

NATIONAL FINANCE HOUSE BSC (c)

Financial Statements as at 31 December 2008

(All amounts are in Bahraini Dinars)



BALANCE SHEET as at 31 December 2008

	2008	2007
ASSETS		
Cash and cash equivalents	1,329,286	975,618
Loans to customers	25,770,166	12,153,994
Furniture, fixtures and equipment	257,490	142,984
Other assets	31,377	20,458
Total assets	27,388,319	13,293,054
LIABILITIES AND EQUITY		
Liabilities		
Borrowings from banks	15,000,000	4,000,000
Other liabilities	3,981,148	1,415,459
Total liabilities	18,981,148	5,415,459
Equity		
Share capital	7,500,000	7,500,000
Share premium	112,500	112,500
Statutory reserve	79,467	26,509
Retained earnings	715,204	238,586
Total equity	8,407,171	7,877,595
Total equity and liabilities	27,388,319	13,293,054

STATEMENT OF CASH FLOWS for the year ended 31 December 2008

	2008	2007
Operating activities		
Interest, fees and commission receipts	2,109,692	1,026,700
Loans disbursed (net)	(11,246,955)	(8,544,870)
Payments of staff salaries and related costs	(481,836)	(296,290)
Payments of other operating expenses	(448,643)	(225,616)
Cash flows from operating activities	(10,067,742)	(8,040,076)
Investing activities		
Purchase of furniture, fixtures and equipment	(162,112)	(11,291)
Cash flows from investing activities	(162,112)	(11,291)
Financing activities		
Proceeds from bank borrowings	11,000,000	4,000,000
Payment of interest	(416,478)	(16,627)
Share capital received	-	1,037,500
Cash flows from financing activities	10,583,522	5,020,873
Net increase / decrease in cash and cash equivalents	353,668	(3,030,494)
Cash and cash equivalents at 1 January	975,618	4,006,112
Cash and cash equivalents as at 31 December	1,329,286	975,618

INCOME STATEMENT for the year ended 31 December 2008

	2008	2007
Interest income	1,811,939	848,219
Interest expense	(419,967)	(59,386)
Net interest income	1,391,972	788,833
Fees and commission income	297,753	178,481
Fees and commission expense	(162,450)	(77,951)
Net fee and commission income	135,303	100,530
Operating income	1,527,275	889,363
Salaries and related costs	524,049	319,187
General and administrative expenses	288,479	157,192
Depreciation	47,606	43,751
Impairment of loans to customers	137,565	126,758
Operating costs	997,699	646,888
Profit for the year	529,576	242,475

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2008

	Share capital	Share premium	Statutory reserve	Retained earnings	Total equity
	2008				
At 1 January	7,500,000	112,500	26,509	238,586	7,877,595
Profit for the year	-	-	-	529,576	529,576
Total recognised income and expense	-	-	-	529,576	529,576
Transfer to statutory reserve	-	-	52,958	(52,958)	-
At 31 December	7,500,000	112,500	79,467	715,204	8,407,171
	2007				
At 1 January	7,500,000	112,500	2,262	20,358	7,635,120
Profit for the year	-	-	-	242,475	242,475
Total recognised income and expense	-	-	-	242,475	242,475
Transfer to statutory reserve	-	-	24,247	(24,247)	-
At 31 December	7,500,000	112,500	26,509	238,586	7,877,595

Farouk Yousif Almoayyed
Chairman

Fuad Ebrahim Kanoo
Deputy Chairman

Jassim Khalaf
General Manager

The above financial statements were audited by KPMG Fakhro