

## Review on Operations

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### Our Businesses

#### Retail Banking

Retail Banking Group performed well in 2017, in both financial and operational aspects of the business. In a continuing aggressive competitive retail banking market, net income after provisions improved 14% from the previous year, and 8% above budget; as well as a positive growth in assets and customer deposits.

Our focused offerings in Tejoori, Iqra, and Vevo Youth Account deposit products maintained their respective market shares. The increase in the number of customers has continued, and particularly in our Credit Card business, where the volume of cards has expanded 14%.

Immense strides forward were achieved in the digitization and automation programs across the consumer banking network. In the last quarter of the year, the Bank launched 'BisB Digital', a comprehensive group of digital services including Online Banking, Mobile Banking and Video Banking. Applying high levels of technology, this assists customers with all of their banking transactions in a convenient, safe and secure environment, anytime and anywhere.

With the constant aim of offering customers an efficient and seamless banking experience, much of the frontline branch processes have been transferred to the Central Operations back office platforms.

#### Corporate and Institutional Banking

Despite 2017 being a demanding year, Corporate & Institutional Banking grew assets by 29%, and deposits by 59%, with the main drivers of growth being government related entities; trading; construction as part of the GCC Marshall plan; and the SMEs portfolio.

A significant reduction of 38% was achieved in NPAs.

Financial Institutions department booked the first ever BisB syndication, arranged by Bank ABC, with the participation of eight financial institutions from the GCC and the UK.

Transaction Banking was introduced, with the objective of offering cash management and trade finance to the Bank's customers. In consonance with BisB's digitization thrust, we launched our digital acquiring service for corporate clients. The division also finalized its new transactional corporate eBanking channel, which is scheduled for the first quarter of 2018.

We anticipate a challenging year ahead. However, Corporate & Institutional Banking remains committed to its support to the local Bahraini economy, and will continue its focus on Government and quasi-Government projects and the SME portfolio. In addition, the division will concentrate on Non-funded income; introducing Custody Service; enhancing trade finance activity; and cash management.



### Treasury

During 2017, the GCC witnessed more game-changing geopolitical activity than at any time in recent years. Combined with continued low oil prices, this caused increased volatility in financial markets. As a result, strengthening the liquidity base whilst diversifying funding was key towards meeting the Bank's obligations and maintaining a healthy balance sheet growth in line with strategy.

BisB was engaged in its maiden Sukuk Repurchase transaction of US\$88 million and a bilateral transaction of US\$ 50 million. The Bank tapped the capital markets for its first ever syndicated facility whereby US\$101 million was raised from regional and international financial institutions. This was well received by institutional investors, reflecting BisB's strengthening credit profile.

The Sukuk portfolio grew 101% to BHD 228 million with the sovereign portfolio constituting more than 87% of the Sukuk book.

### Our Business Enablers

#### Human Capital

Human Resources constantly touches every pillar of the Bank's Ishraq Back to Basics strategy, with the vision to establish BisB as an employer of choice. Diversity and inclusion efforts continue with the encouragement of active engagement between the management team and employees.

Gender equality was demonstrated by the appointment of BisB's first woman millennial as General Manager, heading the Retail Banking Group. A woman Board Secretary was appointed for the first time, and the Bank now has its first woman Sharia'a Auditor.

As one of the pillars of our Back-to-Basics strategy, training and development is a cornerstone in building future BisB leaders, capable of matching the best in class in the industry. Multiple initiatives to provide personal and professional growth opportunities impacted all levels of the Bank's management and staff. Dedicated programs were organized, including, but not limited to Shine Leadership Program; Darden Leadership Program; Coaching Leadership Programs; and personalized executive coaching sessions.

At line management level, Team Effectiveness, Six Sigma, KPI Building and Performance Management workshops were further emphasized to enhance employees' skills and capabilities during the year.

In a strategic partnership project with the Korn Ferry / Hay Group, BisB confirmed its position in the market in comparison to its peers in Bahrain. The engagement also provided job evaluations and assessed the Bank's internal equity and cost rationalization.

Standard Key Performance Indicators (KPIs) and defined measurement tools based on real targets for all departments, and aligned with the Bank's Ishraq strategy, were introduced during the year.

Diversity and inclusion efforts continue with the encouragement of active engagement between the management and employees, as well as BisB's commitment to gender equality.

BISB'S PHONE BANKING SERVICE IS AVAILABLE AROUND THE CLOCK, 24/7, TO RESPOND TO CUSTOMERS' ENQUIRES IN REAL TIME.





## Online Banking

# BisB Online

### 'BisB Digital'

'BisB Digital', the Bank's innovative omni-channel program, delivers simple and efficient access to customers' accounts through the internet, mobile web and apps.



*"Access your accounts and perform your banking activities from anywhere, anytime – at your convenience"*

## Review on Operations

(Continued)

Information Technology department will sustain its promise of delivering projects that streamline processes, support improvement, and ensure the delivery of instant service to our customers.

### Information Technology

2017 was a critical milestone in our digital transformation journey, with a tremendous surge toward changing the way we deliver services to our clients. The Bank introduced its new 'BisB Digital' services, established on an omni-channel platform, and accessible through the internet, mobile web and apps. In addition, the department implemented major improvements to its IT infrastructure and established new state of the art platforms to enable streamlined development processes.

This year has also seen a realignment in the IT units. Upgraded leadership positions have been filled from within through further investment in personnel skills. A dedicated Digital Channels unit overlooking all BisB Digital Channels has been established, as has a Digital Innovation unit to support the Bank in leading the way in the innovative field of FinTech.

In pursuit of BisB's journey of digital transformation and IT infrastructure excellence, in 2018, the department will sustain its promise of delivering projects that will streamline processes, support improvement, and ensure the delivery of instant service to our customers.

### Brand, Marketing, and Corporate Communications

In 2017, with the aim of attracting new-to-bank customers and increasing market share, BisB refreshed its product and brand marketing strategy. The new brand and client-centered communication strategy focuses on a more approachable tone of voice and lifestyle-oriented visuals. The revamped strategy is an external reflection of the various Ishraq initiatives undertaken by the Bank to improve the client experience.

During 2017, the Bank fully embraced digital marketing. The launch of the new BisB Intranet by Corporate Communications, created a single repository for all BisB forms, and templates, and serves as an internal communication tool across all departments. A new Tejoori Al Islami campaign, #TejooriDreams, which engages customers through social media, was introduced, as well as brand activations at Bahrain City Centre and a television commercial in January. In addition, the Marketing Department worked with the Credit Cards team to run successful Mastercard and Visa campaigns, and a unique Ramadan Car promotion. The Bank also introduced its new 2-year fixed term deposit account, Al Wekala, with an integrated communication campaign aimed at capturing the mass affluent audience.

BisB hosted the highly successful Business Outlook 2018 event at the Capital Club, Bahrain, and also sponsored a range of knowledge-sharing and thought-leadership events throughout the year including AOIFI and the WIBC.



BISB OFFERS CORPORATE BANKING CUSTOMERS THE ABILITY TO RECEIVE PAYMENTS DIRECT TO THEIR ACCOUNTS FROM THEIR OWN CLIENTS THROUGH 'BENEFIT PAY', AN ELECTRONIC CHANNEL UTILIZING SMART DEVICES

'BisB Digital,' encompassing internet banking, mobile banking and video banking, was launched with personalized videos from the chief executive officer, 'how to' animations and social media commercials.

2017 was a busy twelve months, full of initiatives and change, learning and experimentation - a year to refresh strategic communication foundations and to position BisB for further success in the coming years.

### Central Operations/ Business Planning and Transformation/ General Services

The coordinated efforts of the major support groups within BisB contribute greatly to efficient operations across the Bank.

Central Operations streamlined all transactional processes and absorbed operations activities from the front office business units, enabling enhanced quality of service to BisB's customers.

Business Planning and Transformation oversaw the successful building of a strong foundation for the implementation of BisB's Back to Basics Strategy. The five pillars touch every part of the Bank, and that recognition is alive within every division and department. The department's strategy for 2018 includes providing planning support across the Bank for arrays of digital services and new ideas to keep pace with the financial market's progressive innovations, together with continued attention to facilitating BisB's overall improvement of its existing product and service offerings to its various constituencies.

General Services operates and maintains all day-to-day services for the Bank. The department constantly pursues innovative means for practical cost optimization of operational expenses, while maintaining utmost efficiency. The department maintains transparency toward all service providers, which includes a new Vendor Management Policy to achieve the best services for all departments of the Bank.

2017 was a year of refreshing BisB's strategic communication foundations, positioning the Bank for further success in the coming years.





## Mobile Banking

# BisB Mobile

Banking convenience at your fingertips, permitting banking transactions from your mobile phone anywhere, anytime



