Al Salam Bank-Bahrain B.S.C.



Interim Condensed Financial Statements - Period ended 30 June 2008

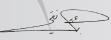
BALANCE SHEET	30 June 2008 (Reviewed)	31 December 2007 (Audited)
ASSETS	BD	BD
Cash and balances with Central Bank of Bahrain Central Bank of Bahrain Sukuk Murabaha with banks Murabaha financing Ijarah Muntahia Bittamleek Non-trading investments Investment in an associate Investment properties Receivables and prepayments Premises and equipment Assets held-for-sale	22,731,002 24,460,000 329,773,377 67,948,258 19,505,804 92,364,316 8,272,000 1,177,528 25,713,341 2,726,499 51,876,481	15,173,663 20,380,000 224,450,893 32,641,599 10,435,863 62,735,696 8,272,000 1,177,528 10,505,046 2,979,252 9,024,000
LIABILITIES, UNRESTRICTED INVESTMENT	646,548,606	397,775,540
ACCOUNTS AND EQUITY Liabilities Murabaha from banks Murabaha from non-banks Customers' current accounts Other liabilities Total Liabilities	164,721,505 225,874,922 15,525,601 24,334,277 430,456,305	96,983,041 106,908,709 5,688,686 8,954,642 218,535,078
UNRESTRICTED INVESTMENT ACCOUNTS	53,967,774	19,769,585
EQUITY Share capital Reserves and retained earnings Proposed appropriations Total equity	120,000,000 42,124,527 ————————————————————————————————————	120,000,000 38,941,790 529,087
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	646,548,606	159,470,877 397,775,540

			Dantan (C2)——	
	Three months ended	Three months ended	Six months ended	Six months ended
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
STATEMENT OF INCOME	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	BD	BD	BD	BD
OPERATING INCOME				
Income from Murabaha	1,436,917	1,526,295	2,976,971	2,502,878
Income from other Islamic financing contracts	1,783,394	1,132,641	3,164,822	2,286,142
	3,220,311	2,658,936	6,141,793	4,789,020
Profit paid on Murabaha from banks	(636,075)	(580,571)	(1,146,099)	(913,501)
Profit paid on Murabaha from non-banks	(2,059,732)	(377,637)	(3,685,675)	(580,094)
Share of profit to unrestricted investment	(40.402)	(2.67)	(440.300)	(2.67)
account holders	(49,102)	(367)	(119,399)	(367)
	475,402	1,700,361	1,190,620	3,295,058
Fees and commission income	477,184	60,232	687,555	400,064
Gain on disposal of assets held-for-sale	8,858,121	8,626,286	17,379,609	12,018,535
Unrealised gains on investments designated as				
fair value through profit or loss	904,476	1,067,257	1,125,588	3,152,272
Foreign exchange gains	364,223	17,685	822,215	73,220
Other operating income	98,490	23,055	131,340	55,096
TOTAL OPERATING INCOME	11,177,896	11,494,876	21,336,927	18,994,245
OPERATING EXPENSES				
Staff costs	1,867,590	1,339,404	3,618,900	2,555,870
Premises and equipment cost	159,899	103,689	253,920	226,615
Depreciation	220,629	177,291	437,237	321,259
Depreciation on Ijarah Muntahia Bittamleek	330,073	256,668	528,034	507,431
Other operating expenses	739,002	748,367	1,216,099	1,351,010
TOTAL OPERATING EXPENSES	3,317,193	2,625,419	6,054,190	4,962,185
NET INCOME FOR THE PERIOD	7,860,703	8,869,457	15,282,737	14,032,060
WEIGHTED AVERAGE NUMBER OF SHARES				
OUTSTANDING	1,200,000,000	1,199,936,370	1,200,000,000	1,199,936,370
BASIC EARNINGS PER SHARE (FILS)	6.6	7.4	12.7	11.7
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STATEMENT OF CASH FLOWS	Six months ended 30 June 2008 (Reviewed)	Six months ended 30 June 2007 (Reviewed)
	BD	BD
Net cash from operating activities	82,045,951	49,292,034
Net cash used in investing activities	(29,813,105)	(9,582,612)
Net cash from financing activities	22,198,189	30,885,797
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,431,035	70,595,219
Cash and cash equivalents at 1 January	233,608,190	92,285,728
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	308,039,225	162,880,947

STATEMENT OF CHANGES IN EQUITY	Six months ended 30 June 2008 (Reviewed)	Six months ended 30 June 2007 (Reviewed)
	BD	BD
Balance at the beginning of the period	159,370,877	136,401,589
Dividends	(12,000,000)	-
Zakah	(529,087)	-
Net income for the period	15,282,737	14,032,060
Sale of treasury stock		20,294
Balance at the end of the period	162,124,527	150,453,943

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 5th July, 2008.



Board Member

Board Member & CEO