

Al Salam Bank-Bahrain B.S.C. Interim Consolidated Financial Statements for the period ended 30 September 2010

These consolidated financial statements were extracted from the consolidated financial statements on which Ernst & Young issued an unqualified review report dated 18th October 2010.

INTERIM CONSOLIDATED INCOME STATEMENT	Three months ended 30 September 2010 (Reviewed)	Three months ended 30 September 2009 (Reviewed)	Nine months ended 30 September 2010 (Reviewed)	Nine months ended 30 September 2009 (Reviewed)
	BD	BD	BD	BD
OPERATING INCOME				
Income from financing contracts	6,115,434	4,021,582	15,033,335	10,955,044
Income relating to assets under conversion	883,000	-	3,425,000	-
Gains on disposal of investments	614,769	4,356,734	1,201,302	17,700,815
Gains on investments designated as fair value through profit or loss	359,921	3,455,954	6,328,826	7,417,224
Income from investments designated as fair value through profit or loss	124,976	-	762,570	-
Other operating income	1,462,063	489,975	3,472,270	1,236,867
	9,560,163	12,324,245	30,223,303	37,309,950
Less: Profit paid and payable on Murabaha and Wakala from banks	(158,106)	(177,763)	(458,777)	(453,707)
Less: Profit on Wakala from non-banks	(3,431,448)	(3,685,014)	(9,357,741)	(10,256,242)
Less: Profit on unrestricted investment accounts	(32,145)	(33,841)	(138,201)	(93,511)
Less: Expenses arising from liabilities under conversion	(327,000)	-	(1,325,000)	-
Less: Depreciation on Ijarah Muntahia Bittamleek	(1,507,465)	(757,052)	(3,045,501)	(2,229,176)
TOTAL OPERATING INCOME	4,103,999	7,670,575	15,898,083	24,277,314
OPERATING EXPENSES				
Staff costs	1,498,362	1,845,813	4,792,818	5,512,566
Premises and equipment cost	547,465	187,542	900,131	573,578
Depreciation	274,553	255,942	846,373	767,713
Other operating expenses	522,134	642,301	2,700,637	2,038,737
TOTAL OPERATING EXPENSES	2,842,514	2,931,598	9,239,959	8,892,594
PROFIT BEFORE RESULTS OF ASSOCIATE	1,261,485	4,738,977	6,658,124	15,384,720
Share of loss from an associate	-	(178,628)	(19,712)	(178,628)
NET PROFIT FOR THE PERIOD	1,261,485	4,560,349	6,638,412	15,206,092
<i>Attributable to:</i>				
Shareholders of the Bank	1,247,435	4,560,349	6,572,714	15,206,092
Non-controlling interest	14,050	-	65,698	-
	1,261,485	4,560,349	6,638,412	15,206,092
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,497,063,829	1,260,000,000	1,497,063,829	1,260,000,000
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	0.8	3.6	4.4	12.1

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Three months ended 30 September 2010 (Reviewed)	Three months ended 30 September 2009 (Reviewed)	Nine months ended 30 September 2010 (Reviewed)	Nine months ended 30 September 2009 (Reviewed)
	BD	BD	BD	BD
NET PROFIT FOR THE PERIOD	1,261,485	4,560,349	6,638,412	15,206,092
Other comprehensive income:				
Net change in fair value	1,128,574	-	1,579,231	-
Exchange differences on investment in an associate	(89,642)	(13,331)	(213,666)	(75,902)
Other comprehensive income for the period	1,038,932	(13,331)	1,365,565	(75,902)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,300,417	4,547,018	8,003,977	15,130,190
<i>Attributable to:</i>				
Shareholders of the Bank	2,269,991	4,547,018	7,887,116	15,130,190
Non-controlling interest	30,426	-	116,861	-
	2,300,417	4,547,018	8,003,977	15,130,190

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 September 2010 (Reviewed)	31 December 2009 (Audited)
	BD	BD
ASSETS		
Cash and balances with Central Bank of Bahrain	96,246,545	126,739,202
Central Bank of Bahrain Sukuk	51,541,695	32,907,875
Murabaha receivables from banks	157,472,028	149,303,782
Corporate Sukuk	36,712,556	16,949,546
Murabaha and Mudaraba receivables	150,271,907	87,273,825
Ijarah Muntahia Bittamleek	62,683,670	46,314,651
Musharaka financing	8,350,326	5,384,369
Assets under conversion	64,890,117	98,305,000
Non-trading investments	190,673,368	184,679,822
Investment in an associate	7,425,677	7,659,055
Investment properties	3,372,980	1,177,528
Receivables and prepayments	13,547,941	26,902,192
Premises and equipment	2,015,135	2,337,436
TOTAL ASSETS	845,203,945	785,934,283
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	102,942,035	89,397,722
Wakala from non-banks	412,318,713	317,369,585
Customers' current accounts	47,448,512	32,699,944
Liabilities under conversion	50,978,000	120,402,000
Other liabilities	12,510,083	14,877,262
TOTAL LIABILITIES	626,197,343	574,746,513
UNRESTRICTED INVESTMENT ACCOUNTS	16,353,197	9,409,467
EQUITY		
Share capital	149,706,383	142,577,508
Reserves and retained earnings	49,243,504	41,356,388
Proposed appropriations	-	14,257,750
Total equity attributable to shareholders of the Bank	198,949,887	198,191,646
Non-controlling interest	3,703,518	3,586,657
TOTAL EQUITY	202,653,405	201,778,303
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	845,203,945	785,934,283

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	Nine months ended 30 September 2010 (Reviewed)	Nine months ended 30 September 2009 (Reviewed)
	BD	BD
Net cash (used in) from operating activities	(32,614,381)	68,137,027
Net cash used in investing activities	(2,719,524)	(203,518)
Net cash used in financing activities	(185,145)	(8,285,337)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(35,519,050)	59,648,172
Cash and cash equivalents at 1 January	258,557,278	156,204,000
CASH AND CASH EQUIVALENTS AT 30 September	223,038,228	215,852,172

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Nine months ended 30 September 2010 (Reviewed)	Nine months ended 30 September 2009 (Reviewed)
	BD	BD
Balance at 1 January	201,778,303	172,483,481
Net profit for the period	6,638,412	15,206,092
Changes on investment in an associate	(213,666)	(75,902)
Net change in fair value	1,579,231	-
Zakah	-	(822,525)
Dividends paid	(7,128,875)	(12,000,000)
Shares issued	-	25,152,437
Balance at 30 September	202,653,405	199,943,583

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 18th October 2010.


 Mohamed Alabbar
 Chairman


 Youusif Taqi
 Director & CEO

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