

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022 (Reviewed)

	Reviewed 30 September 2022 BD 000	Audited 31 December 2021 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	96,191	113,407
Due from banks	13,498	98,015
Financing contracts	1,006,202	1,057,975
Investments in equity	4,959	7,071
Investments in sukuk	300,574	355,042
Receivables and other assets	147,969	203,500
Premises, equipment and right of use assets	3,422	4,272
TOTAL ASSETS	1,572,815	1,839,282
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	141,385	137,769
Due to banks	12,189	4,433
Due to non-banks	117,876	348,455
Other liabilities	22,400	19,063
TOTAL LIABILITIES	293,850	509,720
EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY		
Banks	246,251	201,051
Non-banks and individuals	851,214	944,433
TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY	1,097,465	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	772	1,850
Proposed dividend	-	21,767
Retained earnings	20,267	-
TOTAL OWNERS' EQUITY	181,500	184,078
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,572,815	1,839,282
OFF-BALANCE SHEET		
EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS	122,385	136,710
ASSETS UNDER MANAGEMENT	715,005	660,739
CONTINGENT LIABILITIES AND COMMITMENTS	56,454	59,224

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2022 (Reviewed)

	Three months ended 30 September		Nine months ended 30 September	
	2022 BD 000	2021 BD 000	2022 BD 000	2021 BD 000
Income from financing contracts	13,549	15,614	42,789	44,876
Income from sukuk	3,565	3,366	10,828	10,498
Income from investments - net	779	(1)	2,187	899
Income from due from banks	342	210	1,163	692
Share of loss from associate	-	(39)	-	(271)
OPERATING INCOME	18,235	19,150	56,967	56,694
Return on equity of investment account holders (wakala)	(5,415)	(4,040)	(14,641)	(11,678)
Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,318)	(2,603)	(7,112)	(7,769)
Group's share as mudarib	2,019	2,219	6,158	6,584
Return on equity of investment account holders (mudaraba) after Group's share as mudarib	(299)	(384)	(954)	(1,185)
Profit on due to banks and non-banks	(879)	(2,300)	(3,249)	(7,786)
NET OPERATING INCOME	11,642	12,426	38,123	36,045
Staff costs	3,102	3,311	9,455	9,517
Depreciation and amortisation	364	331	1,058	1,296
(Reversal of) / allowance for impairment and credit losses - net	94	353	(36)	1,984
Other expenses	2,448	2,270	7,379	6,565
TOTAL OPERATING EXPENSES	6,008	6,265	17,856	19,362
NET INCOME FOR THE PERIOD	5,634	6,161	20,267	16,683
Attributable to:				
Shareholders of the Parent	5,634	6,162	20,267	16,686
Non-controlling shareholders	-	(1)	-	(3)
	5,634	6,161	20,267	16,683

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2022 (Reviewed)

	Nine months ended 30 September	
	2022 BD 000	2021 BD 000
OPERATING ACTIVITIES		
Net income for the period	20,267	16,683
Adjustments for:		
(Reversal of) / Allowance for impairment and credit losses - net (excluding recovery from written off accounts)	(10)	2,016
Depreciation and amortisation	1,058	1,296
Share of loss from associate	-	271
Net loss on sale of investments	88	451
Foreign exchange gain	(617)	(340)
Sukuk premium amortisation	1,266	1,107
Operating income before changes in operating assets and liabilities	22,052	21,484
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(16,467)	(3,090)
Due from banks	(125)	(355)
Financing contracts	51,238	(69,121)
Receivables and other assets	34,028	13,520
Customers' current accounts	3,616	9,322
Due to banks	7,756	(89,550)
Due to non-banks	(230,579)	(8,610)
Other liabilities	4,241	9,037
Net cash flows used in operating activities	(124,240)	(117,363)
INVESTING ACTIVITIES		
Proceeds from disposal of investments	911	550
Disposal (purchase) of investments in sukuk - net	53,197	(109)
Purchase of premises and equipment - net	(208)	(40)
Net cash flows from investing activities	53,900	401
FINANCING ACTIVITIES		
Net movement in equity of investment account holders	(48,019)	107,966
Payments of obligation in relation to right-of-use assets	(291)	(1,111)
Net cash flows (used in) from financing activities	(48,310)	106,855
NET DECREASE IN CASH AND CASH EQUIVALENTS	(118,650)	(10,107)
Cash and cash equivalents at 1 January	178,285	155,774
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	59,635	145,667

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2022 (Reviewed)

	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 period	-	-	-	20,267	-	20,267	-	20,267	
Other comprehensive income for the period	-	-	(795)	-	-	(795)	-	(795)	
Total comprehensive income for the period	-	-	(795)	20,267	-	19,472	-	19,472	
Dividend	-	-	-	-	(21,767)	(21,767)	-	(21,767)	
Transfer from fair value through equity reserve	-	-	(283)	-	-	(283)	-	(283)	
Balance at 30 September 2022	132,519	27,942	772	20,267	-	181,500	-	181,500	
Balance at 1 January 2021	132,519	25,640	1,018	311	-	159,488	7,741	167,229	
Net income for the period	-	-	-	16,686	-	16,686	(3)	16,683	
Other comprehensive income for the period	-	-	831	-	-	831	-	831	
Total comprehensive income for the period	-	-	831	16,686	-	17,517	(3)	17,514	
Gain on acquisition of non-controlling shareholders	-	-	-	738	-	738	-	738	
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	(7,738)	(7,738)	
Balance at 30 September 2021	132,519	25,640	1,849	17,735	-	177,743	-	177,743	

These statements have been extracted from the interim condensed consolidated financial statements for the nine months ended 30 September 2022, reviewed by Ernst & Young - Middle East. These interim condensed consolidated financial statements were approved by the Board of Directors on 8th November 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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