

# Al Salam Bank Bahrain B.S.C. Interim Condensed Consolidated Financial Statements for the period ended 31 March 2011

These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated 18<sup>th</sup> April 2011.

INTERIM CONSOLIDATED INCOME STATEMENT	31 March 2011 Reviewed BD '000	31 March 2010 Reviewed BD '000
<b>OPERATING INCOME</b>		
Income from financing contracts	6,413	4,626
(Loss) income from investments designated as fair value through profit or loss	(301)	512
Gains on disposal of investments	693	439
Gains on investments designated as fair value through profit or loss	108	4,213
Dividend income	248	79
Fees and commissions	242	324
Foreign exchange gains	317	147
Other income	-	330
	<b>7,720</b>	10,670
Profit on Murabaha and Wakala payables to banks	(166)	(154)
Profit on Wakala from non-banks	(4,044)	(2,900)
Profit relating to equity of investment accountholders	(63)	(58)
Depreciation on Ijarah Muntahia Bittamleek	(780)	(341)
Total operating income	<b>2,667</b>	7,217
<b>OPERATING EXPENSES</b>		
Staff costs	1,505	1,551
Premises and equipment cost	277	157
Depreciation	307	289
Other operating expenses	923	1,177
Total operating expenses	<b>3,012</b>	3,174
Share of gain from an associate	-	8
<b>NET (LOSS) PROFIT BEFORE PROVISIONS</b>	(345)	4,051
Provision for financing facilities	(468)	-
<b>NET (LOSS) PROFIT FOR THE PERIOD</b>	(813)	4,051
<i>Attributable to:</i>		
Equity holders of the Bank	(853)	4,024
Non-controlling interest	40	27
	<b>(813)</b>	4,051
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>1,496,751,092</b>	1,497,063,825
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	<b>(0.6)</b>	2.7
<b>INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>31 March 2011 Reviewed BD '000</b>	<b>31 March 2010 (Restated) Reviewed BD '000</b>
<b>NET (LOSS) PROFIT FOR THE PERIOD</b>	(813)	4,051
Other comprehensive income:		
Net change in fair value	(405)	134
Exchange differences on investment in an associate	-	37
Exchange differences on investment in an associate transferred to income statement	96	-
<b>Other comprehensive income for the period</b>	(309)	171
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(1,122)</b>	4,222
<i>Attributable to:</i>		
Equity holders of the Bank	(1,166)	4,154
Non-controlling interest	44	68
	<b>(1,122)</b>	4,222

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 18<sup>th</sup> April 2011.

Mohamed Alabbar  
Chairman

Yousif Taqi  
Director & CEO

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 March 2011 Reviewed BD '000	31 December 2010 (Restated) Audited BD '000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank of Bahrain	67,242	95,791
Central Bank of Bahrain Sukuk	83,360	68,632
Murabaha and Wakala receivables from banks	122,633	137,299
Corporate Sukuk	63,752	60,959
Murabaha and Mudaraba financing	126,197	120,812
Ijarah Muntahia Bittamleek	72,875	69,825
Musharaka financing	9,133	8,127
Assets under conversion	47,390	57,432
Non-trading investments	220,702	212,432
Investment in an associate	-	7,578
Investment properties	3,373	3,373
Receivables and prepayments	12,975	12,479
Premises and equipment	1,661	1,859
<b>TOTAL ASSETS</b>	<b>831,293</b>	856,598
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and Wakala payables to banks	101,324	101,300
Wakala from non-banks	423,402	456,447
Customers' current accounts	60,050	57,362
Liabilities under conversion	5,070	5,171
Other liabilities	14,477	15,993
<b>TOTAL LIABILITIES</b>	<b>604,323</b>	636,273
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY</b>	<b>26,316</b>	18,465
Share capital	149,706	149,706
Treasury stock	(84)	-
Reserves and retained earnings	46,999	48,165
Total equity attributable to shareholders of the Bank	196,621	197,871
Non-controlling interest	4,033	3,989
<b>TOTAL OWNERS' EQUITY</b>	<b>200,654</b>	201,860
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>831,293</b>	856,598
<b>INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY</b>	<b>31 March 2011 Reviewed BD '000</b>	<b>31 March 2010 (Restated) Reviewed BD '000</b>
Balance at 1 January	202,625	201,777
Changes due to adoption of FAS 25	(765)	507
Total comprehensive income for the period:		
Net (loss) profit for the period	(813)	4,051
Other comprehensive income:		
Changes on investment in an associate	-	37
Net change in fair value	(405)	133
Transfer to income statement	96	-
Treasury shares purchased	(84)	-
Dividends paid for 2009	-	(7,129)
<b>Balance at 31 March</b>	<b>200,654</b>	199,376
<b>INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>31 March 2011 Reviewed BD '000</b>	<b>31 March 2010 (Restated) Reviewed BD '000</b>
Net cash used in operating activities	(74,202)	(13,961)
Net cash used in investing activities	(109)	(2,242)
Net cash from (used in) financing activities	7,771	(1,310)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(66,540)</b>	(17,513)
Cash and cash equivalents at 1 January	203,116	258,557
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>136,576</b>	241,044