

البنك  
السعودي  
الفرنسي  
Banque  
Saudi  
Fransi



بنك الإمتياز

Banque of Excellence

# ANNUAL REPORT 2016

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# بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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



**HRH Prince Mohamad Bin  
Naif Bin Abdulaziz Al-Saud**  
Crown Prince First Deputy Premier



**HRH Prince Mohamad Bin  
Salman Bin Abdulaziz Al-Saud**  
Deputy Crown Prince



The background of the cover is a low-angle photograph of a modern building's glass facade, showing reflections and geometric patterns. A vertical red bar is positioned to the left of the text. In the bottom-left corner, there is a decorative graphic consisting of several overlapping, semi-transparent geometric shapes in shades of blue, teal, and green.

2016

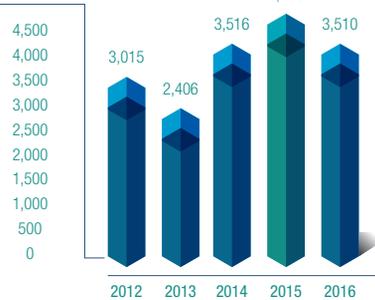
# YEAR AT A GLANCE

# Net Income SAR 3,510 million

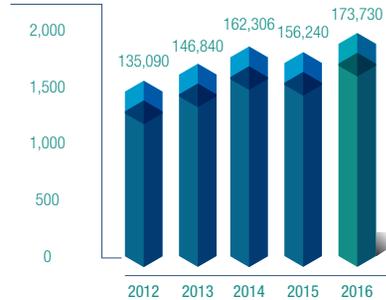
## Performance

Net Income	SAR 3,510 million
Total Assets	SAR 203,429 million
Customers' Deposits	SAR 158,458 million
Loans & Advances, net	SAR 129,458 million
Total Equity	SAR 29,699 million
Total Liabilities	SAR 173,730 million

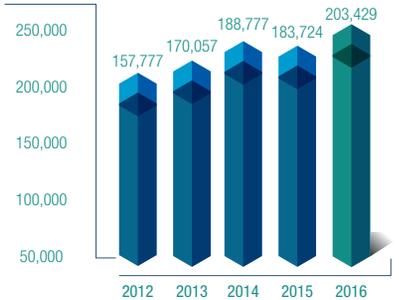
**Net Income**  
(SAR-in Million)



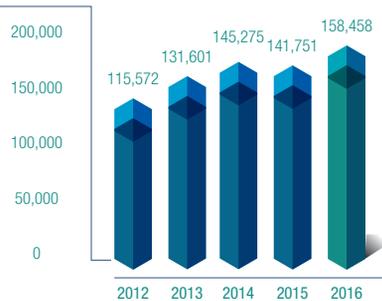
**Total Liabilities**  
(SAR-in Million)



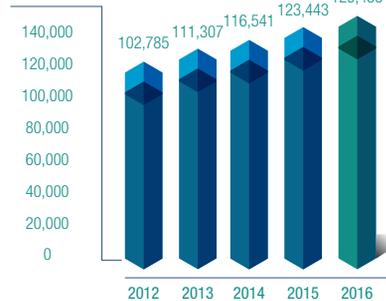
**Total Assets**  
(SAR-in Million)



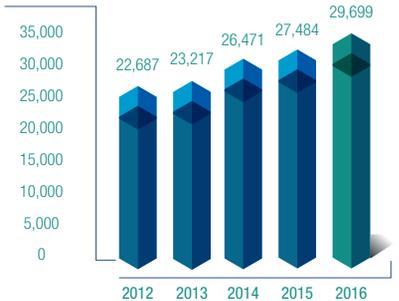
**Customers' Deposits**  
(SAR-in Million)



**Loans & Advances, Net**  
(SAR-in Million)



**Total Equity**  
(SAR-in Million)



# CHAIRMAN STATEMENT





Success  
of the various  
**Divisions & Units**  
of BSF

## The revenue increased by 1.7% over last year

I extend to you, on my behalf and on behalf of my fellow board members, my sincere gratitude for accepting the invitation to attend the bank's Extraordinary General Assembly aiming to inform you about what has been achieved during the year 2016.

Banque Saudi Fransi (BSF) has completed its 2012-2016 strategic plan culminating in the success of the various divisions and units of the bank, thanks to the efforts of the senior executive management and its employees who took upon themselves the initiative to apply the rules and regulations, institutional instructions, global principles and applications, fostered by a highly qualified professional manpower who have been progressing in a steady pace of keeping up with Saudi Arabia's vision 2020/2030 of fiscal balance. In line with this vision, senior management of the bank had also decided to implement a medium-term plan to identify strategic priorities and main objectives for the years 2017-2019.

Notwithstanding the challenges encountered by the Bank in all economic sectors, BSF managed to achieve a Net Profit of SR 3,510 million for the year ended December 31, 2016, compared to SR 4,036 million for 2015 representing a decrease of 13%.

Net Profit for the fourth quarter of 2016 has reached SR 374 million against SR 950 million for the same period of the previous year. This decrease is due to a one-off credit event which has been fully provisioned at the end of 2016.

On the other hand, Revenues were solid across 2016 reaching SR 6,400 million compared to SR 6,291 million for 2015, an increase of 1.7%. Revenues were supported by Special Commission Income amounting to SR 4,256 million, compared to SR 4,055 million in 2015, a robust increase of 5%.

Loans and advances portfolio reduced over fourth quarter 2016 as need for Corporate lending slowed down but still grew by a sound 4.6% reaching SR 129,458 million at the end of 2016.

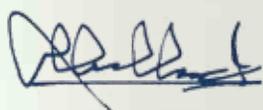
Customer deposits grew meaningfully standing at SR 158,458 million at the end of 2016, a strong increase of 11.7% compared to 2015 as BSF maintained solid liquidity profile.

During the last quarter of 2016, the bank applied certain precautionary and preventive measures that had a significant impact on the positive and strong results in 2016 which were realized in a challenging economic environment. These robust results coincided with a solid base that has been established gradually over the past years which enabled the Board of Directors to recommend a dividend distribution close to those of 2015 earnings. A cash dividend will be distributed to shareholders for the second half of 2016 at the rate of 50 halalas per share in addition to the cash dividend duly distributed to shareholders for the first half of the fiscal year 2016 at the rate of 55 halalas per share, bringing the total dividend distribution to (1.05) Riyals per share for fiscal year 2016.

In conclusion, on my behalf and on behalf of the members of the Board of Directors, I extend to the Custodian of the Two Holy Mosques, the Crown Prince, Deputy Crown Prince and the judicious government my thanks and gratitude for their constant support of the banking sector.

Thanks are also extended to all the relevant government agencies for their positive and effective role in supporting the Bank, particularly the Ministry of Finance, Saudi Arabian Monetary Agency, Saudi Capital Market Authority, Ministry of Commerce and Industry and the Saudi Arabian General Investment Authority. I also thank the bank's clients and shareholders for their trust and support.

Finally, please accept my best regards and greetings and those of the Board of Directors, wishing everybody success and may the bank always achieve positive results of excellence.



**Sulaiman Abdulrahman Al Gwaiz**  
Chairman



# MANAGING DIRECTOR STATEMENT





Net Income of  
**SAR 3,510**  
Million

## Operating Income stood at SAR 6,400 million growing by 1.7% compared to 2015

BSF successfully closed its Medium-Term Plan 2014-2016 delivering on its quantitative and qualitative targets in an environment that has been rapidly changing.

Net Income reached SAR 3,510 million, a solid overall performance in a context of slowing economic growth which prudently incorporated full provision on a one-off credit event over 4th quarter.

Total Operating Income stood at SAR 6,400 million growing by 1.7% compared to 2015 supported by a sustained loan growth of 4.6% while keeping selective and prudent development policy.

Those results continued to be driven by BSF's cross-selling strategy standing at the heart of our model. The historical and leadership position in the Corporate Banking segment provides a strong base to build upon and grow all our businesses.

At the same time, BSF puts emphasis on the development of its Retail Banking supported by "Shape the Future" an ambitious plan to transform our retail activities bringing innovation to our clients through digitalization and new suite of innovative products. As an example, launching of "Jana" our new and groundbreaking Loyalty Program is one initiative among many to come.

Financial ratios reinforced further with Capital Adequacy Ratio (Tier 1 + Tier 2) standing at a very protective 17.78% by year-end. This strong capital base provides capacity to develop the Bank in the coming years in line with the strategic goals set our new Medium Term Plan covering 2017-2019.

This new plan, approved by our Board of Directors in December 2016, aims at further reinforcing our leading position with corporates while succeeding in firmly establishing our retail franchise.

BSF sees major opportunities in the NTP 2020 and Vision 2030 agendas matching with the strengths and experience of the Bank in infrastructure and project finance, privatization or public private partnership.

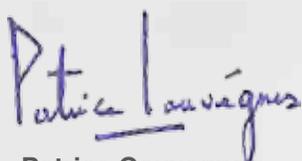
From a financial point of view, this new Medium Term plan is focusing on Profitability and Efficiency with a massive effort on digitalization of the Bank and the objective to further improve our processes to better serve our clients. We definitely see this new chapter as a major opportunity for the Bank.

“Excellence at client service” – our motto remains at the center of all our initiatives. I would like to thank all of our clients who have placed their trust in BSF and reiterate that, day after day, we strive to deserve this trust.

I also would like to take this opportunity to express my gratitude to the Chairman of the Board, H.E. Suleiman Al Gwaiz, all Board Members, Executive Committee, Audit Committee and Nomination & Compensation Committee Members for their strong involvement and continuous support.

Also wish to thank SAMA and the CMA for their help and fruitful on-going guidance and assistance.

Last, I want to extend my appreciation to all BSF Staff for their personal commitment and their deep involvement in ensuring that the Bank continues to develop and indeed put excellence at client service.



**Patrice Couvignes**  
Managing Director



# BOARD OF DIRECTORS



Left to Right

Mr. Sulaiman Al Gwaiz Chairman | Patrice Couvegnes Managing Director  
Abdulrahman Al-Rashed Member | Mousa Al-Omran Member | Ammar AlKhudairy Member  
Mazen AlRomaih Member | Sebastien Pailhole Member | Dr. Khalid Mutabagani Member  
Jacques Prost Member | Bader Abdallah Al Issa Member



# MANAGEMENT TEAM



**Patrice Couvignes**

Managing Director

**Mohamad Abdulhadi**

Senior Executive Director Business

**Abdulrahman Al Sughayer**

Secretary General Chief of  
Governance, Compliance & Control Group

**Riyadh Al Sharikh**

Assistant Senior Executive Director Business

**Aurel Lavedrine**

Chief Risk Officer

**Kamal Khodr**

Corporate Banking Group

**Amer Othman**

Wealth Management Group

**Mazen El Rayes**

Islamic Banking Division

**Robert Reynaud**

Information System Group

**Radhi Al Radhi**

Procurement Division

**Regional Managers**

**Abdulaziz Al Molhem**

Eastern Region Manager

**Jean Pierre Pallard**

Senior Executive Director COO

**Julien Maze**

Chief Financial Officer

**Abdulaziz Al Oraifi**

Assistant Senior Executive Director RBG

**Muneer Khayat**

Human Resources Group

**Abdulrahman Mutabagani**

Business Banking Group

**Ahmad Jawdat**

High NetWorth Group

**Saadoun Al Saadoun**

Corporate Operations Group

**Shahid Naseem**

Accounting and Financial  
Control Division

**Mazen Tamimi**

Western Region Manager

**Pierre Derajinski**

Senior Executive Director RBG

**Adel Mallawi**

Global Markets Group

**Khaled Al Toukhi**

Global Transaction Business /  
Chief Innovation Officer

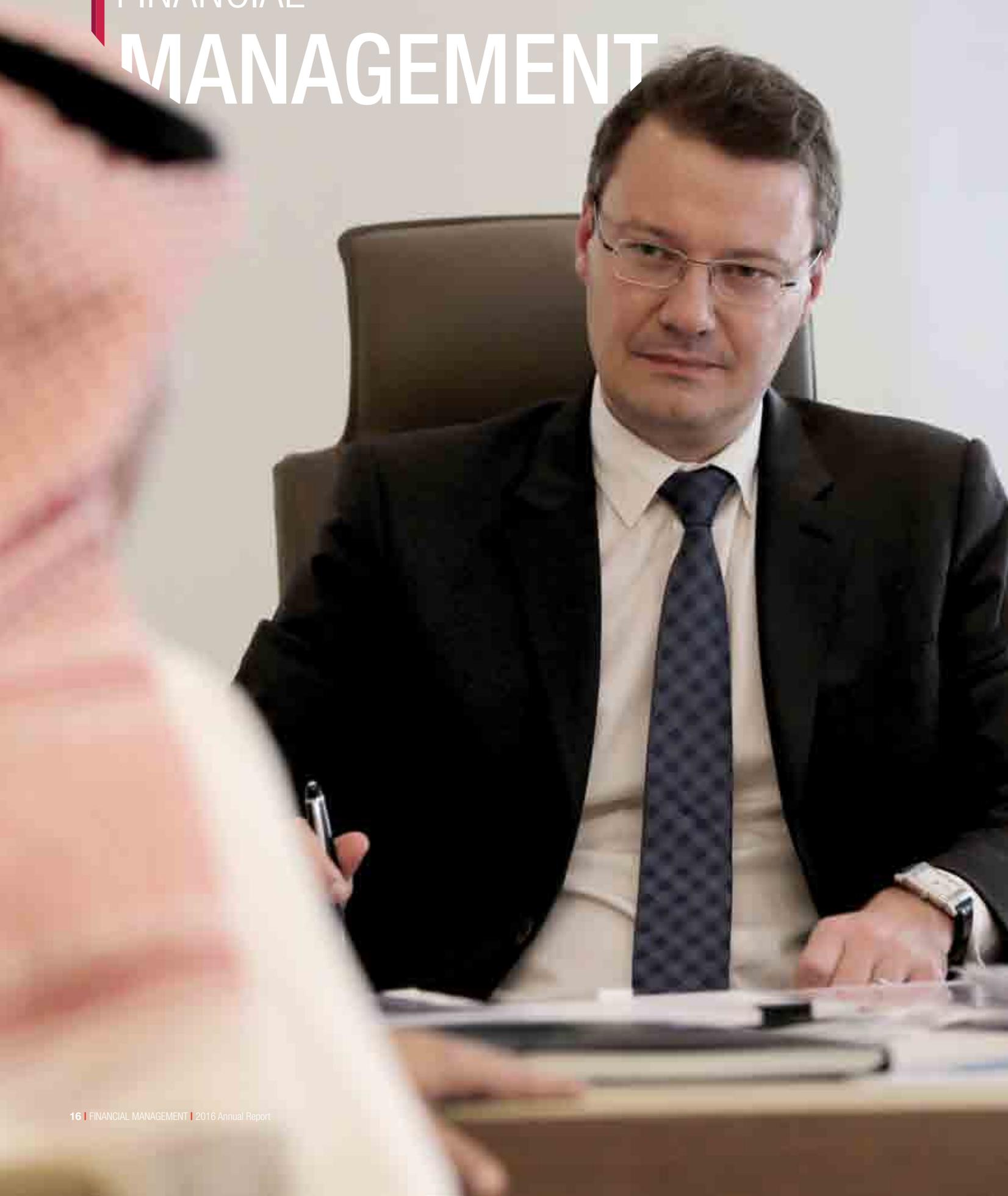
**Firas Alwohabe**

Property Management Division

**Sameh Abdulhadi**

Corporate Communications  
Division

# FINANCIAL MANAGEMENT





Total assets  
stood at  
**SAR 203,429**  
Million

## Providing strong capital base to pursue the development of BSF

### **| Overall Performance**

For the 12 months ended 31 December 2016, Banque Saudi Fransi's Net Income reached SAR 3,510 million, a decrease of 12.8% against the SAR 4,029 million achieved in 2015, on the back of the prudent provisioning of a one-off credit event over 4th quarter.

This overall solid result allowed BSF to continue reinforcing all key financial indicators in capital, liquidity and risk areas demonstrating an overall very healthy financial position providing capacity to implement new Medium Term Plan.

### **| Balance Sheet**

Total Assets stood at SAR 203,429 million corresponding to an increase of 10.7% compared to 2015. This increase was fed by a sustained and controlled loan growth (+4.6% over the year) and meaningful rise in balances with SAMA and interbank market where BSF reinvested part of the large deposits inflows recorded during the 4th quarter.

On the liabilities side, Customers' Deposits indeed positioned at SAR 158,458 million, an increase of 11.7% as BSF benefited from overall liquidity easing during the last months of the year. Loan to deposit ratio accordingly stood at a very healthy 78.2%.

### **| Operating Revenues**

Operating Revenues amounted to SAR 6,400 million representing a yearly increase of 1.7%. This growth in revenues came from solid Net Special Commission Income (SAR 4,256 and +5%) while Non Special Commission Income (SAR 2,144 million and -4.1%) retreated primarily on the back of lower Trading income which had reached exceptional level in 2015.

Operating Revenues continued to grow despite a more challenging environment overall demonstrating the effect of the cross-selling strategy systematically implemented across the Bank.

The positioning of BSF as a Relationship Bank and solution provider supporting its clients with all the spectrum of products is at the heart of our model.

### **| Risk Profile**

Cost of risk averaged 0.59 bp increasing from an historical low of 0.15% in 2015. As highlighted above, BSF took the conservative stance to fully provision a one-off credit event over 4th quarter explaining bulk of the Impairment Charge for Credit Losses of SAR 768,374 million taken in 2016.

This impairment dented the Net Income in 2016 but resulted in very protective ratios. Total provisioning reserves is indeed now reaching SAR 3,004 million covering 1.76% the level of Non-Performing Loans while Collective Provisions alone amount to more than 1% of the Loans. Those very strong ratios allow BSF to confidently continue its development.

### **I Capital Adequacy**

Despite decrease in Net Income, BSF Board of Directors was able to recommend distribution of a total dividend of SAR 1.05 per share equal to 2015 full year dividend and a best ever in terms of absolute amount.

As a result of a controlled loan growth and prudent risk strategy, Risk Weighted Assets grew by a moderate 2.7% to SAR 191,817 million.

Coupled with solid capital generation over the year, it translated into Capital Adequacy Ratios standing at a strong 17.78% (Tier I + Tier II ratio) and 15.76% (Tier I ratio) providing strong capital base to pursue the development of BSF.

SENIOR EXECUTIVE DIRECTOR

# BUSINESS STATEMENT





## An abundance of challenges and opportunities both internal and external to the bank

2016 was the closing year of the recent mid-term plan (2014-16). Looking back, the period witnessed an abundance of challenges and opportunities, both internal and external to the bank.

The prudent vision which was set in place three years ago enabled us to weather the turbulences, seize opportunities and emerge with added value to the shareholders, our long established corporate relationships, and the local economy.

Looking ahead, we usher into a new era, again with a clear vision and conviction on where we want to be by the end of the 2017-19 mid-term plan.

# CORPORATE BANKING

## Innovative banking solutions will remain the backbone of our growth strategy

We remain committed to our established corporate relations, and selectively seeking new quality relationships. A notable source of our growth in 2016 is attributed to our structured finance transactions.

Our strategy continues to be that of positioning ourselves as the “Home Bank” for our top 100 clients, and the “Bank of Reference” for corporate banking in the kingdom. Innovate banking solutions and cross-selling initiatives will remain the backbone of our selective growth strategy.

We are the  
Home Bank for our  
**top 100 Clients**



# BUSINESS BANKING

## A consecutive year with double digit annual growth

We maintained our momentum of double digit annual growth surpassing targets both on volume and profitability.

The Government Institutions department was a key source of liquidity and continues to be a crucial segment to the bank.

The Small & Medium Enterprise (SME) exceeded its profitability targets for 2016, reaching a new milestone as planned since its spinoff as an independent business segment.

The SME  
exceeded its  
**profitability targets**  
for 2016



# GLOBAL MARKETS





## We delivered outstanding results for another consecutive year

Despite the challenging economic conditions, the Global Markets Group endured and delivered outstanding results for another consecutive year.

The experienced trading and structuring teams, supported by strong Islamic banking base, provided clients with a rich mix of Shariah compliant and conventional products for all their hedging and investment needs.





HIGH NETWORTH &

# WEALTH MANAGEMENT



Achieving  
targets through  
**tailored solutions**

Despite the slowness in the economy  
**we successfully achieved our targets**

Offering optimal financial solutions will always remain the mission of our wealth management and high net-worth teams.

Despite the slowness in the economic conditions, we have succeeded in achieving targets through tailored and sophisticated wealth management solutions.

In 2017, cross selling and a client centric approach to banking will continue to be our strategic objective and the business model of choice.

# GLOBAL TRANSACTION **BUSINESS**





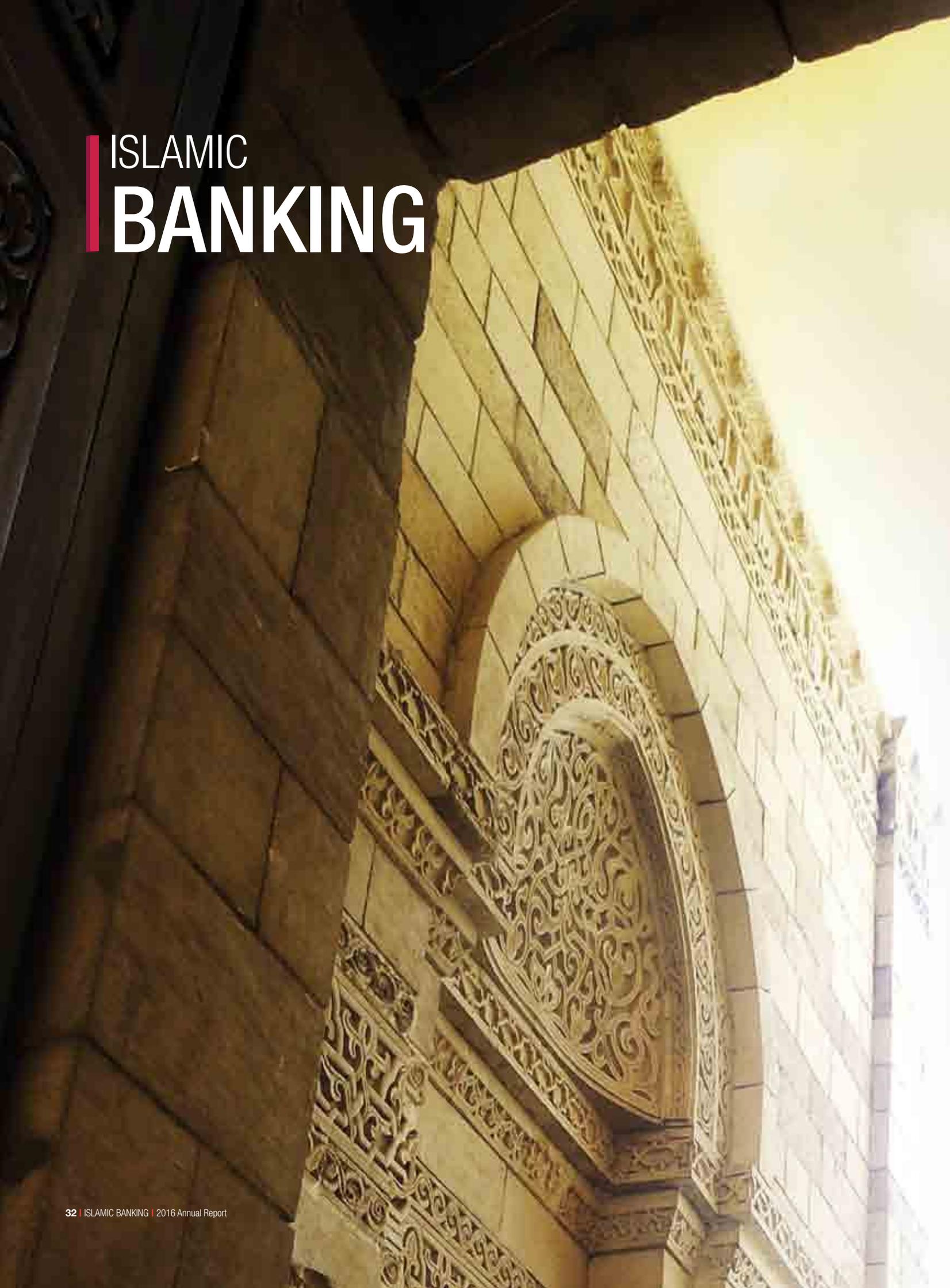
We witnessed  
**Healthy growth**  
in transaction  
volumes

We will remain diligent in  
**leveraging our digital capabilities**

We witnessed a healthy growth in transaction volumes as a result of new relationships and active client base.

Results that are attributed to a mix of ambitious initiatives including pricing measures, increased focus on Small and Medium business enterprises, and the provision of additional value-added services across channels.

We will remain diligent in leveraging our digital capabilities, establishing conducive alliances, and responding quickly to emerging market trends and opportunities.



# ISLAMIC BANKING



## We remain on course in reshaping our framework across all business segments

The Islamic Banking segment commands a substantial share of the bank's business volumes, and is on a sustainable path for continued growth in the foreseeable future.

We successfully completed the third year of a five year development plan for the bank's Islamic banking and remain on course in reshaping our framework across all business segments, and establishing a most comprehensive and robust portfolio of shariah compliant solutions throughout our banking segments.

SENIOR EXECUTIVE DIRECTOR  
**RETAIL STATEMENT**





## Aiming to enhance the quality of service & customer experience

Delivering high quality service is key to building a strong relationship with the client and attracting new ones. Our goal is to be the main bank of the client through a high level of customer satisfaction by meeting or even exceeding their expectations at its core.

We constantly improve our operations, organization, products and channels to meet the changing needs of our clients. In 2017, new personal and home finance products are to be launched as well as new cards and savings account variants. We are implementing new and innovative ways on account opening, e-Channels and client interaction that would enhance the overall customer experience. We are employing new technologies to transform and simplify various processes that would positively change how we serve our customers.

Our set of efforts aims to increase quality of service and will enable the organization to adapt and thrive in this evolving market and industry.

# RETAIL BANKING





## We introduced new products & programs that widened our offering to the market

Despite the challenging environment and slowdown in Saudi economic growth, Retail managed to minimize the impact of the situation on its deposit base and general profitability. Retail asset book, on the other hand, grew 4.3% which comprises of personal loans, home finance, credit cards and overdrafts to individuals.

During the year, we implemented a state-of-the-art decision engine that dramatically reduces the time to decide on all its consumer credit facilities. Branches were able to instantly take a decision on loan and credit card applications as well as authorized card limits. This shift translated to an increase in our personal finance portfolio by 9.6% compared to last year while improving our risk profile with a lower non-performing loan portfolio and reduced cost of risk.



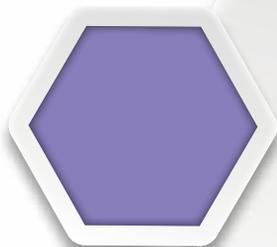
We also introduced new products and programs that widened our product offering to the market. Home construction finance and credit card products such as Signature, Corporate and Household are among those that were launched in 2016. A lady segment program called “Antee” has been created to provide exclusive banking products and services to our female customers tailored to their needs.

We launched JANA, a loyalty program for our valued clients that rewards a comprehensive range of exciting options for various banking transactions across different BSF channels, services and products.

In 2016, Retail have initiated several activities to enhance service excellence as part of its strategy to be the main bank of its clients. As a result, BSF is awarded “Most Improved Retail Bank” of the year from the Banker Middle East CPI Financial, a top publication in the financial and banking sector in the region. Another citation received by the bank was the “Best Islamic Retail Banking” during the 8th edition of World Islamic Retail Banking Conference held in Dubai, UAE.

BSF scored a strong NPS (Net Promoter Score) indicating a very high level of satisfaction and willingness to recommend among customers. This is further validated by Customer Satisfaction Index conducted by SAMA wherein we received higher than industry average score among all banks in the kingdom.

As clients evolve and expectations grow, we will continue in providing the highest standards of customer service and satisfaction. Pilot activities on several enhancements have started like new account opening process, pioneering digital services, streamlined operations, better segmentation and many more. As we shape the future now, we cannot wait to implement these innovations that would build stronger relationship with our clients and attract new customers to deliver greater value and drive for a continued growth.



A large cable-stayed bridge spans across a body of water under a clear blue sky. The bridge features two prominent, tall, A-frame pylons with numerous stay cables supporting the deck. The bridge extends into the distance, supported by a series of smaller piers. The water reflects the bridge and the sky. The overall scene is captured during the "blue hour" of sunset or sunrise, with a soft gradient of colors in the sky.

# RISK MANAGEMENT



We aim  
to maintain a  
diversified & healthy  
**credit portfolio**

## BSF aims to maintain a healthy credit portfolio through credit policy guidelines

### **| Risk Appetite framework**

The Risk Appetite framework of the Bank is approved by the Board of Directors, and the Risk Appetite statement is reviewed by the Board of Directors at annual intervals. Its objective is to set the tone from the top in giving risk policy directions to the bank's management and providing business lines with guidance regarding the risk profile that the bank is prepared to accept. By way of risk management limits of the various risk parameters with defined tolerances are articulated covering a range of parameters from solvency, capital adequacy, credit quality, credit concentration, market risk, operational risk and liquidity management. The Group Chief Risk Officer monitors adherence to the approved risk appetite statement. Deviations, if any, from the acceptable tolerance bands are flagged off for further action by Senior Management. At quarterly intervals, the Executive Committee of the Board reviews the actual position of the risk indicators vis-a-vis the laid down parameters.

### **| Credit Risk Management**

The Bank aims to maintain a well-diversified and healthy credit portfolio through the mechanism of credit policy guidelines, economic sectorial caps and Credit Risk Acceptance Criteria laid down for different segments of the loan book in the credit policy.

The target customers and credit risk acceptance criteria emerge from the confluence of presentations of risk strategies by business line heads, reviewed by Risk Management and approved by the Board Risk Committee as part of policy guideline. The credit granting and approval process is performed through credit committees with differing levels of credit approval delegation, the Group Chief Risk Officer and the Credit Risk Department being entrusted with the responsibility of providing independent risk opinions on the credit requests emanating from the business lines. The decision making in the credit committees of the bank is aided by internal credit rating models developed and maintained for different segments of the banking book and subject to re-validation at periodical intervals. In order

to ingrain the risk awareness culture across the bank, dedicated programs were carried out throughout 2016 in the three regions of the country for an audience of business line relationship officers and risk managers. These sessions include learning lessons from the past based on case studies culled and prepared by Risk Management.

### **| Market Risk Management**

Concerning Market Risk monitoring, the bank has clearly defined policies & procedures related to market risk activity, as well as a comprehensive set of market risk limits (together with loss alerts) which are reviewed at least annually, and independently monitored on a daily basis by a dedicated Market Risk department. In order to manage the market risk in trading book, the bank applies on a daily basis a VaR (Value-at-Risk) methodology in order to assess the market risk positions held and also uses stress scenarios to estimate the potential economic loss based on a set of assumptions and changes in market conditions. In addition, BSF is provided technical assistance services from its partner Credit Agricole CIB through a Service Level Agreement.

### **| Operational Risk Management**

In line with SAMA Regulations and international best practice, Operational Risk and Permanent Control department (OPRC) is focused on improving operations with key objectives including the management and mitigation of operational risk in a cost effective manner within targeted levels of risk appetite. The Operational Risk Management System (ORMS) was deployed towards the end of 2015 and implemented in 2016 for key activities such as incidents, loss data and risk and control assessments. Additional enhancements started to bring on board more functionalities such as Permanent Control, Key Risk Indicators (KRI) and regulatory reports. Upon the completion of the risk register concept, OPRC has established Risk Control and Self-Assessment (RCSA) for all BSF entities and subsidiaries covering identification of controls and risk scoring with the support and concurrence of all entities.

KRIs are defined and implemented for all domains in BSF and subsidiaries, reported and monitored on regular basis. The Permanent Control framework has been established to ensure the second level of controls is performed, monitored and reported. Branch Control Assessment across the bank and Kingdom-wide was completed through workshops, questionnaires and evidence collection using ORMS. Loss and Incident Management framework has been enhanced to ensure completeness of coverage, and timely reporting of incidents & losses. Assessments of critical IT services and assets, participation in IT Projects and change management reflect the emphasis on Technology Risk, E-Banking, Business Continuity and Information Risk. ORPC has completed the assessment of Insurance and Financial Impact to review and provide an independent opinion on the insurance policies in line with the bank's operational risk profile and regulations. Finally ORPC has conducted several extensive two-days Operational Risk training programs for all Operational Risk coordinators, as well as participated in the BSF Induction training program for all new staff.

## | Basel II: IRB implementation

While BSF computes its Risk Weighted Assets (RWA) under the standardized approach since 2008 for credit, market and operational risks in compliance with SAMA requirements, it has decided to move to more credit advanced approach by implementing IRB Foundation for Corporate portfolio and IRB Advanced for Retail.

All rating models identified to comply with Advanced IRB for the Retail portfolio have been developed: application scorecards, behavioral scorecards and LGD models for credit card, personal finance, home finance, one CCF model for credit card and pooling logic to compute RWA. All PD models have been implemented in 2016, and LGD & CCF models will be completed in 2017. Key benefits of IRB Advanced include

- Enhanced automation of Retail credit approval process by generating credit decision at branch level (either approve, investigate or decline);
- Using all credit risk IRB models, risk MIS and SAS Risk modelling DataMart as building blocks for BSF IFRS 9 transformation.

For Non Retail portfolio, the decision has been taken to replace the current internal rating platform with a unique platform (Moody's RiskOrigins) regrouping all non-retail PD rating models of the Foundation approach: Corporate, Business banking, Banks, Financial Institutions, Specialized Lending (Project finance, Real Estate, Commodity and Object finance). RiskOrigins implementation has been completed and is currently under validation.

IFRS 9: Implementation Status (Financial Management and Risk Management)

In line with SAMA's requirement for banks to implement IFRS 9 regulation by 1st January 2018 under the leadership of the Chief Finance Officer with the assistance of Risk Management and IT department, BSF has started its IFRS 9 transition by conducting a readiness & impact assessment mission. This gap analysis included Classification and measurement, Impairment, Hedge Accounting and Disclosure requirements and enabled the bank to develop an implementation roadmap to identify the critical areas and projects to be undertaken to complete IFRS 9 transformation such as:

- Classification & measurements which embeds Business model assessment, SPPI testing, New product approval process, application & disclosure requirements;
- Impairment to identify & formalize staging criteria, the need for policies & procedures, models development & calibration, ECL computation & documentation;
- IT implementation to identify projects with regards to front office & other systems enhancements, data warehouse enrichment, datamart & data staging area setup, implementation of IFRS 9 solution / engine (vendor platform), IFRS 9 impairment computation and parallel run.

A project team under the supervision of the Chief Finance Officer has been set up, assisted by external consultants to lead current implementation phase, and coordinate varying aspects involved in such implementation to meet regulatory deadline of 1st January 2018.

SENIOR EXECUTIVE DIRECTOR

# COO STATEMENT





## The launch of “Transforming Together” is improving our processes efficiency

Delivering operational excellence is the focus of our support functions

In line with the ongoing digital transformation project of the bank we have launched as well a “Transforming Together” program targeting a major improvement of our processes’ efficiency, the creation of a transversal view across the bank and an increase of the quality of our service and products delivery.



# CORPORATE OPERATIONS



We are  
the bank with  
**the least number**  
of claims

## Exploring advanced technologies with the aim for a rock-solid operational efficiency

As the Digital Banking trend rises during 2016, Corporate Operations Group (COG) unceasingly explore advanced technologies with the aim for a rock-solid operational efficiency, enhancing controls to accommodate regulatory changes and continuously mining a new breed of talents to support the bank's Medium-Term plan.

### **| Awards and Recognition**

BSF – ATM Reconciliation received commendation from the Central Bank (SAMA) for being “The Bank with Least Number of Claims” in the year 2016. In addition, BSF was again recognized by international banks for its Straight-Through-Processing (STP) on commercial payment volumes.

### **| Revenue and Cost Savings**

BSF earned valuable commission income from cross selling and other trade finance services during the year. Successfully launched Three (3) IPO projects in 2016 and one of which being the IPO Lead Manager. Mail Room Management (MRM) operational efficiency improvement saved costs for BSF in 2016 based on an agreement signed with Saudi Post for postage paid services with 20% discount on monthly statement cost in addition to process optimization. The bank also saved 24% from the international shipments after signing the contract with FedEx.

### **| Advancing of Projects**

Corporate Operations Group (COG) delivered major growth during the year to continually increase the BSF systems capability, reduce turn-around time and cost, and automation of numerous processes. Moreover, Corporate Operations completed Forty-nine (49) projects for Retail Banking Group (RBG) related to cards.

SAMA mandated developments were accomplished such as POS Offline transaction authorizations, Wage Protection System – Salary Loading, Contactless Debit Cards that customers can benefit without any risk from any places.

Key projects such as Collateral Management Phase II, EMIR Derivatives Clearing, and SPV - Special Purpose Vehicle to support regulatory requirements and automated back office systems were successfully completed. Integrated Payment Platform (IPP) performance been improved, Credit Cards Bonus Points Auto Redemption where customers can redeem their points directly through FransiPlus, activate Verified by Visa (VbV) on Debit Cards where customers can now pay and purchase online using their debit card, Easy Payment Plan (EPP) enable customers to convert their recent purchases to pay in installment. New segments were similarly launched like Signature Product, Ultra-High Net Worth Product, Infinite Platinum BIN's. Handover of Strong Room Construction for Legal Files Centralization, ATM/BNA reconciliation through Intellimatch Legal Files Movement & Indexing and relocated to Secure Document Center.

AD-HOC projects completed as well for more customer security and central bank regulatory compliance - Pricing Review on Credit Cards (All Products) – new process, Visa Signature / Ultra High Networth Program Certification with Card Schemes, Bulk cancellation/activation of VISA Payroll Card where company Relationship Officer can cancel/activate in bulk, Cashback SPAN POS Purchases (NAQD), POS Positive Interchange, SAMA Credit Card Pricing Review, SAMA mandate to have control on cash withdrawal of 5K SAR per account, Card Velocity - Support Window Number of Days to calculate the spending, Cash Utilization Campaign (Easy Cash), VCL Balance transfer campaign, BWNet Instant Issuance (Debit Infinite & Platinum), Card activation/stop through e-Channels (FransiPlus), Customer statement to show the markup fee through FransiPlus, Updated Cash limit to default of 30% in Bank WORKS as per SAMA rules, Non-Account Holder registration through FransiPlus, SAMA Certification for Contactless profile, New offline limit updates to all debit card products, Four (4) Eye Validation Merchant acquiring, Correction of SMS messages for GCC transaction, Currency Updates for Changes by Card Schemes, SAMA Certification mandates for mada services.

### **I Improvement in Operational Efficiency and Controls**

As per SAMA directions, BSF was involved in the critical activity to enhance the banks' operation in the following areas: SAMA Intraday Liquidity Management, Image Scanning for all backlog Legal Files, Archiving - Legal Files Back Log scanning, Integration with Saudi Post for National Address. BSF also led a workshop with other local banks to study the difficulties and expectations regarding Bounced Cheques procedure, workflow, service level agreement and other related documents and submitted a proposal to SIMAH. In collaboration with High NetWorth group, a new cash collection service was initiated for a VIP client in Riyadh, Khobar, and Jizan. In addition, Ninety-eight (98) ATM terminals were transferred from RBG to COG in 8 remote cities to dedicate branch staff for branch related activities other than ATMs/CAMs, 312 ATM terminals in total now operated by Corporate Operations Group. new master card Chip Profile has been introduced to allow customers online access at POS without visiting the ATM.

Straight-Through-Processing (STP) value threshold of SARIE from 500K SAR to 1M SAR and SWIFT from 0 SAR to 50K SAR in order to continuously reduce SARIE processing time and cost savings. Change Request was initiated by COG and implemented during the year for blocking of several accounts, which in turn reduced a significant monthly operational cost from envelopes, papers, and postage paid. Cards Security & Development team had prevented fraud and possible losses.

### **I Internal and External Training Programs**

Corporate Operations Group (COG) collaborated with BSF Academy and trained 91% of its staff during the year 2016. Online Compliance Training and Corporate Security Awareness Program 2016 completed similarly. Trade Finance Operations is giving internal online staff training for Certified Documentary Credit Specialist (CDCS) in order to have more qualified experts in the field of Trade Finance. On job training by specialized experts was also conducted for key areas to improve the knowledge level of the team. Certification for key functions was achieved and plans are in place to cover more resources in 2017. COD had increased the Saudization ratio by 2% reaching to 228 total number Saudi staff in 2016.

# INFORMATION SYSTEMS

## Enhancing the efficiency & the quality of the bank's services

### **I Strategic Alignment of IT**

In line with the Bank's strategy and business priorities the Information Systems Group (ISG) participated in developing the Bank's three year Medium Term Plan (MTP 2017-19) by organizing and planning the Business and IT Projects Portfolio.

ISG has successfully completed a project to improve its project governance methodology, processes and templates; focusing on industry best practices and globally recognized standards aiming at enhancing the efficiency and quality of service to the Bank's business.

Project Portfolio Management (PPM) System has been implemented that facilitates collaboration with the business and project management in a better way and provides a comprehensive insight of Project Portfolio to the management.

With the support of IT Development BSF achieved the goal of becoming the pioneer in the Kingdom to implement the Common Reporting Standard (CRS), a regulatory requirement.

Digitalization (e-Channels): A new version of FransiMobile was launched which has been nominated as one of the Best Designed Mobile Apps of 2016.

Delivered the Cards products such as Household Prepaid Cards and Ladies Cards. Developed the Program (Jana) for BSF Customers. A dedicated portal to access and monitor customers' loyalty points: <https://www.fransijana.com.sa>

### **I Technological Breakthrough**

IT Infrastructure & Operations Roadmap: Leading to Transformation, Quality & Reliability: The assessment has been completed and gaps identified. ISG has started immediately to re-align its IT infrastructure projects with this Infrastructure Roadmap by initiating the following mid-term projects:



We are pioneers  
in implementing  
**the CRS**



#### **| Data Backup Transformation Roadmap**

Aims to have a centralized data backup environment by removing data redundancy between the main and backup data center.

#### **| Windows Server Strategy / Virtualization**

The project aims to convert physical servers into virtual machines resulting to optimization of server resources, reduction of data center space usage, save cooling and electricity.

#### **| Implementation of Oracle Exadata Strategy**

Aims for migration to Oracle Exadata Oracle-Engineered Machines from IBM Power Systems & Linux (All Production / Disaster Recovery Databases) in order to achieve Database Consolidation, High Availability and Scalable Architecture.

#### **| Infrastructure Upgrade**

New AIX Power 8 high capacity machines have been commissioned to host our core banking applications. Enhanced the Tier 2 storage system capacity and processing power to complement the data storage increase.

#### **| IT Service Management ITSM**

The Overall ITSM enhancement project has been started to focus on an effective tool, documentation, and processes in order to have an output of clearer visibility on the resources and infrastructure. These will help in reaching the optimum level of productivity. The essential processes (Change Management, Incident & Problem Management, Release & Deployment Management, Asset & Configuration Management, & Service Request Fulfillment Management) are planned to be in place by end of 2017. ITSM contributes to the Operational Excellence of IT

#### **| IT Asset Discovery Management ASM**

The objective of this project is to implement a set of tools - integration, resource allocation, and documentation that will help manage the life cycle of IT Configuration Items.

#### **| Regulatory Compliance**

Maximum possible efforts were contributed towards Audit and security recommendations. Standard practices and processes have been reinforced to strengthen the security and control of Bank's IT infrastructure.

#### **| Disaster Recovery Exercise readiness**

Systems & Production Division has revisited and validated the infrastructure and applications set-up in the Jeddah Disaster Recovery Center. The Disaster Recovery switching and Business Continuity exercises concluded on November 19, 2016.

# PROPERTY MANAGEMENT





## We provided full support to all business lines & support functions

During 2016, Property Management Division provided full support to all business lines and support functions through the implementation of several major projects as well as maintenance activities throughout the Kingdom at the highest level of quality, in a timely and cost effective manner as follows:

- Launching six new branches, renovation of three branches and completion of 228 ATM's installation projects throughout the Kingdom;
- Renovation project of the 4th and 8th floors at the Head Office building have been successfully completed with the latest amenities, design and furniture to ensure the convenience of staff and develop a better working environment.
- Commenced Head Office building No. 2 project in the central region, which is one of the strategic projects of the bank with a total building area of 10,000 m<sup>2</sup>. The project aims at pooling the bank's departments around the head office building and provide the necessary space for maintaining a healthy and proper work environment;
- Completion of several developmental projects for BSF premises in all regions, including the external sign boards replacement project of BSF branches, participation in the development of Ladies branches "LADY أنتِ", and design of more than 25 projects covering BSF branches and buildings;
- Review of operational contracts and commencement of energy-saving projects in order to reduce costs, improve the quality of service and enhance the overall performance.

A close-up, shallow depth-of-field photograph of a person's hands. The person is wearing a white long-sleeved shirt. Their right hand is holding a black pen, and their left hand is holding a white document. The document is open and appears to contain a table or list of items. The background is a blurred office setting with a blue wall and a desk. The lighting is soft and focused on the hands and the document.

# PROCUREMENT



We invested in  
multiple dimensions  
to achieve  
**internal alignments**

Our results have been steadily  
**growing with double digits rates**

**I Dynamic Purchasing Methodologies**

Since its Establishment in 2012, Procurement Division's results have been steadily growing with double digits rates contributing positively in BSF's results. Procurement invested heavily in the multiple dimensions to achieve internal-alignments, quality products, and positive financial investments:

1. Procurement's integration with business and support divisions through dedicated "Buyers / Partners" who specialize in procurement best practices with a solid business background.
2. Dynamic Procurement Methodologies that react to business needs quickly without compromising best practices and ethics.
3. Working effectively with business and support divisions to establish or improve their delivery frame work by includes procurement cycle. This includes discouragement of ad-hock and reactive projects, stressing more on better project planning.
4. Management of expense optimization bank wide efforts that have resulted in multiple initiatives contributing positively to BSF's long term cost management.



# BUSINESS CONTINUITY



## Achieving Successful Milestones

### Upgraded & expanded important systems during the year 2016

Further to 2015 activities and projects, The Business Continuity Department was able to achieve the following milestones during 2016:

- Electrical Infrastructure
  - Upgrade Riyadh Recovery site (SOFINCO) with larger generator and dual UPS
  - Commencing WRM & ERM recovery sites Electrical and Generators phase-II
  - Completed additional 4 out of 8 critical branches electrical and generators
- Upgraded and Expanded Telephony System
- Upgraded and Expanded Safety & Security systems ( CCTV and Fire system )
- Addressing and closure of SAMA audit findings
- Conducted 2016 Crisis Management Rehearsal for Senior Managers
- Successfully completed BSF Annual comprehensive test
- Updated all relevant Business Continuity governance documentation
- Issued BSF Business Continuity Strategy
- Commencing 2016 Business Impact Analysis
- Setup 2017 Business Continuity Awareness and Training Program

# FINANCE AND STRATEGY

## The banker middle east honors BSF with 4 awards for the year 2016

Finance & Strategy Group gathers the Accounting & Financial Control Division (AFCD), the Financial Planning and Management Control Division (FPMCD), the Asset & Liability Management Department (ALMD) and the Corporate Communications Division (CCD).

AFCD ensures full compliance and exact disclosure of information in light of the International Financial Reporting Standards (IFRS) and regulatory guidelines by SAMA. AFCD contributed significantly in BSF transition from Basel II to the Basel III capital accord notably with the implementation of the Pillar 3 disclosure requirements. It is also involved in the important preparation work to transition toward IFRS 9 by January 2018. AFCD plays a key internal control function positioned as second level of control providing necessary assurance for key operations and processes of the Bank.

FPMCD is primarily in charge of the budget preparation and follow-up and to provide Management with relevant tools to assess and steer performance. In 2016, the Division also coordinated the preparation of the new Medium Term Plan covering 2017-2019 validated by the Board of Directors in December 2016. This plan was built-up as a bank wide project through bottom-up approach involving staff and managers.

ALMD is in charge of managing two key risks of the Bank, interest rate risk and liquidity risk, for which the Bank has defined comprehensive limit framework. ALMD is also supporting Capital Planning and as such is a key part in the preparation and follow-up of the Internal Capital Adequacy Assessment Process (ICAPP) .



We continued a  
**successful journey**  
despite the  
challenges



Most Improved Retail Bank  
Banque Saudi Fransi

**Banker**  
MIDDLE EAST  
INDUSTRY AWARDS  
2016

C P I  
FINANCIAL

Best Corporate Bank - KSA  
Banque Saudi Fransi

**Banker**  
MIDDLE EAST  
INDUSTRY AWARDS  
2016

C P I  
FINANCIAL

THE QUEST FOR EXCELLENCE

**Banker**  
MIDDLE EAST  
SSA  
PRODUCT AWARDS  
2016

Best Customer Service -  
Corporate Banking  
Banque Saudi Fransi

Best Customer Service -  
Retail Banking  
Banque Saudi Fransi

### Corporate Communications Division

CCD continued supporting all departments in 2016 including our Joint Ventures and Subsidiaries.

Banque Saudi Fransi invested heavily in the field of social media to ensure continuous interactions with its clients. The bank's social media platforms witnessed great success in the year 2016 due to the efficient customer service, which had led to achieving the highest rate of interactions and the least negative feedback compared to the other banks in Saudi Arabia.

Also, the bank's social media platforms have increased - in terms of growth - in the number of followers, daily replies and positive changes in the monthly market share. In the field of Internal Communications, a large number of outreach and awareness campaigns were implemented, in addition to issuing our bimonthly staff magazine "Perspectives". Externally we implemented many advertising campaigns related to our products and services supporting the business in creating awareness and enhancing the product offerings in the market.

In 2016 CCD focused on the news coverage and daily presence in the press and media in general as part of the external communications role supported by the bank's social media platforms.

In recognition of the bank's performance and KPI's during 2014-2016, "The Banker Middle East" CPI Financial, the most famous publication in the financial and banking sector in the region, honored Banque Saudi Fransi with 4 different awards in KSA for the year 2016 as follows:

- **Best Corporate Bank**
- **Best Customer Service - Corporate banking**
- **Best Online Banking Services**
- **Most Improved Retail Bank**



# HUMAN RESOURCES





## Alignment with BSF's strategic direction to be Banque of Excellence

### **| HR Transformation**

HR mission and vision statements, to become "Employer of Choice" were set in alignment with BSF's strategic direction to be "Banque of Excellence". The vision and mission statements were incorporated throughout HR's structure, activities and programs. Highlights of HR's annual achievements are listed below, with many more human capital programs planned for 2017.

### **| Employee Engagement**

The Employee Engagement Survey (Your Voice), launched during 2014, had a high participation rate of 83%. The analysis of the results identified four main themes requiring attention. The analysis of the results was followed by results sharing sessions with the Senior Management Committee, followed by 15 action planning workshops bank wide. Several bank wide action plans were undertaken since the survey and more are planned for 2017.

### **| Break Time @ Your Voice**

Following the Engagement Survey and to continue the momentum, the MD led town hall meetings attended by both Senior Management and staff in the three regions to share the results of the survey and actions undertaken, as well as to provide employees with the opportunity to network and raise questions which reflected very positively on these events.

### **| Human Capital Awards**

In line with BSF's vision to be the "Banque of Excellence" and in recognition to its revamp of its Human Capital activities and programs, BSF was awarded with the following prestigious awards and certificates during 2016.

### **| Great Place to Work (Saudi Arabia)**

BSF was awarded the "Great Place to Work" award in 2016 for Saudi Arabia. Great Place to Work® is the global authority on building, sustaining, and recognizing high-trust, high-performing workplace cultures with experience of over 30 years and operating in more than 45 countries across the globe. Great Place to Work's methodology is built on three decades of research and data collected, and is recognized as a rigorous and objective methodology; setting the standard for defining great workplaces for businesses across industries around the world.

### **| Excellence in Talent Management (1st Place in the Middle East)**

BSF received the “Excellence in Talent Management Award” as it came 1st in the Middle East across participating companies. This award reflects BSF’s leading Talent Management and development programs such as Women of Excellence Program, Development Based Succession Planning Program, Branch Manager Accreditation Program, E-Learning Program and many more.

### **| Best Talent Acquisition Team**

BSF received “The Best Talent Acquisition Team” in Saudi Arabia award LinkedIn Talent Awards MENA. The appreciation reflects our hard work behind the extensive utilization of the LinkedIn social media platform and the Recruiter sourcing tools.

### **| ISO Certificate – Quality Management System**

BSF Academy undertook a complete revamp of the training and development programs and activities. As a result of this initiative, BSF Academy was awarded with ISO 9001 Quality Management System Certificate as the First Academy in the Saudi Arabian Banking Industry to attain this prestigious recognition.

### **| Best Nationalization Initiative**

BSF received the “Best Nationalization Initiative” award. This award was in recognition of BSF’s nationalization strategy, programs and initiatives undertaken throughout the previous two years. This is also a recognition to BSF’s commitment to the Nationalization drive and retention activities for its Saudi workforce.

### **| Employer of the Year**

BSF received the “Employer of the Year” award at Employer Excellence Awards by Naseba. The award reflects on BSF’s Employment Brand, Talent Attraction & Staff Engagement strategies and initiatives.

### **| Saudization Plan**

BSF focuses on the development of Saudi nationals throughout its kingdom-wide network. The aim is to completely align the Saudization Strategy with the Bank’s Strategy and Business Plan, and thus ensure organizational sustainability. The carried out Saudization activities have substantially enhanced the Saudization Level and as a result the Bank achieved its 2016 Saudization target of 89%. In addition, the target over the Medium Term Plan is to increase the Saudization level to 91%. To reach these levels, a number of Saudization activities were introduced to support long-term and sustainable efforts of the bank to attract, develop and retain young Saudi nationals through various Programs.

### **| Women of Excellence Program**

BSF launched the successful and globally renowned “Women of Excellence” My Growth Program for the second year in a row. The program was developed and introduced to equip ambitious females with the confidence, expertise and skills to realize their full potential and enable their success. My Growth program is a global program which won several awards for its Innovative approaches and quality. The program was attended globally by more than 230,000 women of which more than 10,000 are within the Middle East.

### **I Strong Relationships with Government Entities**

BSF built strong relationships with key Government entities such as the Ministry of Labor, Foreign Embassies, Local and International Universities and Educational Institutes, the Human Resources Development Fund, the Department of Passports and others. These strong relationships will enable BSF to deliver on its vision of being the “Banque of Excellence” by delivering on the organization’s current and future requirements, being up to date with changes in the market and regulations, as well as ensure compliance with all government mandates in a proactive manner.

### **I Development-Based Succession Planning and Talent Management**

In line with BSF’s strong drive to attract, retain and develop Saudi Talent across all business lines and levels within the organization, BSF maintained the leading market practices for Talent Management, introduced the previous year, to identify High Potential Talent; Successors through Development Based Succession Planning; Executive and Leadership Development Programs; and international assignments through the Global Mobility Framework in partnership with BSF’s international partners CA-CIB.

### **I Performance Management**

In line with our MTP ambitions to foster a strong Performance Driven Culture which is based on Fairness and Transparency. This year, BSF implemented the same successful Performance Management Exercise introduced two years ago. The performance management model started with an assessment of the business for each Group/Division using a “Business Assessment Fact Sheet”. Then, the Business Assessment results for each Group/Division were linked to the employees’ performance. Finally, the year-end performance calibration exercise was conducted by Senior Managers to review and ensure consistency and fairness of the results.

### **I Learning and Development**

In alignment with BSF vision to be the “Banque of Excellence” BSF Academy maintained its commitment to delivering quality learning & development programs and solutions to BSF staff with a plan to sustain and grow their professional capabilities.

### **I The Banker Leadership Program (INSEAD)**

As part of BSF’s Leadership Development and Talent Management initiatives, the Bank partnered with INSEAD business school to design and deliver “The Banker Leadership Program”. The program was designed to provide a unique learning experience, to equip the Bank’s future leadership with strategic insights, develop leadership skills, and a deep understanding of a global business context to enable the participants to drive growth and profitability in a high-performing organization.

### **I BSF E-Learning Academy**

In line with BSF’s vision of being the “Banque of Excellence” and to pursue our aspiration to be The School of Banking, BSF Academy launched “BSF E-Learning Academy”. The E-Learning Academy platform adopted by BSF is used by 2 Million professionals from the Global Financial Industry and covers a wide array of topics e.g., Capital Markets, Risk Management, Wealth Management, Compliance and etc. It contains over 450 online courses and offers a unique blended learning experience for BSF professionals through case studies, videos, financial modelling, simulations, practical exercises and etc.

### **| Branch Managers' Accreditation Program**

In 2016, BSF Academy designed and launched the "Branch Manager Accreditation Program" with an aim to enable our existing and potential branch managers to embrace change, meet and overcome challenges, achieve set targets and upgrade their skills to stay ahead of the market. By the end of 2016, all Branch Managers across BSF were enrolled and were successfully certified through the Branch Managers Accreditation Program.

### **| Teamwork Program**

Continuing with last year's successful introduction, BSF Academy prepared and continued to launch "Teamwork" program and activities across the bank. The main drivers behind this program were:

- Employees' voice on the need of a teamwork culture across BSF
- The need to work as a team to achieve BSF's Medium Term Plan
- Creating Synergy across all the bank's segments and enhancing cross-selling between business lines

### **| Learning and Development Strategy Model Transformation (Equal Opportunities):**

In alignment with HRG transformation and the launch of BSF Academy, a Learning and Development transformation took place addressing the learning and development approach aligned with BSF vision of being the "Banque of Excellence".

BSF's Learning and Development plans focus areas are to ensure

- Quality of the training - Best in Class In-House, Local & International Trainers and training providers
- "Bespoke" Methodology - Content of training tailored to BSF needs
- Effectiveness - Training aligned with BSF Direction by conducting a Training Needs Analysis (TNA)
- Competitiveness- Aims to be the Leading Bank in Training and Developing our employees which will support BSF in being "Employer of Choice"

### **| Talent Acquisition**

The Talent Acquisition team continued to deliver on its commitment to provide high level recruitment services with decreased time-to-fill and focus on acquiring top quality Saudi candidates. The businesses' hiring requirements have been met through the recently revamped internal sourcing & selection capabilities, substantially decreasing costs related to the use of external recruitment agencies. The 2016 manpower plan was gradually translated into hiring timelines to enable BSF to supply the business lines with their talent requirements to facilitate growth and avoid business interruption. Implementation of Recruitment Plans positively reflected in closer partnerships with the businesses and helped minimize the hiring time and cost.

### **| Graduate Recruitment & Career Fairs**

2016 activities within Graduate recruitment have been focused on identifying and attracting the best graduates through participating in Career Fairs both locally and internationally. The purpose of these activities was to promote the Bank as the "Employer of Choice" and attract Saudi young potentials to join as direct hires or through Graduate Programs such as "The Banker".

### **| The Banker – Banking Associate Program III - 2016**

To continue in the success and achievements that were accomplished in 2014 and 2015, BSF launched The Banker – Banking Associate Program III (2016) in October 2016. The top 20 Saudi graduates from local and international universities were selected for this program.

## **| Employee Relations**

The Employee Relations team established last year continued to address employee Complaints and Grievances in a fair and transparent way by following procedures and rules created in accordance with the provisions of Saudi labor law and BSF internal regulations and policies.

The Employee Relations team continues to always maintain a strong line of communications with the businesses and staff to achieve a positive approach in handling all cases received through a professional and discreet manner.

## **| Exit Interviews**

To enhance BSF's employee value proposition, and capture employees' views about the organization's practices and offerings "Exit Interviews", which were started in January 2015 for all leavers, were continued in 2016. These interviews are conducted by the assigned Business Line's HR Business Partner.

The interviews capture the following main themes, and are reviewed and utilized in aggregate to maintain individual leaver's confidentiality:

1. Work Organization
2. Reward and Recognition
3. Employee Development
4. Teamwork and Collaboration
5. Management Practices
6. Other Comments and Constructive Suggestions

## **| Rewards Management**

Medical and Life Insurance Benefit

- Enhancing BSF Medical Insurance Benefit

As part of BSF's aspiration towards becoming the "Employer of Choice", BSF conducted its annual review of the Medical Insurance and Life/Personal Accident policies, and negotiated with the top providers to offer BSF staff enhanced service levels and insurance coverage while maintaining competitive pricing rates.

- Medical Insurance for Parents

In addition, and to increase BSF's competitiveness positioning in Rewards for the employees and increase their satisfaction, BSF renegotiated with the Medical Insurance providers to attain competitive Medical Insurance rates for staff who wish to cover their parents at their own expense.

## **| HR Policy**

In line with BSF's objectives to align the HR Policies and practices with the business needs and the market's best practices, BSF completely revamped the HR Policy Manual.

The new HR Policy aims to ensure the following:

- Linking the HR Policy to Business Strategy
- Delivering policies that support sound People Management practices
- Creating a positive work environment through Consistent and fair HR policies
- Engaging employees to achieve the planned Business Results

# GOVERNANCE, COMPLIANCE & CONTROL

## We worked to facilitate the mutual communications and strengthen relationships with the legislatures

Governance, Compliance and Control Group undertakes all the bank's regulatory and legal affairs in the bank. This responsibility is assigned to The Secretary General, Chief of Governance Compliance and Control Group. Some business lines have been integrated, and some administrative process cycles have been reduced after developing the infrastructure of compliance and control. That is to implement the bank's policies towards compliance with governance principles and its instructions, which will be in line with the instructions of SAMA, Capital Market Authority, and Companies Law. It also worked to facilitate the mutual communications and strengthen the relationships with these entities. This group includes: Secretariat General, Board of Directors secretariat, Secretariat General Administrative Affairs Department, Translation Unit, Investors Relationship Department, Legal Division, Corporate Security Division, Corporate Governance Division, Regulatory Relationship Department, Property Assessment Unit, Corporate Social Responsibility Department, Compliance Division, Service Quality Department, Anti Financial Crimes Division and Anti-Fraud Department.

### **| Secretariat General**

Secretariat General provides administrative and technical support to all of the bank's departments/divisions, and the group of subsidiary and associate companies. It also oversees the meetings arrangements of the Boards of Directors and their different committees, besides the General Assembly meeting, the updates of the information with competent authorities, monitoring the changes in the capital, the selection of Boards of Directors' members and the formation of the committees of Boards of Directors and boards of managers of subsidiary companies. Furthermore, it applies the instructions and regulations received from regulators, and inform the Chairman and members of Board of Directors, Audit committee, concerned departments and subsidiary and associate companies with the related updates.

Also, it announces on quarter and annual basis the financial results on Tadawul website, and the local newspapers, as well as announcing the significant changes and updates as per CMA instructions. Secretariat General oversees the preparation of the Board of

GCCG achieved  
significant  
milestones in  
**the year 2016**





Directors' report to shareholders once the bank completed preparing its fiscal year results through coordination with all concerned departments to publish such report along with the financial results in the newspapers, official gazette and Tadawul website. Secretariat General Administrative Affairs Department handles all instructions received from SAMA, via SAMA Net in regards of legal and banking affairs. Finally, it is responsible for all SAMA's circulars and correspondences.

### **I Legal Division**

Legal division is an independent and specialized division that reports directly to Secretary General, Chief of Governance Compliance and Control Group. After its establishment on 2013, it continued to extend its capabilities and to hire lawyers and support staff. In light of this recruitment, the Division is now responsible for providing legal consultation for the Bank and its subsidiaries. This legal consultation includes (negotiation, preparing and reviewing agreements, directing the external adviser, managing all cases in which the Bank is a party and representing the Bank in the meetings that involve Legal issues). The advice and consultation provided by the Legal Division to all bank's divisions/departments are extremely important for the bank to fulfill its obligations towards customers, regulators and shareholders, and to improve the Bank's culture of excellence and integrity. The division provides the legal consultation that protects the Bank's safety and financial reputation, and assists the bank in different business lines regarding risks associated with the completion of transactions and activities.

### **I Corporate Security Division**

Driven by BSF vision of "Banque of Excellence", Corporate Security Division (CSD) in the year 2016 achieved significant milestones toward its strategic objectives of enhancing the security of BSF electronic services, ensuring staff safety and protection of BSF assets against growing regional and international threats. Corporate Security Division's efforts were recognized by BSF's achievement of continuous compliance against PCI DSS and ISO/IEC 27001.

CSD has enriched its monitoring capabilities by the expansion of coverage, and through the addition of Proactive Threat Monitoring and Threat Intelligence services, and enhanced its resilience by enhancing various security controls within BSF infrastructure. Major initiatives include but are not limited to enhancement of Enterprise Information Classification Program, users' activity monitoring, email malware protection, endpoint security monitoring and coverage expansion for various security controls in BSF and its subsidiaries, and conducting security risk assessment and penetration testing for critical BSF assets.

In terms of physical security and safety, CSD accomplished significant achievements in enhancing the physical security and safety in BSF, by enhancing the physical security of sensitive areas in BSF including branches, cash centers, ATMs, head office and other locations. CSD has also enhanced its monitoring capabilities to detect and alert its 24/7 Security Command Center in case of suspicious behaviors and installed GPS tracking on BSF ATMs to ensure compliance with municipality requirements.

## **I Corporate Governance**

The Corporate Governance Division was established to upgrade set of systems, principles, and processes by which BSF is governed to fulfill its goals and objectives in a manner that adds to the value of BSF, the shareholders, and all the long term stakeholders. Corporate Governance Division have identified its responsibilities and roles in BSF, completed and started important projects, activities etc. in accordance with the governance best practices and in line with the regulations of SAMA, CMA & MOCI.

In 2016, Corporate Governance completed significant activities as follows:

- Finalized Phase 1 of the policies and procedures project and obtained the approval from the Board of Directors.
- Initiated Phase 2 of the policies and procedures project. To formulate policies and procedures that address regulatory and BSF policy requirements and provide a guide to undertake functions and duties for all divisions, departments & units under GCCG (Governance, Compliance & Control Group).
- Completed the process and the approval for some of the policies during the year which are covered under Phase 2 of the policies and procedures project.
- Updated the Bank's BSF-Bylaw based on and in line with the new Companies Law from MOCI (Ministry of Commerce & Investment).
- Reviewing the BSF Annual Report.
- Complying with the current regulations related to the Board the Directors and Board Committees in line with SAMA and other regulatory authorities.
- Developed and updated on the Delegation of Authority Matrix to allow business process to be executed in an effective and efficient manner.
- Executed a plan to have a system for monitoring BSF policies, procedures, charters and other governance related documents.
- Started the activities and project to review and update the Management Level Committee Charters.

## **I Regulatory Relationship Department (RRD) & Corporate Secretarial of BSF Subsidiaries/Joint Ventures:**

RRD is responsible for following up all correspondences received by BSF Secretariat General from SAMA, CMA, Ministry of Commerce and Investment and the competent bodies after referring them to BSF concerned departments. Responses are reviewed and processed to ensure their accuracy and compliance to the requirements of regulatory bodies. RRD also follows up Commercial Registrations and other related mandatory licenses of BSF branches and have them updated, issued and/or renewed within regulatory deadlines. Furthermore, RRD is handling Saudi Arabian General Investment Authority (SAGIA) licenses for all BSF branches in coordination with other BSF concerned department/s.

In addition, RRD is in charge of BSF Corporate secretarial function for its Subsidiaries and Joint Ventures in providing administrative and technical support thereof. RRD to arrange Board of Directors (BOD) activities and provide support and assistance to Board members, Board committees and General Assembly. RRD also Coordinates and organizes the election of BOD members (where applicable) and the formation of the Board Committees.

Arranging meetings of the Board; in addition to ensuring the availability of appropriate means of communication for the exchange and recording of information between the Board and its committees and between members of senior management and non-executive board members; in addition to maintaining minutes of the Board meetings. RRD applies the instructions and regulations received from regulators, to inform the Chairman and members of Board of Directors, related Board committees, concerned Subsidiaries/Joint ventures departments with the related updates.

### **| Property Assessment Unit**

In this year, and in coordination between all the banks' departments and branches, the teams pursued on careful assessments of all properties/lands related to BSF, besides transferring title deeds and delegation and coordination procedures of the matters relevant to the bank's business with Ministry of Justice, Notary publics, Ministry of Commerce and Investment, Ministry of Housing, and Investment Authorities to ensure best work flow.

### **| BSF Corporate Social Responsibility**

The participation in social responsibility and its affairs is a genuine concept at BSF, as the bank is keen to comply with it, believing in the importance of interacting with the society's needs, and contributing in the pursuit of achieving the comprehensive and sustainable development arising from the bank consciousness of its social responsibility.

Where the bank is working to build a comprehensive and a long term strategy that studies and implements the programs, activities and events of development and humanitarian and charitable nature that serve all the segments of society through a dedicated team of professionals under the name of (bank of excellence), where the bank continued its leading role in this aspect through its professional banking career.

The social participations of BSF include various fields and activities among academic, educational, and health sectors. Besides the vocational training and development sector, as well as supporting literature and culture sector to reach supporting level of the domestic tourism sector along with the usual support for charitable institutions. The following is an overview of the Bank activities, initiatives and achievements during 2016 in the field of social responsibility:

In a beautiful gesture, our brave soldiers in the southern borders were supported in appreciation for their sacrifice to defend our country and safeguard the security of its borders and defend its holy sites. BSF also supported Riyadh Comprehensive Rehabilitation Center in collaboration with the Ministry of Labor and Social Development which aim to raise awareness regarding the existing services and make it accessible to residents and specialist, as it provides rehabilitation, housing, social, and recreational services.

The Bank continues to support (Training Mothers) program in collaboration with the Down Syndrome Association by training a number of mothers on how to deal with their children with Down syndrome. In addition to supporting (Paying Rent) program - and in collaboration with the Association of Bunyan Female Charity Organization, through supporting needy families - the Bank has contributed to address the financial barrier of some needy families in order to achieve the best support of social solidarity initiatives.



The Bank continued sponsoring (Young Merchant) program in its third session, which was attended by nearly 3200 applicants of public education staff, orphans, and people with special needs from the age of 8-18 years.

The program is an annual event designated to promote the principle of financial awareness and intelligence, for an aware generation that understand and plan for a safe economic future. Ramadan's Gafilat Alkhair, is due to the bank's commitment to its social responsibility and its role with the voluntary and charitable sectors, which aims to alleviate the suffering of families in need by distributing food baskets among them in collaboration with the Social Responsibility Club at King Saud University.

Also, a sustainable strategic partnership contract was signed between the Saudi Alzheimer's Disease Association and BSF, in order to improve health and living standards of the association patients. Out of BSF social responsibility initiatives and leadership, BSF has sponsored (Orphans Smile) program in partnership with the Ministry of Social Affairs and Social Responsibility Club at King Saud University, a program that aims to put a smile on the faces of 400 orphans from Ekhaa Organization.

In its second edition after the great success of the first one last year's "Salman in Their Eyes" exhibition at the Disabled Children's Association Headquarter which brings together more than 200 drawings of the children's creations.

The exhibition has provided an opportunity for creative people of special needs to express their feelings and their love for King Salman who pays this dear group a special attention on all levels. The exhibition was attended by about 520 children and 33 associations.

Moreover, out of BSF keenness to promote international social events like World Health Day and Day of Cancer in addition to the International Day of Elderly continuing from the joint collaboration between the bank and the different humanitarian and social centers. This report of social responsibility is not an independent or separate act, it is an integral part of our operations and helps to achieve our goals including the service of our society to reach a sustainable environment to which we all aspire. Last but not least, we clarify the role of social responsibility, as BSF is considered a pioneer among all banking institutions in supporting sports, as in the Annual Charity Marathon for the 8th year in a row, which was held under the patronage of His Royal Highness Prince Saud bin Nayef, Governor of Eastern Province.

The Bank was awarded Nibras Alarab Award for Social Responsibility in the United Arab Emirates for its outstanding role in the areas of social responsibility under the patronage, HE Major General Nasser Salem Al Nuaimi, Secretary General of the Office of UAE H.H. Deputy Prime Minister and Minister of Interior.

In addition to that, BSF was awarded the Non-governmental Donating Institutions Award in Arab countries (Manih) which was allocated for donating institutions that play a role in supporting community initiatives, under the patronage of Mr. Ali Bin Saleh Al Saleh, Chairman of the Shura Council in Bahrain.



### **I Compliance Division (CPD)**

BSF has established an independent and fully resourced Compliance Division headed by the CCO who reports functionally to the BOD via the Chairman and for administration purposes to the MD. Compliance assists and supports BSF Board of Directors and Senior Management in their efforts to establish appropriate compliance culture and practices. Compliance also provides support to BLS & SDS on various regulatory matters.

It seeks guidance and clarification from the regulators on various matters. Compliance interprets the rules to ensure that rules are applied in their letter and spirit. Furthermore, Compliance Division carries out compliance reviews, monitoring and performs various functions to report on risks of a BSF's non-compliant matters and gross violations of the rules.

Compliance aims at maintaining reputation, credibility, and interests of owners and depositors, and at fostering best practices of BSF's operations in the Kingdom through complying with laws, instructions and regulations that would be reflected on work quality. Also, Compliance provides training on compliance issues in order to raise the employees' awareness of integrity issues and business, it also gives independent advice to management on significant integrity concerns. Additionally, Compliance interprets the Code of Conduct and investigates cases of breach of the Code of Conduct.

Finally, Compliance is responsible for facilitating processes to effectively manage regulatory changes and maintain constructive relationships with regulators.

### **I Services Quality Division**

Service Quality Division is the only department at BSF responsible of receiving and handling our customers' complaints. It receives, solves and replies to complaints via all communication channels that are provided by the bank to its customers. The number of complaints received in 2016 was 7376. 97.53% of the complaints were solved within the timeframe of BSF standards (five working days) and 99.73% were solved in (ten working days) which is the timeframe of SAMA standards.

The Services Quality Division made another achievement in decreasing the number of complaints received by SAMA in 2016 by 50.4% compared to 2015. The number of complaints decreased from 621 to 308 which symbolize a goal of SAMA and BSF.

Regarding awareness and training, Service Quality Division in collaboration with Corporate Communication Division, RBG and Global Transactions Division, implemented the campaign of Customer Care 2016 through all ATMs, Emails and SMSs. All BSF branches were visited by the Services Quality Division officials for the purpose of training the staff, listening to their comments and providing them by the latest updates of complaints automated system.

### **I Anti-Financial Crimes Division**

Anti-Financial Crimes Division was established in 2014, under the Governance, Compliance and Control Group, and it comprises several units, including Fighting Money Laundering & Financing of Terrorism, Fighting Bribery & Corruption, Global Sanctions & Freezing Assets, Fighting Fraud and investigation, and Self-Supervisory Unit.





The Division undertakes numerous responsibilities and tasks which include; the monitoring of all transactions, detecting any suspicious activities, receiving reports from branches and other business sectors of the bank, collecting information and analyzing it, preparing detailed technical reports, participating in the process of training and spreading awareness, the submission of periodic reports to the related committees, reporting to the concerned authorities, continuously updating all policies and procedures and rules, developing systems the programs and ensuring the full compliance with all regulatory requirements issued by local and international authorities.

The Division was established to keep up with the developments, challenges and local and international standards relevant to encountering all forms of financial crimes. The intention is to consolidate efforts and capabilities and to achieve the set objectives in the best possible manner in fighting and preventing financial crimes in the banking sector.

#### **| Anti-Fraud & Investigation Department**

The Anti-Fraud & Investigation Department receives all reports on banking fraud cases directly from BSF departments, branches and external bodies, to be professionally addressed. Also, it is responsible for raising awareness about banking frauds among customers & employees to protect the bank's reputation, financial and human resources.

The Anti-Fraud & Investigation also sends educational messages to all BSF staff on a quarterly basis to let everyone understands the seriousness of the situation, the importance of countering fraud and the followed procedures in this regard. In all regions of the Kingdom, the department organizes training courses on a regular basis throughout the year.



# AUDIT



Several key  
projects were  
**successfully  
launched**

## Internal Audit conducted a high level entity-wide risk assessment exercise

### **I Internal Audit**

Internal Audit Division is an independent, objective assurance and consulting activity designed to add value and improve Bank's operations. It helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, Internal Audit is an independent function within BSF reporting to the Board Audit Committee. The scope of the Audit division encompasses all Groups, Divisions, Departments, activities and locations of BSF and its subsidiaries. Audit acts as the "third line of defense" and the role of audit does not diminish or abdicate the responsibilities of senior management or employees in the management of the day to day operations of BSF.

Internal Audit has unconstrained access to all people, premises, systems, documents and records as well as any supporting means it considers necessary in the performance of its functions. The Audit Division coordinates its work with external auditors, Risk Management Division and the Compliance Division of the Bank to ensure proper coverage of risks and avoid duplication of efforts.

## I Internal Audit Activities

Internal Audit Division conducted a high level entity-wide risk assessment exercise for the purpose of developing Internal Audit Plan for three years (2015-2017). The Risk Based Internal Audit Plan was prepared after taking into account the bank's strategy, goals and objectives, management expectations as well as the results of the entity wide risk assessment.

The bank's midterm plan and overall strategy were one of the key inputs in the Risk Model for the Internal Audit Plan in order to align Internal Audit strategic plan with bank's strategic objectives. In addition, as part of the exercise Internal Audit Division developed a risk criteria for selection of branches for audit purposes. The Internal Audit reviewed the Annual Audit Plan of 2016 for any significant changes in the organization structure, addition of branches, implementation of any major IT systems, significant changes in risk profiles and latest regulatory requirements. The Audit Plan of 2016 was presented to the audit Committee where it was discussed, finalized and approved.

As per the approved Internal Audit Plan for the year 2016, several key projects covering various functions, branches, processes and IT systems/applications were launched and successfully completed by Internal Audit Division. Internal Audit Division continued its efforts to strengthen by hiring experienced resources. Internal Audit Division reviewed and updated its governing documents i.e. Internal Audit Manual including its Charter to keep these documents in line with current requirements of Regulator, The Saudi Institute of Internal Auditors and industry best practice and also updated the existing branch audit methodology and audit program.

Internal Audit also perform follow-up on implementing the recommendations related to Internal Control Framework Review (ICR) as per SAMA recommendations and provided consulting services to various function for implementation of their recommendation.

Internal Audit Division as an independent function within BSF also performed certain special investigations upon the request of SAMA and Senior Management during 2016.



### **| Effectiveness of Internal Control**

On overall basis, the Board is responsible for internal control system in BSF and for reviewing its effectiveness mainly through Risk Committee & Audit Committee. The framework of policies and key procedures that the BOD has approved is designed to provide effective internal control within the bank for managing risks within the defined risk appetite of the Bank. Such framework can provide reasonable but not absolute assurance against material misstatement, errors, losses or frauds.

The bank's management is responsible for implementing and reviewing the effectiveness of its internal control framework as approved by the Board. The bank's Management has adopted Internal Controls integrated framework as recommended by SAMA through its guidelines on Internal Controls. Internal Audit Division monitors the effectiveness of internal control system across the Bank following a risk-based audit approach.

Internal Audit Accomplishes this by independently reviewing the design effectiveness and operating efficiency of internal controls to ensure that the bank is operating within its stated Risk Appetite. All significant and material findings of Internal Audit assessments are reported to the Audit Committee of the Board. The Audit Committee actively monitors the adequacy and effectiveness of the internal control system to ensure that identified risks are mitigated to safeguard the interest of the Bank. Management is responsible for ensuring implementation of the internal audit recommendations on a timely manner.

In addition, the bank's wide Internal Control Framework Review was conducted by an Independent Consultant in line with SAMA guidelines for Internal Controls and a report was issued in 2014. Internal Audit is performing regular follow-up to check the implementation status and the results of the follow-up are communicated to Board Audit Committee.

Based on the results of the ongoing evaluation of internal controls carried out during the year, the management considers that the bank's existing internal control system is adequately designed, operating effectively and monitored consistently. Nevertheless, the management continuously endeavors to enhance and further strengthen the internal control system of the Bank.

# SAUDI FRANSI CAPITAL

السعودي الفرنسي كابيتال  
Saudi Fransi Capital





## Proud to be a one stop shop for **institutions & individual investors**

Much of 2016 was devoted to building a stronger organization that will support a lasting long-term stakeholder value. While it has been a challenging year for capital markets and the country as a whole, we achieved a great deal and we have undergone major adjustments to solidify our position over the coming years.

Our Asset Management has had an exceptional year essentially through our largest launch to date in third-party funds where customer preference for international products has helped register healthy growth. We witnessed strong demand in public and private institutional client assets as they recognized us for our performance and depth in process and continuity. Overall investment performance remained competitive where our local Islamic and conventional equity fund assets continued to provide value to our investors.

Our Investment Banking has had an excellent year showing double digit increase in revenues and leading market share. We continue to be among the top three investment banks as we have secured multiple landmark transactions and signed a record number of deals since inception. We successfully completed one of the only three premium IPOs for the year and we continued to be active in debt capital markets completing two large and complex transactions. In one of the Sukuk deals, our innovative structure allowed us to achieve an off-balance sheet treatment, unlike any transaction in the history of the kingdom. Our Brokerage business is expanding beyond its core strength observed through our leading market share in institutional brokerage in the Kingdom. Our Research has evolved to cover the majority of market capitalization, elevating our position amongst investors and proving valuable to clients. We can be proud to be a one stop shop for institutions and individual investors who would like to access capital markets through multiple interfaces and obtain research as well as sales and trading services.

The entire team at Saudi Fransi Capital has been largely engaged over the past year in addressing a significant number of initiatives from securing regulatory requirements, and implementing new capabilities all while ensuring we always kept our customers' needs first. These initiatives will deliver operational efficiencies and enable us to more effectively leverage the competitive advantages of our national scope, strong brands and product diversity.

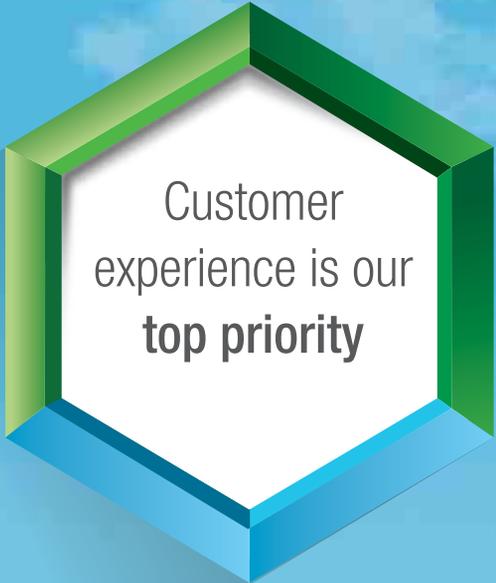
# ALLIANZ SAUDI FRANSI



**Allianz** 

أليانز السعودي الفرنسي  
Allianz Saudi Fransi





Customer  
experience is our  
**top priority**

## Creating a culture where people & performance matter without excluding anyone

Market conditions proved to be somewhat challenging in 2016 due to the current economic situation, we adjusted to these conditions with a focus on the General Insurance and the Motor insurance business. Also looked at the opportunistic side of the situation and launched its Renewal Agenda initiative which focuses on digitalization, technical excellence, growth engine and creating a culture where people and performance matter without excluding anyone. All these initiatives have one focal point to make superior customer experience the top priority of all our actions.

A Net Promoter Score (NPS) campaign was rolled out and will continue throughout 2017 to measure customer satisfaction at different touch points and identify pain areas. This is helping us improving processes and customers experience. In Claims Management, a new workflow system was integrated to allow automated and efficient claims processing allowing us to improve efficiency and service to customers. We had also developed a Smart Motor Fast Quotation tool to generate motor quotations based on limited parameters. This new tool will be launched in 2017 for our Retail Motor Clients. These initiatives helped us in reaching an operating profit of SAR 24.4 Million, the highest since establishment in 2007. This increase represents a growth of 2.5% compared to 2015. This also shows how efficient the company's underwriting policies have been over the past few years.

Under our Corporate Social Responsibility activities we held a local football tournament between 16 Youth Clubs. The tournament concluded with selecting two young Saudi football players (aged 14-16) to travel to Germany to participate in the Allianz Junior Football Camp, an annual 6 days camp that takes place in Munich, Germany in partnership with Bundesliga record holders, FC Bayern Munich. The Camp offered 75 children from all around the globe a chance to train with the club and learn more about the world of the most professional football players as well as the cultures of other participants.

Development will continue in 2017 and we will focus on further enhancing customer services and develop online sales capabilities for retail customers. In Bancassurance, the product offering and services development will support the Retail business development. For the Corporate and SME Bancassurance business, we will leverage on the excellent relationships between Banque Saudi Fransi and its customers in order further improve cross-selling activities. Developing and empowering our employees will be an essential part in further reinforcing a culture where people and performance matter without excluding anyone.

Expertise, Integrity and Sustainability  
from A to z

Create Trust - Deliver Excellence

# SAUDI FRANSI LEASING



السعودي الفرنسي للتمويل والتأجير  
Saudi Fransi For Finance Leasing





## The first automotive leasing company to launch a mobile application

Saudi Fransi Leasing in its 5th year of operation stands as one of the fastest emerging finance lease companies in Saudi Arabia with a growing market share in the local auto leasing activities.

SFL's main shareholder Banque Saudi Fransi, increased the share capital in SFL to SR 500 million during the year. The Saudi leasing market witnessed intense competition among the market players and in stiff economic conditions during 2016. SFL focused on its core competencies which enables us to achieve positive growth and surpass the SAR 2 billion portfolio mark.

SFL has an extensive dealer network coverage with all popular automobile brands in the Kingdom, along with a range of innovative products catering to different customer segments.

SFL was the first automotive leasing company to launch a mobile application with new customer service offerings that provide convenience & quick response. Our after sales service is customer centric, putting ease of use and customer convenience as top priority. With our current E-channel services SFL is to be the finest in the Saudi auto leasing market.

In 2017 The company will continue to focus on the distribution channels including cross selling with BSF retail, corporate and business banking in order to further expand its customer base and achieve our corporate goals. For 2017 and subsequent years, we have established plans, focusing on profitability growth development with an aim to be amongst one of the leading auto leasing companies in the Kingdom fulfilling Retail and Corporate customer needs with innovative finance lease products to various individuals and business lines.

البنك  
السعودي  
الفرنسي  
Banque  
Saudi  
Fransi



بنك الإمتياز

Banque of Excellence

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Excellence

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