

Al Salam Bank-Bahrain B.S.C.

Interim Condensed Financial Statements - Period ended 31 March 2008

BALANCE SHEET	31 March 2008	31 December 2007
	(Reviewed)	(Audited)
	BD	BD
ASSETS		
Cash and balances with Central Bank of Bahrain	14,525,925	15,173,663
Central Bank of Bahrain Sukuk	24,460,000	20,380,000
Murabaha with banks	219,525,214	224,450,893
Murabaha financing	58,636,315	32,641,599
Ijarah Muntahia Bittamleek	11,284,829	10,435,863
Non-trading investments	91,097,592	62,735,696
Investment in an associate	8,272,000	8,272,000
Investment properties	1,177,528	1,177,528
Receivables and prepayments	21,305,305	10,505,046
Premises and equipment	2,814,204	2,979,252
Investments held-for-sale	36,886,486	9,024,000
TOTAL ASSETS	489,985,398	397,775,540
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
Liabilities		
Murabaha from banks	77,837,051	96,983,041
Murabaha from non-banks	186,217,256	106,908,709
Customers' current accounts	8,408,740	5,688,686
Other liabilities	14,525,070	8,954,642
Total Liabilities	286,988,117	218,535,078
UNRESTRICTED INVESTMENT ACCOUNTS	48,633,457	19,769,585
EQUITY		
Share capital	120,000,000	120,000,000
Reserves and retained earnings	34,363,824	38,941,790
Proposed appropriations	-	529,087
Total equity	154,363,824	159,470,877
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	489,985,398	397,775,540

STATEMENT OF INCOME	Three months ended 31 March 2008	Three months ended 31 March 2007
	(Reviewed)	(Reviewed)
	BD	BD
OPERATING INCOME		
Income from Murabaha	1,540,054	976,583
Income from other Islamic financing contracts	1,381,428	1,023,190
	2,921,482	1,999,773
Profit paid on Murabaha from banks	(510,024)	(331,045)
Profit paid on Murabaha from non-banks	(1,625,943)	(204,342)
Share of profit to unrestricted investment account holders	(70,297)	-
	715,218	1,464,386
Fees and commission income	210,371	1,772,832
Gain on sale of investments designated as held-for-sale	8,521,488	1,959,250
Unrealised gains on investments designated as fair value through profit or loss	221,112	2,085,015
Foreign exchange gains	457,992	55,535
Other operating income	32,850	32,041
TOTAL OPERATING INCOME	10,159,031	7,369,059
OPERATING EXPENSES		
Staff costs	1,751,310	1,216,466
Premises and equipment cost	94,021	122,926
Depreciation	216,608	143,968
Depreciation on Ijarah Muntahia Bittamleek	197,961	120,452
Other operating expenses	477,097	602,643
TOTAL OPERATING EXPENSES	2,736,997	2,206,455
NET INCOME FOR THE PERIOD	7,422,034	5,162,604
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,200,000,000	1,199,827,970
BASIC EARNINGS PER SHARE (FILS)	6.2	4.3

STATEMENT OF CASH FLOWS	Three months ended 31 March 2008	Three months ended 31 March 2007
	(Reviewed)	(Reviewed)
	BD	BD
Net cash from operating activities	12,709,841	5,532,079
Net cash used in investing activities	(47,533,342)	(40,548,458)
Net cash from financing activities	16,863,872	7,861,954
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,959,629)	(27,154,425)
Cash and cash equivalents at 1 January	233,608,190	92,285,728
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	215,648,561	65,131,303

STATEMENT OF CHANGES IN EQUITY	Three months ended 31 March 2008	Three months ended 31 March 2007
	(Reviewed)	(Reviewed)
	BD	BD
Balance at the beginning of the period	159,470,877	136,401,589
Dividends	(12,000,000)	-
Zakah	(529,087)	-
Net income for the period	7,422,034	5,162,604
Balance at the end of the period	154,363,824	141,564,193

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 5th May, 2008.

Mohamed Ali Rashid Alabbar
Chairman

Husein Mohamed Al Meeza
Vice Chairman

Yousif Abdulla Taqi
Chief Executive Officer