

BCFC reports BD3.3 million H1 profit

TDT | Manama

Bahrain Commercial Facilities Company announced its financial result for the three months and six months periods ended 30 June 2024.

Three months results

The Group reported a net profit of BD 1.5 million compared to a net loss during the same period last year of BD 4.4 m, mainly due to lower provisions and credit losses charged during the period of BD 0.4 m compared to BD 5.9 m for the same period last year.

Earnings per share amounted to a profit of 8 Fils compared to a loss of 22 Fils for the same period last year.

The Group registered a total comprehensive income of BD 1.3



Abdulla Bukhwa, Chief Executive Officer



Abdulrahman Fakhro, Chairman

m compared to a total comprehensive loss of BD 4.1 m for the same period last year.

H1 results

During the six months period ended 30 June 2024, the Group achieved a net profit of BD 3.3 m compared to a net loss of BD 5.5 m for the same period last year,

mainly due to lower provisions and credit losses charged during the period of BD 0.5 m compared to BD 10 m for the same period last year.

Earnings per share amounted to a profit of 17 Fils compared to a loss of 27 Fils for the same period last year.

Total comprehensive income was BD 3.2 m compared to a total comprehensive loss of BD 5.7 m for the same period last year.

Total liabilities reached BD 114.2 m as of 30 June 2024, 3% lower than 31 December 2023 of BD 118.3 m.

Abdulrahman Fakhro, the Chairman of Bahrain Commercial Facilities Company (BCFC), expressed his appreciation for the Group results and stated: "The majority of our business

segments have delivered positive performances, highlighting the synergy within our diversified portfolio. These successes are a testament of our enduring presence in the market and our potential for sustained growth. We have confidence in our business model and are enthusiastic about the promising future that lies ahead for our Group. We remain focused on creating shareholder value and capitalizing on future opportunities."

Mr. Abdulla Bukhwa, the Chief Executive Officer of Bahrain Commercial Facilities Company (BCFC), stated, "I am encouraged with the Group's results during the six month period, reflecting a healthy financial performance despite a challenging macroeconomic environment, and persistently

high interest rates. These results underscore the Group's resilience and capability to overcome current challenges, positioning it strongly for future growth and the ability to seize upcoming opportunities.

New loan origination witnessed robust growth compared to the same period last year, driven by the efforts and commitment of the team and the introduction of new products such as residential mortgage loans and the award-winning digital application (Sahel), as well as inaugurating a new branch at a prime location in the Kingdom of Bahrain. These business initiatives have been essential in meeting our customers' diverse needs and have significantly contributed to our business expansion."

US Fed expected to pause again and hint at September rate cut

Washington, United States

The US Federal Reserve is highly unlikely to waver from its position of holding interest rates at a two-decade high yesterday, but could drop hints about a September start to rate cuts.

Policymakers began their second day of interest rate deliberations at 9:00 am local time

(1300 GMT), as scheduled, the Fed said in a statement. Their decision will be published later on Wednesday.

The US central bank has held its key lending rate between 5.25 and 5.50 percent for the past year, with policymakers seeking to bring inflation back down toward the bank's long-term target of two percent.

After a small uptick in inflation earlier this year, the Fed's mission appears to be firmly back on track. Its favored measure of headline inflation eased to an annual rate of 2.5 percent last month, while economic growth has remained resilient, and the labor market has come into better balance.

Despite the improved eco-

nom picture, the Fed is not expected to make its first rate cut on Wednesday, High Frequency Economics (HFE) chief US economist Rubeela Farooqi wrote in a recent investor note.

Recent comments from Fed officials "suggest that they will remain on hold at their meeting," Goldman Sachs US chief economist David Mericle wrote in a

note to clients published Friday, adding that they "have moved closer to a first interest rate cut."

Instead, the Fed's rate-setting committee "is likely to revise its statement to hint that a cut at the following meeting in September has become more likely," he said.

At the most recent rate decision in June, Fed officials responded to a small uptick in in-

flation by lowering the number of cuts they penciled in for this year from three down to just one.

Since then, the data has painted a much better picture, and futures traders now assign a probability of around 65 percent that the US central bank will make at least 0.75 percentage-points of cuts this year, according to CME Group data.

CONDENSED CONSOLIDATED STATEMENT OF INCOME For the six months ended 30 June 2024				CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2024			CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 June 2024		
Six months ended		Three months ended		30 June 2024	31 December 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
30 June 2024		30 June 2023		BD'000 (reviewed)	BD'000 (audited)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME									
Income from financing contracts	27,071	24,687	13,741	12,710					
Income from investment in Sukuk	7,773	7,275	3,936	3,807					
Expense on placements from financial institutions	(3,066)	(3,573)	(1,311)	(1,805)					
Expense on placements from non-financial institutions and individuals	(10,104)	(7,148)	(5,350)	(3,810)					
Expense on financing from financial institutions	(4,078)	(2,677)	(1,829)	(1,483)					
Total net income from jointly financed assets	17,596	18,564	9,187	9,419					
Fee and commission income, net	3,319	2,873	1,350	1,542					
Income from investment securities	36	6	36	6					
Income from investment in real estate, net	125	188	54	40					
Share of results of associates, net	42	159	35	32					
Other income, net	1,356	1,572	1,171	720					
Total net income	22,474	23,362	11,833	11,759					
EXPENSES									
Staff costs	6,916	6,329	3,373	3,196					
Depreciation and amortization	935	898	472	456					
Other expenses	7,111	6,248	3,593	3,397					
Total expenses	14,962	13,475	7,438	7,049					
Profit before impairment allowances and attribution to quasi-equity	7,512	9,887	4,395	4,710					
Impairment allowance and other provisions, net	(3,358)	(3,322)	(2,021)	(2,094)					
Profit before attribution to quasi-equity	4,154	6,565	2,374	2,616					
Profit attributable to quasi-equity	(1,841)	(530)	(1,092)	416					
PROFIT FOR THE PERIOD	2,313	6,035	1,282	3,032					
BASIC AND DILUTED EARNINGS PER SHARE (Fils)	0.39	3.92	(0.59)	1.07					
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the six months ended 30 June 2024									
	30 June 2024	30 June 2023							
	BD'000 (reviewed)	BD'000 (reviewed)							
Balance at 1 January	144,632	135,751							
Profit for the period	2,313	6,035							
Other comprehensive income	(3)	(30)							
Total comprehensive income for the period	2,310	6,005							
Zakah approved	(289)	(170)							
Donations approved	(250)	(250)							
Profit distribution on ATI Capital	(1,906)	(1,901)							
Shares allocated to staff during the period	148	124							
Balance as at 30 June	144,645	139,559							
The condensed consolidated interim financial information was approved by the Board of Directors on 31 July 2024 and has been reviewed by KPMG.									
	Zaid Khalid Abdulrahman Chairman	Usman Ahmed Vice Chairman	Yaser Abduljalil Alsharifi Chief Executive Officer						
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 June 2024									
OPERATING ACTIVITIES									
Profit for the period	2,313	6,035							
Adjustments for non-cash items:									
Depreciation	744	736							
Impairment allowance and other provisions, net	3,358	3,322							
Amortization of right-of-use asset	191	162							
Amortization of gain on sale of investment in real estate	-	(108)							
Gain on sale of investment in sukuk	(5)	(1)							
Share of results of associates, net	(42)	(159)							
Operating profit before changes in operating assets and liabilities	6,559	9,987							
Working capital adjustments:									
Mandatory reserve with Central Bank of Bahrain	(3,620)	695							
Financing contracts	(41,755)	(35,371)							
Other assets	(1,231)	(1,211)							
Customers' current accounts	2,821	(22,693)							
Other liabilities	16,347	7,663							
Placements from financial institutions	(7,658)	(8,473)							
Placements from non-financial institutions and individuals	104,040	36,761							
Quasi-equity	9,238	(7,699)							
Net cash from / (used in) operating activities	84,741	(20,341)							
INVESTING ACTIVITIES									
Purchase of property and equipment	(967)	(396)							
Purchase of investment securities	(44,361)	(18,112)							
Disposal of investment securities	58,667	49							
Net cash from / (used in) investing activities	13,339	(18,459)							
FINANCING ACTIVITIES									
Profit distribution on ATI Capital	(1,906)	(1,901)							
Financing from financial institutions	(33,701)	123							
Ijarah liability paid	(194)	(157)							
Net cash used in financing activities	(35,801)	(1,935)							
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS									
Cash and cash equivalents at 1 January	74,399	101,073							
CASH AND CASH EQUIVALENTS AT 30 JUNE	136,678	60,338							
Cash and cash equivalents comprise:									
Cash on hand	11,185	11,623							
Balances with CBB, excluding mandatory reserve deposits	236	1,406							
Balances with banks and other financial institutions excluding restricted balances	5,631	9,850							
Placements with financial institutions with original maturities less than 90 days	119,626	37,459							
	136,678	60,338							