

Consolidated Financial Statements

For the year ended 31 December 2023

Consolidated Statement of Financial Position

As at 31 December 2023

	2023		2022	
	BHD millions	USD millions	BHD millions	USD millions
Assets				
Cash and balances at central banks	181.3	480.9	177.7	471.4
Treasury bills	186.1	493.6	343.5	911.1
Placements with banks and other financial institutions	1,038.9	2,755.7	275.1	729.7
Loans and advances	2,535.1	6,724.4	2,494.9	6,617.8
Investment securities	1,155.0	3,063.7	1,241.4	3,292.8
Investment in associates	26.3	69.8	26.5	70.3
Interest receivable and other assets	127.6	338.4	103.3	274.0
Property and equipment	70.3	186.5	70.1	185.9
Goodwill and other intangible assets	51.9	137.7	52.8	140.1
Total assets	5,372.5	14,250.7	4,785.3	12,693.1
Liabilities				
Due to banks and other financial institutions	671.0	1,779.8	472.3	1,252.8
Borrowings under repurchase agreements	460.7	1,222.0	244.4	648.3
Customer deposits	3,504.8	9,296.6	3,330.2	8,833.4
Interest payable and other liabilities	158.8	421.2	162.5	431.0
Total liabilities	4,795.3	12,719.6	4,209.4	11,165.5
Equity				
Share capital	226.6	601.1	206.0	546.4
Shares unallocated under share incentive scheme	(0.9)	(2.4)	(1.1)	(2.9)
Share premium	13.6	36.1	12.3	32.6
Statutory reserve	113.3	300.5	103.0	273.2
General reserve	32.4	85.9	32.4	86.0
Other reserves and retained earnings	180.0	477.5	213.3	565.8
Equity attributable to the shareholders of the Bank	565.0	1,498.7	565.9	1,501.1
Non-controlling interest	12.2	32.4	10.0	26.5
Total equity	577.2	1,531.1	575.9	1,527.6
Total liabilities and equity	5,372.5	14,250.7	4,785.3	12,693.1

Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

	2023		2022	
	BHD millions	USD millions	BHD millions	USD millions
Interest income	267.7	710.1	188.6	500.3
Interest expense	(126.3)	(335.0)	(56.8)	(150.7)
Net interest income	141.4	375.1	131.8	349.6
Net fee and commission income	12.9	34.2	13.0	34.4
Other income	29.7	78.8	28.2	74.8
Total operating income	184.0	488.1	173.0	458.8
Staff expenses	49.3	130.8	45.0	119.4
Depreciation, amortisation and equipment expenses	20.5	54.4	15.3	40.6
Other operating expenses	26.2	69.5	25.2	66.8
Total operating expenses	96.0	254.7	85.5	226.8
Operating profit before results of associates, impairment, and other provisions	88.0	233.4	87.5	232.0
Share of profits from associates, net	1.1	2.9	0.6	1.6
Loans, placements and securities impairment, net	(6.5)	(17.2)	(16.3)	(43.2)
Other impairment and provisions, net	(1.2)	(3.2)	(1.1)	(2.9)
Profit for the year	81.4	215.9	70.7	187.5
Attributable to:				
Shareholders of the bank	79.1	209.8	68.1	180.6
Non-controlling interest	2.3	6.1	2.6	6.9
Profit for the year	81.4	215.9	70.7	187.5
Basic and diluted earnings per share attributable to the shareholders of the Bank				
	35 fils	9 cents	30 fils	8 cents

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	2023		2022	
	BHD millions	USD millions	BHD millions	USD millions
Profit for the year	81.4	215.9	70.7	187.5
Other comprehensive income:				
Items that are, or may be, reclassified to profit or loss:				
Fair value through other comprehensive income (debt investments)				
Net change in fair value	11.8	31.3	23.6	62.6
Net amount transferred to profit or loss	(10.5)	(27.8)	(9.5)	(25.2)
Items that will not be reclassified to profit or loss:				
Net change in fair value of equity FVOCI investments	(5.6)	(14.9)	(4.1)	(10.8)
Total other comprehensive (loss) / income for the year	(4.3)	(11.4)	10.0	26.6
Total comprehensive income for the year	77.1	204.5	80.7	214.1
Attributable to:				
Shareholders of the bank	74.8	198.4	78.1	207.2
Non-controlling interest	2.3	6.1	2.6	6.9
Total comprehensive income for the year	77.1	204.5	80.7	214.1

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Other reserves and retained earnings							Total equity			
	Share capital	Unallocated shares	Share premium	Statutory reserve	General reserve	Fair value reserve	Donation and charity reserve	Retained earnings	Total owners' equity	Non-controlling interest	USD millions
Balance at 31 December 2022	206.0	(1.1)	12.3	103.0	32.4	28.2	13.0	172.1	565.9	10.0	1,527.6
2022 appropriations:											
Cash dividend at 25%	-	-	-	-	-	-	-	(51.3)	(51.3)	-	(136.1)
Bonus shares issued at 10%	20.6	(0.1)	-	-	-	-	-	(20.5)	-	-	-
Transfer to donations and charity reserve	-	-	-	-	-	-	3.4	(3.4)	-	-	-
Transfer to statutory reserve	-	-	-	10.3	-	-	-	(10.3)	-	-	-
2023 appropriations:											
Cash dividend at 10%	-	-	-	-	-	-	-	(22.7)	(22.7)	-	(60.2)
Balance after 2022 & 2023 appropriations	226.6	(1.2)	12.3	113.3	32.4	28.2	16.4	63.9	491.9	10.0	1,331.3
Employee shares allocated	-	0.3	1.3	-	-	-	-	-	1.6	-	4.2
Comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	79.1	79.1	2.3	215.9
Other comprehensive income	-	-	-	-	-	(4.3)	-	-	(4.3)	-	(11.4)
Total comprehensive income for the year	-	-	-	-	-	(4.3)	-	79.1	74.8	2.3	204.5
Utilisation of donation and charity reserve											
Disposal of equity securities	-	-	-	-	-	4.6	-	(4.6)	-	-	-
Other movements	-	-	-	-	-	-	-	(0.3)	(0.3)	(0.1)	(1.0)
Balance at 31 December 2023	226.6	(0.9)	13.6	113.3	32.4	28.5	13.4	138.1	565.0	12.2	1,531.1

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Other reserves and retained earnings							Total equity			
	Share capital	Unallocated shares	Share premium	Statutory reserve	General reserve	Fair value reserve	Donation and charity reserve	Retained earnings	Total owners' equity	Non-controlling interest	USD millions
Balance at 31 December 2021	187.3	(1.2)	11.4	93.6	32.4	18.2	13.8	172.3	527.8	7.5	1,419.9
2021 appropriations:											
Cash dividend at 20%	-	-	-	-	-	-	-	(37.3)	(37.3)	-	(98.9)
Bonus shares issued at 10%	18.7	(0.1)	-	-	-	-	-	(18.6)	-	-	-
Transfer to donations and charity reserve	-	-	-	-	-	-	2.7	(2.7)	-	-	-
Transfer to statutory reserve	-	-	-	9.4	-	-	-	(9.4)	-	-	-
Balance after 2021 appropriations	206.0	(1.3)	11.4	103.0	32.4	18.2	16.5	104.3	490.5	7.5	1,321.0
Employee shares allocated	-	0.2	0.9	-	-	-	-	-	1.1	-	2.9
Comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	68.1	68.1	2.6	187.5
Other comprehensive income	-	-	-	-	-	10.0	-	-	10.0	-	26.6
Total comprehensive income for the year	-	-	-	-	-	10.0	-	68.1	78.1	2.6	214.1
Utilisation of donation and charity reserve											
Other movements	-	-	-	-	-	-	-	(0.3)	(0.3)	(0.1)	(1.1)
Balance at 31 December 2022	206.0	(1.1)	12.3	103.0	32.4	28.2	13.0	172.1	565.9	10.0	1,527.6

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	2023		2022	
	BHD millions	USD millions	BHD millions	USD millions
Cash flows from operating activities				
Profit for the year	81.4	215.9	70.7	187.5
Adjustments to reconcile profit for the year to net cash from operating activities:				
Depreciation and amortisation	9.7	25.7	7.9	21.0
Amortisation of right-of-use leased property	1.9	5.1	2.1	5.6
Loans, placements and securities impairment, net	6.5	17.2	16.3	43.2
Other impairment and provisions, net	1.2	3.2	1.1	2.9
Share of profits from associates, net	(1.1)	(2.9)	(0.6)	(1.6)
Profit for the year after adjustments	99.6	264.2	97.5	258.6
Changes in operating assets and liabilities				
Balances with central banks (mandatory cash reserves)	(3.1)	(8.2)	(43.8)	(116.2)
Treasury bills	(25.9)	(68.7)	62.8	166.6
Placements with banks and other financial institutions	(1.0)	(2.7)	20.2	53.6
Loans and advances	(46.8)	(124.1)	(115.7)	(306.9)
Investment securities	109.6	290.7	(32.3)	(85.7)
Interest receivable and other assets	(58.3)	(154.6)	44.1	117.0
Due to banks and other financial institutions	198.7	527.1	(45.7)	(121.2)
Borrowings under repurchase agreements	216.3	573.7	22.8	60.5
Customer deposits	174.6	463.1	146.0	387.2
Interest payable and other liabilities	4.7	12.4	93.0	246.7
Net cash from operating activities	668.4	1,772.9	248.9	660.2
Cash flows from investing activities				
Dividends received from associates	0.4	1.1	0.8	2.1
Purchase of property and equipment, net	(9.0)	(23.9)	(13.5)	(35.8)
Net cash used in investing activities	(8.6)	(22.8)	(12.7)	(33.7)
Cash flows from financing activities				
Dividends paid	(74.1)	(196.6)	(37.3)	(98.9)
Donations and charities paid	(3.4)	(9.0)	(3.9)	(10.3)
Payment of lease liabilities	(2.3)	(6.1)	(2.6)	(6.9)
Net cash used in financing activities	(79.8)	(211.7)	(43.8)	(116.1)
Net increase in cash and cash equivalents	580.0	1,538.4	192.4	510.4
Cash and cash equivalents at 1 January	512.9	1,360.5	320.5	850.1
Cash and cash equivalents at 31 December	1,092.9	2,898.9	512.9	1,360.5

The above consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity have been extracted from the Group’s consolidated financial statements audited by KPMG, who expressed an unqualified opinion on 27 February 2024.

Farouk Yousuf Khalil Almoayyed

Chairman

Dr. Esam Abdulla Fakhro

Deputy Chairman

Usman Ahmed

Group Chief Executive Officer