



AL SALAM BANK  
Bahrain البحرين

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

### BALANCE SHEET - 30 SEPTEMBER 2007

	Unaudited 30 September 2007	Audited 31 December 2006
	BD	BD
<b>ASSETS</b>		
Cash and balances with Central Bank of Bahrain	4,961,299	2,942,042
Central Bank of Bahrain Sukuk	13,890,000	-
Murabaha and Mudaraba with banks	189,917,191	105,089,786
Murabaha financing	56,608,053	22,963,267
Ijarah Muntahia Bittamleek	11,221,517	10,382,429
Non-trading investments	38,623,334	32,618,646
Investment in an associate	9,535,317	2,073,500
Investment in properties	1,177,528	1,177,528
Receivables and prepayments	31,347,849	8,784,454
Premises and equipment	3,022,261	2,026,884
Assets held-for-sale	15,004,798	-
<b>TOTAL ASSETS</b>	<b>375,309,147</b>	<b>188,058,536</b>
<b>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>		
<b>Liabilities</b>		
Murabaha from banks	86,882,929	23,647,305
Murabaha from non-banks	80,729,628	20,111,967
Customers' accounts	23,240,826	5,673,812
Other liabilities	4,116,347	2,223,863
<b>Total liabilities</b>	<b>194,969,730</b>	<b>51,656,947</b>
<b>UNRESTRICTED INVESTMENT ACCOUNTS</b>	<b>26,562,529</b>	<b>-</b>
<b>Equity</b>		
Share capital	120,000,000	120,000,000
Treasury stock	-	(17,203)
Reserves and retained earnings	33,776,888	16,418,792
<b>Total equity</b>	<b>153,776,888</b>	<b>136,401,589</b>
<b>TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>	<b>375,309,147</b>	<b>188,058,536</b>

### STATEMENT OF INCOME - PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)

	Three months ended 30 September 2007 (Reviewed)	Three months ended 30 September 2006 (Reviewed)	Nine months ended 30 September 2007 (Reviewed)	For the period 19 January 2006 to 30 September 2006 (Reviewed)
	BD	BD	BD	BD
<b>OPERATING INCOME</b>				
Income from Murabaha and Mudaraba	3,079,627	1,395,457	5,582,505	7,230,522
Income from other financing contracts	632,195	162,402	2,918,337	162,402
	<u>3,711,822</u>	<u>1,557,859</u>	<u>8,500,842</u>	<u>7,392,924</u>
Profit paid on Murabaha from banks / non-banks	(1,471,380)	(151,793)	(2,383,190)	(151,793)
Share of profit to unrestricted investment account holders	(327,363)	-	(909,515)	-
	<u>1,913,079</u>	<u>1,406,066</u>	<u>5,208,137</u>	<u>7,241,131</u>
Fees and commission	691,456	238,938	3,513,779	238,938
Gain on disposal of investments designated as held-for-sale	617,132	-	10,213,408	-
Unrealised gains on investments designated at fair value through profit or loss	2,128,224	-	5,280,496	-
Foreign exchange gains	151,737	2,952	224,957	2,952
Other income	223,562	-	278,658	-
<b>TOTAL OPERATING INCOME</b>	<b>5,725,190</b>	<b>1,647,956</b>	<b>24,719,435</b>	<b>7,483,021</b>
<b>OPERATING EXPENSES</b>				
Staff costs	1,336,368	403,738	3,892,238	1,188,360
Premises and equipment cost	98,439	75,549	325,054	118,176
Depreciation	201,817	6,091	523,076	8,813
Depreciation on Ijarah Muntahia Bittamleek	265,147	-	772,578	-
Other operating expenses	500,474	144,461	1,851,484	973,224
<b>TOTAL OPERATING EXPENSES</b>	<b>2,402,245</b>	<b>629,839</b>	<b>7,364,430</b>	<b>2,288,573</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>3,322,945</b>	<b>1,018,117</b>	<b>17,355,005</b>	<b>5,194,448</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>120,000,000</b>	<b>119,982,797</b>	<b>119,991,430</b>	<b>78,311,111</b>
<b>BASIC EARNINGS PER SHARE (FILS)</b>	<b>28</b>	<b>8</b>	<b>145</b>	<b>66</b>

### STATEMENT OF CHANGES IN EQUITY - PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)

	Share capital	Treasury stock	Statutory reserve	Retained earnings	Investment reserve	Total Equity
	BD	BD	BD	BD	BD	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	-	-	-	17,355,005	-	17,355,005
Sale of treasury stock	-	17,203	3,091	-	-	20,294
Transfers	-	-	-	(5,280,496)	5,280,496	-
<b>Balance at 30 September 2007</b>	<b>120,000,000</b>	<b>-</b>	<b>1,644,970</b>	<b>15,407,734</b>	<b>16,724,184</b>	<b>153,776,888</b>
Proceeds from issue of share capital	120,000,000	(17,203)	-	-	-	119,982,797
Net income for the period	-	-	-	5,194,448	-	5,194,448
Balance at 30 September 2006	120,000,000	(17,203)	-	5,194,448	-	125,177,245

The interim condensed financial statements were authorised for issue by the Board of Directors on 17 October 2007 and signed on their behalf by:

Mohamed Ali Rashid Alabbar  
Chairman

Husein Mohamed Almeeza  
Vice Chairman

Yousif Taqi  
Chief Executive Officer

**These financial statements were extracted from the reviewed interim condensed financial statements for which Ernst & Young issued an unqualified opinion dated 17th October 2007.**