

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

Interim Condensed Consolidated Financial Statements for the period ended 30 June 2017  
These statements have been extracted from the interim condensed consolidated financial statements on which Ernst & Young has issued an unqualified review report dated 7 August 2017.



AL SALAM BANK  
البحرين

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	(Reviewed) 30 June 2017	(Audited) 31 December 2016
	BD '000	BD '000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank	97,036	131,990
Sovereign Sukuk	364,167	358,269
Murabaha and Wakala receivables from banks	146,046	182,452
Corporate Sukuk	11,853	28,934
Murabaha financing	221,726	213,687
Mudaraba financing	278,603	252,807
Ijarah Muntahia Bittamleek	194,079	188,485
Musharaka	15,780	12,304
Assets under conversion	21,377	37,016
Non-trading investments	120,703	122,073
Investments in real estate	51,863	51,863
Development properties	20,256	17,781
Investment in associates	11,489	10,561
Other assets	46,238	27,260
Goodwill	25,971	25,971
Assets classified as held-for-sale	-	19,840
<b>TOTAL ASSETS</b>	<b>1,627,187</b>	<b>1,681,293</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and Wakala payables to banks	120,097	132,032
Murabaha and Wakala payables to non-banks	637,138	723,439
Current accounts	319,730	279,609
Liabilities under conversion	1,451	217
Murabaha term financing	98,045	91,837
Other liabilities	52,275	49,043
Liabilities relating to assets classified as held-for-sale	-	11,421
<b>TOTAL LIABILITIES</b>	<b>1,228,736</b>	<b>1,287,598</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>76,267</b>	<b>68,796</b>
<b>OWNERS' EQUITY</b>		
Share capital	214,093	214,093
Treasury stock	(1,733)	(1,646)
Reserves and retained earnings	109,074	100,213
Proposed appropriations	-	10,705
Total equity attributable to shareholders of the Bank	321,434	323,365
Non-controlling interest	750	1,534
<b>TOTAL OWNERS' EQUITY</b>	<b>322,184</b>	<b>324,899</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,627,187</b>	<b>1,681,293</b>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED)	Six months ended 30 June 2017	Six months ended 30 June 2016
	BD '000	BD '000
<b>Balance at 1 January</b>	<b>324,899</b>	<b>320,002</b>
Net profit for the period	8,395	8,380
Net changes in fair value	947	(120)
Foreign currency re-translation	85	(170)
Dividend paid	(10,626)	(10,705)
Sale of a subsidiary	(1,429)	-
Purchase of treasury stock	(87)	-
Non-controlling interest arising on acquisition of a subsidiary	-	582
<b>Balance at 30 June</b>	<b>322,184</b>	<b>317,969</b>

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)	Six months ended 30 June 2017	Six months ended 30 June 2016
	BD '000	BD '000
Net cash used in operating activities	(115,876)	(19,429)
Net cash from investing activities	16,244	53,634
Net cash from financing activities	2,966	34,840
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(96,666)</b>	<b>69,045</b>
Cash and cash equivalents at 1 January	284,928	223,677
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>188,262</b>	<b>292,722</b>

INTERIM CONSOLIDATED INCOME STATEMENT (REVIEWED)	Three months ended 30 June 2017	Three months ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
	BD '000	BD '000	BD '000	BD '000
<b>OPERATING INCOME</b>				
Income from financing contracts	10,822	9,538	21,624	18,650
Income from Sukuk	4,164	3,714	8,353	8,103
(Loss) / gain on sale of investments and Sukuk	(33)	942	423	2,054
Income from investments	818	1,299	1,566	1,631
Fair value changes on investments	(563)	131	(275)	1,227
Dividend income	147	30	407	382
Foreign exchange gain	337	245	330	694
Fees, commission and other income - net	4,309	2,026	7,985	3,236
	<b>20,001</b>	<b>17,925</b>	<b>40,413</b>	<b>35,977</b>
Profit on Murabaha and Wakala payables to banks	(472)	(778)	(981)	(1,112)
Profit on Wakala payables to non-banks	(3,801)	(4,501)	(8,006)	(9,230)
Profit on Murabaha term financing	(637)	(410)	(1,122)	(820)
Return on equity of investment account-holders before Group's share as a Mudarib	(49)	(52)	(91)	(107)
Group's share as a Mudarib	22	23	41	48
	<b>(27)</b>	<b>(29)</b>	<b>(50)</b>	<b>(59)</b>
Total operating income	<b>15,064</b>	<b>12,207</b>	<b>30,254</b>	<b>24,756</b>
<b>OPERATING EXPENSES</b>				
Staff cost	2,708	2,892	5,321	5,523
Premises and equipment cost	346	587	727	1,232
Depreciation	298	988	833	1,980
Other operating expenses	2,447	2,508	4,777	4,654
Total operating expenses	<b>5,799</b>	<b>6,975</b>	<b>11,658</b>	<b>13,389</b>
<b>PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES</b>	<b>9,265</b>	<b>5,232</b>	<b>18,596</b>	<b>11,367</b>
Provision for financing and investments - net	(5,174)	(1,353)	(11,111)	(3,714)
Share of profit from associates	-	-	910	727
<b>NET PROFIT FOR THE PERIOD</b>	<b>4,091</b>	<b>3,879</b>	<b>8,395</b>	<b>8,380</b>
<b>ATTRIBUTABLE TO:</b>				
- Shareholders of the Bank	4,127	4,060	8,477	8,710
- Non-controlling interest	(36)	(81)	(82)	(330)
	<b>4,091</b>	<b>3,879</b>	<b>8,395</b>	<b>8,380</b>
<b>Weighted average number of shares (in '000)</b>	<b>2,125,092</b>	<b>2,140,931</b>	<b>2,125,092</b>	<b>2,140,931</b>
<b>Basic and diluted earnings per share(fil)</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>4</b>

TOTAL COMPREHENSIVE INCOME (REVIEWED)	Three months ended 30 June 2017	Three months ended 30 June 2016	Six months ended 30 June 2017	Six months ended 30 June 2016
	BD '000	BD '000	BD '000	BD '000
<b>Net profit for the period</b>	<b>4,091</b>	<b>3,879</b>	<b>8,395</b>	<b>8,380</b>
<i>Items to be reclassified to interim consolidated income statement in subsequent periods:</i>				
Unrealized gain reclassified to interim consolidated income statement on disposal of fair value through equity investments	-	(59)	-	(82)
Unrealised gain / (loss) on fair value through equity investments	344	(13)	947	(38)
Foreign currency re-translation	71	(39)	85	(170)
<b>Other comprehensive gain / (loss) for the period</b>	<b>415</b>	<b>(111)</b>	<b>1,032</b>	<b>(290)</b>
<b>Total comprehensive income for the period</b>	<b>4,506</b>	<b>3,768</b>	<b>9,427</b>	<b>8,090</b>
<b>Attributable to:</b>				
- Shareholders of the Bank	4,474	3,905	9,509	8,473
- Non-controlling interest	32	(137)	(82)	(383)
	<b>4,506</b>	<b>3,768</b>	<b>9,427</b>	<b>8,090</b>

These interim condensed consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors on 7 August 2017.

Shaikha Hessa bint Khalifa Al Khalifa  
Chairperson of the Board

Yousif Abdulla Taqi  
Director & Group CEO