

ESKAN BANK B.S.C. (c)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019
(Amounts in Bahraini Dinars thousands)

	2019 (audited)	2018 (audited)
Assets		
Cash and cash equivalents	30,895	18,082
Investments	4,870	9,286
Loans	710,662	632,511
Investment in associates	4,340	5,254
Investment properties	50,498	51,018
Development properties	29,986	23,822
Other assets	30,571	29,743
Total assets	861,822	769,716
Liabilities and Equity		
Liabilities		
Deposits from financial and other institutions	10,000	10,500
Customer current accounts	2,180	1,862
Government accounts	467,235	394,946
Term loans	68,300	73,700
Other liabilities	7,600	4,893
Total liabilities	555,315	485,901
Equity		
Share capital	108,300	108,300
Contribution by shareholder	22,007	22,007
Statutory reserve	54,462	54,462
Fair value reserve	(416)	8
Retained earnings	115,527	92,386
Equity attributable to Bank's shareholder	299,880	277,163
Non-controlling interest	6,627	6,652
Total equity	306,507	283,815
Total liabilities and equity	861,822	769,716

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019
(Amounts in Bahraini Dinars thousands)

	2019 (audited)	2018 (audited)
Interest income	30,393	27,564
Income from properties	563	1,115
Net share of profit from investment in associate	185	393
Other income	739	1,061
Total income	31,880	30,133
Staff costs	(4,287)	(4,588)
Other expenses	(1,735)	(1,665)
Interest expense	(210)	(288)
Total expenses	(6,232)	(6,541)
Profit before provision for impairment	25,648	23,592
Net impairment loss	(2,531)	(342)
Profit for the year	23,117	23,250
Other comprehensive income		
Items that will not be classified to profit or loss:	(425)	208
Fair value through other comprehensive income (equity instruments)		
Total comprehensive income for the year	22,692	23,458
Profit attributable to:		
Equity shareholder of the parent	23,142	23,272
Non-controlling interest	(25)	(22)
Total comprehensive income attributable to:		
Equity shareholder of the parent	22,717	23,480
Non-controlling interest	(25)	(22)
Total comprehensive income attributable to:	22,692	23,458

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019
(Amounts in Bahraini Dinars thousands)

	2019 (audited)	2018 (audited)
Operating activities		
Profit for the year	23,117	23,250
Adjustments for:		
Net share of profit from investment in associate	(185)	(393)
Net impairment loss	2,531	342
Gain on sale of development properties	-	(508)
Depreciation and amortization	540	339
Operating profit before working capital changes	26,003	23,030
Decrease in placements with banks (original maturity more than 90 days)	-	1,353
Decrease in loans	5,917	24,831
Decrease in other assets	255	663
Increase in development properties	(7,093)	(718)
Decrease in deposits from financial and other institutions	(500)	(10,000)
Increase / (decrease) in customer current accounts	319	(1,773)
Increase / (decrease) in other liabilities	1,486	(1,336)
Net cash generated from operating activities	26,387	29,650
Investing activities		
Decrease in investment in debt securities	3,336	952
Capital repayment on investment	655	-
Dividend received from an associate	206	394
Purchase of equipment	(314)	(175)
Investment in an associate	(231)	(142)
Proceeds from liquidation of an associate	-	461
Net cash generated from investing activities	3,652	1,490
Financing activities		
Repayment of term loans	(20,000)	(10,000)
Proceeds from term loans	14,600	53,700
Net movement in Government accounts	(11,826)	(95,061)
Net cash used in financing activities	(17,226)	(51,361)
Net increase / (decrease) in cash and cash equivalents	12,813	(20,221)
Cash and cash equivalents at 1 January	18,088	38,310
Cash and cash equivalents at 31 December	30,901	18,089
Cash and cash equivalent comprise:		
Cash and bank balances	639	781
Balances with Central Bank of Bahrain	562	508
Short term placements (with an original maturity of 90 days or less)	29,700	16,800
Total	30,901	18,089

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019 (audited)
(Amounts in Bahraini Dinars thousands)

	Equity attributable to Bank's shareholder						Non-interest controlling	Total equity
	Share capital	Contribution by shareholder	Statutory reserve	Fair value reserve	Retained earnings	Total		
As at 1 January 2019	108,300	22,007	54,462	-	8	277,163	6,652	283,815
Profit for the year	-	-	-	-	23,142	23,142	(25)	23,117
Other comprehensive income	-	-	-	(425)	-	(425)	-	(425)
As at 31 December 2019	108,300	22,007	54,462	(417)	115,528	299,880	6,627	306,507
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	-	-	-	(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
Profit for the year	-	-	-	-	23,272	23,272	(22)	23,250
Other comprehensive income	-	-	-	208	-	208	-	208
Transfer to Shareholder	-	(1,939)	-	-	-	(1,939)	-	(1,939)
Expected credit loss on social housing loans borne by the Government	-	-	-	-	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

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, General Manager

This information has been extracted from the consolidated financial information for the year ended 31 December 2019 which were approved by board of directors on 26 February 2020 and audited by KPMG Fakhro who expressed unqualified opinion