

Interim Consolidated Statement of Financial Position

	Reviewed 31 March 2018 BD 000	Audited 31 Dec 2017 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	78,361	66,962
Due from banks	80,263	46,107
Financing contracts	780,139	737,552
Investments	6,502	7,747
Investment in sukuk	188,083	157,065
Investment in associates	12,921	12,599
Receivables and other assets	254,245	272,856
Premises and equipment	9,500	9,437
TOTAL ASSETS	1,410,014	1,310,325
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	138,580	135,098
Due to banks	166,769	163,760
Due to non-banks	336,667	234,933
Other liabilities	21,882	23,101
Subordinated wakala payable	94,250	94,250
	758,148	651,142
EQUITY OF INVESTMENT ACCOUNT HOLDERS	483,230	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	26	-
Proposed dividend	-	18,095
Retained earnings	8,532	3,321
	160,845	173,703
Non-controlling shareholders	7,791	7,804
	168,636	181,507
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
	1,410,014	1,310,325
OFF-BALANCE SHEET		
EQUITY OF INVESTMENT ACCOUNT HOLDERS	146,880	135,080
CONTINGENT LIABILITIES AND COMMITMENTS	118,166	135,078

Interim Consolidated Statement of Income

	Three months ended 31 March	
	2018 BD 000	2017 BD 000
Income from financing contracts	12,490	10,925
Income from investments	737	523
Income from sukuk	2,166	1,744
Share of income from associates	56	191
Net revenue from non-banking business entities	7	600
OPERATING INCOME	15,456	13,983
Return on equity of investment account holders before Group's share as mudarib	(3,267)	(2,561)
Group's share as mudarib	1,981	1,392
Return on equity of investment account holders	(1,286)	(1,169)
Profit on due to banks, due to non-banks and subordinated wakala payable	(3,512)	(3,093)
NET OPERATING INCOME	10,658	9,721
Staff costs	3,640	3,510
Depreciation	283	252
Provision - net	(493)	553
Other expenses	2,167	2,158
Operating expenses of non-banking business entities	127	412
TOTAL OPERATING EXPENSES	5,724	6,885
	4,934	2,836
NET INCOME FOR THE PERIOD	4,934	2,836
Attributable to:		
Shareholders of the Parent	4,946	2,882
Non-controlling shareholders	(12)	(46)
	4,934	2,836

Interim Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2018 BD 000	2017 BD 000
OPERATING ACTIVITIES		
Net income for the period	4,934	2,836
Adjustments for:		
Provisions - net	(493)	553
Depreciation	284	257
Share of income from associates	(56)	(191)
Net gain on sale of investments	(168)	(39)
Foreign exchange gain	(154)	(160)
Net unrealised loss on investment in real estate	-	326
Net unrealised loss (gain) on investments	1	(167)
Dividend income	(16)	(35)
Rental income	-	(18)
Operating income before changes in operating assets and liabilities	4,332	3,362
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(1,020)	(240)
Due from banks	12,906	(394)
Financing contracts	(40,974)	(13,816)
Receivables and other assets	510	(2,503)
Customers' current accounts	3,482	(1,697)
Due to banks	3,009	(1,458)
Due to non-banks	101,734	(2,602)
Other liabilities	(1,780)	2,805
Net cash flows from (used in) operating activities	82,199	(16,543)
INVESTING ACTIVITIES		
Disposal (purchase) of investments - net	1,272	(1,268)
Purchase of investment in sukuk - net	(31,148)	(14,143)
Purchase of investment in real estate - net	-	(55)
Distributions from investment in associates	-	383
Dividend income	16	35
Rental income	-	18
Purchase of premises and equipment - net	(347)	(170)
Net cash flows used in investing activities	(30,207)	(15,200)
FINANCING ACTIVITY		
Net movement in equity of investment account holders	5,554	32,098
Net cash flows from financing activity	5,554	32,098
NET INCREASE IN CASH AND CASH EQUIVALENTS	57,546	355
Cash and cash equivalents at 1 January	58,500	103,687
CASH AND CASH EQUIVALENTS AT 31 MARCH	116,046	104,042

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 stakeholders 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	-	-	-	-	-	-	-	-	4,946	-	4,946	(12)	4,934
Other comprehensive income for the period	-	-	-	-	-	291	-	-	-	-	291	-	291
Total comprehensive income for the period	-	-	-	-	-	291	-	-	4,946	-	5,237	(12)	5,225
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	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 March 2018	132,519	-	-	19,768	-	26	-	-	8,532	-	160,845	7,791	168,636
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	-	-	-	-	-	-	-	-	2,882	-	2,882	(46)	2,836
Other comprehensive income for the period	-	-	-	-	-	196	-	16	-	-	212	-	212
Total comprehensive income for the period	-	-	-	-	-	196	-	16	2,882	-	3,094	(46)	3,048
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	274	274
Balance at 31 March 2017	177,140	71,403	(21,923)	17,757	28,237	(3,378)	30,923	(75)	63,285	-	363,369	8,544	371,913

These statements have been extracted from the interim condensed consolidated financial statements for the three month period ended 31 March 2018, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 26 April 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