

ESTERAD BANK B.S.C. (C)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	30 June 2024 USD '000 (Reviewed)	31 December 2023 USD '000 (Audited)
ASSETS		
Balances with banks	1,733	2,116
Placements with financial institutions	5,313	1,608
Investments	18,970	25,984
Funding to project companies	2,206	2,242
Other assets	1,485	1,193
Right-of-use asset	3,250	3,326
Property and equipment	4,022	3,999
TOTAL ASSETS	36,979	40,468
LIABILITIES		
Employee accruals	275	257
Ijarah liability	3,566	3,612
Other liabilities	28,621	36,557
Total liabilities	32,462	40,426
EQUITY		
Share capital	1,005	1,005
Statutory reserve	5,441	5,441
Investment fair value reserve	45	45
Accumulated losses	(27,201)	(29,252)
Equity attributable to Shareholders	(20,710)	(22,761)
Subordinated Mudharaba (AT1)	25,227	22,803
Total equity	4,517	42
TOTAL LIABILITIES AND EQUITY	36,979	40,468

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Six-months period ended 30 June 2024

	Three-months ended 30 June		Six-months ended 30 June	
	2024 USD '000 (Reviewed)	2023 USD '000 (Reviewed) (Restated)	2024 USD '000 (Reviewed)	2023 USD '000 (Reviewed) (Restated)
REVENUE				
Management fee	328	-	3,451	5,693
Other investment income	61	19	109	32
Net change in fair value of investments carried at fair value through income	(473)	(6,987)	(607)	(4,567)
Net realised fair value gains on exit of investment	-	-	1,291	-
Rental and other income	404	614	1,336	1,105
Total revenue	320	(6,354)	5,580	2,263
EXPENSES				
Staff cost	765	882	1,482	1,673
Legal and professional fees	177	272	403	555
Finance expense	44	58	87	139
Depreciation	94	97	189	194
Loss on settlement of liabilities	2	402	548	402
Other expenses	354	727	833	1,307
Total expenses	1,436	2,438	3,542	4,270
(LOSS) / PROFIT BEFORE IMPAIRMENT ALLOWANCES	(1,116)	(8,792)	2,038	(2,007)
Impairment of investments	(107)	(191)	(150)	(3,794)
Provision for credit losses	(62)	651	546	(28)
Impairment of property and equipment	18	(310)	60	(310)
(LOSS) / PROFIT FOR THE PERIOD	(1,267)	(8,642)	2,494	(6,139)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six-months period ended 30 June 2024

	2024 USD '000 (reviewed)	2023 USD '000 (reviewed) (Restated)
OPERATING ACTIVITIES		
Net profit / (loss) for the period	2,494	(6,139)
Adjustments for:		
Impairment of investments	150	3,794
Provision for credit losses	784	28
Impairment of property and equipment	(60)	310
Fair value gains on investments carried at fair value through profit or loss - net	607	4,567
Realised fair value gains on exit of investment	(1,291)	-
Loss on sale of investments	297	-
Depreciation	189	194
Finance cost on right-of-use asset	87	89
Dividends received	(19)	(3)
Gain from investment swaps	(296)	-
Operating profit before changes in operating assets and liabilities	2,942	2,840
Changes in operating assets and liabilities:		
Investments	9,990	(1,308)
Receivables	-	851
Funding to project companies	751	60
Property and equipment	(76)	(69)
Other assets	(380)	(80)
Employee accruals	18	71
Islamic finance	-	(2,426)
Other liabilities	(7,936)	249
Placements with financial institutions (maturity more than 3 months)	(244)	(186)
Net cash from / (used in) operating activities	5,065	2
FINANCING ACTIVITIES		
Murabaha financing to investee company	(1,402)	(110)
Subordinated Mudharaba (AT1) issuance cost	-	(306)
Rent paid towards right-of-use asset	(133)	(133)
Net cash used in financing activities	(1,535)	(549)
Investment fair value reserve	-	51
Profit distribution to ATI Sukuk holders	(443)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,087	(496)
Cash and cash equivalents at beginning of the period	3,591	2,861
ECL reversed on balances with banks and Placements with financial institutions	(9)	1
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,669	2,366
Represented by:		
Balances with banks	1,733	2,366
Placements with financial institutions (maturity less than three months)	4,936	-
	6,669	2,366

Extracted from the financial statements audited by KPMG and approved for issue by the Board on 14th August 2024

Mohamed Duaij Khalifa Al-Khalifa
Chairman of the Board

Ahmed Abdulrahman
Acting CEO and Vice Chairman

Note: "These financial statements have been audited by KPMG who have issued a disclaimer of opinion due to the significance of certain matters for which they could not obtain sufficient appropriate audit evidence."

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS EQUITY

Six-months period ended 30 June 2024

2024 (Reviewed)	Share capital	Statutory reserve	Investment fair value reserve	Accumulated losses	Equity attributable to shareholders	Subordinated mudharaba AT1	USD '000 Total
Balance at 1 January 2024	1,005	5,441	45	(29,252)	(22,761)	22,803	42
Subordinated Mudharaba (AT1)	-	-	-	-	-	2,277	2,277
Subordinated Mudharaba (AT1) 2% profit capitalised	-	-	-	-	-	147	147
Profit distribution to AT1 Sukuk holders	-	-	-	(443)	(443)	-	(443)
Profit for the period	-	-	-	2,494	2,494	-	2,494
Balance at 30 June 2024	1,005	5,441	45	(27,201)	(20,710)	25,227	4,517
2023 (Reviewed and Restated)							
Balance at 1 January 2023	1,005	5,441	537	(23,258)	(16,275)	-	(16,275)
Loss for the period	-	-	-	(6,139)	(6,139)	-	(6,139)
Subordinated Mudharaba (AT1) issuance cost	-	-	-	(306)	(306)	-	(306)
Other comprehensive income	-	-	51	-	51	-	51
Balance at 30 June 2023	1,005	5,441	588	(29,703)	(22,669)	-	(22,669)