

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

**Consolidated Financial Statements for the year ended 31 December 2013** 

These statements have been extracted from the audited consolidated financial statements on which Ernst & Young issued an unqualified opinion dated 30th January 2014.

	31 December	31 December	6	CONSOLIDATED STATE
CONSOLIDATED INCOME STATEMENT	2013	2012		FINANCIAL POSITION
OPERATING INCOME	BD '000	BD '000		
Income from financing contracts	26,132	20,545	ļ	ASSETS
Income from Sukuk	9,448	8,899		Cash and balances with bank
Gains on sale of investments and Sukuk	3,833	10,876		of Bahrain
Income from FVTPL investments	2,424	635		Central Bank of Bahrain Suku
Fair value changes on FVTPL investments	(1,398)	(7,021)		Murabaha and Wakala receiva
Net gain from available-for-sale investments	•	2,088		Corporate Sukuk
Dividend income	570	1,275		•
Foreign exchange gains	793	644		Murabaha financing
Fees, commission and other income - net	2,305	7,104		Mudaraba financing
Profit on Murabaha and Wakala payables to banks	44,107 (682)	45,045 (599)		Ijarah Muntahia Bittamleek
Profit on Wakala payables to non-banks	(17,190)	(20,228)		Musharaka
	(17,170)	(20,220)		Non-trading investments
Profit relating to equity of investment accountholders	(148)	(166)		<b>G</b>
Total operating income	26,087	24,052		Investment properties
OPERATING EXPENSES				Development properties
Staff costs	6,469	6,350		Investment in an associate
Premises and equipment cost	1,147	1,179		Other assets
Depreciation	280	394		TOTAL ASSETS
Other operating expenses	3,505	3,541		
Total operating expenses	11,401	11,464		LIABILITIES, EQUITY OF INV ACCOUNTHOLDERS AND C
PROFIT BEFORE PROVISIONS AND RESULTS OF AN ASSOCIATE	14,686	12,588		I I A DILI ITIFC
Provision for impairment - net	(3,208)	(3,058)		LIABILITIES
Share of profit from an associate	894	778		Murabaha and Wakala payabl
NET PROFIT FOR THE YEAR	12,372	10,308	,	Wakala payables to non-bank
Attributable to:				Customers' current accounts
Shareholders of the Bank	12,372	10,272		Term financing
Non-controlling interest		36		_
=	12,372	10,308		Other liabilities
WEIGHTED AVERAGE NUMBER OF SHARES (in '000)	1,491,372	1,491,372		TOTAL LIABILITIES
` ′	1,471,372	1,491,372		EQUITY OF INVESTMENT AC
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	8.3	6.9		OWNERS' EQUITY
	31	31		Share capital
OTHER COMPREHENCING INCOME	December	December		Treasury stock
OTHER COMPREHENSIVE INCOME	2013	2012		
	BD '000	BD '000		Reserves and retained earning
NET PROFIT FOR THE YEAR	BD '000 12.372	BD '000		
NET PROFIT FOR THE YEAR Other comprehensive income for the year	BD '000 12,372 22,288	10,308		Proposed appropriations
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE	12,372	10,308 1,351		
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR	12,372	10,308		Proposed appropriations Total equity attributable to sh Bank
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR Attributable to:	12,372 22,288 34,660	10,308 1,351 11,659		Proposed appropriations Total equity attributable to sh Bank Non-controlling interest
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR Attributable to: Owners of the Bank	12,372	10,308 1,351 11,659		Proposed appropriations Total equity attributable to sh Bank
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR Attributable to:	12,372 22,288 34,660 34,660	10,308 1,351 11,659 11,623 36		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR Attributable to: Owners of the Bank	12,372 22,288 34,660	10,308 1,351 11,659		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF	12,372 22,288 34,660 34,660	10,308 1,351 11,659 11,623 36 11,659		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CONSOLIDATED STATE
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR Attributable to: Owners of the Bank Non-controlling interest	12,372 22,288 34,660 34,660 2013	10,308 1,351 11,659 11,623 36 11,659		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND C
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY	12,372 22,288 34,660 34,660 - 34,660 2013 BD '000	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000	·	Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CONSOLIDATED STATE
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January	12,372 22,288 34,660 34,660 - 34,660 2013 BD '000 208,065	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CONSOLIDATED STATE
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January Net profit for the year	12,372 22,288 34,660 34,660 - 34,660 2013 BD '000	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CO  CONSOLIDATED STATE  FLOWS  Net cash from (used in) oper
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF	12,372 22,288 34,660 34,660 2013 BD '000 208,065 12,372	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625 10,308	:	Proposed appropriations  Total equity attributable to she Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY ACCOUNTHOLDERS AND CONSOLIDATED STATE FLOWS  Net cash from (used in) oper
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January Net profit for the year Net change in fair value Non-controlling interest arising on consolidation	12,372 22,288 34,660 34,660 2013 BD '000 208,065 12,372 22,218	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625 10,308		Proposed appropriations  Total equity attributable to she Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CONSOLIDATED STATE  FLOWS  Net cash from (used in) oper  Net cash used in investing active  Net cash from financing active
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January Net profit for the year Net change in fair value Non-controlling interest arising on consolidation Changes on investment in an associate	12,372 22,288 34,660 34,660 2013 BD '000 208,065 12,372 22,218 10,818	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625 10,308 1,922		Proposed appropriations  Total equity attributable to she Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY ACCOUNTHOLDERS AND CONSOLIDATED STATE FLOWS  Net cash from (used in) oper
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January Net profit for the year Net change in fair value Non-controlling interest arising on consolidation Changes on investment in an associate Treasury shares purchased	12,372 22,288 34,660 34,660 2013 BD '000 208,065 12,372 22,218 10,818	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625 10,308 1,922 (571)		Proposed appropriations  Total equity attributable to sh Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY ACCOUNTHOLDERS AND CO  CONSOLIDATED STATE FLOWS  Net cash from (used in) oper Net cash used in investing active Net cash from financing active NET CHANGE IN CASH AND EQUIVALENTS
Other comprehensive income for the year TOTAL COMPREHENSIVE INCOME FOR THE YEAR  Attributable to: Owners of the Bank Non-controlling interest  CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY  Balance at 1 January Net profit for the year Net change in fair value	12,372 22,288 34,660 34,660 2013 BD '000 208,065 12,372 22,218 10,818 70	10,308 1,351 11,659 11,623 36 11,659 2012 BD '000 200,625 10,308 1,922 (571)		Proposed appropriations  Total equity attributable to she Bank  Non-controlling interest  TOTAL OWNERS' EQUITY  TOTAL LIABILITIES, EQUITY  ACCOUNTHOLDERS AND CONSOLIDATED STATE  FLOWS  Net cash from (used in) oper  Net cash used in investing active  Net cash from financing active  NET CHANGE IN CASH AND

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 December 2013	31 December 2012
ASSETS	BD '000	BD '000
Cash and balances with banks and Central Bank of Bahrain	86,097	66,843
Central Bank of Bahrain Sukuk	102,937	117,612
Murabaha and Wakala receivables from banks	118,227	103,290
Corporate Sukuk	91,106	74,993
Murabaha financing	147,616	127,537
Mudaraba financing	114,084	99,572
Ijarah Muntahia Bittamleek	110,631	82,954
Musharaka	19,145	17,467
Non-trading investments	125,923	204,202
Investment properties	77,736	2,500
Development properties	63,399	-
Investment in an associate	8,537	7,573
Other assets	22,814	37,675
TOTAL ASSETS	1,088,252	942,218
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	106,796	90,852
Wakala payables to non-banks	584,365	521,929
Customers' current accounts	70,532	83,921
Term financing	23,637	-
Other liabilities	30,979	19,175
TOTAL LIABILITIES	816,309	715,877
EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY	25,846	18,276
Share capital	149,706	149,706
Treasury stock	(492)	(492)
Reserves and retained earnings	78,580	51,366
Proposed appropriations	7,485	7,485
Total equity attributable to shareholders of the Bank	235,279	208,065
Non-controlling interest	10,818	-
TOTAL OWNERS' EQUITY	246,097	208,065
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,088,252	942,218
CONSOLIDATED STATEMENT OF CASH FLOWS	31 December 2013	31 December 2012
	BD '000	BD '000
Net cash from (used in) operating activities	41,106	(40,637)
Net cash used in investing activities	(53,658)	(72)
Net cash from financing activities	34,579	1,993
NET CHANGE IN CASH AND CASH EQUIVALENTS	22,027	(38,716)
Cash and cash equivalents at 1 January	149,013	187,729
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	171,040	149,013

These consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 30th January 2014.