Al Salam Bank-Bahrain B.S.C. Consolidated Financial Statements for the Year ended 31 December 2011

These consolidated financial statements were extracted from the audited consolidated financial statements on which Ernst & Young issued an unqualified opinion dated 4th March 2012.

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December 2011	Year ended 31 December 2010
	BD '000	BD '000
OPERATING INCOME		
Income from financing contracts	**30,262**	25,447
Gains on sale of investments and sukuk	**2,849**	1,531
Income from FVTPL investments	**601**	1,089
Fair value changes on FVTPL investments	**5,189**	7,608
Writedown of available for sale investments	**(5,325)**	-
Fair value changes on investment properties	**(873)**	-
Dividend income	**1,156**	402
Fees, commissions and foreign exchange gains	**2,300**	5,536
	36,159	41,613
Profit on Murabaha and Wakala payables to banks	**(714)**	(617)
Profit on Wakala payables to non-banks	**(16,403)**	(14,674)
Profit relating to equity of investment accountholders	**(153)**	(216)
Depreciation on Ijarah Muntahia Bittamleek	**(6,149)**	(3,742)
Total operating income	**12,740**	22,364
OPERATING EXPENSES		
Staff costs	**6,016**	7,023
Premises and equipment cost	**1,168**	1,144
Depreciation	**999**	1,133
Other operating expenses	**3,415**	4,255
Total operating expenses	**11,598**	13,555
Share of profit from an associate	**-**	15
NET PROFIT BEFORE PROVISIONS	**1,142**	8,824
Provision for impairment	**(645)**	(1,508)
NET PROFIT FOR THE YEAR	**497**	7,316
Attributable to:		
Shareholders of the Bank	**312**	7,209
Non-controlling interest	**185**	107
	497	7,316
WEIGHTED AVERAGE NUMBER OF SHARES (in '000)	**1,491,779**	1,497,064
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	**0.2**	4.8

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2011	(Restated) Year ended 31 December 2010
	BD '000	BD '000
Net cash used in operating activities	**(12,484)**	(54,517)
Net cash used in investing activities	**(229)**	(2,851)
Net cash (used in) from financing activities	**(2,674)**	1,927
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(15,387)**	(55,441)
Cash and cash equivalents at 1 January	**203,116**	258,557
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**187,729**	203,116

These consolidated financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 4th March, 2012.

Mohamed Alabbar
Chairman

Yousif Taqi
Director & CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2011	(Restated) 31 December 2010
	BD '000	BD '000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	**72,318**	95,791
Central Bank of Bahrain Sukuk	**125,027**	68,632
Murabaha and Wakala receivables from banks	**135,698**	137,299
Corporate Sukuk	**49,650**	60,959
Murabaha financing	**135,383**	114,572
Mudaraba financing	**57,706**	19,309
Ijarah Muntahia Bittamleek	**66,477**	56,756
Musharaka financing	**11,711**	8,127
Assets under conversion	**27,750**	57,432
Non-trading investments	**223,320**	212,432
Investment in an associate	**-**	7,578
Investment properties	**2,500**	3,373
Receivables and prepayments	**15,278**	12,479
Premises and equipment	**1,089**	1,859
TOTAL ASSETS	**923,907**	856,598
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Murabaha and Wakala payables to banks	**104,573**	101,300
Wakala payables to non-banks	**515,147**	456,447
Customers' current accounts	**66,585**	57,362
Liabilities under conversion	**7,633**	5,171
Other liabilities	**13,088**	15,993
TOTAL LIABILITIES	**707,026**	636,273
EQUITY OF INVESTMENT ACCOUNTHOLDERS	**16,256**	18,465
OWNERS' EQUITY		
Share capital	**149,706**	149,706
Treasury stock	**(465)**	-
Reserves and retained earnings	**47,228**	48,165
Total equity attributable to shareholders of the Bank	**196,469**	197,871
Non-controlling interest	**4,156**	3,989
TOTAL OWNERS' EQUITY	**200,625**	201,860
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	**923,907**	856,598

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS'EQUITY

	Year ended 31 December 2011	(Restated) Year ended 31 December 2010
	BD '000	BD '000
Balance at 1 January	**202,625**	201,777
Changes due to adoption of FAS 25	**(765)**	507
As at 1 January (restated)	**201,860**	202,284
Net profit for the year	**497**	7,316
Changes on investment in an associate	**-**	(96)
Net change in fair value	**(1,263)**	(415)
Transfer to income statement	**96**	-
Treasury shares purchased	**(465)**	-
Charitable donations	**(100)**	(100)
Dividends paid for 2009	**-**	(7,129)
Balance at 31 December	**200,625**	201,860