Al Salam Bank-Bahrain B.S.C. Interim Condensed Consolidated Financial Statements for the period ended 30 June 2012

These were extracted from the interim condensed consolidated financial statements on which Ernst & Young issued an unqualified review report dated 29th July 2012.

INTERIM CONSOLIDATED INCOME STATEMENT (REVIEWED)	Three months ended 30 June 2012	Three months ended 30 June 2011	Six months ended 30 June 2012	Six months ended 30 June 2011
	BD '000	BD '000	**BD '000**	BD '000
OPERATING INCOME				
Income from financing contracts and sukuk	**8,730**	6,966	**16,847**	13,379
Gains on sale of investments and sukuk	**3,578**	1,044	**3,578**	1,737
Income / (loss) from FVTPL investments	**497**	(187)	**454**	(488)
Fair value changes on FVTPL investments	**(7,377)**	564	**(4,085)**	672
Net gain from available-for-sale investments	**1,950**	-	**1,759**	-
Dividend income	**228**	311	**768**	559
Fees, commissions and foreign exchange gains	**353**	723	**809**	1,282
	7,959	9,421	**20,130**	17,141
Profit on Murabaha and Wakala payables to banks	**(154)**	(198)	**(302)**	(364)
Profit on Wakala payables to non-banks	**(5,321)**	(3,661)	**(10,841)**	(7,705)
Profit relating to equity of investment accountholders	**(49)**	(31)	**(87)**	(94)
Depreciation on Ijarah Muntahia Bittamleek	**(2,241)**	(1,197)	**(4,025)**	(1,977)
Total operating income	**194**	4,334	**4,875**	7,001
OPERATING EXPENSES				
Staff costs	**1,549**	1,544	**3,058**	3,049
Premises and equipment cost	**313**	289	**600**	566
Depreciation	**108**	296	**246**	603
Other operating expenses	**821**	884	**1,639**	1,807
Total operating expenses	**2,791**	3,013	**5,543**	6,025
NET (LOSS) PROFIT BEFORE PROVISIONS	**(2,597)**	1,321	**(668)**	976
Provision (charge)/release for financing facilities	**(27)**	115	**(144)**	(353)
NET (LOSS) PROFIT FOR THE PERIOD	**(2,624)**	1,436	**(812)**	623
Attributable to:				
Shareholders of the Bank	**(2,624)**	1,371	**(848)**	518
Non-controlling interest	**-**	65	**36**	105
	(2,624)	1,436	**(812)**	623
WEIGHTED AVERAGE NUMBER OF SHARES (in '000)	**1,491,465,451**	1,493,731,548	**1,491,465,451**	1,493,731,548
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	**(1.8)**	0.9	**(0.6)**	0.3

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 June 2012 (Reviewed)	31 December 2011 (Audited)
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	**144,612**	72,318
Central Bank of Bahrain Sukuk	**122,554**	125,027
Murabaha and Wakala receivables from banks	**125,099**	135,698
Corporate Sukuk	**71,703**	49,650
Murabaha financing	**127,763**	135,383
Mudaraba financing	**95,041**	57,706
Ijarah Muntahia Bittamleek	**75,180**	66,477
Musharaka financing	**15,639**	11,711
Assets under conversion	**24,459**	27,750
Non-trading investments	**213,073**	223,320
Investment in an associate	**7,366**	-
Investment properties	**2,500**	2,500
Receivables and prepayments	**25,778**	15,278
Premises and equipment	**895**	1,089
TOTAL ASSETS	**1,051,662**	923,907
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	**93,869**	104,573
Wakala payables to non-banks	**615,268**	515,147
Customers' current accounts	**99,930**	66,585
Liabilities under conversion	**-**	7,633
Other liabilities	**17,886**	13,088
TOTAL LIABILITIES	**826,953**	707,026
EQUITY OF INVESTMENT ACCOUNTHOLDERS	**27,825**	16,256
OWNERS' EQUITY		
Share capital	**149,706**	149,706
Treasury stock	**(492)**	(465)
Reserves and retained earnings	**47,670**	47,228
Total equity attributable to shareholders of the Bank	**196,884**	196,469
Non-controlling interest	**-**	4,156
TOTAL OWNERS' EQUITY	**196,884**	200,625
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	**1,051,662**	923,907

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY (REVIEWED)	Six months ended 30 June 2012	Six months ended 30 June 2011
	BD '000	BD '000
Balance at 1 January	**200,625**	202,625
Changes due to adoption of FAS 25	**-**	(765)
Balance as of 1 January (restated)	**200,625**	201,860
Total comprehensive income for the period:		
Net (loss) profit for the period	**(812)**	623
Other comprehensive income:		
Net change in fair value	**1,290**	(1,188)
Transfer to income statement	**-**	96
Total comprehensive income	**478**	(469)
Transfer to other liabilities	**(4,192)**	-
Treasury shares purchased	**(27)**	(465)
Balance at 30 June	**196,884**	200,926

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (REVIEWED)	Six months ended 30 June 2012	Six months ended 30 June 2011
	BD '000	BD '000
Net cash from (used in) operating activities	**41,087**	(53,267)
Net cash used in investing activities	**(52)**	(183)
Net cash from (used in) financing activities	**11,542**	(6,085)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**52,577**	(59,535)
Cash and cash equivalents at 1 January	**187,729**	203,116
CASH AND CASH EQUIVALENTS AT 30 JUNE	**240,306**	143,581

These interim condensed consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated 29th July 2012.

Shaikha Hessa bint Khalifa Al Khalifa
Chairperson of the Board

Yousif Taqi
Director & CEO