

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	30 September 2014 (reviewed)	31 December 2013 (audited)
<b>ASSETS</b>		
Cash and bank balances	92,199	105,617
Investments	4,757	4,757
Loans	424,557	400,202
Investment in associates	9,329	9,136
Investment properties	42,651	41,760
Development properties	17,127	8,351
Other assets	6,386	6,369
<b>TOTAL ASSETS</b>	<b>597,005</b>	<b>576,192</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial and other institutions	45,100	49,000
Government accounts	238,499	232,779
Term loans	65,500	65,500
Other liabilities	22,749	18,562
<b>Total liabilities</b>	<b>371,848</b>	<b>365,841</b>
<b>EQUITY</b>		
Share capital	108,300	108,300
Contribution by shareholder	18,850	18,524
Statutory reserve	54,462	54,462
Retained earnings	36,911	29,065
Equity attributable to Bank's shareholders	218,523	210,351
Non-controlling interest	6,634	-
<b>Total equity</b>	<b>225,157</b>	<b>210,351</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>597,005</b>	<b>576,192</b>

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September 2014 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	Three months ended 30 September		Nine months ended 30 September	
	2014 (reviewed)	2013 (reviewed)	2014 (reviewed)	2013 (reviewed)
Management charges	3,380	3,044	9,894	8,955
Interest income	667	680	2,129	2,109
Income from investment properties	108	96	315	282
Share of profit (loss) of associates	(45)	(91)	193	(216)
Other income	501	597	1,533	1,609
<b>TOTAL INCOME</b>	<b>4,611</b>	<b>4,326</b>	<b>14,064</b>	<b>12,739</b>
Staff costs	1,050	874	3,244	2,924
Interest expense	551	569	1,690	1,680
Other expenses	334	360	1,071	892
Impairment provision on loans	81	32	213	218
<b>TOTAL EXPENSES</b>	<b>2,016</b>	<b>1,835</b>	<b>6,218</b>	<b>5,714</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2,595</b>	<b>2,491</b>	<b>7,846</b>	<b>7,025</b>
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,595</b>	<b>2,491</b>	<b>7,846</b>	<b>7,025</b>

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2014 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	30 September 2014 (reviewed)	30 September 2013 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	7,846	7,025
Adjustments for:		
Net share of (profit) loss of associates	(193)	216
Impairment provision on loans	213	218
Depreciation	289	270
Operating profit before working capital changes	8,155	7,729
Decrease (increase) in placements with banks	1,092	(8,924)
Increase in loans	(24,568)	(32,855)
Increase in development properties	(646)	(416)
Increase in other assets	(42)	(198)
Decrease in deposits from financial and other institutions	(3,900)	(570)
Increase (decrease) in other liabilities	2,420	(438)
Cash flows used in operating activities	(17,489)	(35,672)
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(113)	(200)
Acquisition of a subsidiary, net of cash acquired	(444)	-
Cash flows used in investing activities	(557)	(200)
<b>FINANCING ACTIVITY</b>		
Net movement in Government Accounts	5,720	20,040
Net cash flows from financing activity	5,720	20,040
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,326)</b>	<b>(15,831)</b>
Cash and cash equivalents at 1 January	91,906	99,888
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>79,580</b>	<b>84,057</b>
<b>Non-cash activities</b>		
Development properties (acquisition of a subsidiary)	8,845	-
Non-controlling interest (acquisition of a subsidiary)	6,634	-
Other liabilities - consideration payable (acquisition of a subsidiary)	1,767	-
Transfer between investment and development properties	715	-
Investment properties (land contribution by shareholder)	327	415
Investment in associate by transfer of receivables	-	1,700
Transfer to Shareholder	-	2,449

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2014 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by shareholder	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at 1 January 2014	108,300	18,524	54,462	29,065	210,351	-	210,351
Transfer of land	-	326	-	-	326	-	326
Acquisition of a subsidiary	-	-	-	-	-	6,634	6,634
Total comprehensive income for the period	-	-	-	7,846	7,846	-	7,846
<b>At 30 September 2014</b>	<b>108,300</b>	<b>18,850</b>	<b>54,462</b>	<b>36,911</b>	<b>218,523</b>	<b>6,634</b>	<b>225,157</b>
As at 1 January 2013	108,300	20,292	54,462	21,046	204,100	-	204,100
Transfer of land	-	415	-	-	415	-	415
Total comprehensive income for the period	-	-	-	7,025	7,025	-	7,025
Transfer to shareholder	-	(2,449)	-	-	(2,449)	-	(2,449)
At 30 September 2013	108,300	18,258	54,462	28,071	209,091	-	209,091

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, General Manager

The above interim consolidated statement of financial position and the related interim consolidated statements of comprehensive income, changes in equity and cash flows have been extracted from the interim consolidated financial statements of ESKAN BANK B.S.C. (c), which were approved by the Board of Directors and on which an unqualified review opinion was issued by Ernst & Young, Kingdom of Bahrain on 2<sup>nd</sup> November 2014.