

ESKAN BANK B.S.C. (c)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016 (audited)
(Amounts in Bahraini Dinars thousands)

	2016 (audited)	2015 (audited)
ASSETS		
Cash and bank balances	81,991	69,328
Investments	4,757	4,757
Loans	479,006	460,092
Investment in associates	3,408	6,911
Investment properties	44,550	31,996
Development properties	20,757	22,219
Other assets	2,338	1,961
TOTAL ASSETS	636,807	597,264
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	35,500	3,003
Government accounts	272,215	237,808
Term loans	69,000	109,000
Other liabilities	29,264	25,555
Total liabilities	405,979	375,366
EQUITY		
Share capital	108,300	108,300
Contribution by shareholder	13,950	1,509
Statutory reserve	54,462	54,462
Retained earnings	47,451	50,989
Equity attributable to Bank's shareholders	224,163	215,260
Non-controlling interest	6,665	6,638
TOTAL EQUITY	230,828	221,898
TOTAL LIABILITIES AND EQUITY	636,807	597,264

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016 (audited)
(Amounts in Bahraini Dinars thousands)

	2016 (audited)	2015 (audited)
Management charges	15,443	14,520
Interest income	2,441	2,254
Income from properties	3,166	450
Net share of profit of associates	1,773	1,131
Other income	440	309
TOTAL INCOME	23,263	18,664
Staff costs	(4,805)	(4,993)
Other expenses	(1,555)	(1,573)
Interest expense	(388)	(400)
Provision for impairment	(26)	(251)
TOTAL EXPENSES	(6,774)	(7,217)
PROFIT FOR THE YEAR	16,489	11,447
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	16,489	11,447
Attributable to:		
Equity shareholders of the parent	16,462	11,440
Non-controlling interest	27	7
	16,489	11,447

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016 (audited)
(Amounts in Bahraini Dinars thousands)

	2016 (audited)	2015 (audited)
OPERATING ACTIVITIES		
Profit for the year	16,489	11,447
Adjustments for:		
Net share of profit of associates	(1,773)	(1,131)
Impairment provision on loans	119	251
Reversal of investment properties impairment provision	(142)	-
Gain on sale of development properties	(2,654)	-
Development cost written off	49	-
Depreciation	415	319
Operating profit before working capital changes	12,503	10,886
Decrease in placements with banks	24,707	12,773
Increase in loans	(19,033)	(25,573)
Increase in other assets	(198)	(48)
Increase (decrease) in deposits from financial and other institutions	32,497	(45,104)
Increase in other liabilities	3,794	1,491
Net cash flows from (used in) operating activities	54,270	(45,575)
INVESTING ACTIVITIES		
Purchase of equipment	(411)	(346)
Investment in associate - capital repayment	8,090	3,331
Investment in an associate	(2,815)	-
Investment in development properties	(5,989)	(6,068)
Proceeds from sale of development properties	9,817	-
Sale of equipment	-	-
Net cash flows from (used in) investing activities	8,692	(3,083)
FINANCING ACTIVITIES		
(Repayment) proceeds of term loans	(40,000)	50,000
Dividend paid	(20,000)	-
Net movement in Government accounts	34,407	(13,651)
Net cash flows (used in) from financing activities	(25,593)	36,349
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,369	(12,309)
Cash and cash equivalents at 1 January	34,510	46,819
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	71,879	34,510
Cash and cash equivalents comprise:		
Cash and cash equivalents	71,879	34,510
	71,879	34,510
Non-cash activities		
Transfer between investment and development properties	238	2,441
Transfer to the Shareholder	-	17,989
Investment properties (land contribution by the shareholder)	12,441	339

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016 (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 2016	108,300	1,509	54,462	50,989	215,260	6,638	221,898
Dividend	-	-	-	(20,000)	(20,000)	-	(20,000)
Transfer of land	-	12,441	-	-	12,441	-	12,441
Total comprehensive income	-	-	-	16,462	16,462	27	16,489
At 31 December 2016	108,300	13,950	54,462	47,451	224,163	6,665	230,828
As at 1 January 2015	108,300	19,159	54,462	39,549	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	1,509	54,462	50,989	215,260	6,638	221,898

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 20 February 2017.