

BCFC registers net profit of BD 3.7 million in 2022

Bahrain Commercial Facilities Company BSC (trading code: BCFC) achieved a net profit of BD 36 thousand in the fourth quarter of 2022, below the profit registered same period last year by 99% (2021: BD 3.0 million) and registered an earnings per share of 0.18 Fils (2021: 15 Fils). During the fourth quarter, the Group registered a total comprehensive income of BD 125 thousand, below the total comprehensive income achieved same period last year by 97% (2021: BD 4.0 million). The Group performance was impacted by the higher impairment and lower net interest income due to a net reduction in the loan portfolio. Despite the reduction in the loan portfolio, the Group continued to provide ample impairment allowances to safeguard the its loan portfolio against potential challenges its customers may face post the lifting of the CBB loan installment deferral program. For the fourth quarter, the Group booked net impairment allowances of BD 3.2 million (2021: BD 2.0 million) and achieved a net interest income of BD 3.5 million (2021: BD 5.1 million). The Group achieved an operating income of BD 5.5 million, 21% lower than the operating income of BD 7.0 million achieved during the previous year. The Board has recommended a cash dividend of 20 fils per share (20% of paid-up capital) subject to AGM approval (2021: 25 fils per share (25% of the paid-up capital)).

The Group has reported a net profit of BD 3.7 million for the year ended 31 December 2022, below the net profit achieved last year by 40% (2021: BD 6.2 million). This results in basic and diluted earnings per share of 18 fils (2021: 31 fils). The Group registered a total comprehensive income of BD 8.0 million, 16% below the total comprehensive income of BD 9.5 million reported last year. The Company has achieved a net interest income of BD 17.2 million, 15% lower than the last year (2021: BD 20.2 million). The Group has achieved a total operating income of BD 28.6 million which is 10% lower than last year (2021: BD 31.7 million). During the year, the Group booked net impairment allowances of BD 9.5 million (2021: BD 11 million).

BCFC Group remained in a healthy liquidity position and currently operates at a leverage of 1.2 multiples with total shareholder's equity of BD 137.6 million, 2% higher than the previous year (2021: BD 134.9 million). The Group's total assets at 31st December 2022 stand at BD 298.5 million, which is 4% lower than BD 310.9 million last year. During the year the Company has repaid BD 12.6 million in loans and reduced its liabilities. The Group has a well-defined and staggered maturity profile with no concentration of maturities.

On this occasion, Mr. Abdulrahman Fakhro, the Chairman of the Board expressed his appreciation for the Group results. He stated "Despite the global economic challenges post the Covid pandemic, the Bahrain economy has weathered the storm and is set for a rebound with the support and guidance of His Majesty the King and under the wise leadership of His Royal Highness the Crown prince and Prime Minister. Despite operating in such a difficult environment, the Group continues to perform well thanks to its strong business model and solid capital base.

Commenting on the results, Mr. Abdulla Bukhawa, the Chief Executive Officer of Bahrain Commercial Facilities Company, expressed his satisfaction over the annual results achieved in the midst of strong headwinds. He stated that, "During the year, the Company has worked on different fronts in order to support the needs of its customers. The Company has finalized its strategic plan for the three years 2023 – 2025 where enhancing the customer experience is at the core of the new strategy. The Company through collaboration with multiple stakeholders, is set to meet its customer needs through the launch of new financing products and services, while establishing a strong risk management framework, and implementing the highest standards of governance and controls..

In the lending activities segment, the Group made a net profit of BD 1.7 million (2021: BD 4.4 million). During the period, the Company has invested in enhancing its digital platforms through partnerships with key local and global players to better enhance its customer experience. The Company through its branch network across the Kingdom is poised

to gradually increase its new lending volume. Total new loans worth BD 14.8 million (2021: BD 18 million) were advanced during the year. The Company's net interest income stands at BD 17.2 million, 15% behind last year (2021: BD 20.2 million).

National Motor Company reported a net profit of BD 2.0 million (2021: BD 1.7 million). Despite the challenges in the automotive industry, the company performance continues to be strong due to its efficient process and forward-looking planning.

Tasheelat Automotive Company reported a net profit of BD 107 thousand in the current year compared to a net loss of BD 197 thousand in 2021. The Company's portfolio of brands has improved demand from its customer segment due to its affordable prices and modern designs.

Tasheelat Car Leasing Company reported a net profit of BD 119 thousand (2021: BD 75 thousand). The company has focused on efficiency and competitiveness to win opportunities in the car leasing market and the sale of ex-leased vehicles.

Tasheelat Insurance Services Company achieved a net profit of BD 36 thousand (2021: BD 151 thousand). The company's performance was impacted due to reduction in sales volume of insurance products, mainly in the motor related products due to a shortage of new vehicles supply. However, the company will focus on retaining and growing its existing customer base, and expanding into new products as it looks to improve performance in 2023.

Tasheelat Real Estate Services Company has registered a net loss of BD 242 thousand (2021: net profit of BD 57 thousand). The company performance was impacted due to sales have slowed due to a reduced inventory of real estate assets, and the company on conservative grounds has taken a provision against a potential future obligation.

The full set financial statement and the press release are available on the Bahrain Bourse's website.