

Al Salam Bank-Bahrain B.S.C.

Consolidated Financial Statements for the year ended 31 December 2016
These statements have been extracted from the consolidated financial statements on which Ernst & Young issued an unqualified audit report dated 15 February 2017.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 December 2016	31 December 2015
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank	131,990	152,572
Sovereign Sukuk	358,269	350,474
Murabaha and Wakala receivables from banks	182,452	103,345
Corporate Sukuk	28,934	50,472
Murabaha financing	232,556	245,168
Mudaraba financing	238,313	239,031
Ijarah Muntahia Bittamleek	188,485	155,217
Musharaka	12,304	7,154
Assets under conversion	34,465	32,032
Non-trading investments	122,073	123,514
Investments in real estate	51,863	68,786
Development properties	17,781	49,021
Investment in associates	10,561	9,994
Other assets	25,436	43,892
Goodwill	25,971	25,971
Assets classified as held-for-sale	19,840	-
TOTAL ASSETS	1,681,293	1,656,643
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	132,032	120,795
Murabaha and Wakala payables to non-banks	723,439	842,570
Current accounts	279,609	224,366
Liabilities under conversion	217	2,327
Term financing	91,837	35,986
Other liabilities	49,043	48,246
Liabilities relating to assets classified as held-for-sale	11,421	-
TOTAL LIABILITIES	1,287,598	1,274,290
EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY	68,796	62,351
Share capital	214,093	214,093
Treasury stock	(1,646)	-
Reserves and retained earnings	100,213	94,140
Proposed appropriations	10,705	10,705
Total equity attributable to shareholders of the Bank	323,365	318,938
Non-controlling interest	1,534	1,064
TOTAL OWNERS' EQUITY	324,899	320,002
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,681,293	1,656,643

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY	31 December 2016	31 December 2015
	BD '000	BD '000
Balance at 1 January	320,002	328,803
Net profit for the year	16,096	10,548
Net changes in fair value	574	114
Foreign currency re-translation	(4)	(1,472)
Dividend paid	(10,705)	(10,705)
Purchase of treasury stock	(1,646)	-
Dividend relating to subsidiaries	-	(566)
Net movements in non-controlling interest	582	(6,620)
Charitable donations	-	(100)
Balance at 31 December	324,899	320,002

CONSOLIDATED STATEMENT OF CASH FLOWS	31 December 2016	31 December 2015
	BD '000	BD '000
Net cash used in operating activities	(56,211)	(82,782)
Net cash from (used in) investing activities	67,517	(111,448)
Net cash from financing activities	49,945	9,372
NET CHANGE IN CASH AND CASH EQUIVALENTS	61,251	(184,858)
Cash and cash equivalents at 1 January	223,677	408,535
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	284,928	223,677

CONSOLIDATED INCOME STATEMENT	31 December 2016	31 December 2015
	BD '000	BD '000
OPERATING INCOME		
Income from financing contracts	38,850	44,530
Income from Sukuk	15,930	17,242
Gains on sale of investments and Sukuk	15,153	8,334
Income from investments	1,819	3,249
Fair value changes on investments	2,477	399
Dividend income	891	820
Foreign exchange gains	2,146	870
Fees, commission and other income - net	7,929	9,184
	85,195	84,628
Profit on Murabaha and Wakala payables to banks	(1,910)	(931)
Profit on Wakala payables to non-banks	(18,046)	(23,805)
Profit on term financing	(2,120)	(839)
Return on equity of investment accountholders before Group's share as a Mudarib	(216)	(282)
Group's share as a Mudarib	97	127
	(119)	(155)
Total operating income	63,000	58,898
OPERATING EXPENSES		
Staff cost	11,523	12,474
Premises and equipment cost	2,021	2,752
Depreciation	3,060	2,254
Other operating expenses	9,454	8,874
Total operating expenses	26,058	26,354
PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES	36,942	32,544
Provision for impairment - net	(21,573)	(22,851)
Share of profit from associates	727	855
Net profit for the year	16,096	10,548
ATTRIBUTABLE TO:		
- Shareholders of the Bank	16,219	12,346
- Non-controlling interest	(123)	(1,798)
	16,096	10,548
Weighted average number of shares (in '000)	2,140,820	2,140,931
Basic and diluted earnings per share (fils)	7.6	5.8

TOTAL COMPREHENSIVE INCOME	31 December 2016	31 December 2015
	BD '000	BD '000
Net profit for the year	16,096	10,548
<i>Items to be reclassified to consolidated income statement in subsequent periods:</i>		
Unrealized gain reclassified to consolidated income statement on disposal of fair value through equity investments	(82)	(965)
Unrealised gain / (loss) on fair value through equity investments	675	(470)
Changes in fair value of investments in real estate	(19)	1,549
Foreign currency re-translation	(4)	(1,472)
Other comprehensive income /(loss) for the year	570	(1,358)
Total comprehensive income for the year	16,666	9,190
Attributable to:		
Equity holders of the Bank	16,778	11,168
Non-controlling interest	(112)	(1,978)
	16,666	9,190

These consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors on 15 February 2017.

Shaikha Hessa bint Khalifa Al Khalifa
Chairperson of the Board

Yousif Taqi
Director & Group CEO