

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021 (Reviewed)

	Reviewed 30 September 2021 BD 000	Audited 31 December 2020 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	103,582	61,277
Due from banks	74,268	123,590
Financing contracts	1,072,681	1,005,228
Investment in equity	7,059	6,861
Investment in sukuk	323,016	324,739
Investment in associate	-	6,889
Receivables and other assets	211,762	223,377
Premises and equipment	2,962	3,703
TOTAL ASSETS	1,795,330	1,755,664
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	142,436	133,114
Due to banks	19,248	108,798
Due to non-banks	355,438	364,048
Other liabilities	26,322	16,298
TOTAL LIABILITIES	543,444	622,258
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	173,688	182,948
Non-banks and individuals	900,455	783,229
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,074,143	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	1,849	1,018
Retained earnings	17,735	311
	177,743	159,488
Non-controlling shareholders	-	7,741
TOTAL OWNERS' EQUITY	177,743	167,229
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,795,330	1,755,664
OFF-BALANCE SHEET		
EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	136,710	136,710
ASSETS UNDER MANAGEMENT	701,576	685,247
CONTINGENT LIABILITIES AND COMMITMENTS	70,450	75,649

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2021 (Reviewed)

	Three months ended 30 September		Nine months ended 30 September	
	2021 BD 000	2020 BD 000	2021 BD 000	2020 BD 000
Income from financing contracts	15,614	14,488	44,876	44,248
Income from sukuk	3,366	3,842	10,498	11,059
Income from investments	(1)	360	899	1,767
Income from due from banks	210	186	692	1,197
Share of loss from associate	(39)	(101)	(271)	(382)
OPERATING INCOME	19,150	18,775	56,694	57,889
Return on equity of investment account holders (wakala)	(4,040)	(3,979)	(11,678)	(14,212)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,603)	(3,128)	(7,769)	(9,278)
Group's share as mudarib	2,219	2,631	6,584	7,732
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(384)	(497)	(1,185)	(1,546)
Profit on due to banks and non-banks	(2,300)	(3,561)	(7,786)	(11,264)
NET OPERATING INCOME	12,426	10,738	36,045	30,867
Staff costs	3,311	3,073	9,517	9,242
Depreciation	246	306	781	941
Allowance for credit losses - net	353	863	1,984	5,281
Other expenses	2,355	2,677	7,080	7,696
TOTAL OPERATING EXPENSES	6,265	6,919	19,362	23,160
NET INCOME FOR THE PERIOD	6,161	3,819	16,683	7,707
Attributable to:				
Shareholders of the Parent	6,162	3,822	16,686	7,713
Non-controlling shareholders	(1)	(3)	(3)	(6)
	6,161	3,819	16,683	7,707

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2021 (Reviewed)

	Nine months ended 30 September	
	2021 BD 000	2020 BD 000
OPERATING ACTIVITIES		
Net income for the period	16,683	7,707
Adjustments for:		
Allowance for credit losses - net	1,984	5,281
Depreciation	781	941
Share of loss from associate	271	382
Net gain on sale of investments	451	(359)
Foreign exchange gain	(340)	(394)
Operating income before changes in operating assets and liabilities	19,830	13,558
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(3,090)	4,433
Due from banks	(355)	7,117
Financing contracts	(69,089)	(115,488)
Receivables and other assets	13,520	20,098
Customers' current accounts	9,322	23,630
Due to banks	(89,550)	7,226
Due to non-banks	(8,610)	98,458
Other liabilities	8,441	654
Cash from operations	(119,581)	59,686
Financial support from government	-	1,460
Net cash flows (used in) from operating activities	(119,581)	61,146
INVESTING ACTIVITIES		
Proceeds from disposal of investments	550	3,450
Disposal (purchase) of investment in sukuk - net	998	(58,990)
Purchase of premises and equipment - net	(40)	(99)
Proceeds from disposal of held for sale subsidiary	-	4,760
Net cash flows from (used in) investing activities	1,508	(50,879)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	107,966	(66,925)
Net cash flows from (used in) financing activity	107,966	(66,925)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,107)	(56,658)
Cash and cash equivalents at 1 January	155,774	176,260
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	145,667	119,602

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 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	-	-	-	16,686	-	16,686	(3)	16,683
Other comprehensive income for the period	-	-	831	-	-	831	-	831
Total comprehensive income for the period	-	-	831	16,686	-	17,517	(3)	17,514
Gain on acquisition of non-controlling shareholders	-	-	-	738	-	738	-	738
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(7,738)	(7,738)
Balance at 30 September 2021	132,519	25,640	1,849	17,735	-	177,743	-	177,743
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	-	-	-	7,713	-	7,713	(6)	7,707
Other comprehensive income for the period	-	-	744	-	-	744	-	744
Total comprehensive income for the period	-	-	744	7,713	-	8,457	(6)	8,451
Dividend	-	-	-	-	(22,517)	(22,517)	-	(22,517)
Recognition of net modification loss	-	-	-	(16,997)	-	(16,997)	-	(16,997)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(2,847)	(2,847)
Balance at 30 September 2020	132,519	24,115	1,068	(5,697)	-	152,005	7,744	159,749

These statements have been extracted from the Interim Condensed Consolidated Financial Statements for the nine months ended 30 September 2021, reviewed by Ernst & Young - Middle East. These Interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 14 November 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

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