

ESKAN BANK B.S.C (c)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011 (unaudited)
(Amounts in Bahraini Dinars thousands)

	30 September 2011 (unaudited)	31 December 2010 (audited)
ASSETS		
Cash and cash equivalents	88,341	73,317
Investments	3,541	3,579
Loans	296,695	278,524
Investment in associates	6,328	2,031
Investment properties	49,355	57,441
Development properties	6,091	6,603
Other assets	7,407	1,970
TOTAL ASSETS	457,758	423,465
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	35,513	21,503
Government accounts	142,892	120,083
Term loans	71,500	88,167
Other liabilities	14,000	5,741
Total liabilities	263,905	235,494
EQUITY		
Share capital	108,300	15,000
Contribution by shareholder	20,229	19,824
Statutory reserve	54,462	7,762
Retained earnings	10,862	145,385
Total equity	193,853	187,971
TOTAL LIABILITIES AND EQUITY	457,758	423,465

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the the period ended 30 September 2011 (unaudited)
(Amounts in Bahraini Dinars thousands)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	30 September 2011 (unaudited)	30 September 2010 (unaudited)	30 September 2011 (unaudited)	30 September 2010 (unaudited)
Management charges	2,434	2,209	7,071	6,687
Interest income	619	650	1,945	1,930
Net fair value loss on investments carried at fair value through profit or loss	-	(159)	-	(17)
Income from investment property	50	45	147	265
Share of loss of associates	(138)	(28)	(249)	(304)
Other income	1,468	1,047	3,686	3,592
TOTAL INCOME	4,433	3,764	12,600	12,153
Staff cost	995	975	3,140	2,929
Interest expense	777	1,237	2,597	4,111
Other expenses	356	310	1,233	1,124
Provision on loans	91	5	153	39
TOTAL EXPENSES	2,219	2,527	7,123	8,203
PROFIT FOR THE PERIOD	2,214	1,237	5,477	3,950
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,214	1,237	5,477	3,950

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2011 (unaudited)
(Amounts in Bahraini Dinars thousands)

	<i>Nine months ended</i>	
	30 September 2011 (unaudited)	30 September 2010 (unaudited)
OPERATING ACTIVITIES		
Profit for the period	5,477	3,950
Adjustments for:		
Share of loss of associates	249	304
Net fair value loss on investment carried at fair value through profit and loss	-	17
Provision on loans	153	39
Depreciation	377	345
Gain on transfer of investment properties	(605)	-
Investments write off	2	-
Operating profit before working capital changes	5,653	4,655
Increase in loans	(18,324)	(17,418)
Increase in investment properties	(1)	(8)
Increase in development properties	(149)	(180)
(Increase) / Decrease in other assets	(66)	127
Increase / (Decrease) in deposits from financial and other institutions	14,010	(13,322)
Increase / (Decrease) in other liabilities	8,258	(593)
Cash flows from (used in) operating activities	9,381	(26,739)
INVESTING ACTIVITIES		
Proceeds from Sale of Investment	-	1
Capital redemption proceeds from investment	36	263
Purchase of equipment	(536)	(59)
Cash (used in) from investing activities	(500)	205
FINANCING ACTIVITIES		
Net movement in Government Accounts	22,810	22,955
Repayment of term loan	(16,667)	(16,667)
Cash from financing activities	6,143	6,288
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	15,024	(20,246)
Cash and cash equivalents at 1 January	73,317	110,946
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	88,341	90,700
Cash and cash equivalents comprise:		
Cash and bank balances	5,587	3,733
Placements with Banks	82,754	86,967
	88,341	90,700

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2011 (unaudited)
(Amounts in Bahraini Dinars thousands)

	<i>Contribution</i>		<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total Equity</i>
	<i>Share capital</i>	<i>by shareholder</i>			
As at 1 January 2011	15,000	19,824	7,762	145,385	187,971
Transfer from retained earnings	93,300	-	46,700	(140,000)	-
Transfer of land	-	405	-	-	405
Total comprehensive income for the period	-	-	-	5,477	5,477
At 30 September 2011	108,300	20,229	54,462	10,862	193,853
As at 1 January 2010	15,000	16,984	7,762	139,984	179,730
Transfer of land	-	2,213	-	-	2,213
Total comprehensive income for the period	-	-	-	3,950	3,950
At 30 September 2010	15,000	19,197	7,762	143,934	185,893

Basim Bin Yacob Al Hamer, Chairman

Sabah K. Almoayyed, General Manager and Director



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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 12 October 2011.

