

ESKAN BANK B.S.C. (c) CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014 (audited)

(Amounts in Bahraini Dinars thousands)

	2014 (audited)	2013 (audited)
ASSETS		
Cash and bank balances	94,410	105,617
Investments	4,757	4,757
Loans	434,770	400,202
Investment in associates	9,111	9,136
Investment properties	42,604	41,760
Development properties	18,593	8,351
Other assets	6,486	6,369
TOTAL ASSETS	610,731	576,192
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	48,107	49,000
Government accounts	251,459	232,779
Term loans	59,000	65,500
Other liabilities	24,064	18,562
TOTAL LIABILITIES	382,630	365,841
EQUITY		
Share capital	108,300	108,300
Contribution by shareholder	19,160	18,524
Statutory reserve	54,462	54,462
Retained earnings	39,548	29,065
Equity attributable to Bank's shareholders	221,470	210,351
Non-controlling interest	6,631	-
TOTAL EQUITY	228,101	210,351
TOTAL LIABILITIES AND EQUITY	610,731	576,192

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014 (audited)

(Amounts in Bahraini Dinars thousands)

	2014 (audited)	2013 (audited)
Management charges	13,314	12,138
Interest income	2,804	2,832
Income from investment properties	423	376
Net share of profit / (loss) of associates	160	(288)
Other income	540	538
TOTAL INCOME	17,241	15,596
Staff costs	(4,252)	(3,813)
Other expenses	(1,465)	(1,057)
Interest expense	(672)	(743)
Impairment provision on loans	(187)	(325)
Impairment provision on investment in associates	(185)	-
Write off / impairment provision on properties	-	(1,638)
TOTAL EXPENSES	(6,761)	(7,576)
PROFIT FOR THE YEAR	10,480	8,020
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,480	8,020
Attributable to:		
Equity shareholders of the parent	10,483	8,020
Non-controlling interest	(3)	-
	10,480	8,020

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014 (audited)

(Amounts in Bahraini Dinars thousands)

	2014 (audited)	2013 (audited)
OPERATING ACTIVITIES		
Profit for the year	10,480	8,020
Adjustments for:		
Net share of (profit) / loss of associates	(160)	288
Impairment provision on loans	187	325
Impairment provision on investment in associate	185	-
Depreciation	393	353
Development properties written off	-	1,638
Operating profit before working capital changes	11,085	10,624
Decrease (increase) in placements with banks	3,050	(7,228)
Increase in loans	(34,756)	(44,777)
Increase in development properties	(1,806)	(560)
Increase in other assets	(131)	(164)
Decrease in deposits from financial and other institutions	(893)	(4,506)
Increase / (decrease) in other liabilities	4,523	(1,335)
Net Cash flows used in operating activities	(18,928)	(47,946)
INVESTING ACTIVITIES		
Purchase of equipment	(181)	(393)
Sale of equipment	4	-
Acquisition of a subsidiary, net of cash acquired	(1,233)	-
Net Cash flows used in investing activities	(1,410)	(393)
FINANCING ACTIVITIES		
Repayment of term loans	(6,500)	-
Net movement in Government Accounts	18,680	40,357
Net cash flows from financing activities	12,180	40,357
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,158)	(7,982)
Cash and cash equivalents at 1 January	91,906	99,888
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	83,748	91,906
Non-cash activities		
Development properties (acquisition of a subsidiary)	8,845	-
Non-controlling interest (acquisition of a subsidiary)	6,631	-
Other liabilities - consideration payable (acquisition of a subsidiary)	978	-
Transfer between investment and development properties	715	-
Investment in associate by transfer of receivables	-	1,700
Transfer to the Shareholder	-	2,449
Investment properties (land contribution by the shareholder)	636	681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014 (audited)

(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by shareholder	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at 1 January 2014	108,300	18,524	54,462	29,065	210,351	-	210,351
Transfer of land	-	636	-	-	636	-	636
Acquisition of a subsidiary	-	-	-	-	-	6,634	6,634
Total comprehensive income	-	-	-	10,483	10,483	(3)	10,480
At 31 December 2014	108,300	19,160	54,462	39,548	221,470	6,631	228,101
As at 1 January 2013	108,300	20,292	54,462	21,045	204,099	-	204,099
Transfer of land	-	681	-	-	681	-	681
Total comprehensive income	-	-	-	8,020	8,020	-	8,020
Transfer to shareholder	-	(2,449)	-	-	(2,449)	-	(2,449)
At 31 December 2013	108,300	18,524	54,462	29,065	210,351	-	210,351

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, General Manager

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The above consolidated statement of financial position and the related consolidated statements of comprehensive income, changes in equity and cash flows have been extracted from the consolidated financial statements of Eskan Bank B.S.C. (c), which were approved by the Board of Directors and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain on 26 February 2015.

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ESKAN BANK