

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020 (Reviewed)

	Reviewed 30 June 2020 BD 000	Audited 31 December 2019 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	81,079	99,535
Due from banks	45,462	115,216
Financing contracts	954,219	913,907
Investments	3,022	6,156
Investment in sukuk	341,581	270,277
Investment in associate	7,234	8,461
Receivables and other assets	237,454	247,328
Premises and equipment	4,119	9,553
TOTAL ASSETS	1,674,170	1,670,433
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	152,062	128,258
Due to banks	107,244	101,783
Due to non-banks	292,458	222,965
Other liabilities	16,026	15,399
TOTAL LIABILITIES	567,790	468,405
EQUITY OF INVESTMENT ACCOUNT HOLDERS		
Banks	142,942	159,699
Non-banks and individuals	808,294	848,670
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS	951,236	1,008,369
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	24,115	24,115
Fair value through equity reserve	283	324
Proposed dividend	-	22,517
Retained earnings	(9,519)	3,587
	147,398	183,062
Non-controlling shareholders	7,746	10,597
TOTAL EQUITY	155,144	193,659
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,674,170	1,670,433
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	136,710	135,145
CONTINGENT LIABILITIES AND COMMITMENTS	166,741	108,796

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2020 (Reviewed)

	Six months ended 30 June	
	2020 BD 000	2019 BD 000
Income from financing contracts	31,464	31,008
Income from investments	1,401	1,090
Income from sukuk	7,217	6,808
Share of loss from associates	(281)	(170)
OPERATING INCOME	39,801	38,736
Return on equity of investment account holders before Group's share as mudarib	(22,230)	(15,806)
Group's share as mudarib	10,948	4,714
Return on equity of investment account holders	(11,282)	(11,092)
Profit on due to banks and non-banks	(7,703)	(5,895)
NET OPERATING INCOME	20,816	21,749
Staff costs	6,169	6,432
Depreciation	635	658
Provisions - net	5,105	(416)
Other expenses	5,019	4,443
TOTAL OPERATING EXPENSES	16,928	11,117
NET INCOME FOR THE PERIOD	3,888	10,632
Attributable to:		
Shareholders of the Parent	3,891	10,633
Non-controlling shareholders	(3)	(1)
	3,888	10,632

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020 (Reviewed)

	Six months ended 30 June	
	2020 BD 000	2019 BD 000
OPERATING ACTIVITIES		
Net income for the period	3,888	10,632
Adjustments for:		
Provisions - net	5,105	(416)
Depreciation	635	658
Share of loss from associates	281	170
Net gain on sale of investments	(359)	-
Foreign exchange gain	(295)	(394)
Net unrealised gain on investments	-	(144)
Operating income before changes in operating assets and liabilities	9,255	10,506
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	5,939	350
Due from banks	4,848	97
Financing contracts	(83,021)	(32,068)
Receivables and other assets	4,954	(2,070)
Financial support from government	1,460	-
Customers' current accounts	23,804	15,698
Due to banks	5,461	(53,973)
Due to non-banks	69,493	(13,959)
Other liabilities	337	5,399
Net cash flows from (used in) operating activities	42,530	(70,020)
INVESTING ACTIVITIES		
Disposal of investments - net	3,452	-
Purchase of investment in sukuk - net	(71,404)	(25,060)
Disposal (purchase) of premises and equipment - net	(21)	45
Proceeds from disposal of held for sale subsidiary	4,760	-
Net cash flows used in investing activities	(63,213)	(25,015)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	(57,133)	119,356
Net cash flows (used in) from financing activity	(57,133)	119,356
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(77,816)	24,321
Cash and cash equivalents at 1 January	176,260	88,701
CASH AND CASH EQUIVALENTS AT 30 JUNE	98,444	113,022

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2020 (Reviewed)

	Equity attributable to shareholders of the Parent						Non - controlling shareholders BD 000	Total owners' equity BD 000
	Share capital BD 000	Statutory reserve BD 000	Fair value through equity reserve BD 000	Retained earnings BD 000	Proposed dividend BD 000	Total BD 000		
Balance at 1 January 2020	132,519	24,115	324	3,587	22,517	183,062	10,597	193,659
Net income for the period	-	-	-	3,891	-	3,891	(3)	3,888
Other comprehensive loss for the period	-	-	(41)	-	-	(41)	-	(41)
Total comprehensive income for the period	-	-	(41)	3,891	-	3,850	(3)	3,847
Dividend payout	-	-	-	-	(22,517)	(22,517)	-	(22,517)
Recognition of modification loss	-	-	-	(16,997)	-	(16,997)	-	(16,997)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(2,848)	(2,848)
Balance at 30 June 2020	132,519	24,115	283	(9,519)	-	147,398	7,746	155,144
Balance at 1 January 2019	132,519	21,613	170	3,587	16,608	174,497	7,766	182,263
Net income for the period	-	-	-	10,633	-	10,633	(1)	10,632
Other comprehensive income for the period	-	-	112	-	-	112	-	112
Total comprehensive income for the period	-	-	112	10,633	-	10,745	(1)	10,744
Dividend payout	-	-	-	-	(16,608)	(16,608)	-	(16,608)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(3)	(3)
Balance at 30 June 2019	132,519	21,613	282	14,220	-	168,634	7,762	176,396

These statements have been extracted from the interim condensed consolidated financial statements for the six months ended 30 June 2020, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 27th July 2020. 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 Alkhayyat
Managing Director and Chief Executive Officer