

# Al Salam Bank-Bahrain B.s.c.

Interim Condensed Consolidated Financial Statements for the period ended 30 June 2015  
These statements were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated 12<sup>th</sup> August 2015.



AL SALAM BANK  
السلام بنك البحرين

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	(Reviewed) 30 June 2015	(Audited) 31 December 2014
	BD '000	BD '000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank of Bahrain	256,791	277,751
Central Bank of Bahrain Sukuk	146,613	94,678
Murabaha and Wakala receivables from banks	107,321	182,110
Corporate Sukuk	136,689	139,304
Murabaha financing	337,307	270,428
Mudaraba financing	204,943	189,601
Ijarah Muntahia Bittamleek	169,888	141,052
Musharaka	11,146	10,851
Assets under conversion	121,336	308,659
Non-trading investments	150,848	147,096
Investments in real estate	63,889	65,149
Development properties	58,924	59,262
Investment in associates	10,460	10,492
Other assets	39,054	32,893
Goodwill	25,971	25,971
Assets held-for-sale	54,445	-
<b>TOTAL ASSETS</b>	<b>1,895,625</b>	<b>1,955,297</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and Wakala payables to banks	136,844	121,266
Wakala payables to non-banks	1,034,582	1,034,052
Customers' current accounts	193,797	226,648
Term financing	19,899	21,337
Liabilities under conversion	5,971	149,621
Other liabilities	54,556	45,418
Liabilities relating to assets classified as held-for-sale	37,147	-
<b>TOTAL LIABILITIES</b>	<b>1,482,796</b>	<b>1,598,342</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY</b>	<b>81,845</b>	<b>28,152</b>
Share capital	214,093	214,093
Reserves and retained earnings	101,671	93,777
Proposed appropriations	-	10,705
Total equity attributable to shareholders of the Bank	315,764	318,575
Non-controlling interest	15,220	10,228
<b>TOTAL OWNERS' EQUITY</b>	<b>330,984</b>	<b>328,803</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,895,625</b>	<b>1,955,297</b>
<b>INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED)</b>	<b>Six month period ended 30 June 2015</b>	<b>Six month period ended 30 June 2014</b>
	BD '000	BD '000
<b>Balance at 1 January</b>	<b>328,803</b>	<b>246,097</b>
Net profit for the period	9,034	8,319
Net changes in fair value	(227)	1,157
Foreign currency re-translation	(926)	(117)
Dividend paid	(10,993)	(7,446)
Shares issued on acquisition	-	72,886
Share issue expenses	-	(125)
Net movement in non-controlling interest	5,293	(3,915)
Sale of treasury stock	-	1,754
Transfer	-	-
<b>Balance at 30 June</b>	<b>330,984</b>	<b>318,610</b>
<b>INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)</b>	<b>Six month period ended 30 June 2015</b>	<b>Six month period ended 30 June 2014</b>
	BD '000	BD '000
Net cash (used in) from operating activities	(108,889)	142,207
Net cash (used in) from investing activities	(569)	128,518
Net cash from (used in) financing activities	18,291	(9,276)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(91,167)</b>	<b>261,449</b>
Cash and cash equivalents at 1 January	408,535	171,040
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>317,368</b>	<b>432,489</b>

INTERIM CONSOLIDATED INCOME STATEMENT (REVIEWED)	Three months ended 30 June 2015	Three months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
	BD '000	BD '000	BD '000	BD '000
<b>OPERATING INCOME</b>				
Income from financing contracts	11,062	15,289	24,805	21,310
Income from Sukuk	2,688	1,657	5,421	2,917
Gains on sale of investments and Sukuk	1,353	232	1,508	2,399
Income from investments	1,667	405	2,343	1,009
Fair value changes on investments	550	494	824	2,105
Dividend income	86	27	464	324
Foreign exchange gains	570	453	453	686
Fees, commission and other income-net	1,375	2,960	2,862	3,399
	<b>19,351</b>	<b>21,517</b>	<b>38,680</b>	<b>34,149</b>
Profit on Murabaha and Wakala payables to banks	(174)	(270)	(360)	(479)
Profit on Wakala payables to non-banks	(6,516)	(7,904)	(13,953)	(12,013)
Profit on term financing	(227)	(263)	(450)	(497)
Profit relating to equity of investment accountholders	(194)	(48)	(248)	(90)
<b>Total operating income</b>	<b>12,240</b>	<b>13,032</b>	<b>23,669</b>	<b>21,070</b>
<b>OPERATING EXPENSES</b>				
Staff cost	2,900	3,998	6,135	5,667
Premises and equipment cost	698	719	1,391	977
Depreciation	383	883	950	949
Other operating expenses	2,301	2,671	4,964	3,972
<b>Total operating expenses</b>	<b>6,282</b>	<b>8,271</b>	<b>13,440</b>	<b>11,565</b>
<b>PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES AND JOINT VENTURES</b>	<b>5,958</b>	<b>4,761</b>	<b>10,229</b>	<b>9,505</b>
Provision for impairment - net	(838)	(446)	(2,050)	(1,329)
Share of (loss) profit from associates and joint venture	-	(89)	855	143
<b>NET PROFIT FOR THE PERIOD</b>	<b>5,120</b>	<b>4,226</b>	<b>9,034</b>	<b>8,319</b>
<b>Attributable to:</b>				
- Shareholders of the Bank	5,152	4,151	8,945	8,167
- Non-controlling interest	(32)	75	89	152
	<b>5,120</b>	<b>4,226</b>	<b>9,034</b>	<b>8,319</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES (in '000)</b>	<b>2,140,931</b>	<b>2,135,882</b>	<b>2,140,931</b>	<b>1,821,521</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (FILS)</b>	<b>2.4</b>	<b>2.0</b>	<b>4.2</b>	<b>4.6</b>
<b>TOTAL COMPREHENSIVE INCOME (REVIEWED)</b>	<b>Three months ended 30 June 2015</b>	<b>Three months ended 30 June 2014</b>	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
	BD '000	BD '000	BD '000	BD '000
<b>Net profit for the period</b>	<b>5,120</b>	<b>4,226</b>	<b>9,034</b>	<b>8,319</b>
<b>Other comprehensive (loss) income:</b>				
Items to be reclassified to profit or loss in subsequent periods:				
Net changes in fair value of available-for-sale investments	(1,192)	1,305	(247)	1,157
Changes in fair value of investments in real estate	4	-	20	-
Foreign currency re-translation	(237)	(85)	(926)	(117)
<b>Other comprehensive (loss) income for the period</b>	<b>(1,425)</b>	<b>1,220</b>	<b>(1,153)</b>	<b>1,040</b>
<b>Total comprehensive income for the period</b>	<b>3,695</b>	<b>5,446</b>	<b>7,881</b>	<b>9,359</b>
<b>Attributable to:</b>				
Equity holders of the Bank	3,829	5,371	7,894	9,207
Non-controlling interest	(134)	75	(13)	152
	<b>3,695</b>	<b>5,446</b>	<b>7,881</b>	<b>9,359</b>

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 12<sup>th</sup> August 2015.

Shaikha Hessa bint Khalifa Al Khalifa  
Chairperson of the Board

Yousif Taqi  
Director & Group CEO