



BAHRAIN COMMERCIAL FACILITIES COMPANY BSC

Consolidated Financial Statements 31 December 2012

CONSOLIDATED INCOME STATEMENT

for the year ended 31 Dec 2012

Bahraini Dinars in thousands	2012	2011
Interest income	18,649	16,855
Interest expense	(5,397)	(6,065)
Net interest income	13,252	10,790
Automotive sales	58,544	50,526
Cost of sales	(50,722)	(44,818)
Gross profit on automotive sales	7,822	5,708
Insurance commission income	661	616
Profit from sale of land inventory	1,566	-
Rental income	267	165
TOTAL OPERATING INCOME	23,568	17,279
Operating expenses	10,437	8,145
Impairment allowance on loans and receivables, net of recoveries	1,263	1,128
Other income, net	(445)	(681)
PROFIT FOR THE YEAR	12,313	8,687
Basic and diluted earnings per 100 fils share	76 fils	54 fils
Proposed cash dividend per 100 fils share	40 fils	35 fils

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 Dec 2012

Bahraini Dinars in thousands	2012	2011
Profit for the year	12,313	8,687
Other comprehensive income		
- Net change in cash flow hedge reserve	1,793	1,863
- Transferred to profit or loss on de-designation of hedge	229	(229)
Total other comprehensive income for the year	2,022	1,634
Total comprehensive income for the year	14,335	10,321

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 Dec 2012

Bahraini Dinars in thousands	2012	2011
ASSETS		
Cash and balances with banks	1,912	3,901
Loans and advances to customers	150,543	135,596
Trade and other receivables	4,753	3,524
Inventories	16,427	15,328
Investment properties	2,184	1,245
Property and equipment	16,674	16,279
Other assets	1,168	715
Total assets	193,661	176,588
LIABILITIES AND EQUITY		
LIABILITIES		
Bank overdrafts	781	31
Trade and other payables	13,654	16,833
Bank term loans	87,113	75,955
Bonds issued	6,663	6,632
Total liabilities	108,211	99,451
EQUITY		
Share capital	15,736	15,736
Reserves and retained earnings	69,714	61,401
Total equity	85,450	77,137
Total liabilities and equity	193,661	176,588

SEGMENTAL INFORMATION

for the year ended 31 Dec 2012

Bahraini Dinars in thousands	Operating income		Net profit	
	2012	2011	2012	2011
Consumer finance	13,252	10,790	6,660	5,683
Automotive	7,822	5,708	3,478	2,425
Insurance	661	616	544	494
Real estate	1,833	165	1,631	85
Total	23,568	17,279	12,313	8,687

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 Dec 2012

Bahraini Dinars in thousands	2012	2011
Cash flow from operating activities		
Loan repayments, interest received and other receipts	88,691	80,938
Automotive receipts	57,452	50,375
Insurance commission received	663	562
Proceeds from sale of land inventory	5,937	-
Rental income received	275	163
Loans disbursed	(86,639)	(62,490)
Payments to automotive suppliers	(57,161)	(32,931)
Payment for land held as inventory	-	(4,942)
Payments for operating expenses	(7,474)	(5,765)
Directors' fees paid	(220)	(220)
Interest paid	(6,088)	(6,200)
Net cash (used in)/ generated from operating activities	(4,564)	19,490
Cash flow investing activities		
Capital expenditure on property and equipment	(2,971)	(3,630)
Purchase of investment properties	(1,031)	(1,287)
Proceeds from sale of property and equipment	872	938
Net cash used in investing activities	(3,130)	(3,979)
Cash flow from financing activities		
Bank term loans availed	31,787	29,407
Repayment of bank term loans	(20,810)	(23,776)
Bonds matured	-	(10,000)
Dividends paid	(5,640)	(5,640)
Donations paid	(382)	(283)
Net cash generated from/ (used in) financing activities	4,955	(10,292)
Net (decrease)/ increase in cash and cash equivalents	(2,739)	5,219
Cash and cash equivalents at 1 January	3,870	(1,349)
Cash and cash equivalents at 31 December	1,131	3,870
Cash and cash equivalents comprise:		
Cash and balances with banks	1,912	3,901
Bank overdrafts	(781)	(31)

Notice of the Shareholders' Ordinary Annual General Meeting

The Board of Directors of Bahrain Commercial Facilities Company BSC cordially invites the shareholders to attend the Ordinary Annual General Meeting to be held on Tuesday 19 March 2013, at 10:00 AM, at Al-Fanar Hall 14th Floor, The Diplomat Radisson Blu Hotel in Manama - Kingdom of Bahrain, to discuss the below agenda.

Agenda of the Ordinary Annual General Meeting:

- To read and approve the minutes of the last Annual General Meeting held on 20 March 2012.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2012.
- To receive the auditor's report on the financial statements for the year ended 31 December 2012.
- To review and approve the Company's financial statements for the year ended 31 December 2012.
- To appropriate the net profit for the year upon recommendations of the Board of Directors as follows:
 - Distribution of cash dividends of 40% of paid-up capital at 40 Fils per share (BD 6,445,724).
 - Transfer of BD 1,500,000 to the General Reserve.
 - Allocation of BD 280,000 for the Charity and Donation Fund.
 - Transfer of BD 4,087,276 to Retained Earnings.
- To approve BD 275,000 for the Board of Directors' Remuneration for 2012.
- To approve the validity to issue new bonds up to BD 20 million. Terms and conditions shall be determined by the Board of Directors, subject to the CBB prior approval.
- To receive and approve the Board of Directors' Report on Corporate Governance Compliance.
- To absolve the members of the Board from liability for their actions during the year ended 31 December 2012.
- To appoint / re-appoint the external auditors for 2013, subject to the CBB prior approval, and authorize the Board of Directors to determine their remuneration.

Abdulrahman Yusuf Fakhro
Chairman of the Board

Notes:

- Shareholders wishing to be represented by other persons at the AGM are invited to get proxies from the Company's share registrar M/S Fakhro Karvy Computershare W.L.L. (previously BSRC), Office No. 74, 7th Floor, Al-Zamil Tower, Building 31, Road 363, Block 305, P.O. Box 710, Tel: 17215080, Fax: 17212055 - 17910621, email: Bahrain.helpdesk@karvy.com, Manama, Kingdom of Bahrain, effective from Monday 25 February 2013.
- This proxy must be deposited at least 48 hours prior to the Meeting date with Fakhro Karvy.
- Board of Directors shall not act as proxies and the appointed proxy shall not represent a proxy more than 5% of the issued and paid-up share capital of the Company.
- If the quorum for the said AGM is not obtained, a second meeting with the same agenda shall be held on Tuesday 26 March 2013 at the same time and place. Again, if the quorum for the said second meeting of AGM is not obtained, a third meeting with the same agenda shall be held on Tuesday 02 April 2013 at the same time and place.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 Dec 2012

Bahraini Dinars in thousands

	Share capital	Treasury shares	Statutory reserve	Cash flow hedge reserve	Donations reserve	General reserve	Retained earnings	Total
At 1 January 2012	16,335	(599)	33,542	(4,327)	1,009	14,250	16,927	77,137
2011 appropriations (approved by shareholders):								
- Donation declared (2011)	-	-	-	-	280	-	(280)	-
- Transfer to general reserve (2011)	-	-	-	-	-	1,500	(1,500)	-
Balance after 2011 appropriations	16,335	(599)	33,542	(4,327)	1,289	15,750	15,147	77,137
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	12,313	12,313
Other comprehensive income								
- Net changes in cash flow hedge reserve	-	-	-	2,022	-	-	-	2,022
Total comprehensive income for the year	-	-	-	2,022	-	-	12,313	14,335
Transactions with equity holders, recognised directly in equity								
Dividend to equity holders	-	-	-	-	-	-	(5,640)	(5,640)
Total distributions to equity holders	-	-	-	-	-	-	(5,640)	(5,640)
Utilisation of donation	-	-	-	-	(382)	-	-	(382)
At 31 December 2012	16,335	(599)	33,542	(2,305)	907	15,750	21,820	85,450

The Board of Directors approved the consolidated financial statements on 20 February 2013 and signed on its behalf by:

Abdulrahman Yusuf Fakhro
Chairman

Abdulkarim Ahmed Buceery
Vice Chairman

Dr. Adel Hubail
Chief Executive Officer

The above consolidated financial information has been extracted from the Company's consolidated financial statements audited by KPMG, who expressed an unqualified opinion on 20 February 2013.