

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	2022 BD 000	2021 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	78,648	113,407
Due from banks	45,028	98,015
Financing contracts	999,251	1,057,975
Investments in equity	3,419	7,071
Investments in sukuk	290,034	355,042
Receivables and other assets	144,993	203,500
Premises, equipment and right of use assets	3,707	4,272
TOTAL ASSETS	1,565,080	1,839,282
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	137,461	137,769
Due to banks	17,339	4,433
Due to non-banks	108,784	348,455
Other liabilities	19,960	19,063
TOTAL LIABILITIES	283,544	509,720
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	264,155	201,051
Non-banks and individuals	832,285	944,433
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,096,440	1,145,484
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	30,405	27,942
Fair value through equity reserve	-	1,850
Proposed dividend	22,172	21,767
TOTAL OWNERS' EQUITY	185,096	184,078
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,565,080	1,839,282
OFF-BALANCE SHEET		
EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	122,380	136,710
ASSETS UNDER MANAGEMENT	725,987	660,739
CONTINGENT LIABILITIES AND COMMITMENTS	57,128	59,224

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2022

	2022 BD 000	2021 BD 000
Income from financing contracts	58,328	60,214
Income from investments	2,650	1,399
Income from sukuk	14,275	13,961
Income from due from banks	1,481	966
Share of loss from associate	-	(271)
OPERATING INCOME	76,734	76,269
Return on equity of investment account holders (wakala)	(22,062)	(16,032)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(9,343)	(10,191)
Group's share as mudarib	8,107	8,649
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(1,236)	(1,542)
Profit on due to banks and non-banks	(4,395)	(9,824)
NET OPERATING INCOME	49,041	48,871
Staff costs	12,716	12,681
Depreciation and amortisation	1,531	1,690
(Reversal of) allowance for impairment and credit losses - net	(173)	1,807
Other expenses	10,332	9,666
TOTAL OPERATING EXPENSES	24,406	25,844
NET INCOME FOR THE YEAR	24,635	23,027
Attributable to:		
Shareholders of the Parent	24,635	23,020
Non-controlling shareholders	-	7
	24,635	23,027

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022 BD 000	2021 BD 000
OPERATING ACTIVITIES		
Net income for the year	24,635	23,027
Adjustments for:		
Share of loss from associate	-	271
Sukuk premium amortisation	1,606	1,455
Net (gain) loss on sale of investments	(202)	424
Foreign exchange gain	(434)	(530)
Depreciation and amortisation	1,531	1,690
(Reversal of) allowance for impairment and credit losses - net	(143)	1,856
Operating income before changes in operating assets and liabilities	26,993	28,193
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(15,712)	(4,494)
Financing contracts	58,090	(54,580)
Receivables and other assets	37,016	19,821
Customers' current accounts	(308)	4,655
Due to banks	12,906	(104,365)
Due to non-banks	(239,671)	(15,593)
Other liabilities	1,968	4,068
Net cash flows used in operating activities	(118,718)	(122,295)
INVESTING ACTIVITIES		
Disposal of investments - net	2,215	-
Decrease (increase) in investments in sukuk - net	63,392	(31,756)
Purchase of premises and equipment - net	(966)	(1,135)
Transaction costs incurred on the acquisition of non-controlling shareholders	-	(528)
Net cash flows from (used in) investing activities	64,641	(33,419)
FINANCING ACTIVITIES		
Net movement in equity of investment account holders	(49,044)	179,307
Payments of obligation in relation to right of use assets	(638)	(1,312)
Net cash flows (used in) from financing activities	(49,682)	177,995
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(103,759)	22,281
Cash and cash equivalents at 1 January	178,285	156,004
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	74,526	178,285

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2022

	Equity attributable to shareholders of the Parent						Non-controlling shareholders BD 000	Total owners' equity BD 000
	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 2022	132,519	27,942	1,850	-	21,767	184,078	-	184,078
Net income for the year	-	-	-	24,635	-	24,635	-	24,635
Other comprehensive income for the year	-	-	(1,850)	-	-	(1,850)	-	(1,850)
Total comprehensive income for the year	-	-	(1,850)	24,635	-	22,785	-	22,785
Dividend payout	-	-	-	-	(21,767)	(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	-	185,096
Balance at 1 January 2021	132,519	25,640	1,018	311	-	159,488	7,741	167,229
Net income for the year	-	-	-	23,020	-	23,020	7	23,027
Other comprehensive income for the year	-	-	832	-	-	832	-	832
Total comprehensive income for the year	-	-	832	23,020	-	23,852	7	23,859
Proposed dividend	-	-	-	(21,767)	21,767	-	-	-
Transfer to statutory reserve	-	2,302	-	(2,302)	-	-	-	-
Gain on acquisition of non-controlling shareholders	-	-	-	738	-	738	-	738
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(7,748)	(7,748)
Balance at 31 December 2021	132,519	27,942	1,850	-	21,767	184,078	-	184,078

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2022, audited by Ernst & Young Middle East. These consolidated financial statements were approved by the Board of Directors on 7 February 2023. 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 Alkhayat
Managing Director and Chief Executive Officer

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

SIMPLY SMARTER

www.kfh.bh | +973 7777 7777

in f t @kfh.bahrain

بيت التمويل الكويتي
Kuwait Finance House
Bahrain B.S.C.(c) البحرين ب.س.ك. (م)
Licensed as an Islamic Retail Bank by the Central Bank of Bahrain