AlSalam Bank – Sudan

(Public Company)

Unaudited
Financial Statements
For the Three Months Ended
31 March 2015

Hasibeen Group

Chartered Certified Accountants
Management & Financial Consultants

مجموعة حاسبين
محاسبون ومراجعون قانونيون
مستشارون إداريون وماليون
زملاء الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة

ADDRESS: - Sudan
P.O. Box 3807 Khartoum - Sudan
Flat 2, 6 th Flour Almubarak Building
Hurria Street Khartoum - Sudan

Tel. 83 784639, Fax 83 776851, Telex 22761 Hasib SD.
E-mail: info@hasibeen.com/hasibeengroup@hotmail.com
Web site: www.hasibeen.com

AlSalam Bank – Sudan

(Public Company)

Unaudited
Financial Statements
For the Three Months Ended
31 March 2015

AUDITORS' REPORT

REVIEW REPORT TO THE SHAREHOLDERS OF ALSALAM BANK - SUDAN (PUBLIC COMPANY)

INTRODUCTION

We have reviewed the accompanying condensed Statement of Financial Position of Al-Salam Bank (the Bank), as of 31 Ist March 2015 and the related condensed statements of income, cash flows and changes in equity for the three months then ended.

The Bank's management is responsible for the preparation and presentation of these condensed financial statements in accordance with the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Accounting Standard No 34 " Interim Financial Reporting" Our responsibility is to issue a report on these condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International standards on Review Engagements 2410. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed financial statements are free of material misstatement. A review is limited primarily to enquiries of bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed and audit and accordingly, we do not express an audit opinion.

Opinion

Based on our review , nothing has come to our attention that causes us to believe that the accompanying condensed financial statements are not presented fairly , in all material respects, in accordance with the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Accounting Standard No 34.

Hasibeen Group
Certified Accountants & Management Consultants

Date: 28/4/2015

IZZELDIN ABD ALLA JUBAL
Partener
Hasibeen Group

Ph.: (83) 784639 - (83) 760319 - Fax: (83) 776851
P.O.Box:3807-Khartoum-Sudan
E-mail: info@hasibeen.com/hasibeengroup@hotmail.com
Flat 2, 6 th Flour Almubarak Building - Hurria st. Khartoum
Web site: www.hasibeen.com

تلفونات : ٨٣ ٧٨٤٦٣٩ - ١٥٥١٥٤٨٨٤
فاكس : ٨٣ ٧٧٧٨٠٦ - ٨٣ ٧٧٦٨٥١
ص . ب : ٣٨٠٧ الخرطوم - السودان
المقر : شقة رقم (٢) الطابق السادس
عمارة المبارك شارع الحرية - الخرطوم

AlSalam Bank
Statement of Financial Position
As At 31 March 2015

	Note	31/3/2015 SDG Unaudited	31/12/2014 SDG Audited
Assets:-			
Cash & Cash equivalents		147.156.670	124.729.632
Cash reserve with Central bank of Sudan		90.214.023	85.354.034
Sales receivables (net)		570.337.140	625.696.614
Investments in securities and shares held for trading	(3)	85.576.666	83.241.377
Investments in securities and shares held to maturity	(4)	131.473.000	62.802.500
Mudaraba financing	(5)	339.358.506	338.026.466
Musharaka financing	(6)	61.139.522	62.835.811
Goods Murabaha	(7)	12.327.460	-
Investments in shares available for sale	(8)	34.718.150	34.718.150
Investments in real estates		507.111.690	506.911.690
Other assets		29.459.425	33.931.611
Fixed assets (net book value)		35.684.804	36.287.081
Total Assets		2.044.557.056	1.994.534.966
Liabilities, Unrestricted investment accounts and Owners' Equity :-			
Liabilities :-			
Current Accounts		381.660.212	344.839.184
Other liabilities		208.365.164	209.302.045
Provisions		35.317.027	36.848.885
Total liabilities		625.342.403	590.990.114
Equity of Unrestricted investment accounts holders		444.421.975	433.047.577
Total liabilities & Unrestricted investment accounts		1.069.764.378	1.024.037.691
Owners' Equity :-			
Paid - up capital		310.668.350	310.668.350
Reserves		537.541.732	537.106.171
Retained earnings		126.582.596	122.722.754
Total owners' equity		974.792.678	970.497.275
Total liabilities, Unrestricted investment accounts and owners' equity		2.044.557.056	1.994.534.966
Contra accounts		531.064.986	566.359.596

The Attached Notes form an Integral Part of These Statements

Alnour Ajabna Ezzalarab	Abdalrahman Ahmed Senan	Mohamed Omeir Bin Yuosef
General Manager	Director	Chairman

AlSalam Bank

Income Statement

for the year ended 31 March 2015

	Note	31/3/2015 SDG Unaudited	31/3/2014 SDG Unaudited
Income:-			
Income from Deferred sales		18.520.437	15.251.811
Income from Investments		9.675.336	6.595.962
unrealized re- measurement (Losses) gains on Investments		2.626.386	27.862.567
Total income from finance and Investments		30.822.159	49.710.340
Less			
Return on unrestricted investment accounts		(7.840.800)	(6.478.530)
Bank's share in income from investment (as Mudarib and Fund owner)		22.981.359	43.231.810
Income from banking services		883.339	2.141.770
Gains on sales and purchase of foreign currency		50.090	112.124
Gains on foreign exchange valuation		165.158	(325.976)
Other Income		331.939	279.530
Total revenue		24.411.885	45.439.258
Expenses			
Staff cost		(6.460.212)	(5.779.737)
Operations expenses		(5.819.908)	(6.216.534)
Acomulated depreciation		(891.745)	(825.467)
Mudaraba investment & finance provisions		(2.649.392)	-
BOS Penalties		-	-
Total Expenses		(15.821.257)	(12.821.738)
Net Operating income (loss) before provision for zakah & tax		8.590.628	32.617.520
Business profit tax		(4.036.735)	(3.669.759)
Zakah provision for the period		(265.180)	(294.644)
Net income (loss) for the year		4.288.713	28.653.117
Earnings per share		0.037	0.260

The Attached Notes form an Integral Part of These Statements

Alnour Ajabna Ezzalatab
General Manager

Abdalrahman Ahmed Senan
Director

Mohamed Omeir Bin Yuosef
Chairman

AlSalam Bank

Statement of Cash Flows

For The Year Ended 31 March, 2015

	31/3/2015 SDG Unaudited	31/3/2014 SDG Unaudited
Cash flows from Operating activities :-		
Net income for the period	4.288.713	28.653.117
Adjustments for :-		
Depreciation of fixed assets	891.745	825.467
Provisions	(1.531.857)	2.285.731
	3.648.601	31.764.315
Changes in operating assets, liabilities and Unrestricted Investment accounts		
Net cash flows provided by operations		
Central bank of Sudan - Statutory cash reserve	(4.859.989)	24.823.656
Cash flows from investing activities	55.512.562	11.739.695
Investments	(239.375.363)	73.682.134
Other assets	4.472.186	(3.384.376)
Current accounts	36.821.028	(83.307.347)
Equity of Unrestricted investment account holders	11.374.398	(3.657.073)
Dividends paid	-	-
Other liabilities	(936.881)	(55.503.032)
Prior year adjustments	-	-
Cash used in operations	(136.992.059)	(35.606.343)
Net cash flows from operating activities	(133.343.458)	(3.842.028)
Cash flows from Investing activities:-		
Purchases of fixed assets	(289.468)	(370.701)
Available for sale investments	-	(55.000)
Net cash flows from (used in) investing activities	(289.468)	(425.701)
Cash flows from Financing activities:-		
Reserves	156.059.964	(465.902)
Net cash flows from financing activities	156.059.964	(465.902)
Increase (decrease) in cash & cash equivalents	22.427.038	(4.733.631)
Cash and cash equivalents at beginning of the period	124.729.632	147.991.348
Cash and cash equivalent at end of the period	147.156.670	143.257.717

The Attached Notes form an Integral Part of These Statements

Alnour Ajabna Ezzalarab
General Manager

Abdalrahman Ahmed Senan
Director

Mohamed Omeir Bin Yuosef
Chairman

Al Salam Bank
Statement of changes in Owners' Equity
for the period ended 31/3/2015

Description	Paid up capital	Statutory reserve	real estate revaluation reserve	Investment revaluation reserve	Assets revaluation reserve	Retained Earnings	Total
Balance as at 1/1/2015	310.668.350	50.021.505	336.873.784	51.490.804	98.720.078	122.722.754	970.497.275
Assets Revaluation Reserve	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	4.288.713	4.288.713
Reserves	-	428.871	-	6.690	-	(428.871)	6.690
Prior year adjustment	-	-	-	-	-	-	-
Balance as at 31/3/2015	310.668.350	50.450.376	336.873.784	51.497.494	98.720.078	126.582.596	974.792.678
Balance as at 1/1/2014	310.668.350	45.020.219	200.954.430	36.905.459	-	182.183.107	775.731.564
Assets Revaluation Reserve	-	-	-	-	92.363.616	(92.363.616)	-
Net income for the period	-	-	-	-	-	50.012.870	50.012.870
Reserves	-	5.001.287	135.919.354	14.585.345	6.356.462	(11.357.749)	150.504.699
Prior year adjustment	-	-	-	-	-	(5.751.858)	(5.751.858)
Balance as at 31/3/2014	310.668.350	50.021.505	336.873.784	51.490.804	98.720.078	122.722.754	970.497.275

The Attached Notes form an Integral Part of These Statements

Alnour Ajabna Ezzalarab
General Manager

Abdalrahman Ahmed Senan
Director

Mohamed Omeir Bin Yuosef
Chairman

1/Incorporation And Activities :-

Al Salam Bank (the bank) was established as a public company with a limited liability in Khartoum in December 28- 2004 under companies Act 1925 with registration certificate number 23335. The bank is providing commercial banking services according to islamic rules and principles.
The Bank started its commercial operations in May 2005, providing its services from its head office, which is located at Al Jamhoria Street and Al Huria Street junction and Al Salam Rotana branch which is at operating from Al Salam Rotana hotel.
(Africa Street) and Omdorman branch which is was located at, Almawrda street.
Omdorman. Barlaman Branch at Hamza Plazza Barlaman Street.

2/ Basis of preparation :-

a/ Accounting Standards :

The interim condensed Financial Statements have been prepared in accordance with the Standards issued by the Accounting and Auditing Organization for Islamic Financial in Institutions (AAOIFI), and the international Accounting Standards no (34) and the requirements of the Central bank of Sudan and the banks' shari'a Supervisory Board (SSB).

b/ Accounting Policies

The interim condensed Financial Statements should be read with financial statements as at December 31/12/2014 and its attached notes. The interim condensed Financial Statements do not contain all information and disclosures required for full financial statements prepared in accordance with Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and also the results for the period ended 31 March 2015 are not indicative of the results that May be expected for the year ended 31 December 2015.

	31/3/2015 SDG Unaudited	31/12/2014 SDG Audited
3/ Investments in securities and shares held for trading :-		
Al Salam bank - Bahrain shares	46.334.811	45.983.790
King Abdalla city shares	11.644.153	9.362.098
	57.978.964	55.345.888
Unquated Investments		
Aman - Dubai shares	6.977.614	6.977.614
Investment funds	2.350.138	2.647.925
Assets acquired by banks for musharaka finance	7.769.950	7.769.950
Inter bank liquidity	10.500.000	10.500.000
	27.597.702	27.895.489
	85.576.666	83.241.377

4/ Investments in securities and shares held

Shahama securities	131.473.000	62.802.500
Ijara securities (shihab)	-	-
Government securities	-	-
Ijara securities (shama)	-	-
	131.473.000	62.802.500

5/ Mudaraba Investments and Agencies :-

Mudaraba with corporate - customers	252.645.139	230.973.491
Mudaraba with financial institutions	122.313.233	142.448.909
	374.958.372	373.422.400
Less : Provision for finance losses	(35.599.866)	(35.395.934)
	339.358.506	338.026.466

6/ Musharaka financing :-

Musharaka	61.757.093	63.470.516
Less : Provision for finance losses	(617.571)	(634.705)
	61.139.522	62.835.811

7/ Goods Murabaha :-

Goods Murabaha	12.327.460	-
	12.327.460	-

8/ Investments in shares available for sale ownership

	percentage		
AlSalam Bank - Algeria	5%	34.668.150	34.668.150
AlSalam real estate Company	50%	50.000	50.000
		34.718.150	34.718.150

9/ Investments Analysis

	31/3/2015 SDG Unaudited	31/12/2014 SDG Audited
Local Investment (note 9/1)	937.089.435	1.006.022.401
Investments in GCC counties (note 9/2)	187.619.949	181.944.781
Foreign Investments (AlSalam Bank - Algeria)	34.668.150	34.668.150
	1.159.377.534	1.222.635.332

9-1/ Local investment :-

Investments in securities and shares held for trading purposes :-

Shahama securities (note 9/1)	-	-
Sudatel shares	-	-

Investments in securities and shares held to maturity :-

Shahama securities	131.473.000	62.802.500
Inter Bank Liquidity Managment Fund	10.500.000	-
	141.973.000	62.802.500

Mudaraba Investments :-

Mudaraba with local bank	2.000.000	142.448.909
Mudaraba with customers (net)	217.045.273	230.973.491
	219.045.273	373.422.400

Musharka financing :-

Net Musharka	61.139.522	62.835.811

Investments in shares available for sale

AlSalam Real Estate Company	50.000	50.000

Investments in real estate

Local Land	7.769.950	7.769.950
Total	507.111.690	506.911.690
	937.089.435	1.006.022.401

	31/3/2015 SDG Unaudited	31/12/2014 SDG Audited
9-2/ Investments in GCC countries :		

Investments in securities and shares held for trading purposes

AlSalam Bank - Baharain shares	46.334.811	45.983.790
King Abdalla City shares	11.644.153	9.362.098
Investment funds	2.350.138	2.647.925
Aman - Dubai shares	6.977.614	6.977.614
	67.306.716	64.971.427

Investments with banks :

Emirrates Islamic Bank	120.313.233	116.973.354
Mudaraba with Customers (net)	-	-
Total	187.619.949	181.944.781

10/ Segmental Information :

The total finance for the period ending 31/3/2015 amounted to 848.521.936 (December 2014 SDG 931.317.582) and it was distributed according to the economic sector as follows :-

Manufacturing	26%	25%
Transportation	7%	7%
Trading	6%	6%
Agriculture	1%	1%
Other sectors	52%	53%
	8%	8%
	100%	100%

11/ Statutory reserve

As required by the Central Bank of Sudan 10 % of net profit attributable to the shareholders for the period has been transferred to a statutory reserve. The Bank may resolve to discontinue such periodical transfers when the reserve equals 100% of the paid up share capital. 10% from the profit of the period was transferred to the statutory reserve.

12/ Contra accounts :

Letters of credit	168.440.759	178.157.982
Letters of guarantee	362.624.227	388.201.614
	531.064.986	566.359.596