ABOUT THE REPORT

The Saudi Investment Bank is proud to present its sixth annual Sustainability Report.

During 2016, The Saudi Investment Bank (SAIB, the Bank) strengthened its commitment to sustainability and transparency by joining the Global Reporting Initiative (GRI) GOLD Community. As a result of that initiative, SAIB has produced this report in accordance with the newly-released GRI Standards. This report has been prepared in accordance with the GRI Standards: Core option.

This report covers SAIB’s direct operations in 2016 (January 1, 2016 through December 31, 2016). This report excludes the operations of the Bank’s subsidiaries, with the exception of our financial performance data presented in Chapter 3 and our workforce data presented in Chapter 5. Appendix A contains a GRI Standards Content Index listing each disclosure, its location in the report, and its scope.

Finally, SAIB’s 2016 sustainability efforts were conducted in accordance with the AA1000 AccountAbility Principles Standard, which has been used as a guiding reference in the development of this Report.

“We empower our customers to make investments and create growth by building simple, accessible, quality products and services.”
THE SAUDI INVESTMENT BANK

II OUR APPROACH TO SUSTAINABILITY MANAGEMENT

III NUMMOW (GROWTH)

IV TAKLEEF (RESPONSIBILITY)

V RE'AYA (WORKFORCE)

VI HIFTH (ENVIRONMENTAL PROTECTION)

VII AWN (HELPING OTHERS)

APPENDIX A
We are therefore particularly proud to have been recognized as the First Place Winner in the 2016 King Khalid Award for Responsible Competitiveness, improving upon our second-place position in 2015 and our third place position in 2014.
Welcome to The Saudi Investment Bank’s 2016 Sustainability Report. We are pleased to share with you the key results from the Bank’s financial and non-financial performance in 2016 and our progress toward building a sustainable business and contributing to the Kingdom’s future.

Sustainability at SAIB revolves around five pillars tied to the Islamic principles of nummow (growth), takleef (responsibility), re’aya (workforce), hifth (environmental protection), and awn (helping others). These pillars guide our long-term strategic planning as well as our day-to-day operational decision-making. Our fundamental mission is to help customers achieve what is important to them, and our sustainability framework guides us in realizing this ambition.

Our sustainability framework helps us build a successful business by creating a better connection with our customers, building loyalty, and deepening relationships. This allows us to maintain our strong financial performance and continue to invest in our people, our communities, and our environment. Our sustainability framework, with its pillars aligning so well to the ambitions detailed in Saudi Arabia’s Vision 2030, ensures the Bank’s ongoing contribution to the realization of Kingdom-wide goals in the Vision 2030.

Our pillar of nummow (growth) represents the Bank’s efforts to create economic stability and growth. We aim to empower our customers to make investments and grow by building simple, accessible and quality products and services. We are working on harnessing new technologies to deliver consistent service to our customers at every touchpoint. In 2016, we are proud to have automated 100% of teller transactions and 75% of customer service transactions. We also continued our trend of growth among our customer lines, achieving a 31% increase in SME clients, a 27% increase in personal banking customers, and a 3% increase in corporate banking customers.

Our pillar of takleef (responsibility) encompasses responsible banking practices, ethical conduct, and protecting our customers to earn their trust. Our approach to integrate sustainability across our operations is fundamental to achievement of this ambition. As a bank, we focus on issues such as data security, financial system stability, and responsible lending and investment, which are critical to our customers and the broader community. We have a number of banking consumer protection policies in place governed by our Quality Group and we continue to explore mechanisms to incorporate environmental, social, and governance (ESG) issues into our lending and investment activities.

Our pillar of re’aya (workforce) refers to the establishment of strong relationships between people. We aim to engage employees and work as one family. Our workforce development strategies embody inclusiveness and respect while developing our talent. In 2016, we conducted our annual Training Need Analyses; setting an Identified Development Plan for all individuals. Based on these assessments, the Bank increased the number of training days for our middle management level by 48%.

Our pillar of hifth (environmental protection) describes the sustainable use of natural resources. By implementing the environmental policy established in 2015, the Bank progressed towards targets for reducing our environmental impact by achieving reductions in electricity, water, and paper usage in 2016. We also redoubled our efforts to support responsible environmental management throughout the Kingdom by increasing the number of companies we support in developing and implementing environmental management measures.

Finally, our pillar of awn (helping others) underpins the Bank’s responsibility to support local communities. We continue to focus our investments on four priority areas defined by our corporate sponsorship policy including: financial education, human and social development, environmental protection and community health.

We are pleased to share with you the key results from the Bank’s financial and non-financial performance in 2016 and our progress toward building a sustainable business and contributing to the Kingdom’s future.

As we look toward the upcoming year of business, we renew, affirm, and invigorate our sustainability ambitions so that we may continue creating value for our customers, our employees, our stakeholders, and the Kingdom of Saudi Arabia in 2017.
THE SAUDI INVESTMENT BANK

The Saudi Investment Bank (SAIB) is a leading financial institution in the Kingdom of Saudi Arabia. Over the past 40 years we have built a reputation based on being a trusted Institution which tailors its products and services to our customers needs.

ABOUT THE SAUDI INVESTMENT BANK

SAIB offers traditional wholesale, retail and commercial banking products. Our wholesale product line includes the financing of quasi-government and private industrial sectors and trade finance products for facilitating imports and exports.

On the retail side, we offer a comprehensive range of Shariah compliant products and services including accounts, Murabaha investments and personal finance solutions.

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.

We also provide an inclusive range of Treasury and Institutional Banking products and services. Our Treasury segment provides money market services, manages investments and offers a full range of products to customers.

The Bank has established joint ventures and subsidiaries in investment banking, share trading, asset management, leasing, mortgage finance, credit cards, and payment services. Through Alistithmar Capital, our wholly-owned subsidiary, we provide brokerage services, investment products, and corporate finance services. Our three associates include American Express Saudi Arabia, Amlak International, and Saudi ORIX Leasing Company.

Islamic principles are at the very core of our business identity. Under the guidance of the Sharia Committee, SAIB incorporates Sharia into our product build and product development guidelines across our retail, corporate, and treasury business lines. Any non-compliance of Sharia issues is taken extremely seriously and issues are addressed and rectified.

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.

Note: The basis of operating segments as of and for the year ended December 31, 2016 has been changed compared to the basis of segmentation used in previous reports, in order to align to changes in the Board Risk Committee and Board of Directors’ reporting. The comparative amounts as of and for the previous years have therefore been adjusted to conform to the current period presentation.
Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system, which is critical to the proper functioning of the banking sector and economy as a whole. Internally, corporate governance helps us ensure quality decision-making, operate more efficiently, and mitigate risk. Our Management Approach: Governance and Accountability is guided by the Board of Directors, which comprises of 9 nonexecutive members, 3 of whom are independent, responsible for approving the strategy and financial objectives for SAIB and monitoring performance against those objectives. SAIB’s governance structure is arranged such that the Board provides oversight on the risks and opportunities arising from our activities. The Board also monitors compliance with regulatory and legislative requirements, internal policies, and ethical standards. Board members are appointed for a three-year tenure by the Bank’s shareholders.

The General Manager Corporate Governance has responsibility for the Bank’s corporate governance. The Board committees are supported by our Chief Executive Officer and our day-to-day oversight is managed by our business and support services managers. SAIB complies with all governance requirements set out by Basel III, the Saudi Arabian Monetary Authority (SAMA), Capital Market Authority (CMA) and Ministry of Commerce and Investment (MCI).

SAIB is a member of the S&P/Hawkamah ESG Pan Arab Index, which ranks companies on their environmental, social, and governance performance. SAIB uses these rankings and internal service level agreements to evaluate the effectiveness of its governance practices. In the annual re-balance of the S&P/Hawkamah ESG Pan Arab Index, SAIB improved its rankings from 7th position in 2015 to 6th position in 2016.

For more information, please refer to the Corporate Governance section of our website at: https://www.saib.com.sa/en/corporate-governance-1
In the Kingdom of Saudi Arabia, there is a growing interest in sustainable practices as the country seeks to enhance the long-term prosperity of its economy and compete on a global playing field. Vision 2030 is a new set of initiatives by the Saudi government to pursue a bright future for the Kingdom.

Using a formalized framework, anchored to Islamic principles of good governance and management, the Bank is actively working to maximize its sustainability and its contribution to Saudi Arabia’s Vision 2030.

Specific initiatives at SAIB, aligned with the Vision 2030 themes, include:

**A VIBRANT SOCIETY**
- Providing affordable home loans
- Investing in sustainable community activities

**A THRIVING ECONOMY**
- Employing young Saudi graduates
- Defining targets to increase the female workforce
- Focused on growing the SME business segment
- Financing environmentally-friendly low carbon activities
- Implementing a building management system to improve the resource efficiency of the Bank’s buildings

**AN AMBITIOUS NATION**
- Growing and supporting volunteerism amongst SAIB’s employees
- Embracing transparency through good Corporate Governance practices
- Using social media to engage all stakeholders
OUR APPROACH TO SUSTAINABILITY

SAIB recognizes that banks play an important role in helping societies grow and in developing a sustainable economy. The objective of our sustainability strategy is to influence all stakeholders to adhere to practices that benefit society, the environment, and contribute to sustainable development of Saudi Arabia.

SUSTAINABILITY FRAMEWORK

SAIB has built a unique sustainability framework that considers the global framework aspects of sustainability and relates them to Islamic values. Drawing from the Islamic principles of good governance and management, we have identified five pillars of this framework to organize our sustainability approach. We have built our sustainability policy, our stakeholder engagement strategy, and our materiality assessment around these pillars. Our Sustainability Committee manages the implementation and performance management of the SAIB Sustainability Framework.

Below are our targets for each pillar of our Sustainability Framework. Our ambition is to achieve these targets in 2018.

SAIB will be the most sought after bank in the Kingdom.

SAIB will maximize all resources that are available to it to best maximize our impact within the community.

SUSTAINABILITY STRATEGY

Last year, we developed our strategic sustainability priorities and three year targets to guide our implementation efforts across our five pillars. In 2016, we built upon our strategy and developed our “CSR Operating Standards,” which outlines our standard operating and accounting procedure (SOAP) for the identification and implementation of proactive, high impact and strategic CSR investments. The purpose of the SOAP is to shift SAIB along the philanthropy spectrum from charitable giving and philanthropic CSR to strategic and venture CSR.

Starting from this year, our CSR investment selection framework will apply three filters to best maximize our impact within the community:

FILTER 1: Alignment to SAIB Sustainability Pillars and Saudi Vision 2030

FILTER 2: Resource maximization

FILTER 3: Impact maximization per resources invested

SUSTAINABILITY COMMITTEE

The SAIB Sustainability Committee is the strategic leadership body responsible for the successful implementation the SAIB Sustainability Framework and Policy throughout the organization.

The goals and responsibilities 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 and support the identification and implementation of sustainability initiatives that will improve business performance.
- Measure and report on performance internally and externally to maintain a meaningful dialogue with stakeholders.
- Periodically review and adapt the agreed strategic sustainability priorities and targets in the context of evolving sustainability trends, risks, and opportunities.

The CEO serves as Chairman of the Sustainability Committee, appoints the five additional members of the 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 Committee member 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.

For more information, please refer to our Sustainability Committee Charter at: https://www.saib.com.sa/sites/default/files/sustainability_committee_charter_v7_de_8_2015.doc_approved.pdf
OUR STAKEHOLDERS

Our commitment to understanding the needs and interests of our stakeholders is central to the continued success of our business. We maintain our relationships with our internal and external stakeholders to understand their expectations and create shared value for both SAIB and all stakeholders.

CLIENTS
- Our clients include over 300,000 retail banking customers, in addition to more than 10,000 small businesses and 1,400 large companies utilizing our corporate banking and treasury services.
- Branches
- Interactive Teller Center
- Mobile and online banking
- Website
- Social media channels
- Relationship managers
- Customer research
- EWC Banking
- Web Chat
- ATM
- Cash Deposit Machine
- Interactive Teller Machine
- Innovative, high-quality products and services
- 24/7 quality customer service
- Secure, accessible and easy banking
- Transparent and fair fees and charges
- Shariah compliance

STAFF
- More than 1,600 employees.
- Employee engagement surveys
- SAIB internal magazine
- Training and development
- Regular meetings
- Annual performance reviews
- HR helpdesk
- Employee Suggestions Program
- Program — “My idea”
- Recognition and awards programs
- Code of Conduct
- Innovation center
- Harmon (staff social media app)
- Internal Communication announcements
- Equal opportunity & fairness
- Employee health, safety and wellbeing
- Open & feedback communication with management
- Competitive salary & benefits
- Opportunities for training & career development
- Transparent and accountable management
- HR policy
- Employee grievance policy
- Safety training and inspections
- Employee satisfaction survey
- Thank You Program
- SAIB e-learning
- Academy Training Center
- Ask HR
- Creative Mornings Initiative

SHAREHOLDERS
- SAIB’s shareholders include the Saudi public, two Saudi government organizations, and three financial services companies.
- Annual general assembly
- Board of Directors meetings
- Annual, semi-annual and quarterly reports
- Shareholder relations team
- Independent directors handling mechanism

ENVIRONMENTAL GRIDS
- 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.
- Engagements with various environmentally oriented non-governmental organizations (NGOs)
- Annual Sustainability Reports which publish environmental performance data
- Minimization of waste and emissions
- Limited use of finite resources (energy, water, and paper)
- Improvement in measurement of resource consumption
- Incorporation of environmental criteria in financial projects, investments, and supplier qualifications
- Water & power usage reduction
- Recycling initiative
- Reducing printing
- Electronic document archiving
- Funding of environmental protection initiatives in the community

LOCAL COMMUNITY
- This includes the Saudi Arabian society.
- Public reports
- Media relations activities
- Our own employees, who are primarily nationals
- Charitable initiatives
- Supporting important local issues
- Website
- Social media

VENDORS AND SERVICE PROVIDERS
- 904 vendors and service providers delivering goods and services to SAIB.
- Building and tendering
- Procurement and vendor’s management policy
- Complaint management framework
- Vendor and service provider communications
- Fair contract bidding and awarding mechanisms
- Virtual business support
- Focusing local bids from local companies
- Timely payment

SAIB SUSTAINABILITY REPORT 2016
CHAPTER II
OUR APPROACH TO SUSTAINABILITY MANAGEMENT

THEIR EXPECTATIONS
- Opportunity for training & career development
- Transparent and accountable management
- HR policy
- Employee grievance policy
- Safety training and inspections
- Employee satisfaction survey
- Thank You Program
- SAIB e-learning
- Academy Training Center
- Ask HR
- Creative Mornings Initiative

OUR RESPONSE
- Letter correspondence and email communications
- Meetings and onsite visits
- Regular reporting
- Participation in governmental initiatives and campaigns
- Compliance to policies and regulations
- Reporting disclosures as per engagements
- Delivering best banking practices
- Investment in customer awareness and education initiatives (financial literacy)
- Consumer protection
- Alignment to Saudi Arabia national Strategy
- SAIB detailed compliance plan for the year overseen by its Audit and Compliance committee
- Reporting performance for relevant disclosures such as Basel III
- Seeking consultation to increase transparency and accountability
- Enforcement of compliance and Corporate Governance

SAIB SUSTAINABILITY REPORT 2016
OUR APPROACH TO SUSTAINABILITY MANAGEMENT

OUR APPROACH TO MATERIALITY

Information gathered from our stakeholder engagement provides insight into our materiality assessment, which is the process by which we determine which issues are essential to the Bank’s sustainable development. Identifying which issues are material helps us determine our strategic approach and our reporting focus, and is a process which is underpinned by the GRI Reporting Principles. These include:

- For defining report content:
  - Stakeholder inclusiveness
  - Sustainability context
  - Materiality
  - Completeness

- For defining report quality:
  - Accuracy
  - Balance
  - Clarity
  - Comparability
  - Reliability
  - Timeliness

In 2014, we engaged every division of our business to identify the material issues that are most important to our stakeholders, and therefore our business. Those topics are covered in this report. This list was created using aspects from GRI G4, GRI G4 sector disclosures, SASB disclosure topics for the financial sector, industry and sector benchmarks, and internal documents. In order to prioritize our material issues, we mapped them against importance to SAIB’s organizational success and important to stakeholders expectations. The issues with the highest level of materiality are of greatest importance to both organizational success and stakeholder expectations. These topics play an important role in our organizational and sustainability objectives.

The issues assigned a medium level of materiality represent a range of topics that the organization must manage well. The issues given the lowest level of materiality are not currently of major strategic importance to the organization or stakeholders and thus will not be a focus for immediate action. Our management approach toward all material issues is contained in this report, as per the GRI Standards requirements.

We understand that our material issues are dynamic and change over time. We have committed to review the materiality analysis process on a regular basis and refine our materiality assessment practices. The chart below offers a snapshot of SAIB’s material issues.

<table>
<thead>
<tr>
<th>SAIB MATERIAL ISSUE</th>
<th>GRI STANDARD: TOPIC-SPECIFIC STANDARDS</th>
<th>SIGNIFICANCE TO OUR BUSINESS</th>
<th>LOCATION IN REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customer Trust and Protection</td>
<td>101</td>
<td>Customer Privacy</td>
<td>1 - Earning Our Customers’ Trust</td>
</tr>
<tr>
<td>2. Quality of Services and Customer Satisfaction</td>
<td>102-43</td>
<td>General Disclosures: Stakeholder Engagement</td>
<td>Customers, Regulators</td>
</tr>
<tr>
<td>3. Compliance with Regulations</td>
<td>107</td>
<td>Environmental Compliance</td>
<td>3 - Customer Experience</td>
</tr>
<tr>
<td>4. Accuracy and Transparency</td>
<td>102-45 through 102-56</td>
<td>General Disclosures: Reporting Practice</td>
<td>4 - Ethics and Integrity</td>
</tr>
<tr>
<td>5. Data Security</td>
<td>101</td>
<td>Customer Privacy</td>
<td>4 - Earning Our Customers’ Trust</td>
</tr>
<tr>
<td>7. Governance and Accountability</td>
<td>102-18 through 102-29</td>
<td>General Disclosures: Governance</td>
<td>Employees, Shareholders, Regulators</td>
</tr>
</tbody>
</table>

| 1. Financial System Stability | 101 | Economic Performance | Customers, Employees, Regulators |
| 2. Anti-Corruption | 101 | Anti-Corruption | Shareholders, Regulators |
| 3. Child Labor | 102 | Child Labor | Employees |
| 4. Forced or Compulsory Labor | 102 | Forced or Compulsory Labor | Employees |
| 5. Training and Education | 102 | Training and Education | Employees |
| 6. Local Communities | 102 | Local Communities | Customers |
| 7. Management Approach: all material topics | 102 | Management Approach: all material topics | Customers, Shareholders |
| 8. Market Presence | 102 | Market Presence | Employees, Shareholders |
| 10. Diversity and Equal Opportunity | 105 | Diversity and Equal Opportunity | Employees |
| 11. Employment | 105 | Employment | Employees |
| 12. Occupational Health and Safety | 105 | Occupational Health and Safety | Employees |
| 13. Procurement Practices | 104 | Procurement Practices | Suppliers, Environmental/Groups |
| 14. Indirect Economic Impacts | 103 | Indirect Economic Impacts | Customers |
| 15. Social | 101 | Social | Employees, Regulators, Shareholders, vs. Investors, Others |

<table>
<thead>
<tr>
<th>SIGNIFICANCE TO OUR BUSINESS</th>
<th>GRI STANDARDS</th>
<th>MATERIALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Material</td>
<td>201-205</td>
<td>Highest</td>
</tr>
<tr>
<td>Somewhat Material</td>
<td>102-106</td>
<td>Medium</td>
</tr>
<tr>
<td>Least Material</td>
<td>107-110</td>
<td>Lowest</td>
</tr>
</tbody>
</table>

The issues assigned a medium level of materiality represent a range of topics that the organization must manage well. The issues given the lowest level of materiality are not currently of major strategic importance to the organization or stakeholders and thus will not be a focus for immediate action. Our management approach toward all material issues is contained in this report, as per the GRI Standards requirements.
HIGHLIGHTS

- **31% increase in SME Customers**
- **443 ATMs across the Kingdom**
- **73% increase in online banking**
- **Launch of blended training programs**
- **OHSAS 18001 certified**

- **Added 6 more currencies - Travel Card**
- **Women were 23% of new hires**
- **Youth were 43% of new hires**
- **13% decrease in electricity consumption**
- **4,013,387 SAR invested in the community**
- **43% decrease in water expenditure per employee**
- **16% reduction in paper consumption**
- **443 ATMs across the Kingdom**
AWARDS 2016

- **DIGITAL EXCELLENCE AWARD**
  - Ministry of Communications and Technology
- **BEST SOCIAL MEDIA SERVICE**
  - Banker Middle East
- **BEST CUSTOMER LOYALTY PROGRAM**
  - Banker Middle East
- **BEST BANK FOR SOCIAL MEDIA CHANNELS**
  - Global Banking & Finance Review
- **BEST SUSTAINABLE BANK AWARD**
  - Islamic Business & Finance
- **KING ABDULAZIZ AWARD**
  - Saudi Standards, Metrology and Quality Org.
- **KING KHALID AWARD**
  - King Khalid Foundation
- **BEST LOYALTY PROGRAM**
  - Global Banking & Finance Review
WHAT IS THE RC AWARD?

Led by the King Khalid Foundation, the King Khalid Award for Responsible Competitiveness (RC) Award aims to help businesses strengthen their competitiveness while enhancing their environmental, social and governance performance. The RC Program focuses on aligning CSR practices with business imperatives, such as promoting positive growth, improving reputation, and enabling engagement with key stakeholders.

SAIB WINS 1ST PLACE

The Saudi Investment Bank has been recognized as a leader for its performance in the King Khalid Award for Responsible Competitiveness for the last three years, and has shown year-over-year performance improvement as it progressed from third place in 2014 to second place in 2015 to first place in 2016.

SAIB Chairman Mr. Abdallah Jum’ah was presented the King Khalid Award for Responsible Competitiveness by King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques.
**CUSTOMER EXPERIENCE**

SAIB’s growth is largely due to the unique service offerings and customer experience that is attributable to SAIB’s ongoing sustainability-driven innovations. These innovations will be the central showpieces of SAIB’s sustainability efforts, and will demonstrate not only how sustainability can shape the core of a Bank, but can also drive its differentiation, top line revenue growth and profitability.

We strive to offer the best possible banking experience for our customers, as they are at the heart of our business, and are the drivers of our long-term growth and profitability. This means offering the simplest and most accessible products & services to each of our customers 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.

**Number of Customers**

<table>
<thead>
<tr>
<th></th>
<th>Corporate Banking</th>
<th></th>
<th>Personal Banking</th>
<th></th>
<th>Small and Medium Enterprises (SMEs)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Customers</td>
<td>982</td>
<td>1,205</td>
<td>1,367</td>
<td>1,407</td>
<td>151,880</td>
<td>185,868</td>
</tr>
</tbody>
</table>

**Quality of Service Delivery**

<table>
<thead>
<tr>
<th></th>
<th>Payment Accuracy</th>
<th></th>
<th>Payment Timeliness</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of Service</td>
<td>99.95%</td>
<td>99.95%</td>
<td>99.98%</td>
<td>99.99%</td>
<td>99.95%</td>
</tr>
</tbody>
</table>

“**We strive to offer the best possible banking experience for our customers, as they are at the heart of our business, and are the drivers of our long-term growth and profitability.”**

In 2016, SAIB’s customer base grew in all areas.
KEY PRINCIPLES

Achieving excellent and sustainable results

Adopting Social Responsibility

Inspirational and Role Model Leadership

Human Resource Focus

Enhancing creativity and employing innovation

Customers Focus

Learning and continuous improvement

Managing by processes

Developing successful Partnerships

Principles of Quality and Organizational Excellence

KING ABDULAZIZ QUALITY AWARD

SAIB WINS THE KING ABDULAZIZ QUALITY AWARD

The Bank was the first bank in Saudi Arabia to win the King Abdulaziz Quality Award (KAQA), and was the only financial institution to do so in 2016. SAIB was recognized with the KAQA due to quality policies, processes, and products throughout the business. The Award, which aims to reward the best organizations in terms of excellent performance and highest quality standards at the national level, recognizes SAIB’s achievements and leading position in the financial sector.

WHAT IS THE KING ABDULAZIZ QUALITY AWARD?

King Abdul Aziz Quality Award (KAQA) was approved by the King of Saudi Arabia in decree No.7/B/18670 on 27-11-1420H. The Award is intended to maximize quality, efficiency and productivity in production and service sectors within the Kingdom. It is presented to organizations that achieve the highest level of quality, aiming to raise the quality of performance, activate continuous improvement of internal processes and achieve the stakeholders’ satisfaction.

The Bank’s CEO, Musaed Mohammad Al Mineefi, was presented the King Abdulaziz Award by HE Dr. Majid bin Abdullah Al Qasabi, Minister of Commerce and Industry and by Dr. Saad Bin Abdullah Bin Othman Al-Kasabi, Governor of the Saudi Standards, Metrology, and Quality Organization.
COMMUNICATING WITH OUR CUSTOMERS

Clear and frequent communication with our customers is an important part of providing them the best banking experience. We have set up several channels to receive and address customer queries and complaints so that we have better understand and meet their expectations. These channels include:

- Website
- Branches and RM’s
- Alerts (SMS and Email)
- Social Media / Chat Service
- ATM / ITM / CDM
- Flexx Call / Touch / Click

The Customer Care Unit at our Head Office, which handles and processes all customer complaints, has been certified in accordance with ISO 9001 standard.

Our Voice of Customer (VoC) function gauges our customer service performance through frequent customer satisfaction surveys. In 2016, we are pleased to have achieved 99% customer satisfaction on branch services. We also achieved a 2% reduction in complaints registered per 1000 customers, the lowest number in the past four years.

Customer Satisfaction

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction</td>
<td>%</td>
<td>76.00</td>
<td>85.22</td>
<td>79.58</td>
<td>85.61</td>
<td></td>
</tr>
<tr>
<td>On account opening</td>
<td>%</td>
<td>88.00</td>
<td>92.00</td>
<td>94.00</td>
<td>90.45</td>
<td></td>
</tr>
<tr>
<td>On branch services</td>
<td>%</td>
<td>99.00</td>
<td>99.00</td>
<td>99.00</td>
<td>99.17</td>
<td></td>
</tr>
<tr>
<td>On loan services</td>
<td>%</td>
<td>92.00</td>
<td>91.00</td>
<td>92.00</td>
<td>89.80</td>
<td></td>
</tr>
<tr>
<td>On Flexx Click Internet Banking Service</td>
<td>%</td>
<td>91.00</td>
<td>92.00</td>
<td>90.00</td>
<td>89.74</td>
<td></td>
</tr>
<tr>
<td>CUSTOMER COMPLAINTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complaints registered</td>
<td>#</td>
<td>4,585</td>
<td>7,907</td>
<td>8,294</td>
<td>9,897</td>
<td></td>
</tr>
</tbody>
</table>
| Complaints resolved within 5 days | % | 99% | 99% | 99% | 98.06%

Reputaability Report 4 2 0 1 6

COMMUNICATING WITH OUR CUSTOMERS

In 2016, the Bank achieved a reduction in the number of complaints registered per 1000 customers: its best performance in the past four years.

DEVELOPING NEW PRODUCTS AND SERVICES

The Saudi Investment Bank thrives on providing financial products to its existing and potential clients. Keeping this aim in mind, SAIB further enhanced its product line in 2016 by introducing many new products and enhancements.

Some of the new products and enhancements include:

- made Student Card “EduPay”
- made “EasyPay” Household Payroll Card
- EasyShopping Card
- made Infinite Debit Card
- Predesigned mada Debit Card
- Addition of 6 more currencies to the Travel Card
- Implementing housing loan automation
- REDF additional finance
- ITM Expansion
- Murbaha deposit automation
- Teller transaction automation
- Share Finance
- Card PIN view
- Standing order via Flexx Touch / Click

SAIB is also committed to rewarding our customers for their loyalty. Through our Aseel Loyalty Program, customers accrue benefits every time they use a SAIB made 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. Customers can then use the WooW points they earn to redeem gift items from our online e-catalogue which includes a variety of electronics, home appliances, fashion accessories, gift vouchers from globally famous retailers, and air miles. Customers can also choose to use their points to make donations to various charities from WooW Alkhair.

REWARDING CUSTOMER LOYALTY

In 2016, the Bank achieved a reduction in the number of complaints registered per 1000 customers: its best performance in the past four years.

- Website
- Branches and RM’s
- Alerts (SMS and Email)
- Social Media / Chat Service
- ATM / ITM / CDM
- Flexx Call / Touch / Click

The Customer Care Unit at our Head Office, which handles and processes all customer complaints, has been certified in accordance with ISO 9001 standard.

Our Voice of Customer (VoC) function gauges our customer service performance through frequent customer satisfaction surveys. In 2016, we are pleased to have achieved 99% customer satisfaction on branch services. We also achieved a 2% reduction in complaints registered per 1000 customers, the lowest number in the past four years.

Customer Satisfaction

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER SATISFACTION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction</td>
<td>%</td>
<td>76.00</td>
<td>85.22</td>
<td>79.58</td>
<td>85.61</td>
<td></td>
</tr>
<tr>
<td>On account opening</td>
<td>%</td>
<td>88.00</td>
<td>92.00</td>
<td>94.00</td>
<td>90.45</td>
<td></td>
</tr>
<tr>
<td>On branch services</td>
<td>%</td>
<td>99.00</td>
<td>99.00</td>
<td>99.00</td>
<td>99.17</td>
<td></td>
</tr>
<tr>
<td>On loan services</td>
<td>%</td>
<td>92.00</td>
<td>91.00</td>
<td>92.00</td>
<td>89.80</td>
<td></td>
</tr>
<tr>
<td>On Flexx Click Internet Banking Service</td>
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<td>%</td>
<td>99%</td>
<td>99%</td>
<td>99%</td>
<td>98.06%</td>
<td></td>
</tr>
</tbody>
</table>
AVAILABILITY AND ACCESSIBILITY OF SERVICES

We strive to make our services as simple and accessible as possible for our customers. We operate 443 ATMs across the Kingdom, including 54 online cash deposit machines. 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.

In 2016, online transactions with SAIB increased by 73%, while the total number of transactions increased by 35%. The Bank continues to successfully grow its e-channels business driving further efficiencies for its business and ensuring a more efficient and convenient means of transacting for our customers. This demonstrates the increasing importance customers place on SAIB’s internet banking services.

SAIB developed a new E-Payment Gateway service that provides a secure online payment system that simplifies payment processing, making it safe, easy, efficient and hassle-free for merchants.

For more information, please visit: https://www.saib.com.sa/en/e-banking

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FINANCIAL PERFORMANCE

SAIB must operate a profitable business in order to support all sectors of the economy and further the goals of the nation, while delivering sustainable employment. Led by the CEO, Senior Management, and the Board, 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’s net income reduced by 21% from 2015, partly attributed to a 12% increase in operating expenses. Total assets grew by 1% for the year to SAR94,361,498. Customer deposits decreased by 7% to SAR65,640,325.

OPERATIONAL EFFICIENCY

Making our operations simpler and more efficient is another component of offering our customers the best banking experience. To provide best-in-class operational solutions, our operations division works to reengineer key processes, automate manual processes, and support new products and services that are introduced by the Bank. The Bank will continue to grow its focus on timeliness, accuracy, controls, cost and quality.

Automation in 2016
- 100% of tellers transactions have been automated to a customer relationship management (CRM) system
- Travel cards and shopping cards requests via Internet banking
- 75% of customer service transactions have been automated to CRM
- Yaqeen integration, standing order, mortgage finance workflow, and share finance workflow
- Re-scheduling process via Internet Banking
- Bulk account opening process
- Sharia compliant Murabaha Letters of Credit process

Ways to Bank with SAIB
- Flexx Click Internet Banking Services
- Branch Operations
- Flexx Touch SAIB Mobile App
- 24-hour Standard ATM Services
- Flexx Call Phone Banking Services
- Cash Deposit Machines
- SMS Banking
- Interactive Teller Machine
- Corporate Internet Banking

The Bank’s performance is driven by its Five Year Strategic Plan.
Note: This data has been revised since the prior report. Please see the Annual Report for details.

Scope: SAIB Group

Total Deposits 2013-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Deposits [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>67,063,847</td>
</tr>
<tr>
<td>2014</td>
<td>70,732,411</td>
</tr>
<tr>
<td>2015</td>
<td>70,518,482</td>
</tr>
<tr>
<td>2016</td>
<td>65,440,325</td>
</tr>
</tbody>
</table>

Return on Equity 2013-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Equity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>13.11%</td>
</tr>
<tr>
<td>2014</td>
<td>13.00%</td>
</tr>
<tr>
<td>2015</td>
<td>11.12%</td>
</tr>
<tr>
<td>2016</td>
<td>8.40%</td>
</tr>
</tbody>
</table>

Financial Performance 2013-2016

Total Operating Income [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Operating Income [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,016,645</td>
</tr>
<tr>
<td>2014</td>
<td>2,511,052</td>
</tr>
<tr>
<td>2015</td>
<td>2,405,866</td>
</tr>
<tr>
<td>2016</td>
<td>2,521,174</td>
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</table>

Total Operating Expenses [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Operating Expenses [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>940,635</td>
</tr>
<tr>
<td>2014</td>
<td>1,174,212</td>
</tr>
<tr>
<td>2015</td>
<td>1,336,595</td>
</tr>
<tr>
<td>2016</td>
<td>1,503,942</td>
</tr>
</tbody>
</table>

Total Assets [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>51,043,847</td>
</tr>
<tr>
<td>2014</td>
<td>70,732,411</td>
</tr>
<tr>
<td>2015</td>
<td>70,518,482</td>
</tr>
<tr>
<td>2016</td>
<td>65,440,325</td>
</tr>
</tbody>
</table>

Total Equity [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Equity [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>13,11%</td>
</tr>
<tr>
<td>2014</td>
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</tr>
<tr>
<td>2015</td>
<td>11.12%</td>
</tr>
<tr>
<td>2016</td>
<td>8.40%</td>
</tr>
</tbody>
</table>

Dividends Paid [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Paid [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>81,000</td>
</tr>
<tr>
<td>2014</td>
<td>129,000</td>
</tr>
<tr>
<td>2015</td>
<td>356,000</td>
</tr>
<tr>
<td>2016</td>
<td>522,000</td>
</tr>
</tbody>
</table>

Net Income [Thousand SAR]

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income [Thousand SAR]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,174,212</td>
</tr>
<tr>
<td>2014</td>
<td>1,336,595</td>
</tr>
<tr>
<td>2015</td>
<td>1,503,942</td>
</tr>
<tr>
<td>2016</td>
<td>1,703,942</td>
</tr>
</tbody>
</table>

Note: This data has been revised since the prior report. Please see the Annual Report for details.

Scope: SAIB Group

CHAPTER III

NUMMOW (GROWTH)
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 promote financial inclusion in the Kingdom. Our EasyPay card-based payroll service provides Saudi corporations with an internet-based payroll payment gateway that is compliant with the Saudi government’s Wage Protection System requirements. This service allows the Saudi workforce, particularly low-paid and unbanked migrant workers, to have access to a SAIB bank account. The employee’s salary is paid into this account every month and the employee can use their EasyPay card to withdraw funds from ATMs within Saudi Arabia. By the end of 2016, more than 222,047 workers were benefiting from the EasyPay service, which is more than a 65% increase from 2015. SAIB EasyPay cardholders will be able to use Internet Banking, ATM and IVR to remit funds to their home countries. The service, called Flexx Transfer, is available for countries such as India, Pakistan, Sri Lanka, Bangladesh and the Philippines with many more countries to be added in 2017.

Additionally, SAIB is working to promote home ownership across the Kingdom. In 2016, we financed a number of real estate projects supporting affordable housing, including one for 216 units in Al Khobar and another for 164 villas in Dammam.

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. Guided by the Board of Directors and the Board Risk Committee, we seek to perform our lending and investment activities with an understanding of environmental, social, and governance (ESG) issues. In this way, we seek to mitigate environmental and social risks and support the assessment of credit and investment risks for our corporate and institutional customers. In this regard we are guided by the Bank’s Risk Appetite Framework and the funds available to lend in accordance with the business and risk objectives.

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The Bank has a detailed process to analyze, assess, review and monitor various lending and investment proposals in line with its business, risk, and sustainability objectives. This risk-based assessment of potential borrowers and potential projects for financing includes:

- Know-Your-Customer risk assessment
- Corporate governance
- Strong balance sheet and financial performance
- High quality sponsors and management
- 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.

In charge of this process is the Bank’s Risk Management Group, under the Chief Risk Officer. There are close to 100 staff, several IT systems, and appropriate financial resources made available for the management of responsible investments. With these policies, the Bank continues to build diversified lending and investment portfolios.

**Loans and Advances by Sector**

During the implementation of our Five Year Strategic Plan, we set a goal of having at least 10% of our loan portfolio for financing of environmentally-friendly, low carbon activities like solar energy, wind farms and such other non-conventional energy sources, bio-mass and biodegradable products, waste and hazardous material recycling projects, energy efficient buildings and construction projects, financing for energy efficient devices related to heating and cooling, home electronics, hybrid/electric cars.

**ETHICS, TRANSPARENCY, AND COMPLIANCE**

Our reputation as a trusted employer and business partner depends on exemplary ethical behavior. We seek to adhere to the highest standards of integrity and ethical business conduct in every part of our business. Our deep commitment to integrity requires that we maintain effective controls, transparency, and clear rules to govern the complexity of our business operations.

**Our commitment to the accurate and transparent disclosure of performance is governed by our Corporate Governance Charter.**

**Transparent Disclosure of Performance**

We measure our performance on transparency through our ranking on the S&P/Hawkamah Pan Arab index, external audits, and feedback from SAMA.

The Saudi Investment Bank’s commitment to achieve the highest level of transparency and compliance with laws, rules, regulations and guidelines applicable to the prevention and detection of money laundering and combating terrorism financing as per the Saudi Arabian Monetary Authority (SAMA) instructions. SAIB has thus established robust mechanisms and reporting and monitoring tools to prevent these crimes from occurring.

Compliance with local and internal laws and best practices remain vital to the running and management of our business. The Compliance Department and its reporting independence to the Board further ensures the integrity and good Corporate Governance based on our business.

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.

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.

We manage compliance through active communication plans with our customers and staff using social media channels and SMS. This has resulted in improved awareness among customers and staff ranging from fraud to social tips.

In 2016, we had fourteen incidents of non-compliance, resulting in penalties of SAR47,277,816 that have been paid in full to the relevant authorities. The fourteen fines were a mix of operational and non-compliance regulatory rules fines paid to SAMA. We will continue to examine and learn from any incidences of non-compliance to limit reoccurrence of such incidents.

<table>
<thead>
<tr>
<th>INCIDENTS OF NON-COMPLIANCE</th>
<th>SANA</th>
<th>LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>1533900</td>
<td>9083952</td>
</tr>
</tbody>
</table>

**Scope:** SAIB Group
EARNING OUR CUSTOMERS’ TRUST

Customer trust is essential to a bank. It is SAIB’s most material topic, and one of critical importance to the broader economy. As e-banking continues to grow, the reliance on information protection, confidentiality, integrity, availability and privacy requirements becomes ever more important. Our customers’ trust is a source of competitive advantage and a central component of brand-building and bank reputation. We continuously strive to earn our customers’ trust by placing their interests at the forefront of everything that 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.

We have implemented initiatives to ensure our customers have the necessary knowledge to make their financial decisions. Our Customer Awareness Department has created a credit consultation unit in the contact center and has developed a consultation system through the customer relationship management system (CRM). In 2016, the Customer Awareness Department initiated 9 customer awareness events attended by 4,927 visitors to educate our customers on the importance of banking awareness, their rights and responsibilities, modern fraud methods, and how to maintain a good credit history. Additionally, 60 training sessions have been conducted for SAIB branches attended by 413 employees.

Finally, we have a number of banking consumer protection policies in place governed by our Quality Group 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. Beyond keeping our customers aware and maintaining appropriate controls; the Bank ensures that its customers are made aware of any information security risks so they can make informed decisions related to privacy and protection matters.

DATA SECURITY

We understand that the digital age brings certain security and privacy risks to our business. While online and mobile banking applications are convenient for our customers, they are also vulnerable to information security breaches and cyber crime. In order to provide our customer the ability to bank with confidence and peace of mind at SAIB, we have implemented a number of initiatives to ensure that our customers’ finances, as well as our business, are protected.

Our Information Security Department provides security assurance of all e-channels. Security governance is kept as an integral part of corporate governance. Additionally, we have ensured that our information security strategy and charter is aligned with our overall SAIB business strategy. Our Information Security Department used balance score cards to ensure that our key risk indicators are aligned with our corporate vision and mission to maximize return on investment, performance, and quality.

Our Information Security Department has undertaken multiple initiatives to automate the security and compliance process. Automation has helped deliver quality, agility and speed along with huge reductions in paper consumption in internal processes.

To deliver state of the art information security service, regular training sessions for internal and external stakeholders is paramount. The Information Security department has used computer based trainings (CBT), SMS, web messages and other methods so clients can be kept updated of ongoing threats and countermeasures.

SAIB has adhered to best practices such as ISO27001 and PCI-DSS and complies with regulations from SAMA, CMA, and Tadawul. The Information Security Department ensured that 2016 was free from any breach of customer privacy, identity theft, and leak or loss of customer data.

The Information Security Department has also conducted regular risk assessments of all business areas and enhanced security stance by incorporating information security as a pivotal principle for all SAIB services from inception to delivery. Various enhancements in policies, procedures, standards and guidelines were actioned to avoid and protect against cybersecurity threats.

Business Continuity Planning Testing

The stability of our financial system is vital to the existence and continuance of our operations across the entire Bank. 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 a disruption. We test our Business Continuity Plan twice a year. Our latest test, involving over 100 employees from 23 departments, yielded no significant issues during the testing process. We are pleased to report that our backup restoration during the test only took three hours, compared to the requirement of four hours. SAIB has been certified ISO 22301 compliant for Business Continuity Management since 2012.

100+ Staff Participants

1 Hour Ahead of Requirement
OUR PEOPLE

Attracting the best talent from the diversity that our community offers and placing individuals in the best position for their experience and skill set are our top recruiting priorities. To do so, we seek to maximize employment opportunities for young people, women and nationals. Building a more inclusive national workforce builds value for the Bank and for the Kingdom of Saudi Arabia.

103 Management Approach: Equal opportunity and Anti-discrimination

In 2016, our non-management staff headcount increased by 35% to 1,092 employees. We also added 33 new part-time hires to our team. In an effort to support the national workforce, we grew the number of Saudi nationals in senior management by 5%.

202-2 We expect to see continuing growth in our inclusive national workforce in the coming year.

At SAIB, respect for human and workplace rights is ingrained in our culture and guides our interactions with staff, customers, stakeholders and the communities we serve. Our commitment to respect human rights is fundamental to our Vision & Mission, our business model, and our Human Resource practices.

103 Management Approach: Human and Labor Rights

Furthermore, at SAIB, as an organizational stakeholder of the Global Reporting Initiative (GRI) Gold Community and a UN Global Compact participant, we have and continue to focus on all of the components that must be put in place in a corporate context under these Principles.

Our Human Resources Policy, managed by our HR Department, along with our Procurement Policy, Vendor Management Policy, and Employee Code of Conduct establishes a foundation for managing our business in the Kingdom in accordance with our commitment to respect human rights.

RE’AYA (WORKFORCE)

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. SAIB will be the most sought after bank to work for, owing first and foremost to its clear transparency and accountability towards both its employees and society.

Building a more inclusive national workforce builds value for the Bank and for the Kingdom of Saudi Arabia.

RE’AYA (WORKFORCE)
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, 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 2016, SAIB was honored to be recognized as a “Great Place to Work” in Asia in the large workplace category by the Great Place to Work Institute. The Great Place to Work Institute is the global authority on identifying what it takes to build a high-performing workplace culture.

BUILDING AN INCLUSIVE WORKPLACE

We attract and empower an inclusive workforce through a number of policies and programs. SAIB has issued a formal policy to increase Saudi nationals in its workforce, and Saudization is an integral part of its Human Resources strategy.

We grew the number of Saudi nationals in senior management by 5%. We are pleased to maintain our position among 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. For 2017, we had set Saudization targets that 86% of our total employees and 58% of senior management will be Saudi nationals. We are proud to have already exceeded our target for the Saudization level of the Bank’s senior management, and will work throughout 2017 to achieve our target for the total workforce.

We also continue to implement programs designed to attract and support the development of young Saudi graduates. In 2016, young people between the ages of 18 and 30 comprised 40% of our workforce and 43% of new hires. SAIB conducted 4 Young Hire Programs (YHP) targeting Saudi nationals.

We also aim to promote gender equality by increasing the number of women in our workforce. In 2016, 23% of new hires were women. There were 2 batches of YHP conducted only for female staff with capacity of 20 trainees serving in different department. In total, women made up 18% of our team. Women filled 11% of our middle management positions, and 3% of senior management positions, similar to our 2015 levels.

To continue the inclusion of women in its workforce, SAIB has started a new initiative called the “Female Awareness Program,” which is conducted on a quarterly basis. The program educates female staff about their work environment and their rights. In addition, the Bank encourages open communication channels with HR and management in case of unacceptable behavior against our female employees.
COMMUNICATION AND ENGAGEMENT

Proactive communication and engagement with our employees enhances 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, supervision, bank image, customer focus, employee appreciation, and upper management. Since our employee satisfaction survey was conducted in 2015, we did not conduct one in 2016.

Employee Satisfaction and Engagement

We have continued our employee suggestions program, ‘My Idea’, that allows employees to submit suggestions to our Innovation Center for consideration. In 2016 we received a total of 452 suggestions, 26 of which were implemented.

Additionally, SAIB has a long-term service incentive scheme that are linked to performance for employees who have joined at the beginning of 2016 and onwards. The scheme is not linked to performance for employees that had joined before 2016.

Turnover and absenteeism rates also help us measure our success in keeping employees committed and engaged. In 2016 we recorded a total turnover rate of 12% and a voluntary turnover rate of 6%, the lowest rates since 2013. We also recorded a very low absenteeism rate of 0.09% (0.04% for men and 0.33% for women).

When employees depart, the Bank conducts an exit interview to gather perceptions and insights. These are analyzed and summarized in an annual report, the ‘Regrettable Turnover Report,’ whose conclusions and recommendations are actively addressed.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Scope: SAIB Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication and Engagement</td>
<td></td>
</tr>
</tbody>
</table>

HEALTH, SAFETY, AND WELLBEING

The Bank prioritizes the health, safety, and wellbeing of our employees and customers. We have a comprehensive safety and security policy in place to respond to fire hazards, violent criminal acts, and other 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.

The Bank implemented the OHSAS 18001 standard in 2016, becoming the first bank at the Gulf to do so. This standard specifies requirements for an occupational health and safety management system, to enable an organization to control its occupational health and safety risk and improve its performance.

Diabetes Day

Each year the Bank conducts diabetes-centered events aimed at raising the awareness of diabetes both with its staff, customers, and the general public. In past years, we have hosted an all staff football tournament promoting a healthy life style. For World Diabetes Day in 2016, the Bank in conjunction with the Saudi Cycling Federation hosted a Fexxbike social cycling marathon in Riyadh to raise awareness of the issue. The event was supported by over 100 cyclists who rode their bikes through the streets of Riyadh from the Bank’s Head Office to the King Abdulaziz Historical Centre.

In addition to the cycling marathon, the Bank hosted an event that included free diabetes check-ups by the Saudi Diabetes Charity and Habib Hospital, a lecture on how to prevent diabetes, and special offers from Aseel Partners, who specialize in health and fitness.

<table>
<thead>
<tr>
<th>Health Safety and Wellbeing</th>
<th>Scope: SAIB Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee and contractor fatalities</td>
<td></td>
</tr>
<tr>
<td>Employee and contractor lost-time injuries</td>
<td></td>
</tr>
<tr>
<td>Employee and contractor total recordable injuries</td>
<td></td>
</tr>
</tbody>
</table>

In 2016, we recorded five health-related incidents on our premises due to general illness. They consisted of one general illness three customers and employees fainting, and one twisted ankle – all received a proper medical response and no injuries arose from these incidents.

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.
SAIB Group
Scope: Salary and Benefits

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. In 2016, SAIB paid our employees a total of SAR 92 million in salary and benefits.

We encourage and support the women of our workforce to balance their career aspirations with family caregiving. We provide paid maternity leave of up to 10 weeks. We also support expecting mothers by giving up to 180 days of paid sick leave in case of illness due to the pregnancy. Additionally, we offer 3 days of parental leave for male employees. In 2016, 23 staff took parental leave, all of whom returned to work afterwards. This 100% return-to-work rate indicates that we provide a balanced work life.

Salary and Benefits

SAIB Group
Scope: Salary and Benefits

Salary Ratio (Male : Female)

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries paid</td>
<td>Thousands SAR</td>
<td>190,784</td>
<td>226,628</td>
<td>254,451</td>
<td>273,730</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>Thousands SAR</td>
<td>221,041</td>
<td>269,718</td>
<td>315,765</td>
<td>286,568</td>
<td></td>
</tr>
<tr>
<td>Social security contributions</td>
<td>Thousands SAR</td>
<td>16,442</td>
<td>20,777</td>
<td>27,038</td>
<td>28,368</td>
<td></td>
</tr>
<tr>
<td>Staff health insurance</td>
<td>Thousands SAR</td>
<td>10,553</td>
<td>14,282</td>
<td>22,220</td>
<td>23,135</td>
<td></td>
</tr>
<tr>
<td>Total salaries and benefits paid</td>
<td>Thousands SAR</td>
<td>439,020</td>
<td>531,405</td>
<td>619,474</td>
<td>591,801</td>
<td></td>
</tr>
</tbody>
</table>

Scope: SAIB Group

Salary Ratio (Male : Female)

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management Employees</td>
<td>ratio</td>
<td>1 : 0.65</td>
<td>1 : 0.77</td>
<td>1 : 0.72</td>
<td>1 : 0.69</td>
<td></td>
</tr>
<tr>
<td>Middle Management Employees</td>
<td>ratio</td>
<td>1 : 0.73</td>
<td>1 : 0.74</td>
<td>1 : 0.78</td>
<td>1 : 0.86</td>
<td></td>
</tr>
<tr>
<td>Non-Management Employees</td>
<td>ratio</td>
<td>1 : 0.90</td>
<td>1 : 0.92</td>
<td>1 : 0.96</td>
<td>1 : 0.96</td>
<td></td>
</tr>
</tbody>
</table>

Scope: SAIB Group

Parental Leave

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees who took parental leave</td>
<td>#</td>
<td>6</td>
<td>13</td>
<td>10</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Employees who returned to work after parental leave ended</td>
<td>#</td>
<td>5</td>
<td>13</td>
<td>10</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Employees returned one year after returning to work following parental leave</td>
<td>#</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Scope: SAIB Group

Grievances

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grievances filed during reporting year (RY)</td>
<td>#</td>
<td>Not available</td>
<td>Not available</td>
<td>6</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>RY-filed grievances resolved</td>
<td>#</td>
<td>Not available</td>
<td>Not available</td>
<td>6</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Prior year-filed grievances resolved</td>
<td>#</td>
<td>Not available</td>
<td>Not available</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Scope: SAIB Group

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 focus our training and development strategy on young Saudi nationals, aiming to harness their powerful, yet inexperienced talent. 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.

In 2016, an average of 4 training days were provided per employee. This number is lower than previous years due to the introduction of a blended learning system, which reduced the need for face-to-face training days. We provided more in-job training, training videos, and internal coaching, which are not included in the training day calculations. In addition, the reduction in hiring in 2016 reflects the reduction in training days, a large part of which is comprised of orientation training and graduate programs. The actual number of staff who went for training in 2016 is higher than the number in 2015, excluding the graduate programs.

Training by Employment Level and Gender

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DATA</th>
<th>UNIT</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>#</td>
<td>3,773</td>
<td>14,948</td>
<td>16,505</td>
<td>6,495</td>
<td></td>
</tr>
<tr>
<td>Senior Management Employees</td>
<td>#</td>
<td>361</td>
<td>491</td>
<td>491</td>
<td>508</td>
<td></td>
</tr>
<tr>
<td>Middle Management Employees</td>
<td>#</td>
<td>3,464</td>
<td>4,880</td>
<td>3,258</td>
<td>2,808</td>
<td></td>
</tr>
<tr>
<td>Other Employees.</td>
<td>#</td>
<td>5,946</td>
<td>8,831</td>
<td>11,204</td>
<td>3,190</td>
<td></td>
</tr>
<tr>
<td>Male Employees</td>
<td>#</td>
<td>7,429</td>
<td>11,663</td>
<td>10,482</td>
<td>5,018</td>
<td></td>
</tr>
<tr>
<td>Female Employees</td>
<td>#</td>
<td>2,344</td>
<td>2,522</td>
<td>4,329</td>
<td>1,477</td>
<td></td>
</tr>
</tbody>
</table>

Scope: SAIB Group
HIFTH
(ENVIRONMENTAL PROTECTION)

Hifth describes the sustainable use of natural resources by local communities. It entails the 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. SAIB will increase its competitive advantage by embedding environmental management into the Bank's core activities and continuously de-materialize banking. SAIB will be a model of the competitive environmental practices the Saudi government is seeking for the benefit of the Kingdom.
CHAPTER VI
FIFTH (ENVIRONMENTAL PROTECTION)

ENVIRONMENTAL MANAGEMENT

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 depends 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.

As part of our commitment to positive environmental change, we have established a dedicated internal team that works on our environmental initiatives. The team focuses on four strategic areas: Transformational Finance, Employee Programs, Operations, and Risk Management. The Environmental Initiatives Team identifies and helps actualize emerging trends that present new opportunities for the Bank. The team has committed to reviewing the Bank’s Environmental Policy every two years.

We are committed to managing our direct environmental impact through the following activities:

- Monitoring, reducing, reporting, and taking action to reduce energy use, greenhouse gas emissions, paper consumption, water consumption, and waste of our business activities to meet our objectives and targets.
- Managing waste generated from our business operations according to the principles of reduction, reuse and recycling, where cost effective.
- Managing our business operations to prevent pollution.
- Investing in energy efficient technologies.
- Giving due consideration to environmental issues and energy performance in the acquisition, design, refurbishment, location, and use of buildings.

For more information, please refer to our Environmental Policy at: https://saib.com.sa/sites/default/files/Environmental-Policy.pdf

ENERGY USAGE AND EMISSIONS

We believe climate change can create major impact on the natural environment, having significant socio-economic consequences. Climate change presents both risks and opportunities for our business, and as a financial intermediary we can play a role in addressing climate change. Therefore, despite the fact that the banking sector is not a major contributor to climate change, the Bank seeks to demonstrate leadership on this front.

The Bank’s energy usage comes from:

- Technology infrastructure (data centers) to support our growing online banking services.
- Building energy usage to maintain health, safety, and wellbeing of our staff and customers.
- Fuel for travel between our numerous branches nationwide.

Committed to understanding its impact, SAIB began tracking its energy consumption (mWh) in addition to its energy expenditure (SAR) in 2014. This effort to track energy usage in detail has informed the Bank’s programs and helped measure progress.

The bank’s petrol fuel consumption increased by 18% since 2015.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption</td>
<td>Not available</td>
<td>Not available</td>
<td>38,610</td>
<td>33,541</td>
</tr>
<tr>
<td>Electricity consumption</td>
<td>GJ</td>
<td>Not available</td>
<td>188,996</td>
<td>120,748</td>
</tr>
<tr>
<td>Electricity expenditure</td>
<td>SAR</td>
<td>7,430,766</td>
<td>8,211,304</td>
<td>9,167,956</td>
</tr>
<tr>
<td>Indirect GHG Emissions [Scope 2] (from electricity usage)</td>
<td>tonnes CO2eq</td>
<td>Not available</td>
<td>25,251</td>
<td>21,936</td>
</tr>
<tr>
<td>Petrol fuel consumption</td>
<td>L</td>
<td>81,269</td>
<td>82,264</td>
<td>93,011</td>
</tr>
<tr>
<td>Petrol fuel consumption</td>
<td>GJ</td>
<td>2,817</td>
<td>2,851</td>
<td>3,224</td>
</tr>
<tr>
<td>Direct GHG Emissions [Scope 1] (from fuel usage)</td>
<td>tonnes CO2eq</td>
<td>73</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Scope: SAIB Group</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Energy Consumption

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity consumption per employee</td>
<td>GJ/employee</td>
<td>2.01</td>
<td>1.85</td>
<td>2.30</td>
</tr>
<tr>
<td>Fuel consumption per employee</td>
<td>GJ/employee</td>
<td>1.62</td>
<td>1.85</td>
<td>2.30</td>
</tr>
</tbody>
</table>

Scope: SAIB Group

For more information, please refer to the Bank’s Environmental Policy at: https://saib.com.sa/sites/default/files/Environmental-Policy.pdf
Thanks to the installation of water-efficient appliances in 2015 the Bank’s total water expenditure per person decreased by 43% in 2016.

Located in an arid region, Saudi Arabia suffers from water scarcity and it forced to rely on non-renewable groundwater resources and expensive desalinized water to meet the water demands of its population. SAIB has a responsibility to reduce its water consumption and 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. Thanks to the installation of water-efficient appliances in 2015 the Bank’s total water expenditure per person decreased by 43% in 2016.

In order to better measure our water consumption we are in the process of installing Water Consumption Meters across all branches, which will provide accurate consumption in liters. Once finalized, the project will allow water consumption for each month to be logged in our Building Management System (BMS).

### WATER CONSUMPTION

<table>
<thead>
<tr>
<th>Scope: SAIB Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water expenditure</td>
</tr>
<tr>
<td><strong>SAR</strong></td>
</tr>
<tr>
<td><strong>Water expenditure</strong></td>
</tr>
</tbody>
</table>

### Water Expenditure per Employee

<table>
<thead>
<tr>
<th><strong>[SAR/employee]</strong></th>
<th><strong>2013</strong></th>
<th><strong>2014</strong></th>
<th><strong>2015</strong></th>
<th><strong>2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>65</strong></td>
<td><strong>78</strong></td>
<td><strong>183</strong></td>
<td><strong>166</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Electronic Recycling**

In addition to our ongoing efforts of recycling paper and plastics, we have also begun to recycle electronic waste. In 2016, we signed an agreement with Tadweer, a specialized recycling company, to donate cash proceeds from the recycling of electronic waste to the Ensan Charity for orphaned children.

**To date:**

- Approximately 3 tons of recyclable electronic goods were provided from Head Office in Riyadh
- A total of 704 items collected and placed in bins by staff

### Paper Consumption & Recycling

<table>
<thead>
<tr>
<th><strong>Scope: SAIB Group</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paper consumption</strong></td>
</tr>
<tr>
<td><strong>kg</strong></td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>62,644</td>
</tr>
<tr>
<td><strong>Paper consumption per full-time employee</strong></td>
</tr>
<tr>
<td><strong>kg/employee</strong></td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>45</td>
</tr>
<tr>
<td><strong>Total paper recycled</strong></td>
</tr>
<tr>
<td><strong>kg</strong></td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>60,990</td>
</tr>
</tbody>
</table>

* This should be the amount of paper purchased across SAIB’s operations.
** This should include any paper recycled throughout SAIB’s properties, including magazines, newspapers, etc.

**Note:** The 2015 numbers have been revised using a more accurate calculation method.

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<tr>
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</tr>
<tr>
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</tr>
</tbody>
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**Note:** The 2015 numbers have been revised using a more accurate calculation method.
AWN (HELPING OTHERS)

Awn means to help, to offer what you can for others. It refers to SAIB’s responsibility to support to local communities. Awn encompasses our Zakat investments, community investment programs, and local procurement. SAIB will measure not only the amount of money it invests, but the extent and effectiveness of its impact. SAIB will narrow and focus its investments in areas where it can contribute not just money, but tools and expertise.

COMMUNITY INVESTMENT AND ENGAGEMENT

SAIB’s developed a standard operating and accounting procedure (SOAP) for the identification and implementation of proactive, high impact, and strategic CSR investments. The SOAP seeks to leverage SAIB’s unique assets, its people, and its organizational strengths to optimize its community investment.

The Bank strives 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.

To this end, we have an employee volunteering 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.

Our community investments are governed by a CSR Policy and Operating Procedure and are managed by our Corporate Communications department.

List of Sponsorships 2016

<table>
<thead>
<tr>
<th>EVENT</th>
<th>SAR AMOUNT 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy Pay sponsorship for SAIB T20 Cricket Tournament 2016</td>
<td>20,890</td>
</tr>
<tr>
<td>King Saud University Students Sponsorship</td>
<td>3,860</td>
</tr>
<tr>
<td>Ramadan Food Baskets and Food Vouchers</td>
<td>277,560</td>
</tr>
<tr>
<td>Minapolis Sponsorship</td>
<td>200,000</td>
</tr>
<tr>
<td>Sponsorship of the Eastern Exhibition in East Coast</td>
<td>100,000</td>
</tr>
<tr>
<td>Honoring Sons &amp; Daughters of the Martyrs</td>
<td>39,481</td>
</tr>
<tr>
<td>Nazaha Club (AlFaisal University) Sponsorship</td>
<td>30,000</td>
</tr>
<tr>
<td>AlZawaj Charity Sponsorship</td>
<td>50,000</td>
</tr>
<tr>
<td>International Youth Day</td>
<td>6,000</td>
</tr>
<tr>
<td>School Kits for needy children</td>
<td>220,711</td>
</tr>
<tr>
<td>Saudi 7 Event Sponsorship</td>
<td>60,000</td>
</tr>
<tr>
<td>Advertising for the Super Cup</td>
<td>187,500</td>
</tr>
<tr>
<td>Winter Blankets for the needy</td>
<td>163,000</td>
</tr>
<tr>
<td>World Diabetes Day - Cycling Event</td>
<td>19,430</td>
</tr>
<tr>
<td>Sponsorship: Saudi Youth Entrepreneurship with MIT</td>
<td>187,500</td>
</tr>
<tr>
<td>Volunteers Day &amp; International Day for Disability</td>
<td>4,280</td>
</tr>
<tr>
<td>Woow AlKhair</td>
<td>1,002,175</td>
</tr>
<tr>
<td>Prime Sultan Scholarships</td>
<td>1,436,900</td>
</tr>
<tr>
<td>Total</td>
<td>4,013,387</td>
</tr>
</tbody>
</table>

Scope: SAIB

47,000 mL of blood donated

“YOUR BLOOD SAVES LIVES”

Initiated In 2016, SAIB quarterly sustainability campaign asking staff to participate in donating blood continued with over 8% of staff donating blood at a given time. In co-operation with the King Faisal Specialist Hospital and Research Center this campaign remains entrenched in the Bank’s social responsibility calendar. In the last campaign, SAIB Staff including Volunteers participated in this worthwhile activity donating over 47,000 milliliters of blood.

“Woow AlKhair”

In 2016, we invested SAR 4,013,387 in the community. We have continued and grown our Woow AlKhair initiative, which allows customers to redeem their Woow loyalty program points in the form of charity donations. In 2016, our customers donated SAR 1,002,175 to almost 20 Woow AlKhair partners. We expect these numbers to grow as we identify additional strategic charity partners.
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 in the marketplace 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.

Periodic vendor evaluation occurs to ensure both parties understand and meet each other’s requirements. It is a management priority that both the organization and the supplier achieve their goals and that successful, mutually beneficial vendor relationships are fostered.

We have a policy managed by our Head of Procurement to build a stable supplier base to overcome any hurdle in achieving the organization’s goals. Vendor selection and vendor evaluation is performed on a regular basis. Regular meetings with the suppliers are conducted to keep up with the ongoing projects and share knowledge on market trends and new technologies.

Procurement & business units come together during selection and performance evaluation of the suppliers. This ensures a smooth, efficient and well-organized procurement process.

Note: Increase in number is due to adding more business areas under procurement system.
Scope: SAIB
APPENDIX A: 
GRI CONTENT INDEX
<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>DISCLOSURE NUMBER</th>
<th>INFORMATION</th>
<th>PAGE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>The GRI content is provided here.</td>
<td>70</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>This report did not undergo external assurance.</td>
<td>71</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Adherence to Islamic Banking Principles</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Governance and Accountability</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Financial Performance</td>
<td>-</td>
<td>61</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Infrastructure and Accessibility</td>
<td>-</td>
<td>36</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Quality of Services and Customer Satisfaction</td>
<td>-</td>
<td>33</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Accurate and Transparent Disclosure of Performance</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Business Ethics and Prevention of Financial Crime</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Compliance with Regulations</td>
<td>-</td>
<td>48</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Customer Trust and Protection</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Data Security</td>
<td>-</td>
<td>65</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: ESG Risks in Lending and Investment</td>
<td>-</td>
<td>66</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Financial System Stability</td>
<td>-</td>
<td>68</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Risk Management</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Employee Satisfaction and Engagement</td>
<td>-</td>
<td>54</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Equal opportunity and Anti-discrimination</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Human and Labor Rights</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Saudization</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Workforce Training and Education</td>
<td>-</td>
<td>57</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Reduction of Environmental Impact of Operations</td>
<td>-</td>
<td>58</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Community Investment and Engagement</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>103</td>
<td>Management Approach: Sustainable Procurement</td>
<td>-</td>
<td>66</td>
</tr>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>-</td>
<td>42, 43, 54, 65</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>-</td>
<td>46</td>
</tr>
<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>Please see page 8 of SAIB's Financial Statements 2016. This file can be accessed online here: <a href="https://www.saib.com.sa/about/finrep/2016/_Year_End_FS_FLYER-12.pdf">https://www.saib.com.sa/about/finrep/2016/_Year_End_FS_FLYER-12.pdf</a></td>
<td>-</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
<td>No financial assistance is given by the government.</td>
<td>-</td>
</tr>
<tr>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>-</td>
<td>51, 52</td>
</tr>
<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>-</td>
<td>50, 40</td>
</tr>
<tr>
<td>203-2</td>
<td>Significant indirect economic impacts</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>205-1</td>
<td>Operations assessed for risks related to corruption</td>
<td>100% of operations are assessed for Fraud Risk. No significant risks were identified.</td>
<td>-</td>
</tr>
</tbody>
</table>

**GRI ST ANDARD DISCLOSURE NUMBER**

205-2 Communication and training about anti-corruption policies and procedures

Yes, training was provided via e-Learning to all employees.

205-3 Confirmed incidents of corruption and actions taken

There were no confirmed incidents of corruption with employees and business partners.

203-1 Energy consumption within the organization

- | 61         |

203-2 Energy intensity

- | 61         |

203-3 Water withdrawal by source

- | 63         |

305-1 Direct (Scope 1) GHG emissions

- | -         |

305-2 Energy indirect (Scope 2) GHG emissions

- | 61         |

305-4 GHG emissions intensity

- | 61         |

306-1 Water discharge by quality and destination

There were no significant water discharges.

306-2 Waste by type and disposal method

- | 62         |

307-1 Non-compliance with environmental laws and regulations

There were no instances of non-compliance with environmental laws and regulations during the reporting period.

401-1 New employee hires and employee turnover

- | 54         |

401-3 Parental leave

- | 56         |

402-2 Ratio of basic salary and remuneration of women to men

- | 57         |

403-2 Additional payments and benefits

- | 57         |

404-2 Proportion of the board or board committee levels on which women serve

- | 57         |

404-3 Percentage of employees receiving regular performance and career development reviews

100% of SAIB employees received regular performance and career development reviews in 2016.

405-1 Employee turnover

- | 58         |

405-2 Parental leave

- | 59         |

406-1 Incidents of discrimination and corrective actions taken

There were no incidents of discrimination at the Bank during the reporting period.

408-1 Incidents of discrimination and corrective actions taken

There were no instances of non-compliance with the laws and regulations relating to human rights in areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.

409-1 Incidents of discrimination and corrective actions taken

Staff have not received training devoted to human rights policies during the reporting period.

410-1 Incidents of discrimination and corrective actions taken

SAIB follows all local laws and regulations relating to human rights in areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.

410-2 Incidents of discrimination and corrective actions taken

SAIB follows all local laws and regulations relating to human rights in areas where it operates. SAIB neither condones nor permits compulsory labor, and no instances of the practice have been reported.

411-1 Incidents of discrimination and corrective actions taken

SAIB is not aware of any significant negative impact on local communities resulting from its operations.

412-3 Incidents of discrimination and corrective actions taken

SAIB is not aware of any significant negative impact on local communities resulting from its operations.

413-1 Incidents of discrimination and corrective actions taken

SAIB follows all local laws and regulations relating to human rights in areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.

413-2 Incidents of discrimination and corrective actions taken

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417-1 Incidents of discrimination and corrective actions taken

SAIB follows all local laws and regulations relating to human rights in areas where it operates. SAIB neither condones nor permits child labor, and no instances of the practice have been reported.

418-1 Incidents of discrimination and corrective actions taken

There were no breaches or losses of customer data during the reporting period.