

ESKAN BANK B.S.C (C)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010 (audited)
(Amounts in Bahraini Dinars thousands)

	2010 (audited)	2009 (audited)
ASSETS		
Cash and cash equivalents	73,317	110,946
Financial investments	3,579	4,112
Loans and advances to customers	278,524	260,064
Investment in associates	2,031	2,401
Investment property	57,441	55,711
Development property	6,603	5,050
Other assets	1,970	2,680
TOTAL ASSETS	423,465	440,964
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from financial and other institutions	21,503	32,322
Government accounts	120,083	91,120
Term loans	88,167	130,000
Other liabilities	5,741	7,792
Total liabilities	235,494	261,234
EQUITY		
Issued share capital	15,000	15,000
Contribution by shareholder	19,824	16,983
Statutory reserve	7,762	7,762
Retained earnings	145,385	139,985
Total equity	187,971	179,730
TOTAL LIABILITIES AND EQUITY	423,465	440,964

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010 (audited)
(Amounts in Bahraini Dinars thousands)

	2010 (audited)	2009 (audited)
Management charges	9,093	8,104
Interest income	2,569	1,767
Net fair value (loss) gain on investments carried at fair value through the statement of income	(69)	167
Income from investment property	381	317
Share of loss of associate	(369)	(20)
Other income	4,651	3,135
Total income	16,256	13,470
Staff cost	(3,709)	(3,955)
Interest expense	(5,246)	(3,895)
Other expenses	(1,856)	(1,703)
Impairment on loans and advances	(45)	(191)
Impairment on investment property	-	(222)
Total expenses	(10,856)	(9,966)
Profit for the year	5,400	3,504
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,400	3,504

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2010 (audited)
(Amounts in Bahraini Dinars thousands)

	2010 (audited)	2009 (audited)
OPERATING ACTIVITIES		
Profit for the year	5,400	3,504
Adjustments for:		
Net fair value loss (gain) on investment carried at fair value through statement of income	69	(167)
Share of loss of associate	369	20
Provision on investment properties	-	222
Provision on loans and advances	45	191
Depreciation	480	521
Operating profit before working capital changes	6,363	4,291
Increase in loans and advances	(18,504)	(37,422)
Decrease / (increase) in investment properties	109	(688)
Increase in development properties	(625)	(368)
Decrease in other assets	433	2,278
(Decrease) / increase in deposits from financial and other institutions	(10,819)	32,322
Decrease in other liabilities	(2,051)	(672)
Remittance of retirement scheme	-	(36)
Net Cash flows used in operating activities	(25,094)	(295)
INVESTING ACTIVITIES		
Receipts on redemptions of financial investments	464	359
Acquisition of financial investments	-	(9)
Purchase of equipment	(129)	(311)
Refund of advance towards financial investments	-	1,727
Net Cash flows from investing activities	335	1,766
FINANCING ACTIVITIES		
Proceeds from term loan	-	58,333
Repayment of term loan	(41,833)	(8,333)
Net movement in Government accounts	28,963	19,641
Net cash flows (used in) from financing activities	(12,870)	69,641
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(37,629)	71,112
Cash and cash equivalents at 1 January	110,946	39,834
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	73,317	110,946
Cash and cash equivalents comprise:		
Cash and bank balances	5,692	1,890
Placements with Banks	67,625	109,056
	73,317	110,946

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010 (audited)
(Amounts in Bahraini Dinars thousands)

	Share capital	Contribution by 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	-	2,841	-	-	-	2,841
Total comprehensive income	-	-	-	-	5,400	5,400
At 31 December 2010	15,000	19,824	7,762	-	145,385	187,971
As at 1 January 2009	15,000	6,287	7,762	36	136,481	165,566
Transfer of land	-	10,696	-	-	-	10,696
Total comprehensive income	-	-	-	-	3,504	3,504
Remittance of retirement scheme	-	-	-	(36)	-	(36)
At 31 December 2009	15,000	16,983	7,762	-	139,985	179,730

Ebrahim bin Khalifa Al Khalifa, Chairman

Sabah K. Almoayyed, General Manager

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 review opinion was issued by Ernst & Young, Kingdom of Bahrain on 7th February 2011