

ESKAN BANK B.S.C (C)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2010 (Unaudited)

(Amounts in Bahraini Dinars thousands)

	30 June 2010 (unaudited)	31 December 2009 (audited)
ASSETS		
Cash and cash equivalents	94,428	110,946
Investments	4,112	4,112
Loans	274,243	260,064
Investment in associates	2,125	2,401
Investment property	57,802	55,711
Development property	5,019	5,050
Other assets	2,313	2,680
TOTAL ASSETS	440,042	440,964
LIABILITIES		
Deposits from financial and other institutions	29,781	32,322
Government accounts	106,534	91,120
Term loans	113,333	130,000
Other liabilities	5,819	7,792
Total liabilities	255,467	261,234
EQUITY		
Share capital	15,000	15,000
Contribution by a shareholder	19,115	16,983
Statutory reserve	7,762	7,762
Retained earnings	142,698	139,985
Total equity	184,575	179,730
TOTAL LIABILITIES AND EQUITY	440,042	440,964

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010 (unaudited)

(Amounts in Bahraini Dinars thousands)

	Three months ended		Six months ended	
	30 June 2010 (unaudited)	30 June 2009 (unaudited)	30 June 2010 (unaudited)	30 June 2009 (unaudited)
Management charges	2,242	1,902	4,478	3,799
Interest income	648	374	1,280	690
Net fair value gain on investments carried at fair value through profit or loss	111	9	141	94
Income from investment property	35	97	221	146
Share of loss of associates	(198)	-	(276)	-
Other income	1,316	572	2,545	999
Total income	4,154	2,954	8,389	5,728
Staff cost	923	1,039	1,954	2,116
Interest expense	1,416	681	2,874	1,413
Other expenses	399	415	813	790
Impairment on loans	14	-	35	-
Total expenses	2,752	2,135	5,676	4,319
Profit for the period	1,402	819	2,713	1,409
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,402	819	2,713	1,409

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010 (unaudited)

(Amounts in Bahraini Dinars thousands)

	30 June 2010 (unaudited)	30 June 2009 (unaudited)				
OPERATING ACTIVITIES						
Profit for the period	2,713	1,409				
Adjustments for:						
Share of loss of associates	276	-				
Net fair value gains on investment carried at fair value through profit and loss	(141)	(95)				
Impairment on loans	35	-				
Depreciation	277	256				
Operating profit before working capital changes	3,160	1,570				
Increase in loans	(14,213)	(19,833)				
Decrease / (Increase) in investment properties	1	(1)				
Decrease / (Increase) in development properties	31	(257)				
Decrease in other assets	141	2,143				
(Decrease) / Increase in deposits from financial and other institutions	(2,542)	10,001				
Decrease in other liabilities	(1,973)	(2,272)				
Cash flows used in operating activities	(15,395)	(8,649)				
INVESTING ACTIVITIES						
Refund proceeds of advance towards investments	-	1,727				
Capital redemption proceeds from investment	141	115				
Purchase of equipment	(12)	(95)				
Cash from investing activities	129	1,747				
FINANCING ACTIVITIES						
Net movement in Government Accounts	15,415	12,467				
Repayment of term loan	(16,667)	(33)				
Cash (used in) / from financing activities	(1,252)	12,434				
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(16,518)	5,532				
Cash and cash equivalents at 1 January	110,946	39,865				
CASH AND CASH EQUIVALENTS AT 30 JUNE	94,428	45,397				
Cash and cash equivalents comprise:						
Cash and bank balances	1,861	8,271				
Placements with Banks	92,567	37,126				
	94,428	45,397				
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
For the six months ended 30 June 2010 (unaudited)						
(Amounts in Bahraini Dinars thousands)						
	Share capital	Contribution by a shareholder	Statutory reserve	Reserve for retirement scheme	Retained earnings	Total Equity
As at 1 January 2010	15,000	16,983	7,762	-	139,985	179,730
Transfer of land	-	2,132	-	-	-	2,132
Total comprehensive income for the period	-	-	-	-	2,713	2,713
At 30 June 2010	15,000	19,115	7,762	-	142,698	184,575
As at 1 January 2009	15,000	6,287	7,762	36	136,480	165,565
Transfer of land	-	7,769	-	-	-	7,769
Total comprehensive income for the period	-	-	-	-	1,409	1,409
At 30 June 2009	15,000	14,056	7,762	36	137,889	174,743

Ebrahim bin Khalifa Al Khalifa, 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 condensed 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 10th August 2010