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ECO SYSTEMS THAT SUPPORT ECONOMIC GROWTH

INTERVIEW WITH **SANJEEV PAUL**
GROUP CEO, BAHRAIN DEVELOPMENT BANK

BAHRAIN TAKES A DYNAMIC APPROACH TO ACHIEVING GROWTH

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Sanjeev Paul
Group Chief Executive Officer
Bahrain Development Bank

DEVELOPING ECO SYSTEMS THAT SUPPORT ECONOMIC GROWTH

by Reena Abraham

Veteran banker, Sanjeev Paul, has his work cut out for him as the new Chief Executive Officer of the Bahrain Development Bank Group. With more than 30 years of experience in banking, in more than 9 Asian countries including Singapore, India, Malaysia, and Indonesia. Mr. Paul is an expert in corporate finance, SME financing, credit risk management, trade finance and banking products management and he is well equipped to take BDB forward in its vision. Talking to Group Editor Reena Abraham, he reflects on a remarkable career in the industry seeing organic movement in his life journey and notable points of serendipity.

"So much of what Bahrain is aiming to do in terms of building a knowledge economy is the path that Singapore has pursued very successfully. This resonates quite deeply with me as I was in Singapore for many years before coming to Bahrain."

Discussing Bahrain's advantages, he says that while it is blessed with some natural resources, connectivity and direct access to the biggest markets in the region, including KSA, and Africa, the country's biggest resource and its greatest strength is the people. "Bahrain is blessed with its people - they are hungry for success, they are hardworking, they are well educated and there is a young population which is very keen to succeed. These are very good strengths."

BDB itself can play a key role in developing the vision that Bahrain has set for itself, he says. While it is the only bank that focuses exclusively on SMEs in terms of financing them, it does much more than that. "We have the ROWAD initiative where we mentor and train and invest in entrepreneurs helping them survive in a very cut throat business environment. We also have Seed Fuel program where we invest in start ups, based on those who come to us with a good business plan, largely in the technology space. We provide seed money for new ventures and I think this can spawn its own ecosystem of various technology companies."

The Farmer's Market that BDB initiated in partnership with the Ministry of Municipalities and Urban Planning and Urban Planning and Agricultural Affairs (MUN) and Mubadala is another new area that BDB has ventured into. "We are not restricting ourselves to any one sector - from manufacturing to services to technology, we want to create a positive environment that spawns new ecosystems. I think we are very much aligned with the Kingdom's vision in transforming Bahrain into a knowledge hub not only for the kingdom but for the whole region."

For more than 25 years, BDB has been offering loans to young Bahraini entrepreneurs in addition to assisting them during their start-up stage.

Let's start with a simple question. What makes Bahrain Development Bank unique?

BDB is more than a bank. As a development bank, it is different from other financial institutions in terms of the nature and the quality of products and services it offers to Bahraini entrepreneurs as well as its financing process and mechanism applied in this regard.

BDB is also the only bank in the Kingdom of Bahrain that offers loans to Bahraini startups. Another element which makes us unique is that we provide non-financial services such as Rowad program which includes coaching, training, incubation, funding, mentoring and partnership.

You have spent 30 years in the banking industry, can you tell us a little about the journey?

I graduated with a Bachelor's degree in Engineering from Delhi College of Engineering and a Master's degree in Finance and Marketing from the University of Delhi in India.

Currently, I am the Group CEO of Bahrain Development Bank (BDB). I have accumulated over thirty years of international banking experience with



Standard Chartered Bank (SCB) where I handled a number of senior leadership roles. Before moving to Bahrain, I was based in Singapore where I served as the Regional Head of Commercial Banking for ASEAN & South Asia, heading the SCB's business across nine countries including markets in Singapore, India, Malaysia and Indonesia. I was also the Chairman of Board of Directors of Standard Chartered Bank Vietnam Ltd. which is a role I am continuing with in addition to my role as CEO of BDB.

Prior to that, I served as the Global Head of Local Corporates and Commodity Traders for SCB, a business spanning around thirty countries including the Middle East and Bahrain. I also had the opportunity to set up SCB's Middle

Market Business from scratch in India, a business which primarily banks the Small-and-Medium Enterprises (SMEs) in the country. Before that, I worked as SCB's Senior Risk Approver for 5 years as well as ran the Bank's Global Structured Trade Finance & Financing Solutions business.

How do you plan to support BDB's goals to promote entrepreneurship and innovation among SMEs?

BDB is the only bank in the Kingdom that targets the Small and Medium Enterprises. For more than 25 years, the bank has been offering loans to young Bahraini entrepreneurs in addition to assisting them during their start-up stage. We are different from other commercial banks because we finance

the SMEs working capital as well as offer them "term-financing" to help their projects grow and expand. That is why we believe that BDB is more than just a bank. It is an important and essential financial institution with a crucial task of developing the Kingdom's economy.

BDB runs a unique program called "Rowad" which aims to support entrepreneurs in developing their businesses through mentoring, training, incubation, funding, partnership and networking. We also run the "Seed Fuel" where we invest up to BD25,000 of seed capital in a start-up enterprise.

Bahrain Business Incubator Centre (BBIC) is run and managed by BDB. It is an entity that offers Bahraini entrepreneurs with mentorship and a subsidized facility where they can operate and manage their businesses. Bahrain Women Incubator Centre (Riyadat) runs under the umbrella of BBIC. It is the only centre in the Kingdom that focuses primarily on women entrepreneurs. BBIC also manages the Arts Cluster that supports and promotes art related projects in Bahrain and the newly launched Farmers Market in Hoorat A'ali. The market sells Bahraini agricultural products.

BDB's financial services consists of a comprehensive range of financial products for SMEs such as the BDB Finance, BDB and Tamkeen Finance, Women Business Finance Scheme, Overdraft Facility, Agricultural Loans, Letters of Credit and Letters of Guarantee.

What factors make Bahrain a unique country to work?

The Kingdom of Bahrain, particularly its financial sector, has a very special place in the Middle East and North Africa (MENA) region. I am very impressed with the professional caliber of the workforce here. They are well educated, hardworking and are very much eager to learn and succeed. The proximity to Saudi Arabia, which is the GCC's biggest market, makes it even more attractive for foreign investors to capitalize on Bahrain. Moreover, the country's leadership and government bodies like the Economic Development Board (EDB) are very progressive and supportive in promoting entrepreneurship among Bahrainis. It's not impossible for Bahrain to effectively serve as a financial and services hub of

the MENA Region in the coming years.

BDB recently launched a \$100-million venture capital funds of funds - could you tell us more about this?

Al Waha Fund of Funds has successfully closed its \$100m fundraising round, with approximately one third already in the process of being allocated - making it the first active venture capital fund of funds in the region.

This initiative is an important milestone for the region's growing startup ecosystem. It will provide additional capital to innovative and technology-driven startups in Bahrain and across the Middle East through venture capital funds currently established in Bahrain, and by attracting new funds to the region.

The Limited Partners (LP) Advisory Committee members includes BDB, Mumtalakat, National Bank of Bahrain, Batelco, and Tamkeen, amongst others.

BDB is targeting to increase the job opportunities for the Bahraini youth and increasing the scope of investment in the Small and Medium Enterprises sector both in quantity and quality with focusing on projects with good value added and promising investment opportunities in various economic activities.

What has been the impact of digital technology in the bank's operations?

Aligned with the bank's dedication to support the kingdom's plan to become the region's leading Fintech hub, the bank in cooperation with other stakeholders, launched a number of joint initiatives related to financial technology during the year. These initiatives included the introduction of financial technology programs and partnerships that support the Kingdom's drive to enhance the digital economy, develop a technology-

based entrepreneurship environment and stimulate emerging projects in the field, in addition to facilitating access by small and young enterprises to appropriate technology and innovation.

More specifically, BDB Rowad collaboration with Bahrain Fintech Bay as a founding partner that includes delivering certain initiatives supporting Fintech entrepreneurship, through its Rowad Platform which includes the Rowad Program, SeedFuel-Rowad, and the Invested Platform.

- Fintech and Technology Related events run by the BDB Rowad Events such as Rowad Majlis, Rowad Talk, Rowad's partnership with Bahrain Fintastic Week, among others
- Rowad Platform catered services to Fintech and technology focused startups including Coaching, Mentoring, Partners, Training and Events
- Supporting Tech Startups through the SeedFuel-Rowad program

What is in the pipeline for future initiatives and expansion?

Bahrain Development Bank Group (BDB) is implementing a number of development initiatives in the coming stages that are in line with the Bahrain Economic Vision 2030, through continuing motivating and promoting the culture of entrepreneurship among young Bahrainis. The bank is also enhancing its financial status and planning to play a bigger and more vital developmental role by improving its banking operations.

In addition to that BDB is targeting to increase the job opportunities for the Bahraini youth and increasing the scope of investment in the Small and Medium Enterprises sector both in quantity and quality with focusing on projects with good value added and promising investment opportunities in various economic activities.

In regards to our development services, we are aiming to enhance our advisory services by launching more specialized and comprehensive programs, improving the performance and the tasks of Rowad's team, coordinating with strategic partners such as Tamkeen to propose joint initiatives in several areas. @