



BCFC Registers a Net Loss of BD 30.8 million for the Year Ended 31 December 2023 Impacted by Net Impairment Provisions of BD 36 million

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Bahrain Commercial Facilities Company BSC (trading code: BCFC) announced its financial results for the three months period ended 31 December 2023 and for the year ended 31 December 2023.

Three months period ended 31 December 2023

The Group reported a net loss of BD 19 million compared to a net profit during the same period last year of BD 36 thousand. The basic and diluted earnings per share amounted to a loss of 94 Fils compared to profit of 0.18 Fils for the same period last year.

The Group registered a total comprehensive loss of BD 19.8 million compared to a total comprehensive income of BD 0.1 million for the same period last year, mainly due to the net loss registered during the current period.

The Group performance was mainly impacted by lower net interest income of BD 2.7 million, 23% lower than the same period last year of BD 3.5 million, and a higher net provision and credit losses charged during the current period of BD 20.4 million, 518% higher than the same period last year of BD 3.3 million. The Group has achieved a total operating income of BD 5.5 million, 18% lower than the same period last year of BD 6.7 million.

Year ended 31 December 2023

During the year ended 31 December 2023, the Group reported a net loss of BD 30.8 million compared to a net profit of BD 3.7 million achieved last year. This resulted in a basic and diluted earnings per share amounted to a loss of 153 Fils compared to profit of 18 Fils last year.

The Group registered a total comprehensive loss of BD 31.8 million compared to a total comprehensive income of BD 8 million last year, mainly due to the net loss registered during the current year.

The Group performance was mainly impacted by lower net interest income of BD 10.6 million, 38% lower than last year of BD 17.2 million, and a higher net provision and credit losses charged during the year ended 31 December 2023 of BD 36 million, 271% higher than last year of BD 9.7 million. The Group has achieved a total operating income of BD 22.8 million which is 22% lower than last year of BD 29.4 million.

Total shareholders' equity stands at BD 101.6 million as of 31 December 2023, 26% lower than 31 December 2022 of BD 137.6 million. The Group's total assets as of 31 December 2023 stands at BD 219.9 million, registering a decrease of 26% compared to 31 December 2022 of BD 298.5 million. The Group's total liabilities reached BD 118.2 million as of 31 December 2023, 26% lower than 31 December 2022 of BD 160.8 million. The decrease in total liabilities is mainly attributable to the repayments of bank term loans and borrowings of BD 84 million, which were partially settled using the excess liquidity available with the Group. The Group remains in a healthy liquidity position with a leverage multiple of 1.2.

The Group gained better insight into the effects of Covid-19 on a segment of its portfolio following the conclusion of the CBB deferral program. Despite implementing various measures to support these customers, a subset of accounts experienced further decline and were subsequently categorized as non-performing during 2023. Such reclassifications have resulted in lower interest income and a lower net loan portfolio compared to last year as well as higher credit losses charged during 2023.

Additionally, due to the tightening of monetary policy and a higher global interest rate environment, the Group's interest expenses rose in 2023 compared to 2022.

Mr. Abdulrahman Fakhro, the Chairman of Bahrain Commercial Facilities Company (BCFC), expressed his satisfaction on the Group's precautionary measures taken in the wake of the challenges in recent years. Mr. Fakhro expressed his confidence in the Group to emerge financially stronger and for BCFC to fortify its leading presence in the various sectors that the Group operates in, while continuing to contribute to the overall economic vision of the Kingdom of Bahrain.

“BCFC continues to benefit from the support of a strong shareholder base and a robust financial position, enabling the Group to continue to achieve its strategic objectives and to deliver on its set targets”.

Mr. Abdulla Bukhawa, the Chief Executive Officer of Bahrain Commercial Facilities Company (BCFC), stated, "BCFC has taken decisive actions that will allow the Group to move forward into a new exciting phase unencumbered by legacy challenges such as the Covid-19 pandemic and others. Our focus is on providing an excellent customer experience, launching innovative products , optimizing internal processes, and introducing digitization across the Group, in parallel with reinforcing the Group’s governance and risk management framework”.

“With the support of the board of directors and a talented management team, we look forward to continue our mission to service our customers based on our values of financial inclusion and to deliver value to our shareholders”.

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

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