

Interim Consolidated Statement of Financial Position

	Reviewed 30 Sep 2018 BD 000	Audited 31 Dec 2017 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	53,640	66,962
Due from banks	68,770	46,107
Financing contracts	832,293	737,552
Investments	7,268	7,747
Investment in sukuk	234,392	157,065
Investment in associates	12,960	12,599
Receivables and other assets	261,759	272,856
Premises and equipment	4,130	9,437
TOTAL ASSETS	1,475,212	1,310,325
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	137,693	135,098
Due to banks	169,184	163,760
Due to non-banks	380,740	234,933
Other liabilities	20,121	23,101
Subordinated wakala payable	94,250	94,250
	801,988	651,142
EQUITY OF INVESTMENT ACCOUNT HOLDERS	498,532	477,676
OWNERS' EQUITY		
Equity attributable to shareholders of the Parent		
Share capital	132,519	132,519
Statutory reserve	19,768	19,768
Fair value through equity reserve	152	-
Proposed dividend	-	18,095
Retained earnings	14,526	3,321
	166,965	173,703
Non-controlling shareholders	7,727	7,804
	174,692	181,507
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,475,212	1,310,325
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	130,220	135,080
CONTINGENT LIABILITIES AND COMMITMENTS	102,140	135,078

Interim Consolidated Statement of Income

	Three months ended 30 Sep		Nine months ended 30 Sep	
	2018 BD 000	2017 BD 000	2018 BD 000	2017 BD 000
Income from financing contracts	10,538	11,406	36,156	33,313
Income from investments	3,040	258	4,236	7,411
Income from sukuk	2,989	1,629	8,053	5,057
Share of income from associates	14	(42)	95	396
Net (loss) revenue from non-banking business entities	(68)	(270)	(149)	507
OPERATING INCOME	16,513	12,981	48,391	46,684
Return on equity of investment account holders before Group's share as mudarib	(3,802)	(2,958)	(10,619)	(8,258)
Group's share as mudarib	1,991	1,629	6,000	4,398
Return on equity of investment account holders	(1,811)	(1,329)	(4,619)	(3,860)
Profit on due to banks, due to non-banks and subordinated wakala payable	(5,110)	(2,417)	(13,098)	(9,045)
NET OPERATING INCOME	9,592	9,235	30,674	33,779
Staff costs	4,162	3,404	11,732	10,391
Depreciation	292	249	849	757
Provisions - net	1,343	1,000	67	2,225
Other expenses	2,293	2,328	6,715	6,828
Operating expenses of non-banking business entities	140	162	405	803
TOTAL OPERATING EXPENSES	8,230	7,143	19,768	21,004
NET INCOME FOR THE PERIOD FROM OPERATIONS	1,362	2,092	10,906	12,775
DISCONTINUED OPERATIONS				
Net results for the period from discontinued operations	-	2,600	-	2,600
NET INCOME FOR THE PERIOD	1,362	4,692	10,906	15,375
Attributable to:				
Shareholders of the Parent	1,369	4,714	10,940	15,459
Non-controlling shareholders	(7)	(22)	(34)	(84)
	1,362	4,692	10,906	15,375

Interim Consolidated Statement of Cash Flows

	Nine months ended 30 Sep	
	2018 BD 000	2017 BD 000
OPERATING ACTIVITIES		
Net income for the period from operations	10,906	12,775
Net results for the period from discontinued operations	-	2,600
Net income for the period	10,906	15,375
Adjustments for:		
Provisions - net	67	2,225
Depreciation	852	767
Share of income from associates	(95)	(396)
Net gain on sale of investments	(188)	(6,784)
Net gain on sale of premises and equipment	(2,370)	-
Foreign exchange gain	(568)	(314)
Net unrealised loss on investment in real estate	-	309
Net unrealised (gain)/loss on investments	(124)	25
Dividend income	(39)	(63)
Rental income	-	(61)
Operating income before changes in operating assets and liabilities	8,441	11,083
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(2,130)	(1,870)
Due from banks	24,141	(2)
Financing contracts	(94,182)	(59,912)
Receivables and other assets	(1,219)	8,777
Customers' current accounts	2,595	(14,370)
Due to banks	5,424	(39,348)
Due to non-banks	145,807	6,728
Other liabilities	(4,634)	(11,417)
Subordinated wakala payable	-	3,008
Net cash flows from (used in) operating activities	84,243	(97,323)
INVESTING ACTIVITIES		
Disposal (purchase) of investments - net	762	(3,759)
(Purchase) disposal of investment in sukuk - net	(77,718)	9,866
Purchase of investment in real estate - net	-	(87)
Distributions from investment in associates	-	2,962
Dividend income	39	63
Rental income	-	61
Purchase of premises and equipment - net	(1,375)	(812)
Net cash flows (used in) from investing activities	(78,292)	8,294
FINANCING ACTIVITY		
Net movement in equity of investment account holders	20,856	39,991
Net cash flows from financing activity	20,856	39,991
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,807	(49,038)
Cash and cash equivalents at 1 January	58,500	103,687
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	85,307	54,649

Interim Consolidated Statement of Changes in Owners' Equity

Attributable to shareholders of the Parent													
	Share capital BD 000	Share premium BD 000	Treasury shares BD 000	Statutory reserve BD 000	General reserve BD 000	Fair value through equity reserve BD 000	Property fair value reserve BD 000	Foreign currency translation reserve BD 000	Retained earnings BD 000	Proposed dividend BD 000	Total BD 000	Non-controlling shareholders BD 000	Total owners' equity BD 000
Balance at 1 January 2018	132,519	-	-	19,768	-	-	-	-	3,321	18,095	173,703	7,804	181,507
Net income for the period	-	-	-	-	-	-	-	-	10,940	-	10,940	(34)	10,906
Other comprehensive income for the period	-	-	-	-	-	417	-	-	-	-	417	-	417
Total comprehensive income for the period	-	-	-	-	-	417	-	-	10,940	-	11,357	(34)	11,323
Dividend payout	-	-	-	-	-	-	-	-	-	(18,095)	(18,095)	-	(18,095)
Net transfer from fair value through equity reserve	-	-	-	-	-	(265)	-	-	265	-	-	-	-
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(43)	(43)
Balance at 30 September 2018	132,519	-	-	19,768	-	152	-	-	14,526	-	166,965	7,727	174,692
Balance at 1 January 2017	177,140	71,403	(21,923)	17,757	28,237	(3,574)	30,923	(91)	60,403	-	360,275	8,316	368,591
Net income for the period	-	-	-	-	-	-	-	-	15,459	-	15,459	(84)	15,375
Other comprehensive income for the period	-	-	-	-	-	102	-	43	-	-	145	-	145
Total comprehensive income for the period	-	-	-	-	-	102	-	43	15,459	-	15,604	(84)	15,520
Cancellation of treasury shares	(12,044)	(9,879)	21,923	-	-	-	-	-	-	-	-	-	-
Reduction of equity on asset transfer	(32,577)	(61,524)	-	-	(28,237)	77	(30,900)	-	(56,839)	-	(210,000)	-	(210,000)
Net transfer from fair value through equity reserve	-	-	-	-	-	-	(23)	-	23	-	-	-	-
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(419)	(419)
Balance at 30 September 2017	132,519	-	-	17,757	-	(3,395)	-	(48)	19,046	-	165,879	7,813	173,692

These statements have been extracted from the interim condensed consolidated financial statements for the nine month period ended 30 September 2018, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 24 October 2018. 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

