

BAB Newsletter

FIRST QUARTER 2018



BAB Meeting with the Deputy Prime Minister Sh. Khalid Bin Abdulla Al Khalifa

His Excellency Sheikh Khalid bin Abdullah Al Khalifa received in his office at Al Gudaybia Palace on 4 February 2018 the Board of Directors of the Bahrain Association of Banks, led by the Chairman of the Board of Directors of BAB and the P&CE of Al Baraka Banking Group, Mr. Adnan Ahmed Yousif.

During that meeting, H.E. affirmed the importance of the financial and economic legislation to be updated to meet the current and future requirements, and reviewed periodically with the relevant bodies of specialists, experts and professional associations. The meeting discussed also ways to activate the role of banking sector in financing development projects and taking part in rehabilitating real estate projects. Commenting on the meeting, Mr. Adnan said that it reflects BAB's efforts to enhance the role of banking sector in national economy.

BAB Meeting With the Minister of Health

The Bahrain Association of Banks organized an open meeting with H.E. Minister of Health, Faeqa Bint Saeed Al Saleh, in order to enhance the cooperation between the private and government sectors and activate the partnership between the two sectors.

During the meeting, the members of the Association heard a presentation by the Minister of Health on the major projects being carried out by the Ministry of Health and the National Health Plan 2016-2025, in addition to aspects of the "Health Insurance" project implemented by the Supreme Council Headed by Sheikh Mohammed bin Abdullah Al Khalifa. Commenting on the meeting, CE of BAB Dr. Waheed Al Qassim said that the meeting was very successful and contributed to strengthening the partnership between the Ministry of Health and banking industry.





“The State of Cloud Security”

Current and Anticipated Future for Cloud Risks, Cloud Compliance & Cloud Security

Bahrain Association of Banks in partnership with Gartner held the second Digitalization & Cyber Security Committee Event on 24 January 2018. During the event Mr. Steve Riley, Research Director & Distinguished Analyst from Gartner discussed the following topics:

- Assessing and managing the risks of using a multitenant public cloud service
- Processes and technologies for the security of virtual environments in private clouds and IaaS
- Controlling the use of SaaS and protecting the data within SaaS applications.

Reaching Out to You

On 28 February 2018 BAB in Partnership with Tamkeen conducted an Orientation Forum for the Financial & Banking sector. The outreach initiative comes as part of Tamkeen’s commitment to transparency and closer stakeholder outreach and engagement, in addition to the ongoing support Tamkeen provides for the progress of the private sector businesses and individuals. Discussions went around the Business Development Program, Training & Wage Support Program and the Tamkeen Internships Scheme. Key topics discussed included further outreach to the various target audience and developing further specific human capital development programs for the financial sector.

“Having reviewed the operational plan of Tamkeen for 2018, we found it to be very detailed and comprehensive”, said Dr. Waheed Al Qassim, CEO of the Bahrain Association of Banks. “Tamkeen have made great strides in addressing the needs of Bahrainis in the workforce or preparing to enter it and young entrepreneurs to better equip them to succeed in a competitive environment, and we wish them further success”, he added

Cloud Computing For Banks

On 22 February 2018, BAB in partnership with the EDB and Amazon Web services held a workshop to discuss the Financial Services provided by Amazon in Bahrain and the Culture of Innovation. Speakers also went through the compliance & Regulations in Bahrain and in comparison with the other countries.



BAB Head of Committees First Meeting

On 6 February 2018, BAB Management met with the heads of all the committees to discuss each committee work progress, main challenges and concerns. During the meeting all the committee heads gave a brief update about the accomplishments and future plans.



Meeting with BENEFIT to discuss IFRS9

On 19 February 2018, BAB in partnership with BENEFIT conducted a meeting with all BAB members to discuss the development of model(s) that can facilitate the calculation of parameters based on the data available in the Bahrain Credit Bureau database.

During the meeting Benefit discussed the probability of default, the loss given default and the exposure at default for the credit facilities. And that is for the purpose of calculating the expected credit loss under IFRS9.

BAB Meeting with the CBB

The Board of Directors of BAB met with H.E the Governor of the CBB, Rasheed Al Maraj on 30 January 2018. Mr. Al Maraj, welcomed the Chairman of the Board of Directors, Mr. Adnan Yousef and other members of the Board of Directors, and thanked the Association for their cooperation and efforts to develop banking services and called on the banking sector to invest more in financial technology in the Kingdom of Bahrain which will have positive impact on the quality and cost of banking services. The Governor commended the Association's efforts to interact positively with credit rating agencies and to participate in regional and international events.

The meeting discussed BAB's comments on the bank's proposal to set a ceiling for some banking fees charged by banks to consumers. These included the support of the association in principle for this direction, stressing the importance of fees to be proportional to the cost of providing the service. The CBB also briefed the Board of Directors on the new regulatory directives set out in this year's plan, which include detailed requirements of risk management, internal audit, compliance, bank fees and corporate governance, a new methodology for determining financial fines and a new methodology for evaluating and classifying banks. The CBB also urged banks to pay special attention to handling customer complaints at banks and to adhere to the system of dealing with customer complaints because of its importance in achieving fair dealing. The participants also discussed the importance of taking care of training and qualifying Bahraini cadres in leading positions in the banking sector to prepare the future generation of Bahraini leaders in banking institutions. The latest developments on the practices of correspondent banks in de-risking and efforts exerted by the CBB and local banks in communicating with concerned parties in international banks to overcome any obstacles in order to ensure the safety and smoothness of banking transactions for all customers were also discussed.

At the end of the meeting, the Governor thanked the Board of Directors of the Association for the constructive cooperation between the Association and the CBB and the initiatives and efforts made by the Association during the past year, which had a good impact in improving the services of the Association.



Iraqi Delegates Visit Bahrain

The Association of Banks in Bahrain hosted a large Iraqi banking delegation headed by Mr. Wadiah Al-Handal, President of the Association of Iraqi Private Banks, consisting of twenty banking leaders from various private banks in the Republic of Iraq. The visit included four institutions and Bahraini entities related to the banking sector. From the advanced banking experience in Bahrain and to enhance cooperation and joint cooperation with banks in Bahrain.

During the visit, the Chairman of the Association of Banks in Bahrain Mr. Adnan Ahmed Yousif and the Executive Chairman of the Association Dr. Wahid Al-Qassim met with the visiting delegation to discuss ways of enhancing cooperation between the Association and the Association and signed a memorandum of understanding between the two sides. During the visit, the delegation also arranged a meeting with banks in Bahrain to discuss ways of enhancing banking relations between the two parties at the headquarters of Al Baraka Banking Group in the Gulf of Bahrain.

In addition, the delegation visited the Bahrain Institute for Banking and Financial Studies (BIBF), where it learned about the Institute's advanced training and academic capabilities. It also met with the General Council of Islamic Financial Institutions to benefit from the experience of Islamic banks in the Kingdom of Bahrain and the International Islamic Rating Agency. The delegation also met with the Innovation Bank. The delegation highly praised Bahrain's rich banking experience led by the Central Bank of Bahrain.

"We have been very pleased to visit the Iraqi banking delegation to Bahrain, which is the first visit of its kind in a long time, which confirms the leadership of the banking industry in Bahrain in the initiative to strengthen the bonds of cooperation and joint work with Iraqi banks," said Adnan Ahmed Yousif, Chairman of the Bahrain Banking Association. Sisterly and for the good and interest of financial, commercial and economic cooperation between the two brotherly countries ».

Dr. Wahid Al Qassim, CEO of the Bahrain Banking Association, said: "The visit of the Iraqi banking delegation to the Kingdom of Bahrain has achieved very good results, especially as it was a good opportunity to learn about the rich and sophisticated banking experience in the Kingdom of Bahrain and we hope it will be a good start to consolidate cooperation. Good prospects for banks in Bahrain to work with their Iraqi counterparts in all fields of banking and investment »

Dr. Waheed Al Qassim, CEO of BAB, and Waddea Al Handal, chairman of IPBL, representing their respective associations, signed the MoU. Chairman of BAB - Adnan Yousif attended the signing ceremony that took place in Al Baraka group headquarters in Bahrain.

The signing of this agreement aims to collaborate and exchange ideas between Bahrain and Iraq regarding training and conducting more meetings between Iraqi and Bahraini banks thus to extend their cooperation.



BAB Meeting with the President of UOB

On 21 March 2018, Dr. Waheed Al Qassim Met with Prof. Dr. Riyadh Hamza the President of the University of Bahrain to Discuss ways of collaboration in developing the study curriculum in the University of Bahrain for the students of Banking and Finance to accommodate the requirements of the sector and the possibility of establishing joint committee for this purpose.

Commenting on the meeting, Dr. Waheed said that the meeting was very successful and contributed to strengthening the partnership between the University of Bahrain and BAB, which is one of our major goals in expanding our network with different stakeholders in 2018.

BAB Annual General Meeting 2018

On 18 March 2018, BAB held its Annual General Meeting during which Mr. Adnan Ahmed Yousif Chairman of BAB presented to all members the achievements of the association and reviewed the financial report. On review of the Board's report, the AGM has approved the year end results and the financials for 2017.

The members of the Assembly have highlighted the role played by the Government and Central bank of Bahrain in developing the Banks sector, which contributes in enriching the economy regionally and globally. The members also highlighted the BAB efforts to continue providing the best services to the Banks sector Chairman of Bahrain Association of Banks (BAB), Mr. Adnan Ahmed Yousif said.

BAB business plan during 2017 was focused on enhancing and strengthening the representation of BAB for the banking sector in the Kingdom of Bahrain and to advocate the interests of banks. Mr. Adnan also announced the 100 years banking celebration event that BAB is planning to organize in the year 2019. Many initiatives were implemented within the strategies of the Association, especially with regards to lobbying and establishing permanent committees and the Advisory Board, which have undertaken different tasks and issues related to banking sector such as international standards, new international regulations, BIBOR, Islamic banking, product development, HR, IT and social responsibility.



Fees & Charges Consultation Paper Update

Banking Product Development Committee Chairperson Ms. Dalal Al Qais and her deputy Mr. Odeh Massri met with Mr. Khalid Al Hamad Executive Director - Banking Supervision and his team from the digital section, throughout the meeting the following was discussed:

1. E-cheques
2. E- KYC
3. Payments solutions

Majority of above need a bank investments and need to be done by the banks, the committee will have little to add.

On the second points, the final regulation has been released 2 weeks ago, some of the fees are difficult to track.



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