

Al Salam Bank Bahrain B.S.C. Interim Condensed Consolidated Financial Statements for the period ended 30 June 2011

These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated 13th July 2011.

INTERIM CONSOLIDATED INCOME STATEMENT (Reviewed)	Three months ended 30 June 2011	Three months ended 30 June 2010	Six months ended 30 June 2011	Six months ended 30 June 2010
	BD '000	BD '000	BD '000	BD '000
OPERATING INCOME				
Income from financing contracts	6,966	6,271	13,379	11,460
(Loss) income from investments designated as fair value through profit or loss	(187)	125	(488)	638
Gains on disposal of investments	1,044	163	1,737	587
Gains on investments designated as fair value through profit or loss	564	1,756	672	5,969
Dividend income	311	19	559	98
Fees and commissions	348	231	590	555
Foreign exchange gains	375	288	692	435
Other income	-	593	-	922
	9,421	9,446	17,141	20,664
Profit on Murabaha and Wakala payables to banks	(198)	(785)	(364)	(1,487)
Profit on Wakala from non-banks	(3,661)	(2,838)	(7,705)	(5,738)
Profit relating to equity of investment accountholders	(31)	(48)	(94)	(106)
Depreciation on Ijarah Muntahia Bittamleek	(1,197)	(1,197)	(1,977)	(1,538)
Total operating income	4,334	4,578	7,001	11,795
OPERATING EXPENSES				
Staff costs	1,544	1,743	3,049	3,294
Premises and equipment cost	289	196	566	353
Depreciation	296	283	603	572
Other operating expenses	884	1,002	1,807	2,179
Total operating expenses	3,013	3,224	6,025	6,398
Share of loss from an associate	-	(28)	-	(20)
NET PROFIT BEFORE PROVISIONS	1,321	1,326	976	5,377
Provision writeback / (charge) for financing facilities	115	-	(353)	-
NET PROFIT FOR THE PERIOD	1,436	1,326	623	5,377
<i>Attributable to:</i>				
Share holders of the Bank	1,371	1,301	518	5,325
Non-controlling interest	65	25	105	52
	1,436	1,326	623	5,377
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED EARNINGS PER SHARE (FILS)	1,493,731,548	1,497,063,825	1,493,731,548	1,497,063,825
	0.9	0.9	0.3	3.6

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Reviewed)	Three months ended 30 June 2011	Three months ended 30 June 2010 (Restated)	Six months ended 30 June 2011	Six months ended 30 June 2010 (Restated)
	BD '000	BD '000	BD '000	BD '000
NET PROFIT FOR THE PERIOD	1,436	1,326	623	5,377
Other comprehensive income:				
Net change in fair value	(783)	(93)	(1,188)	42
Exchange differences on investment in an associate	-	(161)	-	(124)
Exchange differences on investment in an associate transferred to income statement	-	-	96	-
Other comprehensive loss for the period	(783)	(254)	(1,092)	(82)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	653	1,072	(469)	5,295
<i>Attributable to:</i>				
Equity holders of the Bank	609	1,056	(557)	5,211
Non-controlling interest	44	16	88	84
	653	1,072	(469)	5,295

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 13th July 2011.

Mohamed Alabbar
Chairman

Yousif Taqi
Director & CEO

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 June 2011 (Reviewed)	31 December 2010 (Restated) (Audited)
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	73,629	95,791
Central Bank of Bahrain Sukuk	104,714	68,632
Murabaha and Wakala receivables from banks	89,422	137,299
Corporate Sukuk	41,084	60,959
Murabaha and Mudaraba financing	152,225	120,812
Ijarah Muntahia Bittamleek	77,340	69,825
Musharaka financing	10,229	8,127
Assets under conversion	39,892	57,432
Non-trading investments	222,089	212,432
Investment in an associate	-	7,578
Investment properties	3,373	3,373
Receivables and prepayments	12,828	12,479
Premises and equipment	1,439	1,859
TOTAL ASSETS	828,264	856,598
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	98,276	101,300
Wakala from non-banks	436,578	456,447
Customers' current accounts	62,160	57,362
Liabilities under conversion	5,092	5,171
Other liabilities	12,370	15,993
TOTAL LIABILITIES	614,476	636,273
EQUITY OF INVESTMENT ACCOUNTHOLDERS	12,862	18,465
OWNERS' EQUITY		
Share capital	149,706	149,706
Treasury stock	(465)	-
Reserves and retained earnings	47,608	48,165
Total equity attributable to shareholders of the Bank	196,849	197,871
Non-controlling interest	4,077	3,989
TOTAL OWNERS' EQUITY	200,926	201,860
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	828,264	856,598

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Reviewed)	Six months ended 30 June 2011	Six months ended 30 June 2010 (Restated)
	BD '000	BD '000
Net cash used in operating activities	(53,267)	(15,986)
Net cash used in investing activities	(183)	(2,456)
Net cash (used in) from financing activities	(6,085)	22,980
NET CHANGE IN CASH AND CASH EQUIVALENTS	(59,535)	4,538
Cash and cash equivalents at 1 January	203,116	258,557
CASH AND CASH EQUIVALENTS AT 30 JUNE	143,581	263,095

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Reviewed)	Six months ended 30 June 2011	Six months ended 30 June 2010 (Restated)
	BD '000	BD '000
Balance at 1 January	202,625	201,777
Changes due to adoption of FAS 25	(765)	507
As at 1 January (restated)	201,860	202,284
Total comprehensive income for the period:		
Net profit for the period	623	5,377
Other comprehensive income:		
Changes on investment in an associate	-	(124)
Net change in fair value	(1,188)	42
Transfer to income statement	96	-
Treasury shares purchased	(465)	-
Dividends paid for 2009	-	(7,129)
Balance at 30 June	200,926	200,450