BAHRAIN COMMERCIAL FACILITIES COMPANY BSC

Consolidated Financial Statements 31 December 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS for the year ended 31 December 2016

Bahraini dinars in thousands	2016	2015
Interest income	30,020	24,301
Interest expense	(8,162)	(6,397)
Net interest income	**21,858**	17,904
Automotive sales	60,900	69,748
Cost of sales	(54,172)	(62,167)
Gross profit on automotive sales	**6,728**	7,581
Fee and commission income	8,501	6,795
Profit from sale of land inventory	2,599	1,876
Rental income	710	631
Total operating income	**40,396**	34,787
Salaries and related costs	(7,385)	(6,737)
Other operating expenses	(10,027)	(8,923)
Impairment allowance on loans and receivables, net of recoveries	(4,027)	(2,864)
Other income	953	1,146
Profit for the year	**19,910**	17,409
Basic and diluted earnings per 100 fils share	124 fils	108 fils
Proposed cash dividend per 100 fils share	50 fils	45 fils

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2016

Bahraini dinars in thousands	2016	2015
Profit for the year	**19,910**	17,409
Other comprehensive income:		
Items that are or may be reclassified to profit or loss:		
Net change in cash flow hedge reserve	537	329
Total other comprehensive income for the year	**537**	329
Total comprehensive income for the year	**20,447**	17,738

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2016

Bahraini dinars in thousands	31 December 2016	31 December 2015
Assets		
Cash and balances with banks	2,313	1,669
Loans and advances to customers	270,126	230,362
Trade receivables	8,642	8,066
Inventories	35,596	36,674
Investment properties	7,054	6,061
Property and equipment	24,424	19,859
Other assets	2,607	1,906
Total assets	**350,762**	304,597
Liabilities and equity		
Liabilities		
Bank overdrafts	1,073	1,411
Trade and other payables	15,363	22,155
Bank term loans	170,204	129,845
Bonds issued	39,829	39,766
Total liabilities	**226,469**	193,177
Equity		
Share capital	16,335	16,335
Treasury shares	(599)	(599)
Statutory reserve	33,542	33,542
Other reserves	22,854	20,840
Retained earnings	52,161	41,302
Total equity	**124,293**	111,420
Total liabilities and equity	**350,762**	304,597

SEGMENTAL INFORMATION for the year ended 31 December 2016

Bahraini dinars in thousands	Operating income		Net profit	
	2016	2015	**2016**	2015
Lending	29,020	23,442	14,502	12,244
Automotive	6,758	7,646	1,704	2,062
Real estate	3,309	2,508	2,624	2,093
Insurance	1,309	1,191	1,080	1,010
	40,396	**34,787**	**19,910**	**17,409**

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2016

Bahraini dinars in thousands	2016	2015
Cash flow from operating activities		
Loan repayments, interest received and credit card related receipts	230,566	180,223
Receipts from automotive sales	60,878	69,059
Insurance commission received	1,325	1,059
Proceeds from sale of land inventory	9,122	7,524
Rental received	697	624
Loans and advances to customers disbursed	(237,066)	(185,006)
Payments to automotive suppliers	(58,320)	(62,733)
Payment for land held as inventory	(10,500)	(7,528)
Payments for operating expenses	(13,881)	(12,864)
Directors' fees paid	(350)	(325)
Interest paid	(8,711)	(7,123)
Net cash used in operating activities	**(26,240)**	(17,090)
Cash flows from investing activities		
Capital expenditure on property & equipment	(5,899)	(5,328)
Purchase of investment properties	(1,446)	(1,843)
Proceeds from sale of property & equipment	769	1,001
Proceeds from sale of an investment property	822	1,287
Net cash used in investing activities	**(5,754)**	(4,883)
Cash flows from financing activities		
Bank term loans availed - Net	40,642	28,225
Dividends paid	(7,250)	(7,252)
Donations paid	(323)	(384)
Net cash generated from financing activities	**33,069**	20,589
Net increase /(decrease) in cash and cash equivalents	**1,075**	(1,384)
Cash and cash equivalents at 1 January	(158)	1,226
Cash and cash equivalents at 31 December	**917**	(158)
Cash and cash equivalents comprise:		
Cash and balances with banks	2,313	1,669
Less:		
Restricted cash	(323)	(416)
Bank overdrafts	(1,073)	(1,411)
	917	(158)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2016

Bahraini dinars in thousands	Share capital		Reserves and retained earnings					
2016	**Share capital**	**Treasury shares**	**Statutory reserve**	**Cash flow hedge reserve**	**Donation reserve**	**General reserve**	**Retained earnings**	**Total equity**
At 1 January 2016	16,335	(599)	33,542	(224)	814	20,250	41,302	111,420
2015 appropriations (approved by shareholders):								
- Donation declared for 2015	-	-	-	-	300	-	(300)	-
- Transfer to general reserve for 2015	-	-	-	-	-	1,500	(1,500)	-
Balance after 2015 appropriations	**16,335**	**(599)**	**33,542**	**(224)**	**1,114**	**21,750**	**39,502**	**111,420**
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	19,910	19,910
Other comprehensive Income								
- Net change in cash flow hedge reserve	-	-	-	537	-	-	-	537
Total comprehensive income for the year	-	-	-	**537**	**-**	**-**	**19,910**	**20,447**
Transactions with equity holders, recognised directly in equity								
Dividend declared for 2015	-	-	-	-	-	-	(7,251)	(7,251)
Total distributions to shareholders	-	-	-	-	-	-	(7,251)	(7,251)
Utilisation of donation	-	-	-	-	(323)	-	-	(323)
At 31 December 2016	**16,335**	**(599)**	**33,542**	**313**	**791**	**21,750**	**52,161**	**124,293**

The Board of Directors approved the consolidated financial statements on 28 February 2017 and signed on its behalf by:

Abdulrahman Yusuf Fakhro
Chairman

Reyadh Yusuf Hasan Sater
Vice Chairman

Dr. Adel Hubail
Chief Executive Officer

The above consolidated financial statements has been audited by KPMG, who expressed an unqualified opinion on 28 February 2017.

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