

BCFC registered net loss of BD 4.3 million in 2020

Bahrain Commercial Facilities Company BSC (trading code: BCFC) registered a net loss of BD 7.3 million in the fourth quarter of 2020 (2019: Net profit of BD 1.6 million) and registered a basic and diluted earnings per share of (36) Fils (2019: 8 Fils). During the fourth quarter, the Group registered a total comprehensive loss of BD 7.7 million (2019: total comprehensive income of BD 2 million). For the quarter, the Group has achieved a net interest income of BD 5.1 million, 15% below the same period last year (2019: BD 6.0 million). The Group has achieved an operating income of BD 7.3 million which is 28% lower than the same period last year (2019: BD 10.1 million).

In 2020, the Group has reported a net loss of BD 4.3 million for the year ended 31 December 2020 which is significantly lower than net profit of BD 17.1 million achieved in 2019. This results in a basic and diluted earnings per share of (21) Fils (2019: 85 Fils). The Group registered a total comprehensive loss of BD 8.0 million compared to a comprehensive income of BD 14 million achieved during the same period last year. The Company has achieved a net interest income of BD 23.5 million, 12% below the same period last year (2019: BD 26.7 million). The Company has achieved a total operating income of BD 33.8 million which is 25% behind last year (2019: BD 45.3 million). The reduction in profitability is predominantly due to higher impairment provisions which the Company has made to safeguard quality of its loan portfolio against the challenges its customers are expected to face due to Covid19 pandemic fallout.

During the year, the company had successfully repaid USD 80 million and USD 125 million syndicated loans. These loans were paid through arranging new term loans from its partnering relationship banks. The Group remained in a healthy liquidity position with a low leverage of 1.8 multiples with total shareholders' equity of BD 126 million, 17% lower than last year (2019: BD 152 million). The Group's total assets at 31st December 2020 stands at BD 355 million, which is 13% lower than BD 410 million last year.

On this occasion, Mr. Abdulrahman Fakhro, the Chairman of the Board expressed his appreciation to the government of the Kingdom of Bahrain for its wise leadership, direction and for the effective measures enacted to contain the pandemic and their support to business community. He stated that, "the corona virus pandemic had negative impact on all segments of the economy, more so on small and medium size enterprises which the company predominantly deals with. In this crisis, BCFC Group remained extremely conservative and prudent in taking impairment provisions. The Company has prioritized its long-term health over tactically focusing on current period profitability as the impact of the pandemic is still not fully revealed. However, the Company with its core competencies, solid business model and strong financial position shall continue to support its customers and shall provide healthy returns to its

shareholders once the economic activities normalize. BCFC Group continues to contribute towards social causes and welfare of Bahraini society. During the year, the Company has donated BD 464 thousands to various charities and philanthropic organizations' working for humanitarian and altruist causes, including BD 200 thousand towards Feena Khair to support the people affected by the Covid19 pandemic. To support its Bahraini customers in these challenging times, the Company has provided six months loan instalments deferral without any interest or fees on the CBB directives. This has resulted in a modification loss of BD 15.2 million. The Company has received BD 1.9 million as government support towards partial reimbursement of its Bahraini staff salaries and electricity bills."

Bahrain Credit achieved a net loss of BD 3.6 million (2019: BD 13.9 million). Considering the uncertainties and heightened credit risk, the company has taken significantly higher provisions for expected credit losses. The company remained very selective in providing new credit facilities. New loans were sanctioned to customers belonging to relatively low risk market segments. Total new loans worth BD 39 million were advanced during the year (2019: BD 151 million). The company's net interest income stands at BD 23.5 million, 12% behind of last year (2019: BD 26.7 million). The company has provided BD 21.6 million as impairment provisions significantly higher than same period last year in anticipation of difficult market conditions.

National Motor Company has reported a net loss of BD 0.4 million (2019: Net profit of BD 2.1 million). These results are without considering the government support. If considered, NMC would have reported a net profit of BD 0.5 million. These results are particularly remarkable considering the significant decline in the new vehicle sales during the year and substantial erosion of margins due to accumulation of vehicle supplies in the country. In such challenging environment, the company has focused its energy on efficient inventory controls with correct mix of vehicles, lean and skilled deployment of workforce, strong focus on customer satisfaction and emphasis on cost optimization.

Tasheelat Automotive Company reported a net loss of BD 0.6 million in the current year compared to a net profit of BD 0.3 million in 2019. The Covid19 pandemic has impacted the performance of the company. Due to reduction in the customers disposable income, the customers are moving towards lower value cars which augurs well for the company. The reduction in current year bottom line is mainly attributable to the introduction of 'Haval' and 'Great Wall' brands to Bahrain, which has increased the company's cost structure in current period. These new brands have high-tech, elegantly designed, reliable and rightly priced vehicles which are expected to deliver promising results in coming years. These new additions are in line with the company's strategy to provide quality and feature rich vehicle to customers at affordable prices.

Tasheelat Insurance Services Company achieved a net profit of BD 0.2 million (2019: BD 0.7 million). The

company's performance was impacted due to reduction in sales volume of insurance products, mainly motor, medical and life insurance. The reduction is a combination of contraction in new vehicle sales and lower commission income due to customer shift to lower value vehicles.

Tasheelat Real Estate Services Company has registered a net profit of BD 0.1 million (2019: BD 0.2 million). The real estate market in Bahrain remained uninspiring with general decline in demand and correction of prices in certain areas. Despite the lackluster real estate activities, the company has continued to liquidate its land plot and apartment inventory. The company's investment property portfolio has witnessed reduction in occupancy rates and average rental rates in some buildings, but it continues to provide steady and reliable annuity type returns.

Tasheelat Car Leasing Company reported a net loss of BD 27 thousand (2019: net profit of BD 101 thousand). The company performance has been impacted due to significant reduction in visitors in the country because of closure of Airport and land border. The company remained dynamic in resizing its fleet to cater to current market conditions and healthy mix of long-term and short-term lease contracts with healthy retained margins.

Commenting on the yearend results, Mr. Reyadh Sater, Managing Director, stated that the Company shall continue to support its customers and has ensured availability of its services throughout the crisis period without any interruptions thanks to the investments made in digital initiatives to address every customer relation touchpoint. All the services were provided to customers in full compliance with the government directives, prioritizing the health and wellbeing of our employees. BCFC Group with strong equity and diversified business model, shall continue to look for new opportunities to further diversify its revenue streams and increase shareholders' value.

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