

Interim Consolidated Statement of Financial Position

	Reviewed 31 March 2016 BD 000	Audited 31 Dec 2015 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	52,681	54,142
Due from banks	98,376	77,966
Financing contracts with customers	541,601	535,395
Investments	242,809	240,228
Investment in joint ventures and associates	133,614	130,340
Investment in real estate	301,524	301,758
Receivables, prepayments and other assets	78,908	81,075
Premises and equipment	28,931	29,400
TOTAL ASSETS	1,478,444	1,450,304
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	130,371	116,534
Due to banks	169,205	252,932
Due to non-banks	219,376	114,521
Other liabilities	33,689	48,453
Subordinated murabaha payable	92,382	91,753
TOTAL LIABILITIES	645,023	624,193
EQUITY OF INVESTMENT ACCOUNT HOLDERS	462,880	456,700
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	17,642	17,642
General reserve	28,237	28,237
Fair value through equity reserve	(2,296)	(1,876)
Property fair value reserve	31,332	31,501
Foreign currency translation reserve	349	232
Retained earnings	60,392	58,791
	362,276	361,147
Non-controlling stakeholders	8,265	8,264
	370,541	369,411
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,478,444	1,450,304
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	134,965	135,210
CONTINGENT LIABILITIES AND COMMITMENTS	48,105	45,905

Interim Consolidated Statement of Income

	Three months ended 31 March	
	2016 BD 000	2015 BD 000
Income from retail and corporate banking activities	7,835	10,211
Income from investment activities	981	1,439
Share of income from joint ventures and associates	2,043	235
Revenue from non-banking business entities	3,846	5,569
OPERATING INCOME	14,705	17,454
Direct cost of non-banking business entities	(1,523)	(3,368)
OPERATING INCOME AFTER DIRECT COSTS	13,182	14,086
Return on equity of investment account holders before group's share as mudarib	(953)	(1,382)
Group's share as mudarib	-	308
Return on equity of investment account holders	(953)	(1,074)
Profit on due to banks, due to non-banks and subordinated murabaha payable	(2,283)	(2,538)
Profit paid by non-banking business entities	-	(130)
NET OPERATING INCOME	9,946	10,344
Staff costs	3,329	3,510
Depreciation	300	363
Provisions - net	15	(101)
Other expenses	2,021	2,337
Operating expenses of non-banking business entities	2,848	3,386
TOTAL OPERATING EXPENSES	8,513	9,495
NET INCOME FOR THE PERIOD	1,433	849
Attributable to:		
Shareholders of the Parent	1,432	816
Non-controlling stakeholders	1	33
	1,433	849

Interim Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2016 BD 000	2015 BD 000
OPERATING ACTIVITIES		
Net income for the period	1,433	849
Adjustments for:		
Provisions - net	109	143
Depreciation	1,149	1,828
Share of gain from joint ventures and associates	(2,043)	(235)
Net gain on sale of investment in real estate	(77)	(512)
Net gain on sale of investments	(97)	-
Foreign exchange gain	(169)	(347)
Net unrealised loss on investment in real estate	325	-
Net unrealised loss on investments	277	342
Operating income before changes in operating assets and liabilities	907	2,068
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	1,360	3,120
Due from banks	(1,376)	(1,031)
Financing contracts with customers	(6,255)	(3,749)
Receivables, prepayments and other assets	717	5,140
Customers' current accounts	13,837	5,598
Due to banks	(83,727)	27,185
Murabaha due to non-banks	104,855	12,486
Other liabilities	(13,879)	639
Net cash flows from operating activities	16,439	51,456
INVESTING ACTIVITIES		
(Purchase) sale of investments - net	(2,991)	9,828
(Purchase) sale of investment in real estate - net	(14)	3,338
Purchase of premises and equipment - net	(680)	(532)
Net cash flows (used in) from investing activities	(3,685)	12,634
FINANCING ACTIVITY		
Net movement in equity of investment account holders	6,180	(25,481)
Cash flows from (used in) financing activity	6,180	(25,481)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,934	38,609
Cash and cash equivalents at 1 January	102,698	146,587
CASH AND CASH EQUIVALENTS AT 31 MARCH	121,632	185,196

Interim Consolidated Statement of Changes in Owners' Equity

	Attributable to shareholders of the Parent											Non-controlling stakeholders BD 000	Total owners' equity BD 000
	Share capital BD 000	Share premium BD 000	Treasury shares BD 000	Statutory reserve BD 000	General reserve BD 000	Fair value through equity reserve BD 000	Property fair value reserve BD 000	Foreign currency translation reserve BD 000	Retained earnings BD 000	Total BD 000			
Balance at 1 January 2016	177,140	71,403	(21,923)	17,642	28,237	(1,876)	31,501	232	58,791	361,147	8,264	369,411	
Net income for the period	-	-	-	-	-	-	-	-	1,432	1,432	1	1,433	
Other comprehensive (loss) income for the period	-	-	-	-	-	(420)	-	117	-	(303)	-	(303)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(420)	-	117	1,432	1,129	1	1,130	
Net transfer from property fair value reserve	-	-	-	-	-	-	(169)	-	169	-	-	-	
Balance at 31 March 2016	177,140	71,403	(21,923)	17,642	28,237	(2,296)	31,332	349	60,392	362,276	8,265	370,541	
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	

These statements have been extracted from the interim condensed consolidated financial statements for the three months period ended 31 March 2016, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 12 May 2016. 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