



Supplementary Public Disclosure for the nine months ended 30th September 2020
Financial Impact of COVID-19

Bahraini Dinar Thousands

As per the Central Bank of Bahrain ('the CBB') directions through their circular OG/259/2020 dated 14th July 2020 with the objective to maintain transparency amidst the current implications of Coronavirus (COVID-19), the BCFC Group is providing following additional information in relation to the financial impact of COVID-19 on its financial statements.

The COVID-19 outbreak earlier in 2020 has had multiple implications on the Group, from stressed market conditions, significant reduction in sales of its product and services, reduction in cashflows from the loan book and disruption of its normal operations due to social distancing norms and restricted commercial activities. The CBB, along with the Government of Bahrain, have adopted numerous concessionary measures. In March 2020, the CBB announced a six-month loan deferral to all qualifying Bahraini individuals and companies. Subsequently, the CBB instructed its licensees to take the present value of the shortfall in interest income (termed the "modification loss" under IFRS) arising from this deferral directly to equity, net of any government grants received. The initial modification loss recorded by the Group amounted to BD 16,125. Subsequently, the Group has made reversal of BD 934 to equity due to early settlements of loans and repayment of credit card balances. The Group had received BD 1,684 grants in the form of salary subsidy and electricity and water bill reductions.

The table below summarizes the impact of the various measures and market conditions on the Group as at 30 September 2020:

| | Net Profit | Total Equity (Excluding Net Profit) | Total Assets |
|--|---------------|-------------------------------------|----------------|
| Estimated balances at 30 September 2020 excluding COVID-19 impact | 14,962 | 143,503 | 393,000 |
| CBB and Government Measures | | | |
| Loan deferral and modification loss | - | (15,191) | (21,094) |
| Government grants | - | 1,684 | - |
| | - | (13,507) | (21,094) |
| Impact due to Changed Market Conditions: | | | |
| Additional impairment provisions due to COVID-19 | (4,115) | - | (4,115) |
| Lower interest income | (4,596) | - | - |
| Lower interest cost | 591 | - | - |
| Lower income in automotive businesses | (1,623) | - | - |
| Lower credit card income due to deferrals | (1,867) | - | - |
| Lower income in real estate business | (86) | - | - |
| Lower income in insurance services business | (251) | - | - |
| | (11,947) | - | (4,115) |
| Closing balances as per the financial statements | 3,015 | 129,996 | 367,791 |

The above information is prepared based on certain assumptions and should not be considered as an indication of the results of the full year or relied upon for any other purposes. Since the unfolding of events due to COVID-19 is uncertain and is still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in this information to be not relevant. In addition, this information does not represent a full comprehensive assessment of COVID-19 impact on the Group. This information has not been subject to a formal review by external auditors