

# Al Salam Bank-Bahrain B.S.C.

These financial statements were extracted from the reviewed interim condensed financial statements for which Ernst & Young issued an unqualified opinion dated 16 July 2007.

BALANCE SHEET 30 June 2007	Reviewed	Audited	STATEMENT OF INCOME Period ended 30 June 2007 (unaudited)	Three	Three	Six	For the period
	30 June 2007	31 December 2006		month ended 30 June 2007 (Reviewed)	month ended 30 June 2006 (Reviewed)	month ended 30 June 2007 (Reviewed)	19 January 2006 to 30 June 2006 (Reviewed)
	BD	BD		BD	BD	BD	BD
<b>ASSETS</b>			<b>OPERATING INCOME</b>				
Cash and balances with Central Bank of Bahrain	3,045,855	2,942,042	Income from Murabaha and Mudaraba	1,526,295	5,178,965	2,502,878	5,835,065
Central Bank of Bahrain Sukuk	1,190,000	-	Income from other financing contracts	1,132,641	-	2,286,142	-
Murabaha and Mudaraba with banks	168,362,416	105,089,786		2,658,936	5,178,965	4,789,020	5,835,065
Murabaha financing	39,421,472	22,963,267	Profit paid on Murabaha from banks / non banks	(580,765)	-	(911,810)	-
Ijarah Muntahia Bittamleek	11,227,117	10,382,429	Share of profit to unrestricted investment account holders	(377,810)	-	(582,152)	-
Non-trading investments	36,399,258	32,618,646	Fees and commission	1,049,491	-	2,822,323	-
Investment in an associate	9,537,847	2,073,500	Gain on disposal of investments designated as held-for-sale	7,637,027	-	9,596,276	-
Investment in properties	1,177,528	1,177,528	Unrealised gains on investments designated at fair value through profit or loss	1,067,257	-	3,152,272	-
Receivables and prepayments	17,960,325	8,784,454	Foreign exchange gains	17,685	-	73,220	-
Premises and equipment	3,158,659	2,026,884	Other income	23,055	-	55,096	-
Assets held-for-sale	36,399,717	-	<b>TOTAL OPERATING INCOME</b>	<b>11,494,876</b>	5,178,965	<b>18,994,245</b>	5,835,065
<b>TOTAL ASSETS</b>	<b>327,880,194</b>	<b>188,058,536</b>	<b>OPERATING EXPENSES</b>				
<b>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>			Staff costs	1,339,404	745,312	2,555,870	784,622
<b>Liabilities</b>			Premises and equipment cost	103,689	38,727	226,615	42,627
Murabaha from banks	87,260,490	23,647,305	Depreciation	177,291	2,722	321,259	2,722
Murabaha from non-banks	7,437,308	20,111,967	Depreciation on Ijarah Muntahia Bittamleek	256,668	-	507,431	-
Customers' accounts	28,978,407	5,673,812	Other operating expenses	748,367	822,802	1,351,010	828,762
Other liabilities	2,869,573	2,223,863	<b>TOTAL OPERATING EXPENSES</b>	<b>2,625,419</b>	1,609,563	<b>4,962,185</b>	1,658,733
Liabilities relating to assets held-for-sale	20,014,970	-	<b>NET INCOME FOR THE PERIOD</b>	<b>8,869,457</b>	3,569,402	<b>14,032,060</b>	4,176,332
<b>Total liabilities</b>	<b>146,560,748</b>	<b>51,656,947</b>	<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>119,993,637</b>	47,644,444	<b>119,993,637</b>	47,644,444
<b>UNRESTRICTED INVESTMENT ACCOUNTS</b>	<b>30,865,503</b>	-	<b>BASIC EARNINGS PER SHARE (FILS)</b>	<b>74</b>	75	<b>117</b>	88
<b>Equity</b>							
Share capital	120,000,000	120,000,000					
Treasury stock	-	(17,203)					
Reserves and retained earnings	30,453,943	16,418,792					
<b>Total equity</b>	<b>150,453,943</b>	<b>136,401,589</b>					
<b>TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>	<b>327,880,194</b>	<b>188,058,536</b>					

STATEMENT OF CHANGES IN EQUITY Period ended 30 June 2007 (unaudited)	Share capital	Treasury stock	Statutory reserve	Retained earnings	Investment reserve	Total equity
	BD	BD	BD	BD	BD	BD
Balance at 1 January 2007	120,000,000	(17,203)	1,641,879	3,333,225	11,443,688	136,401,589
Net income for the period	-	-	-	14,032,060	-	14,032,060
Sale of treasury stock	-	17,203	3,091	-	-	20,294
Transfers	-	-	-	(3,152,272)	3,152,272	-
<b>Balance at 30 June 2007</b>	<b>120,000,000</b>	<b>-</b>	<b>1,644,970</b>	<b>14,213,013</b>	<b>14,595,960</b>	<b>150,453,943</b>
Proceeds from issue of share capital	120,000,000	(17,203)	-	-	-	119,982,797
Net income for the period	-	-	-	4,176,332	-	4,176,332
<b>Balance at 30 June 2006</b>	<b>120,000,000</b>	<b>(17,203)</b>	<b>-</b>	<b>4,176,332</b>	<b>-</b>	<b>124,159,129</b>

Mohamed Ali Rashid Alabbar  
Chairman

Husein Mohamed Almeeza  
Vice Chairman

Yousif Taqi  
Chief Executive Officer



AL SALAM BANK  
البحرين BAHRAIN