

Financial Results

31 March 2010 (unaudited)

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Interim Condensed Consolidated Statement of Financial Position

	31 March 2010 BD 000	Audited 31 Dec 2009 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	36,391	41,111
Murabaha due from banks	25,784	24,612
Financing contracts with customers	658,222	658,748
Investments	240,834	227,381
Investment in associates	76,571	77,569
Investment properties	137,855	136,920
Receivables, prepayments and other assets	135,580	124,549
Goodwill and intangibles	24,128	25,172
Premises and equipment	23,577	24,358
	1,358,942	1,340,420
Assets of disposal group classified as held for sale	31,697	32,959
TOTAL ASSETS	1,390,639	1,373,379
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY LIABILITIES		
Murabaha and due to banks	214,494	152,738
Murabaha and due to non-banks	184,861	183,948
Customers' current accounts	48,528	52,155
Other liabilities	27,844	35,052
Subordinated Murabaha payable	96,734	97,189
	572,461	521,082
Liabilities associated with disposal group classified as held for sale	1,946	1,890
Total liabilities excluding unrestricted investment accounts	574,407	522,972
UNRESTRICTED INVESTMENT ACCOUNTS	454,843	499,293
Total liabilities including unrestricted investment accounts	1,029,250	1,022,265
EQUITY ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT		
Share capital	177,140	177,140
Share premium	71,403	71,403
Statutory reserve	12,420	12,420
General reserve	28,236	28,236
Available for sale reserve	(3,451)	(5,984)
Investment revaluation reserve	43,385	37,043
Foreign currency translation reserve	(1,520)	(1,688)
Retained earnings	8,345	6,239
	335,958	324,809
NON-CONTROLLING INTEREST	25,431	26,305
	361,389	351,114
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY	1,390,639	1,373,379
RESTRICTED INVESTMENT ACCOUNTS	84,631	74,196
COMMITMENTS AND CONTINGENT ITEMS	74,691	80,610

Interim Condensed Consolidated Statement of Income

	Three months ended 31 March	
	2010 BD 000	2009 BD 000
Income from retail and corporate banking activities		
Income from investment activities	12,661	13,524
Share of (loss) / income of associates	9,513	1,446
Other income	(469)	89
	205	3,205
	21,910	18,264
Less: Profit on Murabaha and due to banks, non-banks and subordinated Murabaha payable		
	2,807	2,657
	19,103	15,607
Staff costs		
Depreciation	3,245	2,772
Provisions	1,081	658
Other operating expenses	-	100
	2,560	4,165
	6,886	7,695
NET INCOME BEFORE PROFIT ON UNRESTRICTED INVESTMENT ACCOUNTS		
	12,217	7,912
Less: Profit on unrestricted investment accounts		
	3,814	4,946
	8,403	2,966
Net income for the period from continuing operations		
	(546)	-
Loss for the period from discontinued operations		
NET INCOME FOR THE PERIOD	7,857	2,966
Attributable to non-controlling interest	591	342
NET INCOME ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		
	8,448	3,308

Interim Condensed Consolidated Statement of Comprehensive Income

	Three months ended 31 March	
	2010 BD 000	2009 BD 000
Net Income for the period		
Other comprehensive income:		
Net unrealized gain / (loss) on available for sale investments	1,979	(1,345)
Net movement in foreign currency translation reserve	168	-
Share of other comprehensive income of associate	554	(1,756)
Other comprehensive income for the period	2,701	(3,101)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,558	(135)
Attributable to non-controlling interests		
	591	342
ATTRIBUTABLE TO THE SHARE HOLDERS OF THE PARENT	11,149	207

None of the comprehensive income for the period is attributable to the discontinued operations.

Interim Condensed Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2010 BD 000	2009 BD 000
OPERATING ACTIVITIES		
Net Income for the period	7,857	2,966
Adjustments for:		
Provisions	-	100
Depreciation	1,081	658
Share of loss / (income) of associates	469	(89)
Unrealised (gain) / loss on investments	(81)	1,955
Operating income before changes in operating assets and liabilities	9,326	5,590
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	265	8,794
Financing contracts with customers	526	(34,342)
Receivables, prepayments and other assets	(2,852)	(28,601)
Assets of disposal group classified as held for sale	1,262	-
Murabaha and due to banks	61,756	(40,684)
Murabaha and due to non-banks	913	(114,254)
Customers' current accounts	(3,627)	(7,769)
Other liabilities	(7,208)	15,739
Subordinated Murabaha payable	(455)	-
Liabilities of disposal group classified as held for sale	56	-
Net cash flows from / (used in) operating activities	59,962	(195,527)
INVESTING ACTIVITIES		
Purchase of investments	(17,560)	(1,431)
Purchase of investment in associates	-	(850)
Refund of advance paid for purchase of investment	-	7,766
Construction of investment properties	(935)	-
Purchase of premises and equipment - net	(300)	(934)
Net cash flows (used in) / from investing activities	(18,795)	4,551
FINANCING ACTIVITIES		
(Decrease) / Increase in unrestricted investment accounts	(44,450)	131,437
Net cash flows (used in) / from financing activity	(44,450)	131,437
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		
	(3,283)	(59,539)
Cash and cash equivalents at 1 January	41,493	102,488
CASH AND CASH EQUIVALENTS AT 31 MARCH	38,210	42,949

Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to Shareholders of the Parent										Non-controlling Interest in subsidiary held for sale BD 000	Total equity BD 000
	Share capital BD 000	Share premium BD 000	Statutory reserve BD 000	General reserve BD 000	Available for sale reserve BD 000	Investment revaluation reserve BD 000	Foreign currency translation reserves BD 000	Retained Earnings BD 000	Total BD 000	Non-controlling Interests BD 000		
Balance at 1 January 2010	177,140	71,403	12,420	28,236	(5,984)	37,043	(1,688)	6,239	324,809	26,305	-	351,114
Income / (loss) for the period	-	-	-	-	-	-	-	8,448	8,448	(591)	-	7,857
Other comprehensive income for the period	-	-	-	-	2,533	-	168	-	2,701	-	-	2,701
Transfer from investment revaluation reserve	-	-	-	-	-	81	-	(81)	-	-	-	-
Transfer to retained earnings on sale of investment	-	-	-	-	-	6,261	-	(6,261)	-	-	-	-
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	(283)	-	(283)
Balance at 31 March 2010	177,140	71,403	12,420	28,236	(3,451)	43,385	(1,520)	8,345	335,958	25,431	-	361,389
Balance at 1 January 2009	161,036	71,403	11,807	27,596	(4,769)	37,764	(1,383)	16,743	320,197	26,997	1,639	348,833
Income / (loss) for the period	-	-	-	-	-	-	-	3,308	3,308	(582)	240	2,966
Other comprehensive income for the period	-	-	-	-	(3,101)	-	-	-	(3,101)	-	-	(3,101)
Transfer to investment revaluation reserve	-	-	-	-	-	(1,955)	-	1,955	-	-	-	-
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	129	(31)	98
Balance at 31 March 2009	161,036	71,403	11,807	27,596	(7,870)	35,809	(1,383)	22,006	320,404	26,544	1,848	348,796

These statements have been extracted from the interim condensed consolidated financial statements for the period ended 31 March 2010, reviewed by Ernst & Young.

Bader Abdul Muhsen Al-Mukhaizeem
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayyat
Managing Director and Chief Executive Officer

