

Al Salam Bank-Bahrain B.S.C. Consolidated Financial Statements for the Year ended 31 December 2010

These consolidated financial statements were extracted from the audited consolidated financial statements on which Ernst & Young issued an unqualified opinion dated 1st February 2011.

CONSOLIDATED INCOME STATEMENT	Year ended 31 December 2010	Year ended 31 December 2009
	BD '000	BD '000
OPERATING INCOME		
Income from financing contracts	26,135	15,998
Income from investments designated as fair value through profit or loss	1,089	713
Gains on disposal of investments	1,531	11,782
Gains on investments designated as fair value through profit or loss	7,608	5,772
Fees and commissions	2,145	556
Foreign exchange gains	839	337
Other income	2,954	18
	42,301	35,176
Less: Profit on Murabaha and Wakala payables to banks	(617)	(1,119)
Less: Profit on Wakala from non-banks	(14,674)	(13,928)
Less: Profit on unrestricted investment accounts	(216)	(155)
Less: Depreciation on Ijarah Muntahia Bittamleek	(4,430)	(4,038)
Total operating income	22,364	15,936
OPERATING EXPENSES		
Staff costs	7,023	5,131
Premises and equipment cost	1,144	723
Depreciation	1,133	1,010
Other operating expenses	4,255	2,853
Total operating expenses	13,555	9,717
PROFIT BEFORE RESULTS OF ASSOCIATE / SUBSIDIARY	8,809	6,219
Gain arising on acquisition of a subsidiary	-	7,996
Share of gain (loss) from an associate	15	(255)
Post acquisition profit from the subsidiary	-	21
Shari'a prohibited income contributed to charity	-	(19)
NET PROFIT BEFORE PROVISIONS	8,824	13,962
Provision for impairment	(1,508)	-
NET PROFIT FOR THE YEAR	7,316	13,962
<i>Attributable to:</i>		
Equity holders of the Bank	7,209	13,960
Non-controlling interest	107	2
	7,316	13,962
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,497,063,825	1,360,825,581
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	5	10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Year ended 31 December 2010	Year ended 31 December 2009
	BD '000	BD '000
NET PROFIT FOR THE YEAR	7,316	13,962
Other comprehensive income:		
Net change in fair value	856	(367)
Exchange differences on investment in an associate	(96)	(99)
Other comprehensive income (loss) for the year	760	(466)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,076	13,496
<i>Attributable to:</i>		
Equity holders of the Bank	7,666	13,480
Non-controlling interest	410	16
	8,076	13,496

These consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 1st February, 2011.

Mohamed Alabbar
Chairman

Yousif Taqi
Director & CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 December 2010	31 December 2009
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	95,791	126,739
Central Bank of Bahrain Sukuk	68,632	32,908
Murabaha receivables from banks	137,299	149,304
Corporate Sukuk	61,724	16,950
Murabaha and Mudaraba financing	120,812	87,274
Ijarah Muntahia Bittamleek	69,825	46,315
Musharaka financing	8,127	5,384
Assets under conversion	57,432	98,305
Non-trading investments	212,432	184,680
Investment in an associate	7,578	7,659
Investment properties	3,373	1,177
Receivables and prepayments	12,479	26,902
Premises and equipment	1,859	2,337
TOTAL ASSETS	857,363	785,934
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	101,300	89,398
Wakala from non-banks	456,447	317,370
Customers' current accounts	57,362	32,700
Liabilities under conversion	5,171	120,402
Other liabilities	15,993	14,877
TOTAL LIABILITIES	636,273	574,747
UNRESTRICTED INVESTMENT ACCOUNTS	18,465	9,409
EQUITY		
Share capital	149,706	142,577
Reserves and retained earnings	48,922	41,356
Proposed appropriations	-	14,258
Total equity attributable to shareholders of the Bank	198,628	198,191
Non-controlling interest	3,997	3,587
TOTAL EQUITY	202,625	201,778
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	857,363	785,934

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Year ended 31 December 2010	Year ended 31 December 2009
	BD '000	BD '000
Balance at 1 January	201,778	172,484
Total comprehensive income for the year	8,076	13,496
Zakah paid	-	(823)
Charitable donations	(100)	(100)
Dividends paid	(7,129)	(12,000)
Shares issued	-	25,286
Share issue expenses	-	(136)
Non-controlling interest arising on acquisition of a subsidiary	-	3,571
Balance at 31 December	202,625	201,778

CONSOLIDATED STATEMENT OF CASH FLOWS	Year ended 31 December 2010	Year ended 31 December 2009
	BD '000	BD '000
Net cash (used in) from operating activities	(54,517)	53,625
Net cash (used in) from investing activities	(2,851)	57,827
Net cash from (used in) financing activities	1,927	(9,099)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(55,441)	102,353
Cash and cash equivalents at 1 January	258,557	156,204
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	203,116	258,557