

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	2023 BD 000	2022 BD 000
ASSETS		
Cash and balances with banks and the Central Bank of Bahrain	80,623	78,648
Due from banks	41,419	45,028
Financing contracts	1,009,312	999,251
Investments in equity	3,158	3,419
Investments in sukuk	278,596	290,034
Receivables and other assets	136,104	144,993
Premises, equipment and right of use assets	4,009	3,707
TOTAL ASSETS	1,553,221	1,565,080
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	122,036	137,461
Due to banks	31,357	17,339
Due to non-banks	97,151	108,784
Other liabilities	24,991	19,960
TOTAL LIABILITIES	275,535	283,544
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	227,407	264,155
Non-banks and individuals	879,214	832,285
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,106,621	1,096,440
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	31,219	30,405
Proposed dividend	7,327	22,172
TOTAL OWNERS' EQUITY	171,065	185,096
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,553,221	1,565,080
OFF-BALANCE SHEET		
EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	127,110	122,380
ASSETS UNDER MANAGEMENT	742,388	725,987
CONTINGENT LIABILITIES AND COMMITMENTS	32,439	57,128

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2023

	2023 BD 000	2022 BD 000
Income from financing contracts	68,726	58,328
Income from investments	2,879	2,650
Income from sukuk	13,227	14,275
Income from due from banks	2,255	1,481
OPERATING INCOME	87,087	76,734
Return on equity of investment account holders (wakala)	(44,856)	(22,062)
Return on equity of investment account holders (mudaraba) before the Group's share as mudarib	(8,973)	(9,343)
The Group's share as mudarib	7,992	8,107
Return on equity of investment account holders (mudaraba) after the Group's share as mudarib	(981)	(1,236)
Profit on due to banks and non-banks	(6,685)	(4,395)
NET OPERATING INCOME	34,565	49,041
Staff costs	12,437	12,716
Depreciation and amortisation of premises, equipment and right of use assets	1,329	1,648
Allowance for (reversal of) impairment and credit losses - net	1,275	(173)
Other expenses	11,383	10,215
TOTAL OPERATING EXPENSES	26,424	24,406
NET INCOME FOR THE YEAR	8,141	24,635

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023 BD 000	2022 BD 000
OPERATING ACTIVITIES		
Net income for the year	8,141	24,635
Adjustments for:		
Sukuk premium amortisation	1,370	1,606
Net gain on sale of investments	-	(202)
Foreign exchange gain	(1,269)	(434)
Depreciation and amortisation	1,329	1,648
Allowance for (reversal of) impairment and credit losses - net	1,840	(143)
Operating income before changes in operating assets and liabilities	11,411	27,110
Changes in operating assets and liabilities:		
Mandatory reserve with the Central Bank of Bahrain	(1,050)	(15,712)
Financing contracts	(10,425)	58,090
Receivables and other assets	(15,169)	37,016
Customers' current accounts	(15,425)	(308)
Due to banks	14,018	12,906
Due to non-banks	(11,633)	(239,671)
Other liabilities	6,022	1,936
Net cash flows used in operating activities	(22,251)	(118,633)
INVESTING ACTIVITIES		
Disposal of investments - net	261	2,215
Decrease in investments in sukuk - net	10,071	63,392
Proceeds from sale of repossessed assets	590	-
Purchase of premises and equipment - net	(604)	(858)
Net cash flows from investing activities	10,318	64,749
FINANCING ACTIVITIES		
Net movement in equity of investment account holders	10,181	(49,044)
Payments of obligation in relation to right of use assets	(731)	(831)
Net cash flows from (used in) financing activities	9,450	(49,875)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,483)	(103,759)
Cash and cash equivalents at 1 January	74,526	178,285
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	72,043	74,526

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2023

	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
Balance at 1 January 2023	132,519	30,405	-	-	22,172	185,096
Net income for the year	-	-	-	8,141	-	8,141
Dividend payout	-	-	-	-	(22,172)	(22,172)
Proposed dividend	-	-	-	(7,327)	7,327	-
Transfer to statutory reserve	-	814	-	(814)	-	-
Balance at 31 December 2023	132,519	31,219	-	-	7,327	171,065
Balance at 1 January 2022	132,519	27,942	1,850	-	21,767	184,078
Net income for the year	-	-	-	24,635	-	24,635
Other comprehensive income for the year	-	-	(1,850)	-	-	(1,850)
Total comprehensive income for the year	-	-	(1,850)	24,635	-	22,785
Dividend payout	-	-	-	-	(21,767)	(21,767)
Proposed dividend	-	-	-	(22,172)	22,172	-
Transfer to statutory reserve	-	2,463	-	(2,463)	-	-
Balance at 31 December 2022	132,519	30,405	-	-	22,172	185,096

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2023, audited by Ernst & Young Middle East. These consolidated financial statements were approved by the Board of Directors on 19 February 2024. Kuwait Finance House (Bahrain) B.S.C.(c) is licensed by CBB as an Islamic retail bank.

Mohammad Naser AlFouzan
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayat
Managing Director and Chief Executive Officer

Retail Banking • Corporate Banking • Private Banking • Investment • Wealth Management

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www.kfh.bh | +973 7777 7777

 @kfh.bahrain

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Kuwait Finance House
Bahrain B.S.C.(c) (م) البحرين
Licensed as an Islamic Retail Bank by the Central Bank of Bahrain