Al Salam Bank-Bahrain B.S.C.

Interim Condensed Financial Statements - Period ended 31 March 2008

AL SALAM BANK
Bahrain البحرين

BALANCE SHEET	31 March 2008 (Reviewed)	31 December 2007 (Audited)
	BD	BD
ASSETS		
Cash and balances with Central Bank of Bahrain	**14,525,925**	15,173,663
Central Bank of Bahrain Sukuk	**24,460,000**	20,380,000
Murabaha with banks	**219,525,214**	224,450,893
Murabaha financing	**58,636,315**	32,641,599
Ijarah Muntahia Bittamleek	**11,284,829**	10,435,863
Non-trading investments	**91,097,592**	62,735,696
Investment in an associate	**8,272,000**	8,272,000
Investment properties	**1,177,528**	1,177,528
Receivables and prepayments	**21,305,305**	10,505,046
Premises and equipment	**2,814,204**	2,979,252
Investments held-for-sale	**36,886,486**	9,024,000
TOTAL ASSETS	**489,985,398**	397,775,540
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
Liabilities		
Murabaha from banks	**77,837,051**	96,983,041
Murabaha from non-banks	**186,217,256**	106,908,709
Customers' current accounts	**8,408,740**	5,688,686
Other liabilities	**14,525,070**	8,954,642
Total Liabilities	**286,988,117**	218,535,078
UNRESTRICTED INVESTMENT ACCOUNTS	**48,633,457**	19,769,585
EQUITY		
Share capital	**120,000,000**	120,000,000
Reserves and retained earnings	**34,363,824**	38,941,790
Proposed appropriations	**-**	529,087
Total equity	**154,363,824**	159,470,877
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	**489,985,398**	397,775,540

STATEMENT OF INCOME	Three months ended 31 March 2008 (Reviewed)	Three months ended 31 March 2007 (Reviewed)
	BD	BD
OPERATING INCOME		
Income from Murabaha	**1,540,054**	976,583
Income from other Islamic financing contracts	**1,381,428**	1,023,190
	2,921,482	1,999,773
Profit paid on Murabaha from banks	**(510,024)**	(331,045)
Profit paid on Murabaha from non-banks	**(1,625,943)**	(204,342)
Share of profit to unrestricted investment account holders	**(70,297)**	-
	715,218	1,464,386
Fees and commission income	**210,371**	1,772,832
Gain on sale of investments designated as held-for-sale	**8,521,488**	1,959,250
Unrealised gains on investments designated as fair value through profit or loss	**221,112**	2,085,015
Foreign exchange gains	**457,992**	55,535
Other operating income	**32,850**	32,041
TOTAL OPERATING INCOME	**10,159,031**	7,369,059
OPERATING EXPENSES		
Staff costs	**1,751,310**	1,216,466
Premises and equipment cost	**94,021**	122,926
Depreciation	**216,608**	143,968
Depreciation on Ijarah Muntahia Bittamleek	**197,961**	120,452
Other operating expenses	**477,097**	602,643
TOTAL OPERATING EXPENSES	**2,736,997**	2,206,455
NET INCOME FOR THE PERIOD	**7,422,034**	5,162,604
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**1,200,000,000**	1,199,827,970
BASIC EARNINGS PER SHARE (FILS)	**6.2**	4.3

STATEMENT OF CASH FLOWS	Three months ended 31 March 2008 (Reviewed)	Three months ended 31 March 2007 (Reviewed)
	BD	BD
Net cash from operating activities	**12,709,841**	5,532,079
Net cash used in investing activities	**(47,533,342)**	(40,548,458)
Net cash from financing activities	**16,863,872**	7,861,954
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(17,959,629)**	(27,154,425)
Cash and cash equivalents at 1 January	**233,608,190**	92,285,728
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**215,648,561**	65,131,303

STATEMENT OF CHANGES IN EQUITY	Three months ended 31 March 2008 (Reviewed)	Three months ended 31 March 2007 (Reviewed)
	BD	BD
Balance at the beginning of the period	**159,470,877**	136,401,589
Dividends	**(12,000,000)**	-
Zakah	**(529,087)**	-
Net income for the period	**7,422,034**	5,162,604
Balance at the end of the period	**154,363,824**	141,564,193

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 5th May, 2008.

Mohamed Ali Rashid Alabbar
Chairman

Husein Mohamed Al Meeza
Vice Chairman

Yousif Abdulla Taqi
Chief Executive Officer

These financial statements were extracted from the financial statements on which Ernst & Young issued an unqualified review report dated 5th May 2008.