

Batelco's revenues, profits grow in 2021



The development of Batelco's Data Centres remains high on the agenda and in line with world class standards in Data security, our teams worked hard to achieve PCI DSS 'Payment Card Industry Data Security Standard' compliance, for Batelco's three Data Centers, thus ensuring a reliable and highly secure data storage environment for our customers

MIKKEL VINTER, BATELCO CEO



● **Approves interim cash dividend for shareholders of 13.5 fils per share or 13.5% of paid-up capital for the six months of 2021.**

TDT | Manama

Batelco yesterday reported increases in its second-quarter and half-yearly profits, which Mikkel Vinter, Batelco CEO, said was "supported by fixed broadband, adjacent services and wholesale revenues."

Vinter said that Batelco's focus during the first half of 2021 was on "delivering exceptional speeds and innovative products for the enterprise, consumer, and global business sectors."

Key achievements included introducing new 5G Mobile Broadband packages to deliver speeds six times faster than 4G and redesigned Home Fiber Broadband packages as high as 1Gbps.

The board also approved an interim cash dividend for shareholders of 13.5 fils per share or 13.5% of paid-up capital for the six months of 2021.

Second-quarter results

Net profit attributable to equity holders of the company was BD17.8 million (US\$47.2m) compared to BD17.3m (US\$45.9m) in the year-ago quarter.

Earnings per share (EPS) was 10.7 fils compared to 10.4 fils in Q2 2020.

Total comprehensive income attributable to equity holders jumped 30% to BD17.3m (US\$45.9m) from BD13.3m

(US\$35.3m) in the prior-year quarter.

Revenues rose 7% to BD98.4m (US\$261.0m) from BD92.2m (US\$244.6m) in Q2 2020.

The increase in revenues is mainly due to YoY increases in fixed broadband, adjacent services and wholesale revenues of 18%, 16% and 5%, respectively.

Operating profit rose by 4% to BD23.8m (US\$63.1m) from BD22.9m (US\$60.7m) in Q2 2020.

H1 results

Net profits attributable to equity holders of the company for H1 2021 was BD37.5m (US\$99.5m), up 5% from BD35.9m (US\$95.2m) in the same period a year ago.

The increase in net profit is mainly attributable to steady increases in revenues for the first six months. EPS was 22.7 fils compared to an EPS of 21.7 for H1 2020.

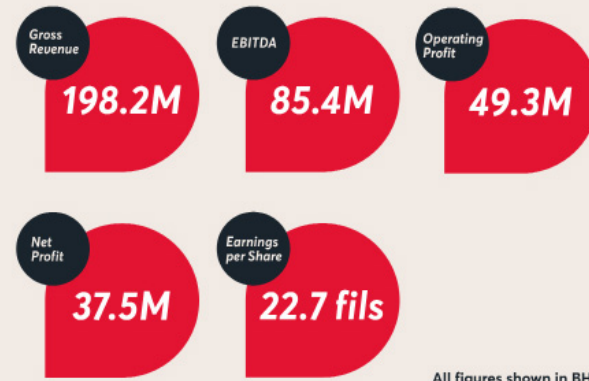


Investments in growing our digital portfolio is in line with international trends and continues to be an important step in our strategic plans to ensure that Batelco is in a position to be a key player in the growth of Bahrain's digital economy

SHAIKH ABDULLA BIN KHALIFA AL KHALIFA,
BATELCO CHAIRMAN



Batelco Half Year Financial Results 2021



Total comprehensive income attributable to equity holders of the company surged by 87% to BD47.2m (US\$125.2m) from BD25.2m (US\$66.8m) in H1

2020. Revenues were BD198.2m (US\$525.7m), an increase of 4% when compared to BD189.8m (US\$503.4m) in H1 2020.

Commenting, Shaikh Abdulla bin Khalifa Al Khalifa, Batelco Chairman, said, "We're proud of being the first telecom company in the GCC to receive a license for Open Banking, with the establishment of Batelco's new licensed company, Batelco Financial Services. This step reflects the Board's aspirations to advance steadily towards digital transformation while enhancing and growing Batelco's core business."

"It's been rewarding to make good progress in converting key strategic plans in the digital space into actions, including the successful roll-out of key projects such as the launch of Batelco Financial Services, to provide both consumers and SMEs with a broad range of financial related services such as digital wallet creation and cards issuance services," said Mikkel Vinter.

US economy contracted 19.2% during COVID-19 pandemic recession

● **Mandatory shutdowns in March last year left the economy reeling, throwing a record 22.362 million people out of work**

Reuters | Washington

The US economy contracted at a record average annualised rate of 19.2% from its peak in the fourth quarter of 2019 through the second quarter of 2020, government data showed yesterday, confirming that the COVID-19 recession was the worst ever.

The pace of recovery from the pandemic downturn, the deepest going back to 1947, was equally stunning. The Commerce Department's Bureau of Economic Analysis said gross domestic product rebounded at a historic average rate of 18.3% between the second and fourth quarter of 2020.

Mandatory shutdowns of non-



Shoppers carry bags of purchased merchandise at the King of Prussia Mall, United States' largest retail shopping space, in King of Prussia, Pennsylvania

essential businesses in March last year to slow the first wave of coronavirus infections left the economy reeling, throwing a record 22.362 million people out of work. The government provided nearly \$6 trillion in pandemic relief, while the Federal Reserve slashed its benchmark overnight interest rate to near zero and is pumping money into the economy through monthly

bond purchases.

The National Bureau of Economic Research, the arbiter of US recessions, declared last week that the pandemic downturn, which started in February 2020, ended in April 2020.

Massive fiscal stimulus, the Fed's ultra-easy monetary policy and vaccinations against COVID-19 have allowed economic activity to resume, with GDP

pulling above its pre-pandemic level in the second quarter. The government also said the economy shrank 3.4% in 2020, instead of 3.5% as previously estimated. That was still the biggest drop in GDP since 1946.

Revisions to growth in other years and quarters were minor. From 2015 to 2020, GDP increased at an average annual rate of 1.1%, unrevised from previously published estimates.

The BEA said in 2018 it had fully addressed a methodology problem, or residual seasonality, which analysts had argued tended to understate economic growth in the first quarter.

While growth likely peaked in the second quarter, economists see GDP increasing around 7% this year, which would be the strongest performance since 1984.

The International Monetary Fund on Tuesday significantly raised its growth forecasts for the United States to 7.0% in 2021 and 4.9% in 2022, up 0.6 and 1.4 percentage points respectively, from its forecasts in April.

UK's Sunak to give half-yearly budget update on Oct. 27

Reuters | London

British finance minister Rishi Sunak will give a half-yearly update on the public finances and economic outlook on Oct. 27, when he is also likely to outline longer-term public spending plans after his massive coronavirus pandemic stimulus.

Sunak told the Office for Budget Responsibility, the government's forecasters, yesterday to begin preparing new economic and fiscal forecasts for publication on Oct. 27.

The last OBR forecasts were announced on March 3, since when the near-term outlook for growth has brightened due to Britain's rapid roll-out of COVID-19 vaccines which has helped the government to borrow less, so far, than the OBR predicted.

However, it is less clear that the OBR will give an improved medium-term outlook for Britain's economy which will be key for determining public spending over the coming years.

The after-effects of the coronavirus pandemic and Brexit



Britain's Chancellor of the Exchequer Rishi Sunak talks during a TV interview in London, Britain

are expected to weigh on Britain's growth potential in the coming years.

Sunak has said he wants to move Britain's public finances on to a more sustainable footing after borrowing hit a post-World War Two high of 14% of gross domestic product in the year to March. Public debt rose to its highest since 1961.

Due to COVID-19 the government postponed a multi-year spending review intended for last year and instead released a one-year plan in November alongside OBR forecasts.

Abu Dhabi hits record high, major Gulf bourses gain

Reuters

Major stock markets in the Gulf ended higher yesterday, amid rising oil prices, with the Abu Dhabi index hitting a record high.

Brent crude oil futures were up 39 cents, or 0.5%, at \$75.13 a barrel by 1254 GMT, as crude stockpiles in the United States, the world's top oil consumer, fell to their lowest since January

Closing Bell

SAUDI	▲0.7% to 11,013
ABU DHABI	▲1% to 7,318
DUBAI	▲0.5% to 2,766
QATAR	▲0.4% to 10,753
EGYPT	▼0.3% to 10,742
BAHRAIN	▲0.1% to 1,597
OMAN	▲0.3% to 4,030
KUWAIT	▲0.8% to 7,165

2020. GCC stock markets opened in the black as US oil stockpiles continued decreasing, revealing strong consumption and an active economic recovery, said Daniel Takiyeddine, senior market analyst at FXPrimus.

"The reduced stockpile has propped crude prices up which gave a boost to the region's stock markets."

Saudi Arabia's benchmark index rose 0.7%, with Al Rajhi

Bank increasing 1.1% and Saudi Telecom Company surging 3.4%.

The kingdom's oil exports value increased 147% in May to just over 60 billion riyals (\$16.00 billion) from a year earlier while non-oil exports rose by 70%, official data showed on Wednesday. In Abu Dhabi, the index advanced 1%, hitting a record high, buoyed by a 2% rise in First Abu Dhabi Bank (FAB).

FAB, the United Arab Emir-

ates' largest lender, on Wednesday posted a net profit of 2.88 billion dirhams (\$784.14 million) in the quarter ended June 30, up from 2.4 billion a year earlier.

Dubai's main share index added 0.5%, with sharia-compliant lender Dubai Islamic Bank rising 1.7% and blue-chip developer Emaar Properties closing 1.8%.

The Qatari index rose 0.4%, with petrochemical maker Industries Qatar gaining 1.3%,

while Commercial Bank added 0.9%, extending gains from the previous session when it recommended a shareholder meeting to increase foreign ownership limit to 100%.

Outside the Gulf, Egypt's blue-chip index lost 0.3%, as most of the stocks on the index were in negative territory including Fawry for Banking Technology and Electronic, which was down 3.2%.