

BCFC registered net profit of BD 2.4 million in the first half of 2021

Bahrain Commercial Facilities Company BSC (trading code: BCFC) registered a net profit of BD 1.3 million in the second quarter of 2021 (2020: Net loss of BD 0.4 million) and registered a basic and diluted earnings per share of 6 Fils (2020: (2) Fils). During the second quarter, the Group registered a total comprehensive income of BD 1.6 million (2020: total comprehensive loss of BD 0.9 million). For the three months ended 30th June 2021, the Group has achieved a net interest income of BD 5.2 million, 13% below the same period last year (2020: BD 6.0 million). The Group has achieved an operating income of BD 8.1 million which is 7% higher than the same period last year (2020: BD 7.6 million).

During the six months period, the Group has reported a net profit of BD 2.4 million for the period ended 30 June 2021 which is 4% lower than the net profit of BD 2.5 million achieved during the same period last year. This results in a basic and diluted earnings per share of 12 Fils (2020: 13 Fils). The Group registered a total comprehensive income of BD 4.4 million compared to a comprehensive loss of BD 1.2 million achieved during the same period last year. The Company has achieved a net interest income of BD 10.1 million, 20% below the same period last year (2020: BD 12.6 million). The Company has achieved a total operating income of BD 16.1 million which is 14% behind the same period last year (2020: BD 18.7 million). The net interest income has reduced due to reduction in loan portfolio. Despite such reduction, the Company has continued to increase the impairment allowances to safeguard the quality of its loan portfolio against the challenges its customers are expected to face post Covid19 pandemic. The company has provided additional BD 6.3 million during the period towards credit allowances. The available provisions stand at 12.4% to the portfolio.

The Group remained in a healthy liquidity position with a low leverage of 1.5 multiples. Total shareholders' equity stands at BD 130 million on 30th June 2021, 3% higher than last year (Dec 2020: BD 126 million). The Group's total assets were BD 327 million at 30th June 2021, 8% below same period last year (Dec 2020: BD 355 million). During the period, the company had repaid a BD 10 million term loan and early settled BD 10 million from the BD 16.6 million syndicated loan maturing in December 2021. These loans were paid from the excess cash available with the Group.

On this occasion, Mr. Abdulrahman Fakhro, the Chairman of the Board expressed his appreciation and gratitude to the Bahrain Government for the effective measures enacted to contain the pandemic and their support to business community. He stated that, "The Group financial results operating in these difficult conditions are satisfactory. BCFC has continued to support its customer base of small and medium size enterprises which got impacted the most due to ongoing pandemic. At the same time, the

Company remained extremely conservative and prudent in taking impairment provisions. 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 Chief Executive Officer, Mr. Abdulla Bukhwa, expressed his appreciation for the efforts of the National Team to Combat the COVID-19 pandemic with the support of His Majesty the King and under the leadership of His Royal Highness the Crown Prince and Prime Minister, which positioned Bahrain in a leading international position with its achievements, and underpinned the stability of the national economy and preserved its achievements. Despite the unprecedented challenges imposed by the pandemic and the uncertain outlook, the company was committed to support its loyal customer base and continued to develop its operations during these exceptional circumstances, largely due to the dedicated efforts of its employees, the company’s commitment to its strategic plan, and its solid capital base. The Chief Executive Officer concluded: “On behalf of the board of directors and employees of Bahrain Commercial Facilities Company BSC, I would like to express my deep appreciation to all partners, stakeholders, government ministries and organizations of Bahrain, most particularly the Central Bank of Bahrain and the Ministry of Industry, Commerce and Tourism for their constant support to the company.”

Bahrain Credit achieved a net profit of BD 1.9 million (2020: BD 2.9 million). Considering the uncertainties and heightened credit risk, the company remained very selective in providing new credit facilities. New loans were sanctioned only to customers from relatively lower credit risks. Total new loans worth BD 14.8 million were advanced during the year (2020: BD 27.6 million). The company’s net interest income stands at BD 10.1 million (2020: BD 12.6 million).

National Motor Company has reported a net profit of BD 0.5 million (2020: Net loss of BD 0.3 million). The company’s financial performance has improved considerably compared to the same period last year. The results reflect the focused and proactive approach taken by the company in running an efficient and dynamic operations. The company continue to monitor the automotive market in its totality and the economic climate as its constantly adapt and evolve to meet the needs of rapidly changing automotive industry.

Tasheelat Automotive Company reported a net loss of BD 0.2 million (2020: net loss of BD 0.3 million). The negative results mainly attributable to the cost incurred in the introduction of ‘Haval’ and ‘Great Wall’ brands in the country. The vehicles from the new brands are high-tech, elegantly designed and attractively priced. They are expected to deliver promising results in coming years. These new additions are in line with the company’s strategy to provide quality, reliable and feature rich vehicles to the

customers at affordable prices.

Tasheelat Insurance Services Company achieved a net profit of BD 77 thousand (2020: BD 123 thousand). The company's performance was impacted due to reduction in sales volume of insurance products, mainly motor and medical insurance. The reduction is a combination of contraction in new vehicle sales and lower commission income due to customer shifting towards lower value vehicles. The company continue to enjoy high renewal rate from its existing customer base.

Tasheelat Real Estate Services Company has registered a net profit of BD 11 thousand (2020: BD 132 thousand). Despite the lackluster real estate activities, the company has achieved a good success in liquidating its real estate inventory. The company's investment property portfolio has witnessed reduction in occupancy rates and rentals due to customer shifting to lower value options, but it continues to provide steady and reliable annuity type returns.

Tasheelat Car Leasing Company reported a net profit of BD 42 thousand (2020: net loss of BD 13 thousand). Despite challenging operating conditions, the company continued to fine tune its service provisions and improve utilization of its fleet. The company has a healthy mix of 65:35 amongst long-term and short-term leasing services.

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