

Al Salam Bank-Bahrain B.S.C.

Interim Condensed Consolidated Financial Statements for the period ended 30 September 2016
These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated on 31st October 2016.



AL SALAM BANK
السلام بنك البحرين

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	(Reviewed) 30 September 2016	(Audited) 31 December 2015
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank	152,384	152,572
Sovereign Sukuk	330,125	350,474
Murabaha and Wakala receivables from banks	91,087	103,345
Corporate Sukuk	39,255	50,472
Murabaha financing	256,163	245,168
Mudaraba financing	230,092	239,031
Ijarah Muntahia Bittamleek	167,459	155,217
Musharaka	10,887	7,154
Assets under conversion	32,998	32,032
Non-trading investments	128,137	123,514
Investments in real estate	72,412	68,786
Development properties	42,293	49,021
Investment in associates	10,652	9,994
Other assets	25,753	43,892
Goodwill	25,971	25,971
TOTAL ASSETS	1,615,668	1,656,643
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	87,256	120,795
Wakala payables to non-banks	715,865	842,570
Current accounts	282,972	224,366
Liabilities under conversion	210	2,327
Term financing	94,551	35,986
Other liabilities	46,331	48,246
TOTAL LIABILITIES	1,227,185	1,274,290
EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY	65,529	62,351
Share capital	214,093	214,093
Reserves and retained earnings	107,465	94,140
Proposed appropriations	-	10,705
Total equity attributable to shareholders of the Bank	321,558	318,938
Non-controlling interest	1,396	1,064
TOTAL OWNERS' EQUITY	322,954	320,002
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,615,668	1,656,643

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
	BD '000	BD '000
Balance at 1 January	320,002	328,803
Net profit for the period	12,672	13,850
Net changes in fair value	447	(2,409)
Foreign currency re-translation	(64)	(1,447)
Dividend paid	(10,705)	(11,271)
Non-controlling interest arising on acquisition of a subsidiary	602	-
Net movements in non-controlling interest	-	(6,355)
Balance at 30 September	322,954	321,171

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)	Nine months ended 30 September 2016	Nine months ended 30 September 2015
	BD '000	BD '000
Net cash used in operating activities	(87,780)	(75,831)
Net cash generated from (used in) investing activities	27,266	(108,604)
Net cash generated from (used in) financing activities	51,640	(10,200)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,874)	(194,635)
Cash and cash equivalents at 1 January	223,677	408,535
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	214,803	213,900

INTERIM CONSOLIDATED STATEMENT OF INCOME (REVIEWED)	Three months ended 30 September 2016	Three months ended 30 September 2015	Nine months ended 30 September 2016	Nine months ended 30 September 2015
	BD '000	BD '000	BD '000	BD '000
OPERATING INCOME				
Income from financing contracts	9,988	10,490	28,638	32,679
Income from Sukuk	3,663	4,797	11,766	12,834
Net gain on sale of investments and Sukuk	172	3,581	2,226	5,089
Income from investments	246	1,200	1,877	3,543
Fair value changes on investments	(864)	(2,627)	363	(1,803)
Dividend income	435	255	817	719
Foreign exchange gains (loss)	461	(295)	1,155	158
Fees, commission and other income-net	2,695	1,249	5,931	4,111
Total operating income	16,796	18,650	52,773	57,330
Profit on Murabaha and Wakala payables to banks	(369)	(265)	(1,481)	(625)
Profit on Wakala payables to non-banks	(4,397)	(5,242)	(13,627)	(19,195)
Profit on term financing	(571)	(200)	(1,391)	(650)
Return on equity of investment accountholders before Group's share as a Mudarib	(55)	(64)	(162)	(220)
Group's share as a Mudarib	25	29	73	99
	(30)	(35)	(89)	(121)
Net operating income	11,429	12,908	36,185	36,739
OPERATING EXPENSES				
Staff cost	2,649	2,968	8,172	9,103
Premises and equipment cost	328	693	1,560	2,084
Depreciation	572	567	2,552	1,517
Other operating expenses	1,765	2,358	6,419	7,484
Total operating expenses	5,314	6,586	18,703	20,188
PROFIT BEFORE PROVISIONS AND RESULTS OF ASSOCIATES	6,115	6,322	17,482	16,551
Provision for financing and investments - net	(1,823)	(1,506)	(5,537)	(3,556)
Share of profit from associates	-	-	727	855
NET PROFIT FOR THE PERIOD	4,292	4,816	12,672	13,850
Attributable to:				
- Shareholders of the Bank	4,220	4,751	12,930	13,696
- Non-controlling interest	72	65	(258)	154
	4,292	4,816	12,672	13,850

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)	2.0	2.2	6.0	6.4

TOTAL COMPREHENSIVE INCOME (REVIEWED)	Three months ended 30 September 2016	Three months ended 30 September 2015	Nine months ended 30 September 2016	Nine months ended 30 September 2015
	BD '000	BD '000	BD '000	BD '000
Net profit for the period	4,292	4,816	12,672	13,850
<i>Other comprehensive income / (loss):</i>				
Items to be reclassified to income statement in subsequent periods:				
Unrealized loss reclassified to consolidated income statement on disposal of available-for-sale investments	-	-	(82)	-
Unrealised gain / (loss) on available-for-sale investments	567	(2,182)	529	(2,429)
Changes in fair value of investments in real estate	-	-	-	20
Foreign currency re-translation	106	(521)	(64)	(1,447)
Other comprehensive income / (loss) for the period	673	(2,703)	383	(3,856)
Total comprehensive income for the period	4,965	2,113	13,055	9,994
Attributable to:				
Shareholders of the Bank	4,852	2,095	13,325	9,989
Non-controlling interest	113	18	(270)	5
	4,965	2,113	13,055	9,994

These interim condensed consolidated financial statements have been authorized for issue in accordance with a resolution of the Board of Directors on 31st October 2016.

Shaikha Hessa bint Khalifa Al Khalifa
Chairperson of the Board

Yousif Taqi
Director & Group CEO