

ESKAN BANK B.S.C (c)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011 (Unaudited)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011 (unaudited)

(Amounts in Bahraini Dinars thousands)

	30 June 2011 (unaudited)	31 December 2010 (audited)
ASSETS		
Cash and cash equivalents	87,702	73,317
Investments	3,541	3,579
Loans	289,472	278,524
Investment in associates	1,921	2,031
Investment property	58,358	57,441
Development property	6,506	6,603
Other assets	1,820	1,970
TOTAL ASSETS	449,320	423,465
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	39,011	21,503
Government accounts	134,174	120,083
Term loans	71,500	88,167
Other liabilities	13,094	5,741
Total liabilities	257,779	235,494
EQUITY		
Share capital	15,000	15,000
Contribution by a shareholder	20,131	19,824
Statutory reserve	7,762	7,762
Retained earnings	148,648	145,385
Total equity	191,541	187,971
TOTAL LIABILITIES AND EQUITY	449,320	423,465

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011 (unaudited)

(Amounts in Bahraini Dinars thousands)

	Three months ended		Six months ended	
	30 June 2011 (unaudited)	30 June 2010 (unaudited)	30 June 2011 (unaudited)	30 June 2010 (unaudited)
Management charges	2,339	2,242	4,637	4,478
Interest income	675	648	1,326	1,280
Net fair value gain on investments carried at fair value through profit or loss	-	111	-	141
Income from investment property	46	35	97	221
Share of loss of associates	(15)	(198)	(111)	(276)
Other income	817	1,316	2,217	2,546
TOTAL INCOME	3,862	4,154	8,166	8,390
Staff cost	1,074	923	2,145	1,954
Interest expense	915	1,416	1,820	2,874
Other expenses	468	399	876	814
Provision on loans	51	14	62	35
TOTAL EXPENSES	2,508	2,752	4,903	5,677
PROFIT FOR THE PERIOD	1,354	1,402	3,263	2,713
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,354	1,402	3,263	2,713

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011 (unaudited)

(Amounts in Bahraini Dinars thousands)

	30 June 2011 (unaudited)	30 June 2010 (unaudited)
OPERATING ACTIVITIES		
Profit for the period	3,263	2,713
Adjustments for:		
Share of loss of associates	111	276
Net fair value gains on investment carried at fair value through profit and loss	-	(141)
Provision on loans	62	35
Depreciation	267	277
Investments write off	2	-
Operating profit before working capital changes	3,705	3,160
Increase in loans	(11,010)	(14,213)
(Increase) / Decrease in investment property	(1)	1
(Increase) / Decrease in development property	(564)	31
Decrease in other assets	70	141
Increase / (Decrease) in deposits from financial and other institutions	17,508	(2,542)
Increase / (Decrease) in other liabilities	7,352	(1,973)
Cash flows from (used in) operating activities	17,060	(15,395)
INVESTING ACTIVITIES		
Capital redemption proceeds from investment	36	141
Purchase of equipment	(135)	(12)
Cash (used in) from investing activities	(99)	129
FINANCING ACTIVITIES		
Net movement in Government Accounts	14,091	15,415
Repayment of term loan	(16,667)	(16,667)
Cash used in financing activities	(2,576)	(1,252)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	14,385	(16,518)
Cash and cash equivalents at 1 January	73,317	110,946
CASH AND CASH EQUIVALENTS AT 30 June	87,702	94,428
Cash and cash equivalents comprise:		
Cash and bank balances	1,156	1,861
Placements with Banks	86,546	92,567
	87,702	94,428

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011 (unaudited)

(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by a shareholder	Statutory reserve	Retained earnings	Total Equity
As at 1 January 2011	15,000	19,824	7,762	145,385	187,971
Transfer of land	-	307	-	-	307
Total comprehensive income for the period	-	-	-	3,263	3,263
At 30 June 2011	15,000	20,131	7,762	148,648	191,541
As at 1 January 2010	15,000	16,984	7,762	139,984	179,730
Transfer of land	-	2,131	-	-	2,131
Total comprehensive income for the period	-	-	-	2,713	2,713
At 30 June 2010	15,000	19,115	7,762	142,697	184,574

Basim Yacob Al Hamer, Chairman

Sabah K. Almoayyed, General Manager

The above interim consolidated statement of financial position and the related interim consolidated statements of comprehensive income, changes in equity and cash flows have been extracted from the interim consolidated financial statements of ESKAN BANK B.S.C. (c), which were approved by the Board of Directors and on which an unqualified review opinion was issued by Ernst & Young, Kingdom of Bahrain on 18th July 2011

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