

Al Salam Bank-Bahrain B.S.C. Interim Condensed Consolidated Financial Statements for the nine months period ended 30 September 2011.

These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated 31st October 2011.

INTERIM CONSOLIDATED INCOME STATEMENT (Reviewed)	Three months ended 30 September 2011	Three months ended 30 September 2010	Nine months ended 30 September 2011	Nine months ended 30 September 2010
	BD '000	BD '000	BD '000	BD '000
OPERATING INCOME				
Income from financing contracts	9,007	6,998	22,386	18,458
Income from investments designated as fair value through profit or loss	844	125	356	763
Gains on disposal of investments	472	614	2,209	1,201
Gains on investments designated as fair value through profit or loss	70	360	742	6,329
Dividend income	416	5	975	103
Fees and commissions	256	995	846	1,550
Foreign exchange gains	361	195	1,053	630
Other income	-	267	-	1,189
	11,426	9,559	28,567	30,223
Profit on Murabaha and Wakala payables to banks	(165)	(158)	(529)	(459)
Profit on Wakala from non-banks	(4,082)	(3,758)	(11,787)	(10,683)
Profit relating to equity of investment accountholders	(31)	(32)	(125)	(138)
Depreciation on Ijarah Muntahia Bittamleek	(2,885)	(1,507)	(4,862)	(3,045)
Total operating income	4,263	4,104	11,264	15,898
OPERATING EXPENSES				
Staff costs	1,498	1,499	4,547	4,793
Premises and equipment cost	328	547	894	900
Depreciation	193	275	796	846
Other operating expenses	864	522	2,671	2,701
Total operating expenses	2,883	2,843	8,908	9,240
Share of loss from an associate	-	-	-	(20)
NET PROFIT BEFORE PROVISIONS	1,380	1,261	2,356	6,638
Provision charge for financing facilities	(34)	-	(387)	-
NET PROFIT FOR THE PERIOD	1,346	1,261	1,969	6,638
<i>Attributable to:</i>				
Share holders of the Bank	1,308	1,247	1,826	6,573
Non-controlling interest	38	14	143	65
	1,346	1,261	1,969	6,638
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED EARNINGS PER SHARE (FILS)	1,492,426,455	1,497,063,829	1,492,426,455	1,497,063,829
	0.9	0.8	1.2	4.4

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Reviewed)	Three months ended 30 September 2011	(Restated) Three months ended 30 September 2010	Nine months ended 30 September 2011	(Restated) Nine months ended 30 September 2010
	BD '000	BD '000	BD '000	BD '000
NET PROFIT FOR THE PERIOD	1,346	1,261	1,969	6,638
Other comprehensive income:				
Net change in fair value	(3,510)	7	(4,698)	49
Exchange differences on investment in an associate	-	(89)	-	(213)
Exchange differences on investment in an associate transferred to income statement	-	-	96	-
Other comprehensive loss for the period	(3,510)	(82)	(4,602)	(164)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(2,164)	1,179	(2,633)	6,474
<i>Attributable to:</i>				
Equity holders of the Bank	(2,225)	1,165	(2,782)	6,376
Non-controlling interest	61	14	149	98
	(2,164)	1,179	(2,633)	6,474

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 31st October 2011.

Mohamed Alabbar
Chairman

Yousif Taqi
Director & CEO

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 September 2011 (Reviewed)	(Restated) 31 December 2010 (Audited)
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	92,574	95,791
Central Bank of Bahrain Sukuk	109,374	68,632
Murabaha and Wakala receivables from banks	93,532	137,299
Corporate Sukuk	46,559	60,959
Murabaha and Mudaraba financing	176,726	133,881
Ijarah Muntahia Bittamleek	65,248	56,756
Musharaka financing	10,196	8,127
Assets under conversion	29,832	57,432
Non-trading investments	219,031	212,432
Investment in an associate	-	7,578
Investment properties	3,373	3,373
Receivables and prepayments	16,774	12,479
Premises and equipment	1,288	1,859
TOTAL ASSETS	864,507	856,598
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	102,586	101,300
Wakala from non-banks	466,309	456,447
Customers' current accounts	61,340	57,362
Liabilities under conversion	5,118	5,171
Other liabilities	13,139	15,993
TOTAL LIABILITIES	648,492	636,273
EQUITY OF INVESTMENT ACCOUNTHOLDERS	17,253	18,465
OWNERS' EQUITY		
Share capital	149,706	149,706
Treasury stock	(465)	-
Reserves and retained earnings	45,383	48,165
Total equity attributable to shareholders of the Bank	194,624	197,871
Non-controlling interest	4,138	3,989
TOTAL OWNERS' EQUITY	198,762	201,860
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	864,507	856,598

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Reviewed)	Nine months ended 30 September 2011	(Restated) Nine months ended 30 September 2010
	BD '000	BD '000
Net cash used in operating activities	(32,843)	(32,615)
Net cash used in investing activities	(225)	(2,719)
Net cash used in financing activities	(1,677)	(185)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(34,745)	(35,519)
Cash and cash equivalents at 1 January	203,116	258,557
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	168,371	223,038

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (Reviewed)	Nine months ended 30 September 2011	(Restated) Nine months ended 30 September 2010
	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	1,969	6,638
<i>Other comprehensive income:</i>		
Changes on investment in an associate	-	(213)
Net change in fair value	(4,698)	49
Transfer to income statement	96	-
Treasury shares purchased	(465)	-
Dividends paid for 2009	-	(7,129)
Balance at 30 September	198,762	201,629