Foreign Investment Rises to BD17.64bn

Finance, manufacturing and professional services lead the portfolio

TDT | Manama
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Foreign investment in Bahrain grew by almost half a billion dinars in a year, despite slipping in the first three months of 2026.

The stock of foreign direct investment stood at BD17.64 billion at the end of March, up BD449.4 million, or 2.6 pc, from BD17.19bn a year earlier.

It was, however, down BD140.8m, or 0.8 pc, from BD17.78bn at the end of December.

Finance and insurance dwarfed every other field, accounting for BD11.49bn, or 65.2 pc of the total.

Manufacturing came second with BD2.29bn, followed by professional, scientific and technical work at BD1.06bn.

Electricity, gas, steam and air-conditioning supply held BD741.86m in foreign investment, while wholesale and retail trade, including vehicle repairs, accounted for BD628.03m.

Property stood at BD611.92m, with information and communications at BD493.83m.

The figures also covered mining and quarrying, transport and storage, hotels and food services, education, administrative work and support services.

Bahrain's foreign investment stock stayed above BD17bn throughout the past year.

It rose from BD17.19bn in the first quarter of 2025 to BD17.27bn in the second and BD17.48bn in the third, before reaching BD17.78bn in the final three months of the year.

The figure then eased to BD17.64bn in the first quarter of 2026.

The data measures the value of foreign direct investment held in Bahrain at the end of each quarter. It does not show how much new foreign money entered during those three months.

The year-on-year rise shows that Bahrain held almost half a billion dinars more in foreign direct investment than it did 12 months earlier, even after the fall from December.

Finance remains the chief draw for overseas capital, while manufacturing, property, trade and specialist services account for much of the rest.

U.S. stocks move toward records as inflation eases and oil prices fall

U.S. stocks moved closer to record highs on Thursday as easing inflation and lower oil prices boosted investor confidence, while falling Treasury yields added further support to equities.

The S&P 500 gained 0.5%, putting it on track to challenge the record reached the previous week. The Nasdaq Composite rose 0.6%, while the Dow Jones Industrial Average slipped 123 points, or 0.2%, by late morning.

Investor sentiment improved after data showed U.S. wholesale prices increased 4.7% in July from a year earlier, down from 5.5% in June and slightly below economists' expectations. The figures followed a similar easing in consumer inflation reported a day earlier.

The softer inflation readings reduced expectations of another Federal Reserve interest-rate increase in September. Traders were pricing in about a 34% chance of a rate hike, down from roughly 50% two days earlier. Such an increase would be the Fed's first in more than three years.

The 10-year Treasury yield fell to 4.64%, compared with 4.68% on Wednesday. Lower yields can make stocks more attractive while reducing borrowing costs.

Oil prices also supported markets, with Brent crude falling 1.1% to $88.03 a barrel amid continued geopolitical uncertainty.

Real-estate stocks performed strongly, with AvalonBay Communities gaining 2.5% and Builders FirstSource rising 1.3%. Fossil Group climbed 4% following better-than-expected results, while Cisco Systems dropped 8.6%.

Overseas, South Korea's Kospi jumped 3.6%, helped by technology and AI-related stocks.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026
(Amounts in Bahraini Dinars thousands)

	30 June 2026 (reviewed)	31 December 2025 (audited)
Assets		
Cash and bank balances	18,064	30,110
Investments	3,003	3,222
Loans	1,097,777	1,055,113
Investment in an associate	5,292	5,407
Investment properties	69,139	69,465
Development properties	27,224	26,205
Other assets	2,562	2,469
Total assets	1,223,061	1,191,991
Liabilities and equity		
Liabilities		
Deposits from banks and other institutions	5,000	10,000
Customer current accounts	20,886	29,988
Government account	310,522	348,826
Term loans	389,896	324,896
Other liabilities	9,789	8,941
Total liabilities	736,093	722,651
Equity		
Share capital	250,000	250,000
Contribution by the shareholder	46,786	46,786
Statutory reserve	64,254	64,254
General reserve	60,000	60,000
Fair value deficit	(351)	(351)
Retained earnings	66,279	48,651
Total equity	486,968	469,340
Total liabilities and equity	1,223,061	1,191,991

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026
(Amounts in Bahraini Dinars thousands)

	Six months ended 30 June		Three months ended 30 June	
	2026 (reviewed)	2025 (reviewed)	2026 (reviewed)	2025 (reviewed)
Interest income	21,079	20,246	10,736	10,076
Interest expense	(288)	(496)	(97)	(299)
Net interest income	20,791	19,750	10,639	9,777
Income from properties	521	798	264	491
Share of profit from investment in an associate	116	138	62	76
Other income	617	646	389	428
Total operating income	22,045	21,332	11,354	10,772
Staff costs	(2,999)	(3,486)	(1,375)	(1,807)
Other expenses	(1,373)	(1,998)	(734)	(1,369)
Total operating expenses	(4,372)	(5,484)	(2,109)	(3,176)
Profit before net impairment loss and expected credit losses	17,673	15,848	9,245	7,596
(Charge) / reversal of impairment loss and expected credited losses, net	(45)	69	5	66
Profit for the period	17,628	15,917	9,250	7,662
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	17,628	15,917	9,250	7,662

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026
(Amounts in Bahraini Dinars thousands)

	30 June 2026 (reviewed)	30 June 2025 (reviewed)
Operating activities		
Profit for the period	17,628	15,917
Adjustments for:		
Share of profit from investment in an associate	(116)	(138)
Charge/(reversal) of impairment loss and expected credited losses, net	45	(69)
Gain on sale of development properties	-	(395)
Depreciation and amortisation	395	410
Operating profit before working capital changes	17,952	15,725
Disbursement of loans, net	(5,443)	(15,509)
(Increase) / decrease in development properties	(846)	767
Increase in other assets	(286)	(206)
(Decrease) / increase in interbank borrowings	(5,000)	15,067
(Decrease) / increase in customer current account	(9,102)	1,686
Increase in restricted bank balance	(917)	(8)
Increase in other liabilities	848	2,323
Net movement in government account	(57,450)	(53,693)
Net cash used in operating activities	(60,244)	(33,848)
Investing activities		
Purchase of equipment	(68)	(104)
Maturity of debt securities	219	-
Dividend received on investment in associate	231	277
Net cash generated from investing activities	382	173
Financing activities		
Proceeds from term loans	65,000	20,000
Payment to and on behalf of government, net	(18,101)	(14,018)
Net cash generated from financing activities	46,899	5,982
Net decrease in cash and cash equivalents	(12,963)	(27,693)
Cash and cash equivalents at 1 January	30,097	41,266
Cash and cash equivalents at 30 June	17,134	13,573

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026
(Amounts in Bahraini Dinars thousands)

	Share capital	*Contribution by the shareholder*	*Statutory reserve*	*General reserve*	*Fair value deficit*	*Retained earnings*	*Total*
2026 (reviewed)							
As at 1 January 2026	250,000	46,786	64,254	60,000	(351)	48,651	**469,340**
Total comprehensive income for the period	-	-	-	-	-	17,628	**17,628**
As at 30 June 2026	**250,000**	**46,786**	**64,254**	**60,000**	**(351)**	**66,279**	**486,968**
2025 (reviewed)							
As at 1 January 2025	250,000	45,064	61,062	60,000	(351)	39,920	455,695
Total comprehensive income for the period	-	-	-	-	-	15,917	15,917
Transfer of land (net)	-	81	-	-	-	-	81
As at 30 June 2025	250,000	45,145	61,062	60,000	(351)	55,837	471,693

H.E. Mrs. Amna Bint Ahmed Al Rumaihi
Minister of Housing and Urban Planning
Chairperson

Isa Abdulla Zainal
Director

Abdulla Abdulaziz Taleb
General Manager

This information has been extracted from the interim condensed consolidated financial statements for the six months ended 30 June 2026 which were approved by board of directors on 13 August 2026 and reviewed by Ernst & Young - Middle East

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