

Al Salam Bank-Bahrain Interim Consolidated Financial Statements for the Period ended 31 March 2010

These consolidated financial statements were extracted from the consolidated financial statements on which Ernst & Young issued an unqualified review report dated 27th April 2010.

INTERIM CONSOLIDATED INCOME STATEMENT	Three months ended 31 March 2010 (Unaudited)	Three months ended 31 March 2009 (Unaudited)
	BD	BD
OPERATING INCOME		
Income from financing contracts	3,898,053	3,661,596
Income relating to assets under conversion	1,290,000	-
Gains on disposal of investments	423,873	9,351,333
Gains on investments designated as fair value through profit or loss	4,213,208	2,010,821
Income from investments designated as fair value through profit or loss	512,238	289,763
Other operating income	879,447	130,038
	11,216,819	15,443,551
Less: Profit paid and payable on Murabaha and Wakala from banks	(701,572)	(118,157)
Less: Profit on Wakala from non-banks	(2,293,742)	(3,200,350)
Less: Profit on unrestricted investment accounts	(57,762)	(30,941)
Less: Expenses arising from liabilities under conversion	(606,000)	-
Less: Depreciation on Ijarah Muntahia Bittamleek	(340,867)	(1,252,425)
TOTAL OPERATING INCOME	7,216,876	10,841,678
OPERATING EXPENSES		
Staff costs	1,551,473	1,854,084
Premises and equipment cost	157,040	172,055
Depreciation	289,173	253,117
Other operating expenses	1,176,599	655,393
TOTAL OPERATING EXPENSES	3,174,285	2,934,649
PROFIT BEFORE RESULTS OF ASSOCIATE	4,042,591	7,907,029
Share of profit from an associate	8,005	-
NET PROFIT FOR THE PERIOD	4,050,596	7,907,029
<i>Attributable to:</i>		
Equity holders of the Bank	4,024,142	7,907,029
Non-controlling interest	26,454	-
	4,050,596	7,907,029
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED EARNINGS PER SHARE (FILS)	1,497,063,829	1,260,000,000
	2.7	6.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Three months ended 31 March 2010 (Unaudited)	Three months ended 31 March 2009 (Unaudited)
	BD	BD
NET PROFIT FOR THE PERIOD	4,050,596	7,907,029
Other comprehensive income:		
Net change in fair value	462,295	-
Exchange differences on investment in an associate	37,290	(276,568)
Other comprehensive income for the period	499,585	(276,568)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,550,181	7,630,461
<i>Attributable to:</i>		
Equity holders of the Bank	4,478,572	7,630,461
Non-controlling interest	71,609	-
	4,550,181	7,630,461

These interim consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 27 April 2010.

Mohamed Alabbar
Chairman

Yousif Taqi
Director & CEO

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 March 2010 (Unaudited)	31 December 2009 (Audited)
	BD	BD
ASSETS		
Cash and balances with Central Bank of Bahrain	118,408,198	126,739,202
Central Bank of Bahrain Sukuk	33,890,695	32,907,875
Murabaha receivables from banks	142,011,265	149,303,782
Corporate Sukuk	22,814,096	16,949,546
Murabaha and Mudaraba receivables	109,293,638	87,273,825
Ijarah Muntahia Bittamleek	44,215,761	46,314,651
Musharaka financing	5,808,639	5,384,369
Assets under conversion	82,079,000	98,305,000
Non-trading investments	189,356,438	184,679,822
Investment in an associate	7,704,350	7,659,055
Investment properties	3,342,319	1,177,528
Receivables and prepayments	12,250,916	26,902,192
Premises and equipment	2,125,487	2,337,436
TOTAL ASSETS	773,300,802	785,934,283
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	90,191,655	89,397,722
Wakala from non-banks	298,796,837	317,369,585
Customers' current accounts	52,739,534	32,699,944
Liabilities under conversion	99,283,000	120,402,000
Other liabilities	17,861,932	14,877,262
TOTAL LIABILITIES	558,872,958	574,746,513
UNRESTRICTED INVESTMENT ACCOUNTS	15,228,235	9,409,467
EQUITY		
Share capital	149,706,383	142,577,508
Reserves and retained earnings	45,834,960	41,356,388
Proposed appropriations	-	14,257,750
Total equity attributable to shareholders of the Bank	195,541,343	198,191,646
Non-controlling interest	3,658,266	3,586,657
TOTAL EQUITY	199,199,609	201,778,303
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	773,300,802	785,934,283

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	Three months ended 31 March 2010 (Unaudited)	Three months ended 31 March 2009 (Unaudited)
	BD	BD
Net cash (used in) from operating activities	(13,961,200)	5,855,706
Net cash used in investing activities	(2,242,015)	(145,939)
Net cash used in financing activities	(1,310,107)	(5,295,416)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,513,322)	414,351
Cash and cash equivalents at 1 January	258,557,278	156,204,000
CASH AND CASH EQUIVALENTS AT 31 MARCH	241,043,956	156,618,351

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Three months ended 31 March 2010 (Unaudited)	Three months ended 31 March 2009 (Unaudited)
	BD	BD
Balance at 1 January	201,778,303	172,483,481
Net profit for the period	4,050,596	7,907,029
Changes on investment in an associate	37,290	(276,568)
Net change in fair value	462,295	-
Zakah	-	(822,525)
Dividends paid	(7,128,875)	(12,000,000)
Balance at 31 March	199,199,609	167,291,417