

Consolidated Statement of Financial Position

At 31 December 2020

	2020 BD 000	2019 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	61,277	99,535
Due from banks	123,590	115,216
Financing contracts	1,005,228	913,907
Investments	6,861	6,156
Investment in sukuk	324,739	270,277
Investment in associate	6,889	8,461
Receivables and other assets	223,377	247,328
Premises and equipment	3,703	9,553
TOTAL ASSETS	1,755,664	1,670,433
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	133,114	128,258
Due to banks	108,798	101,783
Due to non-banks	364,048	222,965
Other liabilities	16,298	15,399
TOTAL LIABILITIES	622,258	468,405
EQUITY OF INVESTMENT ACCOUNT HOLDERS		
Banks	182,948	159,699
Non-banks and individuals	783,229	848,670
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS	966,177	1,008,369
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	25,640	24,115
Fair value through equity reserve	1,018	324
Proposed dividend	-	22,517
Retained earnings	311	3,587
	159,488	183,062
Non-controlling shareholders	7,741	10,597
	167,229	193,659
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,755,664	1,670,433
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	136,710	135,145
CONTINGENT LIABILITIES AND COMMITMENTS	75,649	108,796

Consolidated Statement of Income

For the year ended 31 December 2020

	2020 BD 000	2019 BD 000
Income from financing contracts	59,521	63,365
Income from investments	2,065	1,720
Income from sukuk	14,855	20,200
Share of loss from associate	(463)	(164)
OPERATING INCOME	75,978	85,121
Return on equity of investment account holders (wakala)	(18,045)	(22,017)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(12,381)	(9,828)
Group's share as mudarib	10,346	7,945
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(2,035)	(1,883)
Profit on due to banks and non-banks	(15,038)	(12,490)
NET OPERATING INCOME	40,860	48,731
Staff costs	11,933	13,235
Depreciation	1,493	1,292
Provisions - net	1,633	(695)
Other expenses	10,564	9,889
TOTAL OPERATING EXPENSES	25,623	23,721
NET INCOME FOR THE YEAR	15,237	25,010
Attributable to:		
Shareholders of the Parent	15,246	25,019
Non-controlling shareholders	(9)	(9)
	15,237	25,010

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	2020 BD 000	2019 BD 000
OPERATING ACTIVITIES		
Net income for the year	15,237	25,010
Adjustments for:		
Share of loss from associate	463	164
Net gain on sale of investments	(359)	-
Net unrealised gain on investments	-	(198)
Net gain on sale of premises and equipment	-	(5)
Foreign exchange gain	(413)	(839)
Depreciation	1,493	1,292
Provisions - net	6,166	(631)
Operating income before changes in operating assets and liabilities	22,587	24,793
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	2,966	(605)
Due from banks	454	4,041
Financing contracts	(137,084)	(38,796)
Receivables and other assets	18,502	(1,613)
Financial support from government	1,460	-
Customers' current accounts	4,856	510
Due to banks	7,015	(13,944)
Due to non-banks	141,083	61,000
Other liabilities	137	1,619
Net cash flows (used in) from financing activity	61,976	37,005
INVESTING ACTIVITIES		
Disposal of investments - net	3,452	-
Purchase of sukuk - net	(54,452)	(226,066)
Sale proceeds from disposal of sukuk	-	178,384
Purchase of premises and equipment - net	(463)	(885)
Proceeds from disposal of a subsidiary	4,760	-
Net cash flows used in investing activities	(46,703)	(48,567)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	(42,192)	105,554
Net cash flows (used in) from financing activity	(42,192)	105,554
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(26,919)	93,992
Cash and cash equivalents at 1 January	182,693	88,701
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	155,774	182,693

Consolidated Statement of Changes in Owners' Equity

For the year ended 31 December 2020

	Equity attributable to shareholders of the Parent							Non-controlling shareholders	Total owners' equity
	Share capital	Statutory reserve	Fair value through equity reserve	Retained earnings	Proposed dividend	Total			
	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	
Balance at 1 January 2020	132,519	24,115	324	3,587	22,517	183,062	10,597	193,659	
Net income for the year	-	-	-	15,246	-	15,246	(9)	15,237	
Other comprehensive income for the year	-	-	694	-	-	694	-	694	
Total comprehensive income for the year	-	-	694	15,246	-	15,940	(9)	15,931	
Dividend payout	-	-	-	-	(22,517)	(22,517)	-	(22,517)	
Transfer to statutory reserve	-	1,525	-	(1,525)	-	-	-	-	
Recognition of modification loss net of government grant	-	-	-	(16,997)	-	(16,997)	-	(16,997)	
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(2,847)	(2,847)	
Balance at 31 December 2020	132,519	25,640	1,018	311	-	159,488	7,741	167,229	
Balance at 1 January 2019	132,519	21,613	170	3,587	16,608	174,497	7,766	182,263	
Net income for the year	-	-	-	25,019	-	25,019	(9)	25,010	
Other comprehensive income for the year	-	-	154	-	-	154	-	154	
Total comprehensive income for the year	-	-	154	25,019	-	25,173	(9)	25,164	
Dividend payout	-	-	-	-	(16,608)	(16,608)	-	(16,608)	
Transfer to statutory reserve	-	2,502	-	(2,502)	-	-	-	-	
Proposed dividend	-	-	-	(22,517)	22,517	-	-	-	
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	2,840	2,840	
Balance at 31 December 2019	132,519	24,115	324	3,587	22,517	183,062	10,597	193,659	

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2020, audited by EY who have expressed an unqualified opinion. These consolidated financial statements were approved by the Board of Directors on 11 February 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