



BAHRAIN COMMERCIAL FACILITIES COMPANY BSC

Consolidated Financial Statements 31 December 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the year ended 31 December 2013

Bahraini dinars in thousands	2013	2012
Interest income	18,017	15,867
Interest expense	(5,087)	(5,397)
Net interest income	12,930	10,470
Automotive sales	64,617	58,544
Cost of sales	(57,390)	(50,722)
Gross profit on automotive sales	7,227	7,822
Fee and commission income	4,300	3,443
Profit from sale of land inventory	678	1,566
Rental income	453	267
Total operating income	25,588	23,568
Operating expenses	11,195	10,437
Impairment allowance on loans and receivables, net of recoveries	1,658	1,263
Other income, net	(333)	(445)
Profit for the year	13,068	12,313
Basic and diluted earnings per 100 fils share	81 fils	76 fils
Proposed cash dividend per 100 fils share	40 fils	40 fils

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2013

Bahraini dinars in thousands	2013	2012
Profit for the year	13,068	12,313
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss in subsequent periods</i>		
Net change in cash flow hedge reserve	1,005	1,793
Transferred to profit or loss on de-designation of hedge	-	229
Total other comprehensive income for the year	1,005	2,022
Total comprehensive income for the year	14,073	14,335

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 18 March 2014, 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 19 March 2013.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2013.
- To receive the auditor's report on the financial statements for the year ended 31 December 2013.
- To review and approve the Company's financial statements for the year ended 31 December 2013.
- 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 4,842,413 to Retained Earnings.
- To approve BD 297,000 for the Board of Directors' Remuneration for 2013.
- 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 2013.
- To elect five members to the Board of Directors for the next three years, subject to the CBB prior approval.
- To appoint / re-appoint the external auditors for 2014, subject to the CBB prior approval, and authorize the Board of Directors to determine their remuneration.
- Any other business.

Abdulrahman Yusuf Fakhro

Chairman of the Board

Notes:

- Shareholders wishing to stand for election to the Board of Directors for the next three years, must submit in writing to the Secretary to the Board, signed requests expressing their intention to do so, including personal details, resumes and number of shares owned, to P. O. Box: 1175, by Fax: 17787276, Email: jalmousavi@bahraincard.com.bh by Monday 03 March 2014, at 03:00 PM, in order to clear candidacies with the Central Bank of Bahrain.
- 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., Office No. 74, 7th Floor, Al-Zamil Tower, Building 31, Road 383, Block 305, P.O. Box 710, Tel.: 17215080, Fax: 17212055 - 17910621, email: Bahrain.helpdesk@karvy.com, Manama, Kingdom of Bahrain, effective from Monday 24 February 2014.
- This proxy must be deposited at least 48 hours prior to the Meeting date with the Share Registrar.
- 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 25 March 2014 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 01 April 2014 at the same time and place.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2013

Bahraini dinars in thousands	31 st December 2013	31 st December 2012
Assets		
Cash and balances with banks	2,288	1,912
Loans and advances to customers	174,295	150,543
Trade receivables	4,859	4,753
Inventories	25,259	16,427
Investment properties	3,473	2,184
Property and equipment	17,607	16,674
Other assets	900	1,168
Total assets	228,681	193,661
Liabilities and equity		
Liabilities		
Bank overdrafts	49	781
Trade and other payables	20,340	13,654
Bank term loans	95,678	87,113
Bonds issued	19,789	6,663
Total liabilities	135,856	108,211
Equity		
Share capital	16,335	16,335
Treasury shares	(599)	(599)
Statutory reserve	33,542	33,542
Other reserves	16,885	14,352
Retained earnings	26,662	21,820
Total equity	92,825	85,450
Total liabilities and equity	228,681	193,661

SEGMENTAL INFORMATION for the year ended 31 December 2013

Bahraini dinars in thousands	Operating income		Net profit	
	2013	2012	2013	2012
Lending	16,426	13,252	8,999	6,660
Automotive	7,227	7,822	2,705	3,478
Insurance	804	661	652	544
Real estate	1,131	1,833	712	1,631
	25,588	23,568	13,068	12,313

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2013

Bahraini dinars in thousands	2013	2012
Cash flow from operating activities		
Loan repayments, interest received and other credit related receipts	95,248	88,691
Receipts from automotive sales	64,832	57,452
Insurance commission income received	690	663
Proceeds from sale of land inventory	2,548	5,937
Rental income received	455	275
Loans and advances to customers disbursed	(99,122)	(86,639)
Payments to automotive suppliers	(56,351)	(57,161)
Payment for land held as inventory	(4,259)	-
Payments for operating expenses	(9,401)	(7,474)
Change in restricted cash	(251)	(234)
Directors' fees paid	(275)	(220)
Interest paid	(4,989)	(6,088)
Net cash used in operating activities	(10,875)	(4,798)
Cash flow from investing activities		
Capital expenditure on property and equipment	(3,468)	(2,971)
Purchase of investment properties	(1,448)	(1,031)
Proceeds from sale of property and equipment	888	872
Net cash used in investing activities	(4,028)	(3,130)
Cash flow from financing activities		
Bank term loans availed	108,807	31,787
Bank term loans repaid	(99,649)	(20,810)
Proceeds from bonds issuance	20,000	-
Bonds matured	(6,700)	-
Dividends paid	(6,312)	(5,655)
Donations paid	(252)	(382)
Net cash generated from financing activities	15,894	4,940
Net increase / (decrease) in cash and cash equivalents	991	(2,988)
Cash and cash equivalents at 1 January	818	3,806
Cash and cash equivalents at 31 December	1,809	818
Cash and cash equivalents comprise:		
Cash and balances with banks	2,288	1,912
Less:		
Restricted cash	(430)	(313)
Bank overdrafts	(49)	(781)
	1,809	818

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2013

Bahraini dinars in thousands	Share capital		Reserves and retained earnings					Total equity
	Share capital	Treasury shares	Statutory reserve*	Cash flow hedge reserve	Donations reserve	General reserve	Retained earnings	
2013								
At 1 January 2013	16,335	(599)	33,542	(2,305)	907	15,750	21,820	85,450
2012 appropriations (approved by shareholders):								
- Donation declared for 2012	-	-	-	-	280	-	(280)	-
- Transfer to general reserve for 2012	-	-	-	-	-	1,500	(1,500)	-
Balance after 2012 appropriations	16,335	(599)	33,542	(2,305)	1,187	17,250	20,040	85,450
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	13,068	13,068
Other comprehensive Income	-	-	-	1,005	-	-	-	1,005
- Net changes in cash flow hedge reserve	-	-	-	1,005	-	-	-	1,005
Total comprehensive income for the year	-	-	-	1,005	-	-	13,068	14,073
Transactions with equity holders, recognised directly in equity								
Dividend to equity holders	-	-	-	-	-	-	(6,446)	(6,446)
Total distributions to equity holders	-	-	-	-	-	-	(6,446)	(6,446)
Utilisation of donation	-	-	-	-	(252)	-	-	(252)
At 31 December 2013	16,335	(599)	33,542	(1,300)	935	17,250	26,662	92,825

*Includes BD 25,292 of share premium.

The Board of Directors approved the consolidated financial statements on 19 February 2014 and signed on its behalf by

Abdulrahman Yusuf Fakhro
Chairman

Abdulkarim Ahmed Bucheery
Vice Chairman

Dr. Adel Hubail
Chief Executive Officer

The above condensed consolidated financial information has been extracted from the Company's Consolidated Financial Statements audited by KPMG, who expressed an unqualified opinion on 19 February 2014.

The Company is licensed and regulated by the Central Bank of Bahrain as a Financing Company.