

Ordinary General Meetings

24 March 2020



digital4u

Agenda

- ▶ **Regional and Global Operating Environment**
- ▶ **Financial Performance**
- ▶ **Operational Segments**
- ▶ **Corporate Achievements**
- ▶ **Awards and Certifications**
- ▶ **Our People**
- ▶ **Corporate Social Responsibility**
- ▶ **Going Forward**

Regional and Global Operating Environment

Regional & Global Operating Environment

Regional Operating Environment (GCC Including Bahrain)

- Oil Price war may lead to further decline in oil prices.
- Fed rate cut will impact GCC banks profitability.
- Due to coronavirus spread, businesses to suffer and fiscal deficits to widen.
- Rising budget deficits will lead to rising debt which is a major concern.
- Ongoing geopolitical issues in the region
- Reforms to continue – implementation of VAT, reduction in expenditure and increase in non-oil revenues, privatization programme, labour market liberalization.

Regional & Global Operating Environment (Cont'd)

Global Operating Environment

The global economy is expected to slowdown due to coronavirus outbreak and its effect on consumer sentiment.

USA:

- Expect further policy rate easing
- Uncertainty around election

Europe:

- Pace of growth is slowing with no policy space
- Likely stimulus by European Central Bank (ECB)

Emerging Markets:

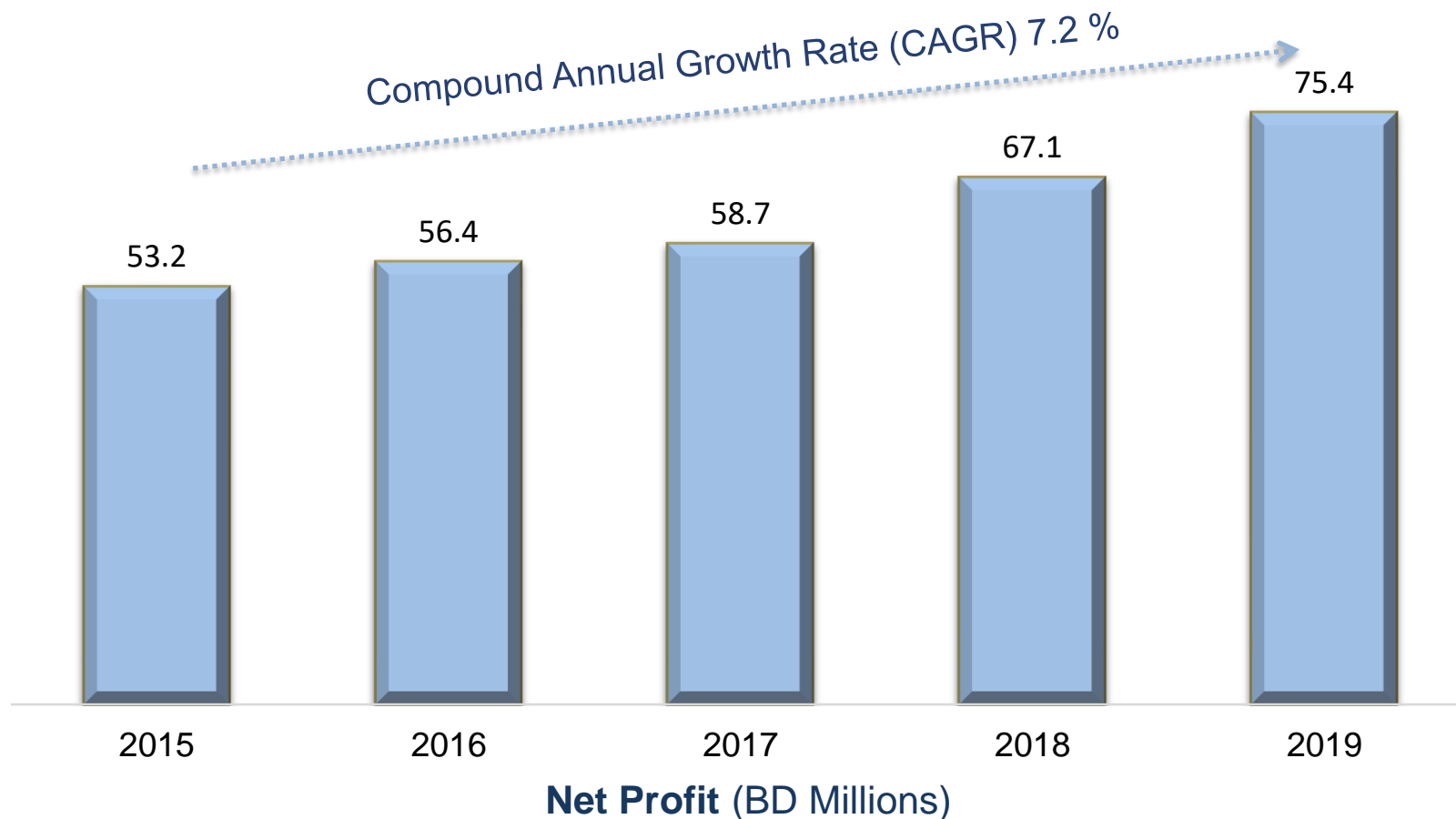
- Challenges in Asia especially China due to coronavirus spread.
- Slower growth
- Stimulus and policy easing expected.



Financial Performance & Operational Segments

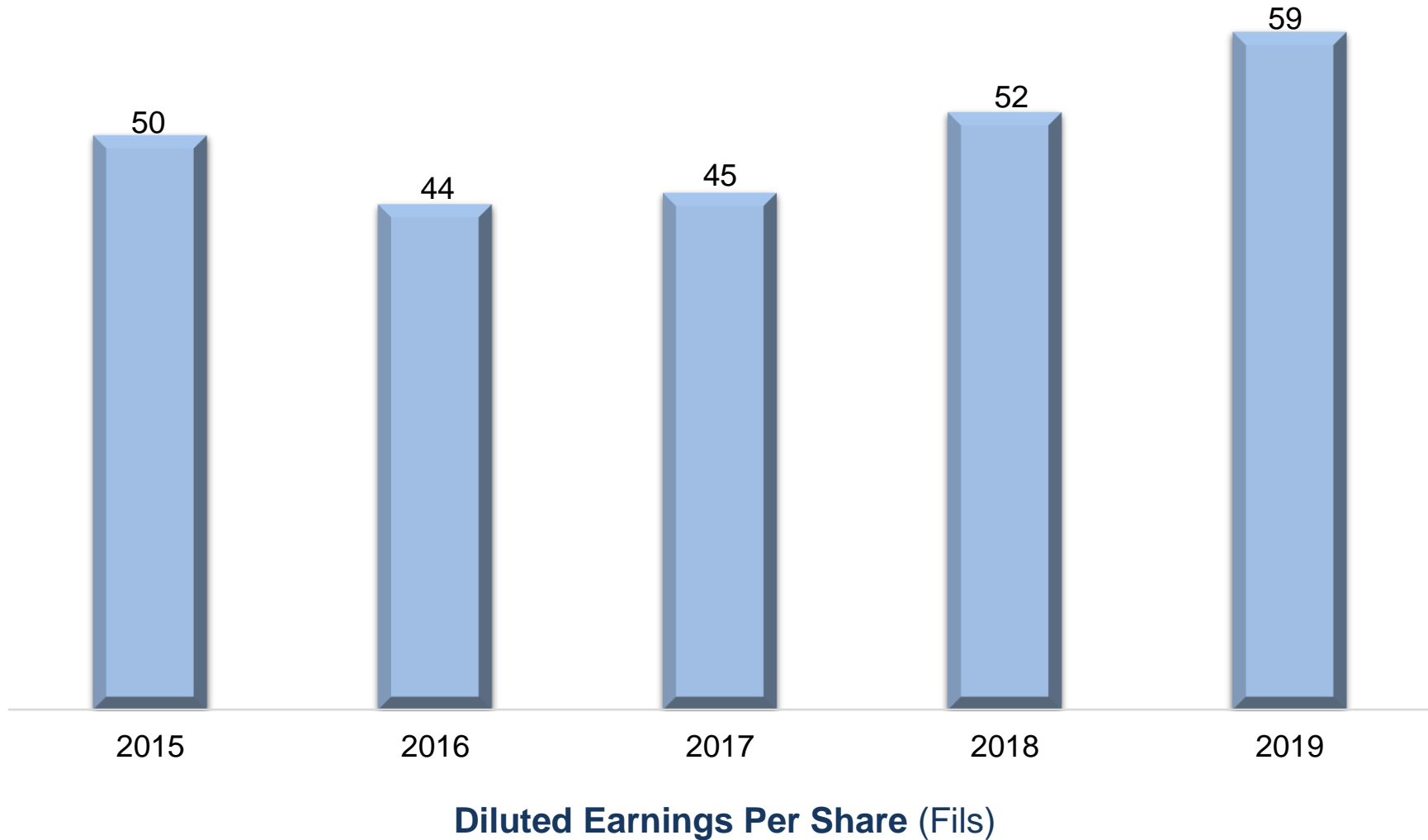
Financial Performance

The focus on core banking activities along with consistent performance, proactive risk management approaches and commitment to strategic goals resulted in the delivery of another record performance growth of **12.4%** for the year.



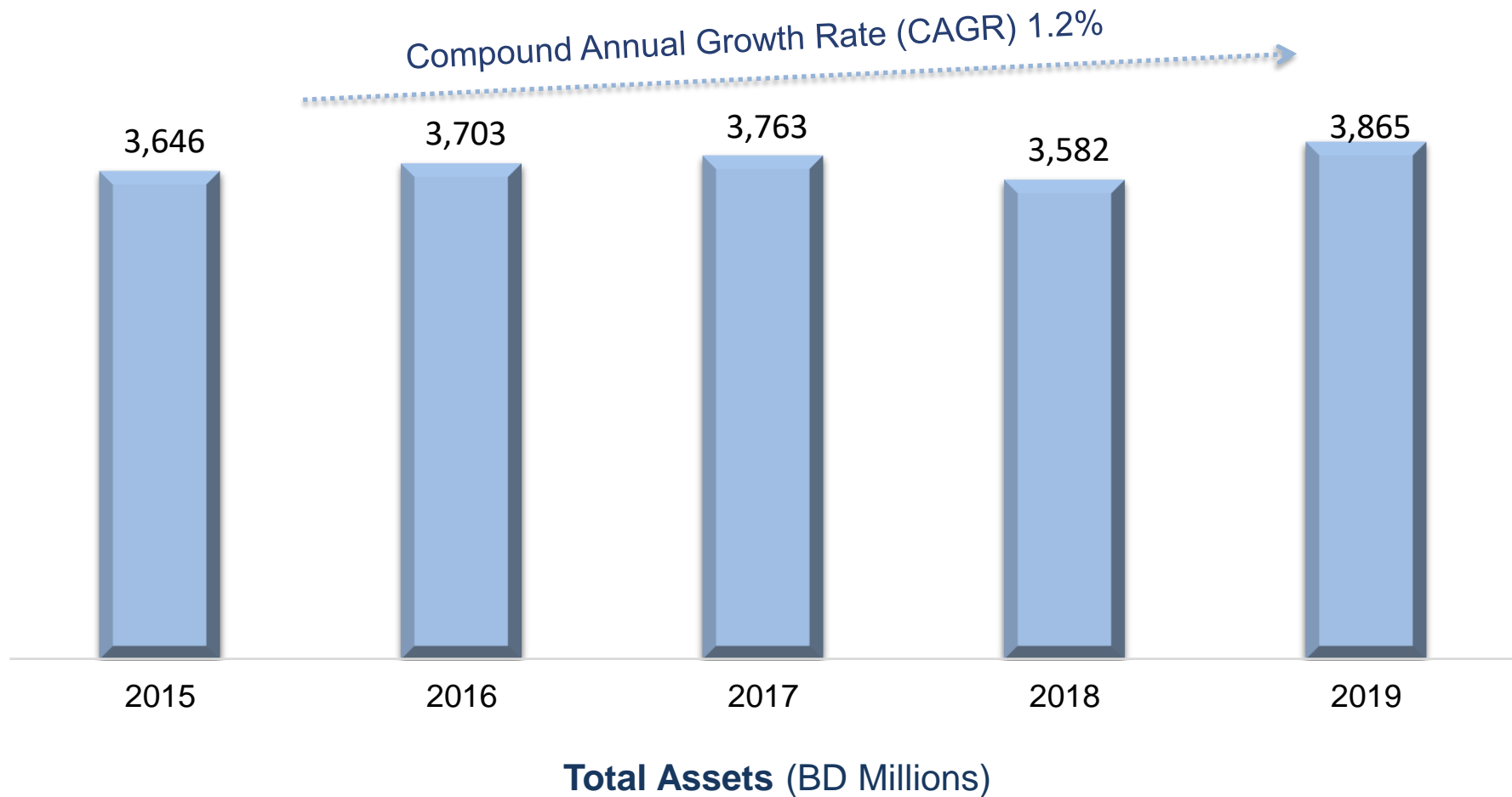
Financial Performance (Cont'd)

Diluted earnings per share for the year ended 31 Dec 2019 enhanced and reached **59 fils**



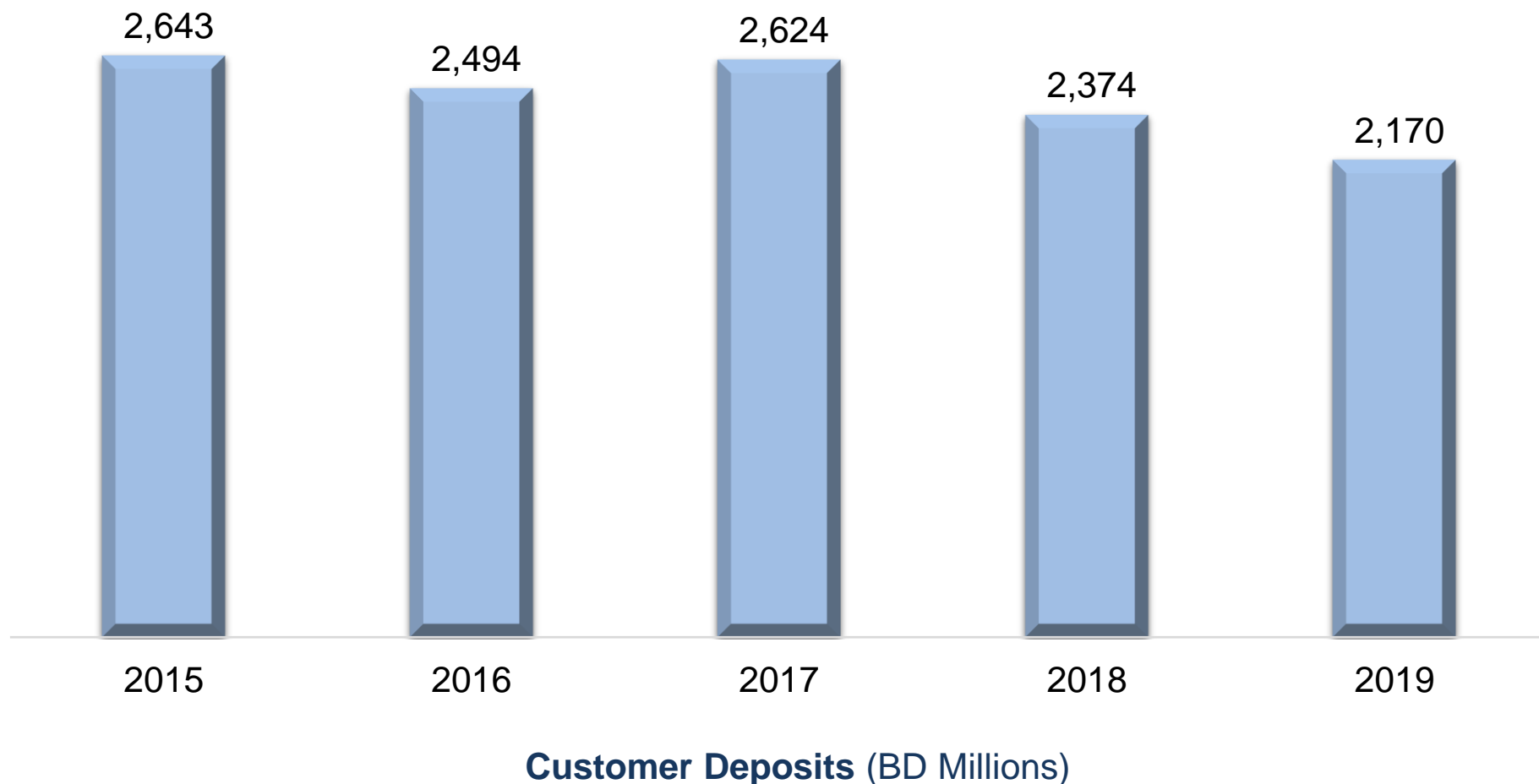
Financial Performance (Cont'd)

Total assets recorded an increase of **7.9%** or BD **283** million over 2018



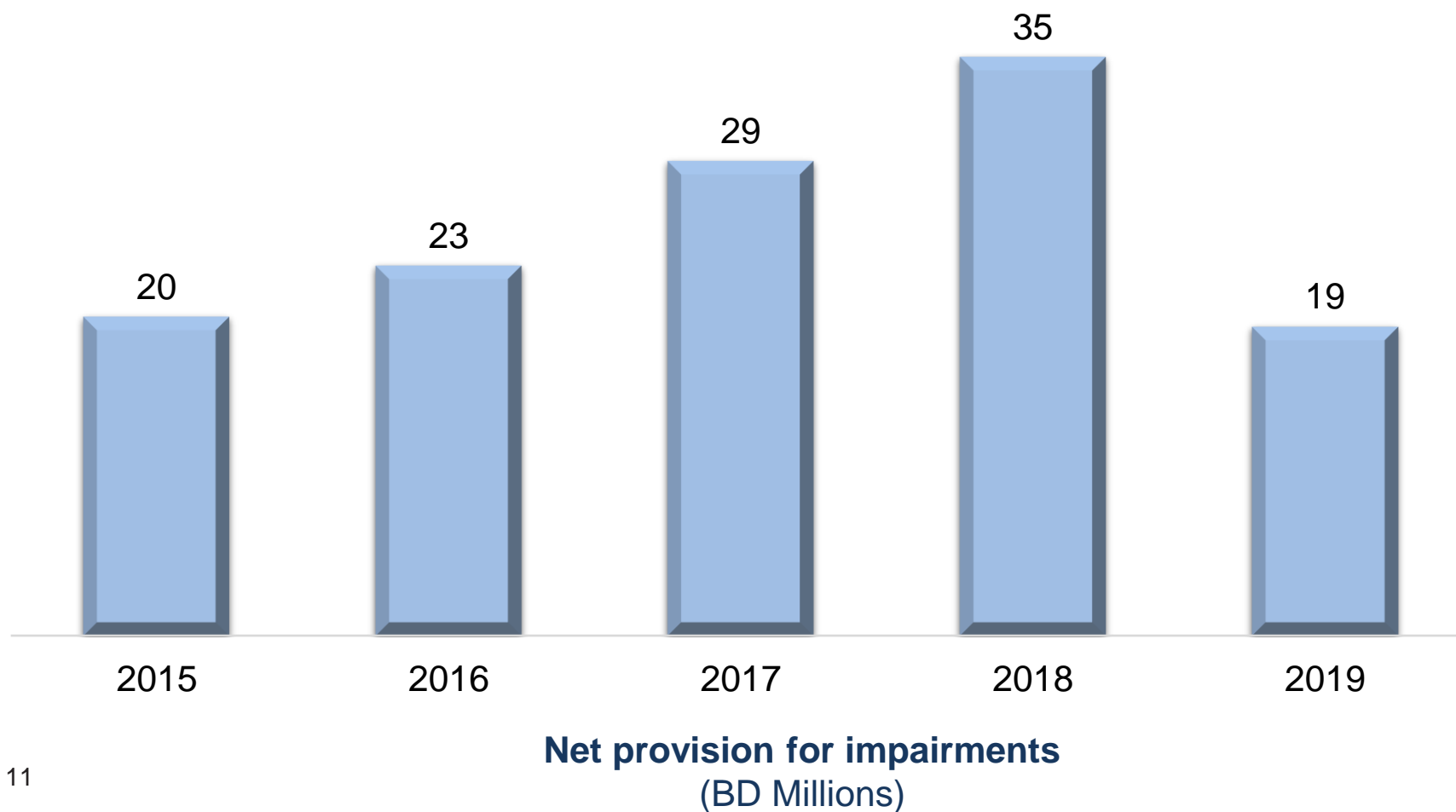
Financial Performance (Cont'd)

Customer Deposits remained at healthy position of BD 2,170 million by end of 2019, leading to good level of loans to customer deposits ratio of 77%.

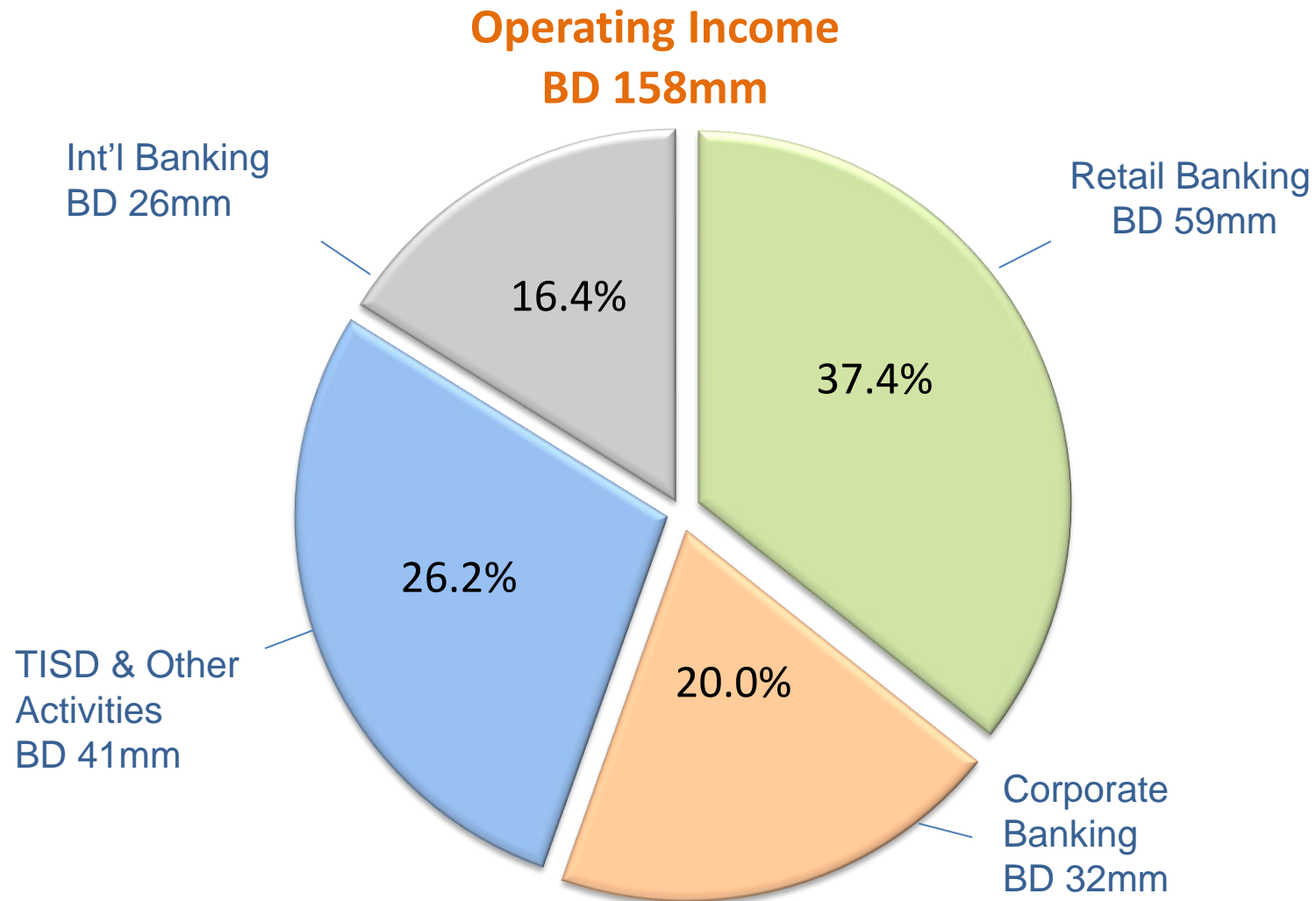


Financial Performance (Cont'd)

Due to active risk management and recovery efforts, the net provision for impairments for the year reduced to BD 19.0 million.

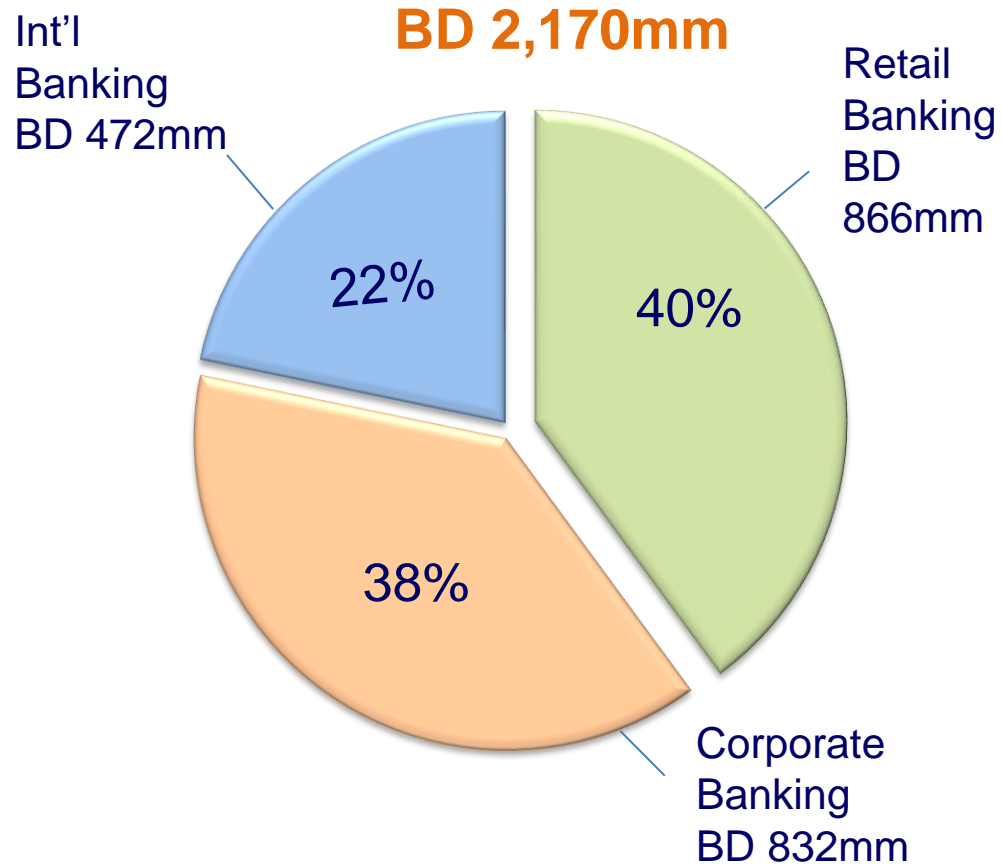


Operating Segments

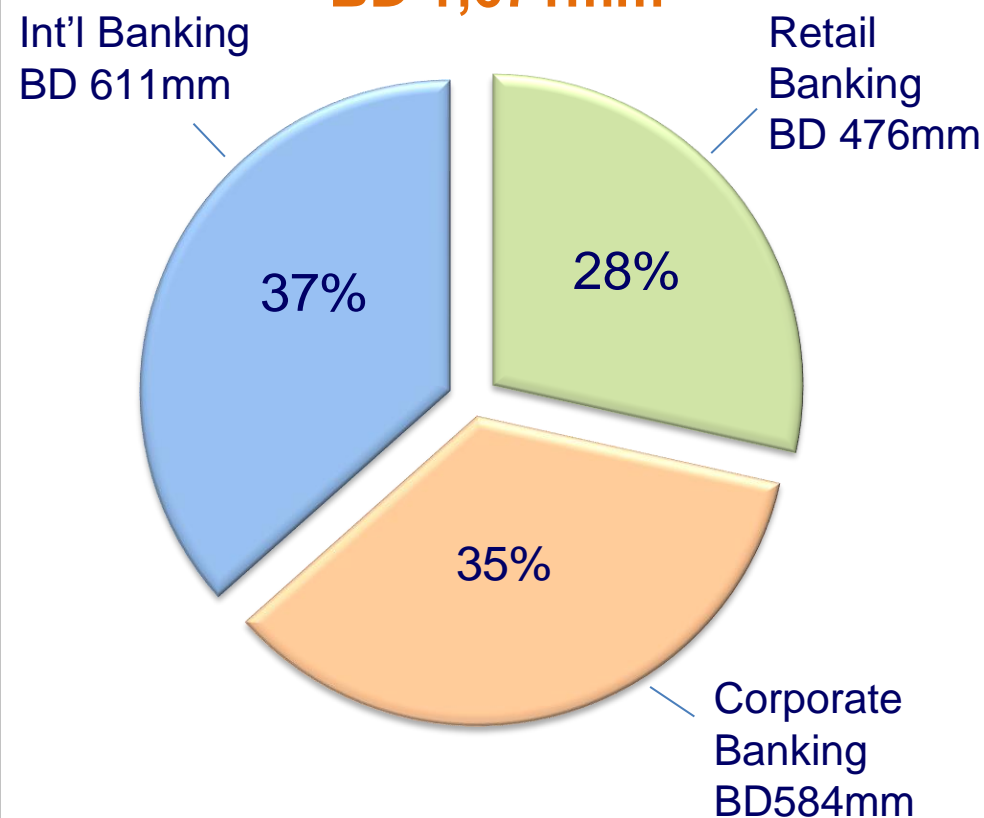


Operating Segments (Cont'd)

Customer Deposits BD 2,170mm



Net Loans & Advances BD 1,671mm



Corporate Achievements and Awards and Certifications

Corporate Achievements

BBK has been vigorously pursuing its strategic objectives as summarized below:

- BBK distributed an interim cash dividends of 10 fils per share.
- Successfully converted BD 86.1 million “the AT1 perpetual bonds” to CET1 capital
- Successfully issued USD 500 million new senior unsecured note for 5 years under the EMTN program.
- Officially launched BBK Prive – a private banking and wealth management initiative
- BBK participated with other banks in the Kingdom to implement the directives of HRH Prince Salman Bin Hamad Al Khalifa, Crown Prince to support Bahrain's Economy and national growth through the Liquidity Support Fund.
- As part of its efforts to improve digitalization, BBK:
 - The first bank to introduce the new contactless debit cards.
 - Launched a 24/7 Virtual Assistant “Ask BBK”,
 - Launched electronic remittance service through the MaxWallet Application
 - Signed an agreement with Amazon Web Services (AWS)
 - Recently opened the first “smart branch” in Bahrain City Centre Mall
- Successfully met and complying with various new regulatory requirements:
 - Basel III and its capital buffers (including DSIB buffer)
 - Liquidity Risk Management (LRM)
 - Value Added Tax law “VAT”

Awards & Certifications

➤ **Top CEO Award**

The Fifth Edition of the Top CEO Conference & Awards 2019 (in GCC)



➤ **CitiBank USD STP** (Straight-Through-Processing) Recognition award

Our People & Corporate Social Responsibility

Our People – The core of our success

Continued focus on developing our number one asset, “our people”:

- Investment in training continued, such as:
 - Management trainee development programme in financial technology (FinTech) – First of its kind in Bahrain
 - Leadership Development Programmes
 - BBK e-learning Specialized studies ranging from credit and investment to master’s degrees
- Led by 95% Bahrainis; one of the highest Bahrainisation percentages in private sector
- Women empowerment initiatives remain a top priority - with 40% women ratio

Corporate Social Responsibility

- Throughout 2019, the appropriated amount of BD 1.6 million out of 2018 net profit for donations was distributed to a considerable number of non-profit organizations in 13 key areas: philanthropy, special needs, education, medical, social, sport, culture, the elderly, national causes, environmental, orphans, women, and industrial.
- The dedicated fund to support future CSR mega projects that BBK established in 2012, grew to BD 2.885 million during 2019.
- Additionally, and as part of the Bank's commitment to the country digital transformation, BBK held for the second consecutive year, a Digital Forum and Expo, focusing this year on the economy as a whole and not the banking sector only.

Going Forward

Going Forward

Strengthening Core Activities & Adapting Fintech

- Year 2020 marks the second year of BBK's current 3 years Corporate Strategy 2019-2021.
- The strategy focuses on 2 pillars:
 - Strengthening BBK's core activities, and
 - Adapting latest Fintech innovations.
- We are vigorously pursuing the main strategic directions of the new strategy as follows:
 1. Improve BBK's market share by being the top digitally enabled relationship Retail bank in Bahrain
 2. Grow Retail products offerings
 3. Cautiously grow Corporate banking business
 4. Revitalize International operations (organically and inorganically)
- Implementation of the strategic plan is progressing well:
 1. Notable progress was made in implementing digital innovation.
 2. Other initiatives are in the pipe-line and will be announced soon.
 3. The bank has taken a number of measures to combat and contain the impact of Coronavirus.

Thank you