

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (Reviewed)

| | Reviewed 30 June 2022 BD 000 | Audited 31 December 2021 BD 000 |
|---|---------------------------------------|--|
| ASSETS | | |
| Cash and balances with banks and Central Bank of Bahrain | 70,976 | 113,407 |
| Due from banks | 102,082 | 98,015 |
| Financing contracts | 1,004,693 | 1,057,975 |
| Investments in equity | 6,023 | 7,071 |
| Investments in sukuk | 330,729 | 355,042 |
| Receivables and other assets | 143,884 | 203,500 |
| Premises, equipment and right of use assets | 3,592 | 4,272 |
| TOTAL ASSETS | 1,661,979 | 1,839,282 |
| LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY | | |
| LIABILITIES | | |
| Customers' current accounts | 138,486 | 137,769 |
| Due to banks | 682 | 4,433 |
| Due to non-banks | 186,959 | 348,455 |
| Other liabilities | 23,244 | 19,063 |
| TOTAL LIABILITIES | 349,371 | 509,720 |
| EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY | | |
| Banks | 260,669 | 201,051 |
| Non-banks and individuals | 875,781 | 944,433 |
| TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY | 1,136,450 | 1,145,484 |
| OWNERS' EQUITY | | |
| Equity attributable to shareholders of the Parent | | |
| Share capital | 132,519 | 132,519 |
| Statutory reserve | 27,942 | 27,942 |
| Fair value through equity reserve | 1,064 | 1,850 |
| Proposed dividend | - | 21,767 |
| Retained earnings | 14,633 | - |
| TOTAL OWNERS' EQUITY | 176,158 | 184,078 |
| TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY | 1,661,979 | 1,839,282 |
| OFF-BALANCE SHEET | | |
| EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS | 124,650 | 136,710 |
| ASSETS UNDER MANAGEMENT | 674,230 | 660,739 |
| CONTINGENT LIABILITIES AND COMMITMENTS | 65,220 | 59,224 |

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2022 (Reviewed)

| | Three months ended 30 June | | Six months ended 30 June | |
|---|-------------------------------|----------------|-----------------------------|----------------|
| | 2022 BD 000 | 2021 BD 000 | 2022 BD 000 | 2021 BD 000 |
| Income from financing contracts | 14,421 | 14,801 | 29,240 | 29,262 |
| Income from sukuk | 3,603 | 3,433 | 7,263 | 7,132 |
| Income from investments | 825 | 534 | 1,408 | 900 |
| Income from due from banks | 541 | 237 | 821 | 482 |
| Share of loss from associate | - | (95) | - | (232) |
| OPERATING INCOME | 19,390 | 18,910 | 38,732 | 37,544 |
| Return on equity of investment account holders (wakala) | (4,733) | (3,776) | (9,226) | (7,638) |
| Return on equity of investment account holders (mudaraba) before Group's share as mudarib | (2,424) | (2,666) | (4,794) | (5,166) |
| Group's share as mudarib | 2,095 | 2,257 | 4,139 | 4,365 |
| Return on equity of investment account holders (mudaraba) after Group's share as mudarib | (329) | (409) | (655) | (801) |
| Profit on due to banks and non-banks | (1,046) | (2,500) | (2,370) | (5,486) |
| NET OPERATING INCOME | 13,282 | 12,225 | 26,481 | 23,619 |
| Staff costs | 3,269 | 3,225 | 6,353 | 6,206 |
| Depreciation and amortisation | 368 | 479 | 694 | 965 |
| Allowance for impairment and credit losses - net | (530) | 763 | (130) | 1,631 |
| Other expenses | 2,645 | 2,180 | 4,931 | 4,295 |
| TOTAL OPERATING EXPENSES | 5,752 | 6,647 | 11,848 | 13,097 |
| NET INCOME FOR THE PERIOD | 7,530 | 5,578 | 14,633 | 10,522 |
| Attributable to: | | | | |
| Shareholders of the Parent | 7,530 | 5,579 | 14,633 | 10,524 |
| Non-controlling shareholders | - | (1) | - | (2) |
| | 7,530 | 5,578 | 14,633 | 10,522 |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022 (Reviewed)

| | Six months ended 30 June | |
|---|-----------------------------|-----------------|
| | 2022 BD 000 | 2021 BD 000 |
| OPERATING ACTIVITIES | | |
| Net income for the period | 14,633 | 10,522 |
| Adjustments for: | | |
| Allowance for impairment and credit losses - net (excluding recovery from written off accounts) | (110) | 1,655 |
| Depreciation | 694 | 965 |
| Share of loss from associate | - | 232 |
| Foreign exchange gain | (333) | (244) |
| Sukuk premium amortisation | 620 | 734 |
| Operating income before changes in operating assets and liabilities | 15,504 | 13,864 |
| Changes in operating assets and liabilities: | | |
| Mandatory reserve with Central Bank of Bahrain | 831 | (2,481) |
| Due from banks | (57,959) | (1,234) |
| Financing contracts | 53,124 | (63,349) |
| Receivables and other assets | 38,365 | 5,614 |
| Customers' current accounts | 717 | 6,065 |
| Due to banks | (3,751) | (97,771) |
| Due to non-banks | (161,496) | 37,734 |
| Other liabilities | 4,816 | 3,538 |
| Net cash flows used in operating activities | (109,849) | (98,020) |
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of investments | - | 550 |
| Disposal of investment in sukuk - net | 23,694 | 14,743 |
| Purchase of premises and equipment - net | (14) | (46) |
| Net cash flows from investing activities | 23,680 | 15,247 |
| FINANCING ACTIVITY | | |
| Net movement in equity of investment account holders | (9,034) | 45,597 |
| Payments of obligation in relation to right-of-use assets | (288) | (607) |
| Net cash flows (used in) from financing activities | (9,322) | 44,990 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (95,491) | (37,783) |
| Cash and cash equivalents at 1 January | 178,285 | 155,774 |
| CASH AND CASH EQUIVALENTS AT 30 JUNE | 82,794 | 117,991 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2022 (Reviewed)

| | Attributable to shareholders of the Parent | | | | | Total | Non-controlling shareholders | Total owners' equity |
|---|--|-------------------|-----------------------------------|-------------------|-------------------|----------------|------------------------------|----------------------|
| | Share capital | Statutory reserve | Fair value through equity reserve | Retained earnings | Proposed dividend | | | |
| | BD 000 | BD 000 | BD 000 | BD 000 | BD 000 | BD 000 | BD 000 | BD 000 |
| Balance at 1 January 2022 | 132,519 | 27,942 | 1,850 | - | 21,767 | 184,078 | - | 184,078 |
| Net income for the period | - | - | - | 14,633 | - | 14,633 | - | 14,633 |
| Other comprehensive income for the period | - | - | (484) | - | - | (484) | - | (484) |
| Total comprehensive income for the period | - | - | (484) | 14,633 | - | 14,149 | - | 14,149 |
| Dividend | - | - | - | - | (21,767) | (21,767) | - | (21,767) |
| Transfer from fair value through equity reserve | - | - | (302) | - | - | (302) | - | (302) |
| Balance at 30 June 2022 | 132,519 | 27,942 | 1,064 | 14,633 | - | 176,158 | - | 176,158 |
| Balance at 1 January 2021 | 132,519 | 25,640 | 1,018 | 311 | - | 159,488 | 7,741 | 167,229 |
| Net income for the period | - | - | - | 10,524 | - | 10,524 | (2) | 10,522 |
| Other comprehensive income for the period | - | - | 1,135 | - | - | 1,135 | - | 1,135 |
| Total comprehensive income for the period | - | - | 1,135 | 10,524 | - | 11,659 | (2) | 11,657 |
| Net movement in share of non-controlling shareholders | - | - | - | - | - | - | 695 | 695 |
| Balance at 30 June 2021 | 132,519 | 25,640 | 2,153 | 10,835 | - | 171,147 | 8,434 | 179,581 |

These statements have been extracted from the interim condensed consolidated financial statements for the six months ended 30 June 2022, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 4 August 2022. 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

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