



AL SALAM BANK  
البحرين

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

### Condensed Consolidated Interim Financial Information for the Period Ended 30 June 2019.

These statements have been extracted from the Condensed Consolidated Interim Financial Information on which KPMG issued an unmodified review report dated 7<sup>th</sup> August 2019.

| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION                           | 30 June 2019<br>(Reviewed) | 31 December 2018<br>(Audited) |
|--|----------------------------|-------------------------------|
|  | BD '000                    | BD '000                       |
| <b>ASSETS</b>  |                            |                               |
| Cash and balances with banks and Central Bank                                    | 134,232                    | 82,257                        |
| Sovereign Sukuk and placements   | 342,481                    | 377,216                       |
| Placements with financial institutions   | 140,342                    | 140,304                       |
| Corporate Sukuk  | 9,517                      | 9,222                         |
| Financing assets   | 636,084                    | 568,905                       |
| Finance lease assets   | 295,928                    | 256,892                       |
| Non-trading investments  | 108,528                    | 107,508                       |
| Investment properties  | 76,147                     | 74,261                        |
| Development properties   | 2,943                      | 6,290                         |
| Investment in associates   | 17,038                     | 15,972                        |
| Other assets   | 47,135                     | 45,512                        |
| Goodwill   | 25,971                     | 25,971                        |
| <b>TOTAL ASSETS</b>  | <b>1,836,346</b>           | <b>1,710,310</b>              |
| <b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND SHAREHOLDERS' EQUITY</b> |                            |                               |
| <b>LIABILITIES</b>   |                            |                               |
| Placements from financial institutions   | 143,847                    | 144,125                       |
| Placements from customers  | 777,789                    | 705,924                       |
| Customer current accounts  | 325,383                    | 251,842                       |
| Murabaha term financing  | 145,373                    | 155,543                       |
| Other liabilities  | 42,317                     | 48,293                        |
| <b>TOTAL LIABILITIES</b>   | <b>1,434,709</b>           | <b>1,305,727</b>              |
| <b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>                                       | <b>92,737</b>              | <b>99,761</b>                 |
| <b>EQUITY</b>  |                            |                               |
| Share capital  | 221,586                    | 214,093                       |
| Treasury stock   | (4,641)                    | (3,855)                       |
| Reserves and retained earnings   | 91,354                     | 93,901                        |
| <i>Total equity attributable to shareholders of the Bank</i>                     | <i>308,299</i>             | <i>304,139</i>                |
| Non-controlling interest   | 601                        | 683                           |
| <b>TOTAL EQUITY</b>  | <b>308,900</b>             | <b>304,822</b>                |
| <b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND EQUITY</b>         | <b>1,836,346</b>           | <b>1,710,310</b>              |

| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (REVIEWED) | Six months ended 30 June 2019 | Six months ended 30 June 2018 |
|--|-------------------------------|-------------------------------|
|  | BD '000                       | BD '000                       |
| Balance as of 1 January                                | 304,822                       | 303,837                       |
| Net profit for the period                              | 12,222                        | 9,420                         |
| Foreign currency re-translation                        | (10)                          | (70)                          |
| <b>Total recognised income and expense</b>             | <b>12,212</b>                 | <b>9,350</b>                  |
| Cash dividend for the year                             | (7,353)                       | (14,852)                      |
| Purchase of treasury stock                             | (786)                         | (225)                         |
| Movements in non-controlling interest                  | 5                             | 6                             |
| <b>Balance at 30 June</b>                              | <b>308,900</b>                | <b>298,116</b>                |

| CONDENSED CONSOLIDATED INCOME STATEMENT (REVIEWED)                              | Three months ended 30 June 2019 | Three months ended 30 June 2018 | Six months ended 30 June 2019 | Six months ended 30 June 2018 |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|   | BD '000                         | BD '000                         | BD '000                       | BD '000                       |
| <b>OPERATING INCOME</b>   |                                 |                                 |                               |                               |
| Finance income  | 15,114                          | 11,143                          | 27,670                        | 23,123                        |
| Income from Sukuk   | 4,478                           | 4,146                           | 8,732                         | 8,263                         |
| Income from non-trading investments   | 602                             | 356                             | 1,250                         | (140)                         |
| Fees and commission   | 1,864                           | 2,233                           | 4,108                         | 3,934                         |
| Share of (loss) / profit from associates  | (17)                            | 514                             | 1,115                         | 559                           |
| Other income  | 2,356                           | 2,300                           | 2,844                         | 7,142                         |
|   | <b>24,397</b>                   | <b>20,692</b>                   | <b>45,719</b>                 | <b>42,881</b>                 |
| Finance expense on placements from financial institutions                       | (896)                           | (760)                           | (1,853)                       | (1,406)                       |
| Finance expense on placements from customers                                    | (7,240)                         | (4,418)                         | (13,675)                      | (8,530)                       |
| Finance expense on Murabaha term financing                                      | (1,374)                         | (802)                           | (2,876)                       | (1,394)                       |
| Return on equity of investment accountholders before Group's share as a Mudarib | (355)                           | (108)                           | (648)                         | (190)                         |
| Group's share as a Mudarib  | 256                             | 74                              | 505                           | 113                           |
| Share of profit of investment accountholders                                    | (99)                            | (34)                            | (143)                         | (77)                          |
| <b>Total operating income</b>   | <b>14,788</b>                   | <b>14,678</b>                   | <b>27,172</b>                 | <b>31,474</b>                 |
| <b>OPERATING EXPENSES</b>   |                                 |                                 |                               |                               |
| Staff cost  | 3,438                           | 3,144                           | 6,989                         | 5,963                         |
| Premises and equipment cost   | 377                             | 516                             | 1,126                         | 976                           |
| Depreciation  | 376                             | 231                             | 673                           | 439                           |
| Other operating expenses  | 2,696                           | 2,519                           | 4,852                         | 4,829                         |
| <b>Total operating expenses</b>   | <b>6,887</b>                    | <b>6,410</b>                    | <b>13,640</b>                 | <b>12,207</b>                 |
| <b>PROFIT BEFORE IMPAIRMENT ALLOWANCES</b>                                      | <b>7,901</b>                    | <b>8,268</b>                    | <b>13,532</b>                 | <b>19,267</b>                 |
| Net allowance for credit losses / impairment                                    | (1,154)                         | (4,178)                         | (1,310)                       | (9,847)                       |
| <b>NET PROFIT FOR THE PERIOD</b>  | <b>6,747</b>                    | <b>4,090</b>                    | <b>12,222</b>                 | <b>9,420</b>                  |
| <b>ATTRIBUTABLE TO:</b>   |                                 |                                 |                               |                               |
| - Shareholders of the Bank  | 6,798                           | 4,107                           | 12,309                        | 9,473                         |
| - Non-controlling interest  | (51)                            | (17)                            | (87)                          | (53)                          |
|   | <b>6,747</b>                    | <b>4,090</b>                    | <b>12,222</b>                 | <b>9,420</b>                  |
| <b>Basic and diluted earnings per share (fils)</b>                              | <b>3</b>                        | <b>2</b>                        | <b>6</b>                      | <b>4</b>                      |

| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED) | Six months ended 30 June 2019 | Six months ended 30 June 2018 |
|---|-------------------------------|-------------------------------|
|   | BD '000                       | BD '000                       |
| Net cash from / (used in) operating activities            | 31,330                        | (22,468)                      |
| Net cash from investing activities                        | 10,655                        | 4,268                         |
| Net cash (used in) / from financing activities            | (18,572)                      | 29,493                        |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>            | <b>23,413</b>                 | <b>11,293</b>                 |
| Cash and cash equivalents at 1 January                    | 216,561                       | 175,022                       |
| <b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>               | <b>239,974</b>                | <b>186,315</b>                |

These condensed consolidated interim financial information have been authorised for issue in accordance with a resolution of the Board of Directors dated 7<sup>th</sup> August 2019.

Khaleefa Butti Omair Al Muhairi  
Chairman

H.E. Shaikh Khalid bin Mustahail Al Mashani  
Deputy Chairman

Rafik Nayed  
Group Chief Executive Officer