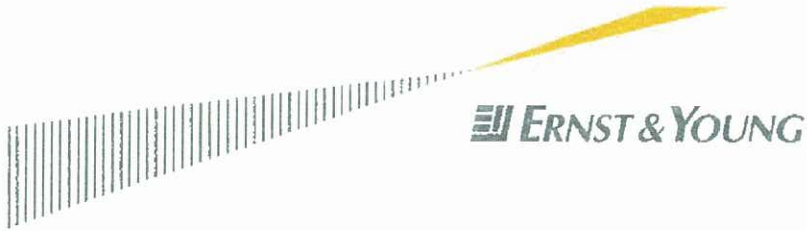


Al Salam Bank-Bahrain B.S.C.
INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2012



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL SALAM BANK-BAHRAIN B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Salam Bank-Bahrain B.S.C. ("the Bank") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income, cash flows and changes in owners' equity for the six month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material aspects, in accordance with the accounting policies disclosed in note 2.

A stylized, handwritten-style signature of "Ernst & Young" in black ink.

29 July 2012
Manama, Kingdom of Bahrain

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2012 (reviewed)

		<i>Reviewed</i> 30 June 2012 <i>BD '000</i>	<i>Audited</i> 31 December 2011 <i>BD '000</i>
	<i>Note</i>		
ASSETS			
Cash and balances with banks and Central Bank of Bahrain		144,612	72,318
Central Bank of Bahrain Sukuk		122,554	125,027
Murabaha and Wakala receivables from banks		125,099	135,698
Corporate Sukuk		71,703	49,650
Murabaha financing		127,763	135,383
Mudaraba financing		95,041	57,706
Ijarah Muntahia Bittamleek		75,180	66,477
Musharaka financing		15,639	11,711
Assets under conversion	3	24,459	27,750
Non-trading investments		213,073	223,320
Investment in an associate	4	7,366	-
Investment properties		2,500	2,500
Receivables and prepayments		25,778	15,278
Premises and equipment		895	1,089
TOTAL ASSETS		1,051,662	923,907
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY			
LIABILITIES			
Murabaha and Wakala payables to banks		93,869	104,573
Wakala payables to non-banks		615,268	515,147
Customers' current accounts		99,930	66,585
Liabilities under conversion	3	-	7,633
Other liabilities		17,886	13,088
TOTAL LIABILITIES		826,953	707,026
EQUITY OF INVESTMENT ACCOUNTHOLDERS		27,825	16,256
OWNERS' EQUITY			
Share capital	5	149,706	149,706
Treasury stock		(492)	(465)
Reserves and retained earnings		47,670	47,228
Total equity attributable to shareholders of the Bank		196,884	196,469
Non-controlling interest	5	-	4,156
TOTAL OWNERS' EQUITY		196,884	200,625
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		1,051,662	923,907



Sh. Hessa Bint Khalifa Al Khalifa
Chairperson of the Board



Yousif A. Taqi
Director and Chief Executive Officer

The attached explanatory notes 1 to 9 form part of these interim consolidated financial statements.

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2012 (reviewed)

	<i>Three months ended 30 June 2012 BD '000</i>	<i>Three months ended 30 June 2011 BD '000</i>	<i>Six months ended 30 June 2012 BD '000</i>	<i>Six months ended 30 June 2011 BD '000</i>
OPERATING INCOME				
Income from financing contracts and sukuk	8,730	6,966	16,847	13,379
Gains on sale of investments and sukuk	3,578	1,044	3,578	1,737
Income / (loss) from FVTPL investments	497	(187)	454	(488)
Fair value changes on FVTPL investments	(7,377)	564	(4,085)	672
Net gain from available-for-sale investments	1,950	-	1,759	-
Dividend income	228	311	768	559
Fees, commissions and foreign exchange gains	353	723	809	1,282
	7,959	9,421	20,130	17,141
Profit on Murabaha and Wakala payables to banks	(154)	(198)	(302)	(364)
Profit on Wakala payables to non-banks	(5,321)	(3,661)	(10,841)	(7,705)
Profit relating to equity of investment accountholders	(49)	(31)	(87)	(94)
Depreciation on Ijarah Muntahia Bittamleek	(2,241)	(1,197)	(4,025)	(1,977)
Total operating income	194	4,334	4,875	7,001
OPERATING EXPENSES				
Staff costs	1,549	1,544	3,058	3,049
Premises and equipment cost	313	289	600	566
Depreciation	108	296	246	603
Other operating expenses	821	884	1,639	1,807
Total operating expenses	2,791	3,013	5,543	6,025
NET (LOSS) PROFIT BEFORE PROVISIONS	(2,597)	1,321	(668)	976
Provision (charge) / release for financing facilities	(27)	115	(144)	(353)
NET (LOSS) PROFIT FOR THE PERIOD	(2,624)	1,436	(812)	623
<i>Attributable to:</i>				
Shareholders of the Bank	(2,624)	1,371	(848)	518
Non-controlling interest	-	65	36	105
	(2,624)	1,436	(812)	623
WEIGHTED AVERAGE NUMBER OF SHARES	1,491,465,451	1,493,731,548	1,491,465,451	1,493,731,548
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	(1.8)	0.9	(0.6)	0.3

The attached explanatory notes 1 to 9 form part of these interim consolidated financial statements.

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2012 (reviewed)

	<i>Six months ended 30 June 2012 BD '000</i>	<i>Six months ended 30 June 2011 BD '000</i>
OPERATING ACTIVITIES		
Net (loss) profit for the period	(812)	623
Adjustments:		
Depreciation	246	603
Gains on investments	4,085	(672)
Net gain from available-for-sale investments	(1,759)	-
Provision charge for financing facilities	144	353
Exchange differences on investment in an associate transferred to income statement	-	96
Operating profit before changes in operating assets and liabilities	<u>1,904</u>	<u>1,003</u>
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(8,155)	2,051
Central Bank of Bahrain Sukuk	2,473	(36,082)
Murabaha and Wakala receivables from banks with original maturities of 90 days or more	(964)	8,452
Corporate Sukuk	(22,053)	19,875
Murabaha financing	7,620	(18,553)
Mudaraba financing	(37,335)	(13,213)
Ijarah Muntahia Bittamleek	(8,703)	(7,515)
Musharaka financing	(3,928)	(2,102)
Assets under conversion	3,253	17,379
Non-trading investments, net	1,739	(2,416)
Receivables and prepayments	(10,500)	(349)
Murabaha and Wakala payables to banks	(10,704)	(3,024)
Wakala payables to non-banks	100,121	(20,162)
Customers' current accounts	33,345	4,798
Liabilities under conversion	(7,633)	214
Other liabilities	607	(3,623)
Net cash from (used in) operating activities	<u>41,087</u>	<u>(53,267)</u>
INVESTING ACTIVITIES		
Purchase of premises and equipment	(52)	(183)
Net cash used in investing activities	<u>(52)</u>	<u>(183)</u>
FINANCING ACTIVITIES		
Equity of investment accountholders	11,569	(5,603)
Purchase of treasury stock	(27)	(465)
Net movement in non-controlling interests	-	(17)
Net cash from (used in) financing activities	<u>11,542</u>	<u>(6,085)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>52,577</u>	<u>(59,535)</u>
Cash and cash equivalents at 1 January	<u>187,729</u>	<u>203,116</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>240,306</u>	<u>143,581</u>
Cash and cash equivalents comprise of:		
Cash and other balances with Central Bank of Bahrain	109,642	48,485
Balances with other banks	7,545	8,227
Murabaha and Wakala receivables from banks with original maturities of less than 90 days	123,119	86,869
	<u>240,306</u>	<u>143,581</u>

The attached explanatory notes 1 to 9 form part of these interim consolidated financial statements.

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the period ended 30 June 2012 (reviewed)

Amounts in BD '000s

	<i>Attributable to shareholders of the Bank</i>										<i>Non-controlling interest</i>	<i>Total owners' equity</i>
	<i>Share capital</i>	<i>Treasury stock</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Investment reserve</i>	<i>Changes in fair value</i>	<i>Foreign exchange translation reserve</i>	<i>Share premium reserve</i>	<i>Total reserves</i>	<i>Total</i>		
Balance as of 1 January 2012	149,706	(465)	8,662	37,823	-	(1,830)	-	2,573	47,228	196,469	4,156	200,625
<i>Total comprehensive income for the period:</i>												
Net (loss) profit for the period	-	-	-	(848)	-	-	-	-	(848)	(848)	36	(812)
<u>Other comprehensive income (note 6):</u>												
Net change in fair value	-	-	-	-	-	1,290	-	-	1,290	1,290	-	1,290
Total comprehensive income	-	-	-	(848)	-	1,290	-	-	442	442	36	478
Transfer to other liabilities (note 5)	-	-	-	-	-	-	-	-	-	-	(4,192)	(4,192)
Treasury shares purchased	-	(27)	-	-	-	-	-	-	-	(27)	-	(27)
Balance as of 30 June 2012	149,706	(492)	8,662	36,975	-	(540)	-	2,573	47,670	196,884	-	196,884
Balance as of 1 January 2011	149,706	-	8,631	4,603	33,039	172	(96)	2,573	48,922	198,628	3,997	202,625
Changes due to adoption of FAS 25	-	-	-	33,039	(33,039)	(757)	-	-	(757)	(757)	(8)	(765)
Balance as of 1 January 2011 (restated)	149,706	-	8,631	37,642	-	(585)	(96)	2,573	48,165	197,871	3,989	201,860
<i>Total comprehensive income for the period:</i>												
Net profit for the period	-	-	-	518	-	-	-	-	518	518	105	623
<u>Other comprehensive income (note 6):</u>												
Net change in fair value	-	-	-	-	-	(1,171)	-	-	(1,171)	(1,171)	(17)	(1,188)
Transfer to income statement	-	-	-	-	-	-	96	-	96	96	-	96
Total comprehensive income	-	-	-	518	-	(1,171)	96	-	(557)	(557)	88	(469)
Treasury shares purchased	-	(465)	-	-	-	-	-	-	-	(465)	-	(465)
Balance as of 30 June 2011	149,706	(465)	8,631	38,160	-	(1,756)	-	2,573	47,608	196,849	4,077	200,926

The attached explanatory notes 1 to 9 form part of these interim consolidated financial statements.

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Al Salam Bank-Bahrain B.S.C. ("the Bank") was incorporated in the Kingdom of Bahrain under the Bahrain Commercial Companies Law No. 21/2001 and was registered with Ministry of Industry and Commerce under Commercial Registration Number 59308 on 19 January 2006. The Bank is regulated and supervised by the Central Bank of Bahrain ("the CBB") and has an Islamic retail banking license and is operating under Islamic principles, and in accordance with all the relevant regulatory guidelines for Islamic banks issued by the CBB. The Bank's registered office is P.O. Box 18282, Building 22, Avenue 58, Block 436, Al Seef District, Kingdom of Bahrain.

In 2009, the Bank acquired a 90.31% stake in Bahraini Saudi Bank B.S.C. (BSB), a publicly listed commercial bank in the Kingdom of Bahrain engaged in retail banking. In January 2012, BSB shares were delisted from Bahrain Stock Exchange. On 26 February 2012, approval was granted by CBB to convert BSB's license from conventional to Islamic Bank. On 24 April 2012, the operations of BSB merged with those of the Bank as more fully explained in note 5.

The Bank operates through eleven retail branches in the Kingdom of Bahrain and offers a full range of Shari'a-compliant banking services and products. The activities of the Bank include managing profit sharing investment accounts, offering Islamic financing contracts, dealing in Shari'a-compliant financial instruments as principal/agent, managing Shari'a-compliant financial instruments and other activities permitted for under the CBB's Regulated Banking Services as defined in the licensing framework. The Bank's ordinary shares are listed in the Bahrain Stock Exchange and Dubai Financial Market.

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 29 July 2012.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with the guidance given by International Accounting Standard 34 - "Interim Financial Reporting". These interim condensed consolidated financial statements incorporate all assets, liabilities and off-balance sheet financial instruments held by the Bank. With the exception of the application of accounting policy for investment in associates, the accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2011, which were prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and in conformity with the Bahrain Commercial Companies Law and the Central Bank of Bahrain and Financial Institutions Law. In accordance with AAOIFI, for matters for which no AAOIFI standards exist, including "Interim Financial Reporting", the Bank uses the relevant International Financial Reporting Standard.

Investment in an associate: The Bank's investments in its associates, that are acquired for strategic purposes, are accounted for under the equity method of accounting. Other equity investments in associates are accounted for as fair value through profit or loss by availing the scope exemption under FAS 23, Investments in associates. An associate is an entity over which the Bank has significant influence and which is neither a subsidiary nor a joint venture. An entity is considered as an associate if the Bank has more than 20% ownership of the entity or the Bank has significant influence through any other mode.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with AAOIFI. In addition, results for the six months ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and is presented separately in the interim consolidated income statement and within equity in the interim consolidated statement of financial position, separately from owners' equity.

30 June 2012 (reviewed)

3 ASSETS AND LIABILITIES UNDER CONVERSION

These represent interest bearing non-Shari'a compliant assets and liabilities of BSB, a majority owned subsidiary of the Bank and as such have been reported as separate line items on the face of the interim consolidated statement of financial position. The details of these assets and liabilities under conversion are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2011</i>
	<i>BD '000</i>	<i>BD '000</i>
Assets		
Due from banks and financial institutions	-	-
Loans and advances to customers	17,535	19,628
Non-trading-investments	6,924	8,122
	24,459	27,750
Liabilities		
Due to banks and financial institutions	-	7,633

4 INVESTMENT IN AN ASSOCIATE

The Bank has a 14.4% stake in Al Salam Bank Algeria (ASBA), an unlisted bank incorporated in Algeria. The investment was earlier classified as non-trading investment due to lack of significant influence. In the Bank's Annual General Assembly Meeting (AGM) held during 2012 some directors of ASBA were elected to the Board of the Bank. The Bank is now sufficiently represented on the Board of ASBA. Consequently, the non-trading investment has been derecognised and an investment in an associate has been recognised.

5 OWNERS' EQUITY

	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2011</i>
	<i>BD '000</i>	<i>BD '000</i>
Share capital:		
Authorised:		
2,000,000,000 (2010: 2,000,000,000) ordinary shares of BD 0.100 each	200,000	200,000
Issued and fully paid: (BD 0.100 per share)		
Balance at beginning and end of period - 1,497,063,825 shares	149,706	149,706

Non-controlling interest:

The shareholders of BSB in an Extraordinary General Assembly Meeting held on 22 December 2011 resolved to merge BSB's operations with those of the Bank. Consequently, on 24 April 2012, the Commercial Registration of BSB was cancelled by the Ministry of Industry and Commerce (MOIC). Following this, the Bank acquired all the assets, and assumed all the liabilities of BSB, with effect from 25 April 2012 and integrated BSB's operations with those of the Bank.

The Bank's financial obligations to the non-controlling interest of BSB have been transferred to other liabilities in the interim consolidated statement of financial position, pending completion of legal formalities and settlement.

30 June 2012 (reviewed)

6 TOTAL COMPREHENSIVE INCOME

	<i>Three months ended 30 June 2012 BD '000</i>	<i>Three months ended 30 June 2011 BD '000</i>	<i>Six months ended 30 June 2012 BD '000</i>	<i>Six months ended 30 June 2011 BD '000</i>
NET (LOSS) PROFIT FOR THE PERIOD	(2,624)	1,436	(812)	623
Other comprehensive income:				
Net changes in fair value	28	(783)	1,290	(1,188)
Exchange differences on investment in an associate transferred to income statement	-	-	-	96
Other comprehensive income for the period	28	(783)	1,290	(1,092)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(2,596)	653	478	(469)
<i>Attributable to:</i>				
Equity holders of the Bank	(2,596)	609	442	(557)
Non-controlling interest	-	44	36	88
	(2,596)	653	478	(469)

7 RELATED PARTY TRANSACTIONS

Related parties comprise major shareholders, directors of the Bank, close members of their families, entities owned or controlled by them and companies affiliated by virtue of common ownership or directors with that of the Bank. The transactions with these parties were made on commercial terms.

The significant balances with related parties at 30 June 2012 were as follows:

	<i>30 June 2012</i>			
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	<i>Total BD '000</i>
Assets:				
Murabaha financing	24,426	6	127	24,559
Mudaraba financing	19,637	100	-	19,737
Ijarah Muntahia Bittamleek	13,000	2,310	77	15,387
Musharaka financing	2,100	-	-	2,100
Receivables and prepayments	266	7	4	277
Liabilities and equity of investment accountholders:				
Wakala payables to non-banks	3,781	1,131	237	5,149
Customers' current accounts	16,335	63	76	16,474
Equity of investment accountholders	-	116	3	119
Commitments	9	-	-	9
Contingent liabilities	4,028	-	-	4,028

Al Salam Bank-Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012 (reviewed)

7 RELATED PARTY TRANSACTIONS (continued)

The income and expenses in respect of related parties included in the interim condensed consolidated financial statements are as follows:

	<i>30 June 2012</i>			
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	<i>Total BD '000</i>
Income:				
Income from Islamic financing contracts	622	-	2	624
Expenses:				
Profit paid on Wakala payables to non-banks	43	18	3	64
Share of profits on equity of investment accountholders	-	-	-	-

The significant balances with related parties at 31 December 2011 were as follows:

	<i>31 December 2011</i>			
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	<i>Total BD '000</i>
Assets:				
Murabaha and Mudaraba financing	35,621	778	150	36,549
Ijarah Muntahia Bittamleek	-	118	140	258
Musharaka financing	2,100	-	79	2,179
Receivables and prepayments	1,333	16	7	1,356
Liabilities and equity of investment accountholders:				
Wakala payables to non-banks	3,289	1,090	453	4,832
Customers' current accounts	4,029	355	189	4,573
Equity of investment accountholders	-	130	74	204
Commitments	3,380	-	-	3,380
Contingent liabilities	-	-	-	-

The income and expenses in respect of related parties included in the interim condensed consolidated financial statements are as follows:

	<i>30 June 2011</i>			
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	<i>Total BD '000</i>
Income:				
Income from Islamic financing contracts	1,891	2	6	1,899
Expenses:				
Profit paid on Wakala payables to non-banks	29	16	6	51
Share of profits on equity of investment accountholders	1	-	-	1

30 June 2012 (reviewed)

8 CONTINGENT LIABILITIES AND COMMITMENTS

The Bank has the following commitments:

	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2011</i>
	<i>BD '000</i>	<i>BD '000</i>
Contingent liabilities on behalf of customers		
Guarantees	8,888	5,270
Letters of credit	606	1,301
Acceptances	341	406
	9,835	6,977
Irrevocable Unutilised commitments		
Unutilised financing commitments	23,300	25,591
Unutilised non-funded commitments	8,360	8,283
Unutilised capital commitments	1,390	1,398
	33,050	35,272
	42,885	42,249

Letters of credit, guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers contingent upon their failure to perform under the terms of the contract.

Commitments generally have fixed expiration dates, or other termination clauses. Since commitment may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Operating lease commitment - Bank as lessee

The Group has entered into a five-year operating lease for its premises. Future minimal rentals payable under the non-cancellable lease are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2012</i>	<i>2011</i>
	<i>BD '000</i>	<i>BD '000</i>
Within 1 year	718	646
After one year but not more than five years	1,142	1,133
	1,860	1,779

30 June 2012 (reviewed)

9 SEGMENT INFORMATION**Primary segment information**

For management purposes, the Bank is organised into four major business segments:

- Banking** - principally managing Shari'a compliant profit sharing investment accounts, and offering Shari'a compliant financing contracts and other Shari'a-compliant products. This segment comprises corporate banking, retail banking and private banking and wealth management.
- Treasury** - principally handling Shari'a-compliant money market, trading and treasury services including short-term commodity Murabaha.
- Investments** - principally the Bank's proprietary portfolio and serving clients with a range of investment products, funds and alternative investments.
- Capital** - manages the undeployed capital of the Bank by investing it in high quality financial instruments, incurs all expenses in managing such investments and accounts for the capital governance related expenses.

These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis. Transfer charges are based on a pool rate which approximates the cost of funds.

Segment information for the period ended 30 June 2012 was as follows:

	<i>30 June 2012</i>				
	<i>Banking</i>	<i>Treasury</i>	<i>Investments</i>	<i>Capital</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Operating income	1,522	2,498	134	721	4,875
Segment result	(639)	2,046	(807)	(1,412)	(812)
Other information					
Segment assets	331,699	429,597	226,836	63,530	1,051,662
Segment liabilities, and equity	754,533	91,601	424	205,104	1,051,662

Segment information for the period ended 30 June 2011 was as follows:

	<i>Banking</i>	<i>Treasury</i>	<i>Investments</i>	<i>Capital</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Operating income	3,573	2,687	(1,376)	2,117	7,001
Segment result	653	2,015	(2,383)	338	623

Segment information for the year ended 31 December 2011 was as follows:

	<i>Banking</i>	<i>Treasury</i>	<i>Investments</i>	<i>Capital</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Segment assets	228,470	322,645	294,722	78,070	923,907
Segment liabilities, and equity	585,102	118,818	8,494	211,493	923,907

Secondary segment information

The Bank primarily operates in the GCC and derives substantially all its operating income and incurs all operating expenses in the GCC.