

# ESTERAD BANK B.S.C. (C)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2024



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2024

	30 September 2024 USD '000 (Reviewed)	31 December 2023 USD '000 (Audited)
<b>ASSETS</b>		
Balances with banks	3,331	2,116
Placements with financial institutions	983	1,608
Investments	17,074	25,984
Funding to project companies	2,161	2,242
Other assets	2,846	1,193
Right-of-use asset	3,212	3,326
Property and equipment	3,882	3,999
<b>TOTAL ASSETS</b>	<b>33,489</b>	<b>40,468</b>
<b>LIABILITIES</b>		
Employee accruals	243	257
Ijarah liability	3,543	3,612
Other liabilities	25,442	36,557
<b>Total liabilities</b>	<b>29,228</b>	<b>40,426</b>
<b>EQUITY</b>		
Share capital	1,005	1,005
Statutory reserve	-	5,441
Investment fair value reserve	-	45
Accumulated losses	(23,000)	(29,252)
<b>Equity attributable to Shareholders</b>	<b>(21,995)</b>	<b>(22,761)</b>
Subordinated Mudharaba (AT1)	26,256	22,803
<b>Total equity</b>	<b>4,261</b>	<b>42</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>33,489</b>	<b>40,468</b>

## CONDENSED CONSOLIDATED STATEMENT OF INCOME Nine-months period ended 30 September 2024

	Nine-months ended 30 September		Three-months ended 30 September	
	2024 USD '000 (Reviewed)	2023 USD '000 (Reviewed)	2024 USD '000 (Reviewed)	2023 USD '000 (Reviewed)
<b>REVENUE</b>				
Management fee	4,721	7,563	1,270	1,870
Other investment income	143	54	34	22
Net change in fair value of investments carried at fair value through income	(479)	3,782	128	8,349
Net realised fair value gains on exit of investment	1,129	587	(162)	587
Rental and other income	2,070	4,569	734	3,464
<b>Total revenue</b>	<b>7,584</b>	<b>16,555</b>	<b>2,004</b>	<b>14,292</b>
<b>EXPENSES</b>				
Staff cost	2,333	2,542	851	869
Legal and professional fees	562	921	159	366
Finance expense	130	183	43	44
Depreciation	278	288	89	94
Loss on settlement of liabilities	1,131	507	583	105
Other expenses	1,407	1,861	574	554
<b>Total expenses</b>	<b>5,841</b>	<b>6,302</b>	<b>2,299</b>	<b>2,032</b>
<b>PROFIT / (LOSS) BEFORE IMPAIRMENT ALLOWANCES</b>	<b>1,743</b>	<b>10,253</b>	<b>(295)</b>	<b>12,260</b>
Impairment of investments	(291)	(6,656)	(141)	(2,862)
Provision for credit losses	469	1,116	(77)	1,144
Impairment of property and equipment	60	(310)	-	-
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>1,981</b>	<b>4,403</b>	<b>(513)</b>	<b>10,542</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS Nine-months period ended 30 September 2024

	2024 USD '000 (reviewed)	2023 USD '000 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	1,981	4,403
Adjustments for:		
Impairment of investments	291	6,656
Provision for credit losses	469	(1,116)
Impairment of property and equipment	(60)	310
Gain on sale of property and equipment	117	-
Fair value gains on investments carried at fair value through profit or loss - net	479	(3,782)
Realised fair value gains on exit of investment	(1,129)	-
Loss / (gain) on sale of investments	1,131	(587)
Depreciation	278	288
Finance cost on right-of-use asset	130	133
Dividends received	(19)	(32)
Gain from investment swaps	(441)	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>3,227</b>	<b>6,273</b>
Changes in operating assets and liabilities:		
Investments	(1,158)	(5,783)
Receivables	61	1,932
Funding to project companies	801	129
Proceeds from sale of investment	14,043	1,347
Property and equipment	(105)	(72)
Other assets	(1,356)	(35)
Employee accruals	(14)	(10)
Islamic finance	-	(3,646)
Other liabilities	(11,886)	901
Placements with financial institutions (maturity more than 3 months)	(244)	(318)
<b>Net cash from operating activities</b>	<b>3,369</b>	<b>720</b>
<b>FINANCING ACTIVITIES</b>		
Murabaha financing to investee company	(1,608)	(135)
Subordinated Mudharaba (AT1) issuance cost	-	(378)
Rent paid towards right-of-use asset	(199)	(199)
<b>Net cash used in financing activities</b>	<b>(1,807)</b>	<b>(712)</b>
Investment fair value reserve	(45)	156
Profit distribution to AT1 Sukuk holders	(1,170)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>347</b>	<b>164</b>
Cash and cash equivalents at beginning of the period	3,591	2,861
ECL reversed on balances with banks and Placements with financial institutions	(1)	(6)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>3,937</b>	<b>3,019</b>
<b>Represented by:</b>		
Balances with banks	3,331	1,255
Placements with financial institutions (maturity less than three months)	606	1,764
	<b>3,937</b>	<b>3,019</b>

Extracted from the financial statements reviewed by KPMG and approved for issue by the Board on 12<sup>th</sup> November 2024

**Bashar Mohamed Ebrahim Almutawa**  
Chairman of the Board

**Ahmed Abdulrahman**  
Acting CEO and Vice Chairman

Note: "These financial statements have been reviewed 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 Nine-months period ended 30 September 2024

	Share capital	Statutory reserve	Investment fair value reserve	Accumulated losses	Equity attributable to shareholders	Subordinated mudharaba AT1	USD '000 Total
<b>2024 (Reviewed)</b>							
Balance at 1 January 2024	1,005	5,441	45	(29,252)	(22,761)	22,803	42
Subordinated Mudharaba (AT1)	-	-	-	-	-	3,063	3,063
Subordinated Mudharaba (AT1) 2% profit capitalised	-	-	-	-	-	390	390
Movement in equity-type investments at fair value through equity	-	-	(45)	-	(45)	-	(45)
Movement in statutory reserve	-	(5,441)	-	5,441	-	-	-
Profit distribution to AT1 Sukuk holders	-	-	-	(1,170)	(1,170)	-	(1,170)
Profit for the period	-	-	-	1,981	1,981	-	1,981
<b>Balance at 30 September 2024</b>	<b>1,005</b>	<b>-</b>	<b>-</b>	<b>(23,000)</b>	<b>(21,995)</b>	<b>26,256</b>	<b>4,261</b>
<b>2023 (Reviewed)</b>							
Balance at 1 January 2023	1,005	5,441	537	(23,258)	(16,275)	-	(16,275)
Subordinated Mudharaba (AT1)	-	-	-	-	-	17,001	17,001
Transfer to statement of income on exit of investment	-	-	(537)	-	(537)	-	(537)
Movement in equity-type investments at fair value through equity	-	-	106	-	106	-	106
Net profit for the period	-	-	-	4,403	4,403	-	4,403
Subordinated Mudharaba (AT1) issuance cost	-	-	-	(378)	(378)	-	(378)
Balance at 30 September 2023	1,005	5,441	106	(19,233)	(12,681)	17,001	4,320