

**ESKAN BANK REALTY
INCOME TRUST**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 JUNE 2022

ESKAN BANK REALTY INCOME TRUST

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Information about the Trust

<u>Board of Directors of the Trust</u>	Mr. Wajdi Al Jallad – Chairman Mr. Muhammad Saeed Butt – Deputy Chairman Mr. Nandakumar Narasimhan
<u>Registered office</u>	24th Floor NBB Tower PO Box 11718 Government Avenue Manama Kingdom of Bahrain
<u>Principal banker</u>	Bahrain Islamic Bank B.S.C.
<u>Trustee & custodian</u>	Keypoint Trust B.S.C. (c)
<u>Investment manager</u>	Eskan Bank B.S.C. (c)
<u>Market Maker</u>	SICO B.S.C. (c)
<u>Registrar</u>	Bahrain Clear B.S.C. (c)
<u>Property manager</u>	Savills Middle East Co. S.P.C.
<u>Administrator</u>	SICO Fund Services B. S. C. (c)
<u>Paying agent</u>	Bahrain Clear B.S.C. (c)
<u>Property appraiser</u>	Chesterton International Bahrain WLL
<u>External auditor</u>	KPMG Fakhro Salman Manjlai, <i>Partner</i> P.O. Box 710, Manama, Kingdom of Bahrain
<u>Shari'a Board</u>	Dr. Sheikh Nezam Yacouby (Chairperson) Dr. Sheikh Abdulaziz Khalifa AlQassar (Vice Chairperson) Sheikh Abdalnasser Al-Mahmood (Member)

ESKAN BANK REALTY INCOME TRUST

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
for the six-months ended 30 June 2022

CONTENTS	Page
Directors' report	1
Independent auditors' report on review of condensed consolidated interim financial information	2
Condensed consolidated interim financial information	
Condensed consolidated statement of net assets	3
Condensed consolidated income statement	4
Condensed consolidated statement of changes in net assets attributable to the unitholders	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 – 13

DIRECTORS' REPORT

For the six-months ended 30 June 2022

The Directors have pleasure in submitting their report together with the reviewed condensed consolidated interim financial information of Eskan Bank Realty Income Trust (the "Trust" or "EBRIT") and its subsidiaries (together "the Group") for the six-month period ended 30 June 2022.

Principal activities

The Trust is a closed ended Real Estate Investment Trust ("REIT") and its primary objective is to maximize stable Shari'a compliant income generation for the unitholders with a long term approach and risk adjusted manner. The Trust invests primarily in income generating properties in the Kingdom of Bahrain.

Results and financial position

The condensed consolidated statement of net assets of the Group as at 30 June 2022 and results for the six-months ended 30 June 2022 are set out in the accompanying condensed consolidated interim financial information.

Dividends

The Board of Directors on 19 April 2022 declared a distribution at 2.35% of the unit's capital of the Trust for the period 1 January 2021 to 31 December 2021, after obtaining CBB approval (note 16).

Board of Directors of the Trust

The following Directors served during the six-month period ended 30 June 2022:

Mr. Wajdi Al Jallad - Chairman
Mr. Muhammad Saeed Butt – Deputy Chairman
Mr. Nandakumar Narasimhan

On behalf of the Directors:

A blue ink signature of Mr. Wajdi Al Jallad, consisting of a stylized 'W' and 'A'.

Mr. Wajdi Al Jallad
Chairman

A blue ink signature of Mr. Muhammad Saeed Butt, consisting of a stylized 'M' and 'S'.

Mr. Muhammad Saeed Butt
Director

18 August 2022



KPMG Fakhro
Audit
12th Floor, Fakhro Tower
P O Box 710, Manama
Kingdom of Bahrain

Telephone +973 17 224807
Fax +973 17 227443
Website: home.kpmg/bh
CR No. 6220

Independent auditors' report on review of condensed consolidated interim financial information

To the Unitholders

*Eskan Bank Realty Income Trust
Kingdom of Bahrain*

Introduction

We have reviewed the accompanying 30 June 2022 condensed consolidated interim financial information of Eskan Bank Realty Income Trust (the "Trust") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of net assets as at 30 June 2022;
- the condensed consolidated income statement for the six-month period ended 30 June 2022;
- the condensed consolidated statement of changes in net assets attributable to the unitholders for the six-month period ended 30 June 2022;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2022; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Trust is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the basis of preparation as stated in note 2 of this condensed consolidated interim financial information. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the basis of preparation as stated in note 2 of this condensed consolidated interim financial information.

18 August 2022

ESKAN BANK REALTY INCOME TRUST

CONDENSED CONSOLIDATED STATEMENT OF NET ASSETS
As at 30 June 2022


BD

	Notes	30 June 2022 (reviewed)	31 December 2021 (audited)
Assets			
Non-current asset			
Investment in real estate	7	10,605,000	10,905,000
Total non-current assets		10,605,000	10,905,000
Current assets			
Cash and cash equivalents		578,364	743,128
Trade receivables		47,795	78,770
Prepaid expenses		11,861	7,525
Total current assets		638,020	829,423
Total assets		11,243,020	11,734,423
Liabilities			
Current liabilities			
Trade and other liabilities		216,197	234,334
Dividends payable		486	486
Due to related parties	8.1	9,500	7,750
Total liabilities		226,183	242,570
Net assets attributable to unitholders		11,016,837	11,491,853
Unitholders			
Unit capital	10	19,800,000	19,800,000
Statutory reserve		1,000	1,000
Capital expenditure reserve		46,002	45,001
Accumulated losses		(8,830,165)	(8,354,148)
		11,016,837	11,491,853
Number of issued and outstanding units	10 & 13	198,000,000	198,000,000
Net asset value per unit	13	0.0556	0.0580

The condensed consolidated interim financial information were approved and authorized for issue by the Directors on 18 August 2022 and signed on their behalf by:



Mr. Wajdi Al Jallad
Chairman



Mr. Muhammad Saeed Butt
Director


The accompanying notes 1 to 16 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2022

BD

	Notes	Six months ended 30 June	
		2022 (reviewed)	2021 (audited)
Rental income	9	529,349	503,028
Service fee income	9	28,076	35,021
Property operating expenses		(181,058)	(197,738)
Property operating income, net		376,367	340,311
Other income	11	100,823	101,137
Investment management fee	8.1	(7,500)	(7,500)
Administration fee		(4,000)	(4,333)
Trustee and custodian fees	8.1	(10,000)	(10,750)
Other professional fees		(28,495)	(21,325)
Other expenses		(7,381)	(9,410)
Operating profit		419,814	388,130
Fair value unrealised loss on investment in real estate	7	(300,000)	(544,200)
Allowance for expected credit loss		(28,254)	(71,055)
Profit / (loss) for the period		91,560	(227,125)
Earning / (loss) per unit	14	0.00046	(0.00115)

The condensed consolidated interim financial information were approved and authorized for issue by the Directors on 18 August 2022 and signed on their behalf by:



Mr. Wajdi Al Jallad
Chairman



Mr. Muhammad Saeed Butt
Director

The accompanying notes 1 to 16 form an integral part of this condensed consolidated interim financial information.

ESKAN BANK REALTY INCOME TRUST

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

for the six months ended 30 June 2022

BD

30 June 2022 (reviewed)	No. of units	Unit capital	Statutory reserve	Capital expenditure reserve	Accumulated losses	Total
At 1 January 2022	198,000,000	19,800,000	1,000	45,001	(8,354,148)	11,491,853
Profit for the period	-	-	-	-	91,560	91,560
Transfer to capital expenditure reserve	-	-	-	1,001	(1,001)	-
Dividend declared (note 16)	-	-	-	-	(566,576)	(566,576)
At 30 June 2022	198,000,000	19,800,000	1,000	46,002	(8,830,165)	11,016,837

30 June 2021 (audited)	No. of units	Unit capital	Statutory reserve	Capital expenditure reserve	Accumulated losses	Total
At 1 January 2021	198,000,000	19,800,000	1,000	8,000	(7,414,234)	12,394,766
Loss for the period	-	-	-	-	(227,125)	(227,125)
Transfer to capital expenditure reserve	-	-	-	36,001	(36,001)	-
Dividend declared (note 16)	-	-	-	-	(566,715)	(566,715)
At 30 June 2021	198,000,000	19,800,000	1,000	44,001	(8,244,075)	11,600,926

The accompanying notes 1 to 16 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2022

BD

	Notes	Six months ended 30 June	
		2022 (reviewed)	2021 (audited)
Operating activities			
Profit / (loss) for the period		91,560	(227,125)
Adjustment for:			
Fair value unrealized loss on investment in real estate	7	300,000	544,200
Allowance for expected credit loss		28,254	71,055
Operating cash flows before changes in working capital		419,814	388,130
Changes in working capital:			
Decrease / (increase) in trade receivables		2,721	(52,916)
Increase in prepaid expenses		(4,336)	(1,030)
Decrease in trade and other liabilities		(18,137)	(38,087)
Increase / (decrease) in due to related parties		1,750	(2,500)
Net cash generated from operating activities		401,812	293,597
Financing activity			
Dividends paid		(566,576)	(566,715)
Net cash used in a financing activity		(566,576)	(566,715)
Net decrease in cash and cash equivalents		(164,764)	(273,118)
Cash and cash equivalents at the beginning of the period		743,128	723,740
Cash and cash equivalents at the end of the period		578,364	450,622
Represented by:			
Current accounts		578,364	450,622
		578,364	450,622

The accompanying notes 1 to 16 form an integral part of this condensed consolidated interim financial information.

1 REPORTING ENTITY

Eskan Bank Realty Income Trust (the “Trust” or “EBRIT”), was created through a trust instrument entered into between Bahrain Property Musharaka Trust (“BPMT”) as the Settlor and Crestbridge Bahrain B.S.C (c) as the Trustee (“Crestbridge” or the “Trustee”) on November 3, 2016 and was registered as a trust under the Financial Trust Law of Kingdom of Bahrain (law No. 23 of the year 2006 and as replaced by law No. 23 of 2016) with the Central Bank of Bahrain (the “CBB”) under registration number FT/11/002/16 on 8 November 2016.

EBRIT is established as a closed-ended Shari’a compliant Bahrain Real Estate Investment Trust with a 100-year duration and has been authorized by the CBB to be constituted as a Bahrain domiciled retail Collective Investment Undertaking in derogation from Rule BRT-1.1.2 of Volume 7 of the CBB Rulebook.

EBRIT is overseen by Crestbridge Bahrain B.S.C (c) (“Crestbridge”) as the Trustee. The Trustee has appointed Eskan Bank B.S.C (c) (“Eskan”), a bank incorporated in the Kingdom of Bahrain as the Investment Manager. EBRIT was administered by Keypoint Consulting W.L.L., Bahrain (“the Administrator”) and Crestbridge was the Custodian of EBRIT.

Subsequent to the year ended 31 December 2020, the Trustee and custodian of the EBRIT has changed from Crestbridge Bahrain B.S.C (c) to Keypoint Trust B.S.C.(c) with effect from 31 December 2020. Further, the administrator of EBRIT has changed from Keypoint Consulting W.L.L to SICO Fund Service B.S.C. (c). with effect from 1 March 2021.

EBRIT does not currently have any direct employees, however, it uses the services of a Trustee, Investment Manager, a Property Manager, a Property Appraiser, an Administrator and a Custodian for the management, administration and custody functions.

The following are the principal subsidiaries of the Group that are consolidated:

- a) **Segaya Plaza Company BSC (c):** The subsidiary was incorporated in Bahrain under the law of Bahrain with commercial registration number 96206 owning certain real estate property named Segaya Plaza and was established on 29 December 2015. The Trust owns 100% of the Company, 99% through the Trustee and 1% through the Trust’s subsidiary Danaat Al Madina Company BSC (c). The property is situated on the northern edge of Segaya and south of Salmaniya Hospital. The principal activity of the Company to hold properties and to engage in real estate activities on behalf of the Trust.
- b) **Danaat Al Madina Company BSC (c):** The subsidiary was incorporated in Bahrain under the law of Bahrain with commercial registration number 96210 owning certain real estate asset property named Danaat Al Madina and was established on 29 December 2015. The Trust owns 100% of the Company, 99% through the Trustee and 1% through the Trust’s subsidiary Segaya Plaza Company BSC (c). The property is located in Isa Town. The principal activity of the Company to hold properties and to engage in real estate activities on behalf of the Trust.

The ownership of both the properties listed above, were transferred to the Trust on 10 November 2016. However, as per the prospectus of Trust any profit and losses pertaining to the Trust Properties shall accrue to the benefit of the Unitholders from 1 January 2017.

These condensed consolidated interim financial information of Trust and its subsidiaries (together referred as the “Group”) have been authorised for issue in accordance with a resolution of the Board of Directors of the Trust dated 18 August 2022.

2 BASIS OF PREPERATION

This condensed consolidated interim financial information has been prepared in accordance with the Financial Accountings Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”). In line with the requirement of AAOIFI and the CBB Rule Book, for matters that are not covered by AAOIFI standards, the Trust uses guidance from the relevant International Financial Reporting Standards. Accordingly, the condensed consolidated interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard, IAS 34 - *Interim Financial Reporting*.

2 BASIS OF PREPERATION (CONTINUED)

The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Trust for the year ended 31 December 2021.

The condensed consolidated interim financial information for the six-month period ended 30 June 2022 is reviewed, not audited. The corresponding figures for the condensed consolidated statement of net assets have been extracted from the audited consolidated financial statements for the year ended 31 December 2021 and the corresponding figures for the condensed consolidated income statement, changes in net assets attributable to the unitholders and cash flows have been extracted from the audited consolidated interim financial information for the six-month period ended 30 June 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six-month period ended 30 June 2022 has been prepared using the same accounting policies and computational methods used by the Trust in its audited consolidated financial statements as at and for the year ended 31 December 2021.

There are no new standards that were effective and relevant to the Trust. No changes in the accounting policies are expected to be reflected in the Trust's consolidated financial statements as at and for the year ending 31 December 2022.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Trust's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

5 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Trust's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2021.

6 SEASONALITY

Due to the nature of the Trust's activities, the results for the six-month period ended 30 June 2022, as reported in this condensed consolidated interim financial information, are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

7 INVESTMENT IN REAL ESTATE

The following table shows the movement in investment in real estate:

	30 June 2022 (reviewed)	31 December 2021 (audited)
Balance at 1 January	10,905,000	11,884,200
Fair value unrealized loss on revaluation of investment in real estate	(300,000)	(939,200)
	10,605,000	10,905,000

7 INVESTMENT IN REAL ESTATE (CONTINUED)

Schedule of investment in real estate as at 30 June 2022:

	Cost	Fair value	
		30 June 2022 (reviewed)	31 December 2021 (audited)
Segaya Plaza	11,150,000	6,125,000	6,125,000
Danaat Al Madina	8,550,000	4,480,000	4,780,000
	19,700,000	10,605,000	10,905,000

As at 30 June 2022, the Group held total investment in real estate amounting to BD 10,605,000 (31 December 2021: BD 10,905,000) in two properties located in the Kingdom of Bahrain. During the period, the Group did not incur any cost (31 December 2021: Nil) on investment in real estate.

The investment in real estate has been valued by an independent external appraiser – Chesterton International Bahrain WLL. Both these properties have been leased out.

	30 June 2022 (reviewed)	
	Fair value	% of net assets value
Segaya Plaza	6,125,000	55.5%
Danaat Al Madina	4,480,000	40.6%
	10,605,000	96.1%

	31 December 2021 (audited)	
	Fair value	% of net assets value
Segaya Plaza	6,125,000	53.3%
Danaat Al Madina	4,780,000	41.6%
	10,905,000	94.9%

Investment in real estate are stated at fair value, being the estimated amount for which a property would exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably, prudently and without compulsion. Fair value is estimated based on the Income Approach (Discounted Cash Flow) method as described below.

The income approach is a recognized valuation approach in many world markets where real estate is held as an investment. It is used to value tenanted property based on the anticipated future cash flows. Property occupancy, its current and expected rental rates, operating cost, and ongoing refurbishment costs are some of the variables used in a DCF analysis. The future cashflows are discounted using a discount rate (Yield rate / All Risks Yield) which is estimated based on current market trends as well as factors specific to the property like its location, condition of the development and expectations on capital growth and income.

For purpose of valuation assessment, stabilized occupancy rate within range of 85% - 95%, discount rate within range of 10.25% -10.5% and terminal growth rate of 2% were considered.

7 INVESTMENT IN REAL ESTATE (CONTINUED)

Property valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (“RICS”) and are undertaken by appropriately qualified and independent accredited by Real Estate Regulatory Authority (RERA) valuers who are members of RICS and who have recent experience in the locations and categories of properties being valued.

Sensitivity analysis to significant changes to unobservable inputs within Level 3 of the hierarchy

30 June 2022 (reviewed)

The following sensitivity analysis has been done by calculating the impact of, change in stabilized occupancy rate and discount rate (keeping all other variables constant), on the valuation of investment in real estate where a positive / (negative) amount reflect possible increase / (decrease) in the carrying value.

	Discount rate			
Stabilized occupancy rate	9.5%	10.5%	11%	11.5%
85%	(325,000)	(995,000)	(1,300,000)	(1,605,000)
90%	365,000	(350,000)	(685,000)	(1,000,000)
95%	1,045,000	290,000	(65,000)	(405,000)

31 December 2021 (audited)

The following sensitivity analysis has been done by calculating the impact of, change in stabilized occupancy rate and discount rate (keeping all other variables constant), on the valuation of investment in real estate where a positive / (negative) amount reflect possible increase / (decrease) in the carrying value.

	Discount rate			
Stabilized occupancy rate	9.5%	10.5%	11%	11.5%
85%	(105,000)	(795,000)	(1,120,000)	(1,430,000)
90%	535,000	(195,000)	(545,000)	(875,000)
95%	1,165,000	385,000	25,000	(325,000)

The above sensitivity analysis however, do not necessarily indicate an absolute impact on valuation as the final outcome would be determined by selecting a point estimate within the range of possible outcomes.

8 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties comprise the Trustee, Investment Manager, significant unitholders and Directors of the above entities.

8.1 Transactions and balances with and from related parties

	30 June 2022 (reviewed)	31 December 2021 (audited)
Management fees payable (i)	7,500	3,750
Trustee and custodian fees payables (ii)	2,000	4,000
	9,500	7,750

8 RELATED PARTIES (CONTINUED)

	30 June 2022 (reviewed)	30 June 2021 (audited)
Performance supplement (note 11)	100,208	100,233
Investment management fees (i)	7,500	7,500
Trustee and custodian fees (ii)	10,000	10,750

(i) Represent investment management fees charged by Eskan Bank BSC (c)

(ii) Represent trustee and custodian fees charged by Keypoint Trust B.S.C (c)

8.2 The following related parties owned units in the Group:

Related Party	Nature of Relationship	Units held at	
		30 June 2022 (reviewed)	31 December 2021 (audited)
Eskan Bank B.S.C. (c)	Investment Manager of the Trust	63,618,044	63,618,044

9 RENTAL AND SERVICE FEE INCOME

	Six-month period ended 30 June 2022 (reviewed)			Six-month period ended 30 June 2021 (audited)		
	Rental income	Service fee income	Total	Rental income	Service fee income	Total
Segaya Plaza	378,825	12,425	391,250	301,739	10,040	311,779
Danaat Al Madina	150,524	15,651	166,175	201,289	24,981	226,270
	529,349	28,076	557,425	503,028	35,021	538,049

10 UNIT CAPITAL

The capital of the Trust consists of 198,000,000 units with a par value of BD 0.100 per unit. The units represent beneficial interest in the Trust, divided into interest of one class only.

The units shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the prospectus and the Trust Instrument. The interest of each unitholder shall be determined by the number of units registered in the name of the unitholder. The units shall be indivisible. However, two persons or more may jointly own one unit, provided that one person shall represent them towards the Trust.

Each unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to one vote at any meeting of the unitholders and to participate pro rata in any distribution by the Trust, whether of Net Distributable Income of the Trust or other amounts, and in the event of termination or winding-up of the Trust, in the net asset of the Trust remaining after satisfaction of all liabilities. No Unit shall have any preference or priority over any other. Units shall rank among themselves equally and ratably without discrimination, preference or priority. Units shall be issued and held in dematerialized book entry form with the Central Depository in accordance with the applicable rules of the Module CSD of the CBB Rulebook, Volume 7. No unitholder shall be entitled to pre-emption rights in any issue of units.

Weighted average number of units for the purposes of calculating earnings per unit for the period is 198,000,000 (31 December 2021: 198,000,000) units.

11 OTHER INCOME

	Six-month period ended 30 June	
	2022 (reviewed)	2021 (audited)
Performance supplement (*)	100,208	100,233
Interest income	615	904
	100,823	101,137

(*) Pursuant to the Investment Management Agreement, and whilst not a mandatory obligation on the Investment Manager, the Investment Manager has the ability to supplement (the “Performance supplement”) any shortfall of the annualized net distributable income of the Trust. Accordingly, the Investment Manager agreed to supplement the shortfall in annualized net distributable income of the Trust for the year ended 31 December 2021 by BD 100,208 (2020: BD 100,233) (refer to note 16).

12 FAIR VALUE

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value of the Group’ financial assets and liabilities approximate its carrying value due to its short term nature. The fair value of investment in real estate approximate its carrying value and are categorized within level 3 of the fair value hierarchy as at 30 June 2022 and 31 December 2021. The Group determines the fair values of its investment in real estate by using the income approach (Refer to note 7).

There were no transfers between Level 1, Level 2 and Level 3 during the period.

13 NET ASSET VALUE PER UNIT

	Net Assets Value	Number of Units in issue	Net Assets Value Per Unit
As at 30 June 2022 (reviewed)	11,016,837	198,000,000	0.0556
As at 31 December 2021 (audited)	11,491,853	198,000,000	0.0580
As at 31 December 2020 (audited)	12,394,766	198,000,000	0.0626
As at 31 December 2019 (audited)	12,212,535	198,000,000	0.0616

The net asset value per unit is based on the net assets value and units outstanding as at 30 June 2022, 31 December 2021, 31 December 2020 and 31 December 2019. There has been no redemption since inception of the Trust.

14 EARNING / (LOSS) PER UNIT

Earning / (loss) per unit are calculated by dividing the profit / (loss) for the period attributable to unitholders of the EBRIT by the weighted average number of units outstanding during the period.

	Six-month period ended 30 June	
	2022 (reviewed)	2021 (audited)
Profit / (loss) attributable to unitholders – BD	91,560	(227,125)
Weighted average number of units outstanding – units	198,000,000	198,000,000
Earning / (loss) per unit – BD	0.00046	(0.00115)

As this is a closed-ended real estate investment trust, diluted earnings per unit is not applicable.

15 NET DISTRIBUTABLE INCOME

“Net Distributable Income” is defined in Clause 16.4 of the Trust Instrument and is arrived at as follows:

	Six-month period ended 30 June	
	2022 (reviewed)	2021 (audited)
Opening balance	848,568	727,227
Profit / (loss) for the period	91,560	(227,125)
Add back fair value unrealized loss pertaining to the Trust property	300,000	544,200
Prior period adjustment for capital expenditure	-	(129,661)
Add back allowance for expected credit loss	28,254	71,055
Deduct capital expenditure reserve	(1,001)	(36,001)
Net distributable income	1,267,381	949,695
Dividend distributed	(566,576)	(566,715)
Net distributable income available	700,805	382,980

16 DIVIDENDS

The Board of Directors on 19 April 2022 declared a distribution for the period from 1 January 2021 to 31 December 2021 after obtaining CBB approval on 17 April 2022.

The total distribution equated to BD 466,368 or 2.35 fils per unit, which is a 2.35% yield over the twelve-month period from 1 January to 31 December 2021 and was payable to all Unitholders registered in EBRIT’s register of Unitholders with Bahrain Clear as at 28th April 2022 (the record date).

In addition, Eskan Bank B.S.C (c), in its capacity as Investment Manager, decided to provide a performance supplement to unitholders from the income that it was to receive on its locked up units equating to BD 100,208 resulting in all other unitholders receiving a net distribution of 3 fils per unit or a 3.00% yield for the 2021 year (refer to note 11).