

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	2021 BD 000	2020 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	113,407	61,277
Due from banks	98,015	123,590
Financing contracts	1,057,975	1,005,228
Investment in equity	7,071	6,861
Investment in sukuk	355,042	324,739
Investment in associate	-	6,889
Receivables and other assets	203,500	223,377
Premises, equipment and right of use assets	4,272	3,703
TOTAL ASSETS	1,839,282	1,755,664
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	137,769	133,114
Due to banks	4,433	108,798
Due to non-banks	348,455	364,048
Other liabilities	19,063	16,298
TOTAL LIABILITIES	509,720	622,258
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	201,051	182,948
Non-banks and individuals	944,433	783,229
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,145,484	966,177
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	27,942	25,640
Fair value through equity reserve	1,850	1,018
Proposed dividend	21,767	-
Retained earnings	-	311
	184,078	159,488
Non-controlling shareholders	-	7,741
	184,078	167,229
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,839,282	1,755,664
OFF-BALANCE SHEET		
EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	136,710	136,710
ASSETS UNDER MANAGEMENT	660,739	685,247
CONTINGENT LIABILITIES AND COMMITMENTS	59,224	75,649

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2021

	2021 BD 000	2020 BD 000
Income from financing contracts	60,214	58,045
Income from investments	1,399	2,065
Income from sukuk	13,961	14,855
Income from due from banks	966	1,476
Share of loss from associate	(271)	(463)
OPERATING INCOME	76,269	75,978
Return on equity of investment account holders (wakala)	(16,032)	(18,045)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(10,191)	(12,381)
Group's share as mudarib	8,649	10,346
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(1,542)	(2,035)
Profit on due to banks and non-banks	(9,824)	(15,038)
NET OPERATING INCOME	48,871	40,860
Staff costs	12,681	11,933
Depreciation and amortisation	1,690	1,493
Allowance for impairment and credit losses - net	1,807	1,633
Other expenses	9,666	10,564
TOTAL OPERATING EXPENSES	25,844	25,623
NET INCOME FOR THE YEAR	23,027	15,237
Attributable to:		
Shareholders of the Parent	23,020	15,246
Non-controlling shareholders	7	(9)
	23,027	15,237

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021 BD 000	2020 BD 000
OPERATING ACTIVITIES		
Net income for the year	23,027	15,237
Adjustments for:		
Share of loss from associate	271	463
Sukuk premium amortisation	1,455	1,501
Net loss (gain) on sale of investments	424	(359)
Foreign exchange gain	(530)	(413)
Depreciation and amortisation	1,690	1,493
Allowance for impairment and credit losses - net (excluding recovery from written off accounts)	1,856	6,166
Operating income before changes in operating assets and liabilities	28,193	24,088
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(4,494)	2,966
Due from banks	(220)	454
Financing contracts	(54,580)	(137,084)
Receivables and other assets	19,821	18,502
Customers' current accounts	4,655	4,856
Due to banks	(104,365)	7,015
Due to non-banks	(15,593)	141,083
Other liabilities	4,068	(1,003)
Cash (used in) from operations	(122,515)	60,877
Financial support from government	-	1,460
Net cash flows (used in) from operating activities	(122,515)	62,337
INVESTING ACTIVITIES		
Disposal of investments - net	-	3,452
Purchase of sukuk - net	(31,756)	(54,813)
Purchase of premises and equipment - net	(1,135)	(463)
Proceeds from disposal of a subsidiary	-	4,760
Transaction costs incurred on the acquisition of non-controlling shareholder	(528)	-
Net cash flows (used in) investing activities	(33,419)	(47,064)
FINANCING ACTIVITIES		
Net movement in equity of investment account holders	179,307	(42,192)
Payments of obligation in relation to right-of-use assets	(1,312)	-
Net cash flows from (used in) financing activities	177,995	(42,192)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,061	(26,919)
Cash and cash equivalents at 1 January	155,774	182,693
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	177,835	155,774

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2021

	Equity attributable to shareholders of the Parent					Total	Non-controlling shareholders	Total owners' equity
	Share capital	Statutory reserve	Fair value through equity reserve	Retained earnings	Proposed dividend			
	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000
Balance at 1 January 2021	132,519	25,640	1,018	311	-	159,488	7,741	167,229
Net income for the year	-	-	-	23,020	-	23,020	7	23,027
Other comprehensive income for the year	-	-	832	-	-	832	-	832
Total comprehensive income for the year	-	-	832	23,020	-	23,852	7	23,859
Proposed dividend	-	-	-	(21,767)	21,767	-	-	-
Transfer to statutory reserve	-	2,302	-	(2,302)	-	-	-	-
Gain on acquisition of non-controlling shareholders	-	-	-	738	-	738	-	738
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(7,748)	(7,748)
Balance at 31 December 2021	132,519	27,942	1,850	-	21,767	184,078	-	184,078
Balance at 1 January 2020	132,519	24,115	324	3,587	22,517	183,062	10,597	193,659
Net income for the year	-	-	-	15,246	-	15,246	(9)	15,237
Other comprehensive income for the year	-	-	694	-	-	694	-	694
Total comprehensive income for the year	-	-	694	15,246	-	15,940	(9)	15,931
Dividend payout	-	-	-	-	(22,517)	(22,517)	-	(22,517)
Transfer to statutory reserve	-	1,525	-	(1,525)	-	-	-	-
Recognition of modification loss net of government grant	-	-	-	(16,997)	-	(16,997)	-	(16,997)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(2,847)	(2,847)
Balance at 31 December 2020	132,519	25,640	1,018	311	-	159,488	7,741	167,229

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2021, audited by Ernst & Young Middle East. These consolidated financial statements were approved by the board of directors on 9 February 2022. Kuwait Finance House (Bahrain) B.S.C.(c) is licensed by CBB as an Islamic retail bank.

Hamad Abdulmohsen AlMarzouq
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayat
Managing Director and Chief Executive Officer

Retail Banking • Corporate Banking • Private Banking • Investment • Wealth Management

SIMPLY SMARTER

www.kfh.bh | +973 7777 7777

in f t @kfh.bahrain

بيت التمويل الكويتي
Kuwait Finance House
Bahrain B.S.C.(c) البحرين ف.م.ب
Licensed as an Islamic Retail Bank by the Central Bank of Bahrain