

Arab Bank plc – Kingdom of Bahrain –  
Retail Branch  
Branch of Foreign Bank

البنك العربي  
ARAB BANK



**Statement of Financial Position**  
At December 31, 2022 (Audited)

	December 31, 2022	December 31, 2021
	BD '000	BD '000
<b>ASSETS</b>		
Cash and deposits with Central Bank of Bahrain	498,688	369,704
Balances with banks and financial institutions	96	211
Balances with the Head Office, other branches and affiliates	63,253	39,080
Investment at fair value through other comprehensive income	210	203
Investments at amortized cost	142,569	149,266
Derivative assets	9,586	3,159
Loans and advances	224,020	220,480
Interest receivable	3,514	4,844
Other assets	5,774	6,077
Premises and equipment	767	594
<b>Total assets</b>	<b>948,477</b>	<b>793,618</b>
<b>LIABILITIES AND HEAD OFFICE FUNDS</b>		
<b>LIABILITIES</b>		
Due to banks and financial institutions	438	2,630
Due to the Head Office, other branches and affiliates	487,467	386,271
Customers' deposits	415,438	372,104
Derivative liabilities	7,999	3,661
Interest payable	3,991	1,454
Other liabilities	3,854	4,524
Employees' end-of-service benefits	233	181
<b>Total liabilities</b>	<b>919,420</b>	<b>770,825</b>
<b>HEAD OFFICE FUNDS</b>		
Head Office capital	20,058	20,058
Fair value reserve	202	195
Retained earnings	8,796	2,540
<b>Total head office funds</b>	<b>29,056</b>	<b>22,793</b>
<b>Total Liabilities and Head Office Funds</b>	<b>948,477</b>	<b>793,618</b>

The financial statements and the notes to the financial statements were approved and authorised for issue on 30 March 2023 by Nadia Talhoni - Country Manager.

**Statement of Comprehensive Income**  
For The Year Ended December 31, 2022 (Audited)

	2022	2021
	BD '000	BD '000
Interest income	35,544	25,457
Interest expense	(23,530)	(13,122)
<b>Net interest income</b>	<b>12,014</b>	<b>12,335</b>
Net fee and commission income	2,513	2,117
Foreign exchange gain	550	566
Other income / (loss)	107	(420)
<b>Operating income</b>	<b>15,184</b>	<b>14,598</b>
Staff expenses	(2,757)	(2,339)
Depreciation	(325)	(310)
Premises and equipment expenses	(856)	(892)
General and administrative expenses	(2,857)	(2,642)
<b>Operating expenses</b>	<b>(6,795)</b>	<b>(6,183)</b>
Operating profit before expected credit losses	8,389	8,415
Expected credit losses, net	(2,132)	(3,975)
<b>Net Profit for the year</b>	<b>6,257</b>	<b>4,440</b>
<b>Other comprehensive income / (loss):</b>		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets at fair value through other comprehensive income	7	(20)
Total other comprehensive income / (loss) for the year	7	(20)
<b>Total comprehensive income for the year</b>	<b>6,264</b>	<b>4,420</b>

**Statement of Cash Flows**  
For The Year Ended December 31, 2022 (Audited)

	2022	2021
	BD '000	BD '000
<b>Operating Activities</b>		
Net profit for the year	6,257	4,440
Adjustments for:		
Depreciation	325	310
Loss on write off of fixed assets	3	-
Expected credit losses - net	2,132	3,975
Provision for employees' end-of-service benefits	52	35
Fair value loss on foreclosed assets	-	708
	8,769	9,468
Changes in operating assets and liabilities:		
Compulsory regulatory reserve with Central Bank of Bahrain	(6,505)	(162)
Balances with the Head Office, other branches and affiliates	(97)	-
Derivative assets	(6,427)	(1,986)
Loans and advances	(5,460)	(8,842)
Interest receivable	1,330	(1,244)
Other assets	303	(178)
Due to banks and financial institutions	(2,192)	1,701
Due to the Head Office, other branches and affiliates	101,196	102,185
Customers' deposits	43,334	14,595
Derivative liabilities	4,338	1,159
Interest payable	2,537	(514)
Other liabilities	(1,320)	1,554
Employees' end-of-service benefits	-	(13)
Net cash flows from operating activities	139,806	117,723
<b>Investing Activities</b>		
Addition to premises and equipment	(129)	(38)
Disposal / (purchase) of investments at amortized cost	6,763	(7,409)
Net cash flows from / (used in) investing activities	6,634	(7,447)
<b>Net change in cash and cash equivalents</b>	<b>146,440</b>	<b>110,276</b>
Cash and cash equivalents at 1 January	380,853	270,577
<b>Cash and cash equivalents at 31 December</b>	<b>527,293</b>	<b>380,853</b>
Comprising:		
Cash and deposits with Central Bank of Bahrain (excluding regulatory reserve)	484,098	361,619
Balances with banks and financial institutions	97	212
Balances with the Head Office, other branches and affiliates with original maturities not exceeding 90 days	43,098	19,022
	<b>527,293</b>	<b>380,853</b>

**Statement of Changes in Head Office Funds**  
For The Year Ended December 31, 2022 (Audited)

	Head Office Capital	Statutory Reserve	Fair Value Reserve	Retained Earnings / (Accumulated losses)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Balance at 1 January 2022	20,058	-	195	2,540	22,793
Net profit for the year	-	-	-	6,257	6,257
Other comprehensive income for the year	-	-	7	-	7
Total comprehensive income for the year	-	-	7	6,257	6,264
<b>Balance at 31 December 2022</b>	<b>20,058</b>	<b>-</b>	<b>202</b>	<b>8,797</b>	<b>29,057</b>
Balance at 1 January 2021	20,058	484	215	(2,384)	18,373
Net profit for the year	-	-	-	4,440	4,440
Transfer to retained earning	-	(484)	-	484	-
Other comprehensive loss for the year	-	-	(20)	-	(20)
Total comprehensive income for the year	-	(484)	(20)	4,924	4,420
Balance at 31 December 2021	20,058	-	195	2,540	22,793