

ESKAN BANK B.S.C. (c)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018 (audited)
(Amounts in Bahraini Dinars thousands)

	31 December 2018 (audited)	31 December 2017 (audited)
Assets		
Cash and bank balances	18,082	39,663
Investments	9,285	10,029
Loans	632,511	609,863
Investment in associates	5,254	5,573
Investment properties	51,018	53,507
Development properties	23,822	16,196
Other assets	29,744	3,571
Total assets	769,716	738,402
Liabilities and Equity		
Liabilities		
Deposits from financial and other institutions	10,500	20,500
Customer current accounts	1,862	3,634
Government accounts	394,946	415,674
Term loans	73,700	30,000
Other liabilities	4,893	6,229
Total liabilities	485,901	476,037
Equity		
Share capital	108,300	108,300
Contribution by shareholder	22,007	23,946
Statutory reserve	54,462	54,462
Fair value reserve	8	-
Retained earnings	92,386	68,976
Equity attributable to Bank's shareholder	277,163	255,684
Non-controlling interest	6,652	6,681
Total equity	283,815	262,365
Total liabilities and equity	769,716	738,402

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018 (audited)
(Amounts in Bahraini Dinars thousands)

	31 December 2018 (audited)	31 December 2017 (audited)
Interest income	27,564	25,251
Income from properties	1,115	3,478
Net share of profit from investment in associates	295	229
Other income	1,061	701
Total income	30,035	29,659
Staff costs	(4,588)	(5,715)
Other expenses	(1,567)	(1,493)
Interest expense	(288)	(577)
Total expenses	(6,443)	(7,785)
Profit before provision for impairment	23,592	21,874
Net impairment loss	(342)	(332)
Profit for the year	23,250	21,542
Other comprehensive income		
Items that will not be classified to profit or loss:		
Fair value through other comprehensive income (equity instruments)	208	-
Total comprehensive income for the year	23,458	21,542
Profit attributable to:		
Equity shareholder of the parent	23,272	21,526
Non-controlling interest	(22)	16
Total comprehensive income attributable to:		
Equity shareholder of the parent	23,480	21,526
Non-controlling interest	(22)	16
Total comprehensive income attributable to:	23,458	21,542

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018 (audited)
(Amounts in Bahraini Dinars thousands)

	31 December 2018 (audited)	31 December 2017 (audited)
Operating activities		
Profit for the year	23,250	21,542
Adjustments for:		
Net share of profit of associates	(295)	(229)
Net impairment loss	342	331
Gain on sale of development properties	(508)	(2,906)
Depreciation and amortization	339	324
Operating profit before working capital changes	23,128	19,062
Decrease in placements with banks (original maturity more than 90 days)	1,353	269
Decrease in loans	24,831	22,128
Decrease / (Increase) in other assets	663	(1,164)
(Increase) / decrease in development properties	(7,118)	8,379
Decrease in deposits from financial and other institutions	(10,000)	(15,000)
Decrease in customer current accounts	(1,773)	(963)
(Decrease) / increase in other liabilities	(1,336)	513
Net cash generated from operating activities	29,748	33,224
Investing activities		
Purchase of equipment	(175)	(266)
Proceeds from liquidation of an associate	461	-
Dividend received from an associate	296	197
Investment in an associate	(142)	(2,134)
Decrease in investment in debt	952	11,767
Net cash generated from investing activities	1,392	9,564
Financing activities		
Repayment of term loans	(10,000)	(39,000)
Proceeds of term loans	53,700	-
Net movement on Government accounts	(95,061)	(28,708)
Net cash used in financing activities	(51,361)	(67,708)
Net decrease in cash and cash equivalents	(20,221)	(24,920)
Cash and cash equivalents at 1 January	38,310	63,230
Cash and cash equivalents at 31 December	18,089	38,310
Cash and cash equivalent comprise :		
Cash and bank balances	1,289	1,530
Short term placements (with an original maturity of 90 days or less)	16,800	36,780
Total	18,089	38,310

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018 (audited)
(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			
As at 1 January 2018	108,300	23,946	54,462	-	68,976	255,684	6,681	262,365	
Adjustment on initial adoption of IFRS 9 as at 1 January 2018	-	-	-	(200)	(10,639)	(10,839)	(7)	(10,846)	
Adjusted balance at 1 January 2018	108,300	23,946	54,462	(200)	58,337	244,845	6,674	251,519	
Total comprehensive income	-	-	-	-	23,272	23,272	(22)	23,250	
Profit for the year	-	-	-	-	208	208	-	208	
Other comprehensive income	-	-	-	208	23,272	23,480	(22)	23,458	
Transfer to Shareholder	-	(1,939)	-	-	-	(1,939)	-	(1,939)	
Expected credit loss on social housing loans borne by the Government as on 1 January 2018	-	-	-	-	10,777	10,777	-	10,777	
As at 31 December 2018	108,300	22,007	54,462	8	92,386	277,163	6,652	283,815	
As at 1 January 2017	108,300	13,950	54,462	-	47,451	224,163	6,665	230,828	
Transfer of land	-	9,995	-	-	-	9,995	-	9,995	
Total comprehensive income	-	-	-	-	21,526	21,526	16	21,542	
Profit for the year	-	-	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	21,526	21,526	16	21,542	
As at 31 December 2017	108,300	23,946	54,462	-	68,977	255,684	6,681	262,365	

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, General Manager

This information has been extracted from the consolidated financial statements for the year ended 31 December 2018 which were approved by board of directors on 26 February 2019 and audited by KPMG Fakhro who expressed unqualified opinion.