

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 (Reviewed)

	Reviewed 30 June 2021 BD 000	Audited 31 December 2020 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	61,214	61,277
Due from banks	89,105	123,590
Financing contracts	1,067,424	1,005,228
Investments	7,446	6,861
Investment in sukuk	309,265	324,739
Investment in associate	6,653	6,889
Receivables and other assets	219,726	223,377
Premises and equipment	3,120	3,703
TOTAL ASSETS	1,763,953	1,755,664
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	139,179	133,114
Due to banks	11,027	108,798
Due to non-banks	401,782	364,048
Other liabilities	20,610	16,298
TOTAL LIABILITIES	572,598	622,258
EQUITY OF INVESTMENT ACCOUNT HOLDERS		
Banks	169,678	182,948
Non-banks and individuals	842,096	783,229
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS	1,011,774	966,177
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	25,640	25,640
Fair value through equity reserve	2,153	1,018
Retained earnings	10,835	311
	171,147	159,488
Non-controlling shareholders	8,434	7,741
TOTAL OWNERS' EQUITY	179,581	167,229
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,763,953	1,755,664
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	136,710	136,710
CONTINGENT LIABILITIES AND COMMITMENTS	76,520	75,649

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2021 (Reviewed)

	Three months ended 30 June		Six months ended 30 June	
	2021 BD 000	2020 BD 000	2021 BD 000	2020 BD 000
Income from financing contracts	15,038	13,863	29,744	30,771
Income from investments	534	863	900	1,407
Income from sukuk	3,433	3,741	7,132	7,217
Share of loss from associates	(95)	(263)	(232)	(281)
OPERATING INCOME	18,910	18,204	37,544	39,114
Return on equity of investment account holders (wakala)	(3,776)	(4,864)	(7,638)	(10,233)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,666)	(3,157)	(5,166)	(6,150)
Group's share as mudarib	2,257	2,610	4,365	5,101
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(409)	(547)	(801)	(1,049)
Profit on due to banks and non-banks	(2,500)	(3,584)	(5,486)	(7,703)
NET OPERATING INCOME	12,225	9,209	23,619	20,129
Staff costs	3,225	3,025	6,206	6,169
Depreciation	263	318	535	635
Allowance for credit losses - net	763	3,603	1,631	4,418
Other expenses	2,396	2,648	4,725	5,019
TOTAL OPERATING EXPENSES	6,647	9,594	13,097	16,241
NET INCOME FOR THE PERIOD	5,578	(385)	10,522	3,888
Attributable to:				
Shareholders of the Parent	5,579	(383)	10,524	3,891
Non-controlling shareholders	(1)	(2)	(2)	(3)
	5,578	(385)	10,522	3,888

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021 (Reviewed)

	Six months ended 30 June	
	2021 BD 000	2020 BD 000
OPERATING ACTIVITIES		
Net income for the period	10,522	3,888
Adjustments for:		
Allowance for credit losses - net	1,631	4,418
Depreciation	535	635
Share of loss from associates	232	281
Net gain on sale of investments	-	(359)
Foreign exchange gain	(244)	(295)
Operating income before changes in operating assets and liabilities	12,676	8,568
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(2,481)	5,939
Due from banks	(1,234)	4,848
Financing contracts	(63,325)	(82,334)
Receivables and other assets	5,614	4,954
Financial support from government	-	1,460
Customers' current accounts	6,065	23,804
Due to banks	(97,771)	5,461
Due to non-banks	37,734	69,493
Other liabilities	3,361	337
Net cash flows (used in) from operating activities	(99,361)	42,530
INVESTING ACTIVITIES		
Disposal of investments - net	550	3,452
Disposal (purchase) of investment in sukuk - net	15,477	(71,404)
Purchase of premises and equipment - net	(46)	(21)
Proceeds from disposal of held for sale subsidiary	-	4,760
Net cash flows from (used in) investing activities	15,981	(63,213)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	45,597	(57,133)
Net cash flows from (used in) financing activity	45,597	(57,133)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,783)	(77,816)
Cash and cash equivalents at 1 January	155,774	176,260
CASH AND CASH EQUIVALENTS AT 30 JUNE	117,991	98,444

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2021 (Reviewed)

	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 period	-	-	-	10,524	-	10,524	(2)	10,522
Other comprehensive income for the period	-	-	1,135	-	-	1,135	-	1,135
Total comprehensive income for the period	-	-	1,135	10,524	-	11,659	(2)	11,657
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	695	695
Balance at 30 June 2021	132,519	25,640	2,153	10,835	-	171,147	8,434	179,581
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

These statements have been extracted from the interim condensed consolidated financial statements for the six months ended 30 June 2021, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 5 August 2021. 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