



The human resources function at Al Baraka Bank is considered to be a strategic enabler in terms of the acquisition, development and retention of the bank's intellectual capital.

We realise that employee satisfaction has a direct bearing on the delivery of customer service excellence and, therefore, we strive to maintain an engaged workforce through constantly improving the organisational climate. Through our fostering of healthy employee relations, members of staff enjoy a secure and productive environment where collaborative relationships form the cornerstone of the bank's business success.

Remuneration committee

The remuneration committee of the board comprises three non-executive directors, one of whom is the deputy chairman of the board.

This committee plays an integral role in ensuring return on investment on shareholder value. This is accomplished through the members' active involvement in working towards best practice with regard to appropriate recognition and remuneration, in relation to the industry sector within which the bank operates.

Social and ethics committee

The social and ethics committee of the board is also closely aligned to employee activities. The committee delivers a governance function, ensuring that our members of staff are provided with a safe and equitable working environment; an environment free from unfair discrimination and which is in keeping with international labour standards.

We place a high premium on social investment. This is maintained through the alignment of the efforts of the social and ethics committee, together with work undertaken by Al Baraka Bank's internal charitable and welfare committee. A number of deserving beneficiaries within the community were identified and assisted with disbursements designed to promote empowerment and upliftment during the 2012 financial year.

Operating within an ethical environment is a core value we of Al Baraka Bank hold dear. Various initiatives, inclusive of our employee ethical behaviour survey, the anonymous whistle-blowing report line and fraud awareness presentations, have combined to re-enforce the critical need for all our members of staff and management teams to, at all times, conduct themselves in an ethical manner.

Succession planning

In keeping with strategic direction provided by and received from Al Baraka Banking Group, a comprehensive succession planning strategy has been developed and implemented by our bank.

The intention behind this vital intervention is to ensure that our company continues to grow and is able to maintain seamless operations in the event of the natural attrition of managerial and/or scarce skills.

The strategies we have put into place have been specifically designed to ensure the development of a robust structure of talent through the creation of a leadership pipeline and on-going career development activities throughout the employment life-cycle. This talent management practice provides for both contingency needs and the retention of intellectual capital within the organisation.

Graduate development programme

Al Baraka Bank has for the past four years taken on a number of newly qualified graduates, allowing them to spend a 12-month period within the bank's business environment and exposing them to the workings of the various departments. This new learning opportunity both provides young graduates with the opportunity to acquire invaluable work experience and presents the bank with potential managers whom it is able to groom for the future.

Talent acquisition

Al Baraka Bank's long-term strategy is to become an employer of choice. It is our intention to develop the bank to become one of the best companies in the financial industry sector for which to work.

We seek the continuous enhancement of our internal and external talent acquisition selection tools and processes, ensuring that we pro-actively attract high-calibre candidates who appropriately fit the business culture of the bank.

In line with this, it is a pleasure to report that our graduate programme continues being most successful. We take comfort from the realisation of a positive return on our investment in young aspiring professionals; young people who have demonstrated a passion for Islamic banking.

Recognition

A special employee recognition awards function was hosted by the bank at our Durban head office during 2012. This event proved to be a resounding success, achieving the desired objective of celebrating the successes of our top-performers and recognising them for the invaluable contributions they have made to our company. The ethos of employee recognition, in terms of customer service excellence and outstanding performance ideals, has certainly filtered through the bank nationally.

Performance management

An automated performance management system was introduced in 2012 to complement the existing suite of human resources information systems. The creation of a high performance organisation, using



KNOWING IS NOT ENOUGH; WE MUST APPLY. WILLING IS NOT ENOUGH; WE MUST DO

this system as a tool, will be closely aligned to our recognition and remuneration strategy going forward.

Training and development

Our training and development committee has played a pivotal role in ensuring the execution of the bank's training and development strategy.

The identification and development of scarce skills has received priority to make sure of the continuity of specialist functions within the bank.

We have partnered with the BANKSETA, as a stakeholder, so as to secure funding for various development opportunities geared to the improvement of the skills of our members of

staff. A 2012 highlight included our securing of funding for the National Certificate in Banking Learnership scheme. Some 25 learners nationally – predominantly at branch level – were selected to further develop their careers in banking.

Recognition by Al Baraka Banking Group

Our bank has been recognised by Al Baraka Banking Group for the participation of our members of staff at group level and the quality of skills they have brought to such involvement.

We are pleased that a number of our senior managers have played an active role in various committees at group level and will continue to contribute meaningfully to the achievement of the organisation's strategic objectives.

	AIC*		White		Total		Total
	male	female	male	female	male	female	
Executive management	2	-	1	-	3	-	3
General management	5	-	-	-	5	-	5
Professionally qualified and experienced specialists, senior and mid-management	26	9	2	2	28	11	39
Skilled technical and academically qualified workers, junior management and supervisors	52	51	3	-	55	51	106
Semi-skilled and discretionary decision-making	32	67	-	-	32	67	99
Unskilled and defined decision-making	7	11	-	-	7	11	18
Total	124	138	6	2	130	140	270

* AIC = African, Indian and Coloured

Remuneration paid to employees who have a material impact on the banks' exposure to risk

Aggregate compensation of other executive, general and senior management who have a material impact on the banks' exposure to risk equated to R9,7 million (2011: R8,3 million)

Details pertaining to the decision-making process used to determine the bank's compensation policy, its remuneration committee composition and mandate, as well as the most important design characteristics of its compensation system are disclosed in the corporate governance report.