

FINANCIAL RESULTS

30 September 2019 (Reviewed)

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Interim Consolidated Statement of Financial Position			Interim Consolidated Statement of Income				Interim Consolidated Statement of Cash Flows			
	Reviewed 30 Sep 2019 BD 000	Audited 31 Dec 2018 BD 000		Three months ended 30 Sep		Nine months ended 30 Sep			Nine months ended 30 September	
				2019 BD 000	2018 BD 000	2019 BD 000	2018 BD 000		2019 BD 000	2018 BD 000
ASSETS								OPERATING ACTIVITIES		
Cash and balances with banks and Central Bank of Bahrain	67,095	49,651	Income from financing contracts	17,203	10,421	48,211	35,832	Net income for the period	16,248	10,906
Due from banks	117,902	74,651	Income from investments	495	2,946	1,585	4,009	Adjustments for:		
Financing contracts	919,408	886,779	Income from sukuk	3,493	3,015	10,301	8,131	Provisions - net	(238)	67
Investments	6,773	6,304	Share of income from associates	76	14	(94)	95	Depreciation	970	852
Investment in sukuk	255,863	219,039	OPERATING INCOME	21,267	16,396	60,003	48,067	Share of loss (income) from associates	94	(95)
Investment in associates	8,530	12,885						Net gain on sale of investments	-	(188)
Receivables and other assets	245,814	250,353	Return on equity of investment account holders (wakala)	(3,214)	(1,094)	(7,720)	(2,632)	Net gain on sale of premises and equipment	(5)	(2,370)
Premises and equipment	8,992	5,140	Return on equity of investment account holders (mudaraba) before Group's share as mudarib	(2,473)	(2,709)	(7,038)	(7,987)	Foreign exchange gain	(615)	(568)
TOTAL ASSETS	1,630,377	1,504,802	Group's share as mudarib	1,998	1,992	5,568	6,000	Net unrealised gain on investments	(180)	(124)
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY			Return on equity of investment account holders (mudaraba)	(475)	(717)	(1,470)	(1,987)	Dividend income	-	(39)
LIABILITIES								Operating income before changes in operating assets and liabilities	16,274	8,441
Customers' current accounts	130,683	127,748	Profit on due to banks, due to non-banks and subordinated wakala payable	(5,755)	(5,110)	(17,241)	(13,098)	Changes in operating assets and liabilities:		
Due to banks	161,158	224,405	NET OPERATING INCOME	11,823	9,475	33,572	30,350	Mandatory reserve with Central Bank of Bahrain	(95)	(2,130)
Due to non-banks	381,800	367,176						Due from banks	(228)	24,141
Other liabilities	27,333	23,946						Financing contracts	(39,815)	(94,182)
Subordinated wakala payable	94,250	94,250						Receivables and other assets	(1,941)	(1,219)
	795,224	837,525	Staff costs	3,433	4,227	9,865	11,936	Customers' current accounts	2,935	2,595
EQUITY OF INVESTMENT ACCOUNT HOLDERS	650,122	485,014	Depreciation	312	293	970	852	Due to banks	(63,247)	5,424
OWNERS' EQUITY			Provisions - net	178	1,343	(238)	67	Due to non-banks	14,624	145,807
Equity attributable to shareholders of the Parent			Other expenses	2,284	2,250	6,727	6,589	Other liabilities	3,995	(4,634)
Share capital	132,519	132,519	TOTAL OPERATING EXPENSES	6,207	8,113	17,324	19,444	Net cash flows (used in) from operating activities	(67,498)	84,243
Statutory reserve	21,613	21,613	NET INCOME FOR THE PERIOD	5,616	1,362	16,248	10,906			
Fair value through equity reserve	458	170						INVESTING ACTIVITIES		
Proposed dividend	-	16,608	Attributable to:					Disposal of investments - net	-	762
Retained earnings	19,837	3,587	Shareholders of the Parent	5,617	1,369	16,250	10,940	Purchase of investment in sukuk - net	(37,013)	(77,718)
	174,427	174,497	Non-controlling shareholders	(1)	(7)	(2)	(34)	Dividend income	-	39
Non-controlling shareholders	10,604	7,766		5,616	1,362	16,248	10,906	Purchase of premises and equipment - net	(21)	(1,375)
	185,031	182,263						Net cash flows used in investing activities	(37,034)	(78,292)
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY										
	1,630,377	1,504,802						FINANCING ACTIVITY		
OFF-BALANCE SHEET								Net movement in equity of investment account holders	165,108	20,856
EQUITY OF INVESTMENT ACCOUNT HOLDERS	135,190	135,110						Net cash flows from financing activity	165,108	20,856
CONTINGENT LIABILITIES AND COMMITMENTS	62,766	73,191						NET INCREASE IN CASH AND CASH EQUIVALENTS	60,576	26,807
								Cash and cash equivalents at 1 January	88,701	58,500
								CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	149,277	85,307

Interim Consolidated Statement of Changes in Owners' Equity

	Attributable to shareholders of the Parent							
	Share capital	Statutory reserve	Fair value through equity reserve	Retained earnings	Proposed dividend	Total	Non-controlling shareholders	Total owners' equity
	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000
Balance at 1 January 2019	132,519	21,613	170	3,587	16,608	174,497	7,766	182,263
Net income for the period	-	-	-	16,250	-	16,250	(2)	16,248
Other comprehensive income for the period	-	-	288	-	-	288	-	288
Total comprehensive income for the period	-	-	288	16,250	-	16,538	(2)	16,536
Dividend payout	-	-	-	-	(16,608)	(16,608)	-	(16,608)
Net movement in share of non-controlling shareholders	-	-	-	-	-	-	2,840	2,840
Balance at 30 September 2019	132,519	21,613	458	19,837	-	174,427	10,604	185,031
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

These statements have been extracted from the interim condensed consolidated financial statements for the nine month period ended 30 September 2019, reviewed by EY. These interim condensed consolidated financial statements were approved by the Board of Directors on 7 November 2019. 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

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