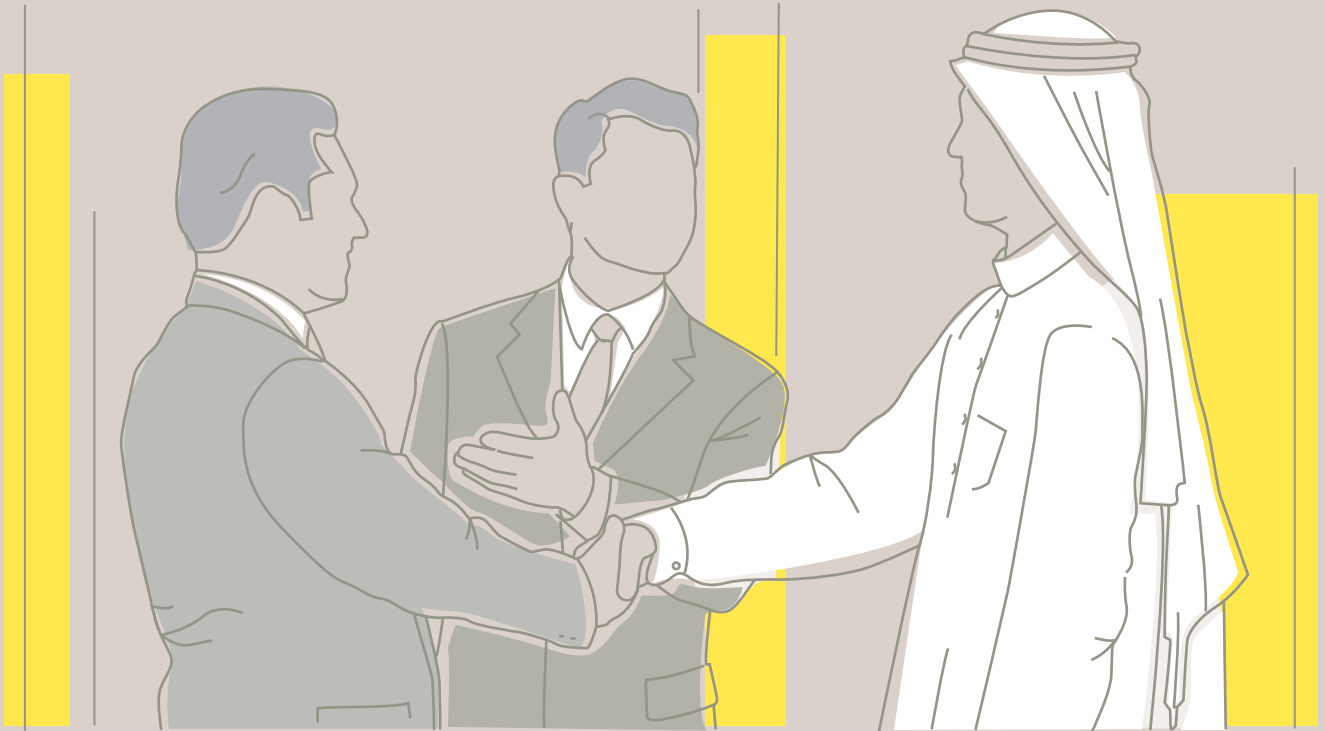


## Business Partner Capital



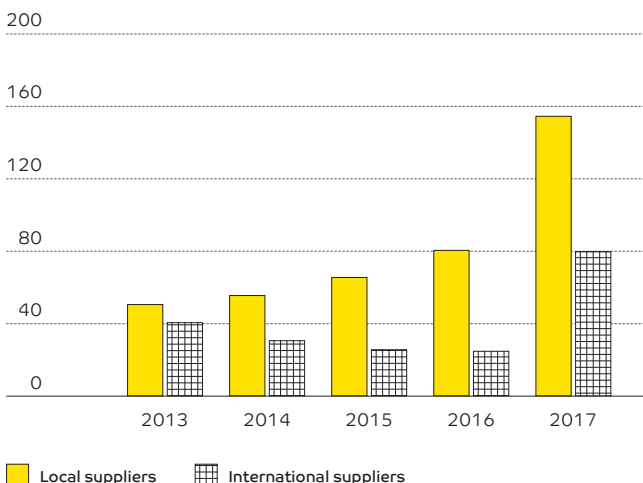
We seek to build long-term relationships with our business partners, such as suppliers and vendors, which will be mutually beneficial. In our dealings with suppliers we practice ethical and responsible sourcing and expect ethical and responsible conduct on their part in return. The Bank's sourcing procedures are up to local and international ethical standards. We are always mindful of the economic impact our purchasing will have through the supply chain. We therefore take pains to procure from local suppliers wherever possible thereby creating value for the Saudi economy and local communities.

In its dealings with vendors and service providers SAIB strives to build long-term relationships based on trust and transparency. We believe that this will be conducive to the Bank achieving its long-term objectives. SAIB practices ethical and responsible procurement and in turn expects ethical and responsible conduct on the part of its suppliers. The Bank's sourcing procedures are up to local and international ethical standards especially in the avoidance of bribery and corruption. We aim to have a good understanding of the actual and potential supplier network which promotes the efficiency of our operations by reducing costs while maintaining quality.

Given the nature of our business, the bulk of our procurement spending is on stationery, IT equipment, utilities and software. However, we are always conscious of the economic impact that our purchasing will have through the supply chain. Given our commitment to developing the Saudi economy, local communities and local employment, wherever possible we procure from local suppliers.

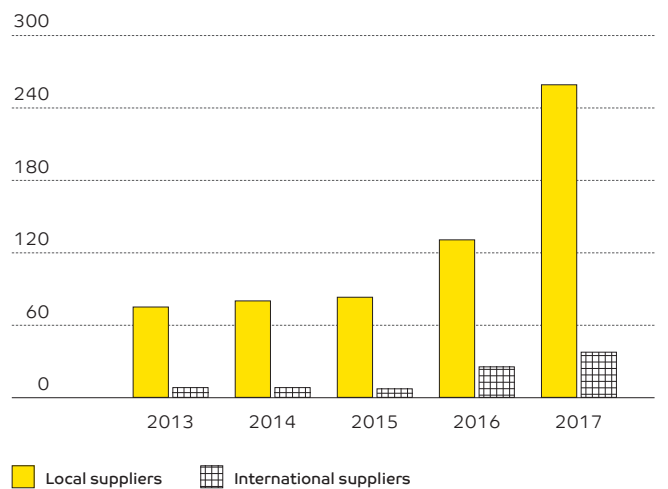
Our procurement policy is managed by our Head of Procurement to build a stable supplier base and ensure the sustainability of our operations. We conduct periodic vendor evaluation, carried out jointly by procurement and business units. Thereby we seek to ensure quality and regularity of supplies as well as develop good relations with suppliers we wish to retain. We strive to achieve a win-win situation where both parties will achieve their goals and build lasting relationships. Smoothly functioning mechanisms have also been established for vendors and service providers to make any complaints using the channel of their preference. Any complaints are directed to the relevant business unit or purchasing department, documented, and escalated to whatever level necessary. If legal aspects are involved, then the expertise of the Bank's Legal Department are called on.

Number of suppliers — Nos.



The Bank has 79 international suppliers and 154 local suppliers. The increase in supplier numbers during the year was due to registration of all suppliers in the Bank's ERP System. The Bank's spend on international procurement is SAR 36,644,044, while its spend on local procurement is SAR 259,314,171, with a total procurement spend of SAR 295,958,215 for the year 2017.

Procurement spending — SAR million



The Bank also aims to maintain good relationships and smooth communication with all creditors and ensure that all the Bank's obligations are met in a timely manner.

During the year, Quality Assurance Unit along with IT Group and relevant other stakeholders within the Bank, automated the end-to-end procurement, vendor management and payment processes, which helped the Bank to streamline its purchases and payments in a more efficient and effective way.

We also have our network of correspondent banks serving the leading banks in MENA, Europe, Africa and North America.