

Al Salam Bank-Bahrain B.S.C.

Interim Condensed Consolidated Financial Statements for the period ended 30 June 2016
These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated on 8th August 2016.



AL SALAM BANK
السلام بنك البحرين

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	(Reviewed) 30 June 2016	(Audited) 31 December 2015
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank	193,700	152,572
Sovereign Sukuk	307,591	350,474
Murabaha and Wakala receivables from banks	135,890	103,345
Corporate Sukuk	45,949	50,472
Murabaha financing	259,230	245,168
Mudaraba financing	234,411	239,031
Ijarah Muntahia Bittamleek	155,807	155,217
Musharaka	10,059	7,154
Assets under conversion	27,860	32,032
Non-trading investments	129,990	123,514
Investments in real estate	71,879	71,517
Development properties	41,947	49,021
Investment in associates	10,606	9,994
Other assets	34,445	41,161
Goodwill	25,971	25,971
TOTAL ASSETS	1,685,335	1,656,643
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	125,933	120,795
Wakala payables to non-banks	765,112	842,570
Current accounts	284,698	224,366
Liabilities under conversion	741	2,327
Term financing	73,917	35,986
Other liabilities	47,000	48,246
TOTAL LIABILITIES	1,297,401	1,274,290
EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY	69,965	62,351
Share capital	214,093	214,093
Reserves and retained earnings	102,613	94,140
Proposed appropriations	-	10,705
Total equity attributable to shareholders of the Bank	316,706	318,938
Non-controlling interest	1,263	1,064
TOTAL OWNERS' EQUITY	317,969	320,002
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,685,335	1,656,643

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED)	Six months period ended 30 June 2016	Six months period ended 30 June 2015
	BD '000	BD '000
Balance at 1 January	320,002	328,803
Net profit for the period	8,380	9,034
Net changes in fair value	(120)	(227)
Foreign currency re-translation	(170)	(926)
Dividend paid	(10,705)	(10,993)
Non-controlling interest arising on acquisition of a subsidiary	582	-
Net movements in non-controlling interest	-	5,293
Balance at 30 June	317,969	330,984

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)	Six months period ended 30 June 2016	Six months period ended 30 June 2015
	BD '000	BD '000
Net cash used in operating activities	(19,429)	(41,822)
Net cash from (used in) investing activities	53,634	(67,636)
Net cash from financing activities	34,840	18,291
NET CHANGE IN CASH AND CASH EQUIVALENTS	69,045	(91,167)
Cash and cash equivalents at 1 January	223,677	408,535
CASH AND CASH EQUIVALENTS AT 30 JUNE	292,722	317,368

INTERIM CONSOLIDATED STATEMENT OF INCOME (REVIEWED)	Three months ended 30 June 2016	Three months ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
	BD '000	BD '000	BD '000	BD '000
OPERATING INCOME				
Income from financing contracts	9,538	10,821	18,650	24,322
Income from Sukuk	3,714	2,929	8,103	5,904
Net gain on sale of investments and Sukuk	942	1,353	2,054	1,508
Income from investments	1,299	1,667	1,631	2,343
Fair value changes on investments	131	550	1,227	824
Dividend income	30	86	382	464
Foreign exchange gains	245	570	694	453
Fees, commission and other income-net	2,026	1,375	3,236	2,862
	17,925	19,351	35,977	38,680
Profit on Murabaha and Wakala payables to banks	(778)	(174)	(1,112)	(360)
Profit on Wakala payables to non-banks	(4,501)	(6,348)	(9,230)	(13,785)
Profit on term financing	(410)	(227)	(820)	(450)
Return on equity of investment accountholders before Group's share as a Mudarib	(52)	(58)	(107)	(156)
Group's share as a Mudarib	23	26	48	70
	(29)	(32)	(59)	(86)
Total operating income	12,207	12,570	24,756	23,999
OPERATING EXPENSES				
Staff cost	2,892	2,900	5,523	6,135
Premises and equipment cost	587	698	1,232	1,391
Depreciation	988	383	1,980	950
Other operating expenses	2,508	2,631	4,654	5,294
Total operating expenses	6,975	6,612	13,389	13,770
PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES	5,232	5,958	11,367	10,229
Provision for financing and investments - net	(1,353)	(838)	(3,714)	(2,050)
Share of profit from associates	-	-	727	855
NET PROFIT FOR THE PERIOD	3,879	5,120	8,380	9,034
Attributable to:				
- Shareholders of the Bank	4,060	5,152	8,710	8,945
- Non-controlling interest	(181)	(32)	(330)	89
	3,879	5,120	8,380	9,034
WEIGHTED AVERAGE NUMBER OF SHARES (in '000)	2,140,931	2,140,931	2,140,931	2,140,931
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	1.9	2.4	4.1	4.2
TOTAL COMPREHENSIVE INCOME (REVIEWED)				
	Three months ended 30 June 2016	Three months ended 30 June 2015	Six months ended 30 June 2016	Six months ended 30 June 2015
	BD '000	BD '000	BD '000	BD '000
Net profit for the period	3,879	5,120	8,380	9,034
<i>Other comprehensive (loss)/ income to be reclassified to income statement in subsequent periods:</i>				
Unrealized gain reclassified to consolidated income statement on disposal of available-for-sale investments	(59)	-	(82)	-
Unrealised loss on available-for-sale investments	(13)	(1,192)	(38)	(247)
Changes in fair value of investments in real estate	-	4	-	20
Foreign currency re-translation	(39)	(237)	(170)	(926)
Other comprehensive loss for the period	(111)	(1,425)	(290)	(1,153)
Total comprehensive income for the period	3,768	3,695	8,090	7,881
Attributable to:				
Shareholders of the Bank	3,905	3,829	8,473	7,894
Non-controlling interest	(137)	(134)	(383)	(13)
	3,768	3,695	8,090	7,881

These interim condensed consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors on 8th August 2016.

Shaikha Hessa bint Khalifa Al Khalifa
Chairperson of the Board

Yousif Taqi
Director & Group CEO