

ESTERAD BANK B.S.C. (C)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH ENDED 31 MARCH 2024



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	31 March 2024 USD '000 (Reviewed)	31 December 2023 USD '000 (Audited)
ASSETS		
Balances with banks	2,251	2,116
Placements with financial institutions	2,456	1,608
Investments	20,796	25,984
Funding to project companies	2,206	2,242
Other assets	1,369	1,193
Right-of-use asset	3,288	3,326
Property and equipment	4,021	3,999
TOTAL ASSETS	36,387	40,468
LIABILITIES		
Employee accruals	250	257
Ijarah liability	3,588	3,612
Other liabilities	27,166	36,557
Total liabilities	31,004	40,426
EQUITY		
Share capital	1,005	1,005
Statutory reserve	5,441	5,441
Investment fair value reserve	45	45
Accumulated losses	(25,491)	(29,252)
Equity attributable to Shareholders	(19,000)	(22,761)
Subordinated Mudharaba (AT1)	24,383	22,803
Total equity	5,383	42
TOTAL LIABILITIES AND EQUITY	36,387	40,468

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Three-months period ended 31 March 2024

	Three-months ended 31 March	
	2024 USD '000 (reviewed)	2023 USD '000 (reviewed) (Restated)
REVENUE		
Management fee	3,123	5,693
Other investment income	48	13
Net change in fair value of investments carried at fair value through income	(134)	2,420
Net realised fair value gains on exit of investment	1,291	-
Rental and other income	932	491
Total revenue	5,260	8,617
EXPENSES		
Staff cost	717	791
Legal and professional fees	226	283
Finance expense	43	81
Depreciation	95	97
Loss on settlement of liabilities	546	34
Other expenses	479	546
Total expenses	2,106	1,832
PROFIT BEFORE IMPAIRMENT ALLOWANCES	3,154	6,785
Impairment of investments	(43)	(3,603)
Provision for credit losses	608	(679)
Impairment of property and equipment	42	-
PROFIT FOR THE PERIOD	3,761	2,503

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Three-months period ended 31 March 2024

	2024 USD '000 (reviewed)	2023 USD '000 (reviewed) (Restated)
OPERATING ACTIVITIES		
Net profit / (loss) for the period	3,761	2,503
Adjustments for:		
Impairment of investments	43	3,603
Provision for credit losses	245	679
Impairment of property and equipment	(42)	-
Fair value gains on investments carried at fair value through profit or loss - net	134	(2,420)
Loss on sale of investments	295	-
Realised fair value gains on exit of investment	(1,291)	-
Depreciation	95	97
Finance cost on right-of-use asset	43	45
Dividends received	(10)	-
Gain from investment swaps	(293)	-
Operating profit before changes in operating assets and liabilities	2,980	4,507
Changes in operating assets and liabilities:		
Investments	7,890	(332)
Receivables	-	(6,591)
Funding to project companies	751	-
Property and equipment	(37)	(17)
Other assets	(210)	(52)
Employee accruals	(7)	31
Islamic finance	-	36
Other liabilities	(9,391)	2,021
Placements with financial institutions (maturity more than 3 months)	(111)	(228)
Net cash from / (used in) operating activities	1,865	(625)
FINANCING ACTIVITIES		
Murabaha financing to investee company	(923)	(60)
Subordinated Mudharaba (AT1) issuance cost	-	(130)
Rent paid towards right-of-use asset	(67)	(66)
Net cash used in financing activities	(990)	(256)
Investment fair value reserve	-	51
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	875	(830)
Cash and cash equivalents at beginning of the period	3,591	2,861
ECL reversed on balances with banks and Placements with financial institutions	(3)	1
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,463	2,032
Represented by:		
Balances with banks	2,251	1,966
Placements with financial institutions (maturity less than three months)	2,212	66
	4,463	2,032

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

Three-months period ended 31 March 2024

	Share capital	Statutory reserve	Investment fair value reserve	Accumulated losses	Equity attributable to shareholders	Subordinated mudharaba AT1	USD '000 Total
2024 (Reviewed)							
Balance at 1 January 2024	1,005	5,441	45	(29,252)	(22,761)	22,803	42
Subordinated Mudharaba (AT1)	-	-	-	-	-	1,580	1,580
Profit for the period	-	-	-	3,761	3,761	-	3,761
Balance at 31 March 2024	1,005	5,441	45	(25,491)	(19,000)	24,383	5,383
2023 (Reviewed and Restated)							
Balance at 1 January 2023	1,005	5,441	537	(23,258)	(16,275)	-	(16,275)
Profit for the period	-	-	-	2,503	2,503	-	2,503
Subordinated Mudharaba (AT1) issuance cost	-	-	-	(130)	(130)	-	(130)
Other comprehensive income	-	-	51	-	51	-	51
Balance at 31 March 2023	1,005	5,441	588	(20,885)	(13,851)	-	(13,851)