

# Al Rajhi Bank

World Class Compliance Program

ARB's Journey to Date and Current Capabilities:  
Compliance culture and code of conduct



July 2017



# Compliance culture



## Tone at the top

- ▶ The Bank's Board of Directors and Executive Management **set a vision** for the Bank to be **'best-in-class'** in Regulatory Compliance, AML and Sanctions program in the Kingdom of Saudi Arabia and the GCC region
- ▶ The Bank's Board of Directors and Executive Management have **ZERO tolerance for non-compliance** with regulatory requirements
- ▶ The **CEO chairs** the management level **Compliance Committee**.
- ▶ At the direction of the CEO, the executive management, department heads and line management are fully committed to ensuring the **highest standards of compliance** across all its activities and functions.



## Training and awareness

- ▶ Over the last 4 years, the Bank **made major investments in training and awareness programs** relating to Regulatory Compliance, AML, Sanctions and KYC.
- ▶ These programs ensured significant enhancement in **control and compliance culture** (across all the 3 lines of defense)  
**(Refer to presentation on training & awareness for details)**



## Strategy

- ▶ 2015 was a year of transformation at Al Rajhi Bank. The Bank went 'back to basics' to refocus its strategies and plans, and developed a road map to chart future direction and transformation. **Building world-class compliance framework and infrastructure is an integral part of the Bank's strategy**



# Training and awareness: Key enabler for improvement in Compliance Culture

Over the last 4 years, the Bank made major investments in training and awareness programs relating to Regulatory Compliance, AML, Sanctions and KYC.

These programs ensured **significant enhancement in control and compliance culture** (across all the 3 lines of defense).

**Between 2014 and H1 2017, over 15 K people were trained (~ 31 K man-days) on AML/CTF programs. An average of 22% of all training programs delivered is AML/Compliance related**

In addition, as part of the AML transformation program (over 3+ years), a number of focused training programs were rolled-out to various business units specific to their job functions on the enhanced systems, controls and new procedures.



Instructor-led training



E-Learning



Policy acknowledgements and tests

ACAMS

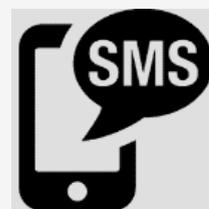
ACAMS Certification



Electronic Awareness Messages



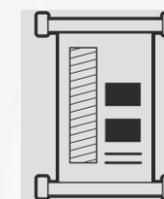
Circular Messages



SMS to Staff and Customers



Screen saver messages



Roll-up banners in HO and Branches

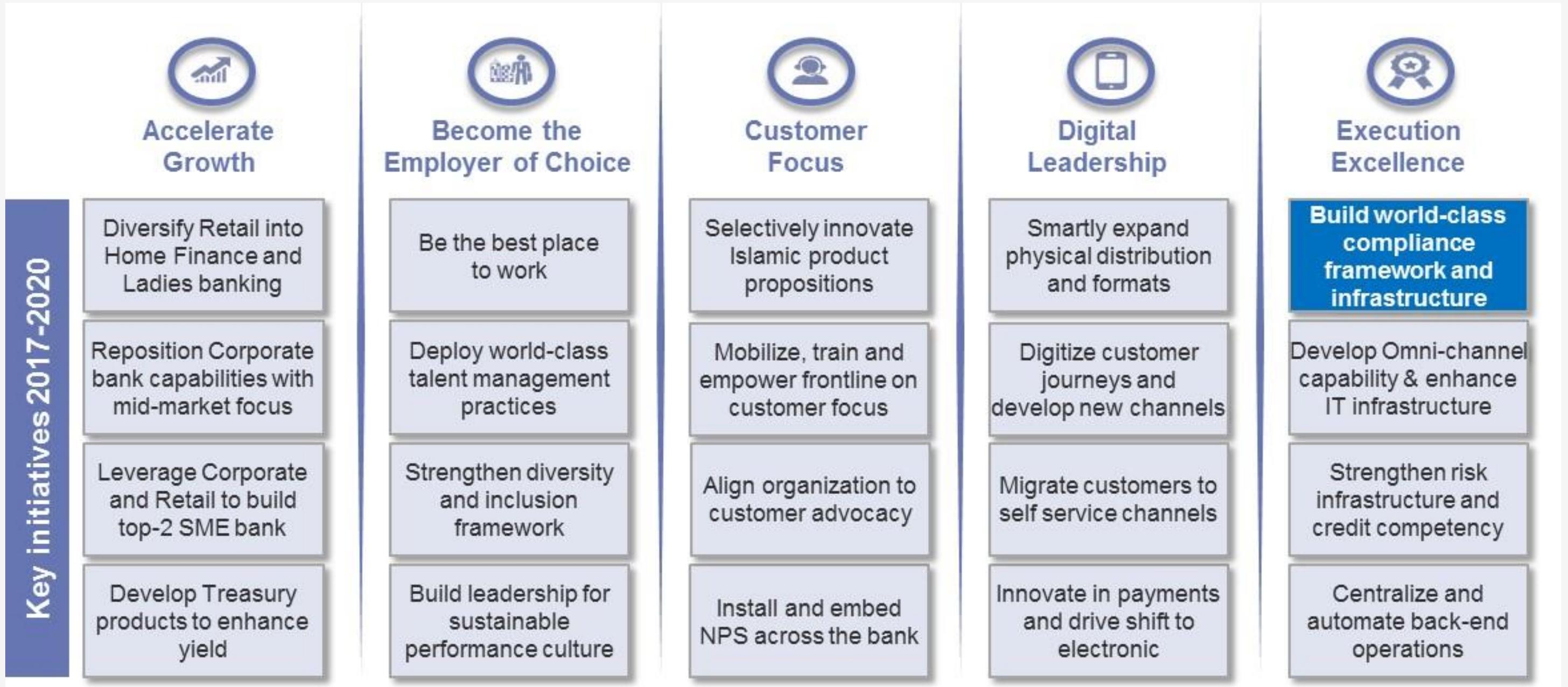


Branch screen messages



# Our strategy

Building world class compliance framework and infrastructure is an integral part of our strategy



# Inculcating compliance culture in people strategy



- ▶ The Human Resource strategy at Al Rajhi Bank is designed to support sustainable business growth.
- ▶ The **structure, work force planning, resourcing, people development, performance management, rewards and retention** have seen a major transformation in the last 3 years.
- ▶ The **Control and Governance work force has increased by 36%** since 2014, whilst the growth in business work force is only 5%
- ▶ The performance management and rewards framework has significant weightage to governance and control components. **The KPI weightage for Senior Management increased by 100%** (10% to 20%)
- ▶ The investments in learning and development in Compliance and AML significantly enhanced (**22% of all training programs delivered is AML/Compliance related**)
- ▶ Overall 'regrettable' **attrition rate, significantly improved** and within market leading practices
- ▶ The **HRMS systems have been upgraded** significantly to support people initiatives and mitigate risks
- ▶ Major **enhancements to people policies and procedures** incorporated



# Employee code of conduct: Key Content



## Code of Conduct



- ▶ Applies to everyone employed by Al Rajhi Bank, including permanent and temporary employees, contractors, and Board of Directors.
- ▶ Requires compliance with all relevant laws, rules, and regulatory guidelines
- ▶ Encourage employees to immediately report to whistle-blowing unit manager or CCO (as per whistle-blowing policy), any activity or behavior that is non-compliant with the Code
- ▶ Extracts of the code of conduct:
  - ▶ We must prevent Money Laundering, Terrorist Financing and Corruption
  - ▶ We are committed to protecting customer, employee and ARB information
  - ▶ We have adopted policies to protect information usage
  - ▶ We will comply with all applicable laws, rules and regulations, and directions of the Sharia Board
  - ▶ We are committed to managing conflict of interest
  - ▶ We must not let outside business activities to impact our responsibilities at ARB
  - ▶ We will not offer or accept improper gifts, payment and benefits



## Acknowledgment

- ▶ Before joining ARB, all employee have to read, understand, and acknowledge on the code of conduct
- ▶ Refresh and annual acknowledgement through HRMS system
- ▶ Tests to be passed to confirm understanding of the code
- ▶ Employee privileges not allowed till employee acknowledge the code and pass the test



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Thank You

