

ESKAN BANK B.S.C. (c)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

(Amounts in Bahraini Dinars thousands)

	30 September 2020 (reviewed)	31 December 2019 (audited)
<b>Assets</b>		
Cash and cash equivalents	31,540	30,895
Investments	8,293	4,870
Loans	752,687	710,662
Investment in associate	4,350	4,340
Investment properties	49,934	50,498
Development properties	31,278	29,986
Other assets	29,456	30,571
<b>Total assets</b>	<b>907,538</b>	<b>861,822</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Interbank borrowings	10,000	10,000
Customer current account	2,218	2,180
Government accounts	508,370	467,235
Term loans	44,500	68,300
Other liabilities	18,002	7,600
<b>Total liabilities</b>	<b>583,090</b>	<b>555,315</b>
<b>Equity</b>		
Share capital	108,300	108,300
Contribution by shareholder	22,218	22,007
Statutory reserve	54,462	54,462
Fair value reserve	(416)	(416)
Retained earnings	133,282	115,527
Equity attributable to Bank's shareholder	317,846	299,880
Non-controlling interest	6,602	6,627
<b>Total equity</b>	<b>324,448</b>	<b>306,507</b>
<b>Total liabilities and equity</b>	<b>907,538</b>	<b>861,822</b>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2020

(Amounts in Bahraini Dinars thousands)

	Nine months ended 30 September		Three months ended 30 September	
	2020 (reviewed)	2019 (reviewed)	2020 (reviewed)	2019 (reviewed)
Interest income	23,642	22,626	7,976	7,790
Interest expense	(115)	(157)	(38)	(41)
<b>Net interest income</b>	<b>23,527</b>	<b>22,469</b>	<b>7,938</b>	<b>7,749</b>
Income from properties	259	413	119	135
Net share of profit from investment in associate	114	140	41	18
Other income	462	636	184	377
<b>Total operating income</b>	<b>24,362</b>	<b>23,658</b>	<b>8,282</b>	<b>8,279</b>
Staff costs	(3,785)	(3,541)	(1,207)	(1,174)
Other expenses	(1,340)	(1,228)	(371)	(386)
<b>Total operating expenses</b>	<b>(5,125)</b>	<b>(4,769)</b>	<b>(1,578)</b>	<b>(1,560)</b>
Profit before net impairment loss	19,237	18,889	6,704	6,719
Net impairment loss	(1,837)	(1,440)	124	(48)
<b>Profit for the period</b>	<b>17,400</b>	<b>17,449</b>	<b>6,828</b>	<b>6,671</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>17,400</b>	<b>17,449</b>	<b>6,828</b>	<b>6,671</b>
Attributable to:				
Equity shareholder of the parent	17,426	17,463	6,831	6,674
Non-controlling interest	(26)	(14)	(3)	(3)
	17,400	17,449	6,828	6,671

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2020

(Amounts in Bahraini Dinars thousands)

	30 September 2020 (reviewed)	30 September 2019 (reviewed)
<b>Operating activities</b>		
Profit for the period	17,400	17,449
Adjustments for:		
Net share of profit from investment in associate	(114)	(140)
Net impairment loss	1,837	1,440
Depreciation and amortization	405	396
Operating profit before working capital changes	19,528	19,145
Decrease in loans	1,115	26,334
Increase in development properties	(1,778)	(5,104)
Decrease / (increase) in other assets	877	(67)
Decrease in interbank borrowings	-	(500)
Increase in customer current account	37	274
Increase in other liabilities	10,423	738
<b>Net cash generated from operating activities</b>	<b>30,202</b>	<b>40,820</b>
<b>Investing activities</b>		
Purchase of equipment	(73)	(47)
Investment in debt securities	(3,424)	(2,335)
Partial redemption of investment in associate	27	3
<b>Net cash used in investing activities</b>	<b>(3,470)</b>	<b>(2,379)</b>
<b>Financing activities</b>		
Proceeds from term loans	36,200	3,450
Repayment of term loans	(60,000)	(10,000)
Net movement in government accounts	(2,288)	(17,464)
<b>Net cash used in financing activities</b>	<b>(26,088)</b>	<b>(24,014)</b>
<b>Net increase in cash and cash equivalents</b>	<b>644</b>	<b>14,427</b>
Cash and cash equivalents at 1 January	30,901	18,088
<b>Cash and cash equivalents at 30 September</b>	<b>31,545</b>	<b>32,515</b>
<b>Cash and cash equivalent comprise:</b>		
Cash in hand	105	97
Balances with banks	9,849	356
Balances with the CBB	692	862
Placements with banks and other institutions (with an original maturity of 90 days or less)	3,500	4,000
Placements with the CBB (with an original maturity of 90 days or less)	17,400	27,200
	31,546	32,515

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

(Amounts in Bahraini Dinars thousands)

	Equity attributable to Banks shareholder							Non-controlling interest	Total equity
	Share capital	Contribution by shareholder	Statutory reserve	Fair value reserve	Retained earnings	Total			
<b>2020 (reviewed)</b>									
As at 1 January 2020	108,300	22,007	54,462	(416)	115,527	299,880	6,627	306,507	
Total comprehensive income for the period	-	-	-	-	17,426	17,426	(25)	17,401	
Transfer of land	-	211	-	-	-	211	-	211	
Modification loss	-	-	-	-	(15,443)	(15,443)	-	(15,443)	
Government subsidy	-	-	-	-	689	689	-	689	
Modification loss borne by Government	-	-	-	-	15,083	15,083	-	15,083	
<b>As at 30 September 2020</b>	<b>108,300</b>	<b>22,218</b>	<b>54,462</b>	<b>(416)</b>	<b>133,282</b>	<b>317,846</b>	<b>6,602</b>	<b>324,448</b>	
2019 (reviewed)									
As at 1 January 2019	108,300	22,007	54,462	8	92,386	277,163	6,652	283,815	
Total comprehensive income for the period	-	-	-	-	17,463	17,463	(14)	17,449	
<b>As at 30 September 2019</b>	<b>108,300</b>	<b>22,007</b>	<b>54,462</b>	<b>8</b>	<b>109,849</b>	<b>294,626</b>	<b>6,638</b>	<b>301,264</b>	

Basim Bin Yacob Al Hamer, Chairman

Najla Al Shirawi, Director

Dr. Khalid Abdulla, General Manager

This information has been extracted from the condensed consolidated interim financial information for the nine months ended 30 September 2020 which were approved by board of directors on 10<sup>th</sup> November 2020 and reviewed by KPMG Fakhro

