



BAHRAIN COMMERCIAL FACILITIES COMPANY BSC

Consolidated Financial Statements 31 December 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the year ended 31 December 2014

Bahraini dinars in thousands	2014	2013
Interest income	20,577	18,017
Interest expense	(5,858)	(5,087)
Net interest income	14,719	12,930
Automotive sales	67,549	64,617
Cost of sales	(59,878)	(57,390)
Gross profit on automotive sales	7,671	7,227
Fee and commission income	5,195	4,300
Profit from sale of land inventory	1,745	678
Rental income	607	453
Total operating income	29,937	25,588
Salaries and related costs	(5,619)	(4,732)
Other operating expenses	(8,004)	(6,463)
Impairment allowance on loans and receivables, net of recoveries	(2,380)	(1,658)
Other income	574	333
Profit for the year	14,508	13,068
Basic and diluted earnings per 100 fils share	90 fils	81 fils
Proposed cash dividend per 100 fils share	45 fils	40 fils

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2014

Bahraini dinars in thousands	2014	2013
Profit for the year	14,508	13,068
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss</i>		
Net change in cash flow hedge reserve	747	1,005
Total other comprehensive income for the year	747	1,005
Total comprehensive income for the year	15,255	14,073

Notice of the Shareholders' Ordinary Annual General Meeting

The Board of Directors of Bahrain Commercial Facilities Company B.S.C. cordially invites the shareholders to attend the Ordinary Annual General Meeting to be held on Tuesday 17 March 2015, 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 18 March 2014.
- To review and approve the Board of Directors' report on the activities of the Company for the year ended 31 December 2014.
- To receive the auditor's report on the financial statements for the year ended 31 December 2014.
- To review and approve the Company's financial statements for the year ended 31 December 2014.
- To appropriate the net profit for the year upon recommendations of the Board of Directors as follows:
 - Distribution of cash dividends of 45% of paid-up share capital at 45 Fils per share (BD 7,251,440), subject to the CBB prior approval.
 - Transfer of BD 1,500,000 to the General Reserve.
 - Allocation of BD 300,000 for the Charity and Donation Fund.
 - Transfer of BD 5,456,100 to Retained Earnings.
 - Approval of a proposal to pay BD 330,000 for the Board of Directors' Remuneration for 2014, subject to the CBB prior approval.
- To approve the validity to issue new bonds up to BD 10 million. Terms and conditions shall be determined by the Board of Directors, subject to the CBB prior approval.
- To review the Company's Corporate Governance Report and its compliance with the CBB regulatory requirements for the year ended 31 December 2014.
- To absolve the members of the Board from liability for their actions during the year ended 31 December 2014.
- To appoint / re-appoint the external auditors for 2015, subject to the CBB prior approval, and authorize the Board of Directors to determine their remuneration.
- Any other business in accordance with Article (207) of the Commercial Companies Law.

Abdulahman Yusuf Fakhro
Chairman of the Board

Notes:

- Shareholders wishing to be represented by other persons at the AGM are invited to get proxies and Financial Statements 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 Sunday 22 February 2015.
- This proxy must be deposited at least 48 hours prior to the Meeting date with the Share Registrar.
- Any shareholder, whose name is registered in the list of the company's shareholders as of the date of the AGM, has the right to attend the AGM in person or by written proxy to vote on his/her behalf in the said meeting. Neither the Board of Directors nor the company's staff shall act as proxies.
- If the quorum for the said AGM is not obtained, a second meeting with the same agenda shall be held on Tuesday 24 March 2015 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 31 March 2015 at the same time and place.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2014

Bahraini dinars in thousands	31 December 2014	31 December 2013
Assets		
Cash and balances with banks	2,312	2,288
Loans and advances to customers	198,500	174,295
Trade receivables	6,518	4,859
Inventories	30,391	25,259
Investment properties	5,362	3,473
Property and equipment	17,979	17,643
Other assets	1,070	864
Total assets	262,132	228,681
Liabilities and equity		
Liabilities		
Bank overdrafts	757	49
Trade and other payables	18,575	20,340
Bank term loans	101,782	95,678
Bonds issued	39,701	19,789
Total liabilities	160,815	135,856
Equity		
Share capital	16,335	16,335
Treasury shares	(599)	(599)
Statutory reserve	33,542	33,542
Other reserves	19,095	16,885
Retained earnings	32,944	26,662
Total equity	101,317	92,825
Total liabilities and equity	262,132	228,681

SEGMENTAL INFORMATION for the year ended 31 December 2014

Bahraini dinars in thousands	Operating income		Net profit	
	2014	2013	2014	2013
Lending	18,911	16,426	9,807	8,999
Automotive	7,721	7,227	2,002	2,705
Real estate	2,352	1,131	1,886	712
Insurance	964	804	813	652
	29,948	25,588	14,508	13,068

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2014

Bahraini dinars in thousands	2014	2013
Cash flow from operating activities		
Loan repayments, interest received and other credit related receipts	113,441	95,248
Receipts from automotive sales	66,328	64,832
Insurance commission received	880	690
Proceeds from sale of land inventory	4,466	2,548
Rent received	601	455
Loans and advances to customers disbursed	(115,203)	(99,122)
Payments to automotive suppliers	(60,452)	(56,602)
Payment for land held as inventory	(8,503)	(4,259)
Payments for operating expenses	(11,432)	(9,365)
Directors' fees paid	(297)	(275)
Interest paid	(5,279)	(4,989)
Net cash used in operating activities	(15,450)	(10,839)
Cash flow from investing activities		
Capital expenditure on property and equipment	(3,062)	(3,504)
Purchase of investment properties	(2,655)	(1,448)
Proceeds from sale of property and equipment	848	888
Proceeds from sale of an investment property	712	-
Net cash used in investing activities	(4,157)	(4,064)
Cash flow from financing activities		
Bank term loans availed	58,040	108,807
Bank term loans repaid	(52,120)	(99,649)
Proceeds from bonds issuance	19,981	20,000
Bonds matured	-	(6,700)
Dividends paid	(6,560)	(6,312)
Donations paid	(317)	(252)
Net cash generated from financing activities	19,024	15,894
Net (decrease) / increase in cash and cash equivalents	(583)	991
Cash and cash equivalents at 1 January	1,809	818
Cash and cash equivalents at 31 December	1,226	1,809
Cash and cash equivalents comprise:		
Cash and balances with banks	2,312	2,288
Less:		
Restricted cash	(329)	(430)
Bank overdrafts	(757)	(49)
	1,226	1,809

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2014

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	
2014								
At 1 January 2014	16,335	(599)	33,542	(1,300)	935	17,250	26,662	92,825
2013 appropriations (approved by shareholders):								
- Donation declared for 2013	-	-	-	-	280	-	(280)	-
- Transfer to general reserve for 2013	-	-	-	-	-	1,500	(1,500)	-
Balance after 2013 appropriations	16,335	(599)	33,542	(1,300)	1,215	18,750	24,882	92,825
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	14,508	14,508
Other comprehensive Income	-	-	-	747	-	-	-	747
- Net changes in cash flow hedge reserve	-	-	-	747	-	-	-	747
Total comprehensive income for the year	-	-	-	747	-	-	14,508	15,255
Transactions with equity holders, recognised directly in equity								
Dividend declared for 2013	-	-	-	-	-	-	(6,446)	(6,446)
Total distributions to shareholders	-	-	-	-	-	-	(6,446)	(6,446)
Utilisation of donation	-	-	-	-	(317)	-	-	(317)
At 31 December 2014	16,335	(599)	33,542	(553)	898	18,750	32,944	101,317

The Board of Directors approved the consolidated financial statements on 17 February 2015 and signed on its behalf by

Abdulahman 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 17 February 2015.

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