

Financial Results

30 September 2009 (unaudited)

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Interim Condensed Consolidated Statement of Financial Position

	30 Sep 2009 BD 000s	Audited 31 Dec 2008 BD 000s
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	60,757	69,791
Murabaha due from banks	39,693	64,421
Financing contracts with customers	639,610	578,482
Investments	229,898	204,643
Investment in associates	81,000	71,180
Investment properties	129,909	124,984
Receivables, prepayments and other assets	124,454	97,776
Goodwill and intangibles	31,610	10,599
Premises and equipment	51,344	31,409
	1,388,275	1,253,285
Assets of disposal group classified as held for sale	-	31,390
TOTAL ASSETS	1,388,275	1,284,675
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY LIABILITIES		
Murabaha and due to banks	139,806	301,452
Murabaha due to non-banks	158,430	224,880
Customers' current accounts	57,526	53,236
Other liabilities	25,941	26,268
Subordinated Murabaha payable	97,341	-
	479,044	605,836
Liabilities directly associated with disposal group classified as held for sale	-	19,532
Total liabilities excluding unrestricted investment accounts	479,044	625,368
UNRESTRICTED INVESTMENT ACCOUNTS	550,070	310,474
Total liabilities including unrestricted investment accounts	1,029,114	935,842
EQUITY ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT		
Share capital	177,140	161,036
Share premium	71,403	71,403
Statutory reserve	11,807	11,807
General reserve	28,235	27,596
Investment revaluation reserve	34,059	32,995
Foreign currency translation reserve	(2,266)	(1,383)
Retained earnings	10,518	16,743
	330,896	320,197
NON CONTROLLING INTEREST	28,265	26,997
NON CONTROLLING INTEREST IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	-	1,639
	359,161	348,833
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY	1,388,275	1,284,675
RESTRICTED INVESTMENT ACCOUNTS	70,251	93,269
COMMITMENTS AND CONTINGENT ITEMS	68,347	198,017

Interim Condensed Consolidated Statement of Income

	Three months ended 30 September		Nine months ended 30 September	
	2009 BD 000s	2008 BD 000s	2009 BD 000s	2008 BD 000s
Income from retail and corporate banking activities	14,314	9,229	40,704	26,219
Income from investment activities	1,694	(675)	5,462	14,498
Share of income of associates	85	11,327	9,392	19,762
Other income	107	2,371	5,314	6,129
	16,200	22,252	60,872	66,608
Less: Profit on Murabaha due to banks and non-banks	2,062	2,973	6,766	9,790
	14,138	19,279	54,106	56,818
Staff costs	2,997	2,512	8,494	7,917
Depreciation	1,159	536	3,494	2,633
Provisions	74	539	1,489	1,863
Other operating expenses	5,099	2,953	16,014	8,665
	9,329	6,540	29,491	21,078
NET INCOME BEFORE PROFIT ON UNRESTRICTED INVESTMENT ACCOUNTS	4,809	12,739	24,615	35,740
Less: Profit on unrestricted investment accounts	4,668	3,037	16,074	5,870
INCOME FOR THE PERIOD	141	9,702	8,541	29,870
Attributable to:				
Share holders of the parent	897	9,245	11,002	27,446
Non controlling interests	(756)	457	(2,461)	2,424
	141	9,702	8,541	29,870

Interim Condensed Consolidated Statement of Comprehensive Income

	Three months ended 30 September		Nine months ended 30 September	
	2009 BD 000s	2008 BD 000s	2009 BD 000s	2008 BD 000s
Income for the period	141	9,702	8,541	29,870
Other comprehensive income:				
Net unrealised (loss) / gain on available for sale investments	(15)	-	230	-
Net movement in foreign currency translation reserve	(916)	(1,040)	(883)	(1,040)
Share of other comprehensive (expense) / income of associate	(180)	-	350	-
Other comprehensive expense for the period	(1,111)	(1,040)	(303)	(1,040)
Total comprehensive income for the period	(970)	8,662	8,238	28,830
Attributable to:				
Share holders of the parent	(214)	8,205	10,699	26,406
Non controlling interests	(756)	457	(2,461)	2,424
	(970)	8,662	8,238	28,830

Interim Condensed Consolidated Statement of Cash Flows

	Nine months ended 30 September	
	2009 BD 000s	2008 BD 000s
OPERATING ACTIVITIES		
Net Income for the period	8,541	29,870
Adjustments for:		
Provisions	1,489	1,863
Depreciation	3,494	2,633
Share of income of associates	(9,392)	(19,762)
(Gain) / loss on sale of investments	(1,392)	61
Gain on sale of investment properties	-	(3)
Unrealised (gain) / loss on investments	(484)	142
Unrealised gain on investment properties	-	(10,672)
Operating income before changes in operating assets and liabilities	2,256	4,132
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	6,969	(19,454)
Financing contracts with customers	(61,798)	(255,454)
Receivables, prepayments and other assets	(16,974)	(44,906)
Murabaha and due to banks	(173,268)	146,456
Murabaha due to non-banks	(66,450)	(42,500)
Customers' current accounts	4,290	(38,067)
Other liabilities	(8,237)	(14,674)
Subordinated Murabaha payable	97,341	-
Net cash flows used in operating activities	(215,871)	(264,377)
INVESTING ACTIVITIES		
Acquisition of a subsidiary - net of cash and bank balances acquired	-	(8,758)
Purchase of investments	(33,147)	(17,993)
Purchase of investments held for sale	-	(13,609)
Purchase of investment in associates	(850)	(12,700)
Refund of advance paid for purchase of investment	7,766	-
Proceeds from sale of investments	-	4,932
Purchase of investment properties	(4,925)	(12,176)
Proceeds from sale of investments properties	-	264
Purchase of intangibles	-	(2,670)
Purchase of premises and equipment	(19,362)	(5,403)
Net cash flows used in investing activities	(50,518)	(68,113)
FINANCING ACTIVITIES		
Proceeds from issue of shares	-	136,882
Increase in unrestricted investment accounts	239,596	251,400
Net movement in non controlling interests	-	12,337
Net cash flows from financing activities	239,596	400,619
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(26,793)	68,129
Cash and cash equivalents at 1 January	102,488	92,510
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	75,695	160,639

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to Shareholders of the Parent										
	Share capital BD 000s	Share premium BD 000s	Statutory reserve BD 000s	General reserve BD 000s	Investment revaluation reserve BD 000s	Foreign currency translation reserve BD 000s	Retained Earnings BD 000s	Total BD 000s	Non Controlling Interests BD 000s	Non Controlling Interest in subsidiary held for sale BD 000s	Total equity BD 000s
Balance at 1 January 2009	161,036	71,403	11,807	27,596	32,995	(1,383)	16,743	320,197	26,997	1,639	348,833
Total comprehensive income for the period	-	-	-	-	580	(883)	11,002	10,699	(2,736)	275	8,238
Transfer to investment revaluation reserve	-	-	-	-	484	-	(484)	-	-	-	-
Net movement in non controlling interest	-	-	-	-	-	-	-	-	4,004	(1,914)	2,090
Transfer to general reserve	-	-	-	16,743	-	-	(16,743)	-	-	-	-
Bonus shares issued	16,104	-	-	(16,104)	-	-	-	-	-	-	-
Balance at 30 September 2009	177,140	71,403	11,807	28,235	34,059	(2,266)	10,518	330,896	28,265	-	359,161
Balance at 1 January 2008	70,016	15,040	8,238	20,173	22,390	-	17,925	153,782	10,479	-	164,261
Total comprehensive income for the period	-	-	-	-	-	(1,040)	27,446	26,406	2,424	-	28,830
Transfer to investment revaluation reserve	-	-	-	-	8,524	-	(8,524)	-	-	-	-
Transfer to retained earnings on sale of investment property	-	-	-	-	(648)	-	648	-	-	-	-
Increase in non controlling interest due to new subsidiary	-	-	-	-	-	-	-	-	17,305	1,996	19,301
Other movements in non controlling interest	-	-	-	-	-	-	-	-	2,059	-	2,059
Share capital issued	80,519	56,363	-	-	-	-	-	136,882	-	-	136,882
Transfer to general reserve	-	-	-	17,926	-	-	(17,926)	-	-	-	-
Bonus shares issued	10,502	-	-	(10,502)	-	-	-	-	-	-	-
Balance at 30 September 2008	161,037	71,403	8,238	27,597	30,266	(1,040)	19,569	317,070	32,267	1,996	351,333

These statements have been extracted from the interim condensed consolidated financial statements for the period ended 30 September 2009, reviewed by Ernst & Young.

Bader Abdul Muhsen Al-Mukhaizeem
Chairman

Mohammed AlShaikh Ishaq
Vice Chairman

Abdulhakeem Yaqoub Alkhayyat
Managing Director and Chief Executive Officer

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