

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

Interim Condensed Financial Statements - Period ended 30 June 2008



BALANCE SHEET	30 June 2008	31 December 2007	STATEMENT OF INCOME	Three months ended 30 June 2008	Three months ended 30 June 2007	Six months ended 30 June 2008	Six months ended 30 June 2007
	(Reviewed)	(Audited)		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	BD	BD		BD	BD	BD	BD
<b>ASSETS</b>			<b>OPERATING INCOME</b>				
Cash and balances with Central Bank of Bahrain	22,731,002	15,173,663	Income from Murabaha	1,436,917	1,526,295	2,976,971	2,502,878
Central Bank of Bahrain Sukuk	24,460,000	20,380,000	Income from other Islamic financing contracts	1,783,394	1,132,641	3,164,822	2,286,142
Murabaha with banks	329,773,377	224,450,893		3,220,311	2,658,936	6,141,793	4,789,020
Murabaha financing	67,948,258	32,641,599	Profit paid on Murabaha from banks	(636,075)	(580,571)	(1,146,099)	(913,501)
Ijarah Muntahia Bittamleek	19,505,804	10,435,863	Profit paid on Murabaha from non-banks	(2,059,732)	(377,637)	(3,685,675)	(580,094)
Non-trading investments	92,364,316	62,735,696	Share of profit to unrestricted investment account holders	(49,102)	(367)	(119,399)	(367)
Investment in an associate	8,272,000	8,272,000		475,402	1,700,361	1,190,620	3,295,058
Investment properties	1,177,528	1,177,528	Fees and commission income	477,184	60,232	687,555	400,064
Receivables and prepayments	25,713,341	10,505,046	Gain on disposal of assets held-for-sale	8,858,121	8,626,286	17,379,609	12,018,535
Premises and equipment	2,726,499	2,979,252	Unrealised gains on investments designated as fair value through profit or loss	904,476	1,067,257	1,125,588	3,152,272
Assets held-for-sale	51,876,481	9,024,000	Foreign exchange gains	364,223	17,685	822,215	73,220
<b>TOTAL ASSETS</b>	<b>646,548,606</b>	<b>397,775,540</b>	Other operating income	98,490	23,055	131,340	55,096
<b>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>			<b>TOTAL OPERATING INCOME</b>	<b>11,177,896</b>	<b>11,494,876</b>	<b>21,336,927</b>	<b>18,994,245</b>
<b>Liabilities</b>			<b>OPERATING EXPENSES</b>				
Murabaha from banks	164,721,505	96,983,041	Staff costs	1,867,590	1,339,404	3,618,900	2,555,870
Murabaha from non-banks	225,874,922	106,908,709	Premises and equipment cost	159,899	103,689	253,920	226,615
Customers' current accounts	15,525,601	5,688,686	Depreciation	220,629	177,291	437,237	321,259
Other liabilities	24,334,277	8,954,642	Depreciation on Ijarah Muntahia Bittamleek	330,073	256,668	528,034	507,431
<b>Total Liabilities</b>	<b>430,456,305</b>	<b>218,535,078</b>	Other operating expenses	739,002	748,367	1,216,099	1,351,010
<b>UNRESTRICTED INVESTMENT ACCOUNTS</b>	<b>53,967,774</b>	<b>19,769,585</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>3,317,193</b>	<b>2,625,419</b>	<b>6,054,190</b>	<b>4,962,185</b>
<b>EQUITY</b>			<b>NET INCOME FOR THE PERIOD</b>	<b>7,860,703</b>	<b>8,869,457</b>	<b>15,282,737</b>	<b>14,032,060</b>
Share capital	120,000,000	120,000,000	<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>1,200,000,000</b>	<b>1,199,936,370</b>	<b>1,200,000,000</b>	<b>1,199,936,370</b>
Reserves and retained earnings	42,124,527	38,941,790	<b>BASIC EARNINGS PER SHARE (FILS)</b>	<b>6.6</b>	<b>7.4</b>	<b>12.7</b>	<b>11.7</b>
Proposed appropriations	-	529,087					
<b>Total equity</b>	<b>162,124,527</b>	<b>159,470,877</b>					
<b>TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>	<b>646,548,606</b>	<b>397,775,540</b>					

STATEMENT OF CASH FLOWS	Six months ended 30 June 2008	Six months ended 30 June 2007	STATEMENT OF CHANGES IN EQUITY	Six months ended 30 June 2008	Six months ended 30 June 2007
	(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)
	BD	BD		BD	BD
Net cash from operating activities	82,045,951	49,292,034	Balance at the beginning of the period	159,370,877	136,401,589
Net cash used in investing activities	(29,813,105)	(9,582,612)	Dividends	(12,000,000)	-
Net cash from financing activities	22,198,189	30,885,797	Zakah	(529,087)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>74,431,035</b>	<b>70,595,219</b>	Net income for the period	15,282,737	14,032,060
Cash and cash equivalents at 1 January	233,608,190	92,285,728	Sale of treasury stock	-	20,294
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>308,039,225</b>	<b>162,880,947</b>	<b>Balance at the end of the period</b>	<b>162,124,527</b>	<b>150,453,943</b>

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 5<sup>th</sup> July, 2008.

Board Member

Board Member & CEO

These financial statements were extracted from the financial statements on which Ernst & Young issued an unqualified review report dated 5<sup>th</sup> July 2008.