

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

## Consolidated Financial Statements for the Year ended 31 December 2012

These statements have been extracted from the audited consolidated financial statements on which Ernst & Young issued an unqualified opinion dated 30<sup>th</sup> January 2013.

CONSOLIDATED INCOME STATEMENT	31 December 2012	31 December 2011
	BD '000	BD '000
<b>OPERATING INCOME</b>		
Income from financing contracts	20,545	18,007
Income from Sukuk	8,899	6,106
Gains on sale of investments and Sukuk	10,876	2,849
Income from FVTPL investments	635	601
Fair value changes on FVTPL investments	(7,021)	5,189
Net gain (loss) from available-for-sale investments	1,098	(5,325)
Fair value changes on investment properties	-	(873)
Dividend income	1,275	1,156
Foreign exchange gains	644	1,108
Fees and commission	823	831
Other income	6,281	361
	<b>44,055</b>	<b>30,010</b>
Profit on Murabaha and Wakala payables to banks	(599)	(714)
Profit on Wakala payables to non-banks	(20,228)	(16,403)
Profit relating to equity of investment accountholders	(166)	(153)
Total operating income	<b>23,062</b>	<b>12,740</b>
<b>OPERATING EXPENSES</b>		
Staff costs	6,350	6,016
Premises and equipment cost	1,179	1,168
Depreciation	394	999
Other operating expenses	3,541	3,415
Total operating expenses	<b>11,464</b>	<b>11,598</b>
<b>PROFIT BEFORE RESULTS OF ASSOCIATE AND PROVISIONS</b>	<b>11,598</b>	<b>1,142</b>
Share of profit from an associate	778	-
Provisions	(2,068)	(645)
<b>NET PROFIT FOR THE YEAR</b>	<b>10,308</b>	<b>497</b>
<b>Attributable to:</b>		
Shareholders of the Bank	10,272	312
Non-controlling interest	36	185
	<b>10,308</b>	<b>497</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES (in '000)</b>	<b>1,491,372</b>	<b>1,491,779</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	<b>6.9</b>	<b>0.2</b>

CONSOLIDATED STATEMENT OF CASH FLOWS	31 December 2012	31 December 2011
	BD '000	BD '000
Net cash used in operating activities	(40,637)	(12,484)
Net cash used in investing activities	(72)	(229)
Net cash from (used in) financing activities	1,993	(2,674)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(38,716)</b>	<b>(15,387)</b>
Cash and cash equivalents at 1 January	187,729	203,116
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>149,013</b>	<b>187,729</b>

These consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 30<sup>th</sup> January 2013.

Shaikha Hessa bint Khalifa Al Khalifa  
Chairperson of the Board

Yousif Taqi  
Director & CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 December 2012	31 December 2011
	BD '000	BD '000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank of Bahrain	66,843	72,318
Central Bank of Bahrain Sukuk	117,612	125,027
Murabaha and Wakala receivables from banks	103,290	135,698
Corporate Sukuk	74,993	49,650
Murabaha financing	127,537	135,383
Mudaraba financing	99,572	57,706
Ijarah Muntahia Bittamleek	82,954	66,477
Musharaka	17,467	11,711
Non-trading investments	204,202	223,320
Investment in an associate	7,573	-
Investment properties	2,500	2,500
Other assets	36,908	43,028
Premises and equipment	767	1,089
<b>TOTAL ASSETS</b>	<b>942,218</b>	<b>923,907</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and Wakala payables to banks	90,852	104,573
Wakala payables to non-banks	521,929	515,147
Customers' current accounts	83,921	66,585
Other liabilities	19,175	20,721
<b>TOTAL LIABILITIES</b>	<b>715,877</b>	<b>707,026</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>18,276</b>	<b>16,256</b>
<b>OWNERS' EQUITY</b>		
Share capital	149,706	149,706
Treasury stock	(492)	(465)
Reserves and retained earnings	51,366	47,228
Proposed appropriations	7,485	-
Total equity attributable to shareholders of the Bank	208,065	196,469
Non-controlling interest	-	4,156
<b>TOTAL OWNERS' EQUITY</b>	<b>208,065</b>	<b>200,625</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>942,218</b>	<b>923,907</b>

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY	31 December 2012	31 December 2011
	BD '000	BD '000
<b>Balance at 1 January</b>	<b>200,625</b>	<b>202,625</b>
Changes due to adoption of FAS 25	-	(765)
As at 1 January (restated)	200,625	201,860
Net profit for the year	10,308	497
Net change in fair value	1,922	(1,263)
Changes on investment in an associate	(571)	-
Transfer to income statement	-	96
Treasury shares purchased	(27)	(465)
Transfer to other liabilities	(4,192)	-
Charitable donations	-	(100)
<b>Balance at 31 December</b>	<b>208,065</b>	<b>200,625</b>