

Bahrain Commercial Facilities Company B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2025

REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BAHRAIN COMMERCIAL FACILITIES COMPANY B.S.C.

Introduction

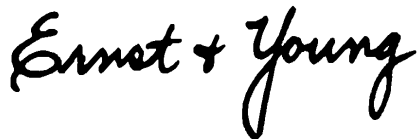
We have reviewed the accompanying interim condensed consolidated financial statements of Bahrain Commercial Facilities Company B.S.C. ("the Company") and its subsidiaries (collectively, "the Group") as at 30 June 2025 comprising of the interim consolidated statement of financial position as at 30 June 2025 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and six month periods then ended and the interim consolidated statement of changes in equity and cash flows for the six-month period then ended and explanatory notes. The Board of Directors of the Group is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



30 July 2025
Manama, Kingdom of Bahrain

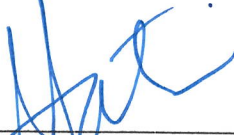
Bahrain Commercial Facilities Company B.S.C.

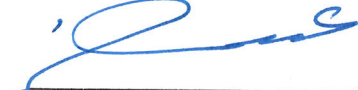
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		(Reviewed) 30 June 2025 BD '000	(Audited) 31 December 2024 BD '000
ASSETS			
Cash and balances with banks		11,191	15,232
Loans and advances to customers	6	138,545	137,320
Trade receivables	7	4,511	3,927
Inventories	8	20,627	18,900
Investment properties		9,790	9,849
Property and equipment		29,180	28,613
Other assets	9	5,373	6,963
TOTAL ASSETS		219,217	220,804
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	21,257	21,197
Bank term loans and other borrowings		93,348	93,731
TOTAL LIABILITIES		114,605	114,928
EQUITY			
Share capital		20,419	20,419
Treasury shares		(599)	(599)
Statutory reserve		10,210	10,210
Share premium		25,292	25,292
Other reserves		27,733	28,074
Retained earnings		21,557	22,480
TOTAL EQUITY		104,612	105,876
TOTAL LIABILITIES AND EQUITY		219,217	220,804


AbdulRahman Yusuf Fakhro
Chairman


Reyadh Yusuf Sater
Vice Chairman


Abdulla Abdulrazaq Bukhowa
Chief Executive Officer

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

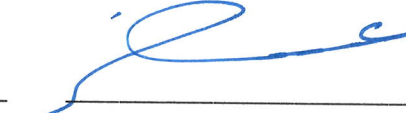
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	<i>(Reviewed)</i> <i>Six months ended</i> <i>30 June</i>		<i>(Reviewed)</i> <i>Three months ended</i> <i>30 June</i>	
	<i>2025</i> <i>BD '000</i>	<i>2024</i> <i>BD '000</i>	<i>2025</i> <i>BD '000</i>	<i>2024</i> <i>BD '000</i>
Interest income	7,694	8,735	3,853	4,498
Interest expense	(3,261)	(3,741)	(1,663)	(1,866)
Net interest income	4,433	4,994	2,190	2,632
Automotive revenue	24,086	22,632	12,628	11,767
Cost of sales	(19,976)	(18,427)	(10,819)	(9,591)
Gross profit on automotive revenue	4,110	4,205	1,809	2,176
Net fees and commission income	1,018	1,629	516	808
Rental and real estate income	415	367	209	182
Other income	529	734	299	188
Total operating income	10,505	11,929	5,023	5,986
Salaries and related costs	(3,934)	(4,136)	(1,728)	(2,031)
Other operating expenses	(5,675)	(5,145)	(2,822)	(2,646)
Total operating expenses	(9,609)	(9,281)	(4,550)	(4,677)
Profit before provisions, credit losses and recoveries	896	2,648	473	1,309
Provisions and credit losses	(938)	(530)	(462)	(400)
Recoveries from written off balances	2,290	1,207	1,104	604
Profit for the period	2,248	3,325	1,115	1,513
Basic and diluted earnings per share	11 fils	17 fils	6 fils	8 fils


AbdulRahman Yusuf Fakhro
Chairman


Reyadh Yusuf Sater
Vice Chairman


Abdulla Abdulrazaq Bukhowa
Chief Executive Officer

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	<i>(Reviewed)</i>		<i>(Reviewed)</i>	
	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Profit for the period	2,248	3,325	1,115	1,513
Other comprehensive loss:				
Items that are or may be reclassified to profit or loss				
Net change in cash flow hedge reserve	(427)	(87)	(142)	(170)
Total comprehensive income for the period	1,821	3,238	973	1,343

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	(Reviewed)									
	<i>Share capital</i>		<i>Reserves and retained earnings</i>							<i>Total equity</i> <i>BD '000</i>
	<i>Share capital</i> <i>BD '000</i>	<i>Treasury shares</i> <i>BD '000</i>	<i>Statutory reserve</i> <i>BD '000</i>	<i>Share premium</i> <i>BD '000</i>	<i>Other reserves</i>			<i>Retained earnings</i> <i>BD '000</i>		
					<i>Cash flow</i>					
<i>hedge reserve</i> <i>BD '000</i>					<i>Donation reserve</i> <i>BD '000</i>	<i>General reserve</i> <i>BD '000</i>				
As at 1 January 2025	20,419	(599)	10,210	25,292	559	15	27,500	22,480	105,876	
2024 appropriations (approved by shareholders):										
- Donations	-	-	-	-	-	150	-	(150)	-	
- Dividends to equity holders	-	-	-	-	-	-	-	(3,021)	(3,021)	
Balance after 2024 appropriations	20,419	(599)	10,210	25,292	559	165	27,500	19,309	102,855	
Comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	-	2,248	2,248	
Other comprehensive loss:										
- Net change in cash flow hedge reserve	-	-	-	-	(427)	-	-	-	(427)	
	20,419	(599)	10,210	25,292	132	165	27,500	21,557	104,676	
Utilisation of donation reserve	-	-	-	-	-	(64)	-	-	(64)	
At 30 June 2025	20,419	(599)	10,210	25,292	132	101	27,500	21,557	104,612	

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	(Reviewed)									
	Share capital		Reserves and retained earnings							Total equity BD '000
	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Share premium BD '000	Other reserves			Retained earnings BD '000		
					Cash flow		Donation reserve BD '000			
hedge reserve BD '000					General reserve BD '000					
As at 1 January 2024	20,419	(599)	10,210	25,292	1,244	33	27,500	17,546	101,645	
2023 appropriations (approved by shareholders):										
- Donations	-	-	-	-	-	100	-	(100)	-	
Balance after 2023 appropriations	20,419	(599)	10,210	25,292	1,244	133	27,500	17,446	101,645	
Comprehensive income for the period:										
Income for the period	-	-	-	-	-	-	-	3,325	3,325	
Other comprehensive income:										
- Net change in cash flow hedge reserve	-	-	-	-	(87)	-	-	-	(87)	
	20,419	(599)	10,210	25,292	1,157	133	27,500	20,771	104,883	
Utilisation of donation reserve	-	-	-	-	-	(103)	-	-	(103)	
At 30 June 2024	20,419	(599)	10,210	25,292	1,157	30	27,500	20,771	104,780	

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	<i>(Reviewed)</i>	
	<i>Six months ended</i>	
	<i>30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>BD '000</i>	<i>BD '000</i>
OPERATING ACTIVITIES		
Loan repayments, interest received and other credit related receipts	107,862	99,055
Cash receipts from automotive sales	24,056	22,498
Insurance commission received	234	331
Proceeds from sale of real estate inventory	364	418
Rental and evaluation income received	423	252
Directors' remuneration paid	(306)	-
Loans and advances to customers	(99,148)	(83,201)
Payments to suppliers	(21,570)	(13,341)
Payments for operating expenses	(6,745)	(12,049)
Interest paid	(3,260)	(4,058)
Net cash generated from operating activities	1,910	9,905
INVESTING ACTIVITIES		
Addition to property and equipment	(3,692)	(4,689)
Addition to investment properties	(20)	-
Proceeds from sale of property and equipment	1,304	1,744
Fixed deposits with maturities of more than three months	1,000	1,000
Net cash used in investing activities	(1,408)	(1,945)
FINANCING ACTIVITIES		
Bank term loans and other borrowings availed	25,105	23,117
Bank term loans and other borrowings paid	(25,077)	(30,996)
Dividends paid	(3,021)	-
Donations paid	(64)	(103)
Net cash used in financing activities	(3,057)	(7,982)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,555)	(22)
Cash and cash equivalents at 1 January	10,658	6,214
CASH AND CASH EQUIVALENTS AT 30 JUNE	8,103	6,192
Cash and cash equivalents comprise:		
Cash and balances with banks	11,191	12,207
Less:		
Restricted cash	(88)	(194)
Bank overdrafts	-	(821)
Fixed deposits with maturities of more than three months	(3,000)	(5,000)
	8,103	6,192

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

1 REPORTING ENTITY

Bahrain Commercial Facilities Company B.S.C. (the "Company") is a public shareholding company incorporated and registered in the Kingdom of Bahrain. It provides term loans and issues credit cards. Effective 26 June 2005, the Company became licensed and regulated by the Central Bank of Bahrain ("the CBB"). This financial information is the reviewed interim condensed consolidated financial statements (the "interim condensed consolidated financial statements") of the Company and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 June 2025.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34").

The interim condensed consolidated financial statements of the Group have been prepared in accordance with applicable rules and regulations issued by the Central Bank of Bahrain ("CBB"). These rules and regulations require the application of all International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial statements are reviewed, not audited. They do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last audited consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2024.

3 MATERIAL ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for adoption of new standards or certain amendments to existing standards that have become applicable to the Group effective from 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The amendments and interpretations apply for the first time in 2025, but do not have any impact on the interim condensed consolidated financial statements of the Group.

3.1.1 Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

3.2 New standards, interpretations and amendments issued but not yet effective

There were no new standards, interpretations and amendments that are issued as of 1 January 2025 which are applicable to the Group and not yet effective up to the date of issuance of the Group's interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

4 USE OF JUDGEMENTS AND ESTIMATES

Preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the last audited consolidated financial statements as at and for the year ended 31 December 2024.

Significant increase in credit risk (SICR)

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporation, forward looking information into measurement of ECL and selection and approval of models used to measure ECL.

Judgement is involved in setting the rules and trigger points to determine whether there has been a SICR since initial recognition of a financing facility, which would result in the financial asset moving from 'stage 1' to 'stage 2'. The Group continues to assess borrowers for other indicators of unlikeliness to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary or longer term.

Reasonableness of forward-looking information

Judgement is involved in determining which forward looking information variables are relevant for particular financing portfolios and for determining the sensitivity of the parameters to movements in these forward-looking variables.

Due to macro economic variables being not statistically acceptable, the Group continues to use Vasicek-Merton single factor model for conversion of TTC PD to PIT PD instead of the regression methodology as per the Group's approved policy. Vasicek Based Analysis method has been used to forecast the forward-looking PIT PDs by developing composite index oil price as macro-economic variables.

Probability weights

Management judgement is involved in determining the probability weighting of each scenario considering the risks and uncertainties surrounding the base case scenario.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the last audited consolidated financial statements for the year ended 31 December 2024 with emphasis on those described below:

Credit Risk

The Group is performing assessments of the relevant available macro-economic information in light of the rising interest rate environment and the ongoing geopolitical tensions in Europe, and within the region. The relevant macroeconomic information has been updated for the period ended 30 June 2025.

The risk management department has also enhanced its monitoring of the financing portfolio by reviewing the performance of exposures to sectors expected to be directly or indirectly impacted by the ongoing challenging economic environment to identify potential SICR on a qualitative basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

5 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk and capital management

The Group's approach to managing liquidity risk is to ensure that the Group secures funding significantly larger than present and future requirements. The Group continuously monitors the extent to which contractual receipts exceed contractual payments and the levels of new advances are correlated to the levels of liquidity. Liquidity risks are closely monitored by the risk management and finance departments and reported to the Assets and Liabilities Committee (ALCO) and the Board.

The Group continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Group in the current extreme stress environment. As at the reporting date the liquidity and funding position of the Group remains strong and is well placed to absorb and manage the impacts of this disruption.

Operational risk management

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group manages the operational risk through policies and procedures to identify, assess, control, manage and report risks. Additionally, prior to the implementation of new products and services, it's reviewed and assessed for operational risks. The Group's risk management division employs clear internal policies and procedures and the Risk Control Self-Assessment (RCSA) methodology to reduce the likelihood of any operational losses. Where appropriate, risk is mitigated by way of insurance.

6 LOANS AND ADVANCES TO CUSTOMERS

(a) Exposure by staging

	30 June 2025			
	(Reviewed)			
	Stage 1	Stage 2	Stage 3	Total
	BD '000	BD '000	BD '000	BD '000
Loans and advances	104,259	10,883	57,758	172,900
Less: expected credit loss	(897)	(1,646)	(31,812)	(34,355)
Loans and advances	103,362	9,237	25,946	138,545
	31 December 2024			
	(Audited)			
	Stage 1	Stage 2	Stage 3	Total
	BD '000	BD '000	BD '000	BD '000
Loans and advances	103,884	12,518	60,577	176,979
Less: expected credit loss	(1,066)	(1,978)	(36,615)	(39,659)
Loans and advances	102,818	10,540	23,962	137,320

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

6 LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Expected credit loss movement

	30 June 2025			
	<i>(Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
2025				
Expected credit loss at 1 January 2025	1,066	1,978	36,615	39,659
Net transfer between stages	(174)	(776)	950	-
Net charge for the period	5	444	270	719
Net write off during the period	-	-	(6,023)	(6,023)
Expected credit loss at 30 June 2025	897	1,646	31,812	34,355
	31 December 2024			
	<i>(Audited)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
2024				
Expected credit loss at 1 January 2024	1,088	2,413	45,241	48,742
Net transfer between stages	(148)	(534)	682	-
Net charge for the year	126	99	1,029	1,254
Net write off during the year	-	-	(10,337)	(10,337)
Expected credit loss at 31 December 2024	1,066	1,978	36,615	39,659

7 TRADE RECEIVABLES

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June 2025	31 December 2024
	<i>BD '000</i>	<i>BD '000</i>
Trade receivables	6,231	5,564
Less: expected credit losses	(1,720)	(1,637)
	4,511	3,927

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

7 TRADE RECEIVABLES (continued)

Expected credit losses movement

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June	31 December
	2025	2024
	BD '000	BD '000
At beginning of the period / year	1,637	2,114
Charge for the period / year	83	133
Net write off during the period / year	-	(610)
At end of the period / year	1,720	1,637

8 INVENTORIES

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June	31 December
	2025	2024
	BD '000	BD '000
Vehicles	14,398	12,724
Automotive spare parts	6,626	6,210
Real estate inventory	996	1,351
	22,020	20,285
Provisions	(1,393)	(1,385)
	20,627	18,900

Movement in provisions

	<i>(Reviewed)</i>	<i>(Audited)</i>
	2025	2024
	BD '000	BD '000
At beginning of the period / year	1,385	1,294
Net charge for the period / year	136	195
Utilisation	(128)	(104)
At end of the period / year	1,393	1,385

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

9 OTHER ASSETS

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June	31 December
	2025	2024
	BD '000	BD '000
Advance to suppliers and manufacturers incentive	1,913	3,770
VAT receivables	1,604	1,520
Prepaid expenses	1,146	669
Positive fair value derivative	163	582
Others	547	422
	5,373	6,963

10 TRADE AND OTHER PAYABLES

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June	31 December
	2025	2024
	BD '000	BD '000
Accounts payable	10,118	8,936
Accrued expenses	7,687	8,713
Lease liabilities	578	912
Negative fair value derivative	31	23
Others	2,843	2,613
	21,257	21,197

11 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise major shareholders, directors, and key management personnel of the Group and entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Group.

The Group has banking relationships and obtains term borrowings and has unutilised credit facilities with certain of its shareholder banks (Bank of Bahrain and Kuwait B.S.C and National Bank of Bahrain B.S.C). All such transactions are in the ordinary course of business and on terms agreed between the parties.

	<i>(Reviewed)</i>	<i>(Audited)</i>
	30 June	31 December
	2025	2024
	BD '000	BD '000
Shareholders:		
Term loans	42,534	31,034
Bank balance	1,751	1,078

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

11 BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

	<i>(Reviewed)</i> 30 June 2025 BD '000	<i>(Reviewed)</i> 30 June 2024 BD '000
Shareholders:		
Interest expense	1,478	1,119

Key management personnel

Transactions with related parties are transactions with key management personnel or their direct family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, the automotive companies' Chief Executive Officer, approved personnel by the CBB and the General Managers.

	<i>(Reviewed)</i> 30 June 2025 BD '000	<i>(Audited)</i> 31 December 2024 BD '000
Loan and advances*	914	865

	<i>(Reviewed)</i> 30 June 2025 BD '000	<i>(Reviewed)</i> 30 June 2024 BD '000
For the period ended		
Salaries and short-term and end of service employee benefits	1,001	907
Directors remuneration and attendance fees	183	249
Sales, service and lease of vehicles	47	10

*The Company has allowance for impairment losses on balances with related parties of BD 333 thousand (2024: BD 254 thousand).

12 APPROPRIATIONS

At the Annual General Meeting held on 25 March 2025, the shareholders approved the appropriation of dividends of BD 3,021 thousand and the appropriation of donations of BD 150 thousand (2024: appropriation of donations of BD 100 thousand) from the retained earnings of the Group.

Bahrain Commercial Facilities Company B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2025

13 OPERATING SEGMENT INFORMATION

	<i>Operating income</i>		<i>Profit / (loss)</i>	
	<i>Six months ended 30 June 2025</i>	<i>Six months ended 30 June 2024</i>	<i>Six months ended 30 June 2025</i>	<i>Six months ended 30 June 2024</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Lending	5,177	6,387	780	1,851
Automotive	4,476	4,450	1,598	1,572
Insurance	437	425	23	45
Real estate	415	667	(153)	(143)
	10,505	11,929	2,248	3,325

Majority of the Group's assets and liabilities are concentrated in the lending and automotive segments. Total assets as of 30 June 2025 amounted to BD 154,652 thousand and BD 49,505 thousand (31 December 2024: BD 157,333 thousand and BD 48,198 thousand) and total liabilities amounted to BD 103,380 thousand and BD 10,197 thousand (31 December 2024: BD 104,886 thousand and BD 9,053 thousand) in the lending and automotive segments respectively.

14 FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Except for derivative instruments which are classified as at fair value, all of the Group's other financial assets and liabilities are classified as at amortised cost.

Fair value hierarchy

The Group measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. ask prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on market observable data.

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At 30 June 2025

14 FAIR VALUE (continued)

Fair value hierarchy (continued)

(i) Financial assets and liabilities measured at fair value

The fair value of the derivatives, which are not exchange traded, is estimated at the amount the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current credit worthiness of the counterparties. The Group's exposure to derivatives are categorised under Level 2.

(ii) Financial assets and liabilities not measured at fair value

The following tables set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

30 June 2025 (Reviewed)	Level 1	Level 2	Level 3	Fair value	Carrying value
	BD '000	BD '000	BD '000	BD '000	BD '000
Loans and advances to customers	-	-	138,545	138,545	138,545
Bank term loans and other borrowings	-	-	93,348	93,348	93,348
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31 December 2024 (Audited)	Level 1	Level 2	Level 3	Fair value	Carrying value
	BD '000	BD '000	BD '000	BD '000	BD '000
Loans and advances to customers	-	-	137,320	137,320	137,320
Bank term loans and other borrowings	-	-	93,731	93,731	93,731
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In the case of loans and advances to customers, the average interest rate of the loan portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the carrying value would not be materially different to fair value of these assets.

The fair value of bank term loans and other borrowings issued approximate their carrying value since they are at floating interest rates.

The fair values of all other financial instruments approximated their respective book values due to their short-term nature.

15 COMPARATIVES

Certain comparative figures have been reclassified to conform to the current period's presentation. Such reclassification did not affect previously reported profit or loss, comprehensive income for the period or total equity.