

European Chamber of Commerce in Bahrain ‘has huge potential’

THE potential establishment of a European Chamber of Commerce in Bahrain signifies a pivotal opportunity for fostering robust co-operation between the kingdom and the European Union (EU). This was highlighted by Bahrain Chamber chairman Sameer Nass during his address as part of the EU-GCC Dialogue on Economic Diversification at The Ritz-Carlton yesterday.

Mr Nass also said the European Chamber of Commerce will contribute to strengthening bilateral relations and deepening economic cooperation between Bahrain and Europe, especially since the Bahraini private sector is keen to establish co-operative projects and partnerships with its European counterparts.

The Bahrain Chamber chairman also said the GCC-EU free

trade agreement, currently under negotiation, could boost commerce and investment between the two blocs in a big way.

He emphasised the strong relations between the GCC countries and the European Union, especially since the GCC is the ninth largest trading partner of the European Union in 2022, with the volume of trade reaching 174 billion euros in 2022.

Moreover, the European Union is the second largest trading partner of the GCC countries.

Mr Nass pointed out that there are strong opportunities to further promote trade and investment between Europe and Bahrain.

He highlighted opportunities for European companies to invest in many promising sectors in Bahrain such as finance, tech-



■ Mr Nass speaks at the event

nology, and renewable energy.

In addition, European countries are characterised by diversity and leadership in various industries.

In a meeting with Thomas Juergensen, minister counsellor and head of the trade section of the European Union Delegation

and further promote the integration of our economies.”

Attended by Bahrain Chamber first vice chairman Khalid Najibi and board members Basim AlSaie and Abdulwahab Alhawaj, the meeting saw discussions centering around the areas of co-operation between the Bahrain Chamber and the EU-GCC Dialogue on Economic Diversification.

Through joint ventures and collaborative endeavours, such as knowledge-sharing, investment facilitation, and technology transfer, both entities can leverage each other’s strengths to foster sustainable economic growth and prosperity for the region.

The partnership embodies a shared commitment to innovation, development, and mutually beneficial exchanges that pave the way for a more prosperous future.

Mr Juergensen said the two sides have a common strategic ambition to speed up the green and digital transformations of their respective economies and societies.

“We also need to facilitate investment flows between the European Union and GCC, including by jointly tackling so-called ‘beyond the border barriers’ like regulatory obstacles for investors or localisation requirements,” he added.

The session also saw a presentation on the recently established European Chamber of Commerce in the Kingdom of Saudi Arabia (ECCCKSA) which is leverages its strong governmental relationships to facilitate market access for member companies, ensuring fair opportunities for both European and Saudi businesses.

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Consolidated Statement of Financial Position		
As at 31 December 2023		
	2023 US\$ 000	2022 US\$ 000
ASSETS		
Demand and call deposits with banks	82,467	102,969
Placements with banks	78,625	96,465
Investments carried at fair value through profit or loss	128,274	88,064
Investments carried at fair value through other comprehensive income	130,218	104,021
Investments carried at amortised cost	-	25,036
Loans and receivables	19,679	21,690
Other assets	70,515	75,985
Investment in associates	60,386	87,050
Investment properties	127,388	99,962
Property and equipment	15,679	15,846
Goodwill and other intangible assets	62,151	63,556
Assets held for sale	-	2,306
TOTAL ASSETS	775,382	782,950
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other financial institutions	121,510	138,878
Deposits from customers	15,915	20,772
Term loans	203,622	61,324
Long term bonds	-	130,595
Other liabilities	89,759	109,804
TOTAL LIABILITIES	430,806	461,373
EQUITY		
Share capital	116,132	116,132
Share premium	5,687	5,687
Statutory reserve	54,034	54,034
General reserve	3,765	33,765
Fair value reserve	14,641	(7,586)
Foreign currency translation reserve	(6,505)	(5,379)
Retained earnings / (accumulated deficit)	4,007	(1,425)
Equity attributable to the shareholders of the Parent	191,761	195,228
Perpetual Additional Tier 1 Capital	33,000	33,000
Non-controlling interests	119,815	93,349
TOTAL EQUITY	344,576	321,577
TOTAL LIABILITIES AND EQUITY	775,382	782,950

Consolidated Statement of Changes In Equity		
For the year ended 31 December 2023		
	2023 US\$ 000	2022 US\$ 000
Balance at 1 January 2023	116,132	116,132
Net (loss) profit for the year	-	-
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	-	-
Transfer upon disposal of equity investments carried at fair value through OCI	-	-
Other movements in associate	-	-
Other movements	-	-
Interest payment on Perpetual Additional Tier 1 Capital	-	-
Transfer from general reserve to retained earnings	-	-
Acquisition of subsidiaries	-	-
Balance at 31 December 2023	116,132	116,132
Balance at 1 January 2022	116,132	116,132
Net profit for the year	-	-
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	-	-
Transfer upon disposal of equity investments carried at fair value through OCI	-	-
Transfers during the year	-	-
Interest payment on Perpetual Additional Tier 1 Capital	-	-
Other movements in non-controlling interests	-	-
Balance at 31 December 2022	116,132	116,132

Consolidated Statement of Income		
For the year ended 31 December 2023		
	2023 US\$ 000	2022 US\$ 000
Interest income	9,562	9,399
Investment income - net	13,987	10,082
	23,549	19,481
Fees and commissions - net	49,833	69,489
Foreign exchange gain (loss) - net	1,887	(1,409)
Share of results of associates	(10,390)	4,955
Total income	64,879	92,516
Interest expense	(21,482)	(17,223)
Operating income before expenses and expected credit losses	43,397	75,293
Salaries and benefits	(33,969)	(42,095)
General and administrative expenses	(18,949)	(19,086)
Operating (loss) income before expected credit losses	(9,521)	14,112
Reversal of (allowances for) expected credit losses	721	(1,089)
(Loss) profit before tax	(8,800)	13,023
Tax expense	(122)	(1,065)
Net (loss) profit for the year	(8,922)	11,958
Net profit attributable to non-controlling interests	595	6,806
Net (loss) profit attributable to shareholders of the Parent	(9,517)	5,152

Consolidated Statement of Comprehensive Income		
For the year ended 31 December 2023		
	2023 US\$ 000	2022 US\$ 000
Net (loss) profit for the year	(8,922)	11,958
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss in subsequent periods		
Net change in fair value reserve of equity investments measured at fair value through OCI	1,434	1,684
Net change in fair value reserve of associates	3,587	-
	5,021	1,684
Items that may be reclassified to profit or loss in subsequent periods		
Net change of cash flow hedges	6	443
Foreign currency translation adjustments	(1,087)	(1,693)
Net change in fair value reserve of associates	8,578	1,575
	7,497	325
Other comprehensive income for the year	12,518	2,009
Total comprehensive income for the year	3,596	13,967
Total comprehensive income attributable to:		
- Shareholders of the Parent	2,169	7,960
- Non-controlling interests	1,427	6,007
	3,596	13,967

Condensed Consolidated Statement of Cash Flows		
For the year ended 31 December 2023		
	2023 US\$ 000	2022 US\$ 000
Net cash flow used in operating activities	(51,390)	(34,180)
Net cash flow from (used in) investing activities	10,803	(4,652)
Net cash flow from financing activities	7,312	35,886
Foreign currency translation adjustments	(8,257)	(3,031)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(41,532)	(6,177)
Cash and cash equivalents at 1 January	184,906	191,083
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	143,374	184,906

Attributable to shareholders of the Parent											
	Share capital US\$ 000	Share premium US\$ 000	Statutory reserve US\$ 000	General reserve US\$ 000	Fair value reserve US\$ 000	Foreign currency translation reserve US\$ 000	Retained earnings (accumulated deficit) US\$ 000	Total US\$ 000	Perpetual Additional Tier 1 Capital US\$ 000	Non-controlling interests US\$ 000	Total equity US\$ 000
Balance at 1 January 2023	116,132	5,687	54,034	33,765	(7,586)	(5,379)	(1,425)	195,228	33,000	93,349	321,577
Net (loss) profit for the year	-	-	-	-	-	-	(9,517)	(9,517)	-	595	(8,922)
Other comprehensive income (loss)	-	-	-	-	12,773	(1,087)	-	11,686	-	832	12,518
Total comprehensive income (loss) for the year	-	-	-	-	12,773	(1,087)	(9,517)	2,169	-	1,427	3,596
Transfer upon disposal of equity investments carried at fair value through OCI	-	-	-	-	348	-	(348)	-	-	-	-
Other movements in associate	-	-	-	-	-	-	(3,045)	(3,045)	-	(305)	(3,350)
Other movements	-	-	-	-	9,106	(39)	(8,154)	913	-	636	1,549
Interest payment on Perpetual Additional Tier 1 Capital	-	-	-	-	-	-	(3,504)	(3,504)	-	-	(3,504)
Transfer from general reserve to retained earnings	-	-	-	(30,000)	-	-	30,000	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	24,708	24,708
Balance at 31 December 2023	116,132	5,687	54,034	3,765	14,641	(6,505)	4,007	191,761	33,000	119,815	344,576
Balance at 1 January 2022	116,132	5,687	53,519	33,250	(13,477)	(4,572)	261	190,800	33,000	92,902	316,702
Net profit for the year	-	-	-	-	3,615	(807)	5,152	7,960	-	6,806	11,958
Other comprehensive income (loss)	-	-	-	-	2,276	-	(2,276)	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	2,276	-	(2,276)	-	-	-	-
Transfer upon disposal of equity investments carried at fair value through OCI	-	-	515	515	-	-	(1,030)	-	-	-	-
Transfers during the year	-	-	-	-	-	-	(3,532)	(3,532)	-	(5,580)	(5,580)
Interest payment on Perpetual Additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	116,132	5,687	54,034	33,765	(7,586)	(5,379)	(1,425)	195,228	33,000	93,349	321,577

The above Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Cash Flows and Consolidated Statement of Changes In Equity have been extracted from the Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the year ended 31 December 2023 which were approved by the Board of Directors on 28 February 2024 and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Chief Executive Officer

