMs. As many of our customers want to access our services on the go or outside normal business hours, we invest heavily in digital and mobile phone solutions so that customers can use our services whenever and wherever it suits them. SAIB has put an ambitious five year IT transformation strategy in place, focusing on supporting the Bank's retail and corporate growth, in addition to building strong linkages between the Bank's other business units.

### WAYS TO BANK AT SAIB

- Flexx Click Internet Banking Services
- Flexx Touch SAIB Mobile App
- Flexx Call Phone Banking Services
- SMS Banking
- Branch operations
- 24-hour standard ATM services
- Cash deposit ATMs
- Interactive Teller Machine

In 2015, online transactions with SAIB almost doubled, while the total number of transactions increased by 26%, and branch transactions decreased by 8%. This demonstrates the increasing use of SAIB's Internet banking services by customers.

For more information, please visit:  
[www.saib.com.sa/en/content/e-banking-services](http://www.saib.com.sa/en/content/e-banking-services)

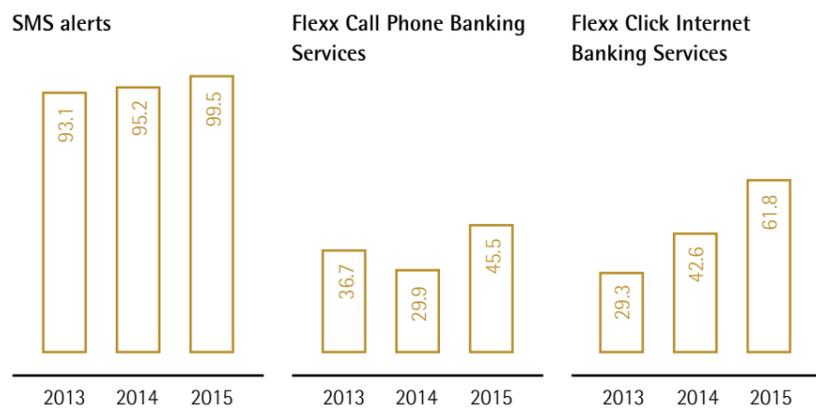
### TOTAL ATMs



Access Points	2012	2013	2014	2015
ATMs	--	396	442	436
Online cash deposit ATMs	0	0	35	53
Interactive Teller Machines (ITMs)	0	0	1	1
ATM availability (%)*	94.62	95.95	97.43	96.56

\*This is the percentage of time ATMs could dispense cash.

### PENETRATION OF TELECOMMUNICATIONS SERVICES (%)\*



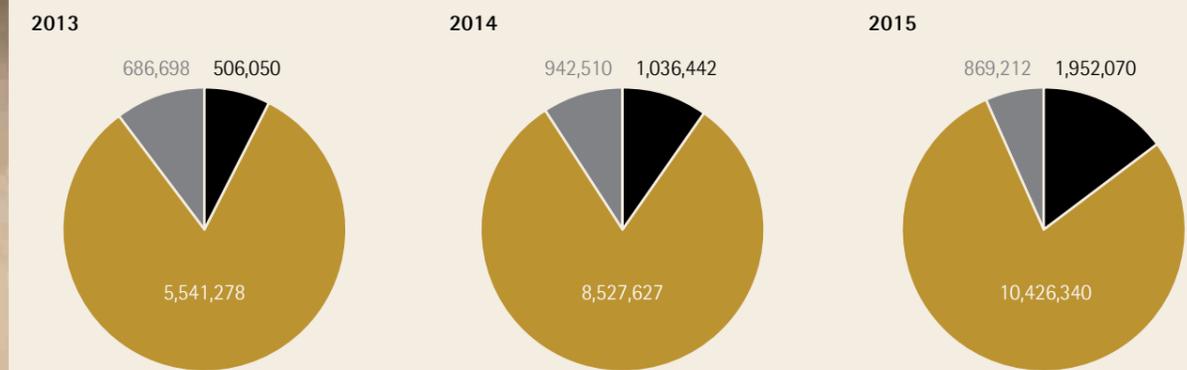
\*This is the percentage of personal and commercial banking customers who have at least one non-closed customer interaction account, and are registered for SMS notification, phone enquiry service and internet enquiry service, respectively.

Size of Loan Portfolio	2012	2013	2014	2015
Net Loans and Advances	34,050,692	47,566,871	57,472,514	60,024,979



### TRANSACTIONS BY MODE

GRI G4-22



● Number of online transactions\* ● Number of ATM transactions\* ● Number of branch transactions

\*Past years figures have been changed due to a change in the calculation method.

## OPERATIONAL EFFICIENCY

To offer our customers the best banking experience, we must also continue to become more efficient and to simplify our operations. Our operations division is focused on the re-engineering of key processes, the automation of manual processes, and the provision of support for new products and services introduced by the Bank. They seek to provide best-in-class operational solutions to the business by ensuring that transactions are processed with a focus on timeliness, accuracy, controls, cost and quality.

A number of new processes were automated during 2015, including our credit card issuance process, our terminal reconciliation with merchants, and the reconciliation process for mada and Visa transactions. ATM replenishment

and maintenance processes were streamlined; as a result, SAIB's ATM availability rate has continued to be one of the highest in Saudi Arabia, remaining far higher than the sector average. A new fraud monitoring system was implemented along with 24-hour monitoring for critical card transactions through the Flex Call Contact Center, which now helps us identify suspicious transactions faster. We also use our intranet portal, Silah, to enable our employees to quickly access data, policies, and programs in an electronic environment and thereby enhance internal communications and efficiency.



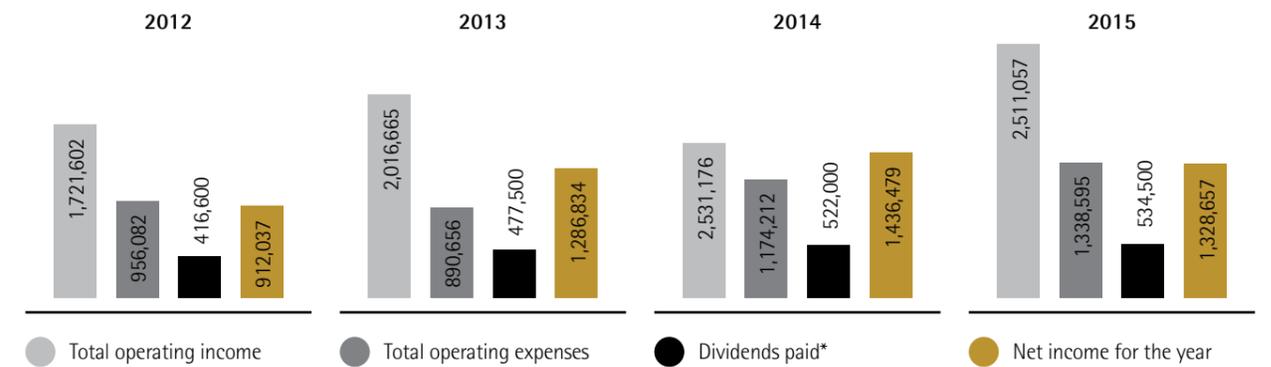
## FINANCIAL PERFORMANCE

In order to support the economy and inspire confidence in the financial system, we must operate a profitable business. We strive to deliver a strong financial performance for our shareholders by executing our growth strategy while maintaining a disciplined approach to financial management.

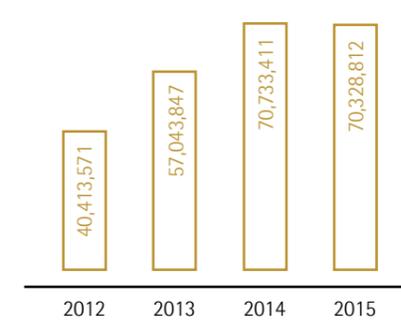
SAIB saw its net income for the year reduced by 8% from 2014 due in part to a 14% increase in operating expenses attributable to increases in impairment charges for non-trading investments and increases in salaries and employee-related expenses. The bank also saw a fall in fees from banking services. Total assets

stood virtually unchanged for the year at SAR 93,634 million. Customer deposits also remained stable at SAR 70,329 million.

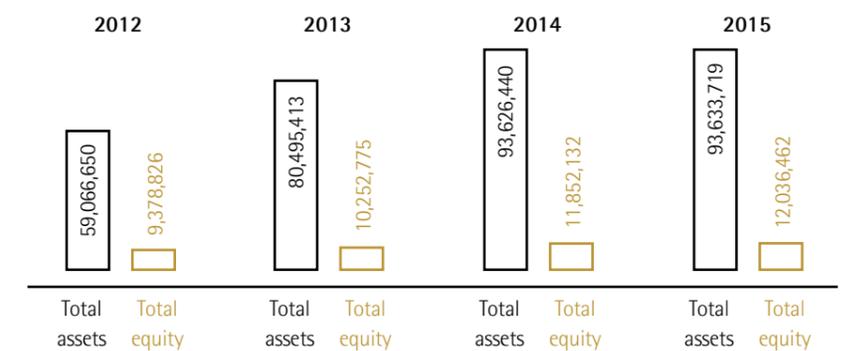
### FINANCIAL PERFORMANCE (THOUSANDS SAR)



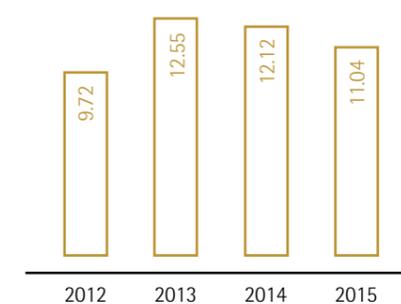
### CUSTOMER DEPOSITS



### ASSETS AND EQUITY



### RETURN ON EQUITY (%)\*\*



\*These figures have been restated as a result of improved financial auditing.

CHAPTER 4

# TAKLEEF (RESPONSIBILITY)

Takleef means to be held responsible. It is our ambition to be recognized by customers, investors, employees and the public as the most genuine, integrity-based, values-driven and accountable bank in Saudi Arabia. To earn this reputation, we are focused on living our values through the design of our products and services, conducting our business in accordance with national and international standards for ethical behavior, and protecting our customers' rights.



# RESPONSIBLE BANKING

GRI G4-DMA Indirect Economic Impacts GRI G4-DMA Products and Services GRI G4-EC8 GRI G4-EN27 GRI G4-DMA Investment GRI-G4 HR1

For SAIB, responsible banking encompasses making sure everyone has access to financial services at an affordable cost. It also involves ensuring that the money we lend and invest goes to projects and organizations that respect internationally recognized principles in the areas of human rights, the environment and anti-corruption.

### SUPPORTING FINANCIAL INCLUSION

Financial inclusion is the ability for all individuals, households, or groups to access appropriate financial services. We believe that everyone has a right to these services, and, as a bank, we therefore have a responsibility to expanding access to our products and services for those who are "unbanked". Bringing the unbanked into the financial mainstream includes a number of benefits for these individuals such as better financial planning, security for their savings, and establishment of a credit history. It also benefits the economy since banks with strong deposit levels are able to provide the liquidity needed by corporate customers.

SAIB has developed several products specifically targeted to increase access to key financial services in KSA. Through our "EasyPay" card-based payroll service, we provide Saudi corporations with an internet-based payroll payment gateway compliant with the requirements of the Saudi government's Wage Protection System. This service enables the workforce of Saudi companies, particularly low-paid and often unbanked migrant workers, to receive a plastic payment card providing access to a bank account provided by SAIB. The employee's salary is paid into this account each month, and the employee may use the card to withdraw funds from ATMs within Saudi Arabia. SAIB is also working to introduce a new product to allow EasyPay cardholders to direct funds to be remitted to the account of family members in their home countries. The service is offered in Urdu and Tagalog in addition to English and Arabic. By the end of 2015, more than 135,000 workers were benefiting from the EasyPay service, more than a 180% increase from 2014.



For more information about our EasyPay service, please visit: [www.saib.com.sa/en/content/easypay-wps-payroll-card](http://www.saib.com.sa/en/content/easypay-wps-payroll-card)

SAIB is contributing to several initiatives to facilitate home ownership among more Saudis. In 2015, we conducted a social media and newspaper awareness campaign on affordable housing financing and the best methods to obtain a house. This initiative goes hand-in-hand with our partnership with Real Estate Development Fund (REDF) to operate a joint finance program for home buyers. We are also financing a number of real estate projects supporting affordable housing, including one for 324 units in Khobar and another for 164 villas in Dammam.

### RESPONSIBILITY IN LENDING AND INVESTMENT

It is our responsibility to ensure that the money we lend and invest goes to organizations that respect internationally recognized principles in the areas of human rights, the environment and anti-corruption. We seek to incorporate environmental, social, and governance (ESG) issues into our lending and investment activities to mitigate environmental and social risks, and support the assessment of credit and investment risks for our corporate and institutional customers.

In assessing the risk of potential borrowers and potential projects for financing, we take into consideration a broad range of considerations including our Know-Your-Customer risk assessment, corporate governance, strong balance sheet and financial performance, high quality sponsors and management, and segments in the economy with a positive outlook. A company showing a healthy approach to the environment, social issues, and corporate governance is likely to be an attractive borrower for SAIB.

We seek opportunities to invest in and finance renewable energy technologies, as well as industrial development projects that will lead to the creation of employment and trade. SAIB is one of the most important lenders to ACWA Power International, which is heavily committed to renewable energy; we have extended facilities to one of its subsidiaries, Arabian Company for Water and Power Projects. This is a package of credit facilities supporting ACWA Power's installation of a network of solar panels for the electrical authority of Morocco. We are also actively supporting small businesses and encouraging local talent to start business ventures.

Project financing typically requires more extensive analysis than ordinary corporate lending proposals, due to the higher risk involved. SAIB is not currently a member adhering to the Equator Principles; a set of international guidelines for determining, assessing and managing environmental and social risk in projects. However, the Saudi government and Saudi banks have agreed to a separate set of principles focused on environmental objectives set forth by the Presidency of Meteorology and Environment in Saudi Arabia that is modeled on the Equator Principles. The total weight of assets subject to these principles represents 9% of SAIB's corporate banking portfolio.

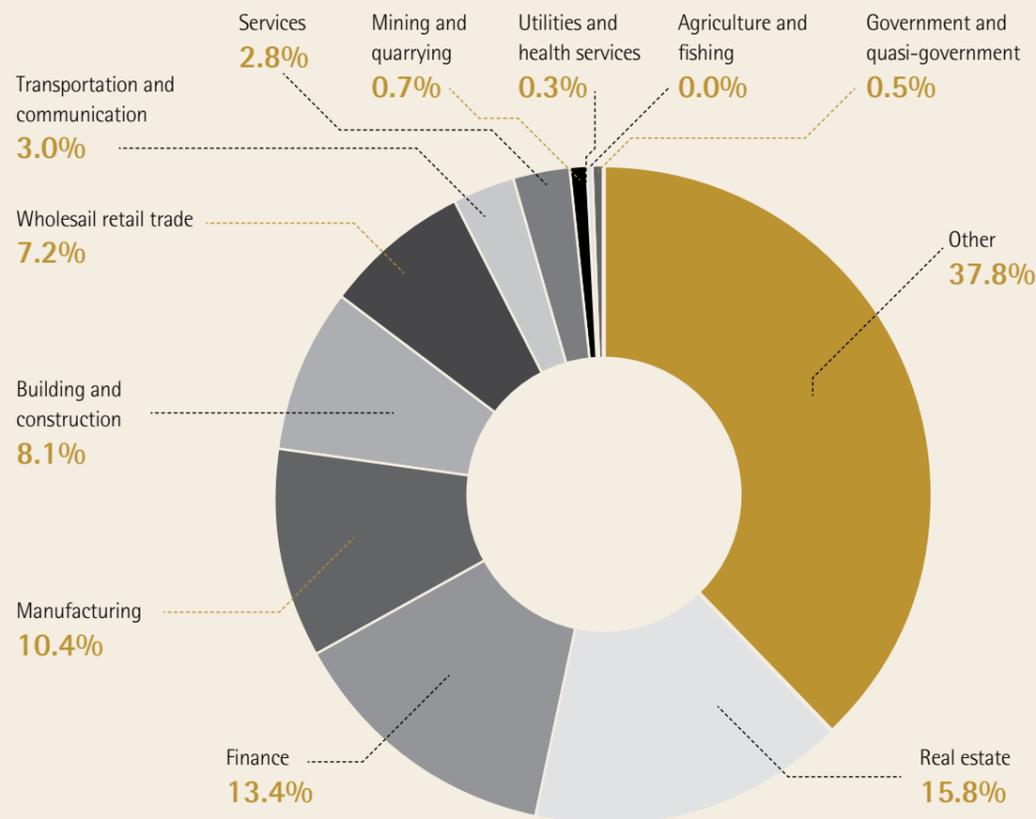
In addition, all of our participation in major syndicated project finance facilities contains clauses focused on environmental concerns. The total portfolio of project financings involving environmental protection clauses amounts to approximately SAR 3 billion. We have specifically supported at least 20 Saudi companies to develop and implement appropriate environmental management measures.

Our investment approach is similar to our approach for lending. In addition, SAIB does not invest in any companies in the gambling, entertainment, alcohol and defense sectors. The importance of social and environmental assessments, in the context of a broader view of a company's business model and position in

the economy, remains a priority for SAIB whether for investments or for loans. In our lending and investment decisions, we are ultimately guided by our broader objective to promote activities beneficial to the national economy, whilst complying with local laws and regulations relating to human rights, the environment and anti-corruption.

Ultimately, through our risk policies, we seek to build diversified lending and investment portfolios. A breakdown of our loans and advances by sector can be seen below.

**LOANS AND ADVANCES BY SECTOR**



## ETHICS, INTEGRITY AND TRANSPARENCY

Our complex business operations call for effective controls, transparency, and clear rules that reflect our deep commitment to integrity. Our reputation as a trusted business partner depends on exemplary ethical behavior; thus, we seek to adhere to the highest standards of integrity and ethical business conduct in every part of our business.

We have policies in place to ensure we comply with the laws and regulations of Saudi Arabia, and that we follow international guidelines and recognized principles for ethical behavior. The SAIB Code of Conduct sets forth general guidelines on how to behave in a number of areas, including inside information, conflicts of interest and whistleblowing. Our whistleblowing policy is designed to allow employees to report possible breaches of our Code of Conduct or other laws, rules, regulations and guidelines applicable to our operations to the CEO or the Head of Human Resources in good faith, without fear that their action may have adverse personal consequences. Over 95% of our staff have also completed training in the Code of Conduct, Compliance, Fraud, Anti-Money Laundering, Business Continuity Planning and our Consumer Protection Principles.

The Saudi Investment Bank is regulated and supervised by the Saudi Arabian Monetary Agency (SAMA), the central bank of the Kingdom of Saudi Arabia, and the Capital Market Authority (CMA), a regulatory financial institution that regulates capital market and securities trade operations. SAIB engages frequently with SAMA and CMA to ensure it is progressing according to its detailed compliance plan. In 2015, we had three incidents of non-compliance, resulting in penalties of SAR 125,000 that have been paid in full to the relevant authorities. This significant improvement upon our compliance performance of past years is the result of implementing more stringent controls and higher awareness of compliance requirements. We will continue to examine and learn from any incidences of non-compliance to limit reoccurrence of such incidents.

Compliance with Regulations	2012	2013	2014	2015
Total incidents of non-compliance*	7	7	6	3
Total monetary value of fines	760,000	1,533,900	9,083,952	125,000

\*Figures for incidents in years prior to 2015 have been changed to match the numbers of non-compliance incidents that are reflected in SAIB's annual reports.

### PREVENTING FINANCIAL CRIME

Financial crimes such as fraud, money laundering and the financing of terror are destructive to economies; their negative impacts include lowering tax revenues, distorting markets, reducing wealth and fueling poverty and inequality. SAIB has thus established robust mechanisms to prevent these crimes from occurring.

We have a Fraud Prevention and Detection policy and procedure in place, and conduct annual fraud risk assessments for 5-6 high-risk processes. In addition, our Operational Risk Management department conducts 15 operational risk assessments each year that also cover fraud risks at a high level. Our Fraud Prevention and Detection department holds the main responsibility for implementing the policy; nonetheless, all SAIB employees are required to complete our e-learning training

on Fraud Prevention and Detection. In 2015, we implemented a new fraud monitoring system to identify suspicious transactions faster, as well as 24/7 monitoring for critical card transactions.

SAMA requires all financial institutions operating in the Kingdom of Saudi Arabia to have Know Your Customer (KYC), Anti-Money Laundering (AML) and Combating Terrorism Financing (CTF) procedures in place. The Saudi Investment Bank fully complies with such guidelines. Our AML unit receives notification of suspicious transactions and inquiries from a number of sources, and monitors those transactions on a daily basis. The AML unit also reviews our AML policies every two years or sooner when needed, and conducts a yearly self-assessment of AML functions. To read more about our AML approach, please visit: [www.saib.com.sa/en/content/anti-money-laundering](http://www.saib.com.sa/en/content/anti-money-laundering)





## EARNING OUR CUSTOMER'S TRUST

As a bank, we understand that the success of our business, in particular, depends on the trust of our customers. We continuously strive to earn our customers' trust by placing their interests at the forefront of everything we do. We are committed to the protection of customer rights, and to ensuring the privacy and security of their personal information and finances. We also seek to help customers develop the knowledge, skills and confidence to appropriately understand financial risks and opportunities and to make informed choices.

SAIB recognizes the importance of planning for Business Continuity to safeguard the trust and protection of our customers. An effective Business Continuity Plan (BCP) will help the Bank to effectively manage any disruption in its operations and to recover as quickly and effectively as possible from an unforeseen disaster or emergency that may interrupt normal business operations. The business continuity processes of the Bank have been certified by ISO (ISO 22301) since 2012; SAIB is one of the first organizations world-wide to have obtained this certification. We tested our business continuity processes twice in 2015 and both tests were successful.

Our Disaster Recovery Center (DRC), located eight kilometers from our Head Office, hosts a duplicate set of the hardware and infrastructure environment of the data center in the Head Office to support business continuity in the case of a disaster. Currently, the DRC hosts 50 IT cabinets, ranging from IT servers and networks switches to hosting and storage for some of our business services such as HR, payment systems and Call Center systems. Recently, Uptime Institute (a global company based in the United States) has certified the SAIB DRC as Tier III for the Design Certificate, which signifies a 99.99% uptime availability.

### PROTECTION OF CUSTOMER RIGHTS AND ACCESS TO INFORMATION

We have a number of policies in place to minimize potential conflicts of interest between SAIB and the customer and protect our customers' rights. We have established Banking Consumer Protection Principles, and also offer an e-learning course on the principles to enable our staff to integrate them into their day-to-day activities and educate customers on their rights and responsibilities.

An important part of our work to protect customers is educating them about personal finance, thus giving them the best foundation for managing their own finances. Our Customer Awareness Unit works to raise customers' awareness of the benefits and risks of products available and their rights as consumers, and to educate customers about responsible financial planning. In 2015, we conducted coaching sessions with staff across our branches to help them better educate our customers. We also sought to build financial literacy through four awareness sessions in workplaces and universities, messages broadcast on our social media channels and Flexx Call line, and a new page on our website:

[www.saib.com.sa/en/content/consumer-awareness-0](http://www.saib.com.sa/en/content/consumer-awareness-0)

## CUSTOMER PRIVACY AND DATA SECURITY IN THE DIGITAL AGE

We are cognizant of the potential security and privacy threats posed by the introduction of new technology in the digital age. Digital and mobile banking applications are convenient and easy to use, but they also bear the risk of information security breaches and cyber-crime. To provide our customers with the ability to bank with confidence on digital platforms, we continue to embed measures to ensure that our customers' personal information and finances, as well as our business, are protected. SAIB experienced no breaches or losses of customer data in 2015.

We have a Privacy Policy that sets out the rules that govern the way in which we collect, use, disclose, store, secure and dispose of personal information. Through our Security Policy, we also maintain security standards and procedures to help prevent any

unauthorized access to our customers' confidential information. Our periodic information security risk assessments ensure that the Bank monitors, identifies and resolves all perceived security issues that need attention. We use a full range of procedural, contractual and technological controls to identify and address information security risks, including cryptography, filtering routers, intrusion detecting systems, virus detecting systems, firewalls, and trusted operating systems as part of our overall security architecture.

SAIB has achieved ISO 27001 certification of its Information Security Management System and is compliant with PCI DSS data security standards. The Information Security Steering Committee provides guidance and leadership to maintain and improve the confidentiality,

integrity and availability of information across SAIB. In 2015, we also formulated a new information security strategy consisting of 21 new initiatives to further enhance the information security posture of the Bank, and an enhanced information security governance framework consisting of newly drafted environment-specific policies and procedures. We also launched an enhanced information security awareness program for our staff, and continued our information security awareness program for customers to make them aware of secure banking practices.

For more information on our privacy policy and data security measures, please visit:

[www.saib.com.sa/en/content/privacy-policy-0](http://www.saib.com.sa/en/content/privacy-policy-0)

[www.saib.com.sa/en/content/internet-security-1](http://www.saib.com.sa/en/content/internet-security-1)



CHAPTER 5

# RE'AYA (WORKFORCE)

Re'aya refers to the establishment of strong relationships between one another.

To deliver high quality financial services and advice to customers, we need an outstanding team of talented, empowered individuals, supported with the right training and placed in an environment that promotes engagement, innovation, achievement and, ultimately, results. SAIB is committed to creating and maintaining an outstanding team through targeted recruitment, attentive performance management, and constructive career development and training.



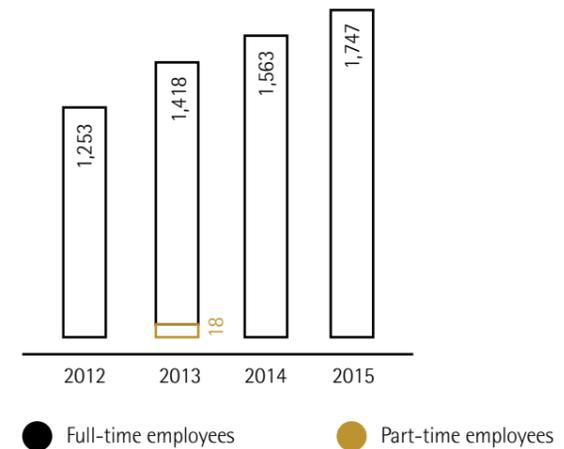
# OUR PEOPLE

In recruiting our workforce, our first priority is to attract the best talent from the diversity our community offers, and to place individuals in the best position for their experience and skill set. We further seek to maximize employment opportunities for young people, women and nationals, as this creates value for Saudi Arabia and our company simultaneously by building a more inclusive national workforce.

In 2015, our workforce grew by 12% to reach 1,747 individuals. Over the past four years, we have grown our team substantially to meet the increased demand driven by our strong performance. We expect to see continuing growth in the coming year.

Total Workforce	2012	2013	2014	2015
SAIB employees	1,053	1,212	1,356	1,535
Inourced employees	89	89	85	69
Alistithmar Capital (ICAP) employees	111	117	122	143
Total Group employees	1,253	1,418	1,563	1,747

### TOTAL WORKFORCE\*



\*All of our employees receive a permanent contract. We issue no temporary contracts.

Employment by Level	2012	2013	2014	2015
Senior management employees	107	135	152	158
Middle management employees	446	601	697	782
Staff (non-management)	700	682	714	807

**BUILDING AN INCLUSIVE WORK ENVIRONMENT**

We are proud to provide employment opportunities that attract and empower youth and Saudi nationals. SAIB has issued a formal policy to increase Saudi nationals in its workforce, and Saudization is an integral part of its Human Resources strategy. In 2015, young people between the ages of 18 and 30 comprised 41% of our workforce. Saudi nationals made up 82% of our team and 54% of senior management, a respective increase of 5% and 4% from 2014. This performance places SAIB at the top of the Green band of the Saudi Nitaqat Program, which sets a quota of 65%-89% nationalization for financial institutions of SAIB's size. We have set targets to increase both of these rates by an additional 4% by 2017, so that 86% of our total team and 58% of senior management will be comprised of Saudi nationals. We have numerous programs in place specifically designed to attract and support the development of young Saudi graduates; please refer to the section on Training and Career Development in this chapter to read more about these initiatives.

We also seek to recruit more and more women to our workforce. In 2015, 33% of new hires were women. In total, women made up 18% of our team, a 4% increase from 2014 and an 8%

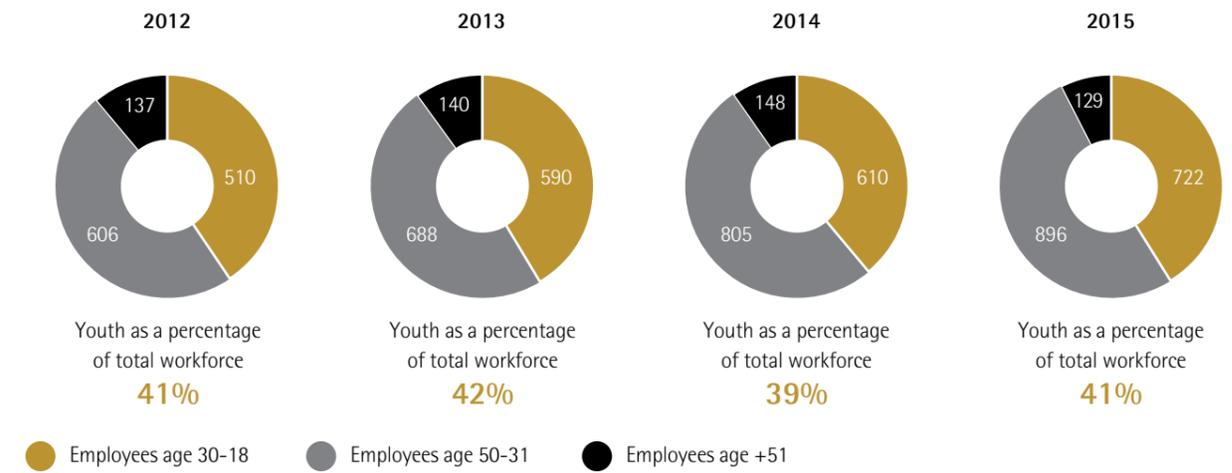
increase from 2012. Women filled 12% of our middle management positions, and 4% of senior management positions, representing slight improvement over our 2014 performance.

To promote the inclusion of women in its workforce, SAIB signed a Cooperative Training agreement with Al Yamama University in 2014 to offer a ten-week training program that included both classroom and on-the-job training to 10 female graduates with a business diploma. SAIB's female employees also participated in twice the number of days of training, on average, than men in 2015.

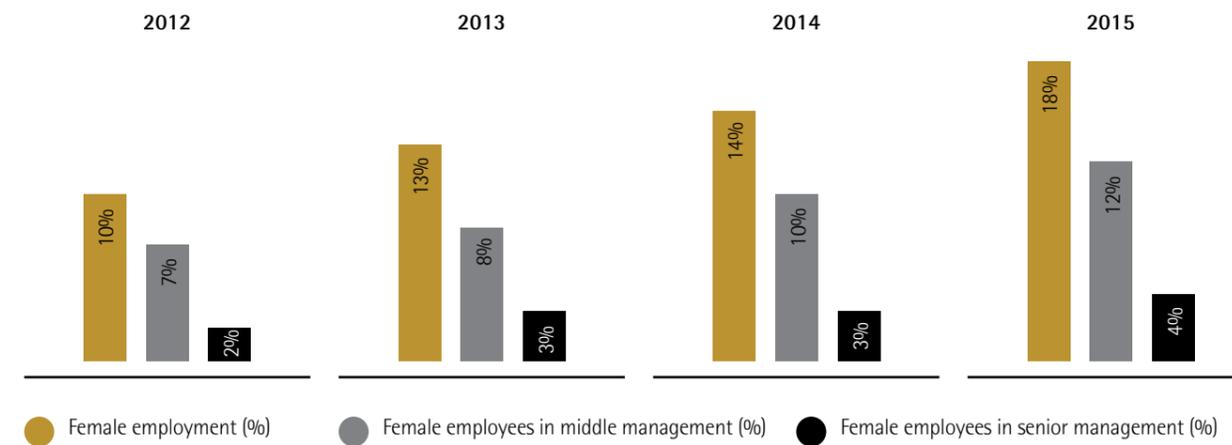
We want each of our employees to feel a sense of belonging and connection to our business and success. Creating an inclusive work environment that respects the contribution made by employees from a myriad of backgrounds is critical to this objective. SAIB is an equal opportunity employer; we are committed to equal treatment of all employees without regard to race, religion, gender, age, physical or mental disability or other basis. We do not tolerate any form of discrimination, harassment, or other acts that might be interpreted as disrespectful to individuals or groups, and explicitly state this policy in our employee handbook and HR policy.



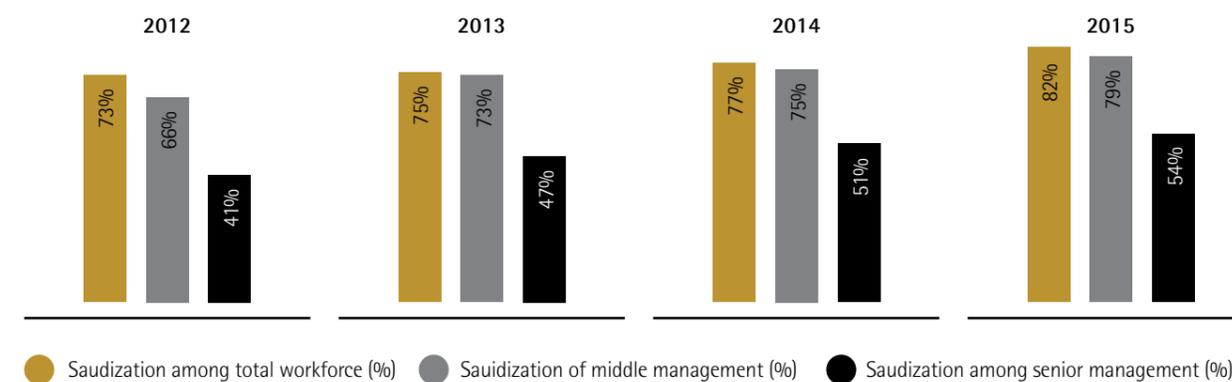
**WORKFORCE BY AGE**



**FEMALE EMPLOYMENT**



**SAUDIZATION**



## A REWARDING WORKPLACE

To provide the best possible experience to our customers, we need to start by providing a work environment that promotes engagement, innovation, and achievement and, ultimately, results. Employees who are proud to be part of our team and committed to the success of our business will naturally earn the trust of our customers and provide them with an outstanding banking experience. Relations with our employees are built on fairness, respect and trust; we seek to offer competitive compensation, maintain open communication and keep our employees safe and healthy at work.

In 2015, SAIB was honored to be recognized once again as a "Great Place to Work" by the Great Place to Work Institute. We were selected as one of the best workplaces in Saudi Arabia based upon an assessment of our value system, programs and practices, and the extent to which we provide a trusting workplace environment for our employees. Our evaluators conducted a confidential and anonymous survey of our employees, asking about behaviors that measure the way in which credibility, respect and fairness are expressed in our workplace. They also collected data about the levels of pride and camaraderie at SAIB.

### COMMUNICATION AND ENGAGEMENT

Proactive communication and engagement with our employees enhance their job satisfaction and productivity, while minimizing turnover within the company. We maintain an open dialogue with our people in order to understand their needs, identify their concerns and respond to their expectations.

Our biennial employee satisfaction survey is one key channel through which we collect the input of our employees. Through this survey, we measure employee satisfaction with performance management and growth, work processes and quality, pay and benefits, workload and stress, communication, supervisor, bank image, customer focus, employee appreciation, and upper management.

In 2015, we achieved a rate of 82% satisfaction among employees, an 8% increase from our performance in 2013. Our HR department also collects internal customer (employee) feedback

on its operations and services on a regular basis. Using feedback forms, employees can rate HR services such as payroll and benefits, recruitment, medical, government relations, staff services, time registration and attendance.

More informally, through our 'Creative Mornings Initiative', our CEO meets and converses monthly with randomly selected staff to hear their ideas and concerns. We also have an Employee Suggestions Program, 'My Idea', that allows employees to submit suggestions to our Innovation Center for consideration. Employees made 318 suggestions in 2015, 33 of which are now being considered for implementation. Internal communications tools, such as newsletters, intranet, and management meetings, are continually being evolved to help employees connect more effectively with each other and the organization.

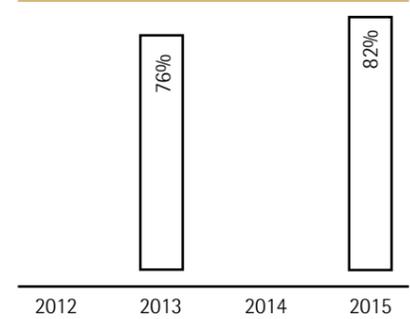
In 2015, SAIB launched Yammer, a communication platform for employees similar to Twitter.

We also seek to engage our employees through our Thank You Program, which aims to reward employees for outstanding efforts and achievements outside their current roles and responsibilities. Employees can be nominated by their department head and are eligible to receive a Gold, Silver or Bronze medal and WooW points. SAIB also rewards Saudi employees who have completed 15 consecutive years with the Bank.

In 2015, long-term service incentive schemes such as the Saudi Long Service Awards and the company's Service Security Plan were linked to performance, thus enabling superior performers to earn higher awards.

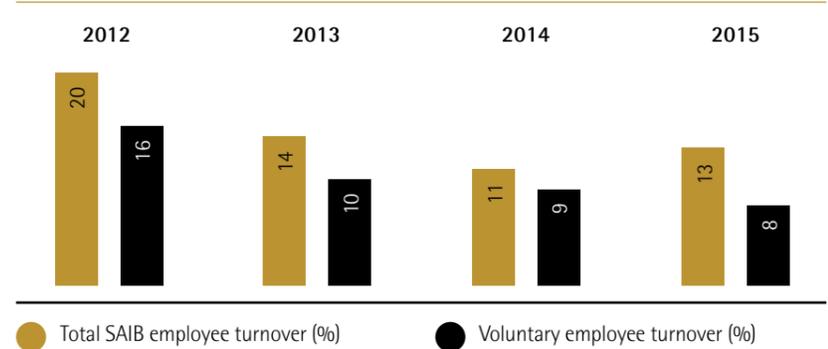
Turnover and absenteeism rates also help us measure our success in keeping employees committed and engaged. Since 2013, our total and voluntary turnover rates have remained relatively stable; in 2015 we recorded a total turnover rate of 13% and a voluntary turnover rate of 8%. We also recorded a very low absenteeism rate of 0.11%. The Bank conducts exit interviews with all departing employees to learn how it can improve, and summarizes and analyzes the input collected in an annual report, the 'Regrettable Turnover Report'. The conclusions and recommendations are actively followed up.

### EMPLOYEE SATISFACTION\*

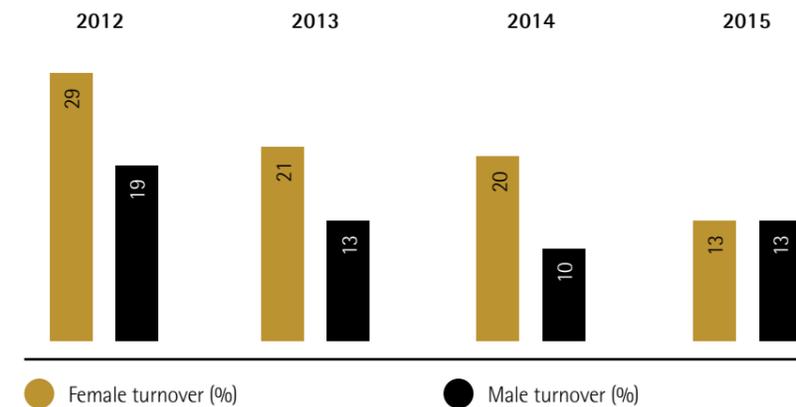


\*This survey is conducted biennially.

### TURNOVER

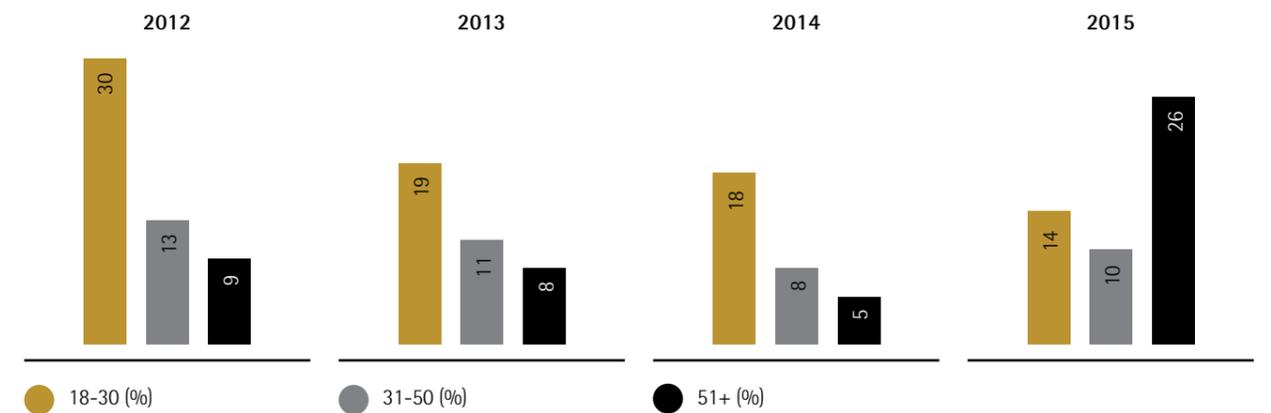


### TOTAL TURNOVER BY GENDER\*



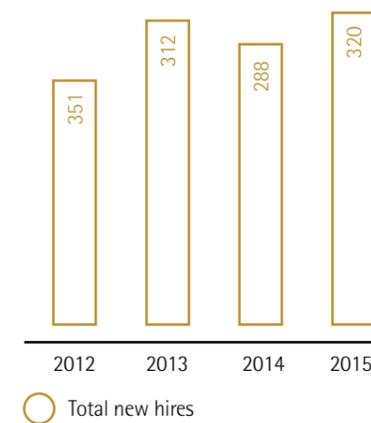
\*Includes employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

### TOTAL TURNOVER BY AGE\*

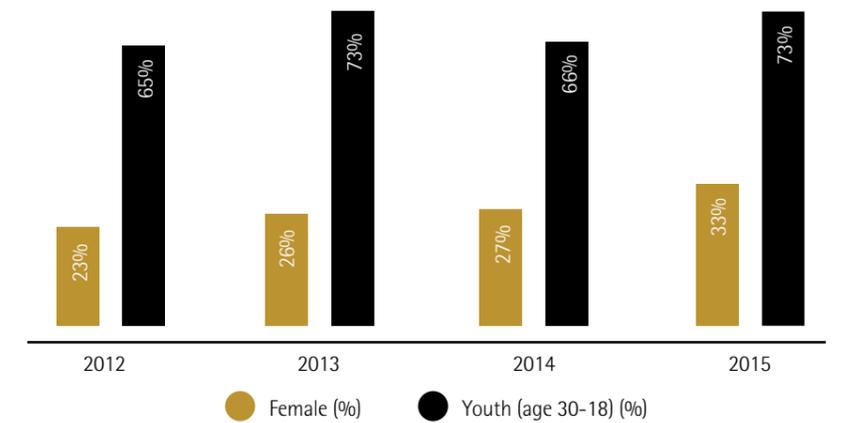


\*Includes employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

### TOTAL NEW HIRES



### NEW HIRES BY GENDER AND AGE



**PERFORMANCE MANAGEMENT**

Performance management at SAIB ensures that employees remain focused and empowered to achieve their objectives, are rewarded for superior performance. The Bank uses the Balanced Scorecard strategic planning and management system to set objectives for and evaluate the performance of the management and supervisory staff.

Objective setting and performance appraisals for non-management staff are governed by the following process. At the beginning of each year, all SAIB employees set personal

objectives in discussion with their line managers. Biannually, employees complete a self-appraisal of their performance against their set objectives for the period under review and discuss the results with their managers, to ensure each individual is progressing appropriately towards achieving their annual objectives. When this appraisal is completed at the end of the year, managers assign a final performance rating based on individuals' achievements against their objectives. In order to maintain standard

performance evaluation across the Bank, all ratings are calibrated using a standard performance curve.

Performance ratings inform any adjustments in compensation and benefits. Employees who have been rated below the minimum standard are given improvement plans and are monitored to ensure progress.

**BENEFITS AND COMPENSATION**

Remuneration is an important driver to attracting and retaining qualified employees. Our financial contribution to employees has grown year-on-year in alignment with the growth of our Bank and its scale of operations. We offer our employees highly competitive salary and benefits packages that include life insurance, medical insurance, fitness club membership, social security, our Aseel Loyalty Program, and allowances for housing and transportation.

We also offer our employees equity shares in the Bank under an Employee Share Option Plan. Under the terms of the Plan, employees are granted shares that vest over a four-year period. In addition, the Bank grants other types of security and savings plans to its employees that are based on mutual contributions by the Bank and the employees. These contributions are paid to the participating employees at the respective maturity date of each plan.

For more information on these employee schemes, please visit: [careers.saib.com.sa/content.php?ulid=81649-employee-sch&tid=brQuaGsVpoORCKYGe1PMSkcyhh/wnyG1KaKML6m::ORA=](http://careers.saib.com.sa/content.php?ulid=81649-employee-sch&tid=brQuaGsVpoORCKYGe1PMSkcyhh/wnyG1KaKML6m::ORA=)

GRI G4-EC1

Salaries and Benefits Paid (thousands SAR)	2012	2013	2014	2015
Salaries paid	163,566	190,784	226,628	254,451
Benefits paid	176,696	221,041	269,718	315,765
Social security contributions	12,368	16,642	20,777	27,038
Staff health insurance	9,201	10,553	14,282	22,220
Total salaries and benefits paid	361,831	439,020	531,405	619,474

**SAFETY, HEALTH AND WELLBEING**

As a caring employer, we recognize our responsibility to maintain the safety and health of our people. The main safety risks to our people include fire hazards and violent criminal acts. We have a comprehensive safety and security policy in place to respond to these risks. Each branch, division, or floor of the Bank has a security and safety coordinator, a backup, fire wardens, and alternate fire wardens. We conduct daily branch inspections, and monthly safety orientations and awareness campaigns for all employees. All of our departments are equipped with first aid

boxes, and in 2015, we created a First Aid Team consisting of SAIB staff that have volunteered for the team and received first aid training. We also conduct advanced first aid training for branch managers and operations every 6 months. We are currently preparing for OHSAS 18001 certification.

In 2015, we recorded three recordable injuries when three contracted workers cut their hands on a glass pane they were cleaning. Their cuts were bandaged up at the time and no further

issues were reported. We have also recorded a small number of health-related incidents that have occurred on our premises in 2014 and 2015 when customers, employees, or contractors became ill due to a pre-existing medical condition, such as diabetes. We had one such incident in 2015, and three such incidents in 2014.

GRI G4-DMA Occupational Health and Safety

GRI G4-LA3 GRI G4-LA6

Safety Performance (Employees)	2012	2013	2014	2015
Employee and contractor fatalities	0	0	0	0
Employee and contractor lost-time injuries	0	0	0	0
Employee and contractor total recordable injuries	0	0	0	3

We also encourage our employees to live healthy, balanced lives and send regular health awareness messages to our employees. Given the high incidence of diabetes in Saudi Arabia, we have particularly focused on raising awareness among our workforce of this disease and how it can be prevented. In 2015, the Bank hired physicians to come to the Bank on World Diabetes Day to screen its employees for the disease. We offer subsidized fitness club

memberships to all our employees with two fitness clubs in Saudi Arabia, and organize football, bowling and basketball teams that participate in corporate leagues. In the holy month of Ramadan, we also provide guidance and tips on how to avoid health issues such as dehydration and fatigue.

We seek to support women in the workforce to balance parental responsibilities with their

careers and provide paid maternity leave of up to 10 weeks. We also support women when they are expecting by giving up to 180 days of paid sick leave in case of illness due to the pregnancy. In 2015, 10 women took parental leave, all of whom returned to work afterwards. This 100% return-to-work rate indicates that we provide a balanced work life.

Parental Leave (Female Employees)	2012	2013	2014	2015
Employees that took parental leave	1	6	13	10
Employees who returned to work after parental leave ended	1	5	13	10
Employees retained one year after returning to work following parental leave	--	1	4	11
Rate of return to work following parental leave (%)	100	83	100	100
Retention of employees one year after return from parental leave (%)	--	100	80	85



**INTERNAL GRIEVANCE MECHANISM**

An employee grievance policy is available and published in the employee handbook and HR policy. If any employee believes that he or she has been treated unfairly by the Bank or if there is any work related situation that affects and upsets him or her, SAIB will resolve the matter expeditiously.

Employees are encouraged to raise any such matter with their line or branch managers. He or she must respond with a decision within two

working days. If the grievance concerns an employee's immediate manager, or if he or she is not satisfied with the decision of the immediate manager, he or she may take it up with the Head of Department or the Functional AGM/GM, who must respond within seven working days. If the employee still remains aggrieved, he or she can then take it up with AGM HR Operations. He or she will look into the grievance and respond within 10 working days. If the grievance still remains unresolved after this, the final level of appeal is for the employee to write to an email

address which is accessed by senior management. The GM HR will look into this in consultation with the Functional GM and respond within 20 working days.

In 2015, employees raised six grievances related to either payment terms or performance ratings. This demonstrates that our internal grievance mechanism is effective in that employees feel comfortable coming forward in cases where they believe they have been treated unfairly. All grievances were resolved in accordance with the procedure described.

# TRAINING AND CAREER DEVELOPMENT

We invest in the development of our people to enhance their ability to meet our customers' needs, and to support them in reaching their own career goals. The Bank regularly provides annual performance and career development reviews to all of its employees; during this process, training needs of each individual are identified, and the Bank endeavors to provide the resources and opportunities to fulfill those needs. We aim to create a 'life-long learning' culture within SAIB, where employees at all levels continue to develop their knowledge and skills. Such a culture is crucial to our success given that rapidly changing technology requires employees to continuously adjust to new processes and procedures. At the same time, our training and development strategy focuses particularly on providing young people and Saudi nationals, who demonstrate high potential but lack extensive experience, with the training and support needed to harness their potential and build their skills and employability. We also place an emphasis on strong succession planning; for all critical positions, a successor is selected, a comprehensive development plan for each successor is identified, and a detailed timeframe for the development plan is set.

The Bank conducts training through a combination of e-learning and face-to-face training methods. SAIB has a stand-alone 24/7 e-Learning portal known as "SAIB E-Learning Academy", with seven e-Learning courses. These include courses on anti-money laundering, compliance, fraud, our Banking Consumer Protection Principles, business continuity planning, our Code of Conduct, and securing SAIB's information and protecting our privacy. All SAIB employees also have access to online programs that align to SAIB's General Skills development path matrix. The Al-Aqeeq SAIB Academy Training Center contains five training halls and a model branch to train new staff on our banking systems. The Bank offers numerous programs there that together cover more than 150 different banking and technical subjects.

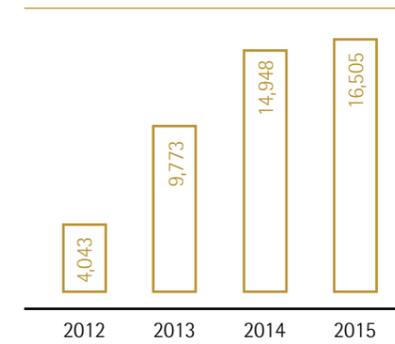
In 2015, an average of 10 training days were provided per employee – this is consistent with our performance since 2013. The average number of training days for our non-management employees has increased significantly over the last three years; this is because we have been developing a comprehensive training program to serve the young talented Saudis we have been hiring as trainees.

At the same time, the average number of training days for our middle management employees has decreased for two reasons. During 2014, SAIB trained most of its middle management employees for SAMA certification, which accounted for an increase in average training days for that group. As the certificate is valid for three years, such training did not occur again in 2015, and the average number of training days decreased. In addition, the launch of our online training portal in 2014 has allowed us to replace some of the face-to-face training provided to management staff with online training for technical and behavioral competencies.

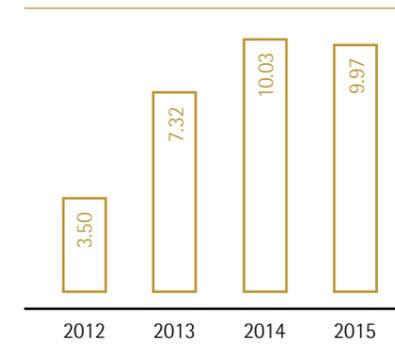
In 2015, we introduced two new training programs focused on building the leadership skills of low-level management, as these individuals are the management in closest contact with the people who deliver work to customers. These courses aim to provide people in leadership positions with the insight and techniques to lead more effectively and to inspire and influence others. The courses cover the key skills required by a supervisor including leadership, communication, teambuilding, emotional intelligence and coaching.



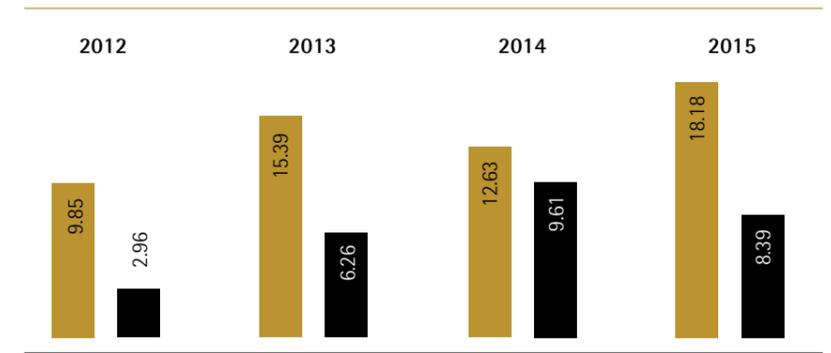
## TOTAL DAYS OF TRAINING OFFERED TO EMPLOYEES



## AVERAGE DAYS OF TRAINING PER EMPLOYEE



## TRAINING BY GENDER



- Average days of training per female employee
- Average days of training per male employee

Training by Employment Level*	2012	2013	2014	2015
Average days of training per senior manager	4.61	2.98	3.49	3.50
Average days of training per middle manager	3.87	6.62	8.01	5.31
Average days of training per employee (non-management)	3.09	8.61	13.25	15.82

\*Calculated by dividing the total number of training days and the total cost of training respectively by the actual number of staff who attended the training.

## TRAINING AND DEVELOPMENT OPPORTUNITIES FOR SAUDI NATIONALS

SAIB's nationalization strategy targets nationals at many different stages of their education and career development path, from high school students to recent university graduates to retaining SAIB's experienced national employees.

SAIB's Co-Op Program prepares Saudi high school and undergraduate students for participation in the workforce, providing them with the opportunity to do a three-month paid rotation through all departments within the Bank. The program identifies excellent student candidates for recruitment by SAIB based on the manpower needs of various areas of the Bank. Each student is regularly evaluated and given feedback by his or her immediate supervisor. 174 Students have participated in the program to date. 80 Students participated in 2015, demonstrating growth in the program and marking our biggest participation rate yet.

SAIB provides numerous support and development opportunities to newly recruited Saudi nationals to grow their skills and succeed at SAIB. In 2015, the Bank continued to deliver

its Young Hire and Saudi Graduate programs, as well as introducing several new training programs focused on developing skills for specific positions within the Personal Banking, Corporate Banking, Risk, Administration, and Operations departments of the Bank. In 2015, 233 recruits participated in these various training programs, 30% of which were women.

SAIB's Young Hire Program is a six week program designed to promote the development of newly hired Saudi graduates through a series of learning sessions at the Institute of Banking, simulated on-the-job training exercises in SAIB's «Model Branch» environment, and a succession of personal development training courses and exercises. 352 Nationals have undergone training and joined SAIB's team through this program to date.

SAIB's Saudi Graduate Program is a 12 month program designed to attract young Saudi nationals with a university degree and a strong academic background to help them develop their banking skills through extensive training

and immersion in the banking environment. 36 Nationals have undergone training and joined SAIB's team through this program to date.

The Saudi Fast Track (FaTra) program aims to enable more experienced Saudi staff to develop their business talents and assist them in entering the Bank's top management team in the future; five Saudi nationals participated in this program in 2015. The Bank also offers financial assistance to Saudi nationals to pursue educational programs. Programs like these have delivered real results, with the Bank achieving a 13% increase in the nationalization of senior management since 2012.

For more information about SAIB's employee development programs, please visit: [careers.saib.com.sa/content.php?ulid=81649-growth](http://careers.saib.com.sa/content.php?ulid=81649-growth)

## HIFTH (ENVIRONMENTAL PROTECTION)

In Arabic, the term Hifth means to "protect" or "save". For SAIB, Hifth refers to the sustainable use of natural resources by local communities. As a major financial institution, our activities require the use of natural resources that produce waste and emissions, both directly from our operations and indirectly through our value chain. We seek to manage our environmental impact, risks and opportunities to reduce the cost of doing business, to enhance long-term shareholder returns, and to protect the environment in which we operate and the populations that depend on it.

We also recognize that as a reputable company in the region, we have a role to play in positively influencing the environmental behavior and practices of our customers, suppliers and partners. In this regard, one of our priorities is to achieve more sustainable outcomes across our sphere of influence by finding solutions to environmental challenges. Our efforts in managing our indirect environmental impacts in our loans and investments are covered in more detail in Chapter 4 of this report, Takleef.



## ENVIRONMENTAL MANAGEMENT

In 2015 we developed and approved a formal environmental policy that represents our general position on environmental issues, and the policies and practices we will apply in conducting business. The purpose of this policy is to help us to continuously improve our environmental performance and integrate recognized environmental management best practices into our business operations, as well as reduce our consumption of resources and improve the efficient use of those resources. The policy includes our position on climate change, as well as sections on the management of the direct environmental impact of our operations, the environmental impact of our supply chain, environmental risks associated with lending and investment, as well as provision of environmental solutions through products and services.

We are working to improve our environmental performance in all areas by investing in environmentally friendly technology and raising awareness among our employees and customers. In 2015, we began to produce and distribute a monthly dashboard that shows the consumption of electricity, water and paper by branches in comparison with performance from the same month of the previous year. All branches have been instructed to use this dashboard as a performance management tool. We have also been sending weekly environmental protection tips to employees to raise awareness. We were proud to receive a CSR Award for Best Environmental Practices in 2015 at the CSR Saudi Arabia Summit organized by Informa.



GRI G4-DMA Energy GRI G4-EN3 GRI G4-EN5 GRI G4-DMA Emissions GRI G4-EN15 GRI G4-EN16 GRI G4-EN18

## ENERGY CONSUMPTION AND GHG EMISSIONS

Climate change is one of the most pressing challenges of our time. Even though our industry is not a major contributor to climate change, we seek to demonstrate leadership on this front.

Our energy consumption is driven by significant growth in the use of online banking services that require a growing technology infrastructure, and data centers that require large amounts of energy. With a workforce surpassing 1,600 individuals, we also consume a significant quantity of electricity to maintain our offices and the well-being of our staff. Finally, we use fuel for travel between our numerous branches nationwide.

In 2015, we strove to optimize electricity use in our buildings by replacing conventional lighting with LED lighting – more than 300 light bulbs per branch. The Bank also signed an agreement with an external supplier to set up a Building Management System (BMS) in our headquarters and five of our branches in 2016 to better monitor and control the consumption of electricity. We will also aim to purchase energy-efficient IT and office equipment as we replace our older equipment. We are committed to reducing non-essential business travel through teleconferencing and videoconferencing to cut fuel consumption.

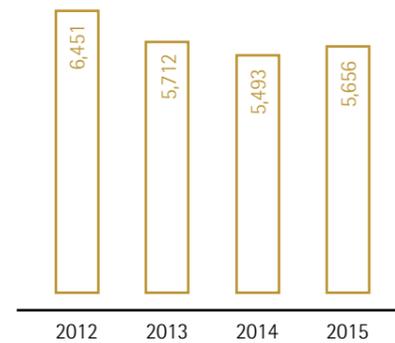
In 2015, SAIB consumed 38,610 mWh of electricity, which amounts to 138,996 GJ of indirect energy consumed and 25,251 tonnes of indirect CO<sub>2</sub> equivalent produced. SAIB's indirect energy intensity was therefore 87 GJ/employee, and its Scope 2 GHG intensity was 16 tons of CO<sub>2</sub>eq/employee.

Because we only have consumption data in mWh for the year 2015, we have also reported our spending on electricity in order to demonstrate the trend in our performance since 2012. As the price of electricity has remained stable for the past few years in Saudi Arabia, we are confident that spending is a reliable indicator of our consumption. In 2015, our electricity spending increased by %12. This increase can be attributed to the increase in our customer base and workforce, which must drive greater electricity use in our data centers and offices.

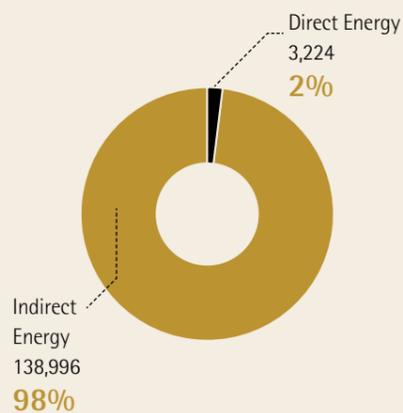
Our petrol consumption and associated emissions have increased by %13 since 2014, also likely due to the greater petrol use required to support the travel of more employees. There was no significant increase in the average electricity expenditure or fuel consumption per full-time employee.

Total energy consumption for 2015, including both direct and indirect energy, amounted to 142,219 GJ, while total GHG emissions amounted to 25,474 tonnes of CO<sub>2</sub> equivalent produced. SAIB's energy intensity was therefore 89 GJ/employee, and its GHG intensity was 16 tons of CO<sub>2</sub>eq/employee.

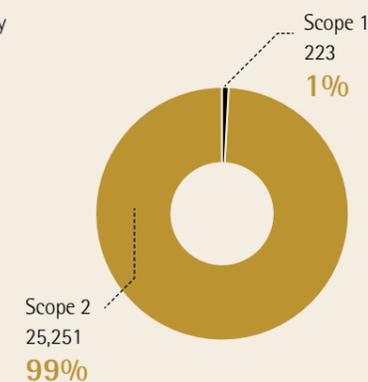
### ELECTRICITY EXPENDITURE PER FULL-TIME EMPLOYEE (SAR)



### 2015 ENERGY CONSUMPTION (GJ)



### 2015 GHG EMISSIONS (TONNES CO<sub>2</sub>eq)



Energy Consumption	2012	2013	2014	2015
Amount spent on electricity (SAR)	7,366,884	7,430,766	8,211,304	9,167,956
Electricity expenditure per full-time employee (SAR)	6,451	5,712	5,698	5,716
Petrol fuel consumption (liters)	91,336	81,269	82,264	93,011
Petrol fuel consumption (GJ)	3,166	2,817	2,851	3,224
Fuel consumption per full-time employee (GJ)	2.8	2.2	2.0	2.0
Direct GHG emissions from fuel consumption (tonnes CO <sub>2</sub> eq)	219	195	198	223
Direct GHG emissions per full-time employee (tonnes CO <sub>2</sub> eq)	0.19	0.15	0.14	0.14



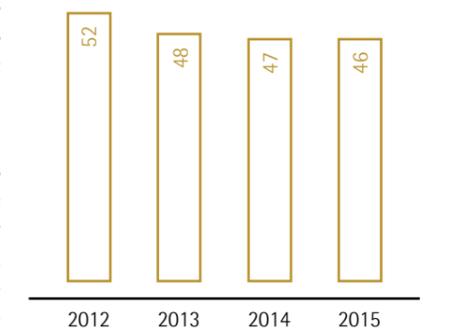
GRI G4-DMA Effluents and Waste GRI G4-EN23

## PAPER CONSUMPTION AND RECYCLING

SAIB continues to digitize its policies and processes, which have traditionally been dependent on paper documentation, in order to reduce its use of paper. Even though SAIB has seen an increase of over 25% in the number of banking transactions from 2014 to 2015, paper consumption at SAIB has grown only by 9% in the past year as a result of the digitization of a number of banking transactions and processes. By default, our ATMs will not print receipts unless a customer opts for a receipt, and messages in ATMs ask customers not to print receipts if not necessary. We segregate, shred, and recycle our disposed paper. In 2015, our total paper recycled increased by 10%, consistent with the percentage increase in our total workforce.

To further reduce our paper consumption and increase recycling in our offices, we ran a staff campaign in 2015 encouraging our employees to "reduce, reuse, and recycle" with messages designed to raise employee awareness about the environmental issues caused by the high consumption of trees. Presently, all other waste generated by SAIB is disposed of; however, the Bank is currently in the process of developing recycling programs for other materials including plastic and electronics. We are also building a system to measure the total weight of all waste produced by the company for reporting in future years.

### PAPER CONSUMPTION PER EMPLOYEE (KG)



Paper Consumption	2012	2013	2014	2015
Paper consumption (kg)*	59,102	62,644	67,098	73,372
Paper consumption per employee (kg)	52	48	47	46
Total paper recycled (kg)**	26,350	60,990	63,745	69,881

\*This includes A4 paper purchased across our operations.

\*\*This includes any paper recycled throughout our properties, including magazines, newspapers, etc.

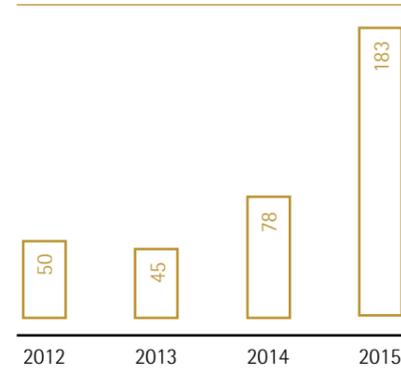
## WATER CONSUMPTION

Saudi Arabia suffers from both water scarcity and extreme aridity; it is thus forced to rely on finite, diminishing groundwater resources and desalination of seawater to meet the demands of its population. As the environmental and social costs of these activities are significant, it is imperative that we do the utmost to reduce our consumption of water and thereby preserve the Kingdom's resources.

With a workforce surpassing 1,600 individuals, we consume a significant quantity of water to maintain our offices and the well-being of our staff. We are working to reduce consumption by increasing awareness among our employees and installing water efficient appliances. In 2015, SAIB conducted an efficiency test at its head offices, and installed water saving tools on all taps and toilets as a result. The new Building Management System (BMS) to be set up in 2016 will also help us to better monitor and control our consumption of water at headquarters.

Despite our efforts to reduce water consumption, total water expenditure per person has more than doubled due to the addition of sanitary services to address siltation in the water at nine of our branches. Unfortunately, we are currently only able to report our consumption of water in terms of our spending on this item. Since the price of water has remained stable for the past few years in Saudi Arabia, we are confident that spending is a reliable indicator of our consumption.

WATER EXPENDITURE PER FULL-TIME EMPLOYEE (SAR)



Water Consumption	2012	2013	2014	2015
Amount spent on water (SAR)*	57,466	58,469	112,409	293,473
Water expenditure per full-time employee (SAR)	50	45	78	183

\*Figures for 2012 and 2013 are for SAIB headquarters only; 2014 and 2015 data includes all operations.



### CHAPTER 7

## AWN (HELPING OTHERS)

Awn means to help, to offer what you can for others. We strive to contribute to the social and economic development of our local community through the donation of financial and human resources to community programs, and the use of local suppliers.



GRI G4-EC1 GRI G4-DMA Local Communities GRI G4-S01

## COMMUNITY INVESTMENT

We strive to be a force of good in the community through our community investment practices. We contribute both time and money to carefully selected programs through our corporate volunteering program and corporate sponsorship. We focus our investments on four priority areas defined by our corporate sponsorship policy: financial education, human and social development, environmental protection and community health. We are continuously seeking to improve how we measure the extent and effectiveness of the impact of the programs we invest in, and to enhance the impact of our community investments per Saudi riyal invested. We are also dedicated to narrowing and focusing our investments in areas where we can contribute not just money, but tools and expertise.

In 2015, we invested SAR 2,391,000 in the community, an 82% increase from 2014. In recognition of its role as one of leading financial institutions in the field of CSR and sustainability, SAIB received the distinguished Tatweej Academy's 'Golden Order of Merit in the field of CSR' at the recently held Tatweej – Arab Leaders and Leading Organizations Grand Finale Ceremony 2015.

We also introduced a new initiative, WooW Alkhair, in 2015, which allows customers to redeem their WooW loyalty program points in the form of charity donations. Through this program, customers donated a total of SAR 269,165.

### COMMUNITY INVESTMENT (SAR)

2013	1,335,500
2014	1,313,500
2015	2,391,000

2015 Sponsored Events and Organizations	Description	Community Investment (SAR)
INJAZ Saudi Arabia	Training of Saudi orphans across the Kingdom in leadership and entrepreneurship, and awareness building regarding their situation.	39,000
Prince Sultan University Scholarships	Provision of annual scholarships to 20 students of Prince Sultan University. In addition, SAIB offers Co-op opportunities to these students.	1,550,000
Al Birr Foundation - Makkah	Foundation dedicated to enhancing awareness of the Holy Qur'an among the people by cultivating learning, understanding, reciting and memorizing of the Words of God, especially among children.	100,000
Ramadan Food Baskets	Distribution of 1,000 food baskets to needy families in Saudi Arabia during the holy month of Ramadan.	205,000
School Kits	Arrangement and donation of over 2,000 school kit bags for children in needy families.	325,000
Graduation Projects of Prince Sultan University Students	Support for the graduation projects of several undergraduate students at Prince Sultan University.	15,000
Riyadh Deaf Club	Sign language workshops.	50,000
Dental Health Awareness Campaign	A group of dentistry students at King Saud University developed a project to conduct an awareness campaign on good dental health practices for 1000 elementary school students.	22,000
National Centre for Kids Cancer	Donation of 20 wheelchairs.	20,000
Winter Clothes	Distribution of winter clothes to those in need in remote areas of Saudi Arabia.	60,000
Minopolis	Minopolis is a "town" for children full of activities of daily life from shops to hospitals, restaurants and banks. SAIB has assisted in designing the Bank station and has provided sponsorship for 25 orphans to visit Minopolis.	5,000
<b>Total</b>		<b>2,391,000</b>

## FLEXXBIKE

FlexxBike, one of SAIB's flagship community investment projects, is a non-profit bike-sharing program. The FlexxBike program's objective is to raise the cultural awareness of health and fitness and promote cycling as a means of exercise and transportation, particularly among youth. The FlexxBike system, operated by SAIB, currently consists of a number of bikes distributed across stations around Riyadh, Dammam, Jeddah and King Faisal University in Al Ahsa. Bikes are available 365,7/24 days a year. With the purchase of a SAR 10 membership, the first hour of renting a bike is free and each additional hour costs SAR 10. Each station has a solar-powered electronic registration terminal, a rental terminal supporting multiple languages, and

a docking system that releases bikes for rental. Individuals may register through the FlexxBike website or mobile app.

SAIB founded the FlexxBike program, and is paying the full cost of building the stations and operating the program for five years. This includes the engagement of SAIB staff in all management and operational processes. So far, the Bank has invested SAR 3 million in the program. In the future, SAIB plans to expand access to include more cities throughout KSA, focusing primarily on university campuses. SAIB is targeting installation of 10 new stations in 2016, distributed across several universities. For more information about FlexxBike, please visit:

[www.flexxbike.com/?lang=2](http://www.flexxbike.com/?lang=2)

### EMPLOYEE VOLUNTEERISM

We encourage our employees to participate in supporting the community through our volunteer policy, which enables employees to donate up to 24 hours (3 days) per calendar year toward an organization. This donated time is considered paid time off (and does not affect other types of leave), and is also counted towards bonus scores for the employees at the end of the year in the balanced score card evaluation.

SAIB also has a community involvement program that offers opportunities for employees to become involved in the community through activities such as helping build homes for needy families through a Habitat for Humanity project, or participating in a food donation to poor people. SAIB has formed a SAIB Volunteer Team (SVT) to discuss and decide on company events, activities, and potential financial contributions.

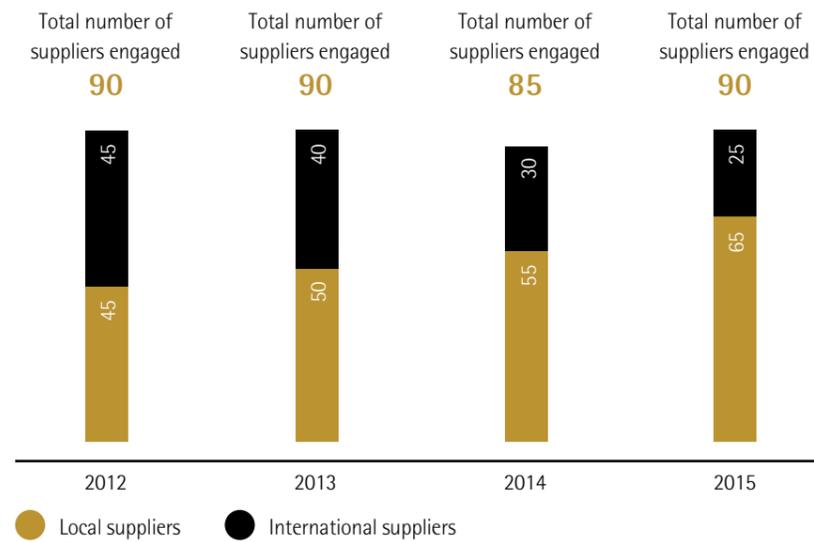


GRI G4-DMA Procurement Practices GRI G4-12 GRI G4-EC9

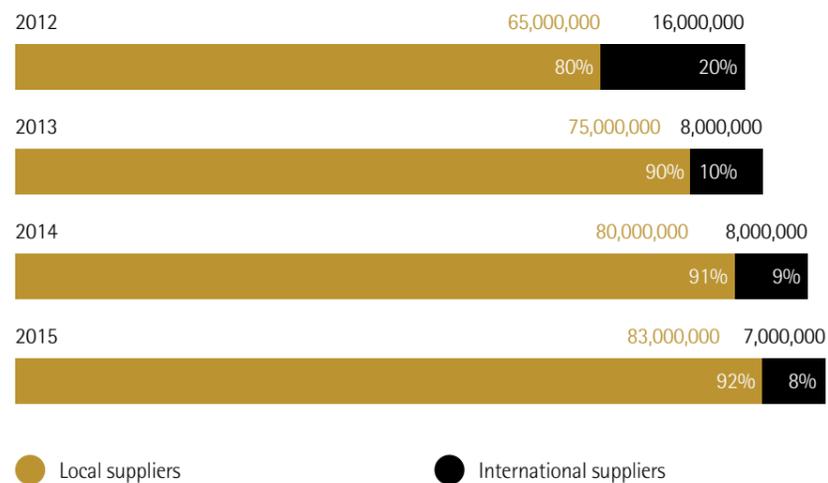
## LOCAL PROCUREMENT

As a financial service provider, our procurement spending goes mainly to items such as stationery, desktop hardware, utilities, system hardware and software. Nevertheless, we recognize that our procurement spending generates economic impact and supports the development and growth of other companies within the supply chain. We therefore aim to purchase from locally based suppliers wherever possible in order to support the development of local communities and promote national economic growth and job creation. Since 2013, we have maintained a rate of at least 90% of procurement spending on local suppliers. In 2015, we supported 65 local companies through our procurement.

### TOTAL NUMBER OF SUPPLIERS ENGAGED



### PROCUREMENT SPENDING



SAIB continuously seeks to enhance the sustainability of its purchasing decisions. In 2015, SAIB updated its procurement and vendor management policy to reinforce existing sustainable procurement efforts while also emphasizing new opportunities to further source products from suppliers who:

- conform to SAIB's social commitments in the hiring and treatment of labor, including minimum wages and worker health and safety,
- source products and hire human resources from within the Kingdom of Saudi Arabia,
- respect the environment,
- adhere to all legal standards including anti-corruption and anti-bribery guidelines.

SAIB's Vendor Qualification Request form asks for information about ownership of the company (what percentage is Saudi), the company's Saudization status (based on the Saudi government's Nitaqat system), and requires copies of the company's GOSI membership and Zakat certificates (where the Zakat certificate confirms the company's minimum accepted social responsibility in one dimension of sustainability).



## APPENDIX A

## GRI G4 CONTENT INDEX



## GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page
<b>Strategy and Analysis</b>	
G4-1	8, 10-11
<b>Organizational Profile</b>	
G4-3	The Saudi Investment Bank
G4-4	12, 14-15
G4-5	Riyadh, Saudi Arabia
G4-6	Kingdom of Saudi Arabia (KSA)
G4-7	16
G4-8	12, 14-15
G4-9	28, 37
G4-10	45
G4-11	Labor unions are not prevalent as per law.
G4-12	62
G4-13	No significant change.
G4-14	55
G4-15	United Nations Global Compact (UNGC)
G4-16	SAMA Sanad Children's Cancer Support Association Other Ways Association – Global Green Award
<b>Identified Material Aspects and Boundaries</b>	
G4-17	4 - Please see Financial Statements 2015.
G4-18	26
G4-19	26-27
G4-20	26-27
G4-21	26-27
G4-22	35, 37, 41, 48
G4-23	No change.
<b>Stakeholder Engagement</b>	
G4-24	24-25
G4-25	Stakeholders are selected through an internal analysis ranking stakeholders by influence.
G4-26	24-25
G4-27	24-25
<b>Report Profile</b>	
G4-28	January 1 – December 31, 2015
G4-29	2014 Sustainability Report
G4-30	Annual
G4-31	info@saib.com.sa
G4-32	Core
G4-33	No external assurance is sought
<b>Governance</b>	
G4-34	17-18
<b>Ethics and Integrity</b>	
G4-56	12, 41

## SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions
<b>CATEGORY: ECONOMIC</b>		
<b>Material Aspect: Economic Performance</b>		
G4-DMA	37	
G4-EC1	37, 50, 60	
G4-EC3	Annual Report 2015 p. 20	
G4-EC4	No financial assistance is given by the government	
<b>Material Aspect: Market Presence</b>		
G4-DMA	46	
G4-EC6	47	
<b>Material Aspect: Indirect Economic Impacts</b>		
G4-DMA	30, 34, 39	
G4-EC7	34	
G4-EC8	39	
<b>Material Aspect: Procurement Practices</b>		
G4-DMA	62	
G4-EC9	62	
<b>CATEGORY: ENVIRONMENTAL</b>		
<b>Material Aspect: Energy</b>		
G4-DMA	56	
G4-EN3	56	
G4-EN5	56	
<b>Material Aspect: Water</b>		
G4-DMA	58	
G4-EN8	58	
<b>Material Aspect: Emissions</b>		
G4-DMA	56	
G4-EN15	56	
G4-EN16	56	
G4-EN18	56	
<b>Material Aspect: Effluents and Waste</b>		
G4-DMA	57	
G4-EN22	There were no significant water discharges.	
G4-EN23	57	
<b>Material Aspect: Products and Services</b>		
G4-DMA	39	
G4-EN27	39	
<b>Material Aspect: Compliance</b>		
G4-DMA	41	
G4-EN29	0	
<b>CATEGORY: SOCIAL</b>		
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>		
<b>Material Aspect: Employment</b>		
G4-DMA	48	
G4-LA1	49	
G4-LA2	No part-time employees.	
G4-LA3	51	

SPECIFIC STANDARD DISCLOSURES		
DMA and Indicators	Page	Omissions
<b>Material Aspect: Occupational Health and Safety</b>		
G4-DMA	50	
G4-LA6	51	
<b>Material Aspect: Training and Education</b>		
G4-DMA	52	
G4-LA9	53	
G4-LA11	100% of SAIB employees received regular performance and career development reviews in 2015.	
<b>Material Aspect: Diversity and Equal Opportunity</b>		
G4-DMA	46	
G4-LA12	47	
<b>SUB-CATEGORY: HUMAN RIGHTS</b>		
<b>Material Aspect: Investment</b>		
G4-DMA	39	
G4-HR1	39	
G4-HR2	0	
<b>Material Aspect: Non-discrimination</b>		
G4-DMA	46	
G4-HR3	SAIB is not aware of any incidents of discrimination in 2015.	
<b>Material Aspect: Child Labor</b>		
G4-DMA	SAIB follows all local laws and regulations relating to human rights in the areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.	
G4-HR5	SAIB follows all local laws and regulations relating to human rights in the areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.	
<b>Material Aspect: Forced or Compulsory Labor</b>		
G4-DMA	SAIB follows all local laws and regulations relating to human rights in the areas where it operates. SAIB neither condones nor permits compulsory labor, and no instances of the practice have been reported.	
G4-HR6	SAIB follows all local laws and regulations relating to human rights in the areas where it operates. SAIB neither condones nor permits compulsory labor, and no instances of the practice have been reported.	
<b>SUB-CATEGORY: SOCIETY</b>		
<b>Material Aspect: Local Communities</b>		
G4-DMA	60	
G4-SO1	60	
G4-SO2	SAIB is not aware of significant negative impact on local communities resulting from operations.	
<b>Material Aspect: Anti-corruption</b>		
G4-DMA	41	
G4-SO3	SAIB runs annual Fraud Risk Assessments (FRA) that cover all departments in the Bank.	
G4-SO4	Yes, training was provided via e-Learning to all employees.	
G4-SO5	There were no confirmed incidents of corruption with employees and business partners. There were no public legal cases regarding corruption brought against the organization or its employees during the reporting period.	
<b>Material Aspect: Compliance</b>		
G4-DMA	41	
G4-SO8	41	
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>		
<b>Material Aspect: Product and Service Labeling</b>		
G4-DMA	31	
G4-PR5	31	
<b>Material Aspect: Customer Privacy</b>		
G4-DMA	43	
G4-PR8	Zero breaches or loss of customer data have been reported.	

APPENDIX B

INDICATOR SCOPE

Indicator	Scope
Corporate banking customers	SAIB
Personal banking customers	SAIB
Small and Medium Enterprise (SME) customers	SAIB
Payment accuracy (%)	SAIB
Payment timeliness (%)	SAIB
Overall customer satisfaction (%)	SAIB
Customer satisfaction on account opening (%)	SAIB
Customer satisfaction on branch services (%)	SAIB
Customer satisfaction on loan services (%)	SAIB
Customer satisfaction on Flexx Click Internet Banking Services (%)	SAIB
Complaints registered	SAIB
Complaints registered per 1,000 customers	SAIB
Complaints resolved within 5 days (%)	SAIB
ATMs	SAIB
Online cash deposit ATMs	SAIB
Interactive Teller Machines (ITMs)	SAIB
ATM availability (%)	SAIB
Penetration of SMS alerts (%)	SAIB
Penetration of Flexx Call Phone Banking Services (%)	SAIB
Penetration of Flexx Click Internet Banking Services (%)	SAIB
Number of online transactions	SAIB
Number of ATM transactions	SAIB
Number of branch transactions	SAIB
Total transactions	SAIB
Net loans and advances (SAR)	SAIB Group
Total operating income (SAR)	SAIB Group
Total operating expenses (SAR)	SAIB Group
Dividends paid (SAR)	SAIB Group
Net income for the year (SAR)	SAIB Group
Total customer deposits (SAR)	SAIB Group
Total assets (SAR)	SAIB Group
Total equity (SAR)	SAIB Group
Return on equity (%)	SAIB Group
Total incidents of non-compliance	SAIB
Total monetary value of fines (SAR)	SAIB
SAIB employees	SAIB
Insourced employees	SAIB
Alistithmar Capital (ICAP) employees	SAIB Group
Total Group employees	SAIB Group
Full-time employees	SAIB Group
Part-time employees	SAIB Group
Senior management employees	SAIB Group
Middle management employees	SAIB Group
Staff (non-management) employees	SAIB Group
Employees age 30-18	SAIB Group
Employees age 50-31	SAIB Group
Employees age +51	SAIB Group
Youth as a percentage of total workforce (%)	SAIB Group
Female employment (%)	SAIB Group
Female employees in middle management (%)	SAIB Group
Female employees in senior management (%)	SAIB Group
Saudization among total workforce (%)	SAIB Group
Saudization among middle management (%)	SAIB Group
Saudization among senior management (%)	SAIB Group

Indicator	Scope
Employee satisfaction (%)	SAIB
Total employee turnover (%)	SAIB Group
Voluntary employee turnover (%)	SAIB Group
Female turnover (%)	SAIB Group
Male turnover (%)	SAIB Group
Turnover of employees age 30-18 (%)	SAIB Group
Turnover of employees age 50-31 (%)	SAIB Group
Turnover of employees age +51 (%)	SAIB Group
Total new hires	SAIB Group
Female new hires (%)	SAIB Group
Youth (age 30-18) new hires (%)	SAIB Group
Salaries paid (SAR)	SAIB Group
Benefits paid (SAR)	SAIB Group
Social security contributions (SAR)	SAIB Group
Staff health insurance (SAR)	SAIB Group
Total salaries and benefits paid (SAR)	SAIB Group
Employee and contractor fatalities	SAIB
Employee and contractor lost-time injuries	SAIB
Employee and contractor total recordable injuries	SAIB
Employees that took parental leave	SAIB Group
Employees who returned to work after parental leave ended	SAIB Group
Employees retained one year after returning to work following parental leave	SAIB Group
Rate of return to work following parental leave (%)	SAIB Group
Retention of employees one year after return from parental leave (%)	SAIB Group
Total days of training offered to employees	SAIB Group
Average days of training per employee	SAIB Group
Average days of training per female employee	SAIB Group
Average days of training per male employee	SAIB Group
Average days of training per senior manager	SAIB Group
Average days of training per middle manager	SAIB Group
Average days of training per employee (non-management)	SAIB Group
Amount spent on electricity (SAR)	SAIB
Electricity expenditure per full-time employee (SAR)	SAIB
Petrol fuel consumption (liters)	SAIB
Petrol fuel consumption (GJ)	SAIB
Fuel consumption per full-time employee (GJ)	SAIB
Direct GHG emissions from fuel consumption (tonnes CO2e)	SAIB
Direct GHG emissions per full-time employee (tonnes CO2e)	SAIB
Paper consumption (kg)	SAIB
Paper consumption per employee (kg)	SAIB
Total paper recycled (kg)	SAIB
Amount spent on water (SAR)	SAIB
Water expenditure per full-time employee (SAR)	SAIB
Community Investment (SAR)	SAIB
Total number of suppliers engaged	SAIB
Local suppliers engaged	SAIB
International suppliers engaged	SAIB
Total procurement spending (SAR)	SAIB
Procurement spending on local suppliers (SAR)	SAIB
Procurement spending on international suppliers (SAR)	SAIB
Percentage of spending on local suppliers (%)	SAIB
Percentage of spending on international suppliers (%)	SAIB

SAIB Group: includes the performance data SAIB's wholly owned subsidiary, Alistithmar Capital.

SAIB: includes only the performance of SAIB.

Note: all indicators reported for SAIB Group have been re-stated from those reported in SAIB's 2014 report to include the performance of Alistithmar Capital.





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