

NBB posts \$72.9m net profit

NATIONAL Bank of Bahrain (NBB) has reported a 23 per cent increase in its net profit attributable to the shareholders for the first quarter ended March 31, 2024, posting BD27.5 million (\$72.9m) compared to BD22.4m (\$59.4m) for the same period of 2023.

The increase in net profit is mainly due to higher net interest income driven by a stronger average balance sheet compared to the first quarter of 2023, higher gains from investment securities and hedging activities, as well as lower provisioning requirements.

Earnings per share increased to 12 fils for the first quarter of 2024 compared with 10 fils for the same quarter of 2023.

Total comprehensive income attributable to NBB shareholders for the quarter increased by 108pc to BD32m compared with BD15.4m in 2023. The increase is attributable to the positive mark-to-market movements of the equity and Bahrain sovereign bond portfolios.

The group's total equity attributable to shareholders decreased by 2pc as of end-March 2024 to BD551.2m (\$1,462.1m) compared to BD565m (\$1,498.7m) reported as



■ Ms Yateem



■ Mr Ahmed

of December 31, 2023.

The group's total assets decreased by 3pc during the quarter to BD5,229.2m compared to BD5,372.5m recorded on December 31, 2023. The decrease was mainly due to lower placements compared to the year-end level as part of the group's normal balance sheet management activities.

Despite the decline in total assets, loans and advances have registered a 1pc growth from December 31, 2023.

On first-quarter performance, NBB chairwoman Hala Yateem said, "NBB Group has continued its growth trajectory across its key markets of Bahrain, the UAE and Saudi Arabia, with attributable profit reaching a record BD27.5m in the first quarter of 2024, making it the highest quarterly profit in the group's history, with a growth of 23pc compared to the same period last year.

"The balance sheet at the end of the quarter remains strong with total assets exceeding BD5 billion. This performance translates into an annualised average return on equity of 19.3pc, highlighting our commitment to delivering exceptional value to our shareholders.

"The quarter also marked our strong focus on

ESG alongside financial success. These achievements reflect a strong start to 2024, and we look forward to a successful rest of the year."

NBB Group chief executive Usman Ahmed commented, "NBB delivered robust performance in the first quarter of 2024, characterised by significant financial and non-financial achievements. Building on the previous year's momentum, operating income and operating profit registered increases of 13pc and 6pc compared to Q1 2023.

"This consistent progress underscores NBB's focus on successfully executing its organic

growth strategy. During the quarter, NBB also successfully developed and launched a range of customer-centric products and services across various business lines.

"NBB launched Bahrain's first mortgage offering with integrated solar financing. Furthermore, a landmark MoU with the Industry and Commerce Ministry to promote sustainable industrial practices made NBB the kingdom's first and only bank to support the ministry's 'Green Factory Seal' programme, further solidifying our commitment to building a more sustainable future."

Walmart to lay off corporate staff

WALMART is cutting hundreds of corporate jobs and asking most remote workers to relocate to three main tech offices or quit the company, a source familiar with the matter said yesterday.

Workers at the US retail giant's smaller offices in Dallas, Atlanta and Toronto are being asked to move to other central hubs such as Walmart's corporate base in Bentonville, Arkansas, as well as Hoboken, New Jersey, or Sunnyvale, California, the source said. Walmart will close those

smaller hubs later this year, the source added.

On a "business update" call with employees on Monday, remote workers were given until July 1 to make a decision about relocating or to quit with severance.

Those who choose to leave will receive two weeks pay for every year they worked at Walmart as severance, the source said.

Walmart's job cuts underscore its efforts to cut costs as

discretionary spending in the US remains strained. Spending among Americans has remained weak compared to 2021, at least for non-essential, discretionary merchandise like clothing, according to surveys by Deloitte. Walmart employed about 2.1 million workers as of January 31, most of them store and warehouse associates.

Walmart is in the middle of building a new headquarters complex just a few miles from its old one in Arkansas.

Interim Consolidated Statement of Financial Position

As at 31 March 2024 (Reviewed)

	Reviewed 31 March 2024 US\$ 000	Audited 31 December 2023 US\$ 000	Reviewed 31 March 2023 US\$ 000
ASSETS			
Demand and call deposits with banks	81,368	82,467	88,825
Placements with banks	72,469	78,625	84,955
Investments carried at fair value through profit or loss	123,593	128,274	85,691
Investments carried at fair value through other comprehensive income	127,458	130,218	107,201
Investments carried at amortised cost	19,513	-	24,552
Loans and receivables	63,111	19,679	22,172
Other assets	118,410	70,515	40,387
Investment in associates	127,271	60,386	82,930
Investment properties	15,792	127,388	99,853
Property and equipment	61,944	15,679	15,813
Goodwill and other intangible assets	-	62,151	63,181
Assets held for sale	-	-	27,300
TOTAL ASSETS	810,929	775,382	742,860
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	111,345	121,510	133,700
Deposits from customers	17,616	15,915	17,541
Term loans	242,410	203,622	61,305
Long term bonds	-	-	130,442
Other liabilities	91,620	89,759	80,809
TOTAL LIABILITIES	462,991	430,806	423,797
EQUITY			
Share capital	116,132	116,132	116,132
Share premium	5,687	5,687	5,687
Statutory reserve	54,034	54,034	54,034
General reserve	3,765	3,765	33,765
Fair value reserve	17,156	14,641	(5,207)
Foreign currency translation reserve	(6,236)	(6,505)	(5,427)
Retained earnings / (Accumulated deficit)	3,318	4,007	(8,985)
Equity attributable to shareholders of the Parent	193,856	191,761	189,999
Perpetual Additional Tier 1 Capital	33,000	33,000	33,000
Non-controlling interests	121,082	119,815	96,064
TOTAL EQUITY	347,938	344,576	319,063
TOTAL LIABILITIES AND EQUITY	810,929	775,382	742,860

Interim Consolidated Statement of Income

For the three-month period ended 31 March 2024 (Reviewed)

	Three-month period ended 31 March	
	2024 US\$ 000	2023 US\$ 000
Interest income	2,010	2,681
Investment income (loss) - net	6,302	(1,049)
	8,312	1,632
Fees and commissions income - net	11,814	10,868
Foreign exchange gains - net	435	238
Share of results of associates	3,634	(3,410)
Total income	24,195	9,328
Interest expense	(5,628)	(5,228)
Operating income before expenses and expected credit losses	18,567	4,100
Salaries and benefits	(9,944)	(8,186)
General and administrative expenses	(4,864)	(5,324)
Operating income (loss) before expected credit losses	3,759	(9,410)
Expected credit losses	(1,036)	(153)
Profit (loss) before tax	2,723	(9,563)
Tax expense	(286)	-
Net profit (loss) for the period	2,437	(9,563)
Net profit (loss) attributable to non-controlling interests	1,940	(1,992)
Net profit (loss) attributable to shareholders of the Parent	497	(7,571)

Interim Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2024 (Reviewed)

	Three-month period ended 31 March	
	2024 US\$ 000	2023 US\$ 000
Net profit (loss) for the period	2,437	(9,563)
Other Comprehensive Income (OCI)		
Items that may be reclassified to profit or loss in subsequent periods		
Foreign currency translation changes	431	(186)
Share of other comprehensive loss of associates	-	(804)
Net change in cashflow hedges	304	(181)
Items that will not be reclassified to profit or loss in subsequent periods		
Fair value changes of equity investments carried at fair value through other comprehensive income	814	3,166
Share of other comprehensive loss of associates	510	-
Other comprehensive income for the period	2,059	1,995
Total comprehensive income (loss) for the period	4,496	(7,568)
Total comprehensive income (loss) attributable to:		
- Shareholders of the Parent	2,095	(5,229)
- Non-controlling interests	2,401	(2,339)
	4,496	(7,568)

Interim Condensed Consolidated Statement of Cash Flows

For the three-month period ended 31 March 2024 (Reviewed)

	Three-month period ended 31 March	
	2024 US\$ 000	2023 US\$ 000
Net cash flows from operating activities	9,885	105
Net cash flows used in investing activities	(54,742)	(25,500)
Net cash flows from financing activities	37,654	5,054
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,203)	(20,341)
Foreign currency translation adjustments	(263)	(71)
Cash and cash equivalents at 1 January	143,374	184,906
CASH AND CASH EQUIVALENTS AT 31 MARCH	135,908	164,494

Interim Consolidated Statement of Changes In Equity

For the three-month period ended 31 March 2024 (Reviewed)

	Attributable to shareholders of the Parent								Perpetual Additional Tier 1 Capital US\$ 000	Non- controlling interests US\$ 000	Total equity US\$ 000
	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			
Balance at 1 January 2024	116,132	5,687	54,034	3,765	14,641	(6,505)	4,007	191,761	33,000	119,815	344,576
Net profit for the period	-	-	-	-	-	-	497	497	-	1,940	2,437
Other comprehensive income	-	-	-	-	1,329	269	-	1,598	-	461	2,059
Total comprehensive income for the period	-	-	-	-	1,329	269	497	2,095	-	2,401	4,496
Transfer upon disposal of equity investments carried at fair value through OCI	-	-	-	-	1,186	-	(1,186)	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,134)	(1,134)
Balance at 31 March 2024	116,132	5,687	54,034	3,765	17,156	(6,236)	3,318	193,856	33,000	121,082	347,938
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 for the period	-	-	-	-	-	-	(7,571)	(7,571)	-	(1,992)	(9,563)
Other comprehensive income (loss)	-	-	-	-	2,390	(48)	-	2,342	-	(347)	1,995
Total comprehensive income (loss) for the period	-	-	-	-	2,390	(48)	(7,571)	(5,229)	-	(2,339)	(7,568)
Transfer upon disposal of equity investments carried at fair value through OCI	-	-	-	-	(11)	-	11	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	5,054	5,054
Balance at 31 March 2023	116,132	5,687	54,034	33,765	(5,207)	(5,427)	(8,985)	189,999	33,000	96,064	319,063

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Cash Flows and Interim Consolidated Statement of Changes In Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the three month period ended 31 March 2024 which were approved by the Board of Directors on 14 May 2024 and was reviewed by Ernst & Young, Kingdom of Bahrain

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Chief Executive Officer



بنك الخليج المتحد
United Gulf Bank B.S.C. (c)