

Interim Consolidated Statement of Financial Position

As at 31 March 2021 (Reviewed)

	Reviewed 31 March 2021 BD 000	Audited 31 December 2020 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	73,570	61,277
Due from banks	118,591	123,590
Financing contracts	1,017,040	1,005,228
Investments	6,745	6,861
Investment in sukuk	315,580	324,739
Investment in associate	6,748	6,889
Receivables and other assets	221,577	223,377
Premises and equipment	3,430	3,703
TOTAL ASSETS	1,763,281	1,755,664
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	135,397	133,114
Due to banks	39,040	108,798
Due to non-banks	383,166	364,048
Other liabilities	20,849	16,298
TOTAL LIABILITIES	578,452	622,258
EQUITY OF INVESTMENT ACCOUNT HOLDERS		
Banks	185,304	182,948
Non-banks and individuals	826,927	783,229
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS	1,012,231	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	1,452	1,018
Retained earnings	5,256	311
	164,867	159,488
Non-controlling shareholders	7,731	7,741
	172,598	167,229
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,763,281	1,755,664
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	136,695	136,710
CONTINGENT LIABILITIES AND COMMITMENTS	76,461	75,649

Interim Consolidated Statement of Income

For the three months ended 31 March 2021 (Reviewed)

	Three months ended 31 March	
	2021 BD 000	2020 BD 000
Income from financing contracts	14,706	16,908
Income from investments	366	544
Income from sukuk	3,699	3,476
Share of loss from associate	(137)	(18)
OPERATING INCOME	18,634	20,910
Return on equity of investment account holders (wakala)	(3,862)	(5,369)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,500)	(2,993)
Group's share as mudarib	2,108	2,491
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(392)	(502)
Profit on due to banks and non-banks	(2,986)	(4,119)
NET OPERATING INCOME	11,394	10,920
Staff costs	2,981	3,144
Depreciation	272	317
Allowance for credit losses - net	868	815
Other expenses	2,329	2,371
TOTAL OPERATING EXPENSES	6,450	6,647
NET INCOME FOR THE YEAR	4,944	4,273
Attributable to:		
Shareholders of the Parent	4,945	4,274
Non-controlling shareholders	(1)	(1)
	4,944	4,273

Interim Consolidated Statement of Cash Flows

For the three months ended 31 March 2021 (Reviewed)

	Three months ended 31 March	
	2021 BD 000	2020 BD 000
OPERATING ACTIVITIES		
Net income for the period	4,944	4,273
Adjustments for:		
Allowance for credit losses - net	879	1,498
Depreciation	272	317
Share of loss from associates	137	18
Net gain on sale of investments	-	(65)
Foreign exchange gain	(47)	(194)
Operating income before changes in operating assets and liabilities	6,185	5,847
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(1,872)	5,072
Due from banks	(580)	4,855
Financing contracts	(12,050)	(15,868)
Receivables and other assets	3,642	1,070
Customers' current accounts	2,283	12,116
Due to banks	(69,758)	(14)
Due to non-banks	19,118	109,391
Other liabilities	2,685	1,237
Net cash flows (used in) from operating activities	(50,347)	123,706
INVESTING ACTIVITIES		
Disposal of investments - net	550	3,156
Disposal (purchase) of investment in sukuk - net	9,163	(47,187)
Proceeds from disposal (purchase) of premises and equipment - net	2	(317)
Net cash flows from (used in) investing activities	9,715	(44,348)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	46,054	(57,514)
Net cash flows from (used in) financing activity	46,054	(57,514)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,422	21,844
Cash and cash equivalents at 1 January	155,774	176,260
CASH AND CASH EQUIVALENTS AT 31 MARCH	161,196	198,104

Interim Consolidated Statement Of Changes in Owners' Equity

For the three months ended 31 March 2021 (Reviewed)

	Equity attributable to shareholders of the Parent							
	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	Non -controlling shareholders BD 000	Total owners' equity 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	-	-	-	4,945	-	4,945	(1)	4,944
Other comprehensive income for the period	-	-	434	-	-	434	-	434
Total comprehensive income for the period	-	-	434	4,945	-	5,379	(1)	5,378
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(9)	(9)
Balance at 31 March 2021	132,519	25,640	1,452	5,256	-	164,867	7,731	172,598
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	-	-	-	4,274	-	4,274	(1)	4,273
Other comprehensive income for the period	-	-	(183)	-	-	(183)	-	(183)
Total comprehensive income for the period	-	-	(183)	4,274	-	4,091	(1)	4,090
Dividend payout	-	-	-	-	(22,517)	(22,517)	-	(22,517)
Recognition of modification loss	-	-	-	(18,457)	-	(18,457)	-	(18,457)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(3)	(3)
Balance at 31 March 2020	132,519	24,115	141	(10,596)	-	146,179	10,593	156,772

These statements have been extracted from the interim condensed consolidated financial statements for the three month period ended 31st of March 2021, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 3rd of May 2021. Kuwait Finance House (Bahrain) B.S.C.(c) is licensed by the CBB as an Islamic retail bank.

Hamad Abdulmohsen AlMarzouq
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayyat
Managing Director and Chief Executive Officer