

ESKAN BANK B.S.C (C)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2010 (Unaudited) (Amounts in Bahraini Dinars thousands)	30 September 2010 (unaudited)	31 December 2009 (audited)
ASSETS		
Cash and cash equivalents	90,700	110,946
Investments	3,830	4,112
Loans	277,443	260,064
Investment in associates	2,097	2,401
Investment property	56,802	55,711
Development property	6,300	5,050
Other assets	2,170	2,680
TOTAL ASSETS	439,342	440,964
LIABILITIES		
Deposits from financial and other institutions	19,000	32,322
Government accounts	114,075	91,120
Term loans	113,333	130,000
Other liabilities	7,041	7,792
Total liabilities	253,449	261,234
EQUITY		
Share capital	15,000	15,000
Contribution by a shareholder	19,196	16,983
Statutory reserve	7,762	7,762
Retained earnings	143,935	139,985
Total equity	185,893	179,730
TOTAL LIABILITIES AND EQUITY	439,342	440,964

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	30 September 2010 (unaudited)	30 September 2009 (unaudited)	30 September 2010 (unaudited)	30 September 2009 (unaudited)
Management charges	2,209	2,108	6,687	5,907
Interest income	650	492	1,930	1,181
Net fair value (loss) gain on investments carried at fair value through profit or loss	(159)	195	(17)	290
Income from investment property	45	125	265	270
Share of loss of associates	(28)	-	(304)	-
Other income	1,047	927	3,592	1,927
Total income	3,764	3,847	12,153	9,575
Staff cost	975	1,112	2,929	3,228
Interest expense	1,237	1,104	4,111	2,517
Other expenses	310	374	1,124	1,164
Provision on loans	5	-	39	-
Total expenses	2,527	2,590	8,203	6,909
Profit for the period	1,237	1,257	3,950	2,666
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,237	1,257	3,950	2,666

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2010 (unaudited) (Amounts in Bahraini Dinars thousands)	30 September 2010 (unaudited)	30 September 2009 (unaudited)
OPERATING ACTIVITIES		
Profit for the period	3,950	2,666
Adjustments for:		
Share of loss of associates	304	-
Net fair value loss (gains) on investment carried at fair value through profit and loss	17	(290)
Provision on loans	39	-
Depreciation	345	388
Operating profit before working capital changes	4,655	2,764
Increase in loans	(17,418)	(28,354)
Increase in investment properties	(8)	(1)
Increase in development properties	(180)	(330)
Decrease in other assets	127	2,205
(Decrease) / Increase in deposits from financial and other institutions	(13,322)	14,500
Decrease in other liabilities	(593)	(1,852)
Cash flows used in operating activities	(26,739)	(11,068)
INVESTING ACTIVITIES		
Refund proceeds of advance towards investments	-	1,727
Proceeds from sale of investment	1	-
Capital redemption proceeds from investment	263	115
Purchase of equipment	(59)	(138)
Proceeds from sale of equipment	-	8
Cash from investing activities	205	1,712
FINANCING ACTIVITIES		
Net movement in Government Accounts	22,955	18,471
Net movement in term loan	(16,667)	27,967
Cash from financing activities	6,288	46,438
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(20,246)	37,082
Cash and cash equivalents at 1 January	110,946	39,834
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	90,700	76,916
Cash and cash equivalents comprise:		
Cash and bank balances	3,733	14,842
Placements with Banks	86,967	62,074
	90,700	76,916

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 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	-	2,213	-	-	-	2,213
Total comprehensive income for the period	-	-	-	-	3,950	3,950
At 30 September 2010	15,000	19,196	7,762	-	143,935	185,893
As at 1 January 2009	15,000	6,287	7,762	36	136,480	165,565
Transfer of land	-	8,607	-	-	-	8,607
Remittance of retirement scheme	-	-	-	(36)	-	(36)
Total comprehensive income for the period	-	-	-	-	2,666	2,666
At 30 September 2009	15,000	14,894	7,762	-	139,146	176,802

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 25th October 2010