

Al Salam Bank-Bahrain B.S.C.

Interim Condensed Financial Statements - Period ended 30 September 2008



BALANCE SHEET	30 September 2008	31 December 2007	STATEMENT OF INCOME	Three months ended 30 September 2008	Three months ended 30 September 2007	Nine months ended 30 September 2008	Nine months ended 30 September 2007
	(Reviewed)	(Audited)		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	BD	BD		BD	BD	BD	BD
ASSETS			OPERATING INCOME				
Cash and balances with Central Bank of Bahrain	38,239,762	15,173,663	Income from Murabaha	1,610,448	3,079,627	4,587,419	5,582,505
Central Bank of Bahrain Sukuk	24,475,000	20,380,000	Income from other Islamic financing contracts	2,344,137	632,195	5,508,959	2,918,337
Murabaha with banks	188,194,457	224,450,893		3,954,585	3,711,822	10,096,378	8,500,842
Murabaha financing	84,116,336	32,641,599	Profit paid on Murabaha from banks	(917,414)	(937,813)	(2,063,513)	(1,851,314)
Ijarah Muntahia Bittamleek	29,223,013	10,435,863	Profit paid on Murabaha from non-banks	(2,635,943)	(857,620)	(6,321,618)	(1,437,714)
Non-trading investments	85,505,935	62,735,696	Share of profit to unrestricted investment account holders	(122,708)	(3,310)	(242,107)	(3,677)
Investment in an associate	8,294,000	8,272,000		278,520	1,913,079	1,469,140	5,208,137
Investment properties	1,177,528	1,177,528	Fees and commission income	373,680	691,456	1,061,235	3,513,779
Receivables and prepayments	11,477,314	10,505,046	Gain on disposal of assets held-for-sale	6,163,749	617,132	23,543,358	10,213,408
Premises and equipment	2,669,605	2,979,252	Gains on investments designated as fair value through profit or loss	4,970,312	2,128,224	6,095,900	5,280,496
Assets held-for-sale	122,257,309	9,024,000	Foreign exchange (losses) gains	(493,309)	151,737	328,907	224,957
TOTAL ASSETS	595,630,259	397,775,540	Other operating income	113,752	223,562	245,092	278,658
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY			TOTAL OPERATING INCOME	11,406,704	5,725,190	32,743,632	24,719,435
Liabilities			OPERATING EXPENSES				
Murabaha from banks	86,992,360	96,983,041	Staff costs	1,892,935	1,336,368	5,511,835	3,892,238
Murabaha from non-banks	264,963,989	106,908,709	Premises and equipment cost	137,558	98,439	391,478	325,054
Customers' current accounts	4,777,299	5,688,686	Depreciation	227,375	201,817	664,613	523,076
Other liabilities	9,973,719	8,954,642	Depreciation on Ijarah Muntahia Bittamleek	515,617	265,147	1,043,651	772,578
Total Liabilities	366,707,367	218,535,078	Other operating expenses	1,258,287	500,474	2,474,386	1,851,484
UNRESTRICTED INVESTMENT ACCOUNTS	59,401,433	19,769,585	TOTAL OPERATING EXPENSES	4,031,772	2,402,245	10,085,963	7,364,430
EQUITY			NET INCOME FOR THE PERIOD	7,374,932	3,322,945	22,657,669	17,355,005
Share capital	120,000,000	120,000,000	WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,200,000,000	1,200,000,000	1,200,000,000	1,199,914,300
Reserves and retained earnings	49,521,459	38,941,790	BASIC EARNINGS PER SHARE (FILS)	6.1	2.8	18.9	14.5
Proposed appropriations	-	529,087					
Total equity	169,521,459	159,470,877					
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	595,630,259	397,775,540					

STATEMENT OF CASH FLOWS	Nine months ended 30 September 2008	Nine months ended 30 September 2007	STATEMENT OF CHANGES IN EQUITY	Nine months ended 30 September 2008	Nine months ended 30 September 2007
	(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)
	BD	BD		BD	BD
Net cash from operating activities	58,484,011	83,812,499	Balance at the beginning of the period	159,470,877	136,401,589
Net cash used in investing activities	(127,831,507)	(24,709,260)	Dividends	(12,000,000)	-
Net cash from financing activities	27,631,848	26,582,823	Charitable donations	(100,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(41,715,648)	85,686,062	Zakah	(529,087)	-
Cash and cash equivalents at 1 January	233,608,190	92,285,728	Net income for the period	22,657,669	17,355,005
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	191,892,542	177,971,790	Adjustments during the period	22,000	-
			Sale of treasury stock	-	20,294
			Balance at the end of the period	169,521,459	153,776,888

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 13th October 2008.

Chairman

Director & CEO

These financial statements were extracted from the financial statements on which Ernst & Young issued an unqualified review report dated 13th October 2008.