

TAKLEEF

NUMMOW

RE'AYA

HIFTH

AWN

The Saudi Investment Bank
Sustainability Report 2013

البنك السعودي للاستثمار
The Saudi Investment Bank





King Abdullah Bin Abdulaziz Al-Saud
Custodian of the Two Holy Mosques



Prince Salman Bin Abdulaziz Al-Saud
Crown Prince and Minister of Defence of Saudi Arabia



➤ Message from the Chairman

Welcome to the 2013 Sustainability Report of The Saudi Investment Bank. In this report, we present our progress against the sustainability commitments and targets that represent our vision for long term success. As our customer base expands, we are focused, now more than ever, on the long term impact that we can have on development in the Kingdom of Saudi Arabia.

Customer satisfaction, employee satisfaction, transparency and strong governance are the foundation of our operational priorities. 2013 was marked by growth and expansion of our services alongside the development of internal management mechanisms that bolster engagement with stakeholders. From the perspective of sustainability management, we have conducted a materiality assessment exercise to identify and prioritize the topics which are most significant to the Bank and its stakeholders. This is a valuable step for the growth of our sustainability management program.

As a recognized leader in the Kingdom of Saudi Arabia, we are committed to leadership in banking and to fulfilling on our vision for sustainability. Sustainability management plays a critical role in engaging with and understanding our performance and strategy across economic, environmental and social pillars. I am proud to present our third public sustainability report and encourage you to engage with us as we progress towards our vision of better banking.

Mr. Abdallah Salih Jum'ah
Chairman



➤ CEO Message

It is with great pleasure that I present the 2013 sustainability performance for The Saudi Investment Bank.

As Saudi Arabia continues to develop and grow as a regional and global leader, our role as a major financial institution in the country is paramount. The needs of our shareholders, customers and the communities we serve are changing, and we must continue to adapt and improve our services and products in order to ensure our sustainable development.

Sustainability enables us to consider our impacts from many perspectives. Sustainability management draws on our economic, social and environmental management and presents our performance and commitments in these areas to all of our stakeholders.

The 2013 report presents our sustainability framework – defined by five key pillars – that guides our operations across the business. These pillars -: *takleef, nummow, rea'ya, hifth and awn* – we have examined our sustainability performance for 2013 and identified areas for continued improvement and development.

Over the last few years we have made great progress as a leader in the financial sector in the Kingdom of Saudi Arabia. Today, we provide greater access to finance, with more dedicated branches and more customers than ever before. Significant achievements in 2013 also include reducing operating costs and increasing net income, balancing our budgets and increasing our assets. We have also grown considerably as a Bank, with more than 150 new employees welcomed into The Saudi Investment Bank family.

We have equally demonstrated an increased capacity in contributing to our social and natural environments. We consider it our social responsibility to contribute to our local communities, and to furthering the development of the Kingdom of Saudi Arabia. We have continued to support social ventures in environmental awareness-raising and financial literacy capacity development.

From an environmental perspective, we have also successfully reduced water and electricity costs per fulltime employee in the Bank. Furthermore, we have invested in paper saving mechanisms and endeavored to reduce our fuel consumption to help preserve limited natural resources.

I am proud of the steps we took in 2013 and look forward to continuing on with our efforts in the years ahead. We are always open to your feedback and ideas related to our efforts to be an even more sustainable bank.

Musaed Mohammad Al Mineefi
Chief Executive Officer

SAIB – at a glance

The Saudi Investment Bank is a Saudi Arabian Joint stock company established by Royal Decree in 1976, with its headquarters in Riyadh.

The Bank operates forty-eight branches and eleven ladies sections located throughout the Kingdom of Saudi Arabia. SAIB offers a wide range of conventional and Shariah Compliant Personal Banking products and services for individuals and commercial businesses comprising small and medium size enterprises through the Bank's head office and a network of branches throughout the Kingdom. The Saudi Investment Bank also offers corporate solutions to over 1,900 companies in Saudi Arabia.

Our Vision

- To become the financial partner of choice for aspiring businesses and individuals

Our Mission

- Build lasting relationships with growing businesses and with today and tomorrow's affluent individuals.
- Focus on a core product set with clear offerings for each client segment that differentiates us through efficiency and service quality.
- Develop a culture that fosters ownership, collaboration, customer focus and operational excellence.
- Further strengthen staff loyalty through the introduction of a performance driven environment.

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Sustainability

Corporate sustainability for SAIB focuses on ethics and governance, employee engagement, and operational excellence. Our “Value Banking Principles” guide our sustainability framework and our stakeholder engagement approaches. As a customer centric business, engagement is central to our sustainability aspirations. Insights from the Bank’s sustainability journey offer opportunities for improving the way that we do business by integrating and engaging on performance and strategy.

For us, corporate sustainability is the reason to take another look at what we do every day, to reassess and rethink how we have an impact on the world as a financial institute. Corporate Sustainability proves to be the management tool that gives us the ability to shape our own way of banking. Our thoughts on the role of banking in society, and our ideas on the added value of financial institutes, resulted in a framework of banking on values - a set of principles on banking that promotes environmental protection, social fairness and financial profitability at the same time.

This report represents the third Sustainability Report of the Bank. Since the first report, we have made a number of key improvements. Notable amongst these achievements was the establishment of a Corporate Sustainability Strategy, entitled the Value Banking. Value Banking is a strategic approach that integrates the values of environmental protection, social fairness and financial profitability into our banking DNA.

Value Banking encapsulates our recognition of a responsibility to sustainably manage our social economic and environment principles and represents a new way of banking, in which Shariah Compliant Banking principles are strategically combined with sustainability thinking, along with the ability to constantly adapt to socio-economic developments in a dynamic and globalizing world.

> Value Banking Principles

- Promote innovation and leadership through dialogue to best serve society
- Embrace the values and opportunities of Shariah Compliant banking to encourage ethical banking
- Fair and just business for open and trustful relationships
- Sharing our financial expertise with customers and the community at large leading to sustainable financial leadership.

Materiality Assessment



A materiality assessment identifies those issues core to the banks sustainable development. It provides a framework for defining and prioritizing the key issues. Material topics for the Bank include those areas that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

In 2013, building on our work in 2012, we have followed the GRI-G4 Guidelines with the establishment of a comprehensive materiality assessment. This assessment allows us to identify those issues most relevant to the Bank’s continued operations, and its overall sustainability. The 2013 assessment is based on engagements with SAIB stakeholders, sector peers, benchmarking against international commercial banks, GRI guidelines and the Saudi Competitiveness Index.

SAIB has identified 3 primary brackets to assess materiality. These are as follows:

- 1) Highly material: issues that may or currently have significant impact to both stakeholders and the business strategy
- 2) Somewhat material: issues that may impact to either shareholder or business strategy
- 3) Partially material: issues that are of significance, but that are deemed to have only limited or partial impact on stakeholders or business strategy

> Materiality Table, SAIB, 2013



| Highly Material | Somewhat Material | Partially Material |
|---------------------------------|---|-------------------------|
| Customer Trust and Protection | Community Engagement | Diversity and Inclusion |
| Culture and Ethical Conduct | Rights of Customers and Employers | Brand Reputation |
| Governance and Accountability | Reduction of Consumption | Innovation |
| Regulation and Compliance | Transparency and Disclosure | Project Financing |
| Services and Products | Anti-Bribery and Corruption and Anti-Money Laundering | |
| Corporate Financial Performance | Financial Inclusion | |
| Financial System Stability | Employee Engagement | |
| Saudization | Training and Education | |

> Highly Material:

- **Customer Trust and Protection:** Breach of trust and a failure in protection of privacy or security will result in substantial loss of confidence and brand reputation, and potential liability issues.
- **Culture and Ethical Conduct:** Unethical practices and a failure to adhere to SAIB’s culture of working may result in significant liability cases and potentially foreclosure or cessation of practices, products or services
- **Governance and Accountability:** Proper governance and accountability dictate proper and sound management. Failures in governance can result in mismanagement, corruption, fraud, or other activities that are harmful to the Bank’s principles and activities
- **Regulation and Compliance:** Compliance with international, national and local legal and regulatory systems limits risk and liability, and ensures efficient and effective management.
- **Services and Products:** High quality, accessible and diverse services comprise a substantial part of the pipeline of the bank’s revenue and income stream. Ensuring that products and services are maintained and expanded upon is paramount, and failure to do so will result in substantial loss of revenue.
- **Corporate Financial Performance:** The financial performance of the Bank is essential to the financial sustainability of the Bank. Continued growth and profitability are the fundamentals of the business.
- **Financial System Stability:** Effective and sustainable banking is predicated on international, national, and regional economic performance. While strictly outside of the control of the bank, the potential impact of financial system on banking is substantial.
- **Saudization:** In line with national efforts to promote jobs for Saudis and to improve employment opportunity, Saudization is a priority for the bank as it looks to advancing the national development strategy and objectives of the Government of Saudi Arabia. Further, failure to manage or meet targets may result in fines or cessation which may damage corporate brand or result in financial losses.



Stakeholder Engagement

Stakeholder engagement is an important part of our sustainability strategy. It enables us to identify those issues most relevant to all of our stakeholders, and to continue to adapt and develop new products, services or operations that may enhance our operations.

The Saudi Investment Bank regularly engages with its stakeholders. We have a number of mechanisms in place to engage our customers, staff, shareholders and our overall environment, and we examine in great detail their needs and issues. From this, we look to develop a response that best meets these needs.



> Somewhat Material

- **Community Engagement:** As a part of SAIB strategy, and in line with international best practice, community engagement and support is a priority to improve welfare, build local capacities and build on the SAIB brand.
- **Rights of Stakeholders:** Respecting the human and commercial rights of stakeholders maximizes both corporate and personal protection. By implementing best practice in respecting these rights, the Bank ensures both local and international compliance, and limits any potential liability or risk in the legal, financial or marketing domain.
- **Reduction of Consumption:** Changes in the environment – particularly in Saudi Arabia, where climate change predicts an increase in temperature and decrease in water availability – may have a negative impact on all stakeholders. By prioritizing environmental conservation and waste reduction, the Bank recognizes its role in reducing levels of material and resource consumption.
- **Transparency and Disclosure:** Given the significant role SAIB plays in the local and national economy, a transparent reporting process and disclosure will further confidence and improve investment opportunities for the Bank, and further improve stakeholder relations.
- **Anti-Bribery, Corruption and Anti-Money Laundering:** Bribery, corruption and money laundering can have highly negative impacts on the Bank's finance, shareholders and stakeholders as well.
- **Financial Inclusion:** Maximizing access to finance throughout Saudi Arabia is important to both local communities and remote areas, but equally to expanding and building the business lines and market reach of the Bank itself.

- **Employee Engagement:** Responding to the needs of our employees helps us attract and retain the very best talent within the Bank. By providing for the needs of employees, and by giving them an opportunity to voice concerns, the Bank can ensure greater human capital stability.
- **Training and Education:** Training and developing staff improves the technical capacities of the staff and the bank itself. It encourages retention of qualified personnel, and develops local and national capacities within the country, in line with the national development strategy.

> Partially Material

- **Diversity and Inclusion:** Promoting a diverse and inclusive environment in the Bank fosters innovation and facilitates teamwork and cooperation.
- **Brand Reputation:** Ensuring that the SAIB brand is maintained and advanced will promote corporate values, market acquisition and facility of new market entry.
- **Innovation:** The development of new corporate products, facilities and services will promote growth in the Bank and access to new markets or underserved business lines. Through innovation, the Bank can also become or maintain its reputation as a national or international leader.
- **Project Financing:** Identifying and developing the necessary policies and procedures to limit risk, manage debt and monitor the activities of bank-financed projects ensures limited risk and liability, and protects the bank from irresponsible financial management bad investments.

| Stakeholders | How we engage | Needs/issues | Our response |
|--|---|---|---|
| Clients | <ul style="list-style-type: none"> ▪ Branches ▪ Contact Center ▪ Mobile banking ▪ Social Media Channels ▪ Relationship managers | <ul style="list-style-type: none"> ▪ Innovative products ▪ 24/7 quality support ▪ Secure & easy banking ▪ Security & Accessibility to deposits ▪ Shariah compliance | <ul style="list-style-type: none"> ▪ FLEXX ▪ WOOW Rewards ▪ Personal Bank Accounts ▪ Shariah Compliance and Shariah Committee Approval ▪ Customer Feedback and Suggestions ▪ Aseel program |
| Staff | <ul style="list-style-type: none"> ▪ Employee engagement survey ▪ Training and development ▪ Regular meetings ▪ Annual performance reviews ▪ HR helpdesk | <ul style="list-style-type: none"> ▪ Equality & fairness ▪ Health ▪ Workplace safety ▪ Being listened to ▪ Salary & benefits ▪ Career development ▪ Training | <ul style="list-style-type: none"> ▪ Ask HR ▪ Employee Attitude Survey "EAS" ▪ "Creative Mornings Initiative" ▪ Launch of E-Learning ▪ SAIB Academy ▪ "Thank you" Program ▪ Employee Suggestions Program – "My Idea" |
| Shareholders | <ul style="list-style-type: none"> ▪ Annual general assembly ▪ Board of directors meetings ▪ Annual Financial report | <ul style="list-style-type: none"> ▪ Profitability and growth ▪ Financial returns & sustainability ▪ Corporate reputation ▪ Sound corporate governance | <ul style="list-style-type: none"> ▪ Strengthening of risk management capabilities ▪ On-going development of the corporate governance framework ▪ Net income growth |
| Environment | Our impact through: <ul style="list-style-type: none"> ▪ Use of water & power ▪ Production of waste ▪ Production of greenhouse gas emissions | <ul style="list-style-type: none"> ▪ Environmental initiatives that leads to reduction in use of (water- power- waste- greenhouse emissions) ▪ Improvement in measurement of resource consumption | <ul style="list-style-type: none"> ▪ Water & power usage reduction ▪ Recycling initiative ▪ Using less paper through "Director Desk" for presentations ▪ Using re-usable envelops ▪ Reducing printing |
| Regulators Saudi Arabian Monetary Agency (SAMA) Capital Market Authority (CMA) | <ul style="list-style-type: none"> ▪ Letter correspondences and e-mail Communications. ▪ Meetings and onsite visits | <ul style="list-style-type: none"> ▪ Compliance to Policies and Regulations ▪ Reporting disclosures as per engagements ▪ Ensuring and delivering best banking practices | <ul style="list-style-type: none"> ▪ SAIB's Audit committee and compliance committee have a detailed compliance plan for the year. ▪ SAIB constantly communicate with the regulators for reporting the performance for relevant disclosures such as Basel-III and seek consultation for gaining transparency and preventing non-compliance. |

Our Sustainability Framework

The Sustainability Framework represents the integrated approach taken by the Bank towards sustainability. The Bank has identified five priority areas for its sustainability approach, tying them to Islamic principles of good governance and management. The figure below reflects these five priority areas, before detailing how they relate to the Bank's values and sustainable banking practices.



Takleef (Responsibility) (التكليف)

Takleef means to be held responsible and to implement responsible management and governance. For SAIB, this encompasses responsible business practices, the insurance of ethical conduct and measures that prevent or limit abuse.

{وَقُلِ اعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ}

سورة التوبة

Nummow (Growth) (النمو)

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 financial stability and growth, to build quality 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.

{وَاللَّهُ يَضَاعَفُ لِمَنْ يَشَاءُ}

سورة البقرة

Re'aya (To Care) (الرعاية)

Re'aya refers to the establishment of strong relationships between one another. This entails fostering strong relationships and engagements with employees and shareholders. It refers to the Bank's efforts to engage employees and work as one family that embodies diversity, respect and preserve human and employee rights.

”كلكم راع وكلكم مسئول عن رعيته...“ حديث نبوي

Awn (Community Engagement) (عون)

Awn means to help, to offer what you can for the other. It refers to SAIB's corporate and social responsibility to provide resources and support to local communities. Awn also implies the Zakat investments and community engagement programs. Internal training and development programmes can also be considered to fall under this principle.

{وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَى}

سورة المائدة

Hifth (Environmental Protection) (الحفظ)

'Hifth' involves sustainable use of natural resources by local communities. It entails the conservation of the environment by the Bank, and its efforts towards improving limiting waste and consumption.

{وَلَا تُسْرِفُوا إِنَّهُ لَا يُحِبُّ الْمُسْرِفِينَ}

سورة الأعراف

Sustainability Management

Sustainability management is an important part of all of our jobs at the Bank. We work to ensure that each and every staff member recognizes their role and function in promoting corporate sustainability.

To help us realise our policies and to create an enabling environment for our employees, we developed a Corporate Sustainability Taskforce in 2012. This Taskforce helps integrate sustainability practices into our daily operations. The Sustainability Taskforce has three main priorities, which include:

1. Developing and implementing the long term Corporate Sustainability strategy.
2. Coordinating and monitoring the implementation of the sustainability activities by the involved employees.
3. Organizing and launching the internal Environmental Awareness Campaign on Waste, Water & Energy Corporate Sustainability Governance is all about engagement.

As part of the Taskforce's responsibilities, we are embedding new Key Performance Indicators (KPIs) into the targets of the relevant employees. These KPIs will both improve awareness around sustainability throughout the Bank, and will also ensure that our stakeholders have a sense of ownership in the sustainable development of the Bank.

Sample Key Performance Indicators

To measure progress as per the Corporate Sustainability Report (CSR) for transparency, accountability and to ensure all relevant departments participate in the development per GRI G3 Guidelines, along with development of CSR strategy & policy based on ISO 26000 CSR standard.

CSR report complete and translated into Arabic. SAIB achieved a 'Level B' on content for 2012 Sustainability Report. Next step; incorporate text into final report layout and begin printing. Expect completion July 2014. The following groups track CSR measures:

- 1) Marketing & Contact Center
- 2) Product Development
- 3) Public Relations
- 4) Human Resources
- 5) Quality Assurance
- 6) Risk Management
- 7) Compliance
- 8) Administration
- 9) IT and Shared services

SAIB pursues CSR KPI Index and BSC. Efforts are coordinated by Corporate Communications Group

Ensure SAIB participates in Corporate Social Responsibility (CSR) initiatives with one event per quarter.

In Q1, 'Green Campaign' developed as a bank wide awareness campaign on energy and waste conservation methods. As part of campaign, SAIB rolled out first wave of Recycling Bins across the bank to encourage staff involvement in reduction and recycling of paper. In Q2, SAIB participated in sponsorship of CSR Summit held in Jeddah and Environmental Forum held in Riyadh where SAIB showcased the Bank's environmental initiatives and recycling bins during a 3-day exhibition. Measures are coordinated and tracked by Corporate Communications Group.





TAKLEEF (Governance)

Takleef means to be held responsible and to implement responsible management and governance. For SAIB, this encompasses responsible business practices, the insurance of ethical conduct and measures that prevent or limit abuse.

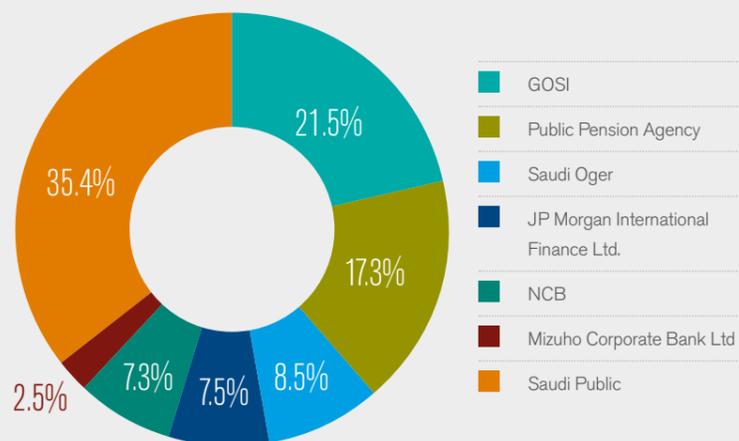
A bank is only as strong as its reputation and our reputation begins with governance and management of our operations. Good governance determines the sound management of the bank's finances and ensures the trust and confidence of our investors and customers. We do everything we can to remain a responsible financial institution, an ethical financial manager and Shariah Compliant.

Ownership

The Saudi Investment Bank (SAIB) is a Saudi Arabian joint stock company established by Royal Decree No. M/31 dated 25 Jumada II 1396H, corresponding to June 23, 1976. The Bank began operations in March 1977.

There are foreign shareholders and Saudi Shareholders of SAIB, a publicly listed company on the Saudi stock exchange. Saudi shareholders, hold 90% of the stocks listed, are General Organization for Social Insurance, Public Pension Agency, Saudi Oger, National Commercial Bank and Saudi Public. Foreign shareholders, hold 10% of the stocks, are JP Morgan Finance Ltd. and Mizuho Corporate Bank.

> Shareholders



Governance at SAIB

Board of Directors

The management structure of the Bank is an integral part of ensuring the Bank's continued, successful operations. The highest authority in the Bank is the Board of Directors, who oversee the activities of the entire bank. Four committees, the executive, nomination and remuneration committee, risk committee, audit and compliance committee all report directly to the Board.

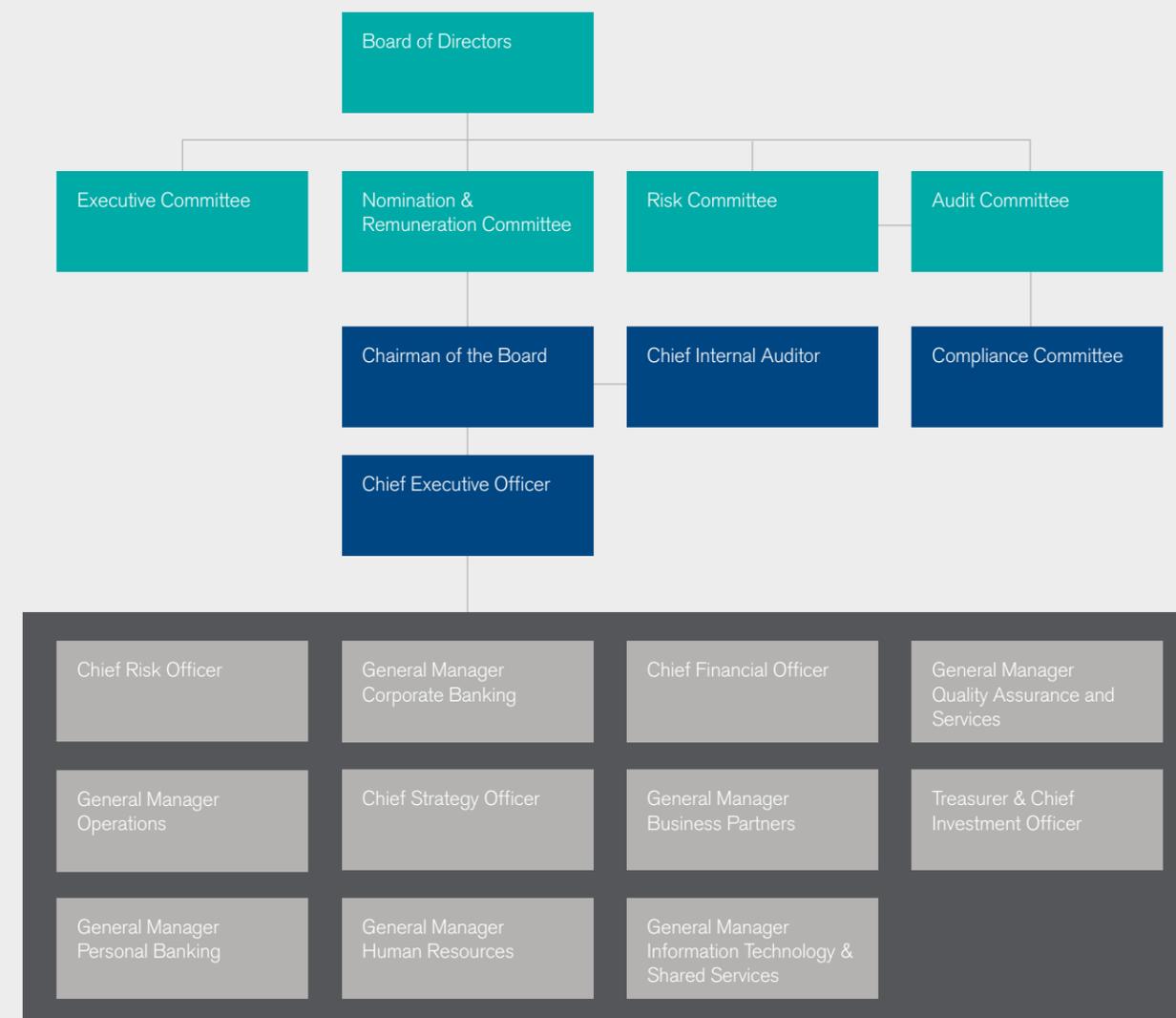
The SAIB's Board of Directors is composed of eight individuals who oversee the strategic and corporate operations of the Bank. The Board is led by Mr. Abdallah Salih Jum'ah, Chairman of the Board who served previously as the President and CEO of Saudi Aramco. The Vice-Chairman of the Board is Mr. Abdulaziz Al-Khamis, who is the Vice Governor of Investment Public Pension Agency.

Executive Management

The Executive Management of the Bank is overseen by the Chief Executive Officer, who is assisted by various business and support Group heads such as Personal Banking, Corporate Banking, Treasury, Business Partners, Strategy, Finance, Quality Assurance and Services, Human Resources, Risk Management, Operations, and IT.

The Board of Directors of SAIB is actively involved in ensuring that the bank adheres to the laid down requirements of the Saudi Arabian Monetary Agency (SAMA) and Capital Market Authority (CMA). Furthermore, the Board actively supports the policies of the bank that contribute to the social, economic and environmental wellbeing arising out of lending and investing activities of the bank.

> Organisation chart



Responsible Banking

Responsible Banking is critical to the long-term success and continuity of our bank. It allows us to assess options and decisions so that high risk options do not destabilize the Bank's finances or reputation. In order to ensure responsible banking, SAIB critically assesses risks, compliance and ethical practices throughout the year.

The Bank operates the 'Know Your Customer' Procedure, a practice that ensures due diligence is taken, in order to safeguard all of our stakeholders' interests. We endeavor to ensure that the bank has the appropriate level of capital, and that business plans are in line with the Bank's risk appetite policies. Furthermore, all of our credit and market risks are controlled through related exposure limits, and extensive monitoring and control systems

Our Board and shareholders are provided with independent assessments of compliance with relevant guidelines and indicators. A practical example of how risk management functions includes the securitization of collateral to support lending activities and to protect our shareholders and investors' interests.

Regulation and Compliance

The Saudi Investment Bank is regulated and supervised by the Saudi Arabian Monetary Agency (SAMA) the central bank of Kingdom of Saudi Arabia, which primarily manages the monetary policy especially against the stability of national currency (the Saudi Riyal) locally and Foreign Exchange reserves. SAIB and the Board, ensures compliance and diligently follow the SAMA's policies and regulations in the banking transactions in delivering financial accessibility to corporates, SMEs and consumers.

SAMA requires all financial institutions operating in the Kingdom of Saudi Arabia, to have AML, KYC, and CTF procedures and has circulated guidelines for the same. The Saudi Investment Bank is in compliance with such guidelines and has established written policies and procedures relating to combating money Laundering activities. It also has established dedicated units that monitor the implementation of said policies and procedures.

The Saudi Investment Bank is committed to achieving the highest level of transparency and compliance with laws, rules, regulations and guidelines applicable to the Bank's operations. We have created dedicated units with the sole responsibility of implementing policies and procedures relating to compliance requirements. Furthermore, we have a comprehensive set of written policies and procedural manuals that have translated Know Your Customer (KYC), Anti Money Laundering (AML) and Combating Terrorism Financing (CTF) principles into effect. SAIB constantly engages and interacts with SAMA in ensuring and progressing in its compliance according to the detailed compliant plan.

CMA is a regulatory financial institution that regulates the capital market and securities trade operations. SAIB and its subsidiaries have diverse business portfolio that includes financial securities, asset management and real estate management. SAIB and the Board, ensures compliance and substantially adheres to CMA regulations in safeguarding investors and customers through fair

and sound business practices, pursuing appropriate best banking practices to minimize transactional and operational risks, maintaining fairness, efficiency, and transparency of information related to securities and issuers available to relevant stakeholders

For further details on all of our compliance and regulatory statements, and to know more about our management policies, visit our website <https://www.saib.com.sa>.

Internal Audit

The Internal Audit Group conduct reviews on all our internal activities annually. In 2013, we had 6 incidents of non-compliance which resulted in penalties, which have been paid in full to the relevant authorities. These issues have been examined and relayed back to management in order to limit and mitigate any future reoccurrence of such incidents. We will ensure that in 2014, we will reduce the number of non-compliance in the Bank, as we look to resolve matters of non-compliance and mitigate any risk at any stage or point.



External Audit

The Audit Committee of SAIB directly reports to the Board which is comprised of Board and Non-Board members and it gives independence and transparency to the committee. Audit committee supervises the Bank's Internal Audit function and recommends the appointment of external auditors.

The Saudi Investment Bank is externally audited by independent joint auditors annually. The Bank's financial and management policies, practices and systems are exhaustively examined in line with international financial reporting standards.

The 2013 external audit stated that all financial statements taken as a whole presented fairly, in all material aspects, the financial position of the Bank of December 31, 2013. The financial performance and cash flows for the year then ended in accordance with Accounting Standards for Financial Institutions in the Kingdom of Saudi Arabia issued by SAMA, and with International Financial Reporting Standards.

SAIB complies with the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Article of Association. The consolidated financial statements prepared are in accord with aforementioned. Certain additional disclosures related to the Bank's capital structure are required under Basel III. These disclosures will be made available to the public on the Banks website (www.saib.com.sa) as required by SAMA. Such disclosures are not subject to review or audit by the external auditors of the Bank.



Ethics and Good Governance

The Bank attaches great importance to ethical business operations, including a zero-tolerance policy towards bribery and corruption. Every form of bribery, corruption and fraud is prohibited. Our bribery and anti-corruption policy is the vehicle through which we comply with laws and regulations in this area. The policy applies to every part of the bank. Failure to comply with the anti-corruption policy naturally has consequences: measures may be taken under industrial law or internally, or the relationship with the client or supplier may be terminated.

Whistle Blowing

The Whistle Blowing Policy at The Saudi Investment Bank (SAIB) is intended to make it easier for employees to be able to report irregularities in good faith, without fear that their action may have adverse personal consequences. The Whistle Blowing Policy is a key element for safeguarding the Bank's integrity. It is aimed at enhancing the Bank's transparency and underpinning its system for combating practices that might damage its performance and reputation.

Fraud Prevention and Detection

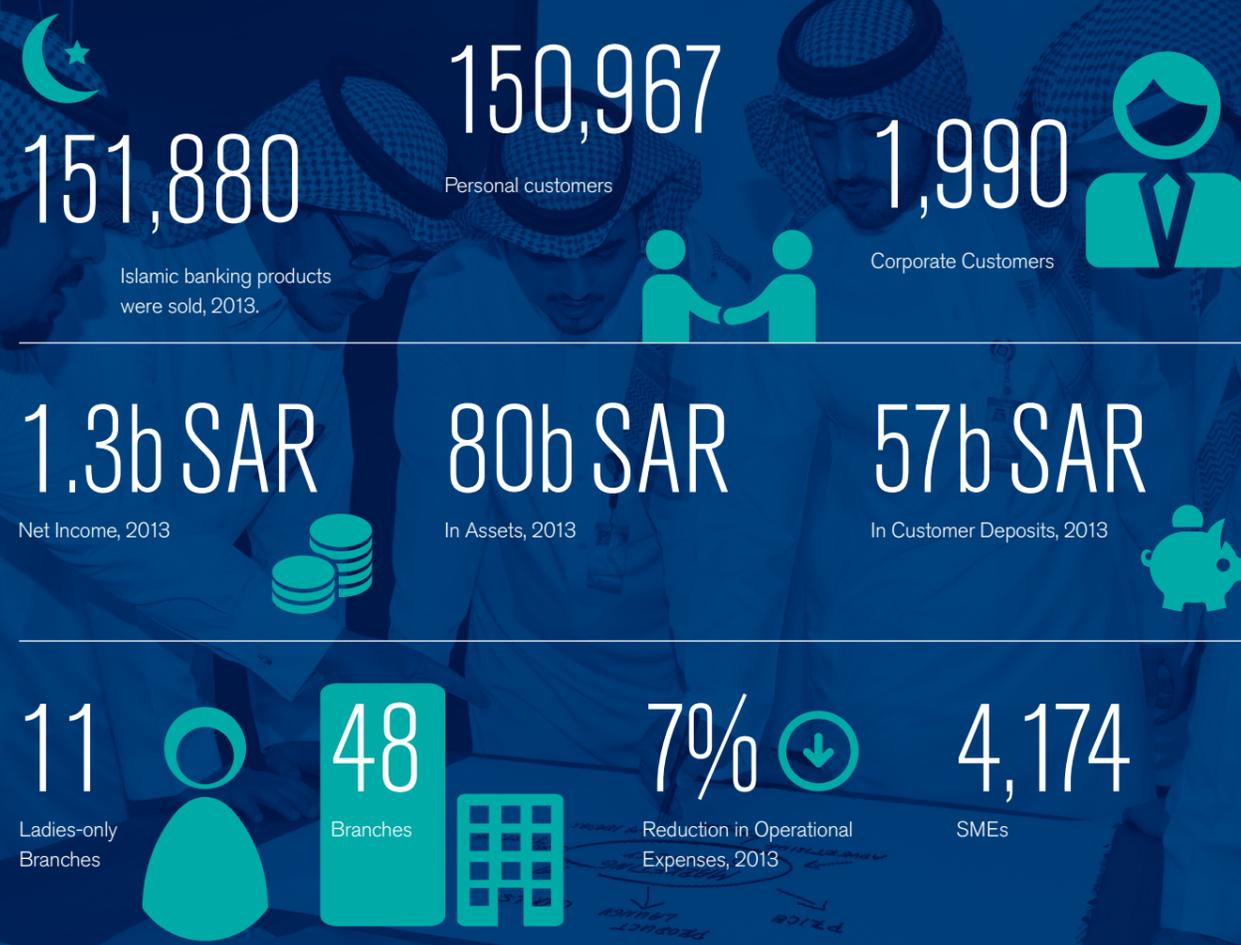
SAIB created the Fraud Prevention and Detection Department in 2009, as an independent department, to help safeguard the Bank from fraudulent crimes. Its main objective is to monitor transactions and seek to identify fraudulent transactions as early as possible, in order to limit losses and keep fraudulent activities to a minimum.

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 financial stability and growth, to build quality 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.

Our customers are at the heart of our operations. Our core purpose as a business is to serve them and our communities as best as we can, to help our local and national communities grow, and to provide them with the financial opportunities to help businesses and individuals manage their finances in an efficient and proper manner. Practically, this entails structuring our activities around our customers, simplifying the way we do business and ultimately, by providing the best financial service that we can.

Our Performance in Numbers, 2013



Financial Performance



The Saudi Investment Bank performed well in 2013, with increased assets and customer deposits. SAIB was also able to decrease operating expenses in 2013, which largely resulted from a decrease in impairment charges for non-trading investments and credit losses.

> Summary Financial Performance, 2012 and 2013

(all figures are in SAR '000)



Products and Services

We strive to make doing business with our bank as easy and as simple as possible. We believe that an important part of our activities in the Kingdom is to provide suitable products and services across the country, tailored to the diverse needs of our clients and customers. The Saudi Investment Bank works in three key areas: personal banking, small-medium enterprise, and corporate banking. Our three businesses, set out below, are built on our strengths of connectivity and delivering for customers.

All of our lending are made with a view to support the country's economic, environmental and social objectives while simultaneously adhering to our risk policies. At every stage, the Bank strives to ensure that customer needs are well served and that they are fully compliant with local laws and regulations.

> Number of Customer Products Sold, 2013



Personal Banking:

Our Personal Banking Group oversees our operations and financial management for over 150,000 customers. Our Personal Banking products and services are designed in accordance with Islamic Shariah Compliance. Our products allow our customers to issue cheques, deposit cash, and conduct daily transactions. The list below highlights some of our key products and offerings in the Personal Banking sector:

- **Arzaq Murabaha Finance** is an Islamic financing product (approved by SAIB's Shariah Committee) which allows the purchase of a certain quantity of goods owned by the Bank at an agreed profit and repayment plan.
- **Shares Murabaha Finance**, also approved by the Shariah Committee, enables the purchase of local shares owned by the Bank at an agreed-upon repayment plan. Shares can then be retained or sold following the final repayment.
- **Car Murabaha Finance** Scheme helps our customers to repay the value of their cars and the Bank's profit in convenient, monthly installments.

- **ALSALAH Home Finance** product is approved by the Shariah Committee, and is based on the Ijarah concept. The Ijarah is a lease contract wherein the bank buys the property, based on a request and subject to evaluation procedures, and leases it to our customers for an agreed period and rental payment. The Bank also promises to transfer ownership of the property to the customer at the end of the period once all rental payments have been made.

SME Banking

SME banking represents a sizeable portion of The Saudi Investment Bank's business portfolio. Among our most notable products, is the Kafalah Program that was established by the Saudi Industrial Development Fund to ensure the financing of small and medium enterprises.

Corporate Banking:

Through our Corporate Banking Group, we are an active lender to the contractors who execute various contracts from government and social bodies alike. We work in infrastructural development, retail financing and service providers, offering financing options for a diverse array of projects. There are a number of services and products offered by The Saudi Investment Bank in Corporate Banking under AlAsalah Business Solutions. These include, but are not limited to:

- **Commodity Murabaha Product** is used for cash advances through the purchase & sale of metals. (Approved by SAIB's Shariah Committee)
- **Letters of Credit** are used to finance import activities whereby goods are imported in the name of the bank through a documentary letter of credit.
- **Murabaha Finance** (for Goods and Real Estate): allows the purchase of goods and real estate in order to be used by the customer in the production or the sale to a third party. (Approved by SAIB's Shariah Committee)
- **Ijarah**: product aimed at the procurement of equipment and real estate, which assists in financing the leasing of assets and real estate owned by the bank to the customer. (Approved by SAIB's Shariah Committee)
- **Istisna'a** (construction finance): is used to finance the construction of real estate units for both commercial and residential purposes. Upon the completion of the project, the bank may sell or lease the unit to the customer. (Approved by SAIB's Shariah Committee)

Ensuring Access to Finance

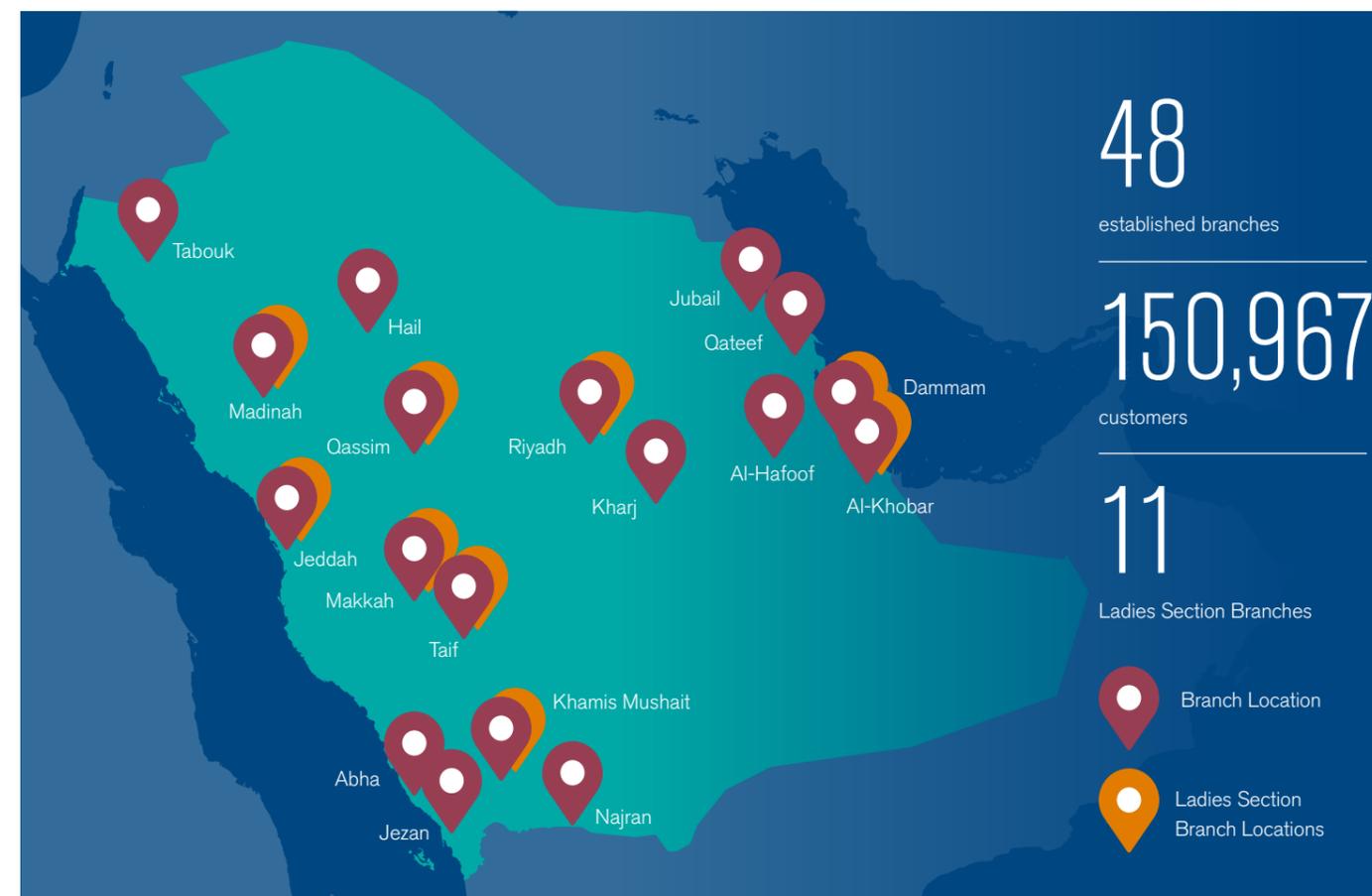
The Saudi Investment Bank's primary purpose is to provide people with access to finance wherever possible. As illustrated earlier, we have developed a range of financing products and services for the varying needs of our customers.

Branch Distribution

To achieve this, we steadily expanded the number of branches across the Kingdom of Saudi Arabia to ensure that we meet the needs of our customers. By 2013, we have 48 established branches in the Kingdom, serving more than 151,000 customers – both personal and corporate.

Ladies Branches

SAIB has not only expanded its ladies branches network and dedicated Account Managers but has also offered them the convenience of processing their transactions without visiting the other branches. We are proud to have established 11 dedicated ladies-branches for our customers.



Measuring our Impact

As part of our stakeholder engagement, we have developed a number of mechanisms that measure our performance in a range of sectors. These mechanisms include a customer satisfaction survey that presents how we have performed in accordance to key performance indicators for each of our business lines.

Technology and Systems

In order to meet the strong demands of business growth, the Bank has put in place an ambitious five year IT transformation strategy. The strategy focuses on supporting the Bank's personal banking and corporate growth, in addition to building strong linkages between the Bank's business units. The strategy is supported by comprehensive project charters, standardized project execution, and project governance. Status tracking and monitoring is also controlled by a central project management function. In addition, an IT Governance structure has been implemented and oversight is controlled by an IT steering committee comprised of senior management.

REA'YA (workforce)

Rea'ya refers to the development of strong relationships. This entails fostering strong relationships and engagements with employees and shareholders. It refers to the Bank's efforts to engage employees and work as one family that embodies diversity, respect and preserve human and employee rights.

Profile in Numbers



Workforce Profile

The Saudi Investment Bank is a proud employer of more than a thousand and three hundred highly qualified individuals. We endeavor to provide our employees with the necessary systems and policies that facilitate their work, and protect their rights. We firmly believe that relationships – both with our customers and our employees – are at the heart of our growth and development as a Bank.

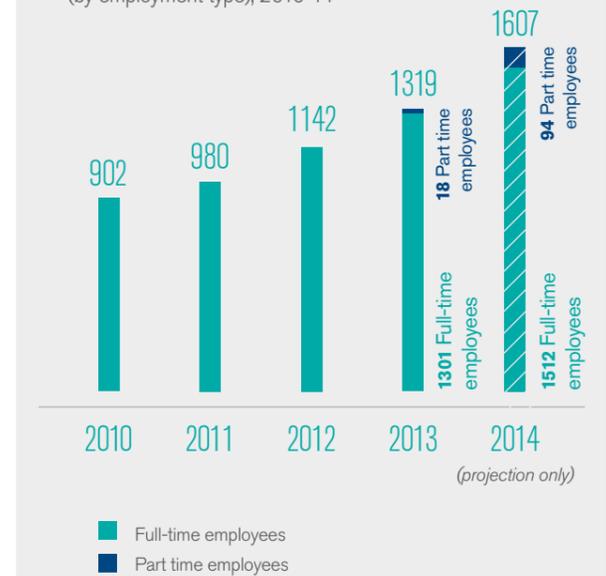
Below, we present the workforce profile, training and development structure and achievements in developing local capacities.

Size

In the last few years, our Bank has grown from 902 full time employees in 2009, to 1301 in 2013, representing an increase of 299 people, or 33%. Last year also saw a dramatic increase in full time employees, with 150 joining our team. These employees were brought on to meet increased demand in the bank's strong financial performance this year. 2013 also marked the first use of part time contracts in the Bank, in order to meet periods of high demand.

In 2014, we anticipate an increase in full time employee contracts of 16%, bringing our workforce size to 1512, while significantly increasing the use of part time employees to 94 part time employees.

Workforce Size
(by employment type), 2010-14



Diversity and Equal Opportunity

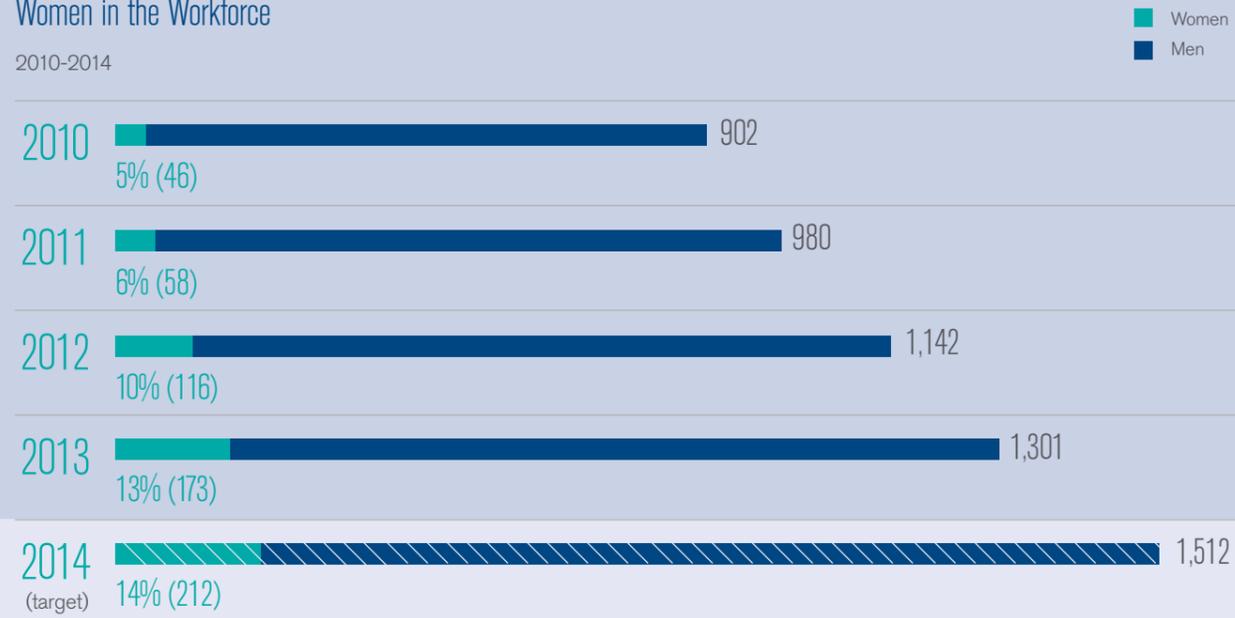
The Saudi Investment Bank is the proud employer of a diverse, talented group of people from around the world. Diversity and opportunity is part of fostering growth, nurturing innovation, and providing new opportunities for career development of the youth of Saudi Arabia. In 2013, employees between the ages of 18 and 30 comprised 43% of our total workforce, marking a continued percentage increase on the previous year.

Workforce by Age
2010-2013



Women in the Workforce

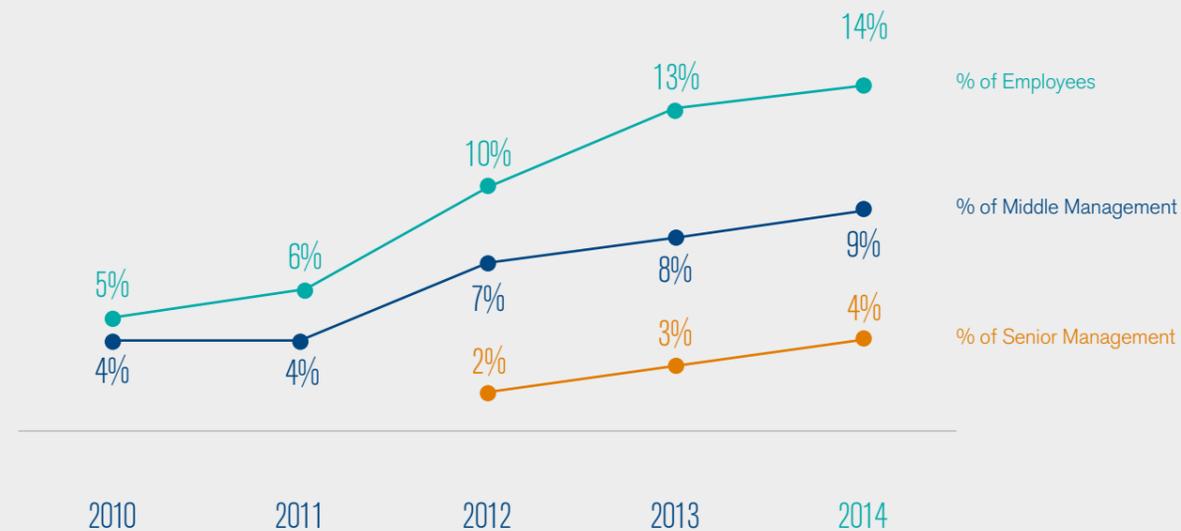
2010-2014



Female Participation

We are proud to support women within the workforce through direct employment of females in many roles within our operations including senior management. We value the diversity of our workforce and strive to continue our steady increase in female employment over time, with a target of 14% female employment in 2014.

> Female Participation in the Organization Workplace and Management (%)

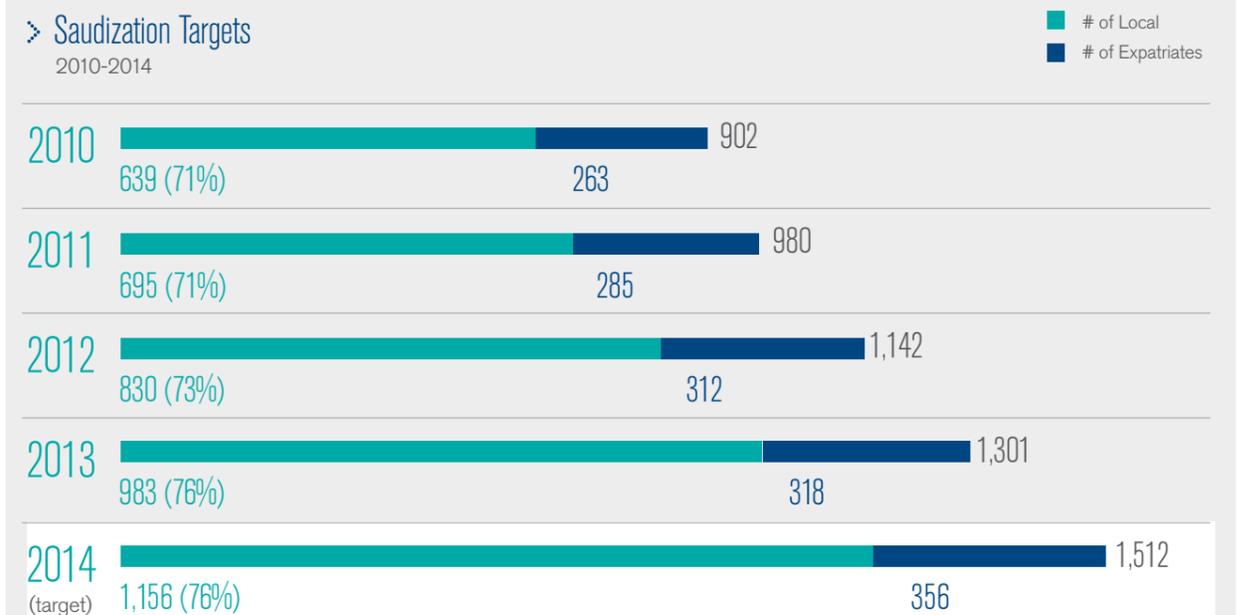


Saudization

Saudization is the national policy requiring private sector companies to employ a certain percentage of Saudi nationals. The Saudi Investment Bank, in line with government policy, aims to meet and surpass the targets of number of Saudis working in the Bank. From 2009 up to 2012, we have maintained above a 70% Saudi workforce. In 2013, we increased our Saudi nationals with a 3% increase up to 76% Saudi nationals. Our success in this area can be attributed to our competitive compensation and benefits offers, our ability to retain staff, and our ability to attract Saudi nationals to the Bank.

> Saudization Targets

2010-2014



Recognizing and Growing Talent

One of SAIB's main goals has been to create 'life-long learning environment' within our organization. This environment is vital to the success of our Bank, as we adapt rapidly to changing technology and market shifts. The complexities of our markets make it necessary for managers, as well as employees, to be prepared for new and demanding assignments. We invest heavily in developing the next generation of personal and corporate bankers, and provide numerous opportunities for the paths of future industry leaders.

Remuneration and Benefits

SAIB is committed to providing great opportunities for our employees to thrive through competitive salary and remuneration packages. Our financial contribution to employees has grown year-on-year in alignment with the growth of our Bank and its scale of operations. We are proud to offer health insurance and participate in Saudi Arabia social security fund in order to support our employees over the long term.

> Salaries and Benefits for Employees (SAR)

| | 2011 | 2012 | 2013 |
|---|-------------|-------------|-------------|
| Salaries paid for workforce (SAR)-(Only the Basic Salaries) | 124,433,960 | 149,222,329 | 180,146,393 |
| Benefits Paid for Employees | 78,587,366 | 81,783,070 | 97,655,396 |
| Social Security Contributions | 10,234,000 | 10,991,000 | 14,200,000 |
| Staff Health Insurance | 7,285,000 | 8,345,000 | 8,582,000 |

Thank You Program

The Employee Recognition Program is an initiative that aims to reward the bank's employees who have made outstanding efforts and achievements outside their current role and responsibilities. This initiative covers the entirety of the Bank's regions, groups, departments and units. Employees are nominated by their department head and will be eligible to receive a Gold, Silver, or Bronze medal and a gift voucher between the amounts of SAR 500 - 2000. With the Thank You Program, the Bank encourages all its employees to lead by example. Special medals will be reserved for employees that make an outstanding contribution to sustainable innovation at the bank.



Training and Development

The development of our employees is critical to ensuring our long-term growth. It allows us to respond more rapidly to the needs of our market and customers. We aim to provide numerous opportunities to all of our full-time staff so that they may further their skills in line with corporate objectives and plans.

In 2013, there was a tremendous increase in the number of training sessions per employee compared to 2012 performance. 181 additional training sessions were conducted more than the 2012 training sessions and that resulted in the 6468 additional training days than 2012 performance.. We were also able to raise the average training days per employee by 75% this year, marking our commitment to advancing the skills and capacities of our staff. SAIB also committed almost SAR5000 per employee in 2013, a SAR 2,800 increase on the previous year. Our training courses include sessions on Corporate Sustainability, Code of Conduct, Fraud and Ethics, and Money-laundering and Compliance.

Nurturing Young Talent

SAIB also runs a Graduates Program, in which we recruit and develop recent Saudi graduates. The table below demonstrates our efforts and commitment to nurturing young talent. We firmly believe that by supporting and developing the business skills of graduates, we can foster long-term national growth and development.

In 2013, we launched the Young Hires Program exclusively for young Saudis. Working closely with the Saudi Government's Human Resource Development Fund and the Institute of Banking (IOB), we implement a rigorous and comprehensive training program for over 100 young Saudis, who are better equipped for exciting job opportunities in the finance sector.

Attracting and Retaining Talent

Retaining talented and skilled employees is an important part of ensuring sustained corporate growth. SAIB offers a number of benefits to its employees. These schemes are aimed at rewarding recognized skills and demonstrating the value the Bank attaches to employees' contributions. As a result of our incentive and benefit schemes, in 2013, we were able to significantly reduce the number of employees leaving the Bank.

> Total number of employees left the organisation



Employee Reward and Benefit Schemes

SAIB provides employees with a range of benefits, including healthcare and club membership to staff discounts and collective insurance. In addition to these, the Bank also provides employees with

the chance to take part in service and investment schemes, to both promote the corporate brand, and to encourage stakeholder buy-in. The four main schemes employed by the Bank include the following:

Employee Service Security Plan (ESSP): enhances the financial job security of SAIB staff. Eligible employees can participate in this plan by contributing a small percentage of their monthly salary into the ESSP. At the end of each completed year of the ESSP, the employee will be entitled to receive a substantial return on their contributions as a reward for their participation in the ESSP.

SAIB Employee Investment Scheme (SEIS): provides an investment opportunity for all staff. Under this scheme, employees may participate by paying a defined percentage of their monthly basic salary into the scheme and the bank will contribute an equal percentage which will be invested for the benefit of the member of staff. At the end of the plan the member of staff will receive both their and the bank's contributions along with any accrued profit.

SAIB Saudis Long Service Awards: rewards its Saudi employees who have completed fifteen consecutive years with the bank. Those loyal employees will be granted a demonstration of our appreciation in recognition of their loyalty to the bank and encouragement for them to continue their service with the bank. This is in addition to the end of service benefits the employee is entitled to according to the bank's policy.

Employee Share Option Scheme (ESOP): under this plan, the employee is given the option to purchase SAIB shares and achieve a return, which will be equivalent to the increase in value of SAIB shares over the plan period.



HIFTH (Environment)

'Hifth' involves sustainable use of natural resources by local communities. It entails the conservation efforts made by the bank in the environmental sectors, by limiting waste and reducing consumption.

As a provider of financial services, we have a responsibility to understand and manage the wider environment, social and ethical risks in the sectors we support. By applying a principle of 'reduce consumption, reuse smartly and recycle where possible', we aim to be a leader among financial institutions in terms of managing our impacts on the environment. This chapter details our policies and initiatives aimed at delivering on our environmental commitment.

Environmental Performance in Numbers

740 SAR

Electricity Expenditure Savings per Full Time Employee



12%

Water Savings per Full Time Employee

4,500 SAR

Saved on Fuel Consumption



Limiting Our Impact on the Environment

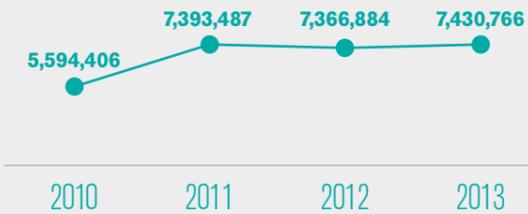
We recognize that as we continue to grow as a Bank, we must remain mindful of our responsibility to protect the environment and conserve our impact. The Saudi Investment Bank, headquartered in Riyadh, employs over 1,300 people, and therefore both water and energy to maintain these offices and the wellbeing of our staff. We have 48 branches nation-wide, with 11 ladies-only branches, requiring considerable investment in fuel for travel. Furthermore, as a financial institution, we depend on vast quantities of data and information, and an ability to process and analyze information rapidly, which require the use of computers and large amounts of energy.

Based on the above, we have identified four material issues for the Bank's environmental impact: energy usage, paper wastage, fuel and water consumption. The chapter below presents our impact on these four material areas, and how we strive to make improvements.

➤ Reducing our Energy Consumption

The Saudi Investment Bank is conscious of the need to limit and manage our energy consumption. The table below illustrates our total usage and expenditure on electricity from 2010-2013. The trend of expenditure demonstrates a net increase. However, this can be attributed to the increase in employees in SAIB, and an expansion of our branches across the Kingdom. We have achieved this by installing energy saving LED lights in our head office, and by carrying out awareness campaigns throughout the Bank on electricity usage.

➤ Amount of money spent on electricity (SAR)



➤ Electricity Expenditure per full time employee



Water

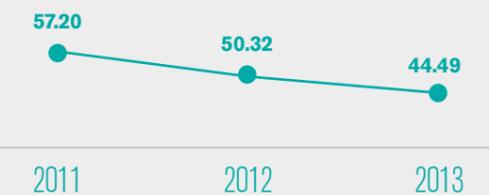
Saudi Arabia suffers from both water scarcity, and extreme aridity. The cost of importing water, and water transportation across Saudi Arabia is significant, and it is imperative therefore that we do our utmost to preserve the Kingdom's water resources. The Saudi Investment Bank endeavors to limit its water consumption, to reduce expenditure on water resources, and to promote water-savings as much as possible.

In 2013, we successfully reduced our net spending on water. This reduction is brought about by increased awareness among our employees and the use of water efficient appliances, such as placing sensors on our taps. This initiative has witnessed a steady decline in water expenditure, and water usage. We have witness an average of 12% decline in expenditure in water per employee, demonstrating the intrinsic value of how sustainability initiatives align with financial efficiency and improvement.

➤ Amount of money spent on water consumption (SAR)



➤ Amount of money spent on water consumption per full time employee (SAR)



For 2014, the Saudi Investment Bank looks to conduct more activities that aim to educate our customers and employees on the importance of water reduction. Given our regular interaction with our customers, and our range of access throughout the Kingdom, the Bank is examining the potential for programs aimed at educating and informing people across the Kingdom.

Conserving Paper

Limiting our consumption of paper is an important part of our efforts to conserve environmental resources. SAIB encourages staff to avoid as much as possible the use of printers for emails and other items which do not need to be printed. In particular we note the decision taken by senior management to shift from paper-based to online-based documentation for Credit Committee (CC) and ExCom credit proposals. The CC proposals involved a weekly production of a book-sized set of documents distributed to roughly ten people. Through the assistance of our IT and Shared Services Group, we adopted a software to share these proposals online called the "Director's Desk". Furthermore, by investing in tablets, SAIB management is able to retrieve and read reports electronically, which has significantly reduced the printing of documents.

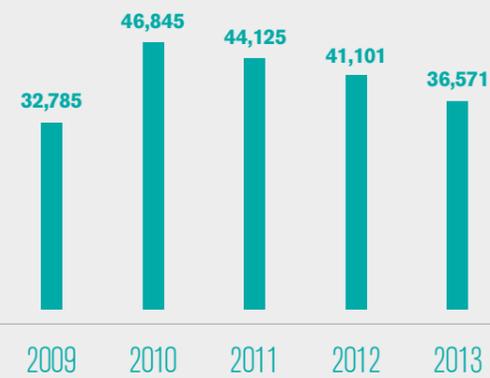


| Year | Paper (kg) | Cost (SAR) |
|------|------------|------------|
| 2009 | 15,960,300 | 890,650 |
| 2010 | 18,380,500 | 977,005 |
| 2011 | 19,456,250 | 1,040,295 |
| 2012 | 20,331,100 | 1,070,031 |
| 2013 | 17,993,150 | 836,286 |

Transport and Mobility

The distribution of our branches across Saudi Arabia often requires considerable investment in transport of our personnel and materials. We endeavor to find new ways to reduce fuel consumption. In 2013, we reduced spending on fuel consumption by almost a quarter to 36,571 SAR by limiting the needs for vehicle travel across the country.

> Fuel Expenditures for SAIB vehicles (SAR) 2009-2013



Under our Print Less Initiative, started in 2013, we have continued our successful reduction of printing and expenditure on paper. This, we expect, will continue throughout 2014.

Even though there is an increase of banking transactions by 9%, paper consumption at SAIB reduced from 20,331,100 kg in 2012 to 17,993,150 in 2013, equivalent to 13% for the year. Furthermore, we were also able to reduce the expenditure on paper by 27% on the previous year, as a result of the automation of a number of banking transactions and processes.

In an effort to promote recycling, in the last quarter of 2013, we also began segregating paper and shredding, and ultimately, recycling. This has been a key driver from Head Office, through to the branches, to improve timeliness and the collection of recyclable materials. In 2014, we expect paper shredding to continue as we hope to continue our success in 2013.

> Paper Waste (2009-2013)

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------|--------|--------|--------|--------|--------|
| Paper Shredding | 33,330 | 22,730 | 26,440 | 26,350 | 60,990 |



AWN (Helping Others)

Awn means to help, to offer what you can for the other. It refers to SAIB's corporate and social responsibility to provide resources and support to local communities. Awn also implies the Zakat investments and community engagement programs.

"It has always been the policy of the Bank to help build bridges of communication, compassion and solidarity throughout Saudi Arabia"

- CEO Message

The Saudi Investment Bank recognizes that it has a civic and social responsibility to offer and provide our customers, and our local communities with new possibilities and ventures. By supporting local initiatives that are in line with corporate ethics and objectives, we endeavor to build local capacities by working in education, career development and environmental protection.

Awn: In Numbers

140 
Orphans Supported

145m SAR 
Presented to the Saudi Development Fund

10 
CSR Projects Funded

1,335,500 SAR 
Charitable contributions paid in 2013

Creating Economic Opportunity

Making a contribution to our local economy is an important part of our commitment to strengthening the communities in which we operate. In the past 5 years, we have increased our local procurement significantly, reaching 90% of all procurement by value. Developing strong relationships with suppliers who operate within Saudi Arabia improves the speed and reliability of the procurement process and allows us to support small to medium sized businesses in the Kingdom.

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------|------|------|------|------|
| Percentage of spending on locally-based suppliers at significant locations of operation. | 50% | 60% | 60% | 80% | 90% |
| Money spent on local suppliers (SAR) | 50M | 55M | 60M | 65M | 75M |
| Number of local suppliers | 30 | 35 | 40 | 45 | 50 |

Sponsor Policy

We find ourselves very privileged to receive numerous sponsor requests from societal organizations and NGOs from all over the country every week. To make sure we support exactly those initiatives that relate to the Bank's Corporate Sustainability vision and goals, in 2012, we developed a Sponsor Policy. The Sponsor policy ensures that the community projects and activities we support are related to our core business and our employees' expertise. We also find it important that our employees are actively involved in the social initiatives we are engaged in. Every community project we support, whether in kind, financially or via our employees, caters to the following requirements:

1. Thematic requirements: focus on financial education, career development or environmental protection
2. Geographic requirements: all activities take place within The Kingdom of Saudi Arabia
3. Process requirements: the social impact of the project must be measurable and long term.

The Sponsor Policy supports initiatives that focus on financial education, career development or environmental protection, and that take place within the Kingdom. The Sponsor Policy helps us identify those initiatives that fit the profile through clear criteria, which help to exclude non-qualifiers at an early stage. The Sponsor Policy adds great value to the growth of our Sustainability profile.

Education

Supporting Orphans across the Kingdom

Education is the most formative part of every person's development. Since 2012, we have developed a strong partnership with the Injaz Saudi Arabia. Through this partnership, we have carried out the training of 570 Saudi orphans from across the Kingdom. We help provide them with practical skills in leadership, cultural development and help build awareness regarding their situation. We have also provided training in specific target areas, such as entrepreneurship. By the end of 2013, we have successfully trained 144 orphans.

As part of the joint program with Injaz, we also held a career day for orphans in the country. This career day focused primarily on working with female orphans, helping and supporting their interest in the banking sector, and encouraging their participation as valued members of society who have the potential to become future leaders in the industry.

Supporting Young Graduates

The Saudi Investment Bank held a number of career days around the world, from Washington DC and London to Dammam in Saudi Arabia. SAIB attracts young and qualified Saudis, through career fairs, who acquired national and international education across reputed institutes. We offer exciting benefits and employment packages, and training young graduates in international banking standards.

We have also worked with the Institute of Banking in Saudi Arabia to develop an integrated training program that will target 100 trainees in 2013, who will be recruited from our new hire program. None of these trainees will have had previous work experience, as the Bank looks to offer them a first-look into a working environment. The Course has been designed to offer a range of services, instructing trainees on banking and Islamic Banking, and anti-money laundering policies.

Health

In 2013, we have continued our efforts in promoting a healthy lifestyle, and building a healthier Saudi Arabia. We offered extensive medical tests for all of our staff in November to assess and check for diabetes. We also funded awareness raising lectures and educational workshops to inform our employees and their families as to how to manage and live with diabetes, and how to mitigate against the disease.

We were also proud to have sponsored the Princess Adelah Scientific and Humanity Award in the Field of Cancer. This ceremony was in recognition of humanitarian efforts made in the field of pediatric cancer.

Social Initiatives

The Saudi Investment Bank initiated a forum that promoted sustainable development, headed by the General President of Environment and Protection of the Environment Society of Saudi Arabia. This Forum addressed the key elements affecting the environment, most notably waste management, medical and industrial waste, in addition to the potential of solar, nuclear energy and wind power.

We are also a sponsor of the Festival Village of Sanad Association, an event aimed at raising awareness of children with cancer. We endeavor to help children through a variety of programs



Appendix 1: GRI Index for 'In Accordance' – Core

The table below provides the disclosure of GRI content for 'In Accordance' – Core for our report. Further explanation for each indicator is presented online at <https://g4.globalreporting.org/Pages/default.aspx>

Table Key

● Reported ● Partially Reported ○ Not Reported

| Indicator | Page reference (or direct response in case of omission) | External Assurance |
|---|---|--------------------|
| GENERAL STANDARD DISCLOSURES | | |
| STRATEGY AND ANALYSIS | | |
| G4-1 | ● 4 and 5 | Not Assured |
| G4-2 | ● 8-12 | Not Assured |
| ORGANIZATIONAL PROFILE | | |
| G4-3 | ● 7 | Not Assured |
| G4-4 | ● 7, 21 and Financial Statements 2013, Page 7, 39 (https://www.saib.com.sa/sites/default/files/FINAL%202013%20Year%20End%20FS%20-%20(English)%20DJ13.pdf) | Not Assured |
| G4-5 | ● Riyadh-7 | Not Assured |
| G4-6 | ● Kingdom of Saudi Arabia (KSA) | Not Assured |
| G4-7 | ● Shareholders, Page 14 and Financial Statements 2013, Page 33 | Not Assured |
| G4-8 | ● Kingdom of Saudi Arabia (KSA)-48 Branches and 11 Ladies Branches, Page 21 | Not Assured |
| G4-9 | ● 22-25, and Financial Statements 2013 Page 1-4 | Not Assured |
| G4-10 | ● 22-25 | Not Assured |
| G4-11 | ● Labour Unions are not prevalent as per law | Not Assured |
| G4-14 | ● 15-17 | Not Assured |
| G4-15 | ● There is no externally Developed charters, principles, or other initiatives to which the organization subscribes or which it endorses. | Not Assured |
| G4-16 | ● SAMA ● Sanad Children's Cancer Support Association http://www.sanad.org.sa/ ● OtherWays Association – Global Green Award | Not Assured |
| IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES | | |
| G4-17 | ● 19, Financial Statements 2013- Page 21 | Not Assured |
| G4-18 | ● 09 and 37 | Not Assured |

| Indicator | Page reference (or direct response in case of omission) | External Assurance |
|---|---|--------------------|
| GENERAL STANDARD DISCLOSURES | | |
| IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES | | |
| G4-19 | ● 9-10 | Not Assured |
| G4-20 | ● 9-10 | Not Assured |
| G4-21 | ● 9-10 | Not Assured |
| G4-22 | ● There is no restatement of information in relevance to the previous reports. | Not Assured |
| G4-23 | ● There is no significant changes from previous reporting periods in the Scope and Aspect Boundaries. | Not Assured |
| STAKEHOLDER ENGAGEMENT | | |
| G4-24 | ● 11 | Not Assured |
| G4-25 | ● 11 | Not Assured |
| G4-26 | ● 11 | Not Assured |
| G4-27 | ● 11 | Not Assured |
| REPORT PROFILE | | |
| G4-28 | ● Jan 2013 to Dec 2013 | Not Assured |
| G4-29 | ● 2012 | Not Assured |
| G4-30 | ● Annual | Not Assured |
| G4-31 | ● info@saib.com.sa | Not Assured |
| G4-32 | ● No External Assurance is sought GRI Content Index for 'In Accordance-Core' | Not Assured |
| G4-33 | ● No External Assurance is sought | Not Assured |
| GOVERNANCE | | |
| G4-34 | ● 12-15 | Not Assured |
| G4-35 | ● 12, 15-17 | Not Assured |
| G4-36 | ● 12, 15-17 | Not Assured |
| G4-37 | ● 12, 15-17 | Not Assured |
| G4-38 | ● 15-17, Please find the organizational chart | Not Assured |
| G4-39 | ● No. Page 15 | Not Assured |
| ETHICS AND INTEGRITY | | |
| G4-56 | ● 7 | Not Assured |
| G4-57 | ● Whistle blowing and Fraud Prevention Detection Department are major steps initiated. Page-18-19 | Not Assured |
| G4-58 | ● 15-17 | Not Assured |

Appendix 2- Reporting Parameters

| Indicator | Page reference (or direct response in case of omission) | External Assurance |
|---|---|--------------------|
| SPECIFIED DISCLOSURES | | |
| CATEGORY: ECONOMIC | | |
| MATERIAL ASPECT: ECONOMIC PERFORMANCE | | |
| G4-DMA | 18 | Not Assured |
| G4-EC1 | 19 And Financial Statements 2013, Page2-3 | Not Assured |
| G4-EC3 | 26-27 and Financial Statements 2013 | Not Assured |
| G4-EC4 | No Financial Assistance is given by the government. Please refer Annual Report | Not Assured |
| G4-EC5 | SAIB minimum salary for nationals are above the minimum level required. | Not Assured |
| MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS | | |
| G4-DMA | 20, 33 | Not Assured |
| G4-EC7 | 20 | Not Assured |
| G4-EC8 | 33, 27-Saudization, | Not Assured |
| MATERIAL ASPECT: PROCUREMENT PRACTICES | | |
| G4-DMA | Procurement practices for choosing vendors are internally decided through policies and checks | Not Assured |
| G4-EC9 | 33 | Not Assured |
| CATEGORY: ENVIRONMENTAL | | |
| MATERIAL ASPECT: ENERGY | | |
| G4-DMA | 29 | Not Assured |
| G4-EN3 | 29 | Not Assured |
| G4-EN6 | 29 | Not Assured |
| G4-EN7 | 29 | Not Assured |
| MATERIAL ASPECT: WATER | | |
| G4-DMA | 33 | Not Assured |

| Indicator | Page reference (or direct response in case of omission) | External Assurance |
|--|---|--------------------|
| SPECIFIED DISCLOSURES | | |
| MATERIAL ASPECT: EFFLUENTS AND WASTE | | |
| G4-DMA | 29 | Not Assured |
| G4-EN22 | There was no significant water discharges and water is directly purchased from utility companies. There are no treatments done to water as they are bought as fresh water or treated water. | Not Assured |
| G4-EN23 | Paper is one of the wastes generated. Please refer page 30 | Not Assured |
| MATERIAL ASPECT: COMPLIANCE | | |
| G4-DMA | No Fines were paid | Not Assured |
| G4-EN29 | There are no fines or monetary sanctions for non-compliance with Environmental laws and regulations | Not Assured |
| MATERIAL ASPECT: TRANSPORT | | |
| G4-DMA | 30 | Not Assured |
| G4-EN30 | 30 | Not Assured |
| SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK | | |
| MATERIAL ASPECT: EMPLOYMENT | | |
| G4-DMA | 22-26 | Not Assured |
| G4-LA1 | 22-23 | Not Assured |
| G4-LA2 | 26-27 | Not Assured |
| MATERIAL ASPECT: TRAINING AND EDUCATION | | |
| G4-DMA | 26-27 | Not Assured |
| G4-LA9 | 26 | Not Assured |
| MATERIAL ASPECT: TRAINING AND EDUCATION | | |
| G4-DMA | 22-25 | Not Assured |
| G4-LA12 | 23 | Not Assured |
| SUB-CATEGORY: SOCIETY | | |
| MATERIAL ASPECT: LOCAL COMMUNITIES | | |
| G4-DMA | 32-34 | Not Assured |
| G4-SO1 | 34 | Not Assured |

Profile: This is The Saudi Investment Bank's 2013 Annual Sustainability Report, highlighting the sustainability performance for the year 2013, and discusses the most material issues to the Bank and its stakeholders.

Boundary of the report: This report covers the sustainability performance of The Saudi Investment Bank including all of its branches in Saudi Arabia. Contractors and Suppliers are not included in the information provided. In the future we aim to evolve our aspect boundaries to include the suppliers and contractors and accordingly report the performance wherever applicable.

Comparability and Balance: This report offers consistent data for various years and the reader can review performance over time and surmise trends. This report provides objective analysis of performance in alignment with industry trends.

Accuracy: The reported qualitative and quantitative data are sufficiently accurate for the readers to comprehend the quality of performance. The reported data is measured through internal management systems and should not be considered absolute representations of performance in the absence of secondary verification.

Assurance: This report is not externally assured. However there were quality control procedures adhered in data collection, processing and compiling through internal management systems.

| Indicator | Page reference (or direct response in case of omission) | External Assurance |
|---|--|--------------------|
| SUB-CATEGORY: SOCIETY | | |
| MATERIAL ASPECT: LOCAL COMMUNITIES | | |
| G4-DMA | 32-34 | Not Assured |
| G4-SO2 | 34 | Not Assured |
| MATERIAL ASPECT: ANTI CORRUPTION | | |
| G4-DMA | 16-17 | Not Assured |
| G4-SO4 | 16-17. Percentage of employees trained in organization's anti-corruption policies and procedures for the last 2 years. 2012 = 94% and 2013 =97% | Not Assured |
| G4-SO5 | There was no confirmed incidents of corruption within employees and business partners. There are no public legal cases regarding corruption brought against the organization or its employees during the reporting period. | Not Assured |
| MATERIAL ASPECT: PUBLIC POLICY | | |
| G4-DMA | SAIB did not make any kind political contributions made directly and indirectly. | Not Assured |
| G4-SO6 | SAIB did not make any kind political contributions made directly and indirectly. | Not Assured |
| MATERIAL ASPECT: COMPLIANCE | | |
| G4-DMA | 16-17 | Not Assured |
| G4-SO8 | 16-17 | Not Assured |

Appendix 3 - Reporting Guidelines and Feedback

Our 2013 sustainability report highlights the sustainability performance for the calendar year 2013. This is the third sustainability report and issued annually in complementary to yearly financial reports.

The report contains Standard Disclosures from the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines (G4 Reporting Guidelines). The report is drafted in accordance with "Core" requirements of GRI G4 Guidelines. Please find the GRI Index at Appendix-II

We believe reporting is an effective tool in engaging all of our stakeholders and ensuring that our activities best meet their needs and expectations. We appreciate your feedback and suggestions to help us better understand how our activities impact the business and society, please contact us at info@saib.com.sa.

**Successful completion
on GRI Materiality
Matters Check**



البنك السعودي للاستثمار
The Saudi Investment Bank

