

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

30 JUNE 2013

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 2013, comprising of the interim consolidated statement of financial position as at 30 June 2013 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.



15 July 2013
Manama, Kingdom of Bahrain

Al Salam Bank-Bahrain B.S.C.

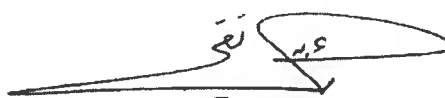
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2013 (reviewed)

		<i>(Reviewed)</i>	<i>(Audited)</i>
		<i>30 June</i>	<i>31 December</i>
		<i>2013</i>	<i>2012</i>
	<i>Note</i>	<i>BD '000</i>	<i>BD '000</i>
ASSETS			
Cash and balances with banks and Central Bank of Bahrain		76,408	66,843
Central Bank of Bahrain Sukuk		102,937	117,612
Murabaha and Wakala receivables from banks		116,275	103,290
Corporate Sukuk		81,214	74,993
Murabaha financing		171,512	127,537
Mudaraba financing		110,455	99,572
Ijarah Muntahia Bittamleek		94,106	82,954
Musharaka		19,686	17,467
Non-trading investments	3	208,554	204,202
Investment in an associate		7,492	7,573
Investment properties		12,545	2,500
Other assets	4	20,620	36,908
Premises and equipment		694	767
TOTAL ASSETS		1,022,498	942,218
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY			
LIABILITIES			
Murabaha and Wakala payables to banks		99,638	90,852
Wakala payables to non-banks		592,858	521,929
Customers' current accounts		84,015	83,921
Other liabilities		16,687	19,175
TOTAL LIABILITIES		793,198	715,877
EQUITY OF INVESTMENT ACCOUNTHOLDERS		23,414	18,276
OWNERS' EQUITY			
Share capital	5	149,706	149,706
Treasury stock		(492)	(492)
Reserves and retained earnings		56,672	51,366
Proposed appropriations		-	7,485
TOTAL OWNERS' EQUITY		205,886	208,065
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		1,022,498	942,218



Sh. Hessa Bint Khalifa Al Khalifa
Chairperson of the Board



Yousif A. Taqi
Director and Chief Executive Officer

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

Al Salam Bank-Bahrain B.S.C.

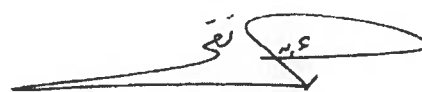
INTERIM CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2013 (reviewed)

	<i>Three months ended 30 June 2013 BD '000</i>	<i>Three months ended 30 June 2012 BD '000</i>	<i>Six months ended 30 June 2013 BD '000</i>	<i>Six months ended 30 June 2012 BD '000</i>
OPERATING INCOME				
Income from financing contracts	5,348	4,285	11,029	8,587
Income from Sukuk	2,315	2,204	4,597	4,235
Gains on sale of investments and sukuk	1,097	3,578	1,972	3,578
Income from FVTPL investments	563	497	1,445	454
Fair value changes on FVTPL investments	135	(7,377)	246	(4,085)
Net gain from available-for-sale investments	-	1,950	-	1,759
Dividend income	81	228	405	768
Foreign exchange gains	202	135	386	377
Fees, commission and other income	801	218	1,085	432
	10,542	5,718	21,165	16,105
Profit on Murabaha and Wakala payables to banks	(162)	(154)	(349)	(302)
Profit on Wakala payables to non-banks	(4,355)	(5,321)	(8,576)	(10,841)
Profit relating to equity of investment accountholders	(36)	(49)	(67)	(87)
Total operating income	5,989	194	12,173	4,875
OPERATING EXPENSES				
Staff costs	1,396	1,549	2,776	3,058
Premises and equipment cost	291	313	602	600
Depreciation	69	108	139	246
Other operating expenses	850	821	1,719	1,639
Total operating expenses	2,606	2,791	5,236	5,543
PROFIT (LOSS) BEFORE PROVISIONS	3,383	(2,597)	6,937	(668)
Provisions / write-off	(414)	(27)	(915)	(144)
NET PROFIT (LOSS) FOR THE PERIOD	2,969	(2,624)	6,022	(812)
<i>Attributable to:</i>				
Shareholders of the Bank	2,969	(2,624)	6,022	(848)
Non-controlling interest	-	-	-	36
	2,969	(2,624)	6,022	(812)
WEIGHTED AVERAGE NUMBER OF SHARES (in '000)				
	1,491,372	1,491,465	1,491,372	1,491,465
BASIC AND DILUTED EARNINGS PER SHARE (FILS)				
	2.0	(1.8)	4.0	(0.6)



Sh. Hessa Bint Khalifa Al Khalifa
Chairperson of the Board



Yousif A. Taqi
Director and Chief Executive Officer

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

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2013 (reviewed)

	<i>Six months ended 30 June 2013 BD '000</i>	<i>Six months ended 30 June 2012 BD '000</i>
OPERATING ACTIVITIES		
Net profit (loss) for the period	6,022	(812)
Adjustments:		
Depreciation	139	246
Net gain on investments	(246)	2,326
Provisions / write-off	915	144
Operating income before changes in operating assets and liabilities	6,830	1,904
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(160)	(8,155)
Central Bank of Bahrain Sukuk	14,675	2,473
Murabaha and Wakala receivables from banks with original maturities of 90 days or more	(3,864)	(964)
Corporate Sukuk	(6,221)	(22,053)
Murabaha financing	(44,650)	7,620
Mudaraba financing	(10,883)	(37,335)
Ijarah Muntahia Bittamleek	(11,177)	(8,703)
Musharaka financing	(2,219)	(3,928)
Non-trading investments, net	(4,780)	1,739
Other assets	16,073	(7,247)
Murabaha and Wakala payables to banks	8,786	(10,704)
Wakala from non-banks	70,929	100,121
Customers' current accounts	94	33,345
Other liabilities	(2,488)	(7,026)
Net cash from operating activities	30,945	41,087
INVESTING ACTIVITIES		
Purchase of premises and equipment	(66)	(52)
Purchase of investment properties	(10,045)	-
Net cash used in investing activities	(10,111)	(52)
FINANCING ACTIVITIES		
Equity of investment accountholders	5,138	11,569
Purchase of treasury stock	-	(27)
Dividends	(7,446)	-
Net cash (used in) from financing activities	(2,308)	11,542
NET CHANGE IN CASH AND CASH EQUIVALENTS	18,526	52,577
Cash and cash equivalents at 1 January	149,013	187,729
CASH AND CASH EQUIVALENTS AT 30 JUNE	167,539	240,306
Cash and cash equivalents comprise of:		
Cash and other balances with Central Bank of Bahrain	50,995	109,642
Balances with other banks	5,188	7,545
Murabaha and Wakala receivables from banks with original maturities of less than 90 days	111,356	123,119
	167,539	240,306

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

Al Salam Bank-Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the period ended 30 June 2013 (reviewed)

Amounts in BD '000s

	Attributable to shareholders of the Bank											
	Share capital	Treasury stock	Statutory reserve	Retained earnings	Changes in fair value	Foreign exchange translation reserve	Share premium reserve	Total reserves	Proposed appropriations	Total	Non-controlling interest	Total owners' equity
Balance as of 1 January 2013	149,706	(492)	9,689	39,583	92	(571)	2,573	51,366	7,485	208,065	-	208,065
Net profit for the period	-	-	-	6,022	-	-	-	6,022	-	6,022	-	6,022
Net change in fair value	-	-	-	-	(674)	-	-	(674)	-	(674)	-	(674)
Changes on investment in an associate	-	-	-	-	-	(81)	-	(81)	-	(81)	-	(81)
Dividend paid	-	-	-	-	-	-	-	-	(7,446)	(7,446)	-	(7,446)
Transfer	-	-	-	39	-	-	-	39	(39)	-	-	-
Balance at 30 June 2013	149,706	(492)	9,689	45,644	(582)	(652)	2,573	56,672	-	205,886	-	205,886
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
Net (loss) profit for the period	-	-	-	(848)	-	-	-	(848)	-	(848)	36	(812)
Net change in fair value	-	-	-	-	1,290	-	-	1,290	-	1,290	-	1,290
Treasury shares purchased	-	(27)	-	-	-	-	-	-	-	(27)	-	(27)
Transfer to other liabilities	-	-	-	-	-	-	-	-	-	-	(4,192)	(4,192)
Balance at 30 June 2012	149,706	(492)	8,662	36,975	(540)	-	2,573	47,670	-	196,884	-	196,884

The attached notes 1 to 9 form part of these interim condensed 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 Bourse. 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 nine 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 Bourse 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 15 July 2013.

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 real estate, 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 2012, 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.

AAOIFI issued a new accounting standard, Financial Accounting Standard 26 - Investment in real estate ("FAS 26") and is effective for financial periods beginning 1 January 2013. This standard shall apply in the recognition, measurement and disclosure of the entity's direct investment in real estate that is acquired for the purpose of earning periodical income or held for future capital appreciation or both. In accordance with FAS 26, the investment in real estate initially recognized at cost and subsequently measured based on intention whether the investment in real estate is held for use or held for sale. For held for use investments, an entity shall choose as its accounting policy either the fair value model or the cost model. The Bank has adopted the fair value model for its investments in real estate. Under the fair value model any unrealized gains are recognized directly in owners' equity. Any unrealized losses are adjusted in equity to the extent of the available credit balance. Where unrealized losses exceed the available balance in owners' equity, these are recognized in the consolidated income statement. In case there are unrealized losses relating to investment in real estate that have been recognized in the consolidated income statement in a previous financial period, the unrealized gains relating to the current financial period is recognized to the extent of crediting back such previous losses in the consolidated income statement. The adoption of FAS 26 did not have any material impact on the Bank's interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosure required for full financial statements prepared in accordance with AAOIFI. In addition, results for the six month ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 June 2013 (reviewed)

3 NON-TRADING INVESTMENTS

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.

Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of the financial instruments carried at fair value in the interim consolidated statement of financial position:

<i>30 June 2013</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Financial assets at fair value through profit or loss	9,059	439	192,295	201,793
Available-for-sale financial assets	6,761	-	-	6,761
	15,820	439	192,295	208,554

During the reporting period ended 30 June 2013 and 31 December 2012, there were no transfers between Level 1 and Level 2 fair value measurements.

<i>31 December 2012</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Financial assets at fair value through profit or loss	9,736	445	182,987	193,168
Available-for-sale financial assets	11,034	-	-	11,034
	20,770	445	182,987	204,202

30 June 2013 (reviewed)

4 OTHER ASSETS

	<i>30 June 2013 BD '000</i>	<i>31 December 2012 BD '000</i>
Assets under conversion	6,771	18,393
Income receivable on Islamic financing contracts and Sukuk	4,892	4,775
Repossessed assets	4,247	6,425
Prepayments	765	365
Other receivables	3,945	6,950
	<u>20,620</u>	<u>36,908</u>

The above assets were previously disclosed as assets under conversion. Subsequent to the merger of BSB with the Bank, these non-Shari'a compliant assets were reclassified to other assets.

5 OWNERS' EQUITY

	<i>30 June 2013 BD '000</i>	<i>31 December 2012 BD '000</i>
Share capital:		
Authorised:		
2,000,000,000 (2012: 2,000,000,000) ordinary shares of BD 0.100 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid: (BD 0.100 per share)		
Balance at beginning and end of period - 1,497,063,825 shares	<u>149,706</u>	<u>149,706</u>

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.

6 TOTAL COMPREHENSIVE INCOME (LOSS)

	<i>Three months ended 30 June 2013 BD '000</i>	<i>Three months ended 30 June 2012 BD '000</i>	<i>Six months ended 30 June 2013 BD '000</i>	<i>Six months ended 30 June 2012 BD '000</i>
NET PROFIT (LOSS) FOR THE PERIOD	<u>2,969</u>	<u>(2,624)</u>	<u>6,022</u>	<u>(812)</u>
Other comprehensive income				
Items to be reclassified to profit or loss in subsequent periods:				
Net changes in fair value	(604)	28	(674)	1,290
Exchange differences on investment in an associate	(97)	-	(81)	-
Other comprehensive (loss) income for the period	<u>(701)</u>	<u>28</u>	<u>(755)</u>	<u>1,290</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>2,268</u>	<u>(2,596)</u>	<u>5,267</u>	<u>478</u>
Attributable to:				
Equity holders of the Bank	2,268	(2,596)	5,267	442
Non-controlling interest	-	-	-	36
	<u>2,268</u>	<u>(2,596)</u>	<u>5,267</u>	<u>478</u>

30 June 2013 (reviewed)

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 2013 were as follows:

	<i>30 June 2013</i>			<i>Total BD '000</i>
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	
Assets:				
Murabaha financing	45,994	10	37	46,041
Mudaraba financing	14,310	80	-	14,390
Ijarah Muntahia Bittamleek	-	2,038	119	2,157
Musharaka financing	2,100	-	-	2,100
Other assets	494	3	-	497
Liabilities and equity of investment accountholders:				
Wakala payables to non-banks	3,076	1,005	335	4,416
Customers' current accounts	2,793	648	38	3,479
Equity of investment accountholders	2,714	90	20	2,824
Commitments & contingent liabilities	7,929	-	-	7,929

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

	<i>30 June 2013</i>			<i>Total BD '000</i>
	<i>Associates and joint ventures BD '000</i>	<i>Directors and related entities BD '000</i>	<i>Senior management BD '000</i>	
Income:				
Income from financing contracts	2,087	363	1	2,451
Expenses:				
Profit on Wakala payables to non-banks	32	20	4	56

30 June 2013 (reviewed)

7 RELATED PARTY TRANSACTIONS (continued)

The significant balances with related parties at 31 December 2012 were as follows:

	31 December 2012			Total BD '000
	Associates and joint ventures BD '000	Directors and related entities BD '000	Senior management BD '000	
Assets:				
Murabaha financing	30,198	13	70	30,281
Mudaraba financing	14,214	100	-	14,314
Ijarah Muntahia Bittamleek	-	2,310	-	2,310
Musharaka financing	2,061	-	-	2,061
Other assets	822	4	-	826
Liabilities and equity of investment accountholders:				
Wakala payables to non-banks	2,459	926	230	3,615
Customers' current accounts	5,145	154	10	5,309
Equity of investment accountholders	1,866	110	10	1,986
Commitments & Contingent liabilities	13,698	-	-	13,698

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

	30 June 2012			Total BD '000
	Associates and joint ventures BD '000	Directors and related entities BD '000	Senior management BD '000	
Income:				
Income from Islamic financing contracts	622	-	2	624
Expenses:				
Profit on Wakala payables to non-banks	43	18	3	64

30 June 2013 (reviewed)

8 CONTINGENT LIABILITIES AND COMMITMENTS

The Bank has the following commitments:

	<i>30 June</i>	<i>31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>BD '000</i>	<i>BD '000</i>
Contingent liabilities on behalf of customers		
Guarantees	7,605	9,744
Letters of credit	920	814
Acceptances	309	275
	<u>8,834</u>	<u>10,833</u>
Irrevocable unutilised commitments		
Unutilised financing commitments	12,285	20,396
Unutilised non-funded commitments	7,153	6,219
Unutilised capital commitments	1,226	1,391
	<u>20,664</u>	<u>28,006</u>
	<u>29,498</u>	<u>38,839</u>

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 Bank has entered into various operating lease agreements for its premises. Future minimal rentals payable under the non-cancellable leases are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2013</i>	<i>2012</i>
	<i>BD '000</i>	<i>BD '000</i>
Within 1 year	693	714
After one year but not more than five years	678	915
	<u>1,371</u>	<u>1,629</u>

30 June 2013 (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 2013 was as follows:

	<i>30 June 2013</i>				
	<i>Banking</i> <i>BD '000</i>	<i>Treasury</i> <i>BD '000</i>	<i>Investments</i> <i>BD '000</i>	<i>Capital</i> <i>BD '000</i>	<i>Total</i> <i>BD '000</i>
Operating income	5,086	3,420	2,562	1,105	12,173
Segment result	2,433	3,034	1,919	(1,364)	6,022
Other information					
Segment assets	403,201	375,885	184,375	59,037	1,022,498
Segment liabilities and equity	704,211	100,785	2,677	214,825	1,022,498

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

	<i>Banking</i> <i>BD '000</i>	<i>Treasury</i> <i>BD '000</i>	<i>Investments</i> <i>BD '000</i>	<i>Capital</i> <i>BD '000</i>	<i>Total</i> <i>BD '000</i>
Operating income	1,522	2,498	134	721	4,875
Segment result	(639)	2,046	(807)	(1,412)	(812)

Segment information for the year ended 31 December 2012 was as follows:

	<i>Banking</i> <i>BD '000</i>	<i>Treasury</i> <i>BD '000</i>	<i>Investments</i> <i>BD '000</i>	<i>Capital</i> <i>BD '000</i>	<i>Total</i> <i>BD '000</i>
Segment assets	348,043	361,628	171,287	61,260	942,218
Segment liabilities and equity	629,981	90,966	2,547	218,724	942,218

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.