

# ESKAN BANK B.S.C. (C)

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021  
(Amounts in Bahraini Dinars thousands)

	2021 (Audited)	2020 (Audited)
<b>Assets</b>		
Cash and bank balances	85,472	30,104
Investments	7,223	4,771
Loans	749,670	750,860
Investment in associate	4,189	4,413
Investment properties	59,474	50,021
Development properties	13,779	18,372
Other assets	14,394	3,217
<b>Total assets</b>	<b>934,201</b>	<b>861,758</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Interbank borrowings	10,000	10,000
Customer current accounts	8,547	2,103
Government accounts	469,185	463,754
Term loans	75,000	45,000
Other liabilities	6,533	6,039
<b>Total liabilities</b>	<b>569,265</b>	<b>526,896</b>
<b>Equity</b>		
Share capital	108,300	108,300
Contribution by the shareholder	22,450	22,345
Statutory reserve	54,462	54,462
Fair value reserve	(572)	(650)
Retained earnings	171,022	142,311
Equity attributable to Bank's shareholder	355,662	326,768
Non-controlling interest	9,274	8,094
<b>Total equity</b>	<b>364,936</b>	<b>334,862</b>
<b>Total liabilities and equity</b>	<b>934,201</b>	<b>861,758</b>

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021  
(Amounts in Bahraini Dinars thousands)

	2021 (audited)	2020 (audited)
Interest income	33,947	32,001
Interest expense	(112)	(287)
<b>Net interest income</b>	<b>33,835</b>	<b>31,714</b>
Income from properties	3,205	3,993
Net share of profit from investment in associate	254	150
Other income	1,061	681
<b>Total operating income</b>	<b>38,355</b>	<b>36,538</b>
Staff costs	(4,923)	(5,074)
Other expenses	(1,999)	(1,903)
<b>Total operating expenses</b>	<b>(6,922)</b>	<b>(6,977)</b>
<b>Profit before net impairment loss</b>	<b>31,433</b>	<b>29,561</b>
Net impairment loss	(1,542)	(1,653)
<b>Profit for the year</b>	<b>29,891</b>	<b>27,908</b>
<b>Other comprehensive income</b>		
Items that will not be classified to profit or loss:		
Change in the fair value of equity instruments classified at fair value through other comprehensive income	78	(234)
<b>Total comprehensive income for the year</b>	<b>29,969</b>	<b>27,674</b>
<b>Profit attributable to:</b>		
Equity shareholder of the parent	28,711	26,441
Non-controlling interest	1,180	1,467
<b>Total comprehensive income attributable to:</b>	<b>28,789</b>	<b>26,207</b>
Equity shareholder of the parent	1,180	1,467
Non-controlling interest	29,969	27,674

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021  
(Amounts in Bahraini Dinars thousands)

	2021 (Audited)	2020 (Audited)
<b>Operating activities</b>		
Profit for the year	29,891	27,908
Adjustments for:		
Share of profit from investment in associate	(254)	(150)
Net impairment loss	1,543	1,653
Land compensation income	(676)	-
Gain on sale of development properties	(2,019)	(3,575)
Depreciation and amortization	553	538
Operating profit before working capital changes:	29,038	26,374
Net collections from loans	32,913	19,777
(Increase) / decrease in other assets	(11,412)	14
Decrease in development properties	6,374	14,703
Increase in restricted bank balance	(351)	-
Increase / (decrease) in customer current accounts	312	(78)
Increase/ (decrease) in other liabilities	532	(1,540)
Net movement in government account	(37,722)	(21,742)
<b>Net cash generated from operating activities</b>	<b>19,684</b>	<b>37,508</b>
<b>Investing activities</b>		
Investment in debt securities	(2,374)	(135)
Placement with financial institution with original maturity of more than 90 days	(4,205)	(853)
Dividend received on investment in associate	186	122
Purchase of equipment	(242)	(83)
Investment in an associate	(44)	(123)
<b>Net cash used in investing activities</b>	<b>(6,679)</b>	<b>(1,072)</b>
<b>Financing activities</b>		
Repayment of term loans	-	(69,500)
Proceeds from term loans	30,000	46,200
Proceeds from government	20,000	-
Payment to and on behalf of government, net	(12,211)	(14,755)
<b>Net cash generated from / (used in) financing activities</b>	<b>37,789</b>	<b>(38,055)</b>
Net increase / (decrease) in cash and cash equivalents	50,794	(1,619)
Cash and cash equivalents at 1 January	29,282	30,901
<b>Cash and cash equivalents at 31 December</b>	<b>80,076</b>	<b>29,282</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021  
(Amounts in Bahraini Dinars thousands)

	Equity attributable to Bank's shareholder					Total	Non-controlling interest	Total equity
	Share capital	Contribution by shareholder	Statutory reserve	Fair value reserve	Retained earnings			
<b>2021 (audited)</b>								
As at 1 January 2021	108,300	22,345	54,462	(650)	142,311	326,768	8,094	334,862
Total comprehensive income	-	-	-	-	28,711	28,711	1,180	29,891
Profit for the year	-	-	-	-	78	78	-	78
Other comprehensive income	-	-	-	78	-	-	-	-
Transfer of land	-	105	-	-	-	105	-	105
<b>As at 31 December 2021</b>	<b>108,300</b>	<b>22,450</b>	<b>54,462</b>	<b>(572)</b>	<b>171,022</b>	<b>355,662</b>	<b>9,274</b>	<b>364,936</b>
<b>2020 (audited)</b>								
As at 1 January 2020	108,300	22,007	54,462	(416)	115,527	299,880	6,627	306,507
Total comprehensive income	-	-	-	-	26,441	26,441	1,467	27,908
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(234)	-	(234)	-	(234)
Transfer of land	-	338	-	-	-	338	-	338
Modification loss	-	-	-	-	(15,442)	(15,442)	-	(15,442)
Government subsidy	-	-	-	-	702	702	-	702
Modification loss borne by Government	-	-	-	-	15,083	15,083	-	15,083
As at 31 December 2020	108,300	22,345	54,462	(650)	142,311	326,768	8,094	334,862

Basim Bin Yacob Al Hamer, Chairman

Najla Al Shirawi, Director

Dr. Khalid Abdulla, General Manager

This information has been extracted from the consolidated financial statements for the year ended 31 December 2021 which were approved by board of directors on 27 February 2022 and audited by KPMG Fakhro