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)

Assets (audited) (audited) Cash and bank balances 18,082 39,663 Investments 9,285 10,025 Loans 632,511 609,863 Investment in associates 5,254 5,573 Investment properties 51,018 53,500 Development properties 23,822 16,194 Other assets 769,716 738,400 Clabilities and Equity Tabilities Liabilities 5 5,254 3,634 Government accounts 10,500 20,500 Customer current accounts 1,862 3,634 Government accounts 394,946 415,677 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,033 Equity 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8	As at 31 December 2010 (addited)		
Assets 18,082 39,663 Cash and bank balances 9,285 10,029 Loans 632,511 609,863 Investment in associates 5,254 5,575 Investment properties 51,018 53,507 Development properties 23,822 16,196 Other assets 29,744 3,57 Total assets 769,716 738,402 Liabilities and Equity 8 Liabilities 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 6,225 Total liabilities 485,901 476,033 Equity 22,007 23,944 Share capital 108,300 108,300 Contribution by shareholder 22,007 23,944 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings	(Amounts in Bahraini Dinars thousands)		31 December 2017
Cash and bank balances 18,082 39,663 Investments 9,285 10,025 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 3,57 Total assets 769,716 738,407 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 6,225 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 68,976		(audited)	(audited)
Investments			70.007
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 3,577 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 6,225 Total liabilities 485,901 476,033 Equity Share capital 108,300 108,300 Contribution by shareholder 22,007 23,944 Statutory reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest <t< td=""><td></td><td></td><td></td></t<>			
Investment in associates 5,254 5,573 Investment properties 51,018 53,503 Development properties 23,822 16,198 Other assets 29,744 3,57 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 394,946 415,672 Term loans 73,700 30,000 Other liabilities 4,893 6,225 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 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,688			
Investment properties			
Development properties Other assets 23,822 29,744 16,196 3,57 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 3,632 Government accounts 394,946 415,674 Term loans 73,700 30,000 Other liabilities 4,893 6,222 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 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,683 Total equity 283,815 262,365			
Other assets 29,744 3,57 Total assets 769,716 738,407 Liabilities and Equity Liabilities Deposits from financial and other institutions 10,500 20,500 Customer current accounts 1,862 3,634 Government accounts 394,946 415,677 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,033 Equity Share capital 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 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 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 394,946 415,677 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,033 Equity Equity Share capital 108,300 108,300 Contribution by shareholder 22,007 23,944 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 26,236			
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 6,225 Total liabilities 485,901 476,037 Equity 5 22,007 23,946 Share capital 108,300 108,300 108,300 Contribution by shareholder 22,007 23,946 54,462 Fair value reserve 54,462 54,462 54,462 Fair value reserve 8 8 8 Retained earnings 92,386 68,976 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 26,265			
Liabilities 10,500 20,500 Deposits from financial and other institutions 1,862 3,632 Customer current accounts 394,946 415,674 Government accounts 394,946 415,674 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,037 Equity 108,300 108,300 Share capital 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365		/69,/16	730,402
Deposits from financial and other institutions 10,500 20,500	Liabilities and Equity		
Cuistomer current accounts 1,862 3,634 Government accounts 394,946 415,674 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,033 Equity 8 8 Share capital 108,300 108,300 Contribution by shareholder 22,007 23,944 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 26,265			
Government accounts 394,946 415,674 Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,037 Equity 8 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365			
Term loans 73,700 30,000 Other liabilities 4,893 6,225 Total liabilities 485,901 476,033 Equity 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365			
Other liabilities 4,893 6,225 Total liabilities 485,901 476,03 Equity 8 108,300 108,300 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 6,652 Total equity 283,815 262,365			
Total liabilities 485,901 476,037 Equity **Total liabilities 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365			
Equity 108,300 108,300 Share capital 22,007 23,946 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365			
Share capital 108,300 108,300 Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365	lotal liabilities	485,901	4/6,03/
Contribution by shareholder 22,007 23,946 Statutory reserve 54,462 54,462 Fair value reserve 8 8 Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 27,163 25,684 Non-controlling interest 6,652 6,682 Total equity 283,815 262,365	Equity		
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 6,68 Total equity 283,815 262,365	Share capital	108,300	108,300
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 6,68 Total equity 283,815 262,365	Contribution by shareholder	22,007	23,946
Retained earnings 92,386 68,976 Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365		54,462	54,462
Equity attributable to Bank's shareholder 277,163 255,684 Non-controlling interest 6,652 6,68 Total equity 283,815 262,365		•	-
Non-controlling interest 6,652 6,68 Total equity 283,815 262,365	Retained earnings	92,386	68,976
Non-controlling interest 6,652 6,68 Total equity 283,815 262,365	Equity attributable to Bank's shareholder	277,163	255,684
		6,652	6,681
Total liabilities and equity 769,716 738,402			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)

(Amounts in Ballianii Dinais triousarius)	31 December 2018 (audited)	31 December 2017 (audited)
Interest income Income from properties Net share of profit from investment in associates	27,564 1,115 295	25,251 3,478 229
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
	23,250	21,542
Total comprehensive income attributable to:		
Equity shareholder of the parent	23,480	21,526
Non-controlling interest	(22)	16
	23,458	21,542

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018 (audited)

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 Adjustments for:	23,250	21,542
Net share of profit of associates Net impairment loss	(295) 342	(229 331
Gain on sale of development properties Depreciation and amortization	(508) 339	(2,906) 324
Operating profit before working capital changes	23,128	19,062
Decrease in placements with banks (original maturity more than 90 days) Decrease in loans	1,353 24,831	269 22,128
Decrease / (Increase) in other assets (Increase) / decrease in development properties	663 (7,118)	(1,164 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 Investing activities	29,748	33,224
Purchase of equipment	(175)	(266
Proceeds from liquidation of an associate	461	
Dividend received from an associate	296	197
Investment in an associate Decrease in investment in debt	(142) 952	(2,134) 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 Net movement on Government accounts	53,700 (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 Cash and cash equivalents at 31 December	38,310 18,089	63,230 38,310
Cash and cash equivalent comprise :		00,010
Cash and bank balances	1,289	1,530
Short term placements (with an original maturity of 90 days or less)	16,800	36,780
	18,089	38,310

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018 (audited)

(Amounts in Bahraini Dinars thous	usands) Equity attributable to Bank's shareholder							
	Share capital	Contribution by shareholder	Statutory reserve	Fair value reserve	Retained earnings	Total	Non- controlling interest	Total equity
As at 1 January 2018 Adjustment on initial adoption of	108,300	23,946	54,462	-	68,976	255,684	6,681	262,365
<u>IÉRS 9 as at 1 January 2018</u>		-		(200)	(10,639)	(10,839)	(7)	(10,846)
Adjusted balance at 1 January 2018 Total comprehensive income	108,300	23,946	54,462	(200)	58,337	244,845	6,674	251,519
Profit for the year	-	-	-	-	23,272	23,272	(22)	23,250
Other comprehensive income		-		208_	-	208		208
Transfer to Shareholder Expected credit loss on social housing loans borne by the	-	(1,939)	-	208	23,272	23,480 (1,939)	(22)	23,458 (1,939)
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 Transfer of land Total comprehensive income	108,300	13,950 9,995	54,462	-	47,451 -	224,163 9,995	6,665 -	230,828 9,995
Profit for the year Other comprehensive income	-	-	-	-	21,526	21,526	16	21,542
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



