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OUR APPROACH TO ESG

(GRI 2-12, GRI 2-14, GRI 203- 2)

BisB's Approach

BisB is conscious of its economic and social responsibility to drive sustainable development in the country. As a leading financial institution in Bahrain, BisB is uniquely positioned to support the government achieve its environmental and social objectives by allocating capital that positions Bahrain as a beacon of sustainability. To realize our potential for positive impact, we strive to finance the transition to a more sustainable economy as well as powerful ideas and solutions that are helping build a sustainable future for all.

At BisB, we are also on a mission to redefine corporate sustainability. We are leading the way in initiating company-wide programs that address the environmental and social impact of our business operations. We are focused on understanding ESG issues that are most relevant to our stakeholders so that we can formulate policies and innovate practices that align with our values and vision.

We continue to build on our ESG commitments through a 3-year sustainability roadmap, which is built on 6 fundamental pillars.

Our ESG approach is further underpinned by our belief that to achieve long-term sustainability, we need to take ESG into consideration at every level of our organization. We are currently implementing systemic and sustained changes in all aspects of our business operations and redefining our core business values to achieve company-wide transformations in line with our ESG principles.

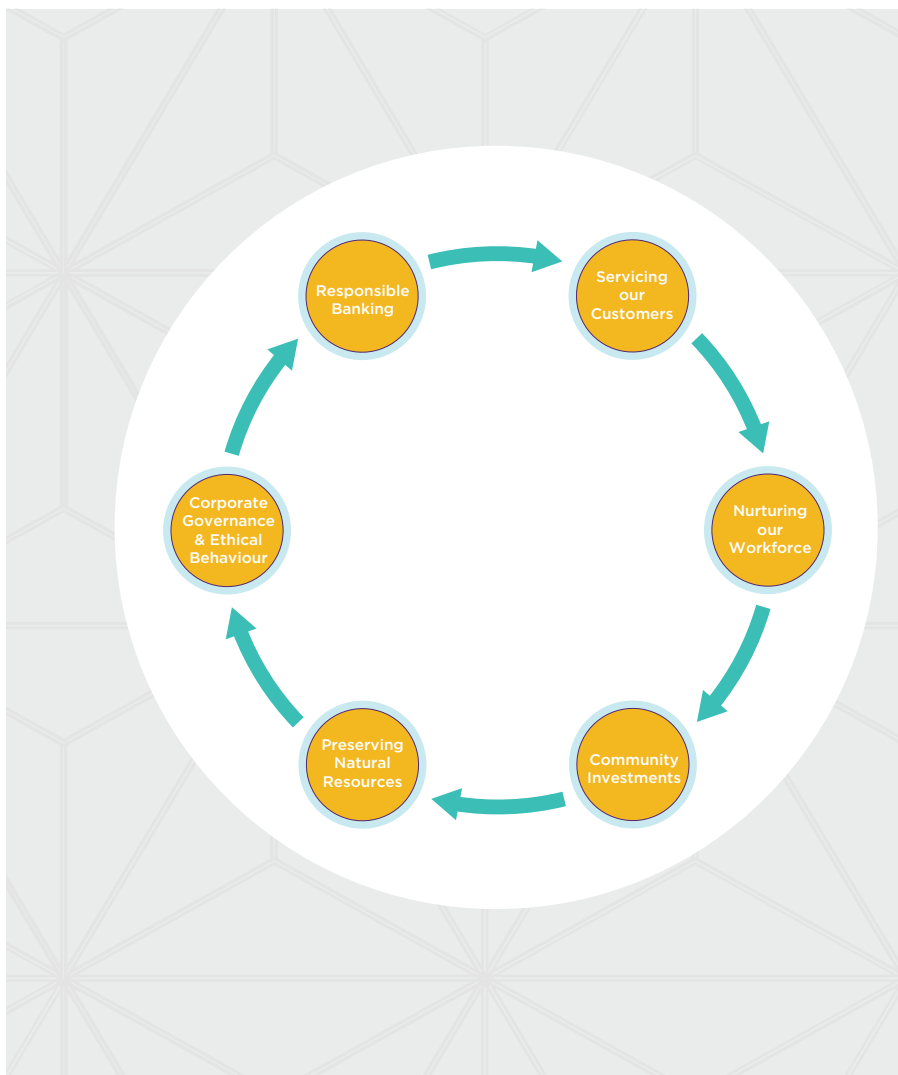
As an institution we are proud to have underscored our commitment to ESG endeavours through the following achievements in 2022:

- **ISO 45001: Occupational Health and Safety Certification**

The ISO 45001 Occupational Health and Safety (OH&S) outlines requirements for OH&S management systems, detailing guidance for usage and implementation across organizations. The certification enables BisB to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance. BisB is proud to continually improve on its OH&S performance standards by fulfilling all legal requirements to achieve its OH&S objectives.

- **ISO 27001: Information Security Management System Certification**

BisB is committed to safeguarding customer information and enforcing data security. In this regard we are dedicated to the highest standards of information protection through our certification against ISO 27001. We operate in the financial ecosystem as a business differentiator that is pledged to managing valuable client information assets, data and intellectual property. These security measures help us create new opportunities for our customers and help protect BisB from exposure to risk.



OUR APPROACH TO ESG (Continued)

(GRI 2-12, GRI 2-14, GRI 203- 2)

• ISO 14001: 2015 in Environment Management System (EMS)

The requirements for an environmental management system that BisB implements to improve its environmental performance are laid forth in the ISO 14001:2015 in Environment Management System (EMS). The Bank applies the ISO 14001:2015 to manage its environmental responsibilities in a methodical way that supports the environmental pillar of sustainability. The environmental management system's outputs, which are in line with the Bank's environmental policy, include enhancement of environmental performance, fulfilment of compliance obligations, and achievement of environmental objectives.

• ISO22301: 2019 Business Continuity Management System

This year, BisB maintained its ISO 22301 accreditation, which it uses to plan for and recover from business interruptions. By adopting procedures and controls through the adoption and certification of ISO 22301, the Bank has concentrated on measures to reduce the amount of time and money that could be wasted in the case of an operating delay.

BisB is dedicated to conducting our banking operations in a responsible, impactful, and sustainable manner. We have taken several initiatives to achieve these goals.

1. Identifying key stakeholders and engaging with them continuously to identify issues most important to them, as these are taken into consideration when planning our ESG policies and initiatives.
2. Ensuring transparency in our efforts to meet ESG targets and providing a comprehensive overview of our efforts to all stakeholders.
3. Measuring our ESG performance against international standards and best practices.
4. Regularly conducting workshops across all levels of the company, from junior employees all the way up to board members, in an effort to raise awareness around sustainability.
5. Regularly reviewing our ESG policies and updating them in accordance with the latest information and best practices standards. BisB is currently putting measures in place to reduce its carbon footprint and taking steps to promote employee diversity with the aim of becoming an equal-opportunity employer.

To accelerate sustainable development at BisB and widen our impact, we plan to initiate a number of ESG projects and initiatives in 2023 which include:

- Continue to expand offering of sustainability-related and responsible banking related products and services.
- Disclose and monitor performance against targets and impacts of products and services on the community.
- Consistently link broader sustainability benefits and impacts in the product/service marketing & communication methods.
- Initiate additional products with a clear environmental/social benefit attached.
- Launch programs to support and reward employees that propose/develop high sustainability impact products/services/initiatives.

- Engage with policy makers to influence policy and regulatory outcomes that encourage greater participation from the finance industry in the transition to a low carbon, climate resilient economy.
- Enhance green procurement.
- Ensure maximum level of global ESG practices are in place, particularly at the governance level.

Our commitment to sustainable growth, social responsibility, and good governance is a key feature of all our future growth and planning. BisB's ESG vision is also aligned with NBB, our main shareholder. Together, we believe that strong ESG principles and values will bolster our contribution to Bahrain's economic future in a sustainable and responsible manner.

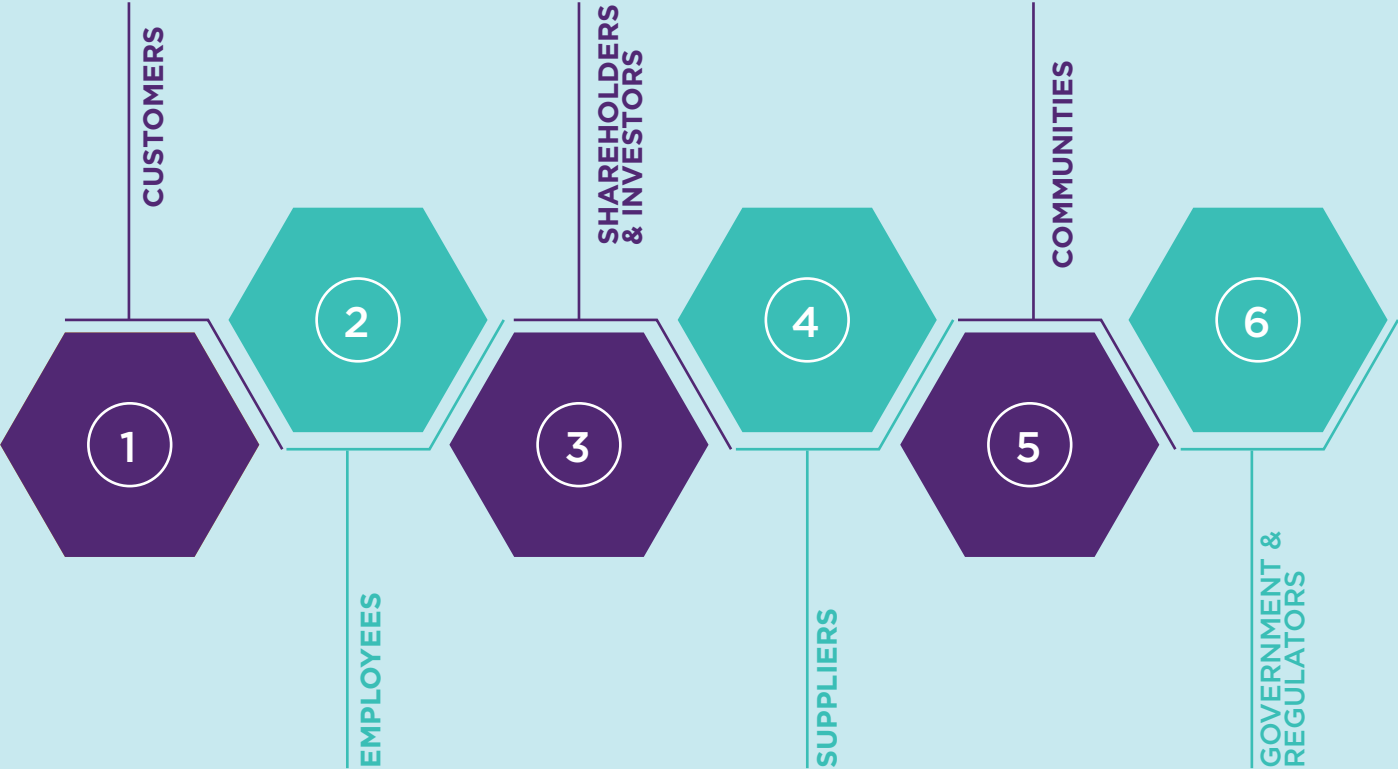
LISTENING TO OUR STAKEHOLDERS

One of BisB's core missions is to ensure the sustainable creation of value for its stakeholders. We achieve this through integration of ESG principles into our risk assessment, lending, and investment practices. To successfully serve our stakeholders, it is important to identify who they are and how we interact with each at different business touchpoints. Our goal is to be knowledgeable about their interests and priorities.

In our efforts to engage with our stakeholders and determine ESG topics material to them, we undertook an extensive stakeholder mapping exercise, which consisted of three phases:



The process was critical in helping BisB identify its stakeholders, define their priorities, and establish ways to align with their key interests through collaborative efforts. Our mapping exercise also helped us identify the environmental, social, and governance issues most important to our stakeholders and how they impact decision-making.



LISTENING TO OUR STAKEHOLDERS (Continued)

Stakeholder	Value Creation	Needs and Expectations	Methods of Engagement
Customers	Our core business activity is providing financial services to our customers. At BisB, we constantly strive to improve our customer service experience by accommodating and prioritizing customer needs through streamlined processes and newer technologies that make transactions simple and secure.	Our customers trust us to provide cordial and prompt customer service, competitive rates and fees, innovative products and services, and accessible staff, branches, and ATMs.	Social Media: Twitter, Facebook, Instagram, YouTube (Suwalif BisB), and LinkedIn. Personal Communication: Email, phone, Mobile app, customer service units, Bank branches, and contact centers.
Employees	We foster a creative and supportive work environment and strive to build employee confidence to facilitate greater productivity. BisB also supports career growth and talent development through various policies and initiatives. We value diversity in our talent pool and are an equal opportunity employer.	Our employees trust us to provide career progression and skill development opportunities, competitive salaries and benefits, recognition of work, an inclusive, diverse, and equal opportunity work environment, ease of communication, and access to upper management.	Human resource and talent development departments. Training sessions and workshops. Our in-house innovation lab, e-learning library, and my career platform. Open communication channels and official whistleblowing policy.
Shareholders & Investors	We are committed to serving the interests of our shareholders and investors and ensuring that BisB is always on a sustainable prosperity path. BisB's expertise in the sector and prudent approach to banking enables its financial growth at minimum risk.	Our shareholders trust us to deliver strong and stable financial returns and increase our company's value. They also expect transparent and open discourse.	Complete accountability and transparent communication through BisB's annual financial and sustainability report, annual general meetings, as well as quarterly financial statements.
Government & Regulators	BisB ensures compliance with the Bahrain Central Bank, the Bahrain Stock Exchange, and the Ministry of Industry and Commerce. We follow government regulations and directives and are fully aligned with the government's vision and strategic objectives.	Our government trusts us to provide trustworthy banking that positively impacts the country's economy and environment.	Active participation in regulator and government initiatives, program and projects.
Communities	We take our commitment to corporate social responsibility (CSR) very seriously. BisB has invested in giving back to the communities we operate in and has contributed to several social campaigns and charity projects.	Our communities trust us to sponsor philanthropic programs in the country, participate in development programs and support technological and economic innovation.	Community outreach and service through Jood, the Bank's official CSR program. Supporting education and innovation through scholarship and corporate funding programs and Zakat programs for community wellness.
Suppliers	BisB upholds all its commitments and contracts with suppliers and corporate partners. We follow stringent selection processes, and ensure that our suppliers abide by our supplier code of conduct. In addition, we always ensure to support local suppliers.	Our suppliers trust us to execute contractual obligations in a timely and prompt fashion and uphold fair and transparent bidding systems.	All supplier agreements are governed by contractual terms with equal protection for all parties. Proper procedures are followed to ensure the confidentiality of all concerned parties.

LISTENING TO OUR STAKEHOLDERS (Continued)

Materiality Mapping

Once we identified our stakeholders and understood their needs and expectations, we decided to engage in a materiality mapping exercise. Materiality mapping is an essential tool for BisB, helping us assess the environmental, social, and governance (ESG) issues that directly impact the organization and are most aligned with its mission statement and values.

The process includes stakeholder engagement to identify the issues that impact the organization's reputation, operations, and financial performance and that are most important to its stakeholders. Based on the double materiality approach of the GRI Standards, we also assess the Bank's impact on society and the environment and identify those topics that the Bank should adopt to ensure sustainable value creation. The assessment is then used to map out ESG issues and their relative importance.

BisB's conducted materiality analysis produced 15 issues/topics that were significant to BisB and its shareholders. These topics are further classified into three categories depending on their level of importance.

Very Material

- 1. Compliance and Ethical Behavior**
Development of robust mechanisms to ensure compliance with government regulations and customer demands.
- 2. Data Privacy and Security**
Stringent security protocols and systems to ensure data security, especially from potential breaches in digital systems.
- 3. Responsible Customer Relationships**
Earning customer trust by addressing their needs and requirements, finding convenient solutions to their problems, facilitating customer feedback, and delivering a prompt response.
- 4. Financial and Economic Performance**
Ensuring sustainable earnings for our shareholders to enable continuity of service and ensure brand loyalty, as well as investing in new opportunities to mitigate financial risk and contribute to the nation's economic growth.
- 5. Governance, Transparency, and Accountability**
Ensuring that business functions and processes follow national and international codes and ethics of banking rules and provide complete transparency to our stakeholders.

Somewhat Material

- 6. Digital Transformation and Innovation**
Digitalization and ease of use through state-of-the-art technologies are the basic standards of service at BisB. Technological innovation is critical in helping us provide solutions and efficient customer service. It helps us increase efficiency and reduce costs.
- 7. Employee Training and Development**
Investing in employee skill development through training workshops and programs helps retain top talent due to higher employee satisfaction. It also increases work efficiency and innovation.
- 8. Financial Inclusion**
Social reform is an important component of our ESG framework. It provides financial services to all communities without discrimination.
- 9. Diversity, Inclusion, and Equal Opportunity**
We promote and ensure inclusivity and diversity in our workforce. We provide equal opportunities to all employees based on merit, which leads to higher employee satisfaction and productivity.
- 10. Community Investment**
We have sponsored as well as implemented several welfare and development programs to benefit local communities.
- 11. Workforce Well-being**
We look out for the well-being of our employees and ensure that they feel valued, and their needs are met.

LISTENING TO OUR STAKEHOLDERS (Continued)

Least Material

12. Integration of Environmental and Social Factors in Lending Activities

We consider the environmental and social impact of our banking systems and products, especially our lending activities.

13. Integration of ESG in Investment Activities

We also consider the potential ESG impact of all investment opportunities.

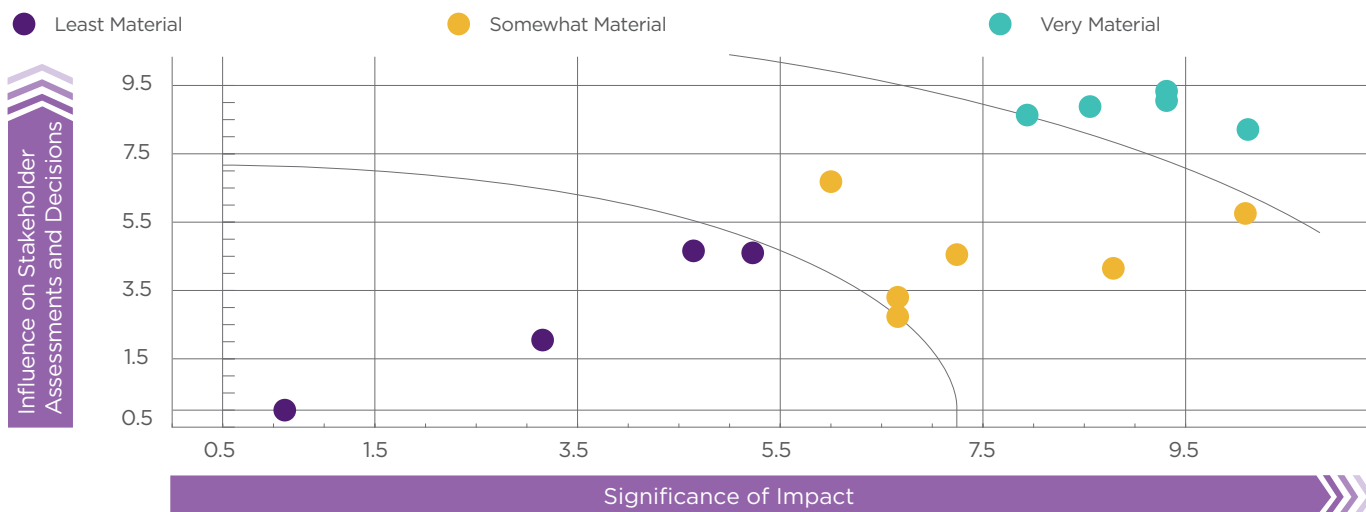
14. Environmental Impact

Reducing our carbon footprint is important to our stakeholders and us. It is why we aim for sustainable development in line with national and international efforts to tackle climate change.

15. Responsible Sourcing

We strive to work in ways where our supply chains are aligned with our own code of ethics. This means ensuring that our suppliers comply with sustainable products, ethical materials sourcing, and internationally accepted labor practices.

BisB Material Matrix



Material Topic

Very Material	1	Compliance and ethical behaviour
	2	Data privacy and security
	3	Responsible customer relationships
	4	Financial and economic performance
	5	Governance, transparency and accountability
Somewhat Material	6	Digital transformation and innovation
	7	Employee training and development
	8	Financial inclusion
	9	Diversity, inclusion and equal opportunity
	10	Community investment
	11	Workforce wellbeing
Least Material	12	Integration of environmental and social factors in lending activities
	13	Integration of ESG in investment activities
	14	Environmental impact
	15	Responsible sourcing

DELIVERING VALUE THROUGH OUR CAPITALS



1

Financial Capital

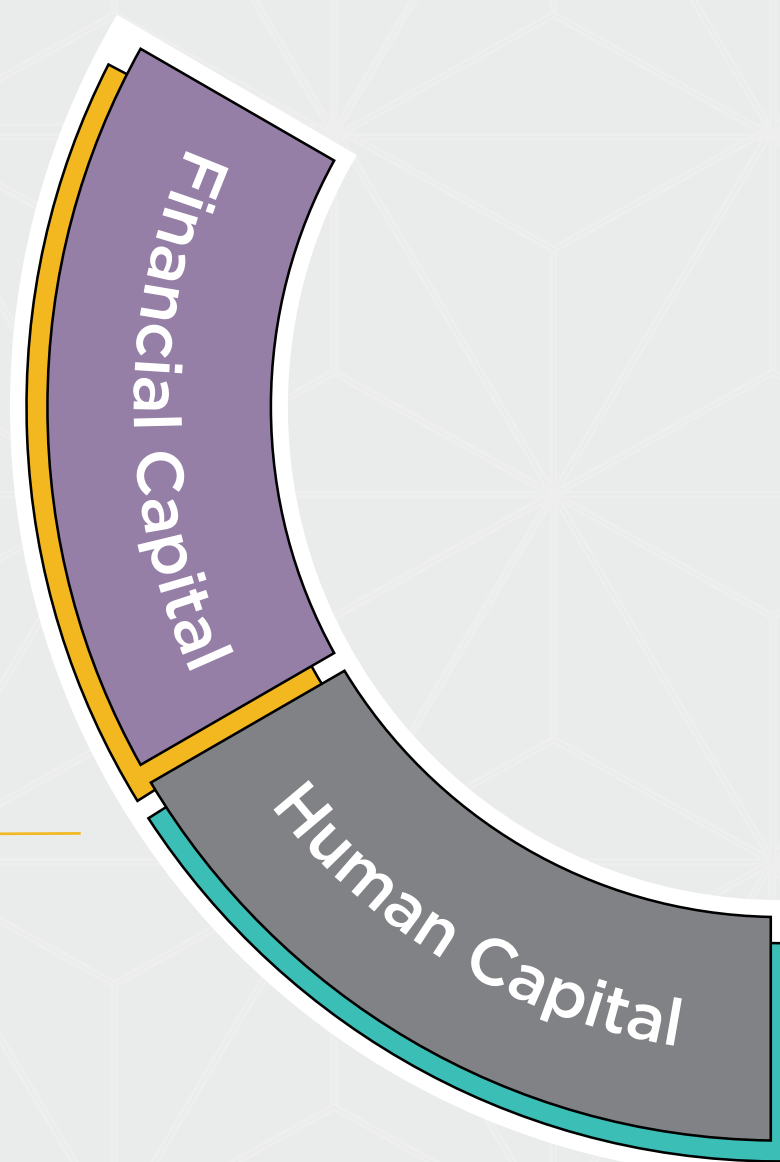
We provide innovative financial products and services to our customers to help fulfill their daily transactional needs protect assets and increase their financial wealth.

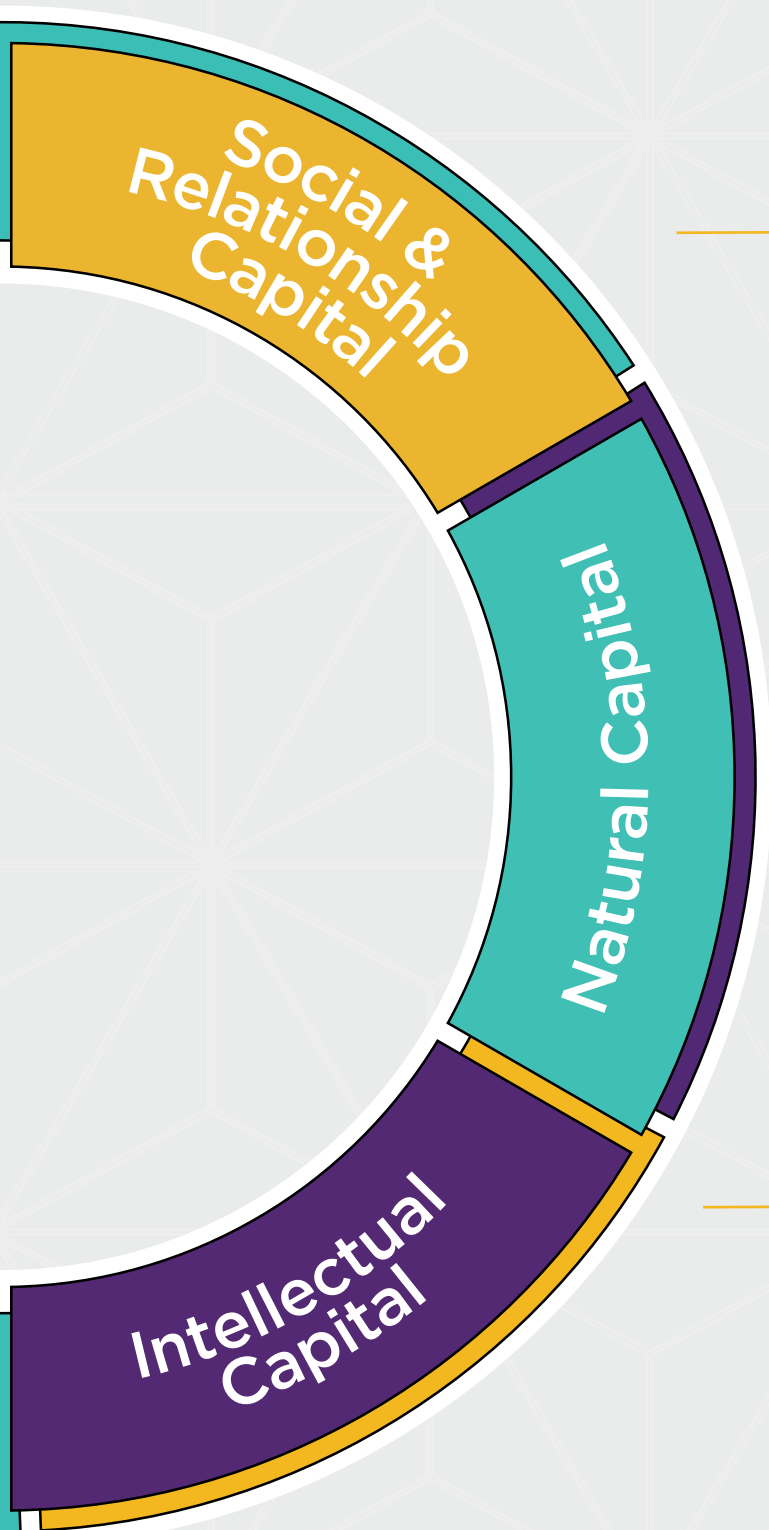


2

Human Capital

Our people are at the heart of our Bank. We've been able to lead and dominate the local and regional banking industry because of our unwavering commitment to our employees.





3

Intellectual Capital

We use technology to simplify services for customers through online banking, mobile services and self-service kiosks with ease of onboarding. It has ensured our market dominance.



4

Natural Capital

Managing our environmental footprint is a core pillar of our ESG strategy. It is a precursor to operating as a sustainable organization that works in harmony with our natural ecosystem.



5

Social & Relationship Capital

Since its establishment BisB has been committed to its corporate social responsibility. Over the years we have implemented and supported various initiatives to strengthen our local communities in line with our Islamic principles and commitment to giving back.

VALUE CREATION MODEL

INPUT

FINANCIAL CAPITAL

BD '000

Total Assets: 1,361,817

Total Owners' Equity: 135,751

Core income: 62,049

HUMAN CAPITAL

324 dedicated and skilled employees

Diverse and inclusive workforce with 21% female presence in senior management positions

A total of 2,346 hours of training provided to all 324 employees

INTELLECTUAL CAPITAL

A culture of innovation, and continuous digital improvement

89% of new customers in 2022 were onboarded through the bank's digital platform versus 11% through branches

In full compliance with the government's personal data privacy law and robust data privacy policy and controls

NATURAL CAPITAL

Managing our environmental footprint is a core pillar of BisB's ESG strategy

Continuously building awareness about sustainability practices

Objective of optimizing energy consumption and minimizing waste and water consumption

SOCIAL & RELATIONSHIP CAPITAL

Bahrain's first Islamic bank and the GCC's fourth Islamic banking entity

Integral part of Team Bahrain and Supporter of the Bahrain Vision 2030

Community focused through initiatives, contributions and employee volunteering

Key focus area revolves around Future Leaders of Tomorrow via educational and informative mediums in partnership with local schools and universities.

BisB continues to play a leading role in developing the local and global Islamic banking industry as well as the Kingdom's economy.

BUSINESS

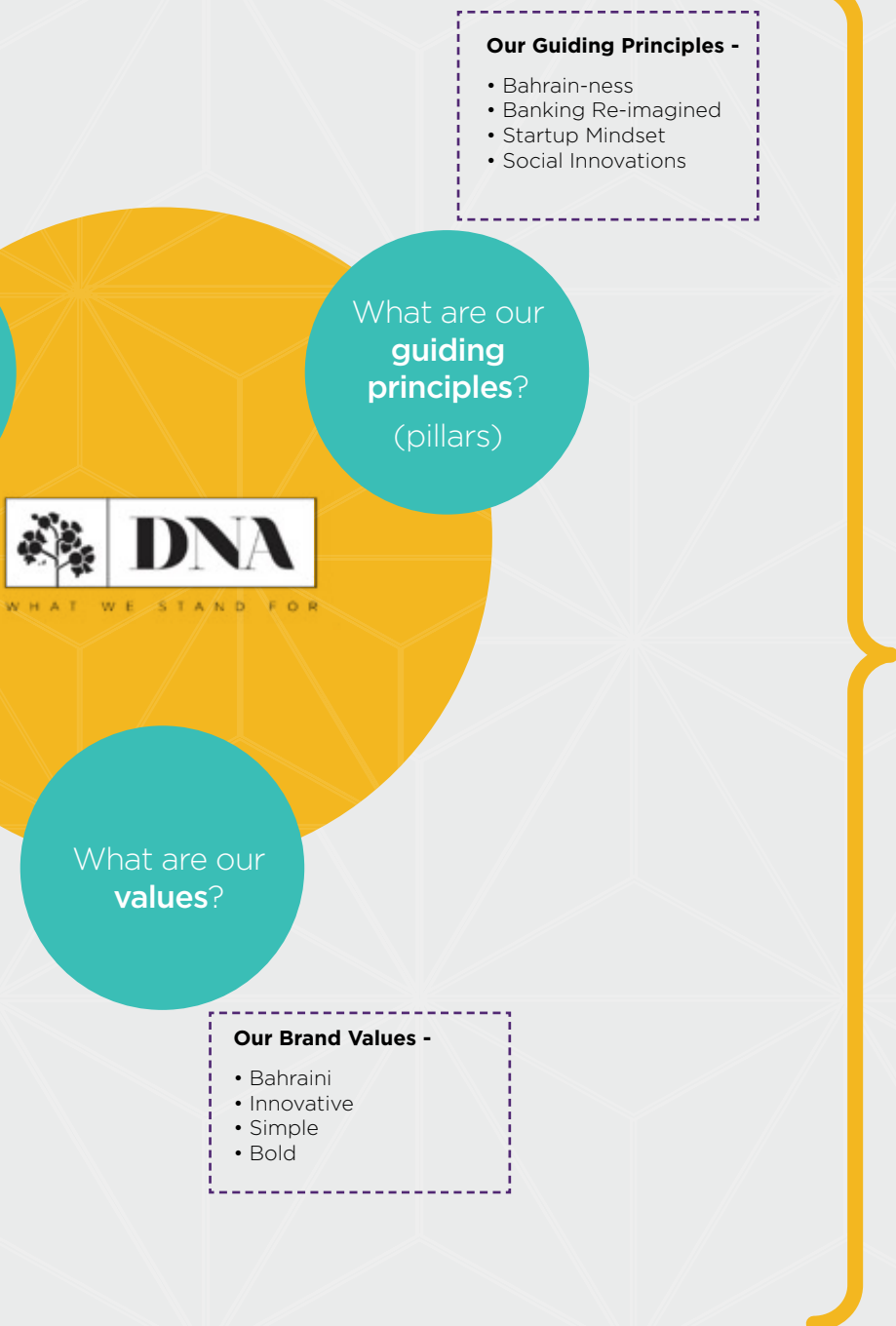
Our Brand Promise -

Fueled by Bahraini devotion, we craft new ways of Simplifying Your Money Matters

What is our promise?

OUR BUSINESS	
RETAIL BANKING	CORPORATE BANKING

MODEL



BUSINESS SEGMENTS	
RETAIL BANKING	INVESTMENT BANKING

OUTPUT & OUTCOME

FINANCIAL CAPITAL

Return on average Assets: 0.9%

Return on average Equity: 9.6%

Net Profit BD'000: 12,568

HUMAN CAPITAL

Paid to employees in staff costs: BD 13.09 million

Bahrainisation rate at: 93%

A healthy turnover rate of 8.6%

INTELLECTUAL CAPITAL

Total number of digital services offered by the bank amount to 30

91 customer complaints representing less than 0.1% of the Bank's total active customer base

Zero reported breaches

NATURAL CAPITAL

0.99 million papers saved in 2022 as a result of our digitalization efforts

Proactive approach to reducing the Bank's GHG emissions and incorporating climate risk in our risk management framework

We aim to increase climate risk awareness within the bank and developing risk assessment tools related to ESG and climate change

SOCIAL & RELATIONSHIP CAPITAL

Over 200,000 client base

More than 70 trees and shrubs planted in 2022

A total of 28 hours of sustainability awareness training

INSPIRE had 5 mentees selected exclusively from the RISE program

In 2022, we introduced three educational initiatives to increase financial literacy in our youth in partnership with INJAZ Bahrain, University of Bahrain and Riffa Views International school

Financial Capital

Putting customers first

At BisB, we endeavor to serve a wide range of customers, varying from individuals, SMEs to large multinational corporations and global financial institutions. To successfully cater to the diverse needs of our different target clients, our financial core is split into three service categories.





FINANCIAL CAPITAL

(GRI 201-1, GRI 201-3, GRI 201-4)

We constantly revitalize our business activities to diversify and bolster client solutions, which ultimately leads to diversification of the revenue stream combined with lowering costs through the use of banking technology and efficient operating systems.

FINANCIAL STRENGTH

Our Financial Core

At BisB, we constantly revitalize our business activities to diversify and bolster client solutions, which ultimately leads to diversification of the revenue stream combined with lowering costs through the use of banking technology and efficient operating systems.

In 2022, profit rates remained high globally, including Bahrain, due to high inflation and the resulting, tightening of monetary policies. Economies slowed down, as threats of a global recession loomed. As a result, both banks and corporates had to reorient themselves to strengthen their financial positions and shield themselves against potential losses.

In 2022, our focus was on solidifying existing revenue streams and diversifying our portfolios to safeguard them against macro-economic risks without compromising our ability to serve our customers. Some of the measures undertaken by BisB included the following:

1. Diversifying our sources of funds to protect our income streams.
2. Taping into re-purchase agreements from the Parent worth of USD 289 million.
3. Initiating the transition of our balance sheet from fixed profit rates to floating to reduce our exposure to profit rate risk.
4. Entered profit rate swaps to hedge the Bank's position against the increase in profit rates.

The diversification of our source of funding allows us to offset the impact of higher cost of funding. BisB is already better off than its competitors in this regard as its acquisition by National Bank of Bahrain allows it to benefit from a lower cost of funding.

We constantly strive to improve our business functions to remain adaptable and ready for economic challenges. Our flexibility and commitment to our clients enabled us to customize and innovate solutions to help local businesses withstand the challenges imposed by Covid-19 and help them bounce back stronger in 2022.

FINANCIAL CAPITAL (Continued)

(GRI 201-1, GRI 201-3, GRI 201-4)

FINANCIAL STRENGTH

(Continued)

Our Business Segments

At BisB, we endeavor to serve a wide range of customers, varying from individuals, SMEs to large multinational corporations and global financial institutions. To successfully cater to the diverse needs of our different target clients, our financial core is split into three service categories:

- Retail Banking

BisB is Bahrain's leading institution for Islamic financing and banking. Our retail banking operations focus on providing Bahraini nationals and residents with a complete range of Shari'a-compliant financing and transactional services. Our retail customers have convenient and easy access to all our products and services through our vast branch network, online banking platform, mobile application, Automated Teller Machines (ATM), Interactive Teller Machines (ITM), and bulk Cash Deposit Machines (CDM). We lead the market in traditional retail products, such as current and savings accounts, debit and credit card services, and consumer financing solutions.

- Corporate Banking

BisB is committed to providing customers with an exceptional corporate banking experience where digital transformation plays a central role. We strive to be the preferred choice for customers using our state-of-the-art digital banking services and seamless digital account opening. Our Digital Platform has proven to be a disruptive innovation. Its introduction has improved end-user experience by making banking transactions efficient and cost effective. The platform is considered as one of BisB's core strengths in creating sustainable outcomes.

The Banks end-to-end digital services allows all types of companies to open corporate accounts in a matter of few minutes. More than 2,950 corporate customers have opened their accounts by using the Digital Onboarding platform, hence simplifying the process and allowing them to focus their time and energy on what is important: Their business. In addition, the Digital Onboarding Platform also caters to under formation accounts, which allows for depositing of the initial capital and issuance of the capital certificate seamlessly online.

We continue to support our corporate customers by providing innovative Shari'a compliant financing and depository solutions. By offering a wide variety of flexible and cost-effective financing solutions we have selectively expanded the C&IB asset base by more than 6% from BD 280 million to BD 297 million. Some of the financing products offered include project finance, trade finance, working capital and capital expenditure financing. We have also built upon our relationship with Tamkeen to offer clients innovative financing solutions with preferential terms. Being a Bahraini Islamic Bank, we have a responsibility to support the economy and cater to local businesses and have dedicated tailor made programs and specialized solutions to support the SME sector. In addition to our financing solutions, our depository products range from simple operating accounts to complex Shari'a compliant structured investment solutions.

Local and global communities are currently facing several challenges such as inflation, tightening monetary policy, supply chain disruptions and effects from Covid-19. BisB strives to be the Bank of choice by providing its corporate customers with the support they need to overcome these challenges through simplicity, loyalty, flexibility, adaptability and innovation.

At BisB's Financial Institution Unit, we cater for the clients need for a safe, fast and reliable financial transactions through our wide partnerships with a network of local and global banks. We also offer a range a of Shari'a compliant products and services that will caters for the Banks and Non-Banks FI's short and long terms needs in addition to streamline the correspondent banking activities with the banks main business lines: Corporate, Trade Finance, Treasury, Retail and Private Banking.

Investment Banking

2022 proved to be one of the most turbulent years investors have ever seen. From the beginning and as it became clear that COVID was not going to shutter the global economy again, the geopolitics between Ukraine & Russia coupled with inflation fears and the fast-paced actions by global central banks on raising benchmark rates roiled global markets as the repricing exercise affected every asset class. The U.S dollar index saw it's biggest rally in more than a decade - a sign of tightening global liquidity which did put pressure on overall funding costs witnessed by financial institutions. Despite the conditions, BisB successfully entered into its first profit rate hedge under Profit Rate Swap (PRS) early during the year swapping fixed returns with a spread over SOFR related returns on a total of US\$ 257 million securities which helped cushion against rising cost of rates and simultaneously increasing borrowings under repurchase agreements while keeping intact regulatory metrics, such as Liquidity Coverage Ratio and Net Stable Funding Ratio. In terms of portfolio management, the entire Sukuk portfolio is Sovereign and stood at BHD 238.5 million.

FINANCIAL CAPITAL (Continued)

(GRI 201-1, GRI 201-3, GRI 201-4)

ECONOMIC IMPACT

Creating Value for The Local Economy

BisB's informed approach to strengthening its financial core allows the Bank to promptly tackle economic challenges, maintain its profitability, and continue creating value for all stakeholders.

By ensuring sustainable growth at optimal risk, we help positively contribute to Bahrain's economy. Our Shari'a-compliant financial products and services empower individuals, businesses, and the government through capital and financing support that enables them to create economic value while remaining globally competitive.

However, it is not only our core banking services that drive economic growth in Bahrain. Our Bank's impact on the economy also stems from its employment practices, supply chain activities, and relationship with local and foreign investors and businesses. For example, we are one of the country's biggest employers, supporting many households. In 2022, we paid around BD 13 million in staff costs. This year, we mapped out and reported our complete economic

impact. All disclosures pertaining to our contribution to the local economy are in line with standards set by the Global Reporting Initiative (GRI).

Moreover, our goal is to achieve sustainable earnings growth for our shareholders. In addition, our Bank ownership structure includes a majority stake by the NBB, which is a public bank with individual, corporate, and government stakeholders. Therefore, maximizing our shareholder value powers economic growth through distribution of wealth across the economy.

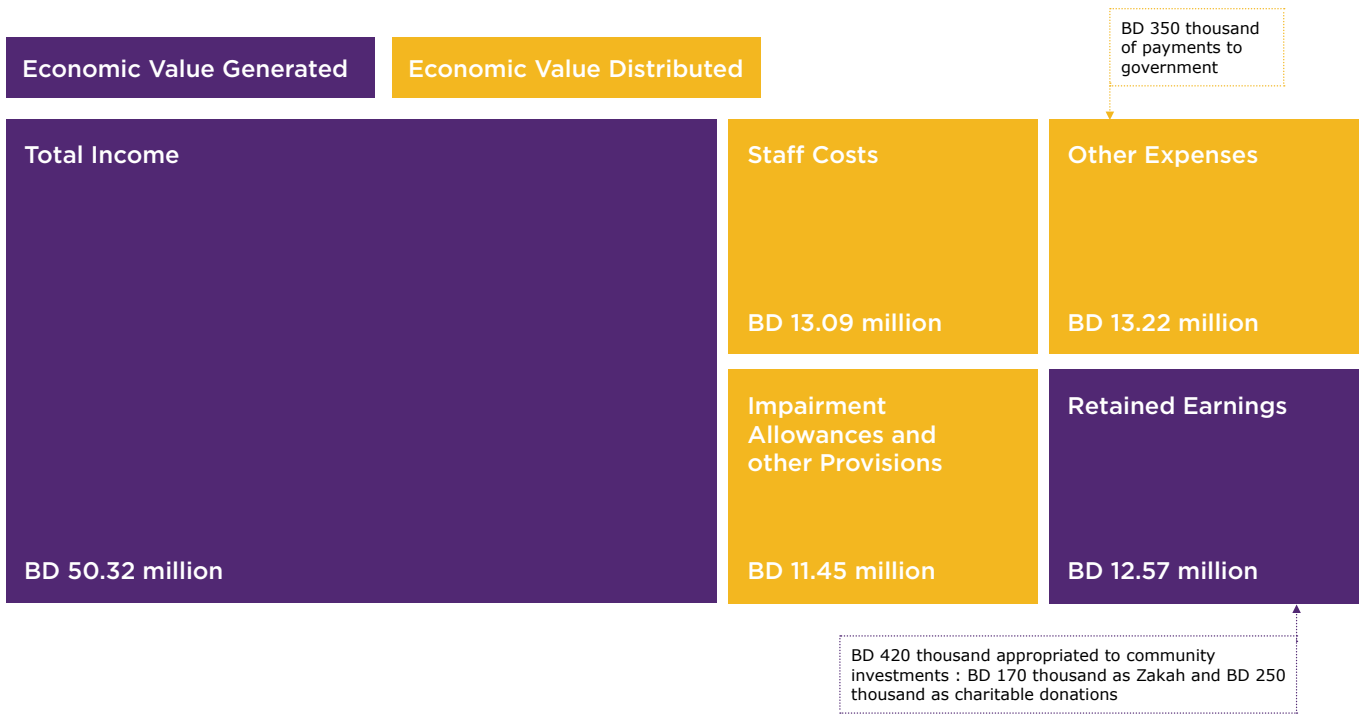
As one of the leading banks in Bahrain, BisB plays an important role in generating wealth that strengthens the country's economy and uplifts local communities. BisB is also fulfilling its commitment to support local communities by investing in local businesses and donating to philanthropic organizations. We have designed and implemented various CSR initiatives across the country. The Community Investments section in this Report contains more information on our CSR programs. Furthermore, the Bank's contribution to the country also includes the tax that is paid to the government.

Measuring our Impact

We use GRI standards and guidelines to calculate the value created for all stakeholders. We generate stakeholder value specifically through our various revenue streams. Our Economic Value Distributed is then spread among suppliers, vendors, employees, government, and other stakeholders in the form of expenses and VAT. Other Economic Value Distributed includes dividends to shareholders or retained earnings for re-investment in the Bank.

We have computed BisBs' economic value generated and distributed. It covers the following elements:

- Total Income and Retained Earnings represent the direct economic value generated.
- Total Expenses including payments to the government, staff costs and impairment allowances and other provisions: These represent the company's economic value distributed.



FINANCIAL CAPITAL (Continued)

(GRI 201-1, GRI 201-3, GRI 201-4)

FINANCIAL INCLUSION & LITERACY

Financial Inclusion

At BisB, we envision a financially empowered Bahrain where everyone can access basic financial products and services. Our product and service portfolio, based on the principles of Islamic Finance, is fit for the needs of all people and businesses in the country.

We ensure financial inclusion by making our services readily accessible all individuals and businesses across the Kingdom of Bahrain, enabled by our digital activities. Also, the development of the national economy is aided by utilizing a variety of Islamic banking products, including social housing programs to individuals in coordination with Eskin Bank and the Qard Al-Hassan profit free financing solutions. Furthermore, BisB has partnered with the Ministry of Finance and Tamkeen to offer liquidity to clients at substantially subsidised rates through a variety of initiatives to small and medium enterprises (SMEs). It aims to provide SMEs with the much-needed support to grow and eventually achieve their goals, especially in the light of the ongoing consequences of the current economic environment.

We also seek to raise awareness of financial matters across society. Our relationship managers are trained to provide their clients the most appropriate financial advice and ensure that our product offering provides the best possible match to our clients' requirements. In 2022, the proportion of our retail accounts opened by first-time account holders was 93%, which highlights the Bank's efforts to include wider strata of the society in the country's banking ecosystem.

Financial Literacy in Practice

BisB is invested in providing financial awareness and education to the youth of Bahrain. In this endeavor, we launched our Future Leaders Camp in partnership with INJAZ Bahrain. The camp was organized to promote our youth-centric products and services, including cashless forms of payments such as prepaid cards and wristbands that allow parents to track the financial activities of their children.

The camp also instructs children about fiscal management through interactive games and learning activities. Through this and other similar initiatives, BisB is increasing financial literacy in Bahrain, enabling our people to make smart financial decisions from an early age.

Human Capital

Empowering Bahraini nationals

We firmly believe that investment in human capital is vital to creating sustainable value for the Bank, the local economy, and the communities in which we operate.





HUMAN CAPITAL

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

We firmly believe that investment in human capital is vital to creating sustainable value for the Bank, the local economy, and the communities in which we operate.

WORKFORCE WELL-BEING

A People-First Strategy

Our people are the heart of our Bank. We've been able to lead and dominate the local and regional banking industry because of our unwavering commitment to our employees. Our employee-first approach is reflected through our investment in their growth and development as a globally competitive banking professionals.

To that end, our Human Resource Division plays a mission-critical role in advancing the Bank's vision and progress toward our objectives. The HR team at BisB is empowered and equipped with the resources it needs to create a sustainable and supportive work environment that embraces a collaborative, high-performance culture. Experienced HR experts lead the team with complete autonomy in employee management, training, and

development. Their goal is to remain flexible and adaptive to evolving market dynamics to align BisB's HR policies with the Bank's overall ESG strategy.

Following an iterative process, our HR team developed and implemented a comprehensive three-year model in 2021 based on global best practices and emerging HR trends. The BisB HR model outlines diverse initiatives that have been employed by the Bank across four key tenets of our people-first strategy. The model also details how we track our progress.

BisB as the "Employer of Choice"

BisB's core strategic objective is to become the 'Employer of Choice' in the local and regional banking and finance industry. This year, in line with this overarching goal, we worked to enhance our internal and external HR communication and invest in employee development through various growth and training initiatives.

We firmly believe that investment in human capital is vital to creating sustainable value for the Bank, the local economy, and the communities in which we operate.

Our people-first strategy requires us to ensure that our employees have ample opportunities to develop their skills, enhance their knowledge, and build on their expertise at every turn. Therefore, HR at BisB is always looking to introduce new training programs and upskilling tools that set up our employees for accelerated career progression.

In 2022, BisB transformed its HR Management System. Under the new BisB HRMS, employee management and communication have been streamlined. Employee documentation, enhanced performance evaluations, and feedback have been made more easily accessible for all employees. The new HRMS is expected to significantly optimize time spent on back-end HR processes and improve internal engagement and communication, embracing a green paperless environment.

We plan to further integrate advanced technology into our HRMS to automate employee lifecycles in the upcoming year. Talent acquisition and development to succession and transition processes will be digitalized. In addition, the improved HRMS will be utilized to implement and track individual employee succession and development through automated processes and guidelines.

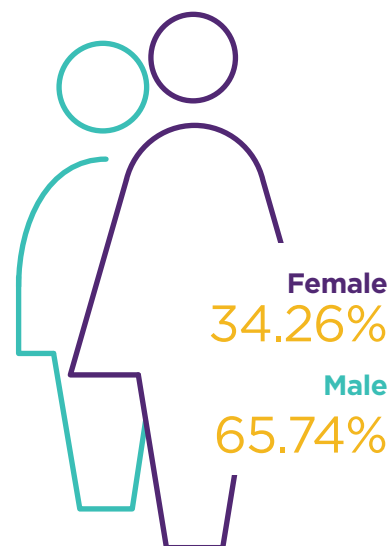
HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

WORKFORCE WELL-BEING (Continued)

TOTAL EMPLOYEES

2022		324
2021		331
2020		350



2022 Breakdown by Gender	Number of Employees
Male	213
Female	111
Total	324

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

Year	Entry-Level		Mid-Level		Senior Executive Level	
	Male	Female	Male	Female	Male	Female
2020	62.69%	37.31%	63.55%	36.45%	80.95%	19.05%
2021	63.49%	36.51%	64.76%	35.24%	81.08%	18.92%
2022	62.16%	37.84%	67.62%	32.38%	79.41%	20.59%

TOTAL EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP

Year	Entry-Level			Mid-Level			Senior Executive Level		
	Below 30 years old	30-50 years old	Over 50 years old	Below 30 years old	30-50 years old	Over 50 years old	Below 30 years old	30-50 years old	Over 50 years old
2020	29.35%	68.66%	1.99%	2.80%	95.33%	1.87%	-	88.10%	11.90%
2021	22.22%	75.66%	2.12%	4.76%	92.38%	2.86%	-	89.19%	10.81%
2022	12.43%	85.41%	2.16%	2.86%	94.29%	2.86%	-	88.24%	11.76%

At BisB, we take a structured approach to set ourselves up as the 'Employer of Choice' for the industry's top talent. Our efforts are focused on the following HR aspects.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

WORKFORCE WELL-BEING (Continued)

Attracting New Talent

An extremely competitive job market characterizes the Bahraini financial industry. Therefore, BisB has had to innovate and implement a unique approach to talent acquisition and retention to remain an Employer of Choice for the best of the industry's talent.

Our primary strategy is to attract top talent through our unparalleled employee well-being programs. BisB remains unmatched in the industry regarding flexible work arrangements, employee development opportunities, career progression, and monetary and non-monetary benefits. These programs constitute our unique selling point as an employer. They are front and center in all BisB job advertisements, media promotions, and our website.

To recruit the best local and global talent, BisB focuses on building a strong employer brand. This has been achieved by consistently delivering on promises to employees, promoting the Bank's values within the industry, and showcasing our learning-conducive culture through our media channels. We are proud to be recognized as an organization that prioritizes employee well-being, growth, and development.

In 2022, we also increased focus on on-campus recruitment by partnering with local educational institutions for internship programs and graduates hiring. The enterprise enables us to invest in the professional development of our youth. It also helps us train a future workforce to benefit our communities and the economy.

Whether on campus or otherwise, BisB's talent acquisition strategies target diversity and inclusion as the baseline for attracting new talent. We actively seek out capable candidates from underrepresented groups.

Competitive Employee Benefits

BisB leads the market in its employee benefits packages. In addition to competitive monthly remuneration, we also provide life insurance coverage to all our employees. Other benefits include health insurance, flexible work arrangements, competitive bonuses and incentives, attractive vacation, personal time off, and more. These benefits are regularly revised to ensure we remain competitive and in line with market expectations.

Protecting our Workforce

BisB ensures employee well-being by maintaining a safe and productive workplace environment. We protect our workforce through three distinct approaches.

- **Health & Safety Program:** BisB has implemented a comprehensive health and safety program which provides comprehensive training, detailed inspections, and outlines emergency protocols. The program also comprised Covid-19 protection measures. The program's success is reflected in our achievement of a 0% injury rate across the organizations and our sub-contractors in 2022.

- **Information Security Human Security Program:** We continued our journey to further educate our employees on information and cyber security principles, the program aims to develop a behavioral approach to embed safe and security information security principles across the workforce, to ensure their safe and secure habits are practiced at work, home and on the go.

- **Employee Empowerment:** At BisB, we endeavor to remain flexible, entrusting our employees to adopt work practices that best fit their health and safety needs. We ensure that all employees are valued and supported in their professional journey and receive support to eliminate stress and avoid burnout.

- **Anti-Discrimination and Harassment Policies:** We have stringent policies to protect all our employees against discrimination and harassment in the workplace. We also strive to maintain an atmosphere where affected employees feel safe and comfortable reporting discriminatory and/or harassment incidents.

This three-pronged approach to workforce protection has proven successful in helping BisB foster a safe and supportive environment. We are committed to updating our policies and initiatives to ensure their effectiveness in protecting our people.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

WORKFORCE WELL-BEING (Continued)

Employee Satisfaction, Engagement & Retention

BisB dedicates time, energy, and resources to employee satisfaction and productivity. This year, our focus on employee well-being yielded the following benefits:

- **Increased Employee Loyalty:** When our employees feel valued, they develop a strong loyalty to the Bank. We believe dedicated employees who align with our values are better placed to attract loyal customers.
- **Reduced Turnover:** High employee satisfaction has reduced voluntary employee attrition at BisB. In 2022, our turnover rate decreased by 0.7% year-on-year. Lower turnover translates into reduced recruitment, new-hire training costs, and a stable and experienced workforce.

- **Improved Productivity:** Satisfied employees are more engaged and motivated to contribute positively toward the Bank's mission and objectives. They are more productive, perform better, and ultimately drive an increase in efficiency, customer satisfaction, and revenue growth.
- **Improved Organizational Culture:** We have found that satisfied and engaged BisB employees better align with the Bank's values and culture. They actively foster a healthy workplace environment by improving the morale between colleagues and taking the initiative.
- **Cementing Employer Brand:** Satisfied employees often engage in positive word of mouth and improve BisB's reputation as the 'Employer of Choice' within the industry.
- **Improved Customer Service:** Satisfied frontline employees provide better customer service, which results in customer satisfaction. At BisB, we have maintained a 98% customer satisfaction rate in 2022 and have experienced an increase in customer loyalty year on year.

Keeping our employees happy and engaged is results in direct value generation. To that end, we have multiple practices and policies that help satisfy our employees. We focus on providing our employees with both extrinsic and intrinsic motivation.

Intrinsic motivation is provided through BisB's comprehensive training and development programs, effective communication, engagement with employees, ensuring a healthy work-life balance, and providing employees with greater autonomy and flexibility.

Extrinsic motivation at BisB is offered through competitive remuneration packages, performance-based rewards, and recognition. To keep updated on employee satisfaction, the Bank's leadership team actively mentoring employees and setting the right example through model behaviour.

Following an iterative process, our HR team developed and implemented a comprehensive three-year model in 2021 based on global best practices and emerging HR trends. The BisB HR model outlines diverse initiatives that have been employed by the Bank across four key tenets of our people-first strategy.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

WORKFORCE WELL-BEING

(Continued)

TOTAL NEW HIRES BY GENDER*

Year	Male	%	Female	%	TOTAL
2020	6	2.63%	2	1.64%	8
2021	11	5.05%	1	0.88%	12
2022	11	5.16%	10	9.01%	21

* The percentage calculation is as per the new GRI Standards

TOTAL NEW HIRES BY AGE GROUP*

Year	Below 30 years old		Between 30-50 years old		Over 50 years old		TOTAL
	#	%	#	%	#	%	
2020	4	5.26%	4	1.52%	-	-	8
2021	5	9.26%	6	2.25%	1	10.00%	12
2022	11	26.19%	9	3.32%	1	9.09%	21

* The percentage calculation is as per the new GRI Standards

TOTAL EMPLOYEES THAT LEFT BY GENDER*

Year	Male	%	Female	%	TOTAL
2020	11	4.82%	8	6.56%	19
2021	21	9.63%	10	8.85%	31
2022	15	7.04%	13	11.71%	28

* The percentage calculation is as per the new GRI Standards

TOTAL EMPLOYEES THAT LEFT BY AGE GROUP*

Year	Below 30 years old		Between 30-50 years old		Over 50 years old		TOTAL
	#	%	#	%	#	%	
2020	2	2.63%	17	6.46%	-	-	19
2021	3	5.56%	26	9.74%	2	20.00%	31
2022	2	4.76%	24	8.86%	2	18.18%	28

* The percentage calculation is as per the new GRI Standards

Year	TOTAL NEW HIRE RATE	TOTAL TURNOVER RATE
2020	2.3%	5.4%
2021	3.6%	9.4%
2022	6.5%	8.6%

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

WORKFORCE WELL-BEING (Continued)

Health & Safety

Our employee's health and safety (H&S) is a top priority. BisB has a formal safety management system with embedded risk management guidelines and protocols. The safety program is compliant with all Bahrain Health & Safety regulations.

The H&S system at BisB mandates employee compliance with our comprehensive safety manual. The program's scope extends beyond the Bank's operations and covers our contractor's safety practices. It comprises regular inspections, safety training, induction material and procedures, incident reporting and investigation protocols, and emergency guidelines.

Safety and security training is an important aspect of the BisB H&S program. In addition to detailed training covering several aspects of workplace safety, BisB provides monthly hands-on training to its maintenance staff to ensure compliance with all health standards. Furthermore, all our floors and Bank branches have first-aid personnel on call and two trained fire marshals. A yearly fire drill is also carried out across the organization in collaboration with the Civil Defence Authority to assess employee readiness in an emergency.

Information Security

Every organization needs protection against cyber-attacks and security threats. Information security is paramount for BisB as it protects customers data, sensitive financial and personal information. It also protects the Bank from any kind of cyber-attacks, theft, unauthorized access, and other types of digital breaches.

As a leading financial institution within the Bahraini economy, we are conscious of our role in sustaining and building customer trust and mitigating any loss of reputation to institutions or financial loss to customers. It is for this reason that the Bank adheres to strict regulations such as the General Data Protection Regulation (GDPR) and Payment Card Industry Data Security Standard (PCI DSS) to implement robust information security measures to protect customer data. These measures help us ensure informational security, maintenance of stability and credibility within the banking industry.

Number of Employees			
	Safety and security training	Understanding PCI DSS	Safety procedures training
2021	265	194	258
2022	324	324	324

To further ensure the safety of our employees, we maintain transparent reporting standards. Monthly information reports on HSE incidents are compiled and reported to the senior management and the Operation Risk and HR departments. In addition, following BisB's integration with NBB, the Bank partakes in an H&S audit and has an H&S policy in place. We are proud to report that there were 0 injuries across the Bank and its contractors in 2022.

HUMAN CAPITAL (Continued)

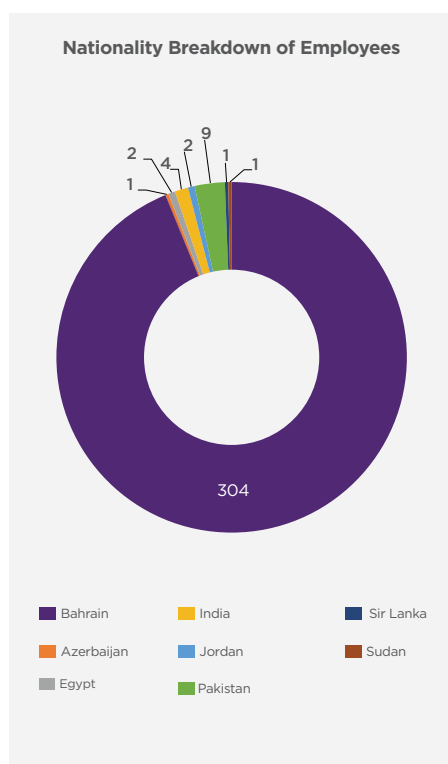
(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

BisB is an equal opportunity employer committed to building a diverse workforce and an inclusive workplace culture. Our HR policy clearly instructs against discrimination based on age, gender, ethnicity, marital status, religion, or otherwise. BisB does not tolerate any breach of our anti-discriminatory policies. We expect all line managers to ensure that no discrimination occurs in any aspect of our operations, including recruitment, remuneration, promotions, etc.

Moreover, at BisB, we constantly strive to build a diverse, representative workforce. We are committed to increasing female representation, which currently stands at 34% of our workforce, and representation of Bahraini nationals, which currently stands at 94% of our total workforce.

However, we don't stop at diversity. We are going one step further to ensure an inclusive workplace where all our employees feel valued and supported and share a strong sense of belonging to the organization.



Female Empowerment at BisB

Female empowerment is important to us at BisB. We understand and acknowledge the positive impact of an empowered female workforce on the Bank. Our goal is to tap into the potential of our female employees by creating the right environment for them and providing them with the support and tools they need to perform at their highest level. Some of our HR initiatives focused on empowering female employees include:

- Increasing parental leave from 1 to 3 working days. This policy extends to male employees.
- Providing paid maternal leave of up to 90 days for a regular birth and 120 days for premature birth.
- An unpaid motherhood leave of up to 6 months to care for children under the age of 7.

- A total of three unpaid leave periods are available throughout an employee's service. However, the leaves are not considered part of the service, so no social insurance contribution is paid.
- Miscarriage leave, as part of paid sick leave, of up to 15 days.
- Nursing periods of 2 hours per day for 1 year and 1 hour a day for the second year after birth.
- Vaccination leave of 1 working day for female employees on the day of any vaccination till their child reaches 2 years of age.
- Option for 'Light Duty' for a female employee undergoing fertility treatment. This includes reduced working hours (6 per workday) for up to 45 calendar days.
- Paid leave of 3 working days for the birth of up to 3 grandchildren.

Total number of employees that took parental leave

Year	Female	Male
2020	7	6
2021	8	6
2022	8	8

Total number of employees that returned to work after parental leave ended

Year	Female	Male
2020	7	6
2021	8	6
2022	8	8

These measures have positioned BisB as an attractive place of work for female employees. They have allowed us to improve female representation within the Bank. Women at BisB are empowered to take on key managerial and C-Suite roles. There are currently a total of 111 female employees at the Bank, accounting for 34% of our total workforce. In addition, 32% of the

Bank's middle management and 21% of the senior management is female. Additionally, the median compensation of a woman's salary when compared to a man, sits at around 31%. We currently have one female Board Member as well. These numbers reflect our commitment to female representation, which aligns with the Kingdom of Bahrain's strategy to empower women.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY (Continued)

Youth Empowerment at BisB

Youth empowerment is an important aspect of BisB's HR strategy. Our vision for youth empowerment comprises several key elements:

- **Education & Training:** The Bank has several education and training programs for youth that are designed to develop their skills and improve their professional knowledge. These programs take the shape of internships, apprenticeships, and training workshops.
- **Entrepreneurship Support:** Our partnership with INJAZ allows us to support young entrepreneurs. We provide them with the resources and mentorship they need to start and grow businesses. Some resources offered include investment guidance, entrepreneurship courses, and networking opportunities.
- **Financial Literacy:** BisB plays an important role in improving financial literacy in the youth. We have several financial education programs that teach young people how to manage their money, invest, save, and plan.
- **Career Development:** We have partnered with several local educational institutions to offer career guidance and support to students navigating the job market and exploring different career paths. Our support includes job internship, career counseling, and more.
- **Creative Innovation:** We host competitions in collaboration with INJAZ that push the youth to think creatively and ideate innovative solutions to complex problems.

In 2022, we introduced 5 unique initiatives across these verticals that involved more than 500 students. These initiatives embrace our vision for youth empowerment and our commitment to building a better future for Bahrain.

EMPLOYEE TRAINING AND DEVELOPMENT

Developing Our Workforce

Employee training and development is central to our people-first approach to business. It plays a vital role in helping our employees grow personally, develop professionally, and advance in their careers and lives. In addition, as an Islamic Bank, it is more important for our employees to remain well-versed in the technical and practical know-how required to successfully offer complex products in a Shari'a-compliant manner. Therefore, skilled and trained employees are the ultimate key to creating sustainable value for our Bank, economy, and communities.

	Total training delivered in alignment with Islamic principles (Hours)	Number of employees who completed sustainability-related awareness/ training programs (Number)	Number of Shari'a related awareness campaigns
2020	2,068	67	1
2021	1,181	153	1
2022	2,346	324	5

We want to ensure that all our employees are equipped to effectively serve our customers in the best way possible, manage risk efficiently, and maintain our compliance with constantly evolving market regulations. To that end, we foster a culture of continuous learning within the organization. Covering all these aspects and more is an expansive training program comprising courses and learning opportunities for employees at all levels. We deliver this training through our guidance centers, specialized programs, and partnerships with education organizations. In 2022, we delivered an average of 113 hours of training to 324 employees.

Average Training Hours by Gender

Year	Female	Male	TOTAL
2020	39	40	79
2021	52	54	106
2022	59	54	113

Total Training Hours by Job Category

Year	Entry-Level	Mid-Level	Senior Executive Level	TOTAL
2020	6,484	4,913	2,461	13,858
2021	10,190	5,530	1,852	17,572
2022	9,532	6,664	1,866	18,062

Apart from technical and operational training, we are also focused on creating strong leaders. We recently launched several leadership programs designed to upskill our top performers and develop their leadership skills.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

EMPLOYEE TRAINING AND DEVELOPMENT (Continued)

RISE

RISE is a one-year managerial training program designed to train BisB's best and brightest for future leadership roles. Developed in partnership with international training consultants, the initiative is an essential part of our succession planning strategy and our efforts to nurture the next generation of BisB leaders. The program focuses on developing both the soft and hard skills of our Bahraini employees who demonstrate the potential to become future leaders. Candidates are selected following a highly rigorous process involving assessments, personality and aptitude tests, and interviews conducted by executive management. Selected candidates then take on modules focusing on developing various skills. Candidates are also required to complete special assignments and carry out their regular duties.

INSPIRE

INSPIRE is BisB's mentorship program. It is geared toward developing our junior employees and accelerating growth. In 2022, INSPIRE had 5 mentees selected exclusively from the RISE program mentored by 20 leaders from the executive management team.

VIRTUAL TRAINING

The Covid-19 pandemic in 2020 pushed us to switch to virtual training programs, and we have not looked back. These sessions are now standard practice at BisB, especially while onboarding recruits.

To stay competitive in the financial industry, we must stay flexible, agile, and updated on evolving technologies, practices, and regulations. Our focus on upskilling employees through rigorous training is a necessity. By investing in our workforce, we can better navigate market challenges and adapt to disruptions in a cost-efficient and timely manner.

We are also committed to improving and adjusting our approach to training and development based on the needs of our employees. We conduct regular Bank -wide surveys throughout the year to assess training effectiveness, identify areas of improvement, and understand employee shortfalls. The feedback is used to adjust and improve the following year's training. Taking this iterative and inclusive approach to training and development has allowed us to increase employee engagement and satisfaction.

Sustainability Awareness at BisB

Sustainability awareness is essential to BisB's ESG strategy. In recent years, we have been hosting regular sustainability awareness sessions that aim to educate all our employees on the importance of ESG, inform them about the Bank's ESG impact, and align them with our group-level ESG vision and mission.

In 2022, a total of 28.5 hours of sustainability awareness training were offered over 11 sessions. The sessions were designed to be interactive to increase impact and keep employees engaged. The sessions were also conducted for our Board of Directors. We believe our focus on increasing sustainability awareness goes a long way in helping us advance toward our sustainability objectives and building an engaged and responsible workforce.

HUMAN CAPITAL (Continued)

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-8, GRI 403-9, GRI 403-10, GRI 404 1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1, S2, S4, S5, S6, S3, S7, S8, G5)

EMPLOYEE TRAINING AND DEVELOPMENT (Continued)

CASE STUDY 1: EMBRACING OUR BAHRAIN-NESS

Being Bahraini is at the heart of our Bank's identity. Our Bahrain-ness defines our values, and guiding principles – to remain friendly, respectful, open, and warm. One of our overarching goals is to remain connected with our roots as we continue to grow. Therefore, we are constantly striving to align our daily operations with Bahraini values. We hope to leverage local insights and advantages to improve our business approach, enhance our customer service, and innovate the future of banking in Bahrain and beyond.

Bahrain-ness in BisB HR

We have implemented key initiatives supporting the nationalization (Bahrainization) of the workforce. These initiatives are aligned with the nationalization policy of the Bahraini government and keep us compliant with the Bahrain Bourse requirements on ESG disclosures. Our Bahrain-ness is also reflected in our HR policies, especially our approach to recruitment.

In 2022, 94% of our employees were Bahraini nationals, with Bahraini nationals in senior roles comprising 9% of our total workforce. In the upcoming year, we aim to increase this percentage across all our departments by focusing on recruiting Bahraini graduates specifically and nurturing them for growth in their careers.

In addition to recruitment, we also prioritize Bahraini employees regarding promotions. We aim to first find the right talent internally and only recruit externally if needed.

Bahrainization of our workforce is important in ensuring that our operations align with local business and cultural expectations. Having experienced staff with local knowledge better positions us to understand the needs and expectations of our customers and maneuver the changing dynamics of the local financial market. Furthermore, hiring Bahraini talent has resulted in an increased sense of community and ownership in the workplace at BisB, as well as improved customer trust and loyalty.

Year	Total Female Bahraini Nationals	Total Male Bahraini Nationals
2020	37%	63%
2021	36%	64%
2022	36%	64%

Number of Bahrain Nationals

Year	Entry-Level & Admin	Mid-Level	Senior Executive Level
2020	60%	30%	10%
2021	60%	31%	9%
2022	60%	31%	9%

Intellectual Capital

Innovation through expertise

At BisB, we use technology to simplify services for customers, through online banking, mobile services, and self-service kiosks with ease of onboarding. It has ensured our market dominance.





INTELLECTUAL CAPITAL

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

Continued improvement in online banking at BisB has notably made customer onboarding easier, resulting in an exponential increase in customer acquisitions in the last 2-3 years.

DIGITAL TRANSFORMATION AND INNOVATION

Powering Innovation through Digital Technology

In 2022, BisB made significant progress on its digital transformation journey. Digital solutions allow us to streamline our offerings, offer remote access to our customers, and improve data security. Digitalization of our internal processes and customer journey is essential to delivering exceptional customer experience at every touchpoint. In 2022, we actively invested in integrating newer technologies to innovate our banking systems and services.

In an effort to provide value to customers, BisB uses technology to simplify their services for customers, through online banking, mobile services, and self-service kiosks with ease of onboarding. It has ensured our market dominance.

We began the digital transformation of our operations and services four years ago by offering our personal banking services and facilities, 'Money Matters,' through online channels. Timely adoption of technology allowed us to weather the challenges brought by the COVID-19 pandemic and ensured continuity of service for our customers. Continued improvement in online banking at BisB has notably made customer onboarding easier, resulting in an exponential increase in customer acquisitions in the last 2-3 years.

Digitalization at BisB extends to internal and back office processes as well. We leverage a robust IT banking infrastructure to streamline our processes and business functions. It has resulted in increased operational efficiency through greater coordination between departments, removed bottlenecks, and sped up data recovery and analysis. Ultimately, we have been able to lower costs and drive innovation in product development to remain competitive.

BisB is keen on technological innovation to improve its banking services and products. Going forward, it will continue expanding its digital portfolio. Here is a breakdown of our digital initiatives.

In 2022, BisB made significant progress on its digital transformation journey. Digital solutions allow us to streamline our offerings, offer remote access to our customers, and improve data security.

INTELLECTUAL CAPITAL (Continued)

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

DIGITAL TRANSFORMATION AND INNOVATION (Continued)

Individual Customers

- i. Enhanced onboarding at self-service kiosks:
Previously, customer onboarding digitally through the kiosks entailed requiring additional documents. With BisB systems now integrated with government portals and KYC databases, our customers can open an account or access our services by simply uploading their selfie with an ID in a completely digital process.
- ii. Improved Credit Card Application:
Customers can initiate their credit scoring and evaluation process through our mobile application or Customer Service Representative (CSR). Their data is processed within minutes, and based on the assessment, they can proceed with their credit card application digitally.
- iii. Chatbot assistance
- iv. Secure customer data update procedure through ID scans and validation

Corporate Clients

- i. Smooth corporate onboarding through the Mobile App:
Previously only available for SMEs, our digital onboarding process can now be utilized by all corporate clients.
- ii. Automated KYC update
Automatic daily update of expired Corporate CRs by fetching the data from Sijilat and our corporate clients can also update their information through online channels without the need to visit us.

Back-End System Transformation

Our goal is to automate as many internal processes as possible to reduce paperwork. Some of the positive developments include:

- i. IT infrastructure enhancements, including upgrades to core banking software, hardware, and infrastructure setup.
- ii. Expansion of the use of thin client computing and Virtual Desktop Infrastructure (VDI) and upgrades to reduce its carbon footprint and enforce principles of Zero Trust Network Access (ZTNA).
- iii. Renewed PCI certification, ensuring customer card data security.
- iv. Obtained independent attestation against the latest version of SWIFT's cyber security control framework, SWIFT Customer Security Controls Framework (CSCF v2022).

- v. Achieved ISO 27001:2013, Information Security Management System certification.
- vi. Maintained ISO 22301:2019, Business Continuity Management System certification.
- vii. Automated card creation and updates.
- viii. Upgrades to Kiosk machines at branches.
- ix. Improved database infrastructure and bank connectivity
- x. Upgrades to our application and internal network systems to strengthen customer data protection and privacy.

BISB FUTURE LEADERS INITIATIVE

BisB's commitment to innovation led to the Future Leaders initiative, which includes an NFC-enabled wristband and a prepaid card for payments on the go.

The Future Leaders products were developed specifically for young children to safely teach them financial management. They provide several key benefits to users:

- Safe and secure online shopping
- Compatible with all NFC-enabled POS machines
- Secure transactions supported by 3D Secure 2.0 framework
- Reload anytime through BisB's online portal or Benefit Pay
- 24/7 customer service
- Exclusive discounts and promotions
- Track and manage finances.

Parents can create a Future Leaders account for their children, link it with their own accounts, and easily transfer money. Cashless payment forms make transactions secure, and the tracking mechanism allows parents to monitor their children's financial activity. Through the program, children learn to use banking services, manage expenses, and gain financial independence.

INTELLECTUAL CAPITAL

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

DIGITAL TRANSFORMATION AND INNOVATION

(Continued)

BisB is the first bank in Bahrain to offer all our services through online and digital platforms. A digital bank has reduced overheads and dependency on physical branches. Digital technology has also enabled first-time customers to sign up using National ID cards. They can take a selfie and upload their picture and fill out all forms electronically. IDs are validated through extensive authenticity checks and matched against selfies that are subject to extensive liveness checks and security controls.

In 2022 the number of first-time customers who signed up through our digital platforms was higher at 89% than those who onboarded at our brick-and-mortar branches, which was 11%.

Additionally, back-end processes at BisB were enhanced using technological innovation:

- Compliance with PCI certification to ensure the security of credit card data.
- Core banking software and database systems upgraded.
- Debit card systems upgraded to support new technology.

- Signature capture and verification systems updated.
- Virtual desktop infrastructure improved to enhance the capacity of user-friendly virtual desktop systems.
- Electronic approval systems improved.
- SMS technology upgraded.
- Carried out a disaster recovery (DR) drill where critical services functions were switched over to the DR environment for 24 business hours, and all live transactions were processed from that environment.
- Improved automated services for the Mazaya subsidy program
- Enhanced Open Banking Interface, which enabled international funds transfer (normal, standard orders, and future dated), domestic standing orders, and public data API for the list of ATMs and branch locations.

RESPONSIBLE CUSTOMER RELATIONSHIPS

BisB is constantly striving to improve customer relationships and service. This is achieved through training programs for our employees, simplified processes, digitalization that enhanced customer experience to streamline internal processes and speed up banking services. Our customer service includes catering to individual customer needs, listening to their concerns, and taking prompt action on complaints.

BisB offers its customers various channels for communication with the Bank:

- i. Contact centers
- ii. Electronic forms on the Bank's website
- iii. Social media accounts
- iv. Customer support email
- v. Visiting any of our branches

As a Retail Bank with a large customer base, day-to-day operational issues can lead to customer complaints. Customer-facing employees are charged with resolving routine issues without further escalation. Customer complaints are reported to the management and the Board designated committee.

During the year 2022, the Bank received 91 customer complaints representing less than 0.1% of the Bank's total active customer base of over two hundred thousand customers. The Bank is committed to responding, resolving, and reporting customer complaints in accordance with regulatory requirements.

SUSTAINABILITY THROUGH AUTOMATION

BisB automated and digitalized many corporate and personal banking services, eliminated paper-based systems, and enabled remote access and transactions. This facilitated quicker transaction and processing speeds to help reduce our carbon footprint. Seven new core banking services were digitalized, taking the total number of digital services offered by the bank to 30. As a result, BisB was able to save 0.99 million papers in 2022.

INTELLECTUAL CAPITAL (Continued)

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

DATA PRIVACY AND SECURITY

(GRI 410-1, GRI 418-1, G6)

We adopted a wide range of best practices in information security, privacy, continuity, and resilience. The Bank is certified against ISO27001:2013 Information Security Management System, ISO22301:2019 Business Continuity Management System, Payment Card Industry Data Security Standard (PCI-DSS 3.2), and SWIFT Customer Security Controls Framework (CSCF). The Bank is also aligning business processes in line with leading best practices including the NIST Cybersecurity Framework, the Business Continuity Institute (BCI), Good Practice Guideline (GPG), The Open Web Application Security Project and the Center of Internet Security (CIS) benchmark and the Open Worldwide Application Security Project (OWASP).

As an institution, we value customer data privacy and security. We believe

privacy is a fundamental value aligned with Shari'a law and ethical business practices.

We continue to embed continuity, security, privacy and awareness into the culture and working ethos of our organization. We aim to ensure that customized and strategically designed security principles are applied to existing and newly enhanced processes, products, and services. Our layered, security-controls approach is entrenched in everything we do as we transform our business.

We value the importance of transparency and place great regard on customers trusting the Bank's products and services. It is our core mandate to ensure that all communications with customers are fair and transparent, and that any sensitive communications with customers and third parties is sufficiently vetted by professionally trained frontline staff from respective departments, such as Marketing, Corporate Communications, Legal,

Compliance, Information Security and Business Units.

Our range of security and privacy measures enable us to safeguard our customers and facilitate transactions across different platforms: online, mobile, self-service Kiosks, ATMs and ITMs. To build on this endeavor, training programmes and awareness activities took place over the year to further embed privacy, security, and operational resilience into our culture. This included the practice of ensuring that privacy-by-design and security-by-design principles are followed in the development, maintenance and operations of products and services we introduce and operate. We are pleased to report that no security breaches were reported this year.

	2020	2021	2022
Control of Technical Vulnerabilities			
Number of technical vulnerabilities on public assets and websites rated, high and critical	-	-	-
Security breaches reported internally			
Number of reported security breaches	-	-	-
Security and privacy awareness program			
Campaign failure rate (%)	5.47%	0.26%	5.40%
Number of computer-based training modules completed	252	484	612
Average security awareness score (%)	88%	89%	89%
Team competency			
Number of professional certifications in the information security, continuity and privacy field	25	20	28
Number of unique professional certifications or award in the field, where BisB security professional is the first to achieve in Bahrain	4	3	5

INTELLECTUAL CAPITAL

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

DATA PRIVACY AND SECURITY (Continued)

(GRI 410-1, GRI 418-1, G6)

Business Continuity Management

We have become the first organization in Bahrain, and among the first worldwide, to achieve ISO 22301:2019 Business Continuity Management System certification. We have implemented a Business Continuity Management (BCM) programme that allows us to enhance the resilience and continuity of critical services.

We continued maintaining and enhancing our Business Continuity and Operational Resilience framework, through utilization of innovative cloud-based management solutions. During the year, several exercises were conducted to simulate the response to site unavailability, cyber-attacks, and business disruptions and asset our response and recovery operations through extensive tests and exercises that were conducted on live and simulated disaster recovery environments.

We organized a training and professional certification program for our team on business continuity and resilience best practices through training them on the Business Continuity Institute (BCI) certification program.

Our contribution was expanded to participate in various international and regional projects and initiatives. Our CISO heads the Bahrain Association of Bank's Business Continuity Committee in Bahrain and is a professional jury member in all six BCI awards program across all regions. He was also a member in the BCI Award Working Party, involved in enhancing the award program and is the only Middle East participant in the BCI Good Practice Guideline (GPG) 2023 Working Group. Which consists of international experts tasked with developing the next version of the international best practice in Business Continuity and Resilience.

The integration in NBB has enabled us to further develop our BCM framework. A core team of individuals with expertise in the fields of resilience, information, and cyber security have worked together to develop and implement new systems for BCM across the group. Work has involved implementing, testing and auditing components, structures, templates and documentation for an enhanced BCM system. The first group wide BCM framework was jointly developed and approved by the Board at the end of 2021. Our approach is closely aligned with best practices and international standards. The system has enabled us to better understand the challenges, gaps in infrastructure,

interdependencies, and potential scenarios. The full BCM framework, which is cloud-based and paperless, brings a number of advantages including process efficiencies, the provision of computer-based training that is accessible for all staff and new joiners, enhanced exercises, automation of key processes, the development of new measures and performance indicators that are linked to the Board approved policies, and reductions in cost. Our success in carrying out this project was marked by the receipt of multiple Business Continuity Institute (BCI) awards since 2020, which recognized the progress we have made towards creating a unified group operation and adapting global best practices in business continuity and resilience. The synergy between the two organizations was highlighted by achieving the BCI Continuity and Resilience Team Award for the Middle East and Global Award program. Making us the first organization in Bahrain to achieve an award in the global category and the first to achieve four awards from the BCI within a span of three years.

TEAM COMPETENCY

Professional certification

28

The total number of professional certifications in the information security, continuity and privacy field.

Computer-based training

612

The total number of computer-based training modules completed by our staff.

INTELLECTUAL CAPITAL (Continued)

(GRI 203-2, GRI 204-1, GRI 418-1, G5)

DATA PRIVACY AND SECURITY (Continued)

(GRI 410-1, GRI 418-1, G6)

Case Study: Leveraging Technology to Streamline Customer Onboarding

BisB continues to digitalize its customer onboarding processes to eliminate manual documentation and paperwork. In addition, digital platforms provide BisB client's greater security, accessibility, privacy, convenience, and process efficiency, resulting in time savings for both customers and the Bank.

BisB is ensuring that its digital platforms are proficient and user-friendly, attracting more customers and improving the Bank's bottom line. Digital technology is helping us facilitate background checks and compliance with know-your-customer (KYC) and anti-money laundering (AML) regulations through automation and integration with AI-driven identity verification services.

Furthermore, digitalization automates data storage and access, improving internal processes' efficiency.

Automation also assists in research and data analysis, which is useful in improving business functions.

BisB developed several new digital processes in 2022 to automate customer onboarding.

• Kiosks

The Bank set up kiosks for new customers. The system was integrated with Wathiq, the National electronic know-your-customer (eKYC) platform. The technology automates the customer data verification process, reducing the need for paper documentation.

• Credit-card application

BisB automated its credit-card application process, which allows customers to apply for new credit cards through online banking and the Bank's app.

• Mobile corporate onboarding

BisB has also automated its systems to sign up new corporate accounts. Companies can open a business account with the Bank remotely with back-end integration with Sijilat, the Bahraini government's digital platform for issuing commercial licenses and business registration. Corporate account holders can also access their information through the Bank's digital platforms and update data as needed.

Digital platforms provide BisB client's greater security, accessibility, privacy, convenience, and process efficiency, resulting in time savings for both customers and the Bank.

Natural Capital

Preserving natural resources

We aim to measure, track, and minimize our environmental footprint using a targeted approach that focuses on our energy consumption, water usage, waste reduction, and more.





NATURAL CAPITAL

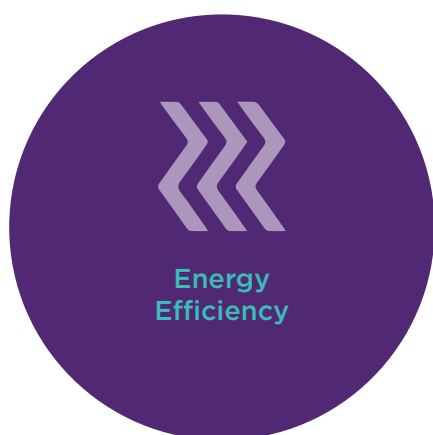
(GRI 302-1, GRI 302-2, GRI 302-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-4, E1, E2, E3, E4, E5, E6)

ENVIRONMENTAL IMPACT

Managing our environmental footprint is a core pillar of our ESG strategy. It is a precursor to operating as a sustainable organization that works in harmony with our natural ecosystem. We aim to measure, track, and minimize our environmental footprint using a targeted approach that focuses on our energy consumption, water usage, waste reduction, and more.

This year we continued to build our awareness of sustainability practices, reviewed our internal policies, and identified areas of opportunity where we can reduce our environmental footprint. Based on our assessment of environmental best practices and the interaction of the Bank with all its stakeholders, we continued with several positive initiatives.

BisB also implemented new programs focusing on improving our energy efficiency, conserving water usage, reducing waste generation, and mitigating climate risk. All our targets, processes, and monitoring activities across these 4 areas were aligned with NBB this year using a comprehensive Environmental Management System.



NATURAL CAPITAL (Continued)

(GRI 302-1, GRI 302-2, GRI 302-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-4, E1, E2, E3, E4, E5, E6)

ENVIRONMENTAL IMPACT (Continued)

Energy Efficiency

Our objective is to optimize our energy consumption. We undertook steps to track our energy use across various activities, including Bank operations, overseas travel, and more. With key markers, we have actively worked to minimize our consumption of different energy sources, such as electricity and fuel, across these activities.

Water Conservation

Water conservation measures at BisB include tracking our water consumption and expenditure, implementing different methods of minimizing wastage, including raising awareness among staff.

Energy Consumption

Energy Consumption	Scope	Unit	2020	2021	2022
Fuel from Owned Vehicles	Direct (Scope 1)	GJ	N/A	N/A	164.95
Electricity	Indirect (Scope 2)	GJ	13,359.23	13,082.04	14,025.63
Total Energy Consumption	Direct & Indirect (Scopes 1 & 2)	GJ	13,359.23	13,082.04	14,190.58

Energy Intensity

Energy Intensity (GJ/Employee)	Scope	2020	2021	2022
Fuel from Owned Vehicles	Direct (Scope 1)	-	-	0.51
Electricity	Indirect (Scope 2)	38.17	39.52	43.29
Total Energy Intensity	Direct & Indirect (Scopes 1 & 2)	38.17	39.52	43.80

Water Consumption

Energy Intensity (GJ/Employee)	Scope	Unit	2020	2021	2022
Water Consumption	Scope 3	m ³	8,326	6,613	8,020

Water Intensity

Water Intensity (M3/Employee)	Scope	2020	2021	2022
Water Intensity	Scope 3	23.79	19.98	24.75

Waste Reduction

We strive to reduce our waste generation by implementing recycling and composting programs, promoting eco-friendly products across our offices, and reducing our reliance on paper and packaged products.

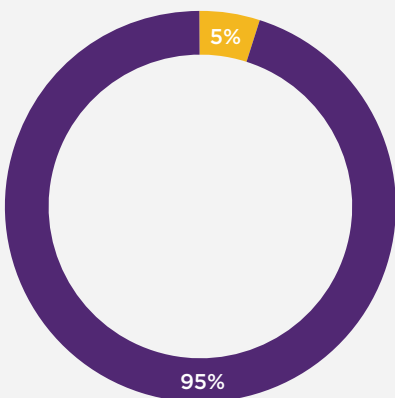
NATURAL CAPITAL

(GRI 302-1, GRI 302-2, GRI 302-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-4, E1, E2, E3, E4, E5, E6)

ENVIRONMENTAL IMPACT (Continued)

Energy Mix

■ Electricity
■ Petrol



GHG Emissions

GHG Emissions (MT CO ₂ e)	2020	2021	2022
Scope 1 (Fuel)*	-	-	9.64
Scope 2 (Electricity)	1,649.46	1,615.23	1,731.73
Scope 3 (Water, Wastewater, Waste, Paper consumption)**	33.95	27.37	33.75
Total	1,683.41	1,642.60	1,775.12

* Scope 1 data is only available for 2022

** Scope 3 data is inclusive of 2021 and 2022 only

Climate Risk

With increasing climate change, BisB faces climate risks like all other banks and businesses worldwide. To successfully mitigate climate risk, financial and non-financial organizations worldwide must take proactive steps to reduce their emissions, invest in clean technologies, and engage with their policymakers to drive decarbonization.

Financial institutions face specific challenges and greater risks from climate change. Climate change vastly increases exposure to expected and unforeseen default risk, hampering banks' lending and investment activities. Borrowers in heavy emitting industries add to the default risk, which is also impacted by the threat to physical assets and infrastructure from climate-caused disasters.

Climate change will expose financial institutions to greater systemic market and economic risk.

To mitigate against climate risk, we actively consider exposure in our operational decisions, lending, and investment activities. We plan on incorporating climate risk in our risk management framework and processes. We are taking a proactive approach to reducing our Bank's greenhouse gas emissions. We are also starting to focus our financing and investment practices on the clean technology sector.

2023 will be a crucial year for climate risk mitigation at BisB. We aim to increase climate risk awareness within the Bank and its stakeholders while also developing risk assessment tools for our clients that considers climate related and overall ESG exposure.

To minimize our direct environmental footprint, we have also developed an ESG questionnaire in collaboration with our corporate clients. The questionnaire aims to develop their awareness of ESG issues. It is designed to help us understand how we can help them become more sustainable through existing and new financial products and services. For example, the responses to the questionnaire are used in the credit applications of our clients, enable preferential pricing for more sustainable clients, and have enabled us to create green financing solutions.