

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

Interim Condensed Consolidated Financial Statements for the period ended 30 September 2017  
These statements have been extracted from the interim condensed consolidated financial statements on which Ernst & Young has issued an unqualified review report dated 8 November 2017.



AL SALAM BANK  
البحرين BAHRAIN

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	(Reviewed) 30 September 2017	(Audited) 31 December 2016
	BD '000	BD '000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank	103,102	131,990
Sovereign Sukuk	363,160	358,269
Murabaha and Wakala receivables from banks	155,585	182,452
Corporate Sukuk	10,337	28,934
Murabaha financing	221,661	213,687
Mudaraba financing	289,089	252,807
Ijarah Muntahia Bittamleek	213,249	188,485
Musharaka	17,098	12,304
Assets under conversion	3,094	37,016
Non-trading investments	115,130	122,073
Investments in real estate	51,863	51,863
Development properties	10,696	17,781
Investment in associates	17,529	10,561
Other assets	69,829	27,260
Goodwill	25,971	25,971
Assets classified as held-for-sale	-	19,840
<b>TOTAL ASSETS</b>	<b>1,667,393</b>	<b>1,681,293</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and Wakala payables to banks	145,432	132,032
Murabaha and Wakala payables to non-banks	658,535	723,439
Current accounts	291,407	279,609
Liabilities under conversion	2,199	217
Murabaha term financing	97,144	91,837
Other liabilities	57,046	49,043
Liabilities relating to assets classified as held-for-sale	-	11,421
<b>TOTAL LIABILITIES</b>	<b>1,251,763</b>	<b>1,287,598</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>89,941</b>	<b>68,796</b>
<b>OWNERS' EQUITY</b>		
Share capital	214,093	214,093
Treasury stock	(1,733)	(1,646)
Reserves and retained earnings	112,637	100,213
Proposed appropriations	-	10,705
Total equity attributable to shareholders of the Bank	324,997	323,365
Non-controlling interest	692	1,534
<b>TOTAL OWNERS' EQUITY</b>	<b>325,689</b>	<b>324,899</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,667,393</b>	<b>1,681,293</b>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED)	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	BD '000	BD '000
<b>Balance at 1 January</b>	<b>324,899</b>	<b>320,002</b>
Net profit for the period	12,695	12,672
Net changes in fair value	377	447
Foreign currency re-translation	(138)	(64)
Dividend paid	(10,626)	(10,705)
Sale of a subsidiary	(1,431)	-
Purchase of treasury stock	(87)	-
Non-controlling interest arising on acquisition of a subsidiary	-	602
<b>Balance at 30 September</b>	<b>325,689</b>	<b>322,954</b>

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	BD '000	BD '000
Net cash used in operating activities	(98,626)	(85,554)
Net cash from investing activities	24,671	25,040
Net cash from financing activities	15,739	51,640
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(58,216)</b>	<b>(8,874)</b>
Cash and cash equivalents at 1 January	284,928	223,677
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>226,712</b>	<b>214,803</b>

INTERIM CONSOLIDATED INCOME STATEMENT (REVIEWED)	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	BD '000	BD '000	BD '000	BD '000
<b>OPERATING INCOME</b>				
Income from financing contracts	11,030	9,988	32,654	28,638
Income from Sukuk	4,190	3,663	12,543	11,766
Gain on sale of investments and Sukuk - net	2,407	172	2,830	2,226
Income from investments	131	246	1,697	1,877
Fair value changes on investments	(551)	(864)	(826)	363
Dividend income	168	435	575	817
Foreign exchange gain	302	461	632	1,155
Fees, commission and other income - net	2,961	2,695	10,946	5,931
	<b>20,638</b>	<b>16,796</b>	<b>61,051</b>	<b>52,773</b>
Profit on Murabaha and Wakala payables to banks	(341)	(369)	(1,322)	(1,481)
Profit on Wakala payables to non-banks	(3,695)	(4,397)	(11,701)	(13,627)
Profit on Murabaha term financing	(546)	(571)	(1,668)	(1,391)
Return on equity of investment account-holders before Group's share as a Mudarib	(56)	(55)	(147)	(162)
Group's share as a Mudarib	25	25	66	73
	(31)	(30)	(81)	(89)
<b>Total operating income</b>	<b>16,025</b>	<b>11,429</b>	<b>46,279</b>	<b>36,185</b>
<b>OPERATING EXPENSES</b>				
Staff cost	2,685	2,649	8,006	8,172
Premises and equipment cost	393	328	1,120	1,560
Depreciation	298	572	1,131	2,552
Other operating expenses	2,241	1,765	7,018	6,419
<b>Total operating expenses</b>	<b>5,617</b>	<b>5,314</b>	<b>17,275</b>	<b>18,703</b>
<b>PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES</b>	<b>10,408</b>	<b>6,115</b>	<b>29,004</b>	<b>17,482</b>
Provision for impairment - net	(6,108)	(1,823)	(17,219)	(5,537)
Share of profit from associates	-	-	910	727
<b>NET PROFIT FOR THE PERIOD</b>	<b>4,300</b>	<b>4,292</b>	<b>12,695</b>	<b>12,672</b>
<b>ATTRIBUTABLE TO:</b>				
- Shareholders of the Bank	4,356	4,220	12,833	12,930
- Non-controlling interest	(56)	72	(138)	(258)
	<b>4,300</b>	<b>4,292</b>	<b>12,695</b>	<b>12,672</b>
<b>Weighted average number of shares (in '000)</b>	<b>2,125,086</b>	<b>2,140,931</b>	<b>2,125,191</b>	<b>2,140,931</b>
<b>Basic and diluted earnings per share(fil)</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>6</b>

TOTAL COMPREHENSIVE INCOME (REVIEWED)	Three months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	BD '000	BD '000	BD '000	BD '000
<b>Net profit for the period</b>	<b>4,300</b>	<b>4,292</b>	<b>12,695</b>	<b>12,672</b>
Unrealized gain reclassified to interim consolidated income statement on disposal of fair value through equity investments	(595)	-	(1,322)	(82)
Unrealised gain on fair value through equity investments	25	567	972	529
Foreign currency re-translation	(223)	106	(138)	(64)
<b>Other comprehensive (loss) / gain for the period</b>	<b>(793)</b>	<b>673</b>	<b>(488)</b>	<b>383</b>
<b>Total comprehensive income for the period</b>	<b>3,507</b>	<b>4,965</b>	<b>12,207</b>	<b>13,055</b>
<b>Attributable to:</b>				
- Shareholders of the Bank	3,563	4,852	12,345	13,325
- Non-controlling interest	(56)	113	(138)	(270)
	<b>3,507</b>	<b>4,965</b>	<b>12,207</b>	<b>13,055</b>

These interim condensed consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors dated 8 November 2017.

Shaikha Hessa bint Khalifa Al Khalifa  
Chairperson of the Board

Yousif Abdulla Taqi  
Director & Group CEO