

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

All amounts are in BD 000's

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2021

	31 December 2021 (Audited)	31 December 2020 (Audited)
ASSETS		
Cash and bank balances	124,115	83,017
Placements with financial institutions	26,391	17,720
Investment in sukuk	323,846	261,132
Financing assets	324,373	307,717
Ijarah assets	152,394	139,754
Investment securities	30,884	55,892
Assets held-for-sale	63,103	—
Investment in real estate	80,919	83,303
Equity accounted investees	25,268	31,963
Other assets	13,192	27,646
Property and equipment	1,699	7,450
Total assets	1,166,184	1,015,594
LIABILITIES		
Placements from financial institutions	130,199	79,545
Placements from non-financial institutions and individuals	183,217	214,243
Term financing from financial institutions	71,617	75,477
Customers' current accounts	52,936	55,676
Other liabilities	25,629	13,269
Total liabilities	463,598	438,210
Equity of investment account holders		
- From financial institutions	125,707	26,154
- From non-financial institutions and individuals	419,488	399,195
Total equity of investment account holders	545,195	425,349
OWNERS' EQUITY		
Share capital	89,212	89,212
Subordinated Mudaraba (AT1)	47,222	47,222
Statutory reserve	10,110	9,024
Treasury shares	(11,926)	(11,859)
Investment fair value reserve	187	348
Retained earnings	11,493	7,863
Total owners' equity	146,298	141,810
Non-controlling interest	11,093	10,225
Total liabilities, equity of investment account holders, owners' equity and non-controlling interest	1,166,184	1,015,594

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the year ended 31 December 2021

31 December 2021 (Audited)	Equity attributable to shareholders of the parent						Total	Non-Controlling interest	Total Equity
	Share capital	Subordinated Mudaraba (AT1)	Statutory reserve	Treasury shares	Investment fair value reserve	Retained earnings			
Balance at 1 January 2021	89,212	47,222	9,024	(11,859)	348	7,863	141,810	10,225	152,035
Impact of adoption of FAS 32	—	—	—	—	—	23	23	—	23
Balance as restated	89,212	47,222	9,024	(11,859)	348	7,886	141,833	10,225	152,058
Net changes in fair value	—	—	—	—	(161)	—	(161)	—	(161)
Profit for the year	—	—	—	—	—	10,853	10,853	(40)	10,813
Total recognised income and expense for the year	—	—	—	—	—	10,853	10,853	(40)	10,813
Purchase of Treasury shares	—	—	—	(67)	—	—	(67)	—	(67)
Issue of shares under staff incentive scheme	—	—	—	—	69	—	69	—	69
Profit distribution on AT1 Capital	—	—	—	—	—	(6,000)	(6,000)	—	(6,000)
Acquisition of a subsidiary	—	—	—	—	—	—	—	908	908
Transfer to statutory reserve	—	—	1,086	—	—	(1,086)	—	—	—
Transfer to Zakah fund	—	—	—	—	—	(229)	(229)	—	(229)
Balance at 31 December 2021	89,212	47,222	10,110	(11,926)	187	11,493	146,298	11,093	157,391

CONSOLIDATED INCOME STATEMENT For the year ended 31 December 2021

	31 December 2021 (Audited)	31 December 2020 (Audited)
Income from financing assets and ijarah assets	29,908	29,921
Income from placements with financial institutions	166	551
Income from sukuk	20,087	15,242
Income from investment securities	580	366
Share of loss from equity accounted investees	(1,133)	(320)
Fees and other income	2,879	2,437
Total income before return to investment account holders	52,487	48,197
Less: Return to investment account holders before Bank's share as Mudarib	(25,939)	(21,575)
Bank's share as a Mudarib	13,984	9,289
Return to investment account holders	(11,955)	(12,286)
Finance expense on placements from financial institutions, non-financial institutions and individuals	(12,371)	(12,472)
Finance expense on term financing from financial institutions	(1,272)	(796)
Total income	26,889	22,643
Staff cost	5,655	5,874
Other operating expenses	5,636	4,523
Total expenses	11,291	10,397
Profit before impairment allowances	15,598	12,246
Net impairment charge	(4,785)	(4,341)
PROFIT FOR THE YEAR	10,813	7,905
Attributable to:		
Shareholders of the parent	10,853	7,986
Non-controlling interest	(40)	(81)
	10,813	7,905
Earnings per share		
Basic and diluted earnings per share (filis)	6.039	6.409

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	31 December 2021 (Audited)	31 December 2020 (Audited)
OPERATING ACTIVITIES		
(Payments) / receipts from financing assets, net	(320)	3,828
(Payments) / receipts from ijarah assets, net	(5,801)	11,509
Receipt of profit on short-term placements	166	551
Returns paid to investment account holders	(12,638)	(15,615)
Receipts / (withdrawals) from investment account holders, net	119,845	(97,296)
Payment of profit on placements	(12,370)	(12,472)
Payment for expenses	(10,770)	(13,137)
Other receipts	2,879	2,048
Payment for charity	(466)	(276)
Withdrawals from customers' current accounts, net	(2,740)	(2,430)
Receipts / (payments) towards placements from financial institutions, net	50,653	(37,552)
(Payments) / receipts from placements from non-financial institutions and individuals, net	(31,026)	79,589
Net receipt to CBB reserve account	124	10,016
Net cash generated / (used) from operating activities	97,536	(71,237)
INVESTING ACTIVITIES		
Purchase of sukuk	(212,871)	(102,254)
Proceeds from redemption / sale of sukuk	154,726	29,989
Income from sukuk received	14,866	15,165
Purchase of investment securities	—	(15,080)
Proceeds from disposal/ redemption of investment securities	7,321	—
Proceeds from disposal of investment in real estate, net	780	728
Receipt of dividends / income from equity securities	666	316
Purchase of property and equipment, net	(1,350)	(249)
Payment for acquisition under restructuring program	(582)	—
Net cash used in investing activities	(36,444)	(71,385)
FINANCING ACTIVITIES		
Purchase of treasury shares, net	(67)	(129)
Proceeds from AT1 Capital	—	11,447
Profit distribution on AT1 Capital	(6,000)	(2,834)
(Repayment) / drawdown of term financing from financial institutions, net	(3,860)	75,524
Finance expense on term financing from financial institutions	(1,272)	(517)
Net cash (used in) / from financing activities	(11,199)	83,491
Net increase / (decrease) in cash and cash equivalents	49,893	(59,131)
Cash and cash equivalents at 1 January	85,323	144,454
Cash and cash equivalents at 31 December	135,216	85,323
Cash and cash equivalent comprise:		
Cash and bank balances (excluding CBB reserve)	108,825	67,603
Placements with financial institutions with original maturities of 90 days or less	26,391	17,720
	135,216	85,323

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the year ended 31 December 2020

31 December 2020 (Audited)	Equity attributable to shareholders of the parent						Total	Non-Controlling Interest	Total Equity
	Share capital	Subordinated mudaraba (AT1)	Statutory reserve	Treasury shares	Investment fair value reserve	(accumulated losses) / Retained earnings			
Balance at 1 January 2020	105,000	—	8,225	(11,730)	—	(15,788)	85,707	2,200	87,907
Net changes in fair value	—	—	—	—	348	—	348	—	348
Profit for the year	—	—	—	—	—	7,986	7,986	(81)	7,905
Total recognised income and expense for the year	—	—	—	—	—	7,986	7,986	(81)	7,905
Issuance of AT1	—	60,000	—	—	—	12,000	72,000	—	72,000
Issuance costs of AT1	—	(12,778)	—	—	—	—	(12,778)	—	(12,778)
Modification loss	—	—	—	—	—	(9,452)	(9,452)	—	(9,452)
Government grant	—	—	—	—	—	1,069	1,069	—	1,069
Capital reduction	(15,788)	—	—	—	—	15,788	—	—	—
Purchase of Treasury shares	—	—	—	(129)	—	—	(129)	—	(129)
Issue of shares under staff incentive scheme	—	—	—	—	—	111	111	—	111
Profit distribution on AT1 Capital	—	—	—	—	—	(2,834)	(2,834)	—	(2,834)
Acquisition of a subsidiary	—	—	—	—	—	—	—	8,106	8,106
Transfer to statutory reserve	—	—	799	—	—	(799)	—	—	—
Transfer to Zakah fund	—	—	—	—	—	(218)	(218)	—	(218)
Balance at 31 December 2020	89,212	47,222	9,024	(11,859)	348	7,863	141,810	10,225	152,035

Jassim Mohamed Alseddqi
Chairman

Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman

Sattam Sulaiman Algosaihi
Chief Executive Officer

This information has been extracted from the consolidated financial statements for the year ended 31 December 2021 which were approved by the Board of Directors on 7 February 2022 and audited by KPMG Fakhro.

www.khcbonline.com

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

