



# Bahrain Commercial Facilities Company BSC

## Consolidated Financial Statements 31 December 2011

### CONSOLIDATED INCOME STATEMENT

for the year ended 31 Dec 2011

Bahraini Dinars in thousands	2011	2010
Interest income	16,855	17,344
Interest expense	(6,065)	(6,116)
<b>Net interest income</b>	<b>10,790</b>	<b>11,228</b>
Automotive sales	50,526	55,022
Cost of sales	(44,818)	(48,922)
<b>Gross profit on automotive sales</b>	<b>5,708</b>	<b>6,100</b>
Insurance commission income	616	708
Other income	846	547
<b>TOTAL INCOME</b>	<b>17,960</b>	<b>18,583</b>
Salaries and related costs	3,859	3,690
General and administrative costs	2,105	2,216
Selling and promotion costs	645	1,053
Other operating expenses	840	1,523
Impairment provision for loans	1,824	1,545
<b>TOTAL EXPENSES</b>	<b>9,273</b>	<b>10,027</b>
<b>PROFIT FOR THE YEAR</b>	<b>8,687</b>	<b>8,556</b>
<b>Basic earnings per 100 fils share</b>	<b>54 fils</b>	<b>53 fils</b>
<b>Proposed cash dividend per 100 fils share</b>	<b>35 fils</b>	<b>35 fils</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 Dec 2011

Bahraini Dinars in thousands	2011	2010
<b>PROFIT FOR THE YEAR</b>	<b>8,687</b>	<b>8,556</b>
<b>Other comprehensive income</b>		
Revaluation reserve (cash flow hedge)		
- Net changes in fair value	1,863	346
- Amount transfer to profit and loss on de-designation of hedge	(229)	-
<b>Total other comprehensive income for the year</b>	<b>1,634</b>	<b>346</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>10,321</b>	<b>8,902</b>

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 Dec 2011

Bahraini Dinars in thousands	2011	2010
<b>ASSETS</b>		
Cash and cash equivalents	3,901	1,436
Loans	135,596	138,294
Trade and other receivables	3,524	2,951
Inventories	15,328	17,281
Investment properties	1,245	-
Property and equipment	16,279	15,357
Other assets	715	766
<b>Total assets</b>	<b>176,588</b>	<b>176,085</b>
<b>LIABILITIES</b>		
Bank overdrafts	31	2,785
Trade and other payables	16,833	13,636
Term loans	75,955	70,325
Bonds	6,632	16,600
<b>Total liabilities</b>	<b>99,451</b>	<b>103,346</b>
<b>EQUITY</b>		
Share capital	16,335	16,335
Treasury shares	(599)	(599)
Reserves and retained earnings	61,401	57,003
<b>Total equity</b>	<b>77,137</b>	<b>72,739</b>
<b>Total liabilities and equity</b>	<b>176,588</b>	<b>176,085</b>

### SEGMENT INFORMATION

for the year ended 31 Dec 2011

Bahraini Dinars in thousands	Operating income		Net profit	
	2011	2010	2011	2010
Consumer finance	10,790	11,228	5,683	6,101
Automotive	5,708	6,100	2,425	1,922
Insurance	616	708	494	508
Real estate	165	53	85	25
<b>Total</b>	<b>17,279</b>	<b>18,089</b>	<b>8,687</b>	<b>8,556</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 Dec 2011

Bahraini Dinars in thousands	2011	2010
<b>OPERATING ACTIVITIES</b>		
Loan repayments, interest and other receipts	81,718	81,296
Receipt from automotive sales and other services	49,952	55,616
<b>Cash expended on operations</b>		
Loans disbursed	(62,490)	(58,121)
Payments to automotive suppliers	(32,662)	(52,798)
Payment for land held as inventory	(4,942)	-
Payments for staff salaries and related costs	(3,488)	(3,297)
Directors' fees paid	(220)	(220)
Payments of other operating expenses	(2,178)	(3,643)
Interest paid	(6,200)	(6,130)
<b>Cash generated from operating activities</b>	<b>19,490</b>	<b>12,703</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditure on property and equipment	(3,630)	(4,215)
Purchase of investment properties	(1,287)	-
Proceeds from sale of property and equipment	938	658
<b>Cash used in investing activities</b>	<b>(3,979)</b>	<b>(3,557)</b>
<b>FINANCING ACTIVITIES</b>		
Term loans availed	5,631	691
Bonds matured	(10,000)	(10,000)
Bonds issued	-	6,700
Dividends paid	(5,640)	(5,640)
Donations paid	(283)	(178)
<b>Cash used in financing activities</b>	<b>(10,292)</b>	<b>(8,427)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,219</b>	<b>719</b>
Cash and cash equivalents at beginning of the year	(1,349)	(2,068)
<b>Cash and cash equivalents at 31 December</b>	<b>3,870</b>	<b>(1,349)</b>
Cash and cash equivalents comprise:		
Cash and balances with banks	3,901	1,436
Bank overdrafts	(31)	(2,785)
<b>Total</b>	<b>3,870</b>	<b>(1,349)</b>

### 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 20 March 2012, at 10:00 AM, at the Grand Ambassador Conference Room, 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 28 March 2011.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2011.
- To receive the auditor's report on the financial statements for the year ended 31 December 2011.
- To review and approve the Company's financial statements for the year ended 31 December 2011.
- To appropriate the net profit for the year upon recommendations of the Board of Directors as follows:
  - Distribution of cash dividends of 35% of paid-up capital at 35 Fils per share (BD 5,640,009).
  - Transfer of BD 1,500,000 to the General Reserve.
  - Allocation of BD 280,000 for the Charity and Donation Fund.
  - Transfer of BD 1,266,991 to Retained Earnings.
- To approve BD 220,000 for the Board of Directors' Remuneration for 2011.
- 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 2011.
- To appoint / re-appoint the external auditors for 2012, 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 Bahrain Shares Registering Company W.L.L. BSRC (previously KPMG Fakhro), Hedayia House (2) 5th Floor, Government Avenue, P.O. Box 710, Tel.: 17215080, Fax: 17212055 - 17910621, email: helpdesk@bsrc.bh, Manama Kingdom of Bahrain, effective from Sunday 26 February 2012.
- This proxy must be deposited at least 48 hours prior to the Meeting date with BSRC.
- 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 27 March 2012 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 03 April 2012 at the same time and place.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 Dec 2011

Bahraini Dinars in thousands	Share capital	Treasury shares	Statutory reserve	Cash flow hedge revaluation reserve	Donations reserve	General reserve	Retained earnings	Total
<b>2011</b>								
At 1 January 2011	16,335	(599)	33,542	(5,961)	1,012	12,750	15,660	72,739
<b>2010 appropriations</b>								
(approved by shareholders):								
Donation declared (2010)	-	-	-	-	280	-	(280)	-
Transfer to general reserve (2010)	-	-	-	-	-	1,500	(1,500)	-
<b>Balance after 2010 appropriations</b>	<b>16,335</b>	<b>(599)</b>	<b>33,542</b>	<b>(5,961)</b>	<b>1,292</b>	<b>14,250</b>	<b>13,880</b>	<b>72,739</b>
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	-	-	8,687	8,687
Other comprehensive income								
Cash flow fair value changes (net)	-	-	-	1,634	-	-	-	1,634
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,634</b>	<b>-</b>	<b>-</b>	<b>8,687</b>	<b>10,321</b>
<b>Transactions with equity holders, recognised directly in equity</b>								
Dividend to equity holders	-	-	-	-	-	-	(5,640)	(5,640)
<b>Total distributions to equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,640)</b>	<b>(5,640)</b>
Utilisation of donation	-	-	-	-	(283)	-	-	(283)
<b>At 31 December 2011</b>	<b>16,335</b>	<b>(599)</b>	<b>33,542</b>	<b>(4,327)</b>	<b>1,009</b>	<b>14,250</b>	<b>16,927</b>	<b>77,137</b>

The Board of Directors approved the consolidated financial statements on 21 February 2012 and signed on its behalf by:

Abdulrahman Yusuf Fakhro  
Chairman

Abdulkarim Ahmed Bucheery  
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 21 February 2012.

The company is licensed and regulated by the Central Bank of Bahrain as a financing company.