

# NATIONAL FINANCE HOUSE BSC (c)

Consolidated Financial Statements as at 31 December 2010

(All amounts are in Bahraini Dinars)



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2010

	2010	2009
<b>ASSETS</b>		
Cash and cash equivalents	2,216,672	2,221,732
Loans to customers	31,130,485	30,811,416
Furniture, fixtures and equipment	181,312	256,211
Other assets	103,951	77,648
<b>Total assets</b>	<b>33,632,420</b>	<b>33,367,007</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Bank borrowings	22,222,222	22,888,889
Other liabilities	1,201,337	1,163,381
<b>Total liabilities</b>	<b>23,423,559</b>	<b>24,052,270</b>
<b>Equity</b>		
Share capital	7,500,000	7,500,000
Share premium	112,500	112,500
Statutory reserve	259,636	170,224
Retained earnings	2,336,725	1,532,013
<b>Total equity</b>	<b>10,208,861</b>	<b>9,314,737</b>
<b>Total equity and liabilities</b>	<b>33,632,420</b>	<b>33,367,007</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2010

	2010	2009
<b>Operating activities</b>		
Interest, fees and commission received	3,481,128	3,371,117
Loans disbursed	(13,676,176)	(15,972,980)
Loan repayments	13,340,211	7,849,898
Payments for staff salaries and related costs	(756,746)	(709,642)
Payments for other operating expenses	(667,198)	(525,556)
<b>Cash flows from operating activities</b>	<b>1,721,219</b>	<b>(5,987,163)</b>
<b>Investing activities</b>		
Purchase of furniture, fixtures and equipment	(17,862)	(84,534)
Sale of furniture, fixtures and equipment	111	-
<b>Cash flows from investing activities</b>	<b>(17,751)</b>	<b>(84,534)</b>
<b>Financing activities</b>		
(Repayment)/ proceeds from bank borrowings	(666,667)	7,888,889
Interest paid	(1,041,861)	(924,746)
<b>Cash flows from financing activities</b>	<b>(1,708,528)</b>	<b>6,964,143</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(5,060)</b>	<b>892,446</b>
Cash and cash equivalents at 1 January	2,221,732	1,329,286
<b>Cash and cash equivalents as at 31 December</b>	<b>2,216,672</b>	<b>2,221,732</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2010

	2010	2009
Interest income	3,105,619	3,036,945
Interest expense	(1,016,207)	(991,578)
<b>Net interest income</b>	<b>2,089,412</b>	<b>2,045,367</b>
Fees and commission income	375,588	334,172
Fees and commission expense	(221,146)	(180,329)
<b>Net fee and commission income</b>	<b>154,442</b>	<b>153,843</b>
<b>Total operating income</b>	<b>2,243,854</b>	<b>2,199,210</b>
Salaries and related costs	759,111	702,122
General and administrative expenses	401,655	384,014
Depreciation	92,729	85,813
Impairment on loans to customers	96,235	119,695
<b>Total operating expenses</b>	<b>1,349,730</b>	<b>1,291,644</b>
<b>Profit for the year</b>	<b>894,124</b>	<b>907,566</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>894,124</b>	<b>907,566</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Share capital	Share premium	Statutory reserve	Retained earnings	Total equity
	<b>2010</b>				
At 1 January	7,500,000	112,500	170,224	1,532,013	9,314,737
Profit for the year	-	-	-	894,124	894,124
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>894,124</b>	<b>894,124</b>
Transfer to statutory reserve	-	-	89,412	(89,412)	-
<b>At 31 December</b>	<b>7,500,000</b>	<b>112,500</b>	<b>259,636</b>	<b>2,336,725</b>	<b>10,208,861</b>
	<b>2009</b>				
At 1 January	7,500,000	112,500	79,467	715,204	8,407,171
Profit for the year	-	-	-	907,566	907,566
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>907,566</b>	<b>907,566</b>
Transfer to statutory reserve	-	-	90,757	(90,757)	-
<b>At 31 December</b>	<b>7,500,000</b>	<b>112,500</b>	<b>170,224</b>	<b>1,532,013</b>	<b>9,314,737</b>

**Farouk Yousef Almoayyed**  
Chairman

**Fuad Ebrahim Kanoo**  
Deputy Chairman

**Jassim Khalaf**  
General Manager

The above financial statements were audited by KPMG Fakhro