

Al Salam Bank-Bahrain B.S.C.

These financial statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report on 23 April 2007.

BALANCE SHEET

31 March 2007 (Unaudited)

	Reviewed 31 March 2007	Audited 31 December 2006
ASSETS	BD	BD
Cash and balances with Central Bank of Bahrain	3,581,904	2,942,042
Murabaha and Mudaraba with banks	78,504,551	105,089,786
Murabaha financing	38,378,938	22,963,267
Ijarah Muntahia Bittamleek	10,697,642	10,382,429
Non-trading investments	34,747,661	32,618,646
Investment in an associate	9,538,480	2,073,500
Investment in properties	1,177,528	1,177,528
Receivables and prepayments	13,690,770	8,784,454
Premises and equipment	2,713,727	2,026,884
Other assets held-for-sale	52,496,417	-
TOTAL ASSETS	245,527,618	188,058,536
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
Liabilities		
Murabaha from banks	45,683,034	23,647,305
Murabaha from non-banks	25,580,169	20,111,967
Customers' current accounts	777,545	5,673,812
Other liabilities	3,702,723	2,223,863
Other liabilities relating to other assets held-for-sale	20,358,000	-
Total liabilities	96,101,471	51,656,947
UNRESTRICTED INVESTMENT ACCOUNTS	7,861,954	-
Equity		
Share capital	120,000,000	120,000,000
Treasury stock	(17,203)	(17,203)
Reserves and retained earnings	21,581,396	16,418,792
Total equity	141,564,193	136,401,589
TOTAL LIABILITIES AND EQUITY	245,527,618	188,058,536

STATEMENT OF INCOME

Three month period ended 31 March 2007 (Unaudited)

	Three months ended 31 March 2007	Not reviewed Period from 19 January 2006 to 31 March 2006
OPERATING INCOME	BD	BD
Income from Murabaha and Mudaraba	976,583	656,100
Income from other Islamic financing contracts	1,023,190	-
	1,999,773	656,100
Profit paid on Murabaha from banks	(331,045)	-
Share of profit to unrestricted investment account holders	(204,342)	-
	1,464,386	656,100
Gain on investments designated at fair value through profit or loss	2,085,015	-
Gain on disposal of investments designated as held-for-sale	1,959,250	-
Fees and commission	1,772,832	-
Foreign exchange gains	55,535	-
Other income	32,041	-
TOTAL OPERATING INCOME	7,369,059	656,100
OPERATING EXPENSES		
Staff costs	1,216,466	39,310
Premises and equipment cost	122,926	3,900
Depreciation	143,968	-
Depreciation on Ijarah assets	120,452	-
Other operating expenses	602,643	5,960
TOTAL OPERATING EXPENSES	2,206,455	49,170
NET INCOME FOR THE PERIOD	5,162,604	606,930
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	119,982,797	17,311,111
BASIC EARNINGS PER SHARE (FILS)	43	35

STATEMENT OF CHANGES IN EQUITY

Three month period ended 31 March 2007 (Unaudited)

	Share capital BD	Treasury stock BD	Statutory reserve BD	Retained earnings BD	Investment BD	Total equity BD
Balance at 1 January 2007	120,000,000	(17,203)	1,641,879	3,333,225	11,443,688	136,401,589
Net income for the period	-	-	-	5,162,604	-	5,162,604
Transfers	-	-	-	(2,085,015)	2,085,015	-
Balance at 31 March 2007	120,000,000	(17,302)	1,641,879	6,410,814	13,528,703	141,564,193
Balance at 19 January 2006	-	-	-	-	-	-
Proceeds from issue of share capital	120,000,000	(17,302)	-	-	-	119,982,797
Net income for the period	-	-	-	16,418,792	-	16,418,792
Transfer to statutory reserve	-	-	1,641,879	(1,641,879)	-	-
Transfers	-	-	-	(11,443,688)	11,443,688	-
Balance at 31 December 2006	120,000,000	(17,302)	1,641,879	3,333,225	11,443,688	136,401,589

Mohammed Alabbar
Chairman

Husein Mohamed Almeza
Vice chairman & Managing Director

Yousif Taqi
Chief Executive Officer



AL SALAM BANK

Bahrain البحرين