

BAHRAIN COMMERCIAL FACILITIES COMPANY B.S.C.

Interim Consolidated Financial Information 30 September 2008



CONDENSED CONSOLIDATED INCOME STATEMENT	9 months ended		3 months ended	
	30 Sep 2008	30 Sep 2007	30 Sep 2008	30 Sep 2007
For the 9 months ended 30 September <i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
Interest income	12,504	9,509	4,336	3,451
Interest expense	(4,654)	(3,983)	(1,606)	(1,391)
NET INTEREST INCOME	7,850	5,526	2,730	2,060
Automotive sales	66,367	49,080	22,173	17,571
Cost of sales	(58,941)	(42,747)	(19,763)	(15,372)
GROSS PROFIT ON AUTOMOTIVE SALES	7,426	6,333	2,410	2,199
Insurance commission income	713	521	239	196
Gross profit on land activities	584	1,048	17	365
TOTAL OPERATING INCOME	16,573	13,428	5,396	4,820
Operating and overhead expenses	(7,308)	(6,003)	(2,454)	(1,868)
Impairment allowance on loans and receivables, net of recoveries	(564)	(819)	(265)	(484)
Other income/expenses	345	249	(36)	71
NET PROFIT FOR THE PERIOD	9,046	6,855	2,641	2,539
Earnings per 100 fils share	76	57	22	21

CONDENSED CONSOLIDATED BALANCE SHEET AS AT	30 Sep 2008	31 Dec 2007
<i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Audited</i>
ASSETS		
Cash and cash equivalents	827	2,379
Loans	149,628	129,995
Trade and other receivables	7,316	5,568
Inventories	13,022	23,010
Property and equipment	12,367	11,490
Total assets	183,160	172,442
LIABILITIES		
Bank overdrafts	2,405	3,330
Trade and other payables	17,159	25,188
Term loans	101,106	84,927
Bonds	19,919	19,890
Total liabilities	140,589	133,335
EQUITY		
Share capital (Note 3)	12,100	11,000
Treasury shares	(171)	(171)
Reserves	30,642	28,278
Total equity	42,571	39,107
Total liabilities and equity	183,160	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 (Reviewed)	Total 2007
<i>Expressed in BD'000</i>									
At 1 January	11,000	(171)	9,782	(1,985)	710	7,500	12,271	39,107	36,621
Net change in fair value of cash flow hedge	-	-	-	(841)	-	-	-	(841)	(385)
Total recognised income and expense directly in equity	-	-	-	(841)	-	-	-	(841)	(385)
Net income for the period	-	-	-	-	-	-	9,046	9,046	6,855
Total recognised income and expense for the period	-	-	-	(841)	-	-	9,046	8,205	6,470
Directors' fees for 2007	-	-	-	-	-	-	(220)	(220)	(180)
Dividend for 2007	-	-	-	-	-	-	(4,349)	(4,349)	(4,349)
Donations paid	-	-	-	-	(172)	-	-	(172)	(114)
Transferred to donation reserve	-	-	-	-	280	-	(280)	-	-
Transferred to statutory reserve (2007)	-	-	-	-	-	-	-	-	-
Bonus shares issued	1,100	-	-	-	-	-	(1,100)	-	-
Transferred to general reserve (2007)	-	-	-	-	-	2,500	(2,500)	-	-
At 30 September 2008	12,100	(171)	9,782	(2,826)	818	10,000	12,868	42,571	38,448

CONSOLIDATED STATEMENT OF CASH FLOWS	2008	2007
<i>For the 9 months ended 30 September</i> <i>Expressed in BD'000</i>	<i>Reviewed</i>	<i>Reviewed</i>
Operating activities		
Loan repayments, interest, commission and automotive receipts	136,575	101,656
Cash expended on operations		
Loans disbursed	(77,553)	(56,491)
Payments to suppliers	(58,277)	(41,374)
Sale of land inventory	-	1,420
Sale of Investment property	-	1,821
Payments of operating expenses	(6,414)	(5,474)
Interest paid	(4,654)	(3,982)
CASH FLOWS FROM OPERATING ACTIVITIES	(10,323)	(2,424)
Investing activities		
Capital expenditure on property and equipment	(1,742)	(619)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,742)	(619)
Financing activities		
Proceeds from term loans net of repayments	16,179	7,489
Dividends paid	(4,349)	(4,349)
Directors' fees paid	(220)	(180)
Donations paid	(172)	(114)
CASH FLOWS FROM FINANCING ACTIVITIES	11,438	2,846
TOTAL CASH FLOWS IN THE PERIOD	(627)	(197)
Cash and cash equivalents at 1 January	(951)	(2,135)
Cash and cash equivalents at 30 September	(1,578)	(2,332)
Cash and cash equivalents comprise:		
Cash and balances with banks	827	32
Bank overdrafts	(2,405)	(2,364)
	(1,578)	(2,332)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the 9 months ended 30 September 2008
Expressed in BD'000

1. 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.

2. The performance of the business entities was as follows:

	2008	Turnover 2007	2008	Net Profit 2007
<i>Expressed in BD'000</i>				
Consumer finance	12,504	9,509	4,640	3,042
Automotive	66,367	49,080	3,310	2,492
Insurance	713	521	564	405
Real estate	584	3,300	532*	916
	80,168	62,410	9,046	6,855

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

3. 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.

4. At the Extraordinary General Meeting held 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. This capital increase is fully underwritten and will close on 22 October 2008.

5. The Company is an associate of BBK owner of 20.25% of the share capital. The balances due to BBK at 30 September 2008 are BD 10,651 (31 Dec 2007: BD 11,640) for term loans and BD 217 (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 September 2008 are BD 6,155 (31 Dec 2007: BD 5,584) for term loans and BD 339 (31 Dec 2007: BD 46) for overdrafts. These transactions are conducted on an arms-length basis on normal commercial terms.

6. 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