

ANNUAL REPORT 2021



**His Majesty,
King Hamad bin Isa Al Khalifa**

The King of the
Kingdom of Bahrain



**His Royal Highness,
Prince Salman bin Hamad Al Khalifa**

The Crown Prince, Deputy Supreme Commander
and Prime Minister of the Kingdom of Bahrain

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A YEAR AT A GLANCE

2021 at a Glance

Banking & Finance Centre

Islamic Finance Centre

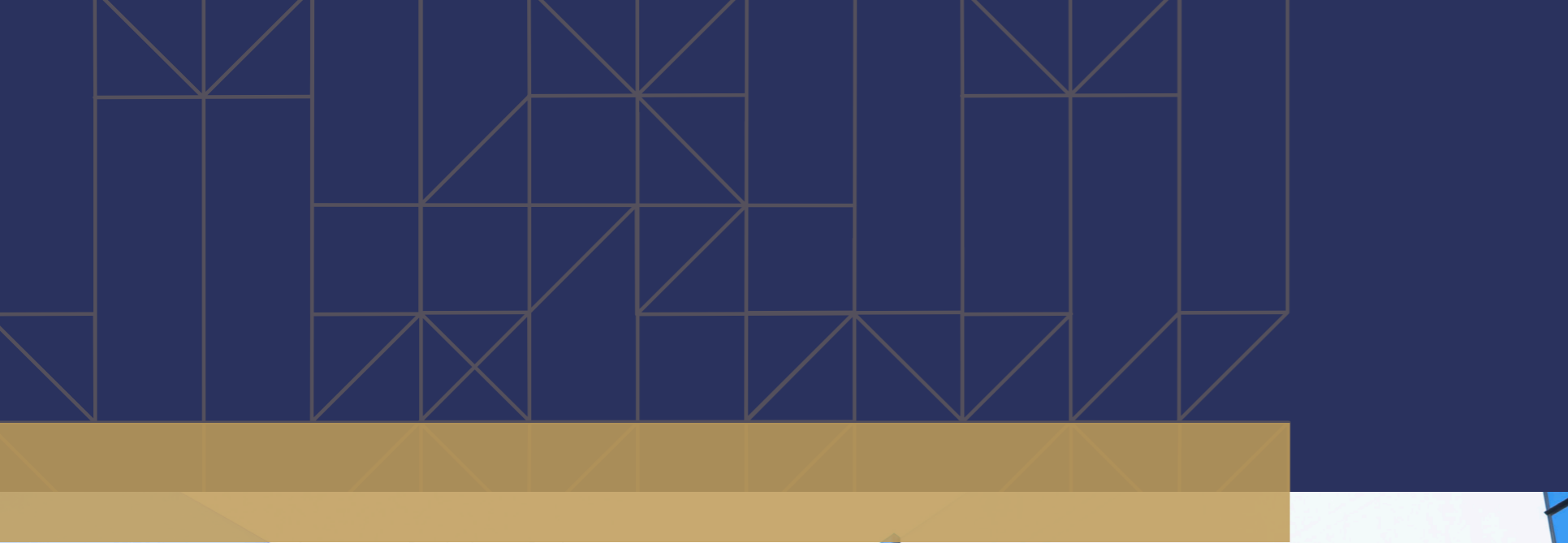
Digital Transformation
& Project Management Centre

Insurance Centre

Leadership & Management Centre

Academic Studies Centre

Financial Statements



ABOUT BIBF

The Bahrain Institute of Banking and Finance (BIBF) is a semi-government training institute affiliated with the Central Bank of Bahrain, established in 1981. The Institute plays a vital role in the training and development of human capital in Bahrain, the wider Middle East, North Africa and beyond.

The BIBF's commitment to excellence has strengthened its position as the leading educational provider across all major business disciplines. The Institute serves as a partner to numerous world-class institutions; delivering Thought Leadership, Assessment and Training in the areas of **Banking & Finance, Islamic Finance, Executive Development, Academic Studies, Leadership and Management, Insurance, Digital Transformation and Project Management**; resulting in a complete business solution.



GLOBAL REACH



The BIBF has delivered training to over

360,000

students in **64 countries** since its inception in **1981**

The BIBF qualifies over **20,000** learners a year across all major business disciplines and economic sectors.

Since its establishment, it has provided training and development opportunities in **64 countries** giving the institute a global footprint.



CHAIRMAN'S FOREWORD

On behalf of the Board of Directors, I am pleased to present the Annual Report and consolidated financial statements for the year ended 31 December 2021.

This report highlights the progress of the year and outlines the steps we took to expand our domestic and global reach during the past year.

Despite the restrictions arising from the Covid -19 pandemic our services continued to serve our clients by offering virtual classes. The ability to offer the training virtually expanded the scope of the training programs and managed to build many partnership arrangements with different stakeholders in the community, adding new focus groups on climate change and sustainability, digital transformation and open data, leadership and management, insurance amongst many other topics.

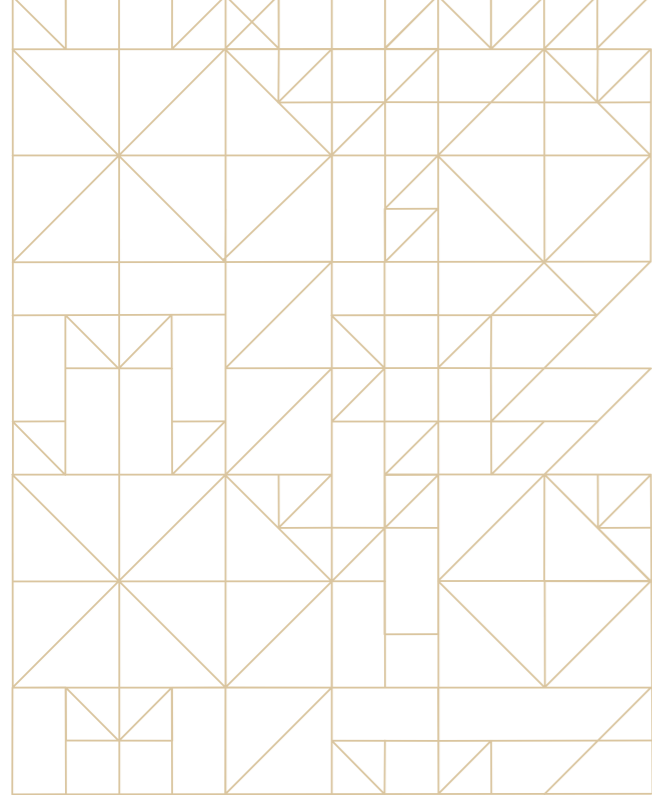
The services of the BIBF over more than 4 decades have helped the institution to develop training programmes to meet the demand for new skill sets under a rapidly changing environment. The strategic direction of the BIBF will continue to support the financial sector and beyond.

Finally, I want to acknowledge the extraordinary efforts made by all our staff members. Our services and support for our member institutions, and for the broader community, have depended on their resourcefulness, flexibility, and engagement over the past year.

Sincerely,
Rasheed Mohammed AlMaraj
Governor of the Central Bank of Bahrain (CBB)
Chairman of the Board of Directors (BIBF)

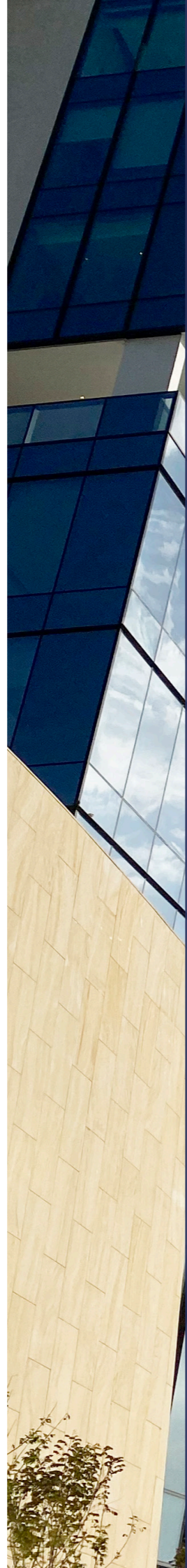


The services of the BIBF over more than 4 decades have helped the institution to develop training programmes to meet the demand for new skill sets under a rapidly changing environment. "



BOARD OF DIRECTORS

The BIBF Board of Directors is a highly dynamic group of industry professionals representing different business sectors within the Kingdom of Bahrain, and is chaired by the Governor of the Central Bank of Bahrain.



H.E. Rasheed Mohammed Al Maraj
Chairman,
Governor, Central Bank of Bahrain



Mr. Murad Ali Murad
Deputy Chairman,
Chairman, Bank of Bahrain & Kuwait



Mr. Abdulhakeem Alkhayyat
Managing Director & CEO,
Kuwait Finance House - Bahrain



Mr. Adnan Yousif
President & Chief Executive
Lemrair Consultancy Company W.L.L



Mr. Ashraf Bseisu
Group CEO,
Solidarity Group



Mr. Jean Christophe Durand
Chief Executive Officer,
National Bank of Bahrain



Dr. Khaled Kawan
Group Chief Executive Officer,
Arab Banking Corporation



Mr. Khalid Al Hamad
Executive Director of Banking
Supervision, Central Bank of Bahrain



Mrs. Najla Al Shirawi
Chief Executive Officer,
Securities & Investment Company



Mr. Yahya Nooruddin
Chief Executive Officer,
Tazur Company BSC



Mr. Yassir Al Baharna
Trust Re Managing Director
& Group CEO



Ms. Enas Assiri
General Manager Bahrain National
Life Assurance - bnl



Ms. Tala Fakhro
Chief Project Officer Market & Strategy
Intelligence and Policy Advocacy,
Bahrain Economic Development
Board

DIRECTOR'S FOREWORD

It is with great pride that I present to you BIBF's accomplishments through the Annual Review Report for 2021.

The pandemic has continued throughout the year 2021. Despite the challenges of the global pandemic, the BIBF continued to stand resiliently, turning these challenges to opportunities.

Being the region's premier training and development provider, recognised for the value, thought leadership and quality of our programmes, the BIBF has been **determined** to see another successful year, with Allah's blessings.

As part of our mission, the BIBF is proud to serve as the backbone of the financial sector. Through our partnerships with the world's leading institutions, our programmes have continued uninterrupted throughout 2021 to offer internationally recognised qualifications in the Kingdom, in support of the Central Bank of Bahrain's (CBB) growth objectives for the banking and financial services industry, with the ultimate aim of **empowerment** for all our learners.

Our students' **development** is our top priority; therefore, we are proud to report that we have witnessed consistent exceptional results in comparison to global pass rates for a majority of the professional qualifications we offer.

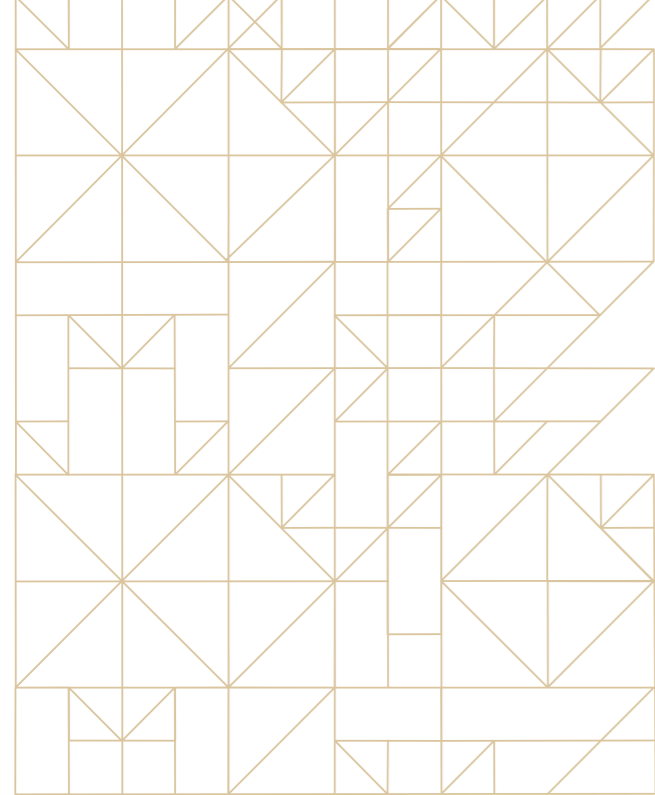
With all of the successes achieved in 2021, I would like to take a moment to acknowledge and appreciate the collective efforts of our distinguished Board Members, our amazing faculty and our dedicated staff, who worked diligently despite the challenges, to continue leading excellence.

Thank you and I look forward to another amazing year at the BIBF.

Sincerely,
Dr. Ahmed AlShaikh
Director
Bahrain Institute of Banking and Finance



“
Despite the challenges of the continuing global pandemic, the BIBF continued to stand resiliently, turning these challenges to opportunities.
”



MANAGEMENT TEAM 2021

The BIBF Management Team comprises of high performing, qualified senior industry professionals who work together to drive educational excellence, enhance training and development standards, and provide value to our stakeholders.



Dr. Ahmed AbdulHameed AlShaikh
Director



Dr. Raja Bucheery
Head of Centre for Academic Studies



Ms. Zeeba Askar
Head of Centre for Banking & Finance



Mr. Ahmed Naeemi
Head of Centre for Digital Transformation & Project Management



Ms. Manal Mashkour
Head of Centre for Insurance



Mr. Mujtaba Khalid
Head of Centre for Islamic Finance



Mr. Yousif Ali
Head of Centre for Leadership & Management



Ms. Meaad Al Awadhi
Head of Human Resources



Mr. Syed Amir Zahid
Head of Internal Audit



Mr. Jaideep Rana
Head of Finance



Ms. Amal Al Sorani
Head of Marketing & Corporate Communications



Ms. Sana Haji
Senior Manager of Business Development



Mr. Shaker AlOwainati
Senior Manager of IT & Operations



Dr. Maitham Aloraibi
Senior Manager of Quality Assurance



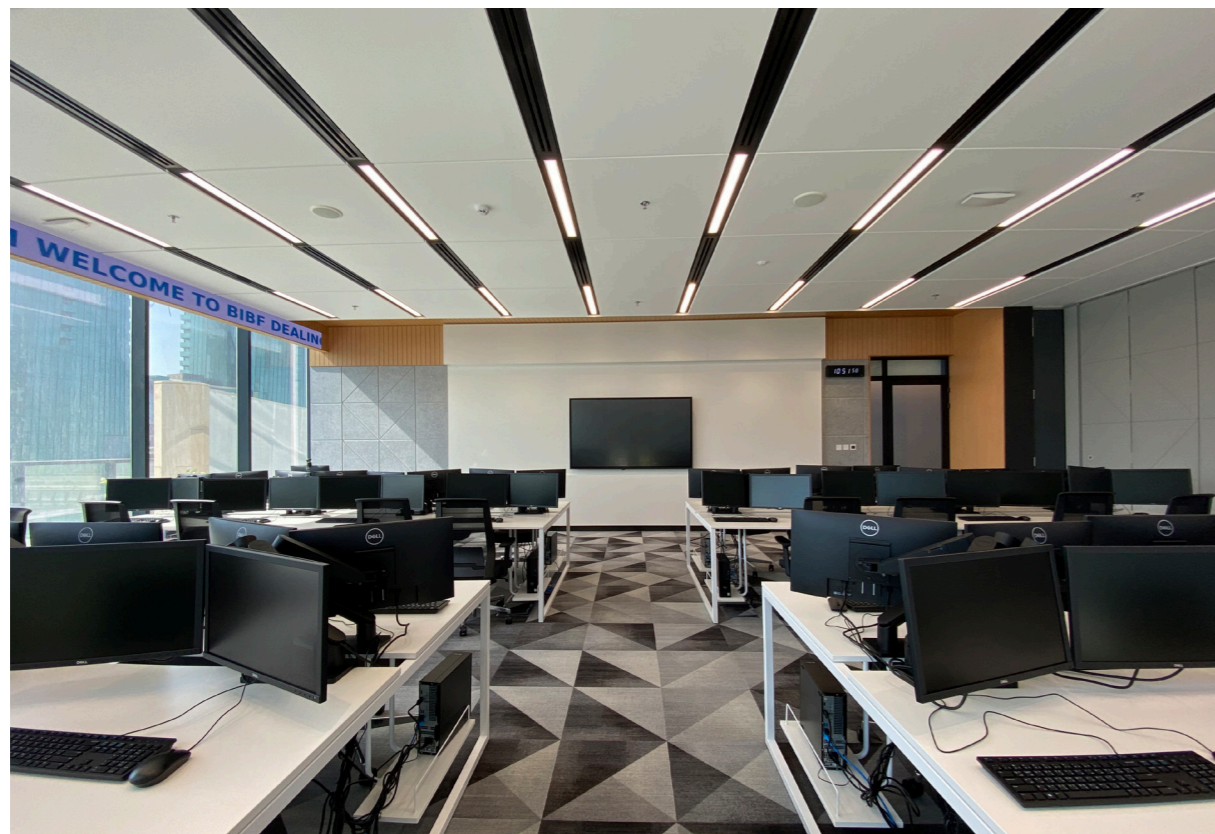
Mr. Farooq Abdulqader
Senior Manager of Registration

BIBF'S FACULTY & THE LEARNING PROCESS

The culture of leading excellence that permeates all aspects of the learning process at the BIBF, begins with our outstanding faculty. Our teaching staff are exceptional; not just experts in their fields.

**THEY ARE SUPPORTIVE.
ENGAGING. ENTHUSIASTIC.**

And they care about students and candidates. They bring their talent to teach and their market expertise and experience into the classroom, igniting debate and discussions among the top minds from various walks of life.



At the BIBF, we emphasise the importance of building a strong career pathway built on a lifelong learning journey. Our training programmes, professional qualifications, and academic degrees fast-track and transform careers in exciting and unexpected ways.

The BIBF students and alumni are well-known as sharp, global-minded professionals with the necessary business management knowledge and market skills. Coached on how to achieve their goals, we take our students through the learning process, where they understand more about themselves, understand market dynamics and form a strategy for success.

Our alumni are the market leaders of today, having secured top positions with the Kingdom's most attractive organisations.



OUR VISION

The Institute of Choice
for the development of
business professionals

OUR MISSION

Offering a career-linked,
comprehensive range of
professional development
programmes that have a life-long
professional impact

OUR VALUES

- Integrity
- Ethics
- Honesty
- Transparency
- Expertise
- Respect
- Consistency
- Teamwork

Bahrain Institute of Banking and Finance (BIBF) has been a cornerstone of the Banking and Financial Services Sector in the Kingdom since its inception in 1981.

THOUGHT LEADERSHIP

As part of the commitment to the development of high quality and industry-relevant research and thought leadership, the BIBF continues to provide seminars, webinars, conferences and campaigns in general that focus on the importance of research and analysis in various sectors. Going in depth on ideas and topics related to Banking, Finance, Insurance, Islamic Finance, Digital Transformation, Project Management and Leadership and providing valuable and engaging Thought Leadership information.

To further strengthen the BIBF's efforts that focus on human capital development and presenting the workforce with data and inspiration, the BIBF launched a campaign that examines Global Economic Trends especially in the wake of the disruptive technologies that have swept through everything from shaping economies to disrupting travel to controlling households.

The campaign was entitled "Reimagine The Future". Furthermore, with more disruption brought around by the pandemic of COVID-19, the campaign examined several concepts to bring clarity to the audience and spur discussions, especially looking out for the trends & forces that shape Bahrain's economic landscape today, in addition to the regional economies and overall global perceptions. Topics such as Digital Enablement, Millennials, Banking with customer-centricity in mind, the future of Taxation in the region, and other related topics were discussed.

The website also features several research and publications by the esteemed faculty of the BIBF that present various ideas and topics that provide a treasure of information for students and professionals who are interested in expanding their knowledge and their critical thinking to further enhance their skills and capabilities in their fields.



MOVING TO THE NEW BUILDING AT BAHRAIN BAY

The settings where learning takes place can be an important factor in providing the best learning environment to students. The evaluation of physical learning environments can especially be of relevance when new buildings, that intend to support teaching and learning, are designed. That was the focus we had in mind during the designing and construction of our new headquarters in Bahrain Bay.

The BIBF's state-of-the-art 11-story building contributes to Bahrain's skyline as an iconic symbol of modern architecture, providing ultra-modern and convenient facilities to support the learning process and improve the educational tourism in Bahrain.

This national project comes in line with the BIBF's expansion plan to further accommodate the growing demand and improve the learning experience and represents an important milestone in the development of Bahrain's financial services sector and the national economy.

Many digital enhancements were done inside the building to reflect the vision of the institute, to be a centre of inspiration for students and learners and to be a beacon of digital transformation in the region.

Despite the delays enforced by the pandemic, the BIBF's team was able to finalize all construction aspects and make the move to the new building, having waited for the covid restrictions to be lifted to welcome back our students and learners.

The BIBF's iconic headquarters is another testament to the resilience and determination of our teams to provide the best facilities and the most efficient classroom environment.




 Administrative Offices


 **40** Classrooms


 **300** Seater Auditorium


 **340** Car Parks

 **5** High-Tech Computer Labs

 State-of-the-Art Dealing Simulation Room

 Examination Halls


 Executive Lounges & Classrooms

 Student Lounges & Study Rooms

 State-of-the-Art Library

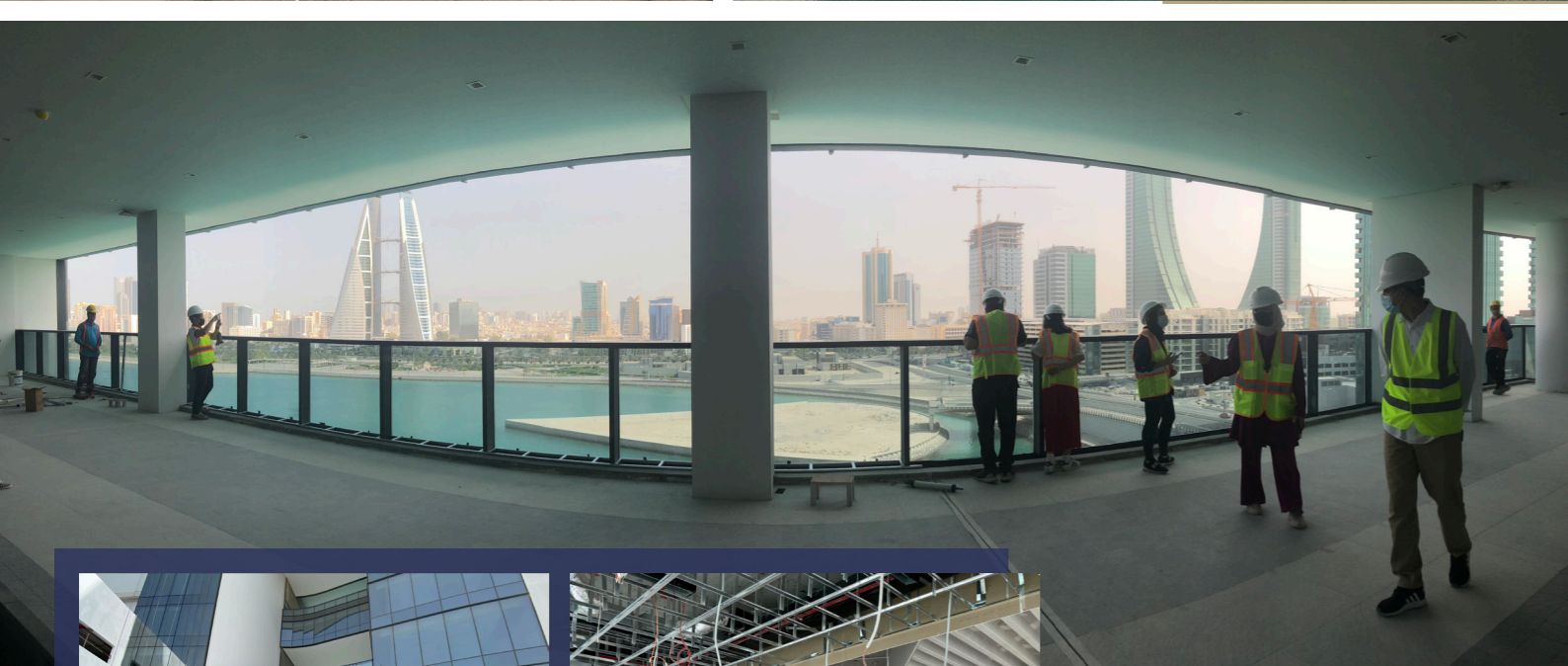
 Health & Nursing Unit

 Spacious Café

 Multiple terraces for different events

THE PROGRESS

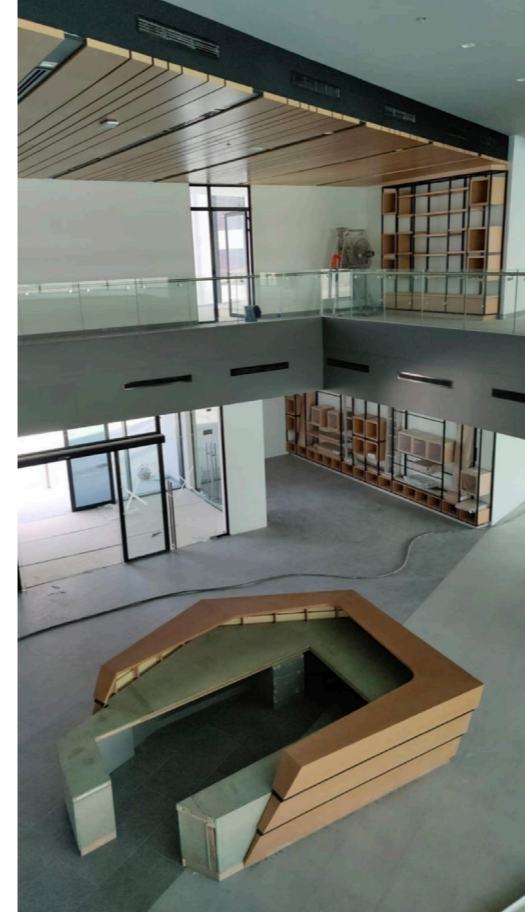
2020



February 2021



April 2021

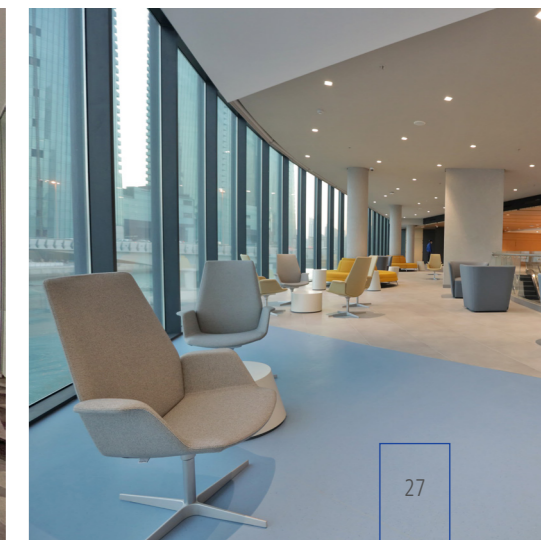
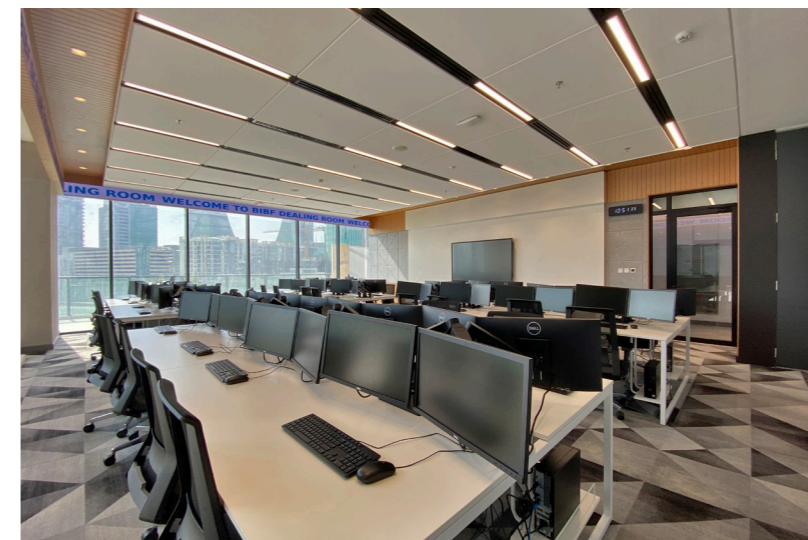


July 2021

October 2021



NEW BEGINNINGS



HIGHLIGHTS OF THE YEAR 2021

With the dawn of a new year, we reflect on the challenges, opportunities, and progress that were presented between January and December.

If 2020 was the year of the pandemic shock, 2021 was the year of resilience. We had to learn to live in constant uncertainty of what it would take to keep going, how to stay safe and how to continue our careers, education, and life in general.

Our teams adapted quickly, worked harder, and reached thousands of people, looking for training opportunities, to develop their skills and improve their career prospects.

The year 2021 started with a sense of guarded optimism, with people emerging from the shock of COVID-19. It started with the hope of things returning to normal but ended up having its own challenges and was instead marked by navigating “the new normal”.

In this roller coaster year, staying flexible, agile, and resilient has never been more important. The BIBF did not cancel a single class and continued to provide training opportunities to students and employees on all main business domains.

2021 was an amazing year for the BIBF! In addition to the resilience displayed by our teams, and our students, we are extremely grateful for the success achieved on so many levels. Classes continued with the best in class, even exceeding Global Pass Rates on many of our professional

qualifications and the shift to the new building is completed!

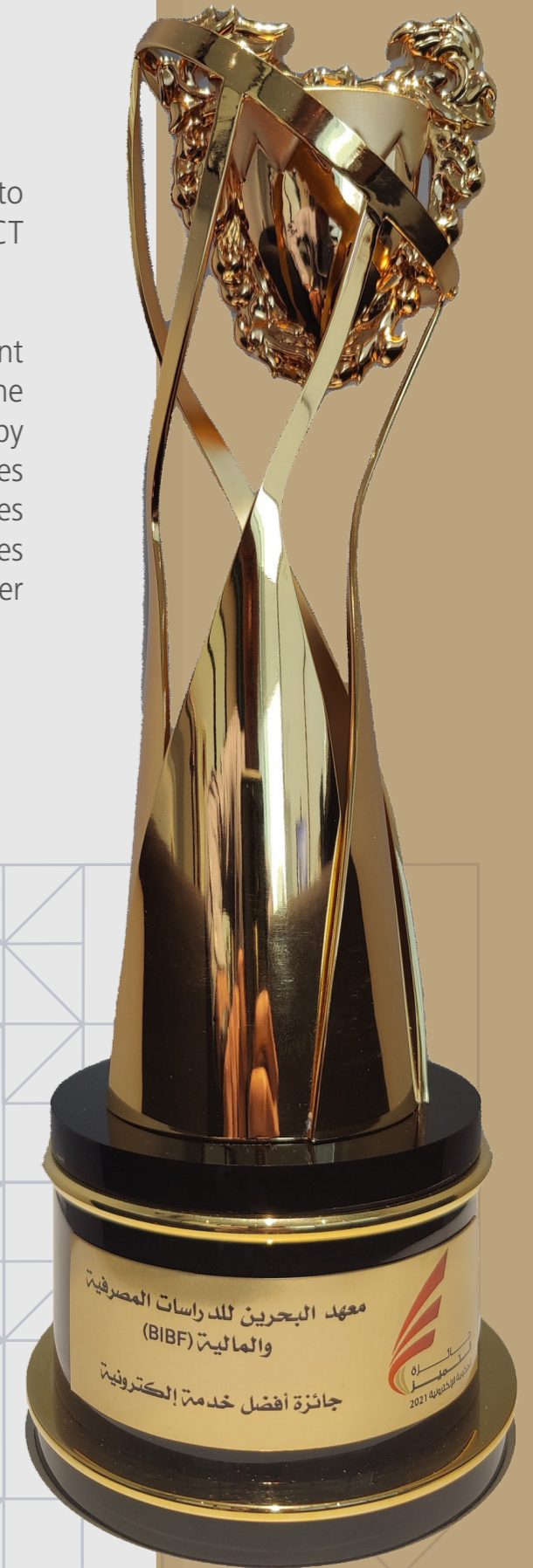
Our training sessions continued, our classes were on track, faculty and learners continued to interact online and to continue down their educational pathways, something that has made us proud!

Moreover, in October 2021, The BIBF won the award on the proficiency of our innovative e-learning platform ‘MyClass’, which was activated in March 2020, less than a week after the pandemic started in Bahrain, to ensure the continuity of the learning process according to the highest levels of performance and security standards while ensuring the safety of our students and learners.

The Best eService award recognised the BIBF’s swift efforts in implementing the locally designed My Class platform. It was held under the Patronage of Deputy Prime Minister and Supreme Committee for Information and Communication Technology Chairman His Highness Shaikh Mohammed bin Mubarak Al Khalifa, the eGovernment Excellence Award is a strategic platform launched by the

Information and eGovernment Authority to recognise and reward Bahrain’s pioneering ICT initiatives.

In addition to the prestigious eGovernment Excellence Award, the BIBF also won the Educational and Training Initiative of the Year by the Middle East Insurance Review, that recognises the BIBF’s Insurance programmes and initiatives that run on a local and regional level and provides the best-in-class training and knowledge transfer processes



THE BIBF IN 2022

The Bahrain Institute of Banking and Finance (BIBF) has been a cornerstone of the Banking and Financial Services Sector in the Kingdom since its inception in 1981.

The BIBF continues its offerings and initiatives moving forward, with our students and learners being our number one priority. The growing levels of Bahrainisation, and the sustained growth patterns of the financial services industry, in particular, are clear indications of the success and the commitment to human capital development of the BIBF spanning over the past 41 years.

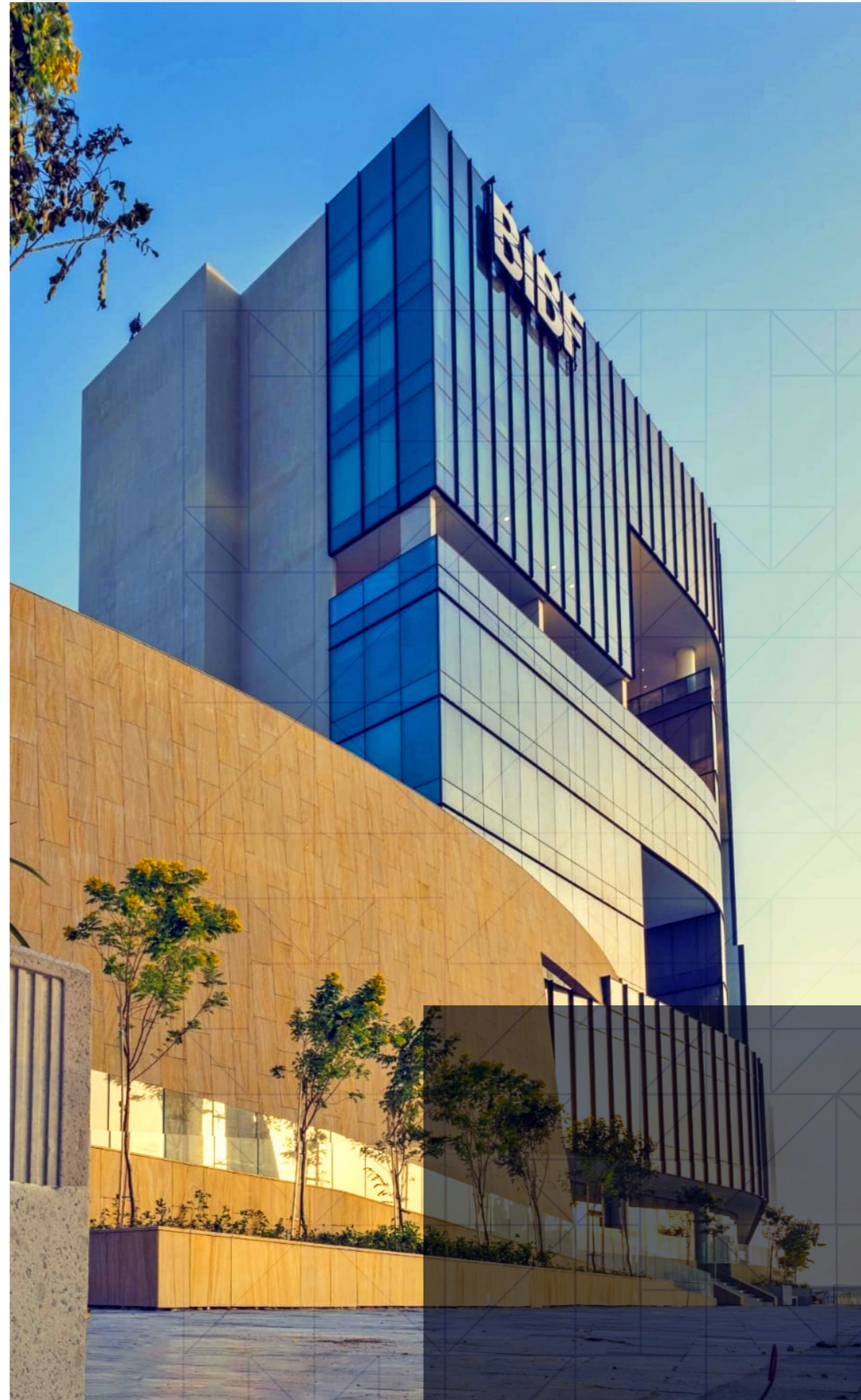
Having equipped over 360,000 students with the necessary knowledge and skills in 64 countries, the BIBF has had an unparalleled impact on the tall stature of the Kingdom's excellence in human capital development.

The BIBF's success story has not only raised the visibility of the Institute but has also had a positive impact on the overall stature of the financial services industry in Bahrain and is seen as a major driving factor behind the excellence of the Bahraini workforce both in the public and private sectors. Our international network of globally recognised partners, our creation of some of the world's first curricula in Islamic Finance and Takaful, the breadth and depth of our content, and commitment to career long learning are important milestones towards the growth and development of Bahrain.

This investment, of more than a generation, in content, curriculum development, unique intellectual property, and staff development are unparalleled across the GCC market. The BIBF's legacy continues to be distinctive in the world and one of the greatest assets that takes Bahrain to new levels of excellence in the future.

The BIBF takes an optimistic view of how technology can help create the higher education we deserve—through a shared transformational vision and strategy for the institute, a recognition of the need to place student success at the centre, and a sustainable business model that redefines “the campus.”

We look forward to presenting more programmes and initiatives in 2022 and we look forward to your continued success.



2021 AT A GLANCE

OUR SERVICES

PROFESSIONAL QUALIFICATIONS

ACADEMIC QUALIFICATIONS

ASSESSMENT & PSYCHOMETRICS

BOARD-LEVEL TRAINING

EXPERT MASTERCLASSES

SIMULATION TRAINING

CUSTOMISED PROGRAMMES

VARIOUS TRAINING PROGRAMMES

21,445
REGISTRATIONS IN
2021

75 PARTNERS
AROUND
THE WORLD

1,512
INTERNATIONAL
TRAINEES

40 WEBINARS
HELD IN 2021

1,413
TRAINING SESSIONS
CONDUCTED

86%
EMPLOYABILITY RATE FOR
BIBF'S ALUMNI

2,400
ASSESSMENTS CONDUCTED
IN 2021

BANKING & FINANCE

The Centre for Banking & Finance at the BIBF plays a pivotal role in the development of human capital for the financial services sector in Bahrain, across the wider region and beyond. The Banking Centre maintains well-equipped and qualified faculty practitioners to sustain the growth of the banking and financial services industry in the Kingdom. The Centre updates its programmes to incorporate the latest developments in the industry in line with the needs of the banking sector.

It continues to update its curriculum to bring in much needed change in the core subject areas of banking, in consultation with the regulators and practitioners to reshape the human capital towards a better institutional governance framework.

The Centre is committed to bringing 'Thought Leadership' to the financial services industry by staying ahead of new trends globally. It has partnered with subject matter experts to educate industry leaders in innovative concepts to support a dynamic industry.

6,624
REGISTRATIONS
IN 2021

441
TRAINING SESSIONS
CONDUCTED IN BAHRAIN

452
INTERNATIONAL
TRAINEES

65
PHYSICAL
CLASSES

376
VIRTUAL CLASSES

100
PROFESSIONAL
QUALIFICATIONS

30
PARTNERS AROUND
THE WORLD

ISLAMIC FINANCE

The main objective of the Centre is to facilitate the growth of the Islamic Finance industry in Bahrain and abroad. To achieve this, the Centre conducts many workshops, masterclasses and executive programmes apart from offering professional qualifications.

The Centre's flagship Programme, the Advanced Diploma in Islamic Finance (ADIF) (NQF Level 9) is the oldest Islamic Finance professional qualification in the world and is the only such qualification with a fast-track progression route into a UK MSc and MBA. This Programme goes through regular updates and was designed with industry experts, emphasising hands-on applied knowledge. The ADIF is also available as a distance learning option for students outside Bahrain.

The Centre developed the first ever Islamic banking e-simulation to simulate the entire workings of an Islamic bank. The Centre is also exclusively partnered with the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB) to bring all Standards onto e-learning.

583

REGISTRATIONS
IN 2021

48

TRAINING SESSIONS
CONDUCTED IN BAHRAIN

43

INTERNATIONAL
TRAINEES

2 PHYSICAL
CLASSES

46

VIRTUAL CLASSES

18

PROFESSIONAL
QUALIFICATIONS

8

PARTNERS AROUND
THE WORLD

DIGITAL TRANSFORMATION, PROJECT MANAGEMENT & REAL ESTATE

The Centre for Digital Transformation & Project Management offers innovative training programmes focusing on three main areas: Digital Transformation, Project Management and Real Estate.

DIGITAL TRANSFORMATION

The Centre aims to become a leading provider for innovative IT Training programmes. The Centre's strategic direction is to offer Programmes that support all business professionals and not just the IT professionals.

PROJECT MANAGEMENT

Project Management is a skill required by everyone and for every field. The Centre aims to offer a variety of learning opportunities that cater to different knowledge areas, professions and skill levels.

REAL ESTATE

Through our partnership with the Real Estate Regulatory Authority (RERA), the Centre offers Continuous Professional Development Training Programmes aligned with market requirements and catering to different Real Estate professionals.

6,850

REGISTRATIONS
IN 2021

376

TRAINING SESSIONS
CONDUCTED IN BAHRAIN

372

INTERNATIONAL
TRAINEES

55

PHYSICAL
CLASSES

321

VIRTUAL CLASSES

71

PROFESSIONAL
QUALIFICATIONS

14

PARTNERS AROUND
THE WORLD

INSURANCE

The Centre for Insurance at the BIBF has supplied the regional insurance industry with skilled, qualified human capital for over thirty years - offering a remarkable balance between localised applied theory and global best practices, along with internationally-recognised professional qualifications in partnership with the world's leading educational institutions. The faculty of the Centre for Insurance are tested market practitioners and provide an enriching classroom experience filled with current market issues and real-life case studies.

The BIBF offers a unique set of training programmes in English and Arabic that cater to different industry needs via both classroom-based and distance learning qualifications. A wide range of insurance topics are covered including property, engineering, marine and liability insurance, in addition to advanced technical courses.

A majority of the BIBF insurance courses are accredited by the Chartered Insurance Institute (CII), with the BIBF being the only entity in the world to offer the CII's Diploma in Insurance (DIP CII) qualification entirely in the Arabic language. The BIBF also has strategic partnerships with the Life Office Management Association (LOMA) with whom it launched the Associate, Life Management Institute (ALMI) programme in Arabic; and is an online examination centre for the CII, LOMA, and the Institutes.

1,466
REGISTRATIONS
IN 2021

128
TRAINING SESSIONS
CONDUCTED IN BAHRAIN

402
INTERNATIONAL
TRAINEES

28
PHYSICAL
CLASSES

100
VIRTUAL CLASSES

25
PROFESSIONAL
QUALIFICATIONS

3
PARTNERS AROUND
THE WORLD

LEADERSHIP & MANAGEMENT

The Centre for Leadership and Management offers various training programmes and Professional Qualifications. The Leadership and Management courses are designed to improve competencies by developing the knowledge, skills and aptitude of the participants, as well as fostering a positive learning environment.

All Leadership & Management courses help participants fulfill their potential through effective training in areas including Leadership, Team Building, Strategic Planning, and Decision-Making.

The Centre's professional qualifications are unique as they link academic concepts straight into the workplace. Built on the qualifications framework, the programmes are offered at a number of levels that challenge participants from junior, to the most senior levels of their organisations.

The Centre also offers the Leadership Development Programme (LDP) in partnership with the University of Virginia, Darden School of Business.

5,922
REGISTRATIONS
IN 2021

420
TRAINING SESSIONS
CONDUCTED IN SAUDI ARABIA

243
INTERNATIONAL
TRAINEES

90
PHYSICAL
CLASSES

330
VIRTUAL CLASSES

91
PROFESSIONAL
QUALIFICATIONS

16
PARTNERS AROUND
THE WORLD

ACADEMIC STUDIES

The Centre for Academic Studies works in partnership with international universities and other organisations to bring world-class academic degrees to the Kingdom of Bahrain.

The BIBF International Foundation Programme for high school graduates wishing to pursue a British degree is recognised by UK NARIC as equivalent to A-Levels and the International Baccalaureate® (IB) Diploma Programme (DP).

At the undergraduate level, BIBF works with Bangor University and the University of London to bring internationally renowned Bachelor's degrees in the areas of Banking, Accounting, Finance, Islamic Finance, Economics and Management.

The BIBF graduates have an excellent track record of employment and career progression in Bahrain's banking and financial sectors and remain the graduates of choice for employers in the Kingdom. At the postgraduate level, the BIBF works with top business schools DePaul University in the United States and University of Strathclyde in the United Kingdom to bring to Bahrain world class Master's degree programmes in Business Administration, Human Resources and Financial Technology.

91

STUDENTS JOINED THE UNDERGRADUATE PROGRAMMES

86

STUDENTS JOINED THE POSTGRADUATE PROGRAMMES

91

GRADUATES FROM BANGOR UNIVERSITY

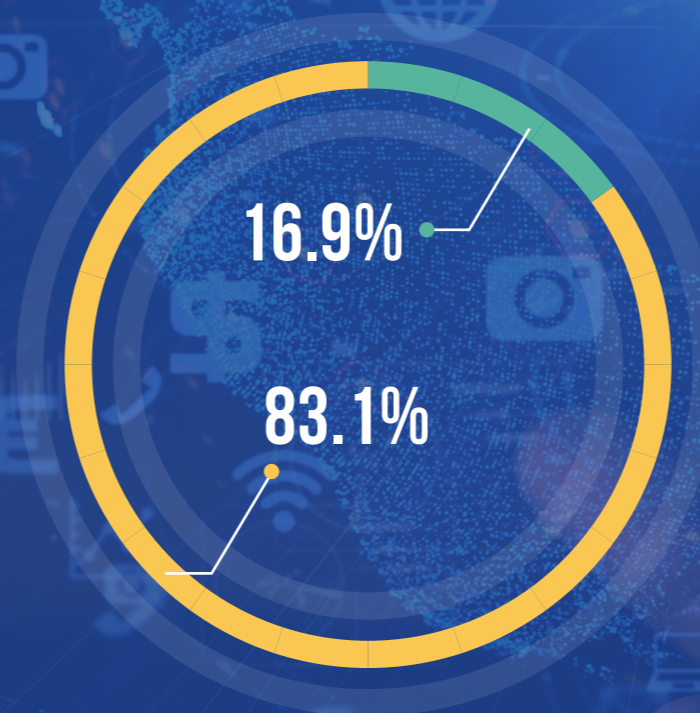
83

STUDENTS JOINING THE IFP PROGRAMME

4

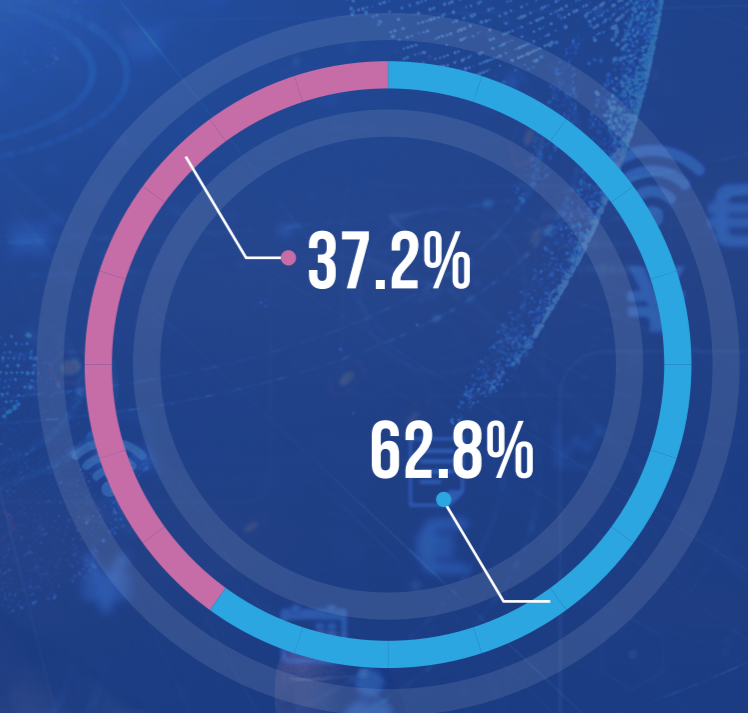
PARTNERS AROUND THE WORLD

TRAINING SESIONS



- Virtual Classes
- Physical Classes

GENDER



- Male
- Female

BAHRAIN INSTITUTE OF
BANKING AND FINANCE

FINANCIAL STATEMENTS

31 DECEMBER 2021

Chairman: H.E. Rasheed Mohammed Al Maraj

Director: Dr. Ahmed Abdulghani Al Shaikh

Office: Building 1306, Road 4625,
Block 346, Manama Sea Front
P.O.Box 20525
Kingdom of Bahrain
Tel: 1781 5555
Fax: 1772 9928

Bankers: Al Salam Bank BSC
Bank of Bahrain and Kuwait
Ithmar Bank BSC (c)
Khaleeji Commercial Bank BSC
Kuwait Finance House (Bahrain) BSC (c)
National Bank of Bahrain BSC
National Bank of Kuwait SAKP

Auditors: KPMG Fakhro

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 - Statement of income and expenses and other comprehensive income
 - Statement of accumulated surplus
 - Statement of cash flows
 - Notes to the 2021 financial statements
-



KPMG Fakhro
Audit
12th Floor, Fakhro Tower
P O Box 710, Manama
Kingdom of Bahrain

Telephone +973 17 224807
Fax +973 17 227443
Website: home.kpmg/bh
CR No. 6220



Independent auditors' report

To the Board of Directors

*Bahrain Institute of Banking and Finance
Manama Sea Front, Kingdom of Bahrain*

Opinion

We have audited the accompanying financial statements of Bahrain Institute of Banking and Finance (the "Institute"), which comprise the statement of financial position as at 31 December 2021, the statements of income and expenses and other comprehensive income, accumulated surplus and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The board of directors is responsible for the other information. The other information comprises the Annual Report. The Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Financial Statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG Fakhro
Partner Registration Number 83
5 April 2022

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

Bahraini Dinars

	Note	2021	2020
ASSETS			
Non-current assets			
Property, furniture and equipment	5	10,596,321	6,951,697
Debt investment securities	6	12,048,075	11,154,259
Long-term bank deposits	7	-	103,479
Total non-current assets		22,644,396	18,209,435
Current assets			
Accounts receivable	8	819,144	493,399
Other assets	9	282,363	318,090
Short-term bank deposits	7	2,087,793	3,985,153
Cash and cash equivalents	10	1,633,588	1,666,119
Total current assets		4,822,888	6,462,761
Total assets		27,467,284	24,672,196
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated Funds			
Accumulated surplus		24,685,717	22,116,560
Total accumulated funds (page 5)		24,685,717	22,116,560
Liabilities			
Non-current liabilities			
Provision for employees' leaving indemnities	11	387,318	384,072
Total non-current liabilities		387,318	384,072
Current liabilities			
Accounts payable		21,169	184,213
Accruals and other liabilities	12	2,373,080	1,987,351
Total current liabilities		2,394,249	2,171,564
Total liabilities		2,781,567	2,555,636
Total accumulated funds and liabilities		27,467,284	24,672,196

The financial statements were approved by the board of directors on 5 April 2022 and signed on its behalf by:



H.E. Rasheed Mohammed Al Maraj
Chairman



Ahmed A. Hameed A. Ghani Al Shaikh
Director

The accompanying notes 1 to 21 are an integral part of these financial statements.

STATEMENT OF INCOME AND EXPENSES AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

Bahraini Dinars

	Note	2021	2020
INCOME			
Tuition fees	14	4,729,651	4,611,034
Levy		2,289,507	2,372,151
Direct tuition costs	15	(1,616,590)	(1,741,550)
Net income from courses		5,402,568	5,241,635
Contribution		15,000	15,000
Financial income		988,369	1,040,890
Other income		624,355	131,832
Government grant	18	250,602	510,616
Total Income		7,280,894	6,939,973
Staff costs	16	(4,116,620)	(3,932,330)
General and administrative expenses	17	(597,969)	(387,185)
Depreciation	5	(71,315)	(81,466)
Reversal of impairment allowance on receivables	8	75,006	44,469
(Charge) / reversal of expected credit losses of bank deposits, net	7	(839)	45,886
Total expenses		(4,711,737)	(4,310,626)
Surplus for the year		2,569,157	2,629,347
Other comprehensive income		-	-
Total comprehensive income for the year		2,569,157	2,629,347

The financial statements were approved by the board of directors on 5 April 2022 and signed on its behalf by:



H.E. Rasheed Mohammed Al Maraj
Chairman



Ahmed A. Hameed A. Ghani Al Shaikh
Director

The accompanying notes 1 to 21 are an integral part of these financial statements.

STATEMENT OF ACCUMULATED SURPLUS
For the year ended 31 December 2021

Bahraini dinars

	2021
At 1 January	22,116,560
Total comprehensive income for the year (page 4)	2,569,157
At 31 December	24,685,717
	2020
At 1 January	19,487,213
Total comprehensive income for the year (page 4)	2,629,347
At 31 December	22,116,560

The accompanying notes 1 to 21 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

Bahraini Dinars

	Note	2021	2020
OPERATING ACTIVITIES			
Surplus for the year		2,569,157	2,629,347
<i>Adjustment for:</i>			
Depreciation	5	71,315	81,466
Financial income, net of allocation to staff saving scheme		(988,369)	(1,040,890)
Reversal of impairment allowance on receivables (Charge) / reversal of impairment allowance on term deposit	8	(75,006)	(44,469)
	7	839	(45,886)
Provision for employees' leaving indemnities	11	71,642	77,330
		1,649,578	1,656,898
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable		(250,739)	615,599
Other assets		35,727	441,219
Accounts payable		(163,044)	69,266
Accruals and other liabilities		385,729	(401,415)
Cash generated from operations		1,657,251	2,381,567
Employees' leaving indemnities paid	11	(68,396)	(33,508)
Net change in staff saving scheme		-	(850,738)
		1,588,855	1,497,321
Net cash from operating activities			
INVESTING ACTIVITIES			
Payments for acquisition of property, furniture and equipment	5	(3,715,939)	(4,323,233)
Financial income earned		988,369	1,040,890
Movement in debt investment at amortised cost		(893,816)	(2,549,219)
Movement in bank deposits		2,000,000	5,648,838
		(1,621,386)	(182,724)
Net cash used in investing activities			
Net (decrease) / increase in cash and cash equivalents			
		(32,531)	1,314,597
Cash and cash equivalents at 1 January		1,666,119	351,522
Cash and cash equivalents at 31 December	10	1,633,588	1,666,119

The accompanying notes 1 to 21 are an integral part of these financial statements.

1 REPORTING ENTITY

Bahrain Institute of Banking and Finance (the "Institute") was formed in the Kingdom of Bahrain by the approval of the Specific Council for Vocational Training (Banking Sector). The Institute is a non-profit entity and commenced its first training year on 1 January 1980. Royal Decree Number 33 passed during October 2015 has transferred the responsibilities of the High Council for Vocational Training to the Labour Fund, Tamkeen. In October 2017, Decree number. 21 stipulated that the Institute will be under the supervisory authority of the Central Bank of Bahrain.

The Institute is engaged in providing training to employees working in the financial sector of the Kingdom of Bahrain.

2 BASIS OF PREPARATION**a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting standards (IFRS).

b) Basis of measurement

The financial statements have been drawn up from the accounting records of the Institute under the historical cost convention.

c) Functional and presentation currency

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Bahraini Dinars ("BD"), which is the Institute's functional and presentation currency. All financial information presented in Bahraini Dinars has been rounded to the nearest Bahraini Dinar.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 4.

e) New standards, amendments and interpretations effective for annual reporting period beginning on 1 January 2021

The following new and amendments standards are not expected to have a significant impact on the Institute's financial statements:

2 BASIS OF PREPARATION (continued)

- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

f) New standards and amendments issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Institute has not early adopted the new or amended standards in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Institute's financial statements:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied by the Institute and are consistent with those used in the previous year.

a) Financial instruments*(i) Recognition and initial measurement*

Accounts receivable and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Institute becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt security; FVOCI – equity security; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless Institute changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Institute may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on a security-by-security basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Institute may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(iii) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognised and removed from the statement of financial position when the right to receive cash flows from the assets has expired; the Institute has transferred its contractual right to receive the cash flows from the assets, and substantially all the risks and rewards of ownership; or where control is not retained. Financial liabilities are derecognised and removed from the statement of financial position when the obligation is discharged, cancelled, or expires.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Impairment of financial assets

The Institute recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The financial assets at amortised cost consist cash and cash equivalents, bank deposits and accounts receivable and other assets.

Loss allowances on bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECLs. ("General approach").

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Institute considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Institute's historical experience and informed credit assessment including forward-looking information.

The Institute considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Institute in full, without recourse by the Institute to actions such as realising security (if any is held).

Lifetime ECL are the ECLs that result from all possible default events over the expected life of the financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Institute is exposed to credit risk.

Measurement of ECLs

The Institute uses an allowance matrix to measure the ECLs of accounts receivable from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics of the customers.

Loss rates are based on actual credit loss experience over the past 5 years. These rates are adjusted for forward looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Institute's view of economic conditions over the expected lives of the receivables.

Cash and cash equivalents - (General approach)

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Institute considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Institute assumes that the credit risk on cash and cash equivalents has been increased significantly if it is more than 30 days past due.

Credit-impaired financial assets

At each reporting date, the Institute assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due from the invoicing date;
- the restructuring of an accounts receivable by the Institute on terms that the Institute would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Institute has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof and is charged to the comprehensive income. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Institute's procedures for recovery of amounts due.

b) Property, furniture and equipment

(i) Recognition and measurement

Items of property, furniture and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of the assets includes the cost of bringing the asset to its present location and condition and the consideration paid for acquiring the assets. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. When parts of an item of property, furniture and equipment have different useful lives, they are accounted for as separate items (major components) of property, furniture and equipment.

When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed from the accounts and any resultant gain or loss of an item of property, furniture and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, furniture and equipment and are recognised net within "other income" in the statement of income and expenses.

(ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, furniture and equipment that is accounted for separately, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, furniture and equipment. All other expenditure is recognised in the statement of income and expenses as an expense as incurred.

The cost of replacing part of an item of property, furniture and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

(iii) Depreciation

Depreciation is charged to the statement of income and expenses and other comprehensive income on a straight-line basis over the estimated remaining useful lives of items of property, furniture and equipment. The estimated useful lives are as follows:

Asset categories	Estimated useful life in years
Buildings	20
Furniture and fixtures	5 - 7
Machinery and equipment	3 - 5
Training material	3
Motor vehicles	5

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Capital work-in-progress

Capital work-in-progress represents contractor and consultation costs of a building in Bahrain Financial Harbour.

c) Employee benefits

Short-term employee benefits are recognised in the statement of comprehensive income on an accrual basis.

Pensions and other social benefits for *Bahraini employees* are covered by the Social Insurance Organisation's scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Institute's contribution to this scheme, which represents a defined contribution scheme under International Accounting Standards 19 – Employee Benefits, is expensed as incurred.

Expatriate employees are entitled to leaving indemnities payable under the Bahrain Labour Law for the Private Sector - Law no. (36) of 2012, based on length of service and final remuneration. Provision for this unfunded commitment which represents a defined benefit plan under International Accounting Standards 19 – Employee Benefits has been made by calculating the notional liability had all employees left at the reporting date.

Staff saving scheme

The Institute operates a staff saving scheme. The employee and the Institute contribute a minimum of 5% each based on the employee's current monthly basic salary. Financial income is calculated based on the respective term deposit rates for each year.

d) Provisions

A provision is recognised in the statement of financial position when the Institute has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

e) Revenue

Student tuition, fees and sale of books are recognised at a point in time when the related academic services are rendered or when the goods are delivered. Student tuition and related fees are recognised in relation to the respective academic year / semester when the classes are delivered to the students in accordance with the courses taken. Students deposits and advances received for tuition related to the next academic year are deferred. Income from sale of books is recognised when the book is received by the student.

Levy represents 1% of the total basic salaries from all central bank licensees and its being utilised by the Institute to develop the employees of central bank licensees. Levy is recognised in the statement of income and expenses and other comprehensive income when the right to receive the levy is established.

Other income is recognised at a point in time when the right to receive is clearly established. Interest income is recognised using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Foreign currency transactions

Transactions in foreign currencies are translated to Bahraini Dinars at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Bahraini Dinars at the foreign exchange rate ruling at that date. All foreign exchange differences arising on conversion and translation are recognized in the statement of income and expenses and other comprehensive income.

g) Leases

The Institute has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Institute recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

h) Government grant

Grants that are received as compensation for specific expenses are recognised in the same period in the statement of profit or loss and other comprehensive income.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements includes:

a) Useful life and residual value of property, furniture, equipment

The Institute reviews the useful life and residual value of the property, furniture, equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value are estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

b) Impairment of financial assets

Refer to (note 3 a) (v))

5 PROPERTY, FURNITURE AND EQUIPMENT

2021	Building and leasehold improvements	Furniture and fixtures	Machinery and equipment	Training material	Motor vehicles	Capital work-in-progress	Total
Cost							
At 1 January	1,778,704	466,502	644,391	218,621	35,250	6,795,557	9,939,025
Additions	-	-	42,466	-	-	3,673,473	3,715,939
At 31 December	1,778,704	466,502	686,857	218,621	35,250	10,469,030	13,654,964
Depreciation							
At 1 January	1,698,014	438,069	597,374	218,621	35,250	-	2,987,328
Charge for the year	11,426	26,352	33,537	-	-	-	71,315
At 31 December	1,709,440	464,421	630,911	218,621	35,250	-	3,058,643
Net carrying value	69,264	2,081	55,946	-	-	10,469,030	10,596,321

The existing building is constructed on a plot of land donated to the Institute by H. R. H. Prince Khalifa Bin Salman Al Khalifa, on behalf of the Government of the Kingdom of Bahrain and is registered in the name of the Central Bank of Bahrain. No rental is charged to the Institute.

Capital work-in-progress represents construction costs for the new building that is constructed on a plot of land in Bahrain Financial Harbour which has been donated to the Institute the by Ministry of Finance, on behalf of Government of Kingdom of Bahrain. No rental is charged to the Institute. The total capital commitments as at the reporting date is BD 1.4M (2020: BD 4.2M).

5 PROPERTY, FURNITURE AND EQUIPMENT (continued)

2020	Building and leasehold improvements	Furniture and fixtures	Machinery and equipment	Training material	Motor vehicles	Capital work-in-progress	Total
Cost							
At 1 January	1,778,704	462,243	620,998	218,621	35,250	2,499,976	5,615,792
Additions	-	4,259	23,393	-	-	4,295,581	4,323,233
At 31 December	1,778,704	466,502	644,391	218,621	35,250	6,795,557	9,939,025
Depreciation							
At 1 January	1,686,556	400,856	564,579	218,621	35,250	-	2,905,862
Charge for the year	11,458	37,213	32,795	-	-	-	81,466
At 31 December	1,698,014	438,069	597,374	218,621	35,250	-	2,987,328
Net carrying value	80,690	28,433	47,017	-	-	6,795,557	6,951,697

6 DEBT INVESTMENT SECURITIES

	2021	2020
At 1 January	12,160,765	8,605,040
Additions made during the year	6,124,658	5,520,788
Less: Matured during the year	(5,000,000)	(1,700,000)
Premium / (discount) on purchase	281,970	(265,063)
At 31 December including investments related to staff saving scheme	13,567,393	12,160,765
Less: investment related to staff saving scheme	(1,519,318)	(1,006,506)
At 31 December	12,048,075	11,154,259

7 BANK DEPOSITS

	2021	2020
Bank deposits	2,105,000	4,105,000
Less: Expected credit losses	(17,207)	(16,368)
	2,087,793	4,088,632

	2021	2020
Short-term bank deposits	2,087,793	3,985,153
Long-term bank deposits	-	103,479
	2,087,793	4,088,632

Movement on impairment allowance is as follows:

	2021	2020
At 1 January	16,368	62,254
Charge for the year	839	-
Written back during the year	-	(45,886)
At 31 December	17,207	16,368

As at reporting date, average interest rate on bank deposits is **3.48%** (2020: 3.66%).

8 ACCOUNTS RECEIVABLE

	2021	2020
Tuition fee receivable	1,030,606	871,576
Levy receivable	139,388	124,453
Less: Impairment allowance	(350,850)	(502,630)
	819,144	493,399

8 ACCOUNTS RECEIVABLE (continued)

Movement on impairment allowance is as follows:

	2021	2020
At 1 January	502,630	650,011
Reversal during the year	(75,006)	(44,469)
Written-off during the year	(76,774)	(102,912)
At 31 December	350,850	502,630

9 OTHER ASSETS

	2021	2020
Interest receivable	197,775	153,692
Prepaid expenses	60,352	66,272
Advance to staff	4,075	28,513
Blocked margin against bank guarantees	0	19,999
Others	20,161	49,614
	282,363	318,090

10 CASH AND CASH EQUIVALENTS

	2021	2020
Cash in hand	1,000	1,075
Bank balances	1,632,588	1,665,044
	1,633,588	1,666,119

11 PROVISION FOR EMPLOYEES' LEAVING INDEMNITIES

	2021	2020
At 1 January	384,072	340,250
Charge for the year	71,642	77,330
Paid during the year	(68,396)	(33,508)
At 31 December	387,318	384,072

12 ACCRUALS AND OTHER LIABILITIES

	2021	2020
Bonus and other staff related accruals	1,096,369	1,012,124
Unearned revenue	1,084,928	913,118
Students refundable deposits	5,260	5,260
Others	186,523	56,849
	2,373,080	1,987,351

13 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties comprise the Directors of the Institute.

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute. The key management personnel comprise the Institute's directors and their compensation during the year was as follows:

	2021	2020
Salaries and other short-term benefits	268,194	251,131
Post-employment benefits, including staff saving scheme	24,840	22,936
	293,034	274,067

14 TUITION FEES

	2021	2020
Professional courses	3,357,527	3,222,818
Special courses	1,124,114	1,229,478
Public courses	96,899	34,625
External courses	52,237	50,519
Other courses	98,874	73,594
	4,729,651	4,611,034

15 DIRECT TUITION COSTS

	2021	2020
Professional courses	1,258,666	1,105,420
Special courses	235,797	490,324
Public courses	56,554	63,553
External courses	13,118	35,986
Other courses	52,455	46,267
	1,616,590	1,741,550

16 STAFF COSTS

	2021	2020
Salaries	2,306,734	2,219,199
Bonus	1,006,244	921,999
Contribution to staff saving scheme	188,746	178,872
Provision for employees' end of service benefits (note 11)	71,642	77,330
Other benefits	543,254	534,930
	4,116,620	3,932,330

17 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Software renewal fees	152,594	78,953
Premises expenses	144,700	74,203
Communication	56,413	49,871
Contract services	43,682	65,421
Printing and advertising	31,361	15,445
Repairs and maintenance	15,246	11,863
Library books and periodicals	8,170	472
Business development	7,384	14,168
Professional fees	5,850	6,879
Postage	3,524	2,620
Stationery and supplies	3,402	8,797
Public relations and social activities	2,947	1,454
Others	122,696	57,039
	597,969	387,185

18 GOVERNMENT GRANT

The Institute received an amount of **BD 250,602** (2020: BD 510,616) as a support from the Government for Bahrainis employees' salaries during the year which has been recognised in the statements of income and expenses and other comprehensive income.

19 CONTINGENT LIABILITIES

- The Institute's bankers have issued performance bonds and other guarantees on behalf of the Institute amounting to BD 100,000 (2020: BD 100,000).
- Capital commitments for the building in Bahrain Financial Harbour as at the reporting date is BD 1.4M (2020: BD 4.2M).

20 FINANCIAL RISK MANAGEMENT

The Institute has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Institute's exposure to each of the above risks, the Institute's objectives, policies and processes for measuring and managing risk. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Institute's risk management framework.

The Board of directors has overall responsibility for the establishment and oversight of the Institute's risk management framework.

The Institute's risk management policies are established to identify and analyse the risks faced by the Institute, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Institute's activities.

The accounting policies for financial assets and liabilities are described in note 3.

a) Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Institute is exposed to credit risk on accounts receivable, other receivables, Debt investment securities, bank deposits and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date was:

	2021	2020
Debt investment securities	12,048,075	11,154,259
Accounts receivable	819,144	493,399
Other assets (excluding prepayments)	222,011	251,818
Bank deposits	2,087,793	4,088,632
Bank balances	1,632,588	1,665,044
	16,809,611	17,653,152

(i) Accounts receivable

The Institute uses an allowance matrix to measure the ECLs of accounts receivable from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics of the customers.

The following table provides information about the exposure to credit risk and ECLs for accounts receivable:

2021	Gross carrying amount	Impairment loss allowance	Credit-impaired
0 - 120 days past due	656,090	6,561	No
121 - 180 days past due	41,271	20,636	Yes
181 - 365 days past due	158,798	23,819	Yes
366 - 730 days past due	87,753	73,752	Yes
More than 2 years past due	226,082	226,082	Yes
	1,169,994	350,850	

2020

	Gross carrying amount	Impairment loss allowance	Credit-impaired
0 - 120 days past due	380,204	10,010	No
121 - 180 days past due	42,886	25,732	Yes
181 - 365 days past due	171,019	102,612	Yes
366 - 730 days past due	188,212	150,568	Yes
More than 2 years past due	213,708	213,708	Yes
	996,029	502,630	

Loss rates are based on actual credit loss experience over the past 5 years. These rates are adjusted for forward looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Institute's view of economic conditions over the expected lives of the receivables.

(ii) Bank balances and bank deposits

The Institute held bank balances of **BD 1,632,588** at 31 December 2021 (2020: BD 1,665,044) and bank deposits of **BD 2,087,793** at 31 December 2021 (2020: BD 4,088,632). The bank balances and bank deposits are held with banks and financial institution counterparties, which are good rated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short-term maturities of the exposures. The Institute considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

b) Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Institute's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation.

The following are the contractual maturities of financial liabilities including interest payments, if any:

2021	Carrying Amount	Contractual undiscounted cash flows	6 months or less
Accounts payable	21,169	21,169	21,169
Accruals and other liabilities	2,373,080	2,373,080	2,373,080
At 31 December	2,394,249	2,394,249	2,394,249
2020	Carrying Amount	Contractual undiscounted cash flows	6 months or less
Accounts payable	184,213	184,213	184,213
Accruals and other liabilities	1,987,351	1,987,351	1,987,351
At 31 December	2,171,564	2,171,564	2,171,564

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Institute's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Institute's exposure to foreign currency risk is minimised as transactions are in Bahraini Dinars and other GCC currencies.

(ii) Interest / profit rate risk

Interest /profit rate risk is the risk that the Institute's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest/ profit rates.

The effective interest/ profit rate on this is as follows:

	2021	2020
Debt investment securities	4% - 8.375%	5.5% - 7.625%
Bank deposits	3% - 3.6%	3% - 4.5%

Fair value sensitivity analysis for fixed rate instruments

The Institute does not account for any fixed rate financial liabilities at fair value through the statement of comprehensive income. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income. Increase or decrease in equity resulting from variation in interest rates is not expected to be significant.

(iii) Other market price risk

Other market rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factor specific to the individual financial instruments or its issuers, or factors affecting all similar financial instrument traded in the market. The Institute does not face any significant other market risk on its financial instruments.

d) Classification of financial instruments

The Institute's financial assets and liabilities are classified as at amortised cost.

e) Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Institute has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair values of financial assets and liabilities of the Institute are not materially different from their carrying values due to their short term in nature.

21 COMPARATIVES

The previous year's figures have been regrouped wherever necessary, in order to conform to the current year's presentation. Such regrouping does not affect previously reported total equity or total comprehensive income.



CONTACT US

+973 1781 5555

info@bibf.com



@TheBIBF

www.bibf.com