

BCFC Reported a Net Profit of BD 10.8 Million in the First Half of 2019

Bahrain Commercial Facilities Company (BCFC) has reported a consolidated net profit of BD 10.8 million for the six months ended 30 June 2019, 4% higher than BD 10.4 million earned in the same period last year. The Company has reported earnings per share for first six months of the year at 54 fils (2018: 52 fils). For the three months ended 30 June 2019, the Company has achieved a net profit of BD 5.3 million (2018: BD 5.4 million), 2% below the same period last year and earnings per share of 26 fils (2018: 27 fils).

On this occasion, **Mr. Abdulrahman Fakhro**, the Chairman of the Board expressed his satisfaction for the financial results achieved. He stated that, "The economic environment in Bahrain remained extremely challenging with consumers spending significantly constrained hurting overall demand. The BCFC Group cannot be insulated from the country's economic conditions. It is reassuring that in a very challenging operating environment BCFC's business model remained resilient."

In the first half of 2019, the Company has achieved total operating income of BD 23 million, 3% higher than the same period last year (2018: BD 22.3 million). For the three months period ended 30 June 2019, the Company has registered a total operating income of BD 11.7 million, 3% higher than the operating income for the same period last year of BD 11.4 million. For the first six months of the year, the Company's other comprehensive income has stood at BD 8 million, 32% less than the same period last year (2018: BD 11.8 million). For the three months period, the Company has achieved a comprehensive income of BD 3.5 million, 40% less than the BD 5.8 million achieved during the same period last year. The Company's total assets on 30 June 2019 stands at BD 410 million which is 8% higher than BD 380 million at 30 June 2018. The Company continues to maintain a strong and healthy liquidity position. The Group, with total equity of BD 146.5 million, which is 9% higher than BD 135 million at 30 June 2018 is operating at a low leverage of 1.8 multiples which augurs well for the Company's expansion and growth plans.

The Company's consumer finance business, **Bahrain Credit**, remained robust. The company has reported a net profit of BD 9.1 million, 8% higher than BD 8.5 million achieved in same period last year. The company's net interest income has stood at BD 13.5 million, 10% higher than same period last year (2018: BD 12.3 million). For the three months period, the company has achieved a net interest income of BD 6.9 million, 11% higher than the same period last year (2018: BD 6.2 million). During these six months, the company has advanced BD 82 million new loans resulting in 4% growth in the loan portfolio from the start of the year. The company continued its conservative underwriting policies and non-performing loans were controlled at 3.6% of the loan portfolio.

National Motor Company has achieved a net profit of BD 1.1 million, 13% behind the same period last year. The automotive market in Bahrain continues to remain stressed with double digit contraction in the new car sales volumes during the first six months of 2019. Due to heavy price-driven sales promotions all-round the year, the auto industry margins have been significantly impacted. The company continues to observe efficient inventory management and disciplined expense controls to remain one of the leading players in the market.

Tasheelat Automotive Company has achieved an exceptional performance and has earned a net profit of BD 141 thousand (2018: BD 95 thousand). GAC Motor continued to win more customers and is now 6th largest selling automotive brand in the country as per recent Ministry of Traffic data. The company's commercial automotive brand Foton Motor has also started gaining ground within customers seeking efficient and durable commercial vehicles. Despite overall contraction in the new vehicle sales in 2019, the company has sold 28% more cars than same period last year. The company has recently opened its new showroom to address aspirations of its growing customer base and developing its aftersales infrastructure to continue providing delightful ownership experience.

Tasheelat Car Leasing Company WLL has performed well. In short period of two years, the company has expanded its operations to 10 branches distributed around Bahrain and become a profitable business. The company has won many strategic government tenders and is working towards increasing its fleet size by participating in long term leasing, monthly leasing and spot rental services.

The Company's real estate division, **Tasheelat Real Estate Services Company** has reported net profit of BD 116 thousand compared to BD 242 thousand in the same period last year. Due to lackluster activities in the real estate market, the company is casually optimistic for investing into new projects and currently is in the process of liquidating remaining 62 plots. The company's rental property portfolio continued to enjoy healthy occupancy rates. The company has gradually and carefully added new buildings to this portfolio which is generating steady and reliable annuity style returns.

In the insurance services, **Tasheelat Insurance Services Company** has achieved a net profit of BD 369 thousand for the six months ended 30 June 2019 (2018: BD 365 thousand). The company's performance has been affected due to contraction in the new vehicle sales and shift in customers' preferences to small price vehicles. Thanks to the introduction of a range of new innovative products, the company has diversified into new market segments, improving its revenue streams and retained margins.

Dr. Adel Hubail, Chief Executive Officer noted, “BCFC Group’s results reflect its customers centric approach to provide innovative and efficient solutions to its loyal customer base through active and continuous collaboration with its trusted business partners. The strong capital and excellent liquidity position of the Company augurs well for maintaining its unique market position in all the segments of the market it chose to operate to enhance its shareholders value.”