

## FINANCIAL RESULTS

30 June 2022 (Reviewed)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (Reviewed)

	Reviewed 30 June 2022 BD 000	Audited 31 December 2021 BD 000
<b>ASSETS</b>		
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
<b>TOTAL ASSETS</b>	<b>1,661,979</b>	<b>1,839,282</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
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
<b>TOTAL LIABILITIES</b>	<b>349,371</b>	<b>509,720</b>
<b>EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY</b>		
Banks	260,669	201,051
Non-banks and individuals	875,781	944,433
<b>TOTAL EQUITY OF INVESTMENT ACCOUNT HOLDERS - QUASI EQUITY</b>	<b>1,136,450</b>	<b>1,145,484</b>
<b>OWNERS' EQUITY</b>		
<b>Equity attributable to shareholders of the Parent</b>		
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	-
<b>TOTAL OWNERS' EQUITY</b>	<b>176,158</b>	<b>184,078</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY</b>		
	<b>1,661,979</b>	<b>1,839,282</b>
<b>OFF-BALANCE SHEET</b>		
<b>EQUITY OF RESTRICTED INVESTMENT ACCOUNT HOLDERS</b>		
	124,650	136,710
<b>ASSETS UNDER MANAGEMENT</b>		
	674,230	660,739
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	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)
<b>OPERATING INCOME</b>	<b>19,390</b>	<b>18,910</b>	<b>38,732</b>	<b>37,544</b>
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)
<b>NET OPERATING INCOME</b>	<b>13,282</b>	<b>12,225</b>	<b>26,481</b>	<b>23,619</b>
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
<b>TOTAL OPERATING EXPENSES</b>	<b>5,752</b>	<b>6,647</b>	<b>11,848</b>	<b>13,097</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>7,530</b>	<b>5,578</b>	<b>14,633</b>	<b>10,522</b>
<b>Attributable to:</b>				
Shareholders of the Parent	7,530	5,579	14,633	10,524
Non-controlling shareholders	-	(1)	-	(2)
	<b>7,530</b>	<b>5,578</b>	<b>14,633</b>	<b>10,522</b>

## 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
<b>OPERATING ACTIVITIES</b>		
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)
<b>INVESTING ACTIVITIES</b>		
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
<b>FINANCING ACTIVITY</b>		
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
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(95,491)</b>	<b>(37,783)</b>
Cash and cash equivalents at 1 January	178,285	155,774
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>82,794</b>	<b>117,991</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2022 (Reviewed)

	Attributable to shareholders of the Parent						Non-controlling shareholders	Total owners' equity
	Share capital	Statutory reserve	Fair value through equity reserve	Retained earnings	Proposed dividend	Total		
	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)
<b>Balance at 30 June 2022</b>	<b>132,519</b>	<b>27,942</b>	<b>1,064</b>	<b>14,633</b>	<b>-</b>	<b>176,158</b>	<b>-</b>	<b>176,158</b>
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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