

Interim Consolidated Statement of Financial Position

	Reviewed 31 March 2015 BD 000	Audited 31 Dec 2014 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	53,590	55,431
Due from banks	163,466	125,106
Financing contracts with customers	563,729	559,879
Investments	242,508	254,315
Investment in joint ventures and associates	161,531	160,826
Investment in real estate	183,354	186,179
Receivables, prepayments and other assets	88,900	94,284
Intangibles	3,721	3,760
Premises and equipment	40,968	42,264
TOTAL ASSETS	1,501,767	1,482,044
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	110,840	105,242
Due to banks	167,253	140,068
Murabaha due to non-banks	256,722	244,236
Other liabilities	27,853	27,214
Subordinated murabaha payable	93,144	95,349
TOTAL LIABILITIES	655,812	612,109
EQUITY OF INVESTMENT ACCOUNT HOLDERS	483,563	509,044
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	177,140	177,140
Share premium	71,403	71,403
Treasury shares	(21,923)	(21,923)
Statutory reserve	16,568	16,568
General reserve	28,237	28,237
Fair value through equity reserve	(1,373)	(1,978)
Property fair value reserve	32,204	32,759
Foreign currency translation reserve	76	29
Retained earnings	49,236	47,865
	351,568	350,100
Non-controlling stakeholders	10,824	10,791
	362,392	360,891
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,501,767	1,482,044
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	127,675	107,546
CONTINGENT LIABILITIES AND COMMITMENTS	49,775	49,192

Interim Consolidated Statement of Income

	Three months ended 31 March	
	2015 BD 000	2014 BD 000
Income from retail and corporate banking activities	10,211	10,304
Income from investment activities	1,439	3,234
Share of income (loss) of joint ventures and associates	235	(810)
Revenue from non-banking business entities	5,900	6,340
OPERATING INCOME	17,785	19,068
Direct cost of non-banking business entities	(3,368)	(2,517)
OPERATING INCOME AFTER DIRECT COSTS	14,417	16,551
Return on equity of investment account holders, net of mudarib share	(1,074)	(1,875)
Profit on due to banks, murabaha due to non-banks and subordinated murabaha payable	(2,538)	(2,802)
Profit paid by non-banking business entities	(130)	(756)
NET OPERATING INCOME	10,675	11,118
Staff costs	3,423	2,889
Depreciation	363	361
Provisions - net	(101)	71
Other expenses	2,755	2,445
Operating expenses of non-banking business entities	3,386	4,296
TOTAL OPERATING EXPENSES	9,826	10,062
NET INCOME FOR THE PERIOD	849	1,056
Attributable to:		
Shareholders of the Parent	816	1,495
Non-controlling stakeholders	33	(439)
	849	1,056

Interim Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2015 BD 000	2014 BD 000
OPERATING ACTIVITIES		
Net income for the period	849	1,056
Adjustments for:		
Provisions - net	143	71
Depreciation	1,828	385
Share of (income) loss of joint ventures and associates	(235)	810
Net gain on sale of investment in real estate	(512)	(936)
Net gain on sale of investments	-	(1,514)
Dividend income	-	(1,050)
Foreign exchange (gain) loss	(347)	1,243
Net unrealised loss (gain) on investments	342	(339)
Operating income (loss) before changes in operating assets and liabilities	2,068	(274)
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	3,120	(515)
Due from banks	(1,031)	-
Financing contracts with customers	(3,749)	6,646
Receivables, prepayments and other assets	5,140	6,077
Intangibles	-	235
Customers' current accounts	5,598	4,919
Due to banks	27,185	(35,895)
Murabaha due to non-banks	12,486	25,309
Subordinated murabaha payable	(2,205)	222
Other liabilities	639	4,177
Net cash flows from operating activities	49,251	10,901
INVESTING ACTIVITIES		
Purchase of investments	(10,776)	(3,658)
Proceeds from sale of investment in real estate	3,337	5,251
Proceeds from sale / maturity of investment	22,810	5,898
Purchase of premises and equipment - net	(532)	(703)
Proceeds from disposal of held for sale subsidiary	-	16,488
Net cash flows from investing activities	14,839	23,276
FINANCING ACTIVITY		
Net movement in equity of investment account holders	(25,481)	(1,172)
Cash flow used in financing activity	(25,481)	(1,172)
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,609	33,005
Cash and cash equivalents at 1 January	146,587	143,040
CASH AND CASH EQUIVALENTS AT 31 MARCH	185,196	176,045

Interim Consolidated Statement of Changes in Owners' Equity

	Equity attributable to Shareholders of the Parent										Non-controlling stakeholders of disposal group classified as held for sale	Total owners' equity	
	Share capital	Share premium	Treasury shares	Statutory reserve	General reserve	Fair value through equity reserve	Property fair value reserve	Foreign currency translation reserve	Retained earnings	Total			Non-controlling stakeholders
	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000
Balance at 1 January 2015	177,140	71,403	(21,923)	16,568	28,237	(1,978)	32,759	29	47,865	350,100	10,791	-	360,891
Net income for the period	-	-	-	-	-	-	-	-	816	816	33	-	849
Other comprehensive income for the period	-	-	-	-	-	605	-	47	-	652	-	-	652
Total comprehensive income for the period	-	-	-	-	-	605	-	47	816	1,468	33	-	1,501
Net transfer from property fair value reserve	-	-	-	-	-	-	(555)	-	555	-	-	-	-
Balance at 31 March 2015	177,140	71,403	(21,923)	16,568	28,237	(1,373)	32,204	76	49,236	351,568	10,824	-	362,392
Balance at 1 January 2014	177,140	71,403	(21,923)	16,053	28,237	977	35,540	(1,448)	40,454	346,433	17,900	3,449	367,782
Net income (loss) for the period	-	-	-	-	-	-	-	-	1,495	1,495	(439)	-	1,056
Other comprehensive income for the period	-	-	-	-	-	(781)	-	1,563	-	782	-	-	782
Total comprehensive income for the period	-	-	-	-	-	(781)	-	1,563	1,495	2,277	(439)	-	1,838
Net transfer from property fair value reserve	-	-	-	-	-	-	(819)	-	819	-	-	-	-
Net movement in share of non-controlling stakeholders	-	-	-	-	-	-	-	-	-	-	205	(3,449)	(3,244)
Balance at 31 March 2014	177,140	71,403	(21,923)	16,053	28,237	196	34,721	115	42,768	348,710	17,666	-	366,376

These statements have been extracted from the interim condensed consolidated financial statements for the three months ended 31 March 2015, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 12th May 2015. Kuwait Finance House (Bahrain) B.S.C. (c) is licensed by CBB as an Islamic retail bank.

Ahmed Mohammad Al Aiban
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhatyat
Managing Director and Chief Executive Officer