

ESKAN BANK B.S.C. (c)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015 (audited)
(Amounts in Bahraini Dinars thousands)

	2015 (audited)	2014 (audited)
ASSETS		
Cash and bank balances	69,328	94,410
Investments	4,757	4,757
Loans	460,092	434,770
Investment in associates	6,911	9,111
Investment properties	31,996	42,604
Development properties	22,219	18,593
Other assets	1,961	6,486
TOTAL ASSETS	597,264	610,731
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	3,003	48,107
Government accounts	237,808	251,459
Term loans	109,000	59,000
Other liabilities	25,555	24,064
Total liabilities	375,366	382,630
EQUITY		
Share capital	108,300	108,300
Contribution by shareholder	1,509	19,160
Statutory reserve	54,462	54,462
Retained earnings	50,989	39,548
Equity attributable to Bank's shareholders	215,260	221,470
Non-controlling interest	6,638	6,631
Total equity	221,898	228,101
TOTAL LIABILITIES AND EQUITY	597,264	610,731

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015 (audited)
(Amounts in Bahraini Dinars thousands)

	2015 (audited)	2014 (audited)
Management charges	14,520	13,314
Interest income	2,254	2,804
Income from investment properties	450	423
Net share of profit of associates	1,131	160
Other income	309	540
TOTAL INCOME	18,664	17,241
Staff costs	(4,993)	(4,252)
Other expenses	(1,573)	(1,465)
Interest expense	(400)	(672)
Impairment provision on loans	(251)	(187)
Impairment provision on investment in associates	-	(185)
TOTAL EXPENSES	(7,217)	(6,761)
PROFIT FOR THE YEAR	11,447	10,480
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,447	10,480
Attributable to:		
Equity shareholders of the parent	11,440	10,483
Non-controlling interest	7	(3)
	11,447	10,480

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015 (audited)
(Amounts in Bahraini Dinars thousands)

	2015 (audited)	2014 (audited)
OPERATING ACTIVITIES		
Profit for the year	11,447	10,480
Adjustments for:		
Net share of profit of associates	(1,131)	(160)
Impairment provision on loans	251	187
Impairment provision on investment in associate	-	185
Depreciation	319	393
Operating profit before working capital changes	10,886	11,085
Decrease in placements with banks	12,773	7,261
Increase in loans	(25,573)	(34,756)
Increase in development properties	(6,068)	(1,806)
Increase in other assets	(48)	(131)
Decrease in deposits from financial and other institutions	(45,104)	(893)
Increase in other liabilities	1,491	4,523
Net Cash flows used in operating activities	(51,643)	(14,717)
INVESTING ACTIVITIES		
Purchase of equipment	(346)	(181)
Investment in associate - capital repayment	3,331	-
Sale of equipment	0	4
Acquisition of a subsidiary, net of cash acquired	-	(1,233)
Net cash flows from (used in) investing activities	2,985	(1,410)
FINANCING ACTIVITIES		
Proceeds (repayment) of term loans	50,000	(6,500)
Net movement in Government accounts	(13,651)	18,680
Net cash flows from financing activities	36,349	12,180
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,309)	(3,946)
Cash and cash equivalents at 1 January	46,819	50,765
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	34,510	46,819
Non-cash activities		
Development properties (acquisition of a subsidiary)	-	8,845
Non-controlling interest (acquisition of a subsidiary)	-	6,631
Other liabilities - consideration payable (acquisition of a subsidiary)	-	978
Transfer between investment and development properties	2,441	715
Transfer to Shareholder	17,989	-
Investment properties (land contribution by shareholder)	339	636

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015 (audited)
(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by shareholder	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at 1 January 2015	108,300	19,160	54,462	39,548	221,470	6,631	228,101
Transfer of land	-	339	-	-	339	-	339
Total comprehensive income	-	-	-	11,440	11,440	7	11,447
Transfer to Shareholder	-	(17,989)	-	-	(17,989)	-	(17,989)
At 31 December 2015	108,300	1,510	54,462	50,988	215,260	6,638	221,898
As at 1 January 2014	108,300	18,524	54,462	29,065	210,351	-	210,351
Transfer of land	-	636	-	-	636	-	636
Acquisition of a subsidiary	-	-	-	-	-	6,634	6,634
Total comprehensive income	-	-	-	10,483	10,483	(3)	10,480
At 31 December 2014	108,300	19,160	54,462	39,548	221,470	6,631	228,101

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, General Manager

The above consolidated statement of financial position and the related consolidated statements of comprehensive income, changes in equity and cash flows have been extracted from the consolidated financial statements of Eskan Bank B.S.C. (c), which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain on 10th February 2016.