

BCFC AGM Approves 45% Cash Dividends and 25% Bonus Share

Bahrain Commercial Facilities Company BSC has reported a net profit of BD 22.9 million for the year ended 31 December 2018 which is 11% higher than BD 20.7 million achieved in 2017. This results in an earnings per share of 142 Fils (2017: 129 Fils). The Company achieved a net profit of BD 6.8 million in the fourth quarter of 2018 (2017: BD 6.3 million) and registered an earnings per share of 42 Fils (2017: 40 Fils). The Ordinary General Meeting of the Company held on Tuesday 26th March 2019, have approved a cash dividend of 45 fils and bonus share issuance at the rate of one share for every 4 shares held, equivalent to 25% of the issued and paid up share capital of the Group (2017: Cash dividends 50%).

On this occasion, Mr. Abdulrahman Fakhro, the Chairman of the Board stated that, "It is a matter of great pride that BCFC Group continued its remarkable performance in a very difficult and challenging market conditions and yet again recorded its highest profit. The results demonstrate the resilience and strength of a well-diversified business model, successful execution of 2016-2018 Strategic Plan initiatives and strong synergies amongst all the subsidiary companies of the Group."

Dr. Adel Hubail, Chief Executive Officer, stated that, the excellent performance is result of the BCFC and its Group company's strong business models, customers longstanding trust and loyalty in its products and employees' relentless efforts towards customer servicing. The Company shall continue to refine its services and innovate new products to accommodate new age customers lifestyle needs.

In 2018, the Group has achieved a total operating income of BD 46.3 million which is 8% ahead of the last year (2017: BD 42.7 million). The Group registered a total comprehensive income of BD 23.1 million which is 7% ahead of last year (2017: BD 21.6 million). The Group's total assets at 31st December 2018 stands at BD 391 million, which is 5% higher than BD 373 million last year.

For the fourth quarter of 2018, the Group has achieved a total net interest income of BD 6.7 million, 8% ahead of the same period last year (2017: BD 6.2 million). The Group has achieved an operating income of BD 12.3 million which is 8% ahead of the last year (2017: BD 11.4 million). The Group registered a total comprehensive income of BD 5.3 million which is 23% lower than last year (2017: BD 6.9 million).

Bahrain Credit had an excellent year and achieved a net profit of BD 18.9 million (2017: BD 17.5). The company continued to exercise caution in extending new loans and further tightened its underwriting policies to adapt to the difficult market conditions. Total new loans worth BD 171 million (2017: BD 161 million) were advanced during the year which resulted in a 9% growth in the loan portfolio from last year. The company's net interest income stand at BD 25.5 million, 7% ahead of last year (2017: BD 23.9 million). The company remained extremely cautious to ensure the quality of its portfolio. The active continuous feedback loop between the underwriters and collection agents and unrelenting efforts of the collection and legal department resulted in nonperforming loans being significantly reduced to 2.98% of the total loans portfolio.

for the automotive businesses, the Group has achieved a gross profit on automotive revenue of BD 7.2 million in 2018 which is 13% increase when compared to the same period last year (2017:

BD 6.4 million). For the Fourth quarter, the Group has recorded a gross profit of BD 1.8 million which is 20% ahead of the gross profit achieved during the same quarter last year (2017: BD 1.5 million).

National Motor Company has earned a net profit of BD 2.4 million (2017: BD 2.2 million). The company's proactive approach in shifting the inventory-mix from large SUV's to mid-size and compact vehicles and reducing overall inventory remained the highlight of the management strategy. The company has achieved a significant increase in its unit sales in an automotive market which was trailing 2017 for most of the year. The continuous improvement in efficiencies to control cost and utmost focus on customer service to increase customers retention remain the focal point of all the initiatives undertaken.

Tasheelat Automotive Company has recorded a net profit of BD 200 thousand (2017: BD (21) thousand). Over past 3 years since its inception, the company has put more than 1,900 GAC vehicles on Bahrain roads. GAC Motor remains the most promising and fastest growing vehicle brand in the country with 2.4% market share, higher than many well-established brands. During the year, the company also launched Foton Motors in Bahrain to increase its reach to commercial vehicle market.

Tasheelat Insurance Services Company registered a net profit of BD 773 thousand, 27% ahead of the results achieved last year (2017: BD 610 thousand). The company's core product motor insurance performed exceptionally well and registered 16% growth in new policies issued. The company has successfully diversified its revenue stream through the introduction of several new products to increase its reach to new market segments.

Tasheelat Real Estate Services Company has registered a net profit of BD 628 thousand in 2018, 40% higher than the last year (2017: BD 449 thousand). The real estate market in Bahrain remained stagnant and uninspiring with general decline in demand and correction of prices in certain areas. Nonetheless, the company has sold 30% more land plots than 2017. All the company's investment properties continue to enjoy healthy occupancy rate.

Tasheelat Car Leasing completed its first full year of operation and. The new company in a short period has emerged as a dominant player in the car leasing market with full range of leasing products. The company has a fleet of more than 1,100 vehicles with largest strategically located branch network. In its first full year of operations, the company has reported a net loss of BD 63 thousand (2017: BD (80) thousand).

The Group remained in a healthy liquidity position with a low leverage of 1.7 multiples with total shareholders' equity of BD 146 million (2017: BD 137 million). The Company has successfully issued a USD 53 million syndicated loan. The new loan was raised to replace maturing BD 20 million bond facility. The Company has a well-thought of and disciplined liquidity management strategy where maturity profile of long-term borrowings is well staggered with no concentration of significant maturities.

The Shareholders also held an Extraordinary General Meeting to approve the increase in the issued and paid-up capital as a results of distribution of the bonus shares, and to amend the Memorandum

and Articles of Association to reflect the capital increase after obtaining necessary regulatory approvals.