



# **SICO – BBK Investors' Conference Call Q2 2022**

Wednesday, 31<sup>st</sup> August 2022

## **Introduction**

Sumaya AlJazeeri

*Assistant Vice President, SICO BSC*

### **Welcome**

Good afternoon, ladies and gentlemen. *Assalam alaikum wa rahmatullahi wa barakatuh*. This is Sumaya AlJazeeri from SICO Bank. And I would like to welcome you all to BBK Group’s Second Quarter 2022 Results Conference Call.

It is my pleasure to host BBK Group’s senior management today. We have here with us Dr Abdulrahman Saif, Group CEO; Mohammed Abdulla, Group CFO; Mohamed Al Rayes, GM, Treasury and Investment Ahmed Abdul Qudoos, Head of Group Corporate Secretariat; Hussain Toorani, Head of Treasury; Zain Al-Zayani, Head of Corporate Communications and Marketing; and Abeer Swar, Assistant Head of Group Corporate Secretariat

By now, you should be able to see the company's presentation and have received earnings release and detailed financials for the second quarter of 2022, which have been disclosed on Bahrain Bourse and the Bank's website. You can also view this on the webcast as well.

The presentation will be followed by a Q&A session and management will be taking all your questions. You can either queue via dial-in for the Q&A or send each of your questions separately via the webcast link provided, both in the web – in the conference call invite. Both links have been provided.

Now, without further delay, I hand over the call to Dr Abdulrahman Saif to commence the conference call. Thank you very much.

## **Major Developments**

Abdulrahman Ali Saif

*CEO, BBK Group*

### **Introduction**

Thank you, Sumaya. Good afternoon, good morning, ladies and gentleman, wherever you are. Welcome to the second client call of the year. This time we have format change that it's interactive, virtual and we would maintain this format going forward. We have been maintaining this quarterly conference call with our investors for sometimes now. It's very useful for us, we find it and we should continue this on a quarterly basis.

The usual presentation touches on certain initiatives. We talk about certain achievements, certain milestones and then more focus on the financials and open up for discussion, question and answer.

To start with, I would like to share with you something about the operating environment before we go into BBK specific. As you would all know, the operating environment that we witnessed in the last three years has been one of volatility and high uncertainties, starting with the wide outbreak of the COVID and the subsequent market reaction, retreat of all asset

classes globally. I would say a significant reduction in interest rates, full or partial lockdown of activities in different parts of the world, supply chain disruption, etc.

Since 2020, we came a long way, but the volatility continued within certain range. Now, I think the main difference is the reversal of the interest rate trend. Since late 2021, we have seen a reversal at a very high pace, unprecedented. We have seen heights of 50 basis points and 75 basis points. And so this is the new, let's say, reality.

We are seeing uncertainties caused by geopolitical events also. So really briefly, the operating environment can still be characterised by volatility and uncertainty. And we are managing our business within this reality.

### **Corporate Highlights**

Now, in terms of main corporate highlights, we have – for the first time, launched BBK credit cards. As you may know, we have a fully-owned subsidiary, CrediMax. It's a credit card issuing and acquiring business. But this year marked our first issuance of BBK's credit cards.

In line with our ESG drive, we have introduced certain products ESG-related, like alternative energy financing products, education-related loan to help university students with their studies.

In terms of our rating, Moody's has affirmed the rating of BBK at B2 in line with the sovereign rating. These are some of the main developments during the quarter, but our strategy is continuing. We have started our new three-year strategy this year, 2022, and it will take until 2024. We have identified certain themes, five themes, and certain initiatives within each theme.

### **ESG Timeline**

Now, our ESG implementation is at advanced stage. We have started the preparation back in 2020 when we approved the framework – our Board has approved the framework. And in 2021, we have translated this into a full action plan. We have defined the pillars, four pillars and KPIs within each pillar. And we started our implementation.

We expect to issue the first sustainability report soon this year and it will highlight our themes, our KPIs, and where we have reached in the achievement versus the targets. I believe this is a good achievement for BBK. We are one of the early issuers of sustainability report.

### **ESG Indicators**

Now in the next slide, we have identified certain indicators. This is in line with our ESG targets. Like in terms of independence of our directors, total 12, 41.6% are independent. Nationalisation, we have reached 95% in Bahrain's operation that is relatively high.

In terms of employees who have received training in anti-money laundering, up to 100%. This is an annual exercise we do in terms of raising awareness about money laundering and terrorism financing. All of us, including executive management, receive annual training and we sit for even tests on this.

Percentage of females in the total workforce, slightly in excess of 40%. And lately, we have increased the number of female directors in our subsidiaries' Board. Percentage of employees

who receive performance review is 100%. All BBK staff at the different the hierarchy levels are subject to certain targets, and annual performance review all of them.

Now in terms of customer experience and customer complaints, we have established a dedicated unit called Customer Experience Unit since 2020, to handle all customer relations across the Board, whether it's through the call centre, whether in the social media, whether through direct communication. So the customer experience handles this.

We have started engaging with our customers through surveys. And we have a quarterly report on the customer experience, including our survey results, including customer complaints. And our resolution time has reached 1.4 days, which is well within the target. We will always strive to improve this to be highly efficient in addressing and closing customer queries and complaints.

As you would know, in the last strategy cycle, 2019 to 2021, the main theme was digital transformation. And we have achieved several milestones and we have achieved high level of digital transformation. As we stand today, 78% of our transactions are through online and mobile channels. So we are continuing to build on this. And we are hoping to move close to 100% of new business through these online and digital channels.

One of the targets of the ESG is dealing with local suppliers. As we stand today, 86% of our acquisitions are with local suppliers. And in terms of community support, our budget for the year was in excess of BD2 million. The last two years have witnessed an increase in the budget allocated for community support of different activities, be it charities, societies, sports, culture, history, we support different activities in Bahrain through this programme.

In terms of governance, I'll hand it over to my colleague, Ahmed Abdul Qudoos, to talk about the key governance and investor relations progress.

## **Governance Update**

Ahmed Abdul Qudoos

*Head of Group Secretariat, BBK Group*

### **Key Governance & Investors Relations Developments**

Thank you, Dr. Abdulrahman. I'd like to talk about some of the initiatives regarding investor relations. Of course, we have launched our Investor Relations platform this year, including all disclosures and messages of importance to all stakeholders, and most importantly, the shareholders and investors.

So there is a plethora of information and disclosures on the platform. We invite everybody to visit the platform and give us their opinion on the platform, and if there is a suggestion for improvement, we'll look at it. And in Q2 second quarter, we added an important feature to this platform to enable shareholders to register for direct bank transfer of their annual dividends.

As you are kindly aware, there was a major problem of unclaimed dividends in the Bahraini market and this initiative has contributed a lot in partly resolving the problem. Of course, this

platform is a passive means of communication with investors. The active means of communication is such conference that we’re having today.

So the Bank held this Q1 investor conference on 23<sup>rd</sup> March and enhanced meeting results disclosures were published and we keep our promise to continue improving on this kind of meetings. As far as, key governance issues are concerned, of course, we know that practising good corporate governance is the pride and the joy of the Bank always. However, now we talk about corporate governance within the wider context of ESG.

One of the things we can talk about is that all functions relating to the Board of Directors and Board Committees including performance evaluation, signing of minutes, references, research, all functions are now performed using digital paperless means.

The other thing is that most KPIs established by the Bank relating to ESG with regards to good governance, as also referred to by Dr. Abdulrahman, are achieved or in progress of achievement, such as increasing the number of independent directors and percentage of women on BBK Board Group, Board of Directors.

And last, we have a new development, a change of ownership in the bank. So one of the major shareholders changed, Ithmaar Holding ownership was acquired by Al Salam International, a subsidiary of Al Salam Bank. And a new director representing Al Salam was inducted. Thank you.

## **Financial Highlights**

Abdulrahman Ali Saif

*CEO, BBK Group*

### **Financial Performance – H1 2022**

Thank you, Ahmed. We move into highlights of our financial performance. So, in terms of income and profitability, we have achieved a net profit of BD30.6 million, six months to June 2022, a growth of around 9% relative to the same period of 2021. This came from all sources of income, including net interest income and other income.

In the meanwhile, operating expenses grew by 5.5%. I have to say that part of it is because of our celebration of the 50<sup>th</sup> anniversary. So these are non-recurrent expenses. Our expenses remain under control.

In terms of net provisions, in the first and second quarter, we have taken most of this as general provisions to enhance our general reserve. As I mentioned, we are living in a highly volatile and uncertain environment. And it's prudent to really enhance the general provisions.

### **Financial Performance – 30 Jun 2022**

In terms of balance sheet, as you will see from the slide, we have stability of our balance sheet with certain growth on loans and advances, and stability in our customer deposits.

### **Key Performance Indicators**

I think the next slide will show a summary of the main fundamentals of the bank. So, for the six months ending June 2022, our return on average equity is in excess of 11%; return on average asset at 1.6%. These are positively above end of 2021. And in terms of cost-to-

income ratio, we are really targeting this ratio to enhance our efficiency, so it's below 49% relative to almost 52% at end 2021.

Now, in terms of asset quality, we have continuously improved our asset quality. So 2020, Our NPL was in excess of 6%, and it is at less than 5% by June 2022. We expect this to further reduce in the second half of this year. ECL coverage ratio has improved from 1.9% to 2%. As I said, we have been enhancing our general reserves. And the specific coverage ratio has improved from 68% to 69%. So, asset quality is showing a significant improvement.

In terms of our capital, and I have to say in spite of the deterioration in asset classes across markets, we're still maintaining our capital adequacy in excess of 23%. In terms of liquidity, the bank continues to have a very sound liquidity position. So if we take the two regulatory ratios of the CBB, NSFR and LCR, we are way ahead of the minimum levels imposed by the CBB, which is 100% for both.

So, in summary, our profitability is improving. Our cost efficiency is improving. Our capital and liquidity is sound, and our asset quality is improving. And this is our target. Our target is really to enhance all fundamentals for BBK, and really to enhance our services through continuous digital transformation and enhancing efficiency in our services.

So with this, I conclude the presentation and we would – my colleagues and I welcome any questions from the investors. Thank you very much.

## Q&A

**Sumaya AlJazeera:** Thank you very much, Dr Abdulrahman. We'll give it a couple of minutes to have the questions get locked in and we will proceed with the Q&A.

**Operator:** Ladies and gentlemen, we now begin the question and answer session. If you wish to ask a question, please press star one and one on your telephone. Star one-one, if you wish to ask a question from the phone.

**Sumaya AlJazeera:** We will begin with the questions. We have the beginning question is from one of the participants. Fee income growth has been strong. Is it safe to say that this is the new norm? And shall we expect this momentum to continue?

**Dr. Abdulrahman Ali Saif:** We are back to normal. As you know, during 2020, the authorities have taken certain measures to really protect against the impact of COVID-19. Certain fees, charges were reduced to help customers cope with the impact of COVID-19. Now, we have seen phasing out of these caps on fees and charges, mainly credit card merchants commission by end 2021. So, for us, these are back to the normal pre-COVID levels.

In addition, we have been offering certain fee-based products and services, and these are really contributing to the growth in income. So this is a summary of the growth in the fee income.

**Sumaya AlJazeera:** Thank you very much. The following question is from another participant. It's regarding the net interest income and NIMs. BBK's performance in FY'22 has not seen significant change in net interest income and NIMs. What is the lead lag and rate

risers and NIM expansion? And how much do you think net interest income would increase for every 100 basis points rise in rates?

**Dr. Abdulrahman Ali Saif:** On the contrary, we are showing a growth in our NIM and net interest income. Now, back in 2020, following COVID repercussion, especially the significant drop in interest rates, we had our share of the impact. This is a market-driven impact. Since the second half of 2020, we have put in place an action plan to defend our net interest margin through restructuring our balance sheet, optimisation of our balance sheet. And since then, we managed successfully to defend our margin and to prevent further deterioration.

Since then, our NIM has continuously improved. We have also deployed certain assets selectively, be it loan or investment that contributed. We are confident that our NIM is intact and is in a position to grow further and net interest income is to continue the growth going ahead towards end of the year.

**Sumaya AlJazeera:** Thank you very much. The following question is from Mr. Ali Al Tareef. And it was regarding the BD18.9 million additional term borrowing. Can you elaborate, please, on the purpose of this additional term borrowing?

**Dr. Abdulrahman Ali Saif:** Right. This is part of the strategy we have initiated in 2020. As I said, the market was highly volatile with a lot of uncertainties. And because of that, there were concerns about liquidity and funding, in terms of availability and in terms of costs. So we have put a plan to enhance our liquidity and to really ensure adequate funding at all time.

So in 2021, we have raised for the first time USD150 million in club loan, fully subscribed by three regional banks, and our target was USD 200 million. So we have raised the first tranche USD 150 million, and then a bank approached us to fully underwrite the remaining USD50 million, which we closed in early 2022.

I have to say that our experience was highly successful. This is the first club transaction, and the pricing was very efficient and competitive for us. So this really is to ensure that our liabilities are managed in a staggered way to avoid high concentration in maturities, and to ensure that we have available funding to finance our activities.

**Sumaya AlJazeera:** Thank you. The following question is from Mr. Ahmed Fakhro. And it is regarding the net-zero plan by 2060. As you are fully aware, the Kingdom of Bahrain has pledged to cut its carbon emissions to net-zero by 2060. However, we haven't seen initiatives from financial institutions to follow suit. Can we anticipate that BBK is committed to this by 2060?

**Dr. Abdulrahman Ali Saif:** We are fully, fully, fully committed to implementing the full framework of our ESG through the four pillars. These are governance, staff, customers and the environment. Within each pillar, we have specific KPIs including the environment.

Now, we are not like manufacturing where the emission is direct. But we are committed to really address this through our own consumption of energy and water, and through our dealing with suppliers also.

So we are fully committed. And as I said, we will publish our first sustainability report soon to maintain openness and transparency about our ESG targets, practices and our achievement.

**Sumaya AlJazeera:** Regarding the ESG report, Mr. Ali Al Tareef has also asked, if you plan to release the ESG report for 2021? And if so when?

**Dr. Abdulrahman Ali Saif:** Soon. I expect that the report will be published either in September or October.

**Sumaya AlJazeera:** Thank you very much. There's another follow-up question from Ahmed Fakhro. It's regarding the core activities. What are the main reasons for the above substantial negative growth in your core activities? Could you please share with us your proactive measures to improve this adverse situation?

**Dr. Abdulrahman Ali Saif:** Negative growth in our core activities?

**Sumaya AlJazeera:** Yes, as per the question. I'm referring to your retail banking performance and segment results, retail and corporate banking.

**Dr. Abdulrahman Ali Saif:** Well, I'm happy to report that we are reporting positive activities in our core business, including loans and advances, investment, etc. Our retail portfolio is growing at a good pace in line with the market. We were one of the early adopters of digital application for retail. We started with liabilities account, launched in June 2020. And since then, we have seen a high growth in terms of the liabilities through this channel, through the mobile app.

In July 2021, we have launched the personal loan through the digital app. And I'm happy and proud to report we are the only bank in Bahrain who offers digital loans. And since then, we have seen significant growth in loan application through our mobile. So we are happy and the result is highly, highly encouraging us. So – our core activities continue to grow, especially in Bahrain.

I have to say that given the global risks – we have work to restructure our balance sheet given the global risk, and this is part of enhancing our asset quality. We have reduced certain positions in certain markets, and this may have really counter the growth we have experienced in Bahrain. But overall, this has contributed to better asset quality. This has contributed to better net interest margin for us. As our investors would know that certain assets were based or were originated pre-COVID and the margins were not in line with the post COVID fundamentals.

So, as I said earlier, we have tried to defend our margin. We have tried to improve our efficiency. So we have withdrawn from certain markets and from low rewarding assets. But in Bahrain, I reiterate, we have grown and grown significantly in our businesses in Bahrain.

**Sumaya AlJazeera:** Thank you very much. Our follow up question to that would be out of the digital loans applied for using your app, – what's the percentage of issuance towards these?

**Dr. Abdulrahman Ali Saif:** In digital?

**Sumaya AlJazeera:** Yes.

**Dr. Abdulrahman Ali Saif:** As we reported, 78% of the new transactions are done through digital channels. And we have reached this within two years. We are – I have to say, offering incentives and certain rewards to help our clients as we transform ourselves, we would like to



help our clients to transform to the alternative channels. So we have introduced a programme of investment to help them also transform to the digital channels.

The results are encouraging. And we would build on this. Our target is really to reach into, number one, fully paperless branches soon to reach through fully digital and online transactions and we are pushing for this and to further enhance our digital offerings, not only for retail, but for corporate, for wealth management across our businesses. And these are all within our strategy.

**Sumaya AlJazeeri:** Thank you very much. There is a question on – back to the fee income. Can you please highlight which segment contributed the most towards fee income growth? Was it the retail or corporate?

**Dr. Abdulrahman Ali Saif:** I think all of them contributed, but maybe retail has contributed more into that, especially credit card because credit card has been subject to a temporary cap and then that cap was removed by end of 2021.

**Sumaya AlJazeeri:** Regarding the retail loans, there's a question on retail loan seem to be driving lending growth across the sector. And BBK's retail lending has been picking up. Is this mainly driven by higher personal loans or mortgage lending?

**Dr. Abdulrahman Ali Saif:** Our offering is comprehensive. So our offering is consumer, mortgage, auto and credit card. And we are seeing growth across these four offerings. Maybe in Bahrain, and this is the case with BBK, consumer loan is the highest among the four of them. So it is natural to have higher growth in terms of consumer.

Now some of the consumer loans are used for auto, but they are taken because some clients, they wouldn't like to co-register their cars, so they take consumer loan. So yeah, the main growth comes from the general consumer.

**Sumaya AlJazeeri:** Thank you very much. There's a question on the cost to income ratio. We have seen an improvement from 53% to 49%. Shall we expect it to be maintained at these levels towards year end?

**Dr. Abdulrahman Ali Saif:** Our target is really to continuously reach the pre-COVID, which was below 45%. Our target is really to go below 45%. Now, the difference is, we are highly investing in updating our system, introducing new digital channels. And these are really costly. So, I would say apart from a new investment in these systems, we are maintaining our costs constantly. So, the main increase is for strategic projects and initiatives.

**Sumaya AlJazeeri:** The next question is on the macros. On a macro level, which sectors or economic activities are you seeing higher demand for credit from? Is it real estate construction, manufacturing, etc.?

**Dr. Abdulrahman Ali Saif:** I would answer this in general. I believe from the different sources of information available for us, most sectors in Bahrain have experienced continuous recovery, since I would say second half of 2021, be it consumer or the corporate. But the degree of recovery has really differed from one sector to another.

In most of the sectors, we are above pre-COVID 2019. For example, our credit card transactions show that spending is above 2019, which is pre-COVID. So that shows the extent of recovery.

In terms of sector, it is really general, applies to most sectors. However, there are certain sectors that are lagging behind in their recovery. And this is really natural, given the process of recovery. I mean, if we are to cite certain examples in terms of consumers, consumer recovery has been robust.

In terms of certain sectors, like consumer products, trading, hotels, restaurants, we are seeing quick recovery in terms of that. We see tourism towards Bahrain and outside Bahrain also really recovering very well and we see it in our numbers. So this is really how market is developing. And we hope this gains momentum as we go forward and no surprises come to really disrupt this recovery.

**Sumaya AlJazeera:** Thank you very much. There is one more question on the education loans. Are they set to be priced or considered as retail loans?

**Dr. Abdulrahman Ali Saif:** Yes, but with certain structure that suits students. So in terms of the amount, in terms of the repayment, in terms of the pricing also, we have built in a particular structure to suit students really and they are not a full replica of the consumer loans.

**Sumaya AlJazeera:** We can move on to another question on the credit card. Do you see gains from the credit card from this part of the business in the near, medium term? And if so, what are the impact on earnings? I believe we addressed this, but could you elaborate more on this?

**Dr. Abdulrahman Ali Saif:** We are committed to make this a success. So, our target really is known, is clear for BBK and CrediMax to have collectively increased market share of credit card in Bahrain. We are not replacing CrediMax. We are enhancing CrediMax. So our target is BBK and CrediMax to have a higher share of credit card in Bahrain. And we are moving in this direction. The launch was very smooth.

Since we issued the first credit card, we had no issues, no problem. So we are issuing four different cards at different levels. And we are promoting this nicely, aggressively, I would say. We are working with CrediMax actually on issuing, so it's a joint operation between BBK and CrediMax. And hopefully this would be a win-win for BBK and CrediMax.

**Sumaya AlJazeera:** It is not to be considered as BBK competing against itself in terms of credit card –

**Dr. Abdulrahman Ali Saif:** No, our target, as set by the Board and by us management, is to gain higher market share for BBK and CrediMax.

**Sumaya AlJazeera:** Thank you very much. There is a question on inorganic growth. A number of banks locally and in the region have been using a number of inorganic growth options via mergers and acquisitions. What are your plans on this? Do you have any long-term plans to enhance earnings growth using this inorganic growth option?

**Dr. Abdulrahman Ali Saif:** This is M&A, and is one of the main strategic initiatives themes for us. And it is a permanent item in our Board discussion. We are highly committed to this. We are serious. We have started exploring a number of opportunities in different markets, be it financial, non-financial. And hopefully, we believe in the expansion through inorganic. The

Board is highly involved with their management in this. And hopefully we can see success within the next two years.

But I want to really reiterate, this is one of our top strategic theme and we have a working mechanism to address this.

**Sumaya AlJazeera:** Well, one more question on the net interest margins. With further federal tax hikes and subsidy, following that would be CBB hikes as well. Do you expect NIM expansions to further widen towards the year-end? Or has BBK's balance sheet already been repriced?

**Dr. Abdulrahman Ali Saif:** Interest rate management is a very, very delicate issue. We have a committee to really assess liquidity, funding interest rate and its impact. And we have risk parameters to govern our interest rate exposure and position. So we are not traders on interest rate, but we continuously align our balance sheet and our position to be suitable for the cycle. So as I said, 2020 we have seen a surprise, maybe end 2019 it started but it was deeper in 2020, a surprise, but aggressive cuts in interest rate. And we had to move quickly to really align our balance sheet and liquidity to this.

So, in 2021, we have seen a near stability, and we have seen conditions ready for a reversal of trend. And so proactively, we took measures to align our balance sheet in line. We are reaping the benefit of this. And we will continue to align our balance sheet to really benefit from the cycle and not to be really hit by it. But I continue to say we're not traders on interest rate or exchange rate. We have sound risk parameters, and we are working within the risk parameters.

**Sumaya AlJazeera:** Thank you very much. There is one question on the retail lending and the Mazaya scheme lending. How active is BBK in participating in lending towards Mazaya scheme applicants?

**Dr. Abdulrahman Ali Saif:** We are very active. We are highly supportive of this. Actually, Mazaya is within our ESG because it is social housing. And so a few years back, we had our Mazaya scheme and it focuses on only one mortgage. To show our support for this, we have introduced a second mortgage to really help clients to not only acquire the housing, but also for furnishing and additional. So we are highly supportive and we have two mortgages. And even in terms of the tenor, it is different from consumer loan and pricing is different. So we will continue to really support this class. We have made it part of our ESG to really show our commitment.

**Sumaya AlJazeera:** Thank you. Regarding the provisioning – going back to provisioning, the cost of risk of the bank has been lowered significantly towards year-end. Is it to be expected to remain in line with its levels up to – up until first half of 2022?

**Dr. Abdulrahman Ali Saif:** In general, we have a good amount of information about provisioning level, not only in Bahrain, but also in the GCC. This shows provision by the different banks and the GCC and by stages. And I can confirm, we are adequately provisioned and ranked very well among the banks in the GCC. So we will continue to maintain this adequate provisioning for Stages 1, 2, and 3 just to really account for the uncertainty.

As I said, most of the provision we have taken are general and really it's good to enhance the general provisioning at this point. But if you compare the provisioning level in the last four years, we have come way, way, way down in terms of provisioning, especially for Stage 3, these are the NPL accounts.

**Sumaya AlJazeera:** So with total NPL ratio lower to below 5%, the cost of risk is expected to remain stable in 2022?

**Dr. Abdulrahman Ali Saif:** We are living in a difficult environment. We are working hard to really enhance our asset quality and we have seen success. And we expect that our NPL to go further down. We are reaching settlement in the largest two NPL accounts, and these will contribute to further reduction in our NPL. We are trying to avoid any major failures. As you know, we trade in Bahrain, the GCC and beyond the GCC, and we have to manage all these accounts. So hopefully, we will avoid any further downgrades and we will really see further reduction in our NPL.

**Sumaya AlJazeera:** Thank you very much. One last question regarding the tenders of lending towards government projects. We have seen that BBK has been an applicant and participant in some of these tenders. Is it a strategy of BBK to go back to aggressively and increase its corporate lending and government-related lending?

**Dr. Abdulrahman Ali Saif:** No, I don't think we are really having a different strategy to target government. I think our strategy to enhance our core business in Bahrain, be it individuals, retail, be it corporate, we have high market share in private sector, we have close relationship that we want to maintain and grow these relationships. What we have seen in the last few years is an increase in government projects in different sectors, in tourism, energy, transportation like airport and others, infrastructure, and we want to be party to this.

We have won major tenders of these, and we will continue. This is part of our business in Bahrain, but this will not be at the expense of the retail or private sector. Now, we have a very sound liquidity level, and we are able to finance mega projects in Bahrain. Even alone, sometimes we want to work as a club. But the two transactions we have closed with EWA, BD50 million we financed alone. And the other transaction for the Ministry of Commerce and Tourism at that time was BD50 million alone.

This – our liquidity is helping us to do this major transactions. But in addition, we have participated in other major transactions, BAPCO modernisation, Alba Port 6, Banagas expansion and others. We have participated in all of these. So really, our strategy is to enhance our business across the different segments.

**Sumaya AlJazeera:** Thank you very much, Dr Abdulrahman. And with that, we wrap up the Q&A session. I'd like to thank BBK's management, led by Dr Abdulrahman for the presentation, and for answering all the questions. We'd like to give Dr Abdulrahman one final chance for a closing remark. Thank you very much.

**Dr. Abdulrahman Ali Saif:** Now, I think this is highly valuable session we have directly with our investors, and we would like to maintain it virtual. So we would like hopefully to even have interactive questions and answer. And we thank our clients and investors. These are all relevant and valid questions. And we share openly our responses with our investors. So thank you very much for the rich questions. And we will be ready at any time.

My colleague, Ahmed Abdul Qudoos said that we have established a platform for our investors. It's available anytime. So this is to enhance our relationship with our investors. And feel free to really approach us anytime you need information. Thank you very much.

**Sumaya AlJazeera:** Thank you very much.

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