

ESKAN BANK B.S.C. (c)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014 (reviewed)
(Amounts in Bahraini Dinars thousands)

	30 June 2014 (reviewed)	31 December 2013 (audited)
ASSETS		
Cash and bank balances	96,935	105,617
Investments	4,757	4,757
Loans	417,001	400,202
Investment in associates	9,374	9,136
Investment properties	42,602	41,760
Development properties	7,976	8,351
Other assets	6,421	6,369
TOTAL ASSETS	585,066	576,192
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	48,400	49,000
Government accounts	236,017	232,779
Term loans	65,500	65,500
Other liabilities	19,320	18,562
Total liabilities	369,237	365,841
EQUITY		
Share capital	108,300	108,300
Contribution by shareholder	18,751	18,524
Statutory reserve	54,462	54,462
Retained earnings	34,316	29,065
Total equity	215,829	210,351
TOTAL LIABILITIES AND EQUITY	585,066	576,192

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2014 (reviewed)
(Amounts in Bahraini Dinars thousands)

	Three months ended		Six months ended	
	30 June 2014 (reviewed)	30 June 2013 (reviewed)	30 June 2014 (reviewed)	30 June 2013 (reviewed)
Management charges	3,335	3,006	6,514	5,912
Interest income	722	689	1,462	1,429
Income from investment properties	108	92	207	187
Share of profit (loss) of associates	239	(39)	238	(125)
Other income	534	484	1,033	1,011
TOTAL INCOME	4,938	4,232	9,454	8,414
Staff costs	1,100	953	2,195	2,050
Interest expense	572	541	1,139	1,111
Other expenses	395	183	736	532
Impairment provision on loans	21	136	133	187
TOTAL EXPENSES	2,088	1,813	4,203	3,880
PROFIT FOR THE PERIOD	2,850	2,419	5,251	4,534
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,850	2,419	5,251	4,534

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2014 (reviewed)
(Amounts in Bahraini Dinars thousands)

	30 June 2014 (reviewed)	30 June 2013 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	5,251	4,534
Adjustments for:		
Net share of (profit) loss of associates	(238)	125
Impairment provision on loans	133	187
Depreciation	188	181
Operating profit before working capital changes	5,334	5,027
Decrease (increase) in placements with banks	2,152	(127)
Increase in loans	(16,931)	(22,726)
Increase in development properties	(341)	(301)
Increase in other assets	(85)	(85)
Decrease in deposits from financial and other institutions	(600)	(17,973)
Increase (decrease) in other liabilities	757	(691)
Cash flows used in operating activities	(9,714)	(36,876)
INVESTING ACTIVITY		
Purchase of equipment	(55)	(158)
Net cash flows used in investing activity	(55)	(158)
FINANCING ACTIVITY		
Net movement in Government Accounts	3,238	2,311
Net cash flows from financing activity	3,238	2,311
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,531)	(34,723)
Cash and cash equivalents at 1 January	91,906	99,888
CASH AND CASH EQUIVALENTS AT 30 JUNE	85,375	65,165
Non-cash activities		
Investment in associate by transfer of receivables	-	1,700
Transfer to the Shareholder	-	2,449
Investment properties (land contribution by the shareholder)	227	415

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2014 (reviewed)
(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by shareholder	Statutory reserve	Retained earnings	Total Equity
As at 1 January 2014	108,300	18,524	54,462	29,065	210,351
Transfer of land	-	227	-	-	227
Total comprehensive income for the period	-	-	-	5,251	5,251
At 30 June 2014	108,300	18,751	54,462	34,316	215,829
As at 1 January 2013	108,300	20,292	54,462	21,046	204,100
Transfer of land	-	415	-	-	415
Total comprehensive income for the period	-	-	-	4,534	4,534
Transfer to shareholder	-	(2,449)	-	-	(2,449)
At 30 June 2013	108,300	18,258	54,462	25,580	206,600

Basim Bin Yacob Al Hamer, Chairman

Dr. Khalid Abdulla, 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 12 August 2014.