



## **ESKAN BANK REALTY INCOME TRUST**

### **Manama, Kingdom of Bahrain – 29 August 2019:**

As communicated at the Annual General Meeting of Eskan Bank Realty Income Trust (“**EBRIT**”) on 30<sup>th</sup> April 2019, EBRIT has continued to achieve its objectives and pay an annualized yield of 6% since its inception to 31 December 2018 and has focused on its core objective of maximizing stable income generation for its unitholders with a long-term approach, despite challenging market conditions.

Following an announcement issued on 7 May 2019, the single tenant of the 105 residential apartments at Segaya Plaza vacated the property on 15 May 2019 and a significant refurbishment project was initiated to ensure it remains a prominent residential building in its area, to lessen the re-letting period and maximize rental rates.

The refurbishment project, which entailed upgrading all 105 apartments, common areas, as well as installing unique family focussed facilities, is now nearing completion. An intensive marketing and leasing campaign has recently commenced through the appointed property and leasing agent, Savills, with property viewings being actively held and new residential tenants secured.

The new leasing strategy targets multiple independent tenants to dilute the concentration risk of a single tenant and the intention is to re-let Segaya Plaza as quickly as possible with maximum occupancy being targeted conservatively within the next 18 months, market conditions permitting.

Following the approval of the mid-year consolidated financial statements to 30 June 2019 for EBRIT and due to the extensive capital expenditure related to the refurbishment and upgrade of Segaya Plaza, coupled with the temporary loss of income since 15 May 2019, as well as the need to maintain working capital reserves, it has been deemed prudent not to declare an interim distribution from EBRIT for the six-month period ended 30 June 2019. This is to allow for a ramp up of new residential tenants at Segaya Plaza and for the property to create a steady and diverse income stream while covering operating expenses adequately.

An annual distribution for the year of 2019 will be evaluated for EBRIT after the finalisation of its 31 December 2019 financial statements.

The Trustee continues to act in the best interest of the Trust and the unitholders and is mindful of its obligations and is working closely with Eskan Bank B.S.C (c) as Investment Manager and SICO B.S.C (c) as Sub-Investment Manager, to optimize the performance of the Trust Property.

**Crestbridge Bahrain B.S.C (c)**

**in its capacity as Trustee of the Eskan Bank Realty Income Trust**