

BAHRAIN COMMERCIAL FACILITIES COMPANY B.S.C.
Interim Consolidated Financial Information 30th June 2008



CONDENSED CONSOLIDATED INCOME STATEMENT	6 months ended		3 months ended	
	30th June 2008	30th June 2007	30th June 2008	30th June 2007
<i>For the 6 months ended 30th June</i> <i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
Interest income	8,168	6,058	4,219	3,092
Interest expense	(3,049)	(2,591)	(1,543)	(1,326)
NET INTEREST INCOME	5,119	3,467	2,676	1,766
Automotive sales	44,194	31,509	22,556	17,288
Cost of sales	(39,178)	(27,375)	(20,015)	(15,054)
GROSS PROFIT ON AUTOMOTIVE SALES	5,016	4,134	2,541	2,234
Insurance commission income	474	325	243	173
Gross profit on land activities	567	683	538	5
TOTAL OPERATING INCOME	11,176	8,609	5,998	4,178
Operating and overhead expenses	(4,854)	(4,135)	(2,347)	(2,153)
Impairment allowance on loans and receivables, net of recoveries	(299)	(335)	(271)	(207)
Other income	381	178	330	86
NET PROFIT FOR THE PERIOD	6,404	4,317	3,710	1,904
Earnings per 100 fils share	53.5	36.1	31.0	15.9

CONDENSED CONSOLIDATED BALANCE SHEET AS AT	30th June 2008	31st December 2007
<i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Audited</i>
ASSETS		
Cash and cash equivalents	328	2,379
Loans	143,122	129,995
Trade and other receivables	6,925	5,568
Inventories	17,369	23,010
Property and equipment	12,130	11,490
Total assets	179,874	172,442
LIABILITIES		
Bank overdrafts	4,753	3,330
Trade and other payables	16,846	25,188
Term loans	97,714	84,927
Bonds	19,909	19,890
Total liabilities	139,222	133,335
EQUITY		
Share capital (note 3)	12,100	11,000
Treasury shares	(171)	(171)
Reserves	28,723	28,278
Total equity	40,652	39,107
Total liabilities and equity	179,874	172,442

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share capital	Treasury shares	Statutory reserve	Cash flow hedge revaluation reserve	Donation reserve	General reserve	Retained earnings	Total 2008	Total 2007
<i>For the 6 months ended 30th June</i>									
<i>Expressed in BD'000</i>							<i>Reviewed</i>	<i>Reviewed</i>	
As at 1st January	11,000	(171)	9,782	(1,985)	710	7,500	12,272	39,108	36,676
Net change in fair value of cash flow hedge	-	-	-	(155)	-	-	-	(155)	789
Retained earnings adjustment of subsidiary	-	-	-	-	-	-	-	-	(55)
Total recognised income and expense									
directly in equity	-	-	-	(155)	-	-	-	(155)	789
Net income for the period	-	-	-	-	-	-	6,404	6,404	4,317
Total recognised income and expense									
for the period	-	-	-	(155)	-	-	6,404	6,249	5,106
Directors' fees for 2007	-	-	-	-	-	-	(220)	(220)	(180)
Dividend for 2007	-	-	-	-	-	-	(4,349)	(4,349)	(4,349)
Donations paid	-	-	-	-	(136)	-	-	(136)	(106)
Transferred to donation reserve	-	-	-	-	280	-	(280)	-	-
Bonus shares issued	1,100	-	-	-	-	-	(1,100)	-	-
Transferred to general reserve (2007)	-	-	-	-	-	2,500	(2,500)	-	-
At 30th June 2008	12,100	(171)	9,782	(2,140)	854	10,000	10,227	40,652	37,092

CONSOLIDATED STATEMENT OF CASH FLOWS	2008	2007
<i>For the 6 months ended 30th June</i> <i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Reviewed</i>
Operating activities		
Loan repayments, interest, commission and automotive receipts	91,530	66,151
Cash expended on operations		
Loans disbursed	(52,684)	(34,150)
Payments to suppliers	(41,879)	(29,115)
Sale of land inventory	-	1,420
Payment of operating expenses	(3,761)	(3,609)
Interest paid	(3,048)	(2,591)
CASH FLOWS FROM OPERATING ACTIVITIES	(9,842)	(478)
Investing activities		
Capital expenditure on property and equipment	(1,714)	(707)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,714)	(707)
Financing activities		
Proceeds from term loans net of repayments	12,788	6,401
Dividends paid	(4,349)	(4,349)
Directors' fees paid	(220)	(180)
Donations paid	(136)	(106)
CASH FLOWS FROM FINANCING ACTIVITIES	8,083	1,766
TOTAL CASH FLOWS IN THE PERIOD	(3,474)	581
Cash and cash equivalents at 1st January	(951)	(2,135)
Cash and cash equivalents at 30th June	(4,425)	(1,554)
Cash and cash equivalents comprise:		
Cash and balances with banks	328	72
Bank overdrafts	(4,753)	(1,626)
	(4,425)	(1,554)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the 6 months ended 30th June 2008
Expressed in BD'000

- The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 (interim financial reporting) which allows the interim financial statements to be in summarised forms. The interim financial information has been prepared using the same accounting policies, methods of computation, judgements and estimates adopted in the 2007 audited annual financial statements.
- The performance of the business entities was as follows:

	Turnover		Net Profit	
	2008	2007	2008	2007
Consumer finance	8,168	6,058	3,040	1,870
Automotive	44,194	31,509	2,457	1,607
Insurance	474	325	374	251
Real estate	567	1,462	533*	589
TOTAL	53,403	39,354	6,404	4,317

* Includes profit share on mezzanine financing: BD 500 (2007: nil), which may be non-recurring in nature.

- During the period the Company has increased its fully paid up capital to BD 12,100 by issue of bonus shares of BD 1,100 in the ratio of 1 share for every ten shares held, by capitalising its retained earnings.
- On 24th June 2008 the shareholders of the Company approved a resolution to increase its share capital by way of a rights issue for 42.35 million shares of 100 fils each at a premium of 500 fils per share.
- The Company is an associate of BBK owner of 20.25% of the share capital. The balances due to BBK at 30 June 2008 are BD 12,477 (31 Dec 2007: BD 11,640) for term loans and BD 169 (31 Dec 2007: BD 652) for overdrafts. The balances due to National Bank of Bahrain, owner of 10.48% of the share capital at 30 June 2008 are BD 5,484 (31 Dec 2007: BD 5,584) for term loans and BD 581 (31 Dec 2007: BD 46) for overdrafts. These transactions are conducted on an arms-length basis on normal commercial terms.
- Appropriations for the current year will be made only at the end of the year. At the Annual General Meeting for 2007 held on 15 March 2008, the following appropriations were effected: bonus shares BD 1,100 (2007: nil), final dividend of BD 4,349 (2007: BD 4,349), directors' fee BD 220 (2007: BD 180) and donation reserve BD 280 (2007: BD 280).

Abdulrahman Yusif Fakhro
Chairman

Abdulkareem Ahmed Bucheery
Vice Chairman

Ian Levack
Chief Executive Officer