

# STAKEHOLDERS



Stakeholders are individuals or entities who by virtue of positions they hold or their relationship with the Bank, are affected by the activities of the Bank or whose actions, opinions or perceptions have an impact on the Bank.



GRI 102-40, 102-42, 102-43, 102-44

SAIB, by virtue of being a Bank operating in Saudi Arabia, is bound by various laws and regulations, some of which relate to protection of stakeholder interests. These include the provisions of the Saudi Companies Act, which lays down policies the Bank should adopt to protect stakeholders; supervisory guidelines issued by SAMA and Corporate Governance rules issued by CMA which protect stakeholders against any violation of their rights. CMA rules provide for mechanisms for settlement of disputes and compensation for any violation of stakeholder rights.

SAIB's stakeholders include investors, customers, business partners, employees, regulators, and the community. There may be "temporary stakeholders" with whom the Bank interacts on certain special projects and or issues; there are also stakeholders who do not transact directly with the Bank but yet have an indirect relationship with it. Examples of such silent stakeholders are environmental groups and future generations.

## Investors

Investors are those who have taken an ownership stake in the Bank, with the expectation of a return. Rights of investors, voting rights, rights to dividends and right to information are defined in the Companies Act, SAIB's Articles of Association and Corporate Governance Manual. There are secondary groups which are associated with investors such as analysts and fund managers. In its relationships with investors, the Bank follows a policy of transparency and ethical behaviour; we also provide investors with as much information as possible on all aspects of the Bank's performance.

In addition to the Annual General Assembly and Board of Directors meetings, investors are kept informed through annual, semi-annual, and quarterly reports. The Bank also has a shareholder relations team and a complaint handling mechanism in place.

## Customers

Customers are the lifeblood of the Bank. Feeling their pulse and maintaining constant two-way communication is imperative for the Bank to continue to survive and grow. The customers desire convenient, usable and accessible products and services which give financial returns which compare favourably with those in the rest of the market. The Bank takes customers' needs, tastes, perceptions and preferences into account when developing new products, surveys such as "Voice of

Customer" and Mystery Shopper are conducted regularly to keep in touch with customer's opinions and gauge their level of satisfaction. Customer workshops are also conducted to strengthen relationships. We seek to provide consistency in service without any discrimination on any grounds.

## Business partners

We seek to develop lasting relationships with vendors and service providers; to achieve this there needs to be mutual trust and outcomes need to be beneficial to both parties. We craft our procurement policies with the objective of the vendor and service provider also taking responsibility for quality of products and services. Equal treatment for all business partners is built into our policies and practised in all our dealings. We maintain regular and seamless communication with vendors. This includes future requirements, expansion plans, and changes in systems and procedures. We have in place a seamless tendering and bidding system and a complaint management framework.

Correspondent banks are also important business partners for us. It is through them that many overseas transactions such as opening letters of credit are carried out.

## Employees

We are always conscious that we cannot have satisfied customers without having satisfied employees. Staff needs to be motivated and receive appropriate training to serve customers. They need to keep up with the demands of a banking environment which is changing rapidly. Our HR policies are aligned with our broad corporate strategy; our values, strategies and objectives. Staff needs to be kept updated and trained on changes to systems and procedures, customer contracts and relationship policies. Our HR policies are governed by a sustainability pillar of Re'aya. Lines and channels of communicating with staff are clearly laid down.

Employees are bound by a rigid code of conduct which is in accordance with our pillar of Takleef (responsibility). They are expected to be ethical in their own conduct as well as safeguarding the Bank and the customers from illegal acts, fraud, forgery and unauthorised disclosure of information. We however strive to maintain staff morale through mechanisms such as Employee Engagement Survey, in-house magazine, a fair appraisal system, HR help desk, employee suggestion programme, recognition and rewards programme and a social media application.



## Regulators

Since ethical conduct is a cornerstone of SAIB's corporate policy, it maintains the highest level of compliance with laws, regulations and guidelines of its regulators. It is especially scrupulous in complying with all requirements of its primary regulator, SAMA. SAMA requires the Bank to strictly adhere to maintaining a required level of capital. In addition SAMA requires Banks to have Anti-Money Laundering procedures (AML), Know-your-customer (KYC) programmes, and Combating Terrorist Financing policies.

CMA governs the capital market of Saudi and the investment environment. SAIB and its subsidiaries deal with financial securities, asset management and real estate management. SAIB is required to comply with CMA rules and regulations, to safeguard shareholders and customers' interests.

Conformance with regulatory requirements entails regular, timely and accurate reporting to a required level of detail. The Bank has to also cooperate with regulators in attending meetings, arranging for on-site visit, and maintain communication through letters and emails when required.

## Community

We also lend a helping hand to disadvantaged groups in the society. During the year we carried out a large number of social programmes as we did in previous years. The programmes included agricultural, health, children's education, blood donations and supporting productive families. They also included literacy and orphans' programmes. We encourage our group of staff volunteers to contribute to these programmes and have received a very positive response.

## Environment

The Bank is conscious of its environmental responsibilities. One internal programme whereby we demonstrate our commitment is by seeking to limit our own environmental footprint. In our own activities we strive to minimise use of paper and practice green principles.

