

Interim Consolidated Statement of Financial Position

As at 30 September 2023 (Reviewed)

	Reviewed 30 September 2023 BD 000	Audited 31 December 2022 BD 000
ASSETS		
Cash and balances with banks and the Central Bank of Bahrain	94,674	78,648
Due from banks	61,791	45,028
Financing contracts	1,014,870	999,251
Investments in equity	3,144	3,419
Investments in sukuk	279,043	290,034
Receivables and other assets	123,180	144,993
Premises, equipment and right of use assets	3,893	3,707
TOTAL ASSETS	1,580,595	1,565,080
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	115,254	137,461
Due to banks	38,672	17,339
Due to non-banks	93,720	108,784
Other liabilities	22,310	19,960
TOTAL LIABILITIES	269,956	283,544
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	235,832	264,155
Non-banks and individuals	903,879	832,285
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,139,711	1,096,440
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	30,405	30,405
Proposed dividend	-	22,172
Retained earnings	8,004	-
TOTAL OWNERS' EQUITY	170,928	185,096
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,580,595	1,565,080
OFF-BALANCE SHEET EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	126,119	122,380
ASSETS UNDER MANAGEMENT	740,702	725,987
CONTINGENT LIABILITIES AND COMMITMENTS	37,023	57,128

Interim Consolidated Statement of Income

For the nine months ended 30 September 2023 (Reviewed)

	Three months ended 30 September		Nine months ended 30 September	
	2023 BD 000	2022 BD 000	2023 BD 000	2022 BD 000
Income from financing contracts	17,882	13,549	51,101	42,789
Income from sukuk	3,339	3,565	9,841	10,828
Income from investments	755	779	2,107	2,187
Income from due from banks	577	342	1,602	1,163
OPERATING INCOME	22,553	18,235	64,651	56,967
Return on equity of investment account holders (wakala)	(12,049)	(5,415)	(32,341)	(14,641)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,311)	(2,318)	(6,661)	(7,112)
Group's share as mudarib	2,071	2,019	5,913	6,158
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(240)	(299)	(748)	(954)
Profit on due to banks and non-banks	(1,769)	(879)	(4,857)	(3,249)
NET OPERATING INCOME	8,495	11,642	26,705	38,123
Staff costs	2,944	3,102	9,288	9,455
Depreciation and amortisation	407	364	1,000	1,058
(Reversal of) allowance for impairment and credit losses - net	418	94	(11)	(36)
Other expenses	3,042	2,448	8,424	7,379
TOTAL OPERATING EXPENSES	6,811	6,008	18,701	17,856
NET INCOME FOR THE PERIOD	1,684	5,634	8,004	20,267

Interim Consolidated Statement of Cash Flows

For the nine months ended 30 September 2023 (Reviewed)

	Nine months ended 30 September	
	2023 BD 000	2022 BD 000
OPERATING ACTIVITIES		
Net income for the period	8,004	20,267
Adjustments for:		
Allowance for (reversal of) impairment and credit losses - net (excluding recovery from written off accounts)	546	(10)
Depreciation and amortisation	1,000	1,058
Net loss on sale of investment	-	88
Foreign exchange gain	(868)	(617)
Sukuk premium amortisation	1,075	1,266
Operating income before changes in operating assets and liabilities	9,757	22,052
Changes in operating assets and liabilities:		
Mandatory reserve with the Central Bank of Bahrain	(690)	(16,467)
Due from banks	-	(125)
Financing contracts	(15,433)	51,238
Receivables and other assets	(829)	34,028
Customers' current accounts	(22,207)	3,616
Due to banks	21,333	7,756
Due to non-banks	(15,064)	(230,579)
Other liabilities	2,580	4,241
Net cash flows used in operating activities	(20,553)	(124,240)
INVESTING ACTIVITIES		
Proceeds from disposal of investments	249	911
Disposal of investments in sukuk - net	9,921	53,197
Purchase of premises and equipment - net	(1,186)	(208)
Net cash flows from investing activities	8,984	53,900
FINANCING ACTIVITIES		
Net movement in equity of investment account holders	43,271	(48,019)
Net obligation in relation to right of use assets - net	681	(291)
Net cash flows from (used in) financing activities	43,952	(48,310)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,383	(118,650)
Cash and cash equivalents at 1 January	74,526	178,285
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	106,909	59,635

Interim Consolidated Statement of Changes in Owners' Equity

For the nine months ended 30 September 2023 (Reviewed)

	Share capital BD 000	Statutory reserve BD 000	Fair value through equity reserve BD 000	Retained earnings BD 000	Proposed dividend BD 000	Total owners' equity BD 000
Balance at 1 January 2023	132,519	30,405	-	-	22,172	185,096
Net income for the period	-	-	-	8,004	-	8,004
Total comprehensive income for the period	-	-	-	8,004	-	8,004
Dividend	-	-	-	-	(22,172)	(22,172)
Balance at 30 September 2023	132,519	30,405	-	8,004	-	170,928
Balance at 1 January 2022	132,519	27,942	1,850	-	21,767	184,078
Net income for the period	-	-	-	20,267	-	20,267
Other comprehensive income for the period	-	-	(795)	-	-	(795)
Total comprehensive income for the period	-	-	(795)	20,267	-	19,472
Dividend	-	-	-	-	(21,767)	(21,767)
Transfer from fair value through equity reserve	-	-	(283)	-	-	(283)
Balance at 30 September 2022	132,519	27,942	772	20,267	-	181,500

These statements have been extracted from the interim condensed consolidated financial statements for the period ended 30 September 2023, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 7 November 2023. Kuwait Finance House (Bahrain) B.S.C.(c) is licensed by the CBB as an Islamic retail bank.

Mohammad Naser AlFouzan
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayyat
Managing Director and Chief Executive Officer

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