

Employee Value Proposition and Employee Engagement Statement

January 2024

Overview

National Bank of Kuwait (“NBK” or “Bank”) is committed to enhancing the Employee Value Proposition (EVP), which is the set of attributes employees perceive as the value they gain through their employment with the organization. Employee Engagement, which forms a key component of NBK’s Employee Value Proposition, marks our commitment to continuously enhance employees’ engagement, fulfillment, and morality. The Employee Value Proposition and Employee Engagement Statement aims to outline the efforts NBK has designed and are being implemented to support employees achieve their goals (being engaged) in environments that support productivity (being enabled) and maintain personal well-being (being energized) on a Group-level.

Employee Value Proposition

The Employee Value Proposition is the experience offered by NBK to its employees in return for their skills, experience, and commitment to the Bank. It is what NBK provides to attract, engage, and retain the right talent.

Importance of EVP

Our people are at the heart of our organization and will determine NBK’s success. This is why it is crucial to have a clear view of the type of organizational culture and kind of people the Bank needs. To attract, engage, and retain the right talent, NBK recognizes the need to present an authentic and differentiated Employee Value Proposition and develop a clear employer identity.

The EVP preserves what is valued by NBK Employees and reflects a forward-looking vision of NBK’s Employee Experience, which is in line with the changing realities and the evolution and future growth of our organization.

NBK Adopted These Guiding Principles

- Focus on the behaviors NBK needs to drive sustainable business performance.
- Ground all pillars in what is most valued by our employees.
- Differentiate our commitments from any talent competitors.
- Align the pillars to our values to ensure long-term sustainability.

NBK’s vision, mission, and values coupled with the Bank’s strategy and leadership commitment form the grounds for building the foundations of an agile Employee Value Proposition. Our employees’ voices are placed at the center of developing our EVP to ensure their essential needs, expectations, and aspirations are captured in a way that aligns with our mission and helps us attract, retain, and engage the right people.

The Employer Brand is the innovative translation of the EVP pillars into an overarching commitment towards our employees. The Employer Brand has been developed in line with NBK Branding guidelines to ensure coherence and harmony with NBK’s Brand Values.

The EVP pillars are grounded by the Bank’s employee experience. They are considered the most important aspects of working at NBK as experienced by our employees by portraying the current state and desired future. Addressing the improvements required to fully deliver on every aspect of all EVP pillars, NBK has defined a two-year action plan based on prioritizing the areas where it has the most potential and is able to achieve the greatest impact. NBK is committed to focus on these areas that matter most to our employees to further improve our employee experience in line with global standards and leading industry practices.

The NBK EVP is Summarized into Three Pillars

1. Our Success Story

“You are part of an incredibly powerful brand and legacy. Together, we continue our journey of success.”

NBK Provides You with a Great Work Experience Because:

- The financial results over the years prove the Bank is robust and sustainable, giving you comfort and security.
- You can be proud of being part of the heritage that helped shape the industry and the country.
- You are associated with a powerful brand that everyone knows.
- The Bank’s reputation for success and high standards increases your market value.
- A stable and experienced leadership that you can place your trust in.
- You have the opportunity to contribute to the success of the Bank.

What NBK Expects from You in Return:

- Being an ambassador and role model to the NBK Brand, values, and behaviors.
- Being committed and dedicated to the organization – putting the Bank’s interest before one’s own.
- Being loyal to the Bank.
- Being customer centric – building relationships, being reliable and accessible.

2. Professional Excellence

“You work with outstanding professionals, who uphold high standards and encourage you to achieve ambitious goals.”

NBK Provides You with a Great Work Experience Because:

- You work in a highly professional environment that is well organized and structured on par with international standards.
- You work with high caliber co-workers who are responsible and uphold high standards.
- You are exposed to many interesting and diverse challenges, both internally and externally, in terms of clients, transactions, and assignments.
- You are surrounded by supportive colleagues who work together towards common goals.
- You are challenged to deliver your best and recognized for exceptional performance.

What NBK Expects from You in Return:

- Committing to ethical behavior and business conduct.
- Being disciplined and punctual.
- Upholding organizational standards.
- Being accountable for your actions.
- Willingness to go the extra mile.
- Being customer centric – building relationships, being reliable and accessible.
- Committing to high quality.
- Working within teams – having empathy and supporting your colleagues.

3. Accelerated Learning

“You continuously learn in a culture that drives personal growth and truly values long-term careers.”

NBK Provides You with a Great Work Experience Because:

- You go through a structured training curriculum to help you develop the required knowledge and skills.
- You are provided with a steep and rewarding learning curve enriched by everyday interactions with high caliber colleagues and exposure to a wide variety of challenges in your work.
- You have a clear view of your career possibilities and the opportunity to build a long-term career with the Bank.
- You work in an open and transparent culture that promotes continuous learning, e.g., freedom to challenge the status quo, an environment that is conducive to ideas and knowledge sharing.

What NBK Expects from You in Return:

- Eagerness to learn.
- Proactive attitude.
- Willingness to challenge the status quo.
- Open to feedback and being challenged.
- Drive for personal, professional, and organizational growth.

What Does the Employer Brand Stand for?

Our Employer Brand describes how NBK wants to be known and perceived as an employer, in a way that will resonate with our employees, not only rationally but also at an emotional level.

NBK Group Human Resources (GHR) developed the overarching theme of the Employer Brand as follows “Proven Strength, Future Impact” because it reflects our strong belief to deliver extraordinary results through collective efforts.

The theme “Proven Strength” expresses the strong foundations that NBK has built; the rich history and legacy of the organization and the great success story it has built for our people and customers over the years.

While the theme “Future Impact” expresses the strength of togetherness at NBK. The outstanding teams and our collective commitment to excellence collectively make a positive impact on our customers and our community.

This is visualized through the blossoming flower making up the EVP’s brand, which is a perfect metaphor of NBK’s story of success that is built on the strength of its foundations. The strength of NBK’s roots allows the organization and its people to prosper and grow for the future. The petals represent the multiple components of the business – people, history, and future – combining to vibrantly articulate the strength of being together.

What is the Employer Brand Used for?

The Employer Brand is used in all our external communication targeting potential employees. Our Employer Brand is integrated into our career site, as well as job advertisements, banners, brochures, and job fair materials to attract potential candidates.

NBK also utilizes the Employer Brand internally in all our communications to NBK Employees about any aspect of the EVP.

It plays a crucial part in the communication of our Human Resources practices, plans and expectations. Including but not limited to:

- Employee Handbook.
- Dress Code Handbook.
- Code of Business Ethics and Conduct.
- Posters in the workplace.
- Intranet, and any other internal communications related to the employee experience at NBK.

Employee Engagement

A core and fundamental element of our Employee Value Proposition is our aim to maintain and retain our high performing employees while fostering an engaging culture through active employee engagement. The strategic business priorities NBK aims to achieve through employee engagement are efficiency, quality, innovation, customer service and brand. These are measured through our Employee Engagement Survey.

Employee Engagement Survey

NBK holds a bank-wide Employee Engagement Survey (“EES” or “Your Voice Matters”) every two years where employees have the chance to voice out what it's like to work at NBK. The aim of the survey is to identify how engaged employees are when working at NBK and identify key strengths and areas of improvement. The results help us identify the areas that need to be enhanced by benchmarking the Bank’s practices against leading players in our field, and the previous results NBK achieved. The EES measures employee engagement across 14 main categories. Prior to every survey launch, GHR assesses recent business trends that are relevant, important, and may have an impact on employees then adds the identified topics to the survey. For example, in 2021 GHR added the topic “COVID-19”, and in 2023 added the topics “Employee Wellbeing” and “Diversity & Inclusion”.

The 14 main categories of the EES are:

1. Sustainable Engagement
2. Strategy and Direction
3. Senior Leadership
4. Line Management
5. Business Group Leadership
6. Learning & Development
7. Performance Management
8. Pay and Rewards
9. Image and Reputation
10. Communication
11. Job Satisfaction and Empowerment
12. Quality
13. Working Relationships and Culture
14. Retention

Mapping the EES Categories with the EVP Pillars

1. Our Success Story

The EES categories that fall under this EVP pillar are:

- Strategy and Direction
- Image and Reputation
- Leadership (Senior, Group, Line)
- Communication

- Diversity and Inclusion

Demonstrating our commitment to provide employees with a great work experience, NBK Group scored 83% in the EVP pillar “Our Success Story” by employees in 2023, 2% higher than our previous survey in 2021 and 4% higher than the Global Financial Services industry average.

2. Professional Excellence

The EES categories that fall under this EVP pillar are:

- Leadership (Senior, Group, Line)
- Pay and Rewards
- Performance Management
- Job Satisfaction and Empowerment
- Quality
- Working Relationships and Culture
- Communication
- Employee Wellbeing

In line with our dedication to build and sustain a highly professional work environment with high caliber employees, NBK Group scored 72% in the EVP pillar “Professional Excellence” by employees in 2023, 1% higher than our previous survey in 2021.

3. Accelerated Learning

The EES category that falls under this EVP pillar is:

- Learning & Development

NBK is increasingly investing in providing our employees with enriching, rewarding, and agile learning and development opportunities. In 2023, NBK Group scored 73% in the EVP pillar, “Accelerated Learning” by employees, 2% higher than our previous survey in 2021 and 4% higher than the Global Financial Services industry average. GHR is continuously assessing market needs and global trends to provide our employees with a dynamic learning approach that prepares our employees for the future.

Response and Engagement

Since the launch of the EES, GHR has witnessed an increase in the response and engagement rates from employees. NBK strives to foster a culture of transparency and trust and to encourage and facilitate open dialogue among employees.

In 2018, NBK Kuwait achieved an impressive response rate of 87%, which is significantly higher than the global average response rate of 65%-75%. This was reflected positively on the Sustainable Engagement score, achieving 82%, which is 3% higher than the Financial Services industry average and 6% higher than the Gulf Cooperation Council (GCC) regional benchmark. In 2021, the survey was expanded to the Group-level to include NBK’s international branches and subsidiaries. NBK Group maintained a remarkable response rate of 88%, with a notable Sustainable Engagement score of 83%, which was 4% higher than the Global Financial Services industry average. In 2023, NBK Group continued to achieve an impressive response rate of 86% with a positive Sustainable Engagement score of 84%, 1% higher than our previous survey in 2021 and 7% higher than the Global Financial Services industry average.

NBK improved in all 14 categories in 2023, compared to 2021, with a 2% increase in areas such as: Senior Leadership, Strategy and Direction, Learning & Development, Performance Management, Working Relationship and Culture, and Retention.

Actions Taken from the Employee Engagement Surveys

1 – Employee Well-being

- NBK collaborated with Wara Hospital to provide on-site specialized medical services at NBK Headquarters.
- NBK operates a flexible working hours policy.
- Employees are eligible for a 30-day leave balance in advance from January of each year.

2 – Employee Recognition

- NBK designed a peer-driven employee recognition program called the Most Valuable Player (MVP) Awards that annually recognizes employees for their team spirit, engagement, effectiveness, contribution to the team/division, and their positive impact and contribution to their Business Group. In 2023, the MVP Awards were expanded to NBK's international locations including UAE, Bahrain, New York, Lebanon, Singapore, Paris, China, Iraq, London, Iraq, NBK Suisse, KSA Wealth Management, and Egypt.

3 – Learning & Development

- NBK conducts an annual staff training needs identification process to cater for all employees and launched an automated process to all line managers to capture employees' training requirements.
- NBK has in place the Highfliers Program, organized in partnership with IE Business School - Madrid, and targets a group of talented NBK Employees, who have a proven record of high performance and leadership potential. In 2023, the program expanded to include employees from NBK's international locations. The program focuses on management and leadership disciplines.
- In 2022, launched NBK RISE, a global women's leadership initiative, designed to elevate women to higher leadership roles. It offers a holistic experience through a 9-month program that is divided into various modules; each tackling a different area of leadership designed to train, develop, and harness top management female candidates with leadership, strategic and technical skills.

4 – Pay and Rewards

- As part of promoting gender equality and guaranteeing equal opportunities among all employees, NBK modified the ticket policy for female employees to better cater to their personal needs. All married employees, males and females, are entitled to claim a family annual return ticket for their spouse and two children up to the age of 18 years.

5 – Performance Management

- NBK offers capacity building sessions on Performance Management, which aims to develop leaders' awareness of how to build and cultivate a high-performance culture in the Bank. The training purpose is to equip leaders with the necessary leadership skills which allows them to engage and connect with their employees as well as promote professional relationships that help people deliver fulfilling results, both professionally and personally.
- Introduced a new beneficial tool for employees called the "Individual Self Review" whereby employees can assess themselves prior to their discussions with their managers. This tool supports the discussions and ensures that both employees and their managers are aligned with the performance review and progress for the year.