

ESKAN BANK B.S.C. (C)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(Amounts in Bahraini Dinars thousands)

	30 September 2023 (reviewed)	31 December 2022 (audited)
Assets		
Cash and bank balances	76,757	87,820
Investments	3,500	4,493
Loans	866,559	808,805
Investment in associates	4,111	4,120
Investment properties	64,810	61,523
Development properties	31,261	39,094
Other assets	2,632	2,703
Total assets	1,049,630	1,008,558
Liabilities and equity		
Liabilities		
Interbank borrowings	10,000	10,000
Customer current accounts	8,581	9,267
Government accounts	510,471	505,202
Term loans	75,000	75,000
Other liabilities	11,793	7,305
Total liabilities	615,845	606,774
Equity		
Share capital	250,000	108,300
Contribution by shareholder	42,044	36,915
Statutory reserve	54,462	54,462
Fair value reserve	(108)	(108)
Retained earnings	87,387	202,215
Total equity	433,785	401,784
Total liabilities and equity	1,049,630	1,008,558

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2023

(Amounts in Bahraini Dinars thousands)

	Nine months ended 30 September		Three months ended 30 September	
	2023 (reviewed)	2022 (reviewed)	2023 (reviewed)	2022 (reviewed)
Interest income	28,595	28,131	9,545	9,772
Interest expense	(179)	(83)	(53)	(36)
Net interest income	28,416	28,048	9,492	9,736
Income from properties	4,132	1,629	1,547	647
Share of profit from investment in associate	207	22	78	38
Other income	695	636	207	236
Total operating income	33,450	30,335	11,324	10,657
Staff costs	(4,390)	(3,916)	(1,423)	(1,304)
Other expenses	(2,312)	(1,719)	(863)	(583)
Total operating expenses	(6,702)	(5,635)	(2,286)	(1,887)
Profit before release of provision for impairment loss, net	26,748	24,700	9,038	8,770
Release of provision for impairment loss, net	124	28	76	63
Profit and total comprehensive income for the period	26,872	24,728	9,114	8,833
Profit and total comprehensive income attributable to:				
Equity shareholder of the parent	26,872	24,106	9,114	8,601
Non-controlling interest	-	622	-	232
	26,872	24,728	9,114	8,833

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2023

(Amounts in Bahraini Dinars thousands)

	30 September 2023 (reviewed)	30 September 2022 (reviewed)
Operating activities		
Profit for the period	26,872	24,728
Adjustments for:		
Share of profit from investment in associate	(207)	(22)
Release of provision for impairment loss, net	(124)	(28)
Gain on sale of development properties	(3,648)	(977)
Depreciation and amortization	451	440
Operating profit before working capital changes (Disbursement of) / collection from loans, net	23,344	24,141
Decrease / (increase) in development properties	(46,276)	16,862
Decrease / (increase) in other assets	13,122	(11,170)
(Decrease) / increase in customer current account	183	(385)
(Increase) / decrease in restricted bank balance	(685)	866
Increase / (decrease) in other liabilities	(1,028)	322
Net movement in government account	4,466	(335)
Net cash (used in) / generated from operating activities	(7,019)	27,850
Investing activities		
Maturity of placement with financial institution with original maturity of more than 90 days	10,000	5,058
Purchase of equipment	(138)	(88)
Maturity of debt securities	1,614	3,592
Investment in debt securities	(622)	(3,288)
Additional investment in associate	(54)	(9)
Dividend received on investment in associate	129	188
Net cash generated from investing activities	10,929	5,453
Financing activity		
Payment to and on behalf of government, net	(6,004)	(4,438)
Cash used in financing activity	(6,004)	(4,438)
Net (decrease) / increase in cash and cash equivalents	(2,094)	28,865
Cash and cash equivalents at 1 January	77,798	80,076
Cash and cash equivalents at 30 September	75,704	108,941

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

(Amounts in Bahraini Dinars thousands)

	Equity attributable to Bank's shareholder						Non-controlling interest	Total equity
	Share capital	Contribution by shareholder	Statutory reserve	Fair value reserve	Retained earnings	Total		
2023 (reviewed)								
As at 1 January 2023	108,300	36,915	54,462	(108)	202,215	401,784	-	401,784
Transfer from retained earnings	141,700	-	-	-	(141,700)	-	-	-
Total comprehensive income for the period	-	-	-	-	26,872	26,872	-	26,872
Transfer of land	-	5,129	-	-	-	5,129	-	5,129
As at 30 September 2023	250,000	42,044	54,462	(108)	87,387	433,785	-	433,785
2022 (reviewed)								
As at 1 January 2022	108,300	22,450	54,462	(572)	171,022	355,662	9,274	364,936
Total comprehensive income for the period	-	-	-	-	24,106	24,106	622	24,728
Transfer of land	-	11	-	-	-	11	-	11
As at 30 September 2022	108,300	22,461	54,462	(572)	195,128	379,779	9,896	389,675

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

Isha Abdulla Zainal, Director

Dr. Khalid Abdulla, General Manager

This information has been extracted from the interim condensed consolidated financial statements for the nine months ended 30 September 2023 which were approved by board of directors on 13 November 2023 and reviewed by Ernst & Young - Middle East