

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

All amounts are in BD 000's

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2021

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
ASSETS		
Cash and bank balances	69,189	83,017
Placements with financial institutions	27,144	17,720
Financing assets	309,087	307,717
Investment in sukuk	290,244	261,132
Assets acquired for leasing	111,631	126,334
Lease rentals receivables	34,807	12,820
Investment securities	48,161	55,892
Investment in real estate	94,204	83,303
Equity accounted investees	31,350	31,963
Other assets	17,465	27,646
Property and equipment	7,577	7,450
Total assets	1,040,859	1,015,594
LIABILITIES		
Placements from financial institutions	96,591	79,545
Placements from non-financial institutions and individuals	197,831	214,243
Term borrowings	76,980	75,477
Customers' current accounts	57,969	55,676
Other liabilities	9,983	13,269
Total liabilities	439,354	438,210
Equity of investment account holders		
From financial institutions	88,265	26,154
From non-financial institutions and individuals	358,529	399,195
Total equity of investment account holders	446,794	425,349
OWNERS' EQUITY		
Share capital	89,212	89,212
Subordinated mudaraba (AT 1)	47,222	47,222
Statutory reserve	(11,926)	9,024
Treasury shares	(11,926)	(11,859)
Investment fair value reserve	254	348
Retained earnings	10,733	7,863
Total owners' equity	144,519	141,810
Non-controlling interest	10,192	10,225
Total liabilities, equity of investment account holders, owners' equity and non-controlling interest	1,040,859	1,015,594

CONDENSED CONSOLIDATED INCOME STATEMENT For the six months ended 30 June 2021

	Six months ended 30 June 2021 (Reviewed)	Six months ended 30 June 2020 (Reviewed)	Three months ended 30 June 2021 (Reviewed)	Three months ended 30 June 2020 (Unreviewed)
Income from financing assets and assets acquired for leasing	14,987	15,558	6,822	7,228
Income from placements with financial institutions	97	352	34	45
Income from sukuk	12,262	6,035	8,043	3,257
Income from investment securities	203	174	408	172
Share of loss from equity accounted investees	(613)	(12)	(222)	(12)
Fees and other income	1,503	1,209	526	423
Total income before return to investment account holders	28,439	23,316	15,611	11,113
Less: Return to investment account holders before Bank's share as Mudarib Bank's share as a Mudarib	(13,920)	(11,477)	(6,082)	(5,107)
	7,853	5,453	3,140	2,661
Return to investment account holders	(6,067)	(6,024)	(2,942)	(2,446)
Finance expense on placements from financial institutions, non-financial institutions and individuals	(6,243)	(5,767)	(3,050)	(2,801)
Finance expense on term borrowings	(545)	(156)	(335)	(155)
Total income	15,584	11,369	9,284	5,711
Staff cost	3,005	3,472	1,260	1,625
Other operating expenses	2,431	2,093	1,311	1,088
Total expenses	5,436	5,565	2,571	2,713
Profit before impairment allowances	10,148	5,804	6,713	2,988
Net impairment (charge) / reversal	(4,174)	(119)	(2,852)	1,249
PROFIT FOR THE PERIOD	5,974	5,685	3,861	4,247
Attributable to:				
Shareholders of the parent	6,007	5,709	3,901	4,271
Non-controlling interest	(33)	(24)	(40)	(24)
	5,974	5,685	3,861	4,247
Earnings per share				
Basic and diluted earnings per share (filis)	3.74	7.10	1.12	5.31

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the six months ended 30 June 2021

	Six months ended 30 June 2021 (Reviewed)	Six months ended 30 June 2020 (Reviewed)
OPERATING ACTIVITIES		
Receipts from / (payments for) financing assets, net (Payments for) / receipts from assets acquired for leasing, net	6,391 (3,517)	(127) 4,932
Income from short-term placements received	97	352
Returns paid to investment account holders	(8,395)	(9,502)
Receipts / (withdrawals) from investment account holders, net	21,444	(123,265)
Payments for expenses	(6,586)	(8,510)
Other receipts	1,503	1,209
Contributions paid to charitable organisations	(462)	(46)
Receipts / (withdrawals) from customers' current accounts, net	2,294	(6,969)
Receipts / (withdrawals) from placements from financial institutions, net (Withdrawals) / receipts from placements from non-financial institutions and individuals, net	17,046 (16,412)	(8,955) 30,861
Net receipts from CBB reserve account	406	12,696
Payment of profit on placements	(6,243)	(5,767)
Net cash from / (used in) operating activities	7,566	(113,091)
INVESTING ACTIVITIES		
Purchase of sukuk	(124,444)	(45,971)
Proceeds from sale / redemption of sukuk	100,144	10,453
Income from sukuk received	6,958	6,062
Purchase of investments	-	(18)
Proceeds from disposal / redemption of investment	7,321	-
Proceeds from disposal of investment in real estate	243	728
Income from investment securities	519	202
Purchase of property and equipment, net	(320)	(83)
Net cash used in investing activities	(9,577)	(28,627)
FINANCING ACTIVITIES		
Treasury shares, net	55	(35)
Drawdown of term borrowings	1,503	79,636
Proceeds from AT1 Capital	-	11,447
Profit distribution on AT1 Capital	(3,000)	-
Finance expenses paid on term borrowings	(545)	(156)
Net cash (used in) / from financing activities	(1,987)	90,892
Net decrease in cash and cash equivalents	(3,998)	(50,826)
Cash and cash equivalents at beginning of the period	85,323	144,454
Cash and cash equivalents at end of the period	81,325	93,628
Cash and cash equivalent comprises:		
Cash and bank balances (excluding CBB reserve)	54,181	83,592
Placements with financial institutions	27,144	10,036
	81,325	93,628

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2021

30 June 2021 (Reviewed)	Equity attributable to shareholders of the parent							Non-controlling interest	Total Equity
	Share capital	Statutory reserve	Treasury shares	Investment fair value reserve	Subordinated mudaraba (AT1)	Retained earnings	Total		
Balance at 1 January 2021	89,212	9,024	(11,859)	348	47,222	7,863	141,810	10,225	152,035
Impact on adoption of FAS 32	-	-	-	-	-	23	23	-	23
Balance as restated	89,212	9,024	(11,859)	348	47,222	7,886	141,833	10,225	152,058
Profit for the period	-	-	-	-	-	6,007	6,007	(33)	5,974
Total recognised income and expense for the period	-	-	-	-	-	6,007	6,007	(33)	5,974
Purchase of Treasury shares	-	-	(67)	-	-	-	(67)	-	(67)
Issue of shares under incentive scheme	-	-	-	-	-	69	69	-	69
Fair value changes	-	-	-	(94)	-	-	(94)	-	(94)
Profit distribution on AT 1 Capital	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Transfer to Zakah fund	-	-	-	-	-	(229)	(229)	-	(229)
Balance at 30 June 2021	89,212	9,024	(11,926)	254	47,222	10,733	144,519	10,192	154,711

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2020

30 June 2020 (Reviewed)	Equity attributable to shareholders of the parent							Non-controlling interest	Total Equity
	Share capital	Statutory reserve	Treasury shares	Investment fair value reserve	Subordinated mudaraba (AT1)	Retained earnings	Total		
Balance at 1 January 2020	105,000	8,225	(11,730)	-	-	(15,788)	85,707	2,200	87,907
Profit for the period	-	-	-	-	-	5,709	5,709	(24)	5,685
Total recognised income and expense for the period	-	-	-	-	-	5,709	5,709	(24)	5,685
Issuance of AT1	-	-	-	-	60,000	12,000	72,000	-	72,000
Issuance cost of AT1	-	-	-	-	(12,940)	-	(12,940)	-	(12,940)
Modification loss	-	-	-	-	-	(9,536)	(9,536)	-	(9,536)
Government grant	-	-	-	-	-	791	791	-	791
Capital reduction	(15,788)	-	-	-	-	-	15,788	-	-
Purchase of treasury shares	-	-	(35)	-	-	-	(35)	-	(35)
Fair value changes	-	-	-	(226)	-	-	(226)	-	(226)
Transfer to Zakah fund	-	-	-	-	-	(218)	(218)	-	(218)
Balance at 30 June 2020	89,212	8,225	(11,765)	(226)	47,060	8,746	141,252	2,176	143,428

Jassim Mohamed Alseddiqi
Chairman

Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman

Sattam Sulaiman Algosabi
Chief Executive Officer

This information has been extracted from the condensed consolidated interim financial statements for the six months ended 30 June 2021 which were approved by the Board of Directors on 10 August 2021 and reviewed by KPMG Fakhro.

www.khcbonline.com

Licensed by the Central Bank of Bahrain as a Retail Islamic Bank

