

ESKAN BANK B.S.C. (C)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Amounts in Bahraini Dinars thousands)

	2023 (Audited)	2022 (Audited)
Assets		
Cash and bank balances	25,515	87,820
Investments	3,273	4,493
Loans	882,637	808,805
Investment in an associate	4,182	4,120
Investment properties	66,336	61,523
Development properties	28,709	39,094
Other assets	2,453	2,703
Total assets	1,013,105	1,008,558
Liabilities and equity		
Liabilities		
Interbank borrowings	10,000	10,000
Customer current accounts	8,286	9,267
Government accounts	467,814	505,202
Term loan	75,000	75,000
Other liabilities	7,077	7,305
Total liabilities	568,177	606,774
Equity		
Share capital	250,000	108,300
Contribution by the shareholder	44,363	36,915
Statutory reserve	58,040	54,462
Fair value deficit	(196)	(108)
Retained earnings	92,721	202,215
Total equity	444,928	401,784
Total liabilities and equity	1,013,105	1,008,558

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

(Amounts in Bahraini Dinars thousands)

	2023 (Audited)	2022 (Audited)
Interest income	38,254	38,223
Interest expense	(257)	(135)
Net interest income	37,997	38,088
Income from properties	6,002	1,936
Net share of profit from investment in an associate	263	74
Other income	899	1,023
Total operating income	45,161	41,121
Staff costs	(5,912)	(5,222)
Other expenses	(2,800)	(2,562)
Total operating expenses	(8,712)	(7,784)
Profit before net impairment loss	36,449	33,337
Net impairment loss	(665)	(377)
Profit for the year	35,784	32,960
Profit attributable to:		
Equity shareholder of the parent	35,784	32,315
Non-controlling interest	-	645
	35,784	32,960
Other comprehensive loss		
Items that will not be reclassified to profit or loss in subsequent periods:		
Fair value loss on equity instruments designated at fair value through other comprehensive income	(88)	(109)
Total comprehensive income for the year	35,696	32,851
Total comprehensive income attributable to:		
Equity shareholder of the parent	35,696	32,206
Non-controlling interest	-	645
	35,696	32,851

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

(Amounts in Bahraini Dinars thousands)

	2023 (Audited)	2022 (Audited)
Operating activities		
Profit for the year	35,784	32,960
Adjustments for:		
Net share of profit from investment in an associate	(263)	(74)
Net impairment loss	665	377
Gain on sale of investment	-	(142)
Gain on sale of development properties	(5,354)	(1,104)
Depreciation and amortisation	620	588
Operating profit before working capital changes:	31,452	32,605
(Disbursement of) / collection from loans, net	(64,284)	23,660
Decrease / (increase) in other assets	203	(71)
Decrease / (increase) in development properties	17,441	(10,742)
Increase in Investment properties	(109)	(25)
(Increase) / decrease in restricted bank balance	(190)	326
(Decrease) / Increase in customer current accounts	(981)	720
(Decrease) / Increase in other liabilities	(250)	767
Net movement in government accounts	(18,564)	(28,972)
Net cash (used in) / generated from operating activities	(35,282)	18,268
Investing activities		
Maturity of debt securities	1,615	3,102
Investment in debt securities	(483)	(1,124)
Maturity / (placement) with financial institution with original maturity of more than 90 days	10,000	(4,941)
Dividend received from investment in an associate	271	188
Purchase of equipment	(198)	(125)
Purchase of investment in an associate	(70)	(45)
Net cash generated from / (used in) investing activities	11,135	(2,945)
Financing activities		
Payment to and on behalf of government, net	(28,355)	(17,606)
Net cash used in financing activities	(28,355)	(17,606)
Net decrease in cash and cash equivalents	(52,502)	(2,284)
Cash and cash equivalents at 1 January	77,802	80,086
Cash and cash equivalents at 31 December	25,300	77,802

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

(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 deficit	Retained earnings				
2023 (Audited)									
As at 1 January 2023	108,300	36,915	54,462	(108)	202,215	401,784	-	401,784	
Capitalisation of retained earnings	141,700	-	-	-	(141,700)	-	-	-	
Total comprehensive income:									
Profit for the year	-	-	-	-	35,784	35,784	-	35,784	
Other comprehensive loss	-	-	-	(88)	-	(88)	-	(88)	
Net transfer of land	-	7,448	-	-	-	7,448	-	7,448	
Transfer to statutory reserves	-	-	3,578	-	(3,578)	-	-	-	
As at 31 December 2023	250,000	44,363	58,040	(196)	92,721	444,928	-	444,928	
2022 (Audited)									
As at 1 January 2022	108,300	22,450	54,462	(572)	171,021	355,661	9,274	364,935	
Total comprehensive income:									
Profit for the year	-	-	-	-	32,315	32,315	645	32,960	
Other comprehensive loss	-	-	-	(109)	-	(109)	-	(109)	
Transfer of land	-	14,465	-	-	-	14,465	-	14,465	
Sale of equity FVOCI	-	-	-	573	(573)	-	-	-	
Transaction with owners recognised directly in equity:									
Acquisition of NCI without a change in control	-	-	-	-	(548)	(548)	(9,919)	(10,467)	
As at 31 December 2022	108,300	36,915	54,462	(108)	202,215	401,784	-	401,784	

H.E. Mrs. Amna Bint Ahmed Al Rumaihi, Chairperson

Isa Abdulla Zainal, Director

Dr. Khalid Abdulla, General Manager

This information has been extracted from the consolidated financial statements for the year ended 31 December 2023 audited by Ernst & Young - Middle East, who expressed an unqualified opinion which were approved by board of directors on 28 February 2024.