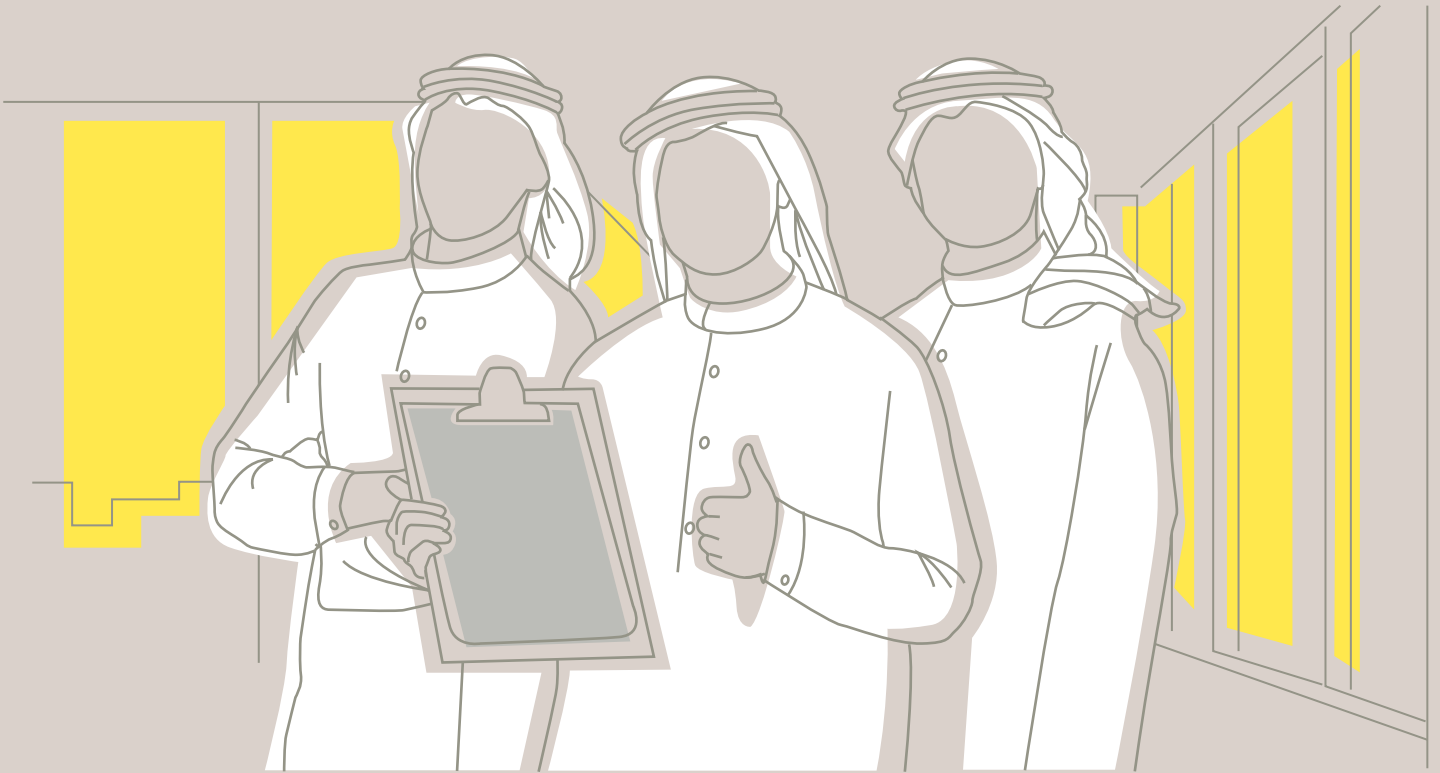


# Employee Capital



At SAIB our human resources strategies are aligned with our organisational strategies and goals. On one hand we have to identify the knowledge, skills and attributes needed to fulfil the various organisational roles. On the other we have to identify the sources of the human resources we need. Learning and development programmes will have to be crafted and implemented to fill any gaps. While we fill our needs through our human resources strategies we have also to ensure the career development and job satisfaction of our employees.

Human resources being a prime driver of value creation is a cornerstone of SAIB’s strategy. We strive to build internal relationships which will generate synergy in the talents, capabilities and activities of our employees.

Our human resources planning is based on a two-faced analysis. One is to determine the skills, talents and numbers needed to fill the various functional roles in the different organisational units and levels. The other is to identify the sources of the human resources needed, both internal and external. The latter includes learning and development programme enabling staff to take on enhanced roles. By developing and motivating our staff in turn we enhance the quality of our customer service.

**Our HR strategy**

The Bank’s human resources strategy is founded on five pillars:

**Control of headcount and costs**

Our HR strategies are focused on minimising numbers by improving efficiency and effectiveness of our staff. We strive to keep the link between pay and performance while being equitable internally and remaining competitive in the marketplace.

During 2017, a new Product Incentive Plan was introduced to provide attractive incentives while maintaining equity in compensation, meeting business needs and keeping rewards within the risk appetite of the Bank.

**Enhancing Saudization**

In line with the objectives of the Kingdom set out in Vision 2030 Saudization of our workforce is one of our main strategic objectives. Our succession plans, which are drawn up to ensure that persons with the right knowledge and skills are available to fill vacancies when needed, support our Saudization objectives. Through new strategies during the year we achieved an increase in Saudization from 84% to 85.4%.

**Partnering with business departments**

SAIB has in place a comprehensive organisation design framework which is composed of several components namely, internal and external environment, strategy and purpose, process and control, structure and roles, competency and career development and culture and motivation.

Organisational design is the focal point of all HR matters which interface with organisational structure. It includes the organisation structure and reporting lines as well as the responsibilities, required qualifications, experience and training for each job. It has been drawn up to support the organisational goals and targets and ensure efficient deployment of resources.



**Upskill SAIB human capital**

We give the utmost importance to developing our human resources so as to able to fulfil our goals, objectives and plans. While achieving this, we also provide career development opportunities and job satisfaction for our employees. We also seek to instil in them the capability to think outside the box, drive innovation and growth, teach and engage others and become role models of ethics and integrity.

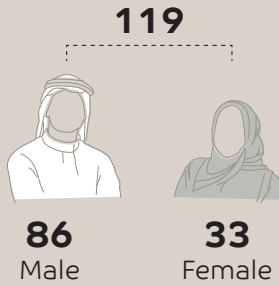
**Boost automation**

We are continuously seeking to increase the efficiency of our HR processes and automation is given high priority. A performance management system has been implemented covering the entire performance cycle from objective setting to year-end appraisals. A Training Management System has also been put in place which covers competency assessment, training history, training requests, approval cycle and budget controls.

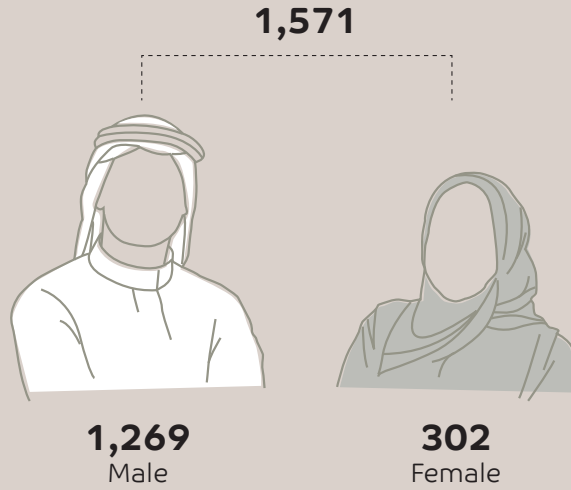
An 80% level of automation of HR processes was achieved during the year. All staff profiles have been uploaded to the Human Resources Management System and each staff has access to his/her job profile competency requirements. Automated systems have also been introduced for succession planning and recruitment.

Our workforce

**Total number and rate of new employee hires during the reporting period, by gender (SAIB only)**

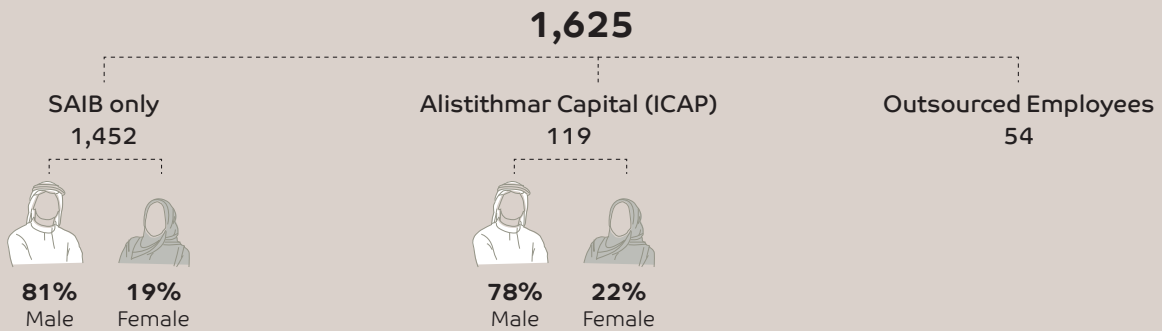


**Total number of employees [SAIB and Alistithmar Capital (ICAP)]**

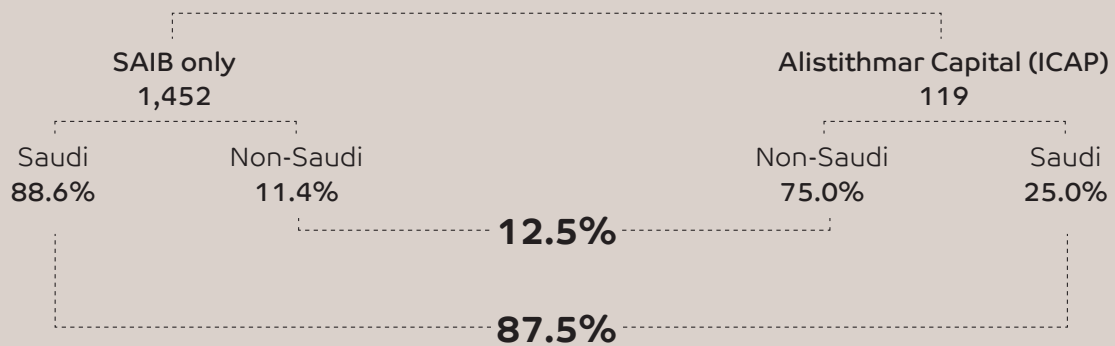


\* All SAIB and Alistithmar Capital employees are on full-time basis

**Employees by employment contract and by gender (SAIB Group)**



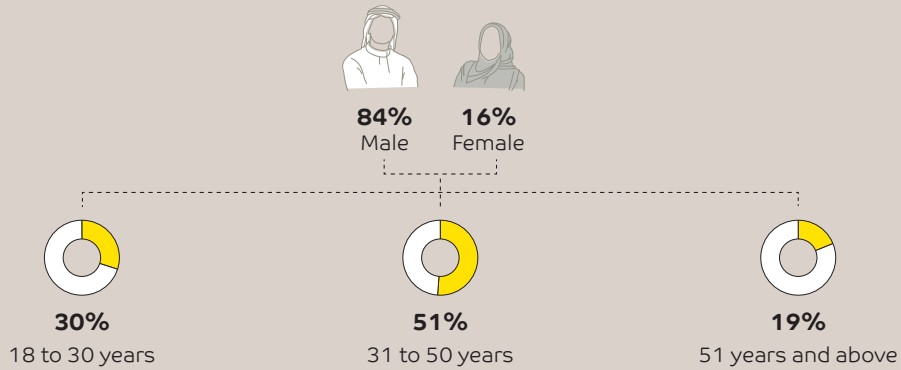
**Rate of Saudization**



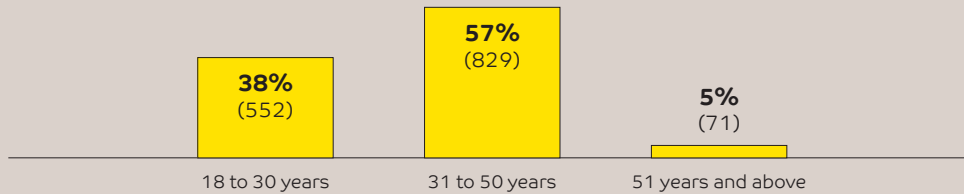
Our workforce\* at end 2017 was 1,571 out of which 87.5% were Saudis and 19.2% were female. 38.0% of SAIB workforce were below 31 years of age. Saudis accounted for 88% of our Management Team. All employees were permanent staff. We do not have any collective bargaining agreements with our employees.

\*SAIB and Alistithmar Capital (ICAP) staff only

### Total number and rate of employee turnover during the reporting period, by gender and age group (SAIB only)

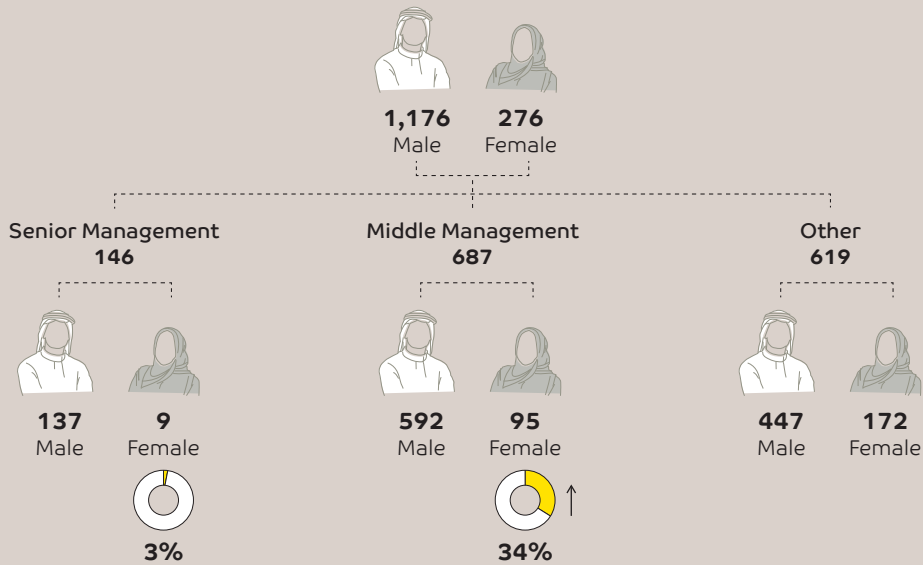


### Total number of employees by age group (SAIB only)



### Total number of employees by grade (SAIB only)

**1,452**



### Salary ratio men:women

Senior Management employees  
1:0.55

Middle Management employees  
1:0.76

Non-Management employees  
1:0.86

## Recruitment

When recruiting we seek to obtain the best of the talent available in the Kingdom and place our new hires in the roles they are most suited for. We strive to achieve a diverse and inclusive workforce and our recruitment policies are crafted accordingly. In doing so we pay special attention to giving opportunities to qualified and talented young people with a focus on women.

A total of 119 new staff were hired during the year. Employees between 18 and 31 constituted 58% of our new hires during the year. Females accounted for 27.3% of new hires and 34% of our middle management positions and 3% of our Senior Management positions. An initiative which was commenced in 2015, the “Female Awareness Programme”, to educate our women staff about the working environment and their rights was continued this year.

The momentum of the Saudization programme continued and a new policy was introduced whereby hiring for officer and administrative levels would be restricted to Saudis. It was also decided that certain vacancies would be converted to outsourced functions. We have retained our position near the upper end of the Green Band of the Saudi Nitaqat programme which sets a range of 65% – 89% national staff for financial institutions of SAIB’s category.

## Salary and benefits

In addition to a highly competitive salary we offer our employees benefits packages that include life insurance, medical insurance, fitness club membership, social security, our Aseel Loyalty Programme, and allowances for housing and transportation. A total of SAR 385,819 million was paid in 2017 as salaries, while a total of SAR 193,286 million was paid in other benefits and employment costs resulting in a total salaries and benefits paid SAR 579,105 million.

We are conscious of and address the special issues our female workforce face in meeting their family responsibilities while pursuing their career aspirations. We provide paid maternity leave of up to 10 weeks. Expecting mothers are also given up to 180 days of paid sick leave in case of illness due to the pregnancy. Additionally, we offer three days of parental leave for male employees.

In 2016, 23 female staff took parental leave, all of whom returned to work afterwards. This 100% return-to-work rate is an indication of our commitment to provide our employees with work-life balance. Furthermore 22 of them remained in employment one year after returning from parental leave; this shows that we provide an environment for our female staff which is conducive to combining motherhood with their work responsibilities.

## Salaries and benefits

SAR million	2017	2016	2015	2014	2013
Salaries paid	<b>386</b>	274	254	227	191
Benefits paid	<b>118</b>	267	316	270	221
Social security contributions	<b>51</b>	28	27	21	17
Staff health insurance	<b>24</b>	23	22	14	11
Total salaries and benefits paid	<b>579</b>	592	619	531	439

## Equal pay

	2017	2016	2015	2014	2013
Salary ratio men:women – middle management employees	<b>1:0.76</b>	1:0.86	1:0.78	1:0.74	1:0.73
Salary ratio men:women – non-management employees	<b>1:0.86</b>	1:0.96	1:0.96	1:0.92	1:0.90
Salary ratio men:women – senior management employees	<b>1:0.55</b>	1:0.69	1:0.72	1:0.77	1:0.65

## Parental leave (FY 2017)

Return to work and retention rates after parental leave, by gender	Female	Male
The number of employees by gender that took parental leave	23	105
The number of employees who returned to work after parental leave ended by gender	23	105
The number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work by gender	22	105
The return to work and retention rates of employees who returned to work after leave ended by gender	96%	100%

## Performance management

The performance management process at SAIB has been drawn up to integrate the goals of the organisation and that of the individual to mutual benefit. The outcome of the process includes performance evaluation, rewards, career development, identification of training and development needs, feedback and motivation for employees and achieving organisational goals. Key Performance Indicators for teams and individuals are derived by a top-down process from organisational strategy and goals. All employees are appraised at mid-year and end-year. The appraisal discussion is a two-way process and areas for improvement are brought out in a constructive manner. All SAIB's employees have received performance and career development reviews during the reporting period.

## Training and development

We fervently believe that our employees need continuous training and development to keep them abreast of developments in the banking industry, meet customers' needs, and to increase their productivity and motivation. Training needs of employees are identified in annual performance and career development reviews. The Bank strives to incorporate these needs into its training programmes and schedules them accordingly. Special attention is paid to the training needs of young Saudi nationals who are identified and groomed for leadership positions in the future. Training is also focused on the needs of succession planning, for all key positions a successor is identified and a comprehensive development plan with time frames is developed.

A diversity of training methods is used. In addition to traditional classroom sessions, online e-learning courses, in-job training and training videos are also used. Due to the availability of our e-learning portal and over 9,000 subjects (both banking and technical) being covered in online courses, the extent of training cannot be gauged from formal training hours alone.

The following training and knowledge enhancement programmes were conducted during the year:

- A total of 219 different programmes were conducted and attended by 1,732 participants representing 4,491 training days;
- The number of trained staff has been increased by 7% from 707 the previous year to 794;
- A total of 60 Co-op trainees were trained including both males and females;
- Two workshops on "Corporate Governance" have been conducted for Board Members and Senior Managers.
- Implementation of "Core Behavioural Competency" and "Technical Competency";
- Two e-learning portals were made available on mobile apps.

## Training and development

Type	Number of employees			Number of person hours of training		
	Male	Female	Total	Male	Female	Total
Senior Management	137	9	146	2,338	252	2,590
Middle Management	614	95	709	9,093	3,094	12,187
Non-Management	479	172	651	9,198	7,462	16,660

Type	Number of employees			Number of person hours of training		
	Male	Female	Total	Male	Female	Total
Mandatory	143	77	220	1,162	609	1,771
Non-Mandatory	527	1578	2,105	19,467	10,199	29,666
E-Learning	1,169	259	1,428	1,344	298	1,642



**Supporting  
a young and vibrant  
Saudi workforce**







## Health and safety

The Bank takes care to safeguard the health, safety and well-being of our employees. While this is part of our commitment to responsible conduct and human rights it will also bring results in the form of employee loyalty, productivity and commitment. Our safety and security policy address the risks of fire, violent criminal acts and other risks. Each Branch, Division or Floor has security personnel in the staff. These include a security and safety coordinator, a backup, fire wardens and alternate fire wardens. Our security and safety procedures are reinforced by daily branch inspections, monthly safety orientations and awareness campaigns for all employees.

A landmark event in this regard was the implementation of the OHSAS 18001 standard in 2016 making us the first Bank in the Gulf to do so. This standard spell out requirements for an occupational health and safety management system and lays down a framework to identify and implement necessary improvements.

### Health and safety programmes for employees

- As we are concerned about the health and work-life balance of our employees we send out awareness messages and conduct health-related events to educate our employees. Due to the high prevalence of diabetes in Saudi Arabia this is a priority area. An awareness event was hosted for all SAIB employees to promote healthy living and medical checks to diagnose diabetes.
- In cooperation with Anti-smoking charity (Purity) SAIB hosted an awareness exhibition on how to quit smoking by providing staff with medical check-ups and consultation. Free vouchers to start a course to give up the smoking habit were provided to staff. We also sponsored a lecture for the benefit of our female employees on breast cancer with awareness posters on all branch screens as well as distributing of flyers.
- SAIB also facilitates its staff to participate in socially responsible initiatives. Four blood donation events were held during the year where over 12% of staff participated and a total of 86,000 millilitres of blood was donated.

## Safety

	2017	2016	2015	2014	2013
Employee and contractor fatalities	-	-	-	-	-
Employee and contractor lost-time injuries	5	-	-	-	-
Employee and contractor total recordable injuries	1	5	3	-	-
Employee and contractor absenteeism	<b>not known</b>				

## Human rights

SAIB is a signatory to the UN Global Compact which underpins our commitment to human and workplace rights. Our commitment to employee rights is also enshrined in our HR Policy as well as our Employee Code of Conduct. Our Code of Conduct enables any employee to report any concerns directly to the Board of Directors in a confidential manner. SAIB scrupulously adheres to all laws and regulations of the Ministry of Labour and other regulators.

Seven staff from HR team have attended a series of training sessions in preparation for SHRM Certification (Society for Human Resources Management is the world's largest HR professional society). The programme included several modules focusing on Labour Rights. Further, all seven staff became members of SHRM society which gives them connectivity to an online platform that provides access to enormous number of books and article forums related to HR activities.

## Grievance handling

SAIB has a robust employee grievance policy. It is made available to employees in the employee handbook and HR Policy and employees are free to raise their concerns without fear of reprisals. The policy mandates prompt responses from responsible parties. From 2015 employee grievances were raised, indicating employee trust in the system. Both years, all grievances raised were resolved promptly, within the year.

## Grievances

	2017	2016	2015	2014	2013
Grievances filed during the year	0	8	6	Not available	Not available
Grievances resolved that were filed during the year	–	8	6	Not available	Not available
Grievances resolved that were filed during the previous year/s	–	–	–	Not available	Not available

## Employee engagement

We believe in and practice the fact that to keep our employees satisfied and motivated as well as to achieve a high rate of retention needs regular and proactive communication. By honest and two-way dialogues with our staff we understand each other's viewpoints, needs and concerns and are able to make appropriate responses to any problems our staff are facing.

We conduct a biennial employment satisfaction survey through which we solicit the feedback of our staff. The need for such a survey was felt in the context of today's volatile, uncertain, complex and ambiguous (VUCA) environment if we are to create a sustainable future. Through this survey, we measure several human resources related parameters such as employee satisfaction with performance management and growth, work processes and quality, pay and benefits, workload and stress, communication, supervisor, bank image, customer focus, employee appreciation, and upper management.

The employment survey was conducted in October 2017 and had an 87% participation rate. A total of 56 questions were asked across 13 dimensions including work structure and process, quality and customer focus, training, pay and benefits and development opportunities. The results of the survey, which was conducted by an international consultant, were benchmarked against data collected from a large number of banking organisations across the GCC.

The results of the survey have given us a detailed feedback on employee engagement at the employee and functional level and has provided us with an organisation-wide view of strengths, opportunities and areas of focus. The survey yielded a positive score of 86% vs 82% in 2015 and 76% in 2013 in Employee Engagement Index.

	2017 %	2015 %	2013 %
Employee Engagement Index	86	82	76

Scores of 90% and above were recorded in the areas of quality and customer focus, clarity of direction, quality of leaders and respect and recognition. While the survey has shown good results, it has also highlighted areas where improvements are needed such as streamlining processes and empowering employees.

We have continued our employee suggestions programme, 'My Idea', that allows employees to submit suggestions to our Innovation Centre for consideration. This will lead to reduced expenses and increased profitability. In 2017 we received a total of 1,380 suggestions, 90 of which were accepted and 27 implemented.

Creative Mornings have been organised where HR has nominated more than 140 staff from various departments to meet with the CEO and the HR team to share creative ideas which benefit both customer and staff. Over 10 sessions were held during the year. HR staff visited 44 branches, which is 75% of the total. In addition, six Staff Town Hall meetings were held with the participation of the HR Department and follow-up action taken on the findings.

Some of the results of the above-mentioned initiatives were; a day care allowance to staff who have given birth; staff credit card payment reduced from a minimum of 50% to 5%; and a 360 degree assessment for certain managerial level staff.