

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015 (Reviewed) (Amounts in Bahraini Dinars thousands)	30 September 2015 (reviewed)	31 December 2014 (audited)
<b>ASSETS</b>		
Cash and bank balances	25,247	94,410
Investments	4,757	4,757
Loans	456,484	434,770
Investment in associates	9,752	9,111
Investment properties	42,867	42,604
Development properties	22,810	18,593
Other assets	6,440	6,486
<b>TOTAL ASSETS</b>	<b>568,357</b>	<b>610,731</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from financial and other institutions	11,000	48,107
Government accounts	237,389	251,459
Term loans	59,000	59,000
Other liabilities	24,431	24,064
<b>Total liabilities</b>	<b>331,820</b>	<b>382,630</b>
<b>EQUITY</b>		
Share capital	108,300	108,300
Contribution by shareholder	19,499	19,160
Statutory reserve	54,462	54,462
Retained earnings	47,643	39,548
Equity attributable to Bank's shareholders	229,904	221,470
Non-controlling interest	6,633	6,631
<b>Total equity</b>	<b>236,537</b>	<b>228,101</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>568,357</b>	<b>610,731</b>

### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September 2015 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	Three months ended		Nine months ended	
	30 September 2015 (reviewed)	2014 (reviewed)	30 September 2015 (unaudited)	2014 (unaudited)
Management charges	3,619	3,380	10,696	9,894
Interest income	536	667	1,705	2,129
Income from investment properties	106	108	330	315
Share of profit / (loss) of associates	30	(45)	642	193
Other income	52	118	219	390
<b>TOTAL INCOME</b>	<b>4,343</b>	<b>4,228</b>	<b>13,592</b>	<b>12,921</b>
Staff costs	1,459	1,050	3,899	3,245
Interest expense	94	168	316	546
Other expenses	361	334	1,154	1,071
(Reversal) / provision of impairment on loans	(39)	81	126	213
<b>TOTAL EXPENSES</b>	<b>1,875</b>	<b>1,633</b>	<b>5,495</b>	<b>5,075</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2,468</b>	<b>2,595</b>	<b>8,097</b>	<b>7,846</b>
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,468</b>	<b>2,595</b>	<b>8,097</b>	<b>7,846</b>
<b>Attributable to:</b>				
Equity shareholders of the parent	2,462	2,595	8,095	7,846
Non-controlling interest	6	-	2	-
	<b>2,468</b>	<b>2,595</b>	<b>8,097</b>	<b>7,846</b>

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2015 (Reviewed) (Amounts in Bahraini Dinars thousands)	30 September 2015 (reviewed)	30 September 2014 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	8,097	7,846
Adjustments for:		
Net share of profit of associates	(642)	(193)
Provision of impairment on loans	126	213
Depreciation	229	289
Operating profit before working capital changes	7,810	8,155
Decrease in placements with banks	8,475	1,092
Increase in loans	(21,840)	(24,568)
Increase in development properties	(4,218)	(646)
Increase in other assets	(6)	(42)
Decrease in deposits from financial and other institutions	(37,107)	(3,900)
Increase in other liabilities	367	2,420
Cash flows used in operating activities	(46,519)	(17,489)
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	(100)	(113)
Acquisition of a subsidiary, net of cash acquired	-	(444)
Cash flows used in investing activity	(100)	(557)
<b>FINANCING ACTIVITY</b>		
Net movement in Government Accounts	(14,070)	5,720
Net cash flows (used in) from financing activity	(14,070)	5,720
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(60,689)</b>	<b>(12,326)</b>
Cash and cash equivalents at 1 January	83,749	91,906
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>23,060</b>	<b>79,580</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)	339	327

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2015 (Reviewed)  
(Amounts in Bahraini Dinars thousands)

	Contribution				Total	Non-controlling interest	Total equity
	Share capital	by shareholder	Statutory reserve	Retained earnings			
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 for the period	-	-	-	8,095	8,095	2	8,097
<b>At 30 September 2015</b>	<b>108,300</b>	<b>19,499</b>	<b>54,462</b>	<b>47,643</b>	<b>229,904</b>	<b>6,633</b>	<b>236,537</b>
As at 1 January 2014	108,300	18,524	54,462	29,065	210,351	-	210,351
Acquisition of a subsidiary	-	-	-	-	-	6,634	6,634
Transfer of land	-	327	-	-	327	-	327
Total comprehensive income for the period	-	-	-	7,846	7,846	-	7,846
At 30 September 2014	108,300	18,851	54,462	36,911	218,524	6,634	225,158

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 12<sup>th</sup> November 2015.