Al-Salam bank- Sudan
(Public limited Company)
Unaudited Financial Statements
For The Six Months Ended
June 30, 2021

Allied Accountants
Bannaga & Co.
Certified Public Accountants

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Auditor's Report
Financial statement review report
Al-Salam Bank – Sudan

Review scope

We have reviewed the accompanying balance sheet of Al-Salam bank as of June ,30,2021 and the related statement of income , cash flow and change in equity for the six months then ended , in accordance with standards for review services . All information included in these financial statements is representation of Al-Salam Bank management.
Review was conducted in accordance with the interim financial statements review standards which include inquiries of the bank personnel and analytical procedures applied to financial data.
Review is less in scope than audit with generally accepted auditing standards , The objective of which is the expression of opinion regarding the financial statements taken as a whole .Accordingly we do not express such opinion .

Opinion

Based on the review we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with accounting standards issued by Accounting and Auditing Organization for Islamic financial institution and international reporting standard number (34).

Khartoum
July 28, 2021

Adam Abdalla Hussein (CPA)
Allied Accountants – Banaga & Co

AL SALAM BANK

CONDENSED STATEMENTS OF FINANCIAL POSITION

As At JUNE 30, 2021

	Note	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Assets:-			
Cash and cash equivalents		**10,724,366,772**	2,044,482,669
Deferred sales receivables (net)		**3,422,033,806**	1,800,202,681
Investments held to maturity	(3)	**430,257,500**	670,816,000
Investments in Mudaraba	(4)	**798,562,176**	688,070,176
Musharaka financing	(5)	**886,438,336**	290,344,937
Investments available for sale	(6)	**8,149,997,796**	1,163,486,065
Investments in property		**468,281,029**	468,281,029
Other assets		**3,714,916,174**	472,725,788
Projects in progress		**251,199,666**	223,581,075
Fixed assets (net)		**180,930,820**	167,549,080
Total Assets		**29,026,984,075**	**7,989,539,500**
Liabilities, Unrestricted investment accounts and Owners' Equity:-			
Liabilities:-			
Current Account		**4,622,841,296**	2,309,361,437
Other liabilities		**4,137,247,431**	521,472,100
Provisions		**585,485,820**	258,490,119
Total Liabilities		**9,345,574,547**	3,089,323,656
Unrestricted investment accounts holders		**4,038,263,912**	**1,587,141,095**
Owners' Equity:-			
Paid up capital	(8)	**323,549,000**	323,549,000
Reserves		**14,809,287,957**	2,537,822,213
Retained earnings		**510,308,659**	451,703,536
Total Owners' equity		**15,643,145,616**	**3,313,074,749**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**29,026,984,075**	**7,989,539,500**
Contra accounts:-	(10)	**2,528,932,654**	**231,092,252**

Mohamed Ahmed Alamin
Acting General Manager

Abbas Albaghit Musa
Board member

Abdurrahman Ahmed Abdullah Senan
Board member

The accompanying notes (1) to (10) form an integral part of these Statements

CONDENSED INCOME STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	For Three Months Ended 30 June		For Six Months Ended 30 June	
	2021 SDG	2020 SDG	2021 SDG	2020 SDG
Income				
Deferred sales	**190,359,401**	66,840,228	**314,953,185**	132,880,366
Income from investments	**103,826,617**	68,508,127	**233,412,806**	122,001,686
Total income from financing and investments	**294,186,018**	**135,348,355**	**548,365,991**	**254,882,052**
Less: Return on unrestricted investment accounts	**(60,157,453)**	(39,605,611)	**(92,050,083)**	(54,184,953)
Bank's share in income from investments (as Mudarib and as fund owner)	**234,028,565**	95,742,744	**456,315,908**	200,697,099
Income from direct investments	**15,277,043**	12,000,000	**93,607,747**	12,000,000
Income from banking services	**32,618,852**	5,887,958	**47,381,714**	12,567,594
Gain on exchange of foreign currency	**5,434,888**	146,872	**8,948,621**	264,813
Other income	**2,056,630**	127,760	**3,358,497**	392,021
Total Bank's revenue	**289,415,978**	**113,905,334**	**609,612,487**	**225,921,527**
Expenses				
Staff cost	**(179,155,998)**	(29,149,874)	**(228,838,553)**	(54,662,262)
Operation expenses	**(42,426,500)**	(9,458,634)	**(69,053,174)**	(23,190,483)
Depreciation	**(3,949,342)**	(3,216,385)	**(7,723,829)**	(6,524,239)
Provision for financing risk	**(13,022,794)**	-	**(21,236,127)**	(7,413,002)
Total expenses	**(238,554,634)**	(41,824,893)	**(326,851,683)**	(91,789,986)
Net operation profits	**50,861,344**	72,080,441	**282,760,804**	134,131,541
Gain / (losses) from revaluation of foreign currencies	**968,178,090**	62,421	**5,264,954,499**	144,963,741
Profit before Zakah & tax	**1,019,039,434**	72,142,862	**5,547,715,303**	279,095,282
Provision for Zakah	**(77,545,062)**	(16,154,371)	**(180,430,592)**	(27,474,371)
Provision for business Profit Tax	**4,108,936**	(9,486,990)	**(37,213,409)**	(12,326,990)
Net income for the period	**945,603,308**	46,501,501	**5,330,071,302**	239,293,921
Basic earnings per share	**7.8**	0.38	**43.95**	1.97

Mohamed Ahmed Alamin	Abbas Albakhit Musa	Abdurrahman Ahmed Abdullah Senan
Acting General Manager	Board member	Board member

The accompanying notes (1) to (10) form an integral part of these Statements

AL SALAM BANK

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	JUNE, 30,2021 Unaudited SDG	JUNE, 30,2020 Unaudited SDG
Cash follows from operating activities:		
Net income for the period	**5,330,071,302**	239,293,921
Adjustments for:		
Provision for Zakah	**180,430,592**	27,474,371
Provision for business profit tax	**21,236,127**	7,413,002
Provision for financing risk	**37,213,409**	12,326,990
Depreciation of fixed assets	**7,723,829**	6,524,239
Return on unrestricted investment accounts	**92,050,083**	54,184,953
	5,668,725,342	347,217,476
Changes in operating assets, liabilities:		
Other assets	**(3,242,190,386)**	(80,382,513)
Other liabilities	**3,615,775,331**	148,117,304
Zakah and tax paid	**(48,139,857)**	-
Provisions	**157,491,557**	11,232,968
Net cash from (used in) operating activities	**6,151,661,987**	**426,185,235**
Cash follows from investing activities:		
Deferred sales receivables	**(1,643,067,252)**	(319,437,854)
Investments held to maturity	**240,558,500**	(54,732,240)
Investments in Mudaraba	**(110,492,000)**	(192,074,137)
Musharaka financing	**(596,093,399)**	15,810,500
Investments available for sale	**(6,986,511,731)**	(49,287,935)
Projects in progress	**(27,618,591)**	(16,761,386)
Purchases of fixed assets	**(21,105,569)**	(559,500)
Net cash (used in) investing activities	**(9,144,330,042)**	**(617,042,552)**
Cash follows from financing activities:		
Current accounts	**2,313,479,859**	55,408,518
Unrestricted investment accounts	**2,359,072,734**	217,682,484
Reserves	**6,999,999,565**	149,849,934
Net cash from financing activities	**11,672,552,158**	422,940,936
Decrease in cash and cash equivalents for the period	**8,679,884,103**	232,083,619
Cash and cash equivalents at the beginning of the period	**2,044,482,669**	1,261,782,105
Cash and cash equivalents at the end of the period	**10,724,366,772**	**1,493,865,724**

Mohamed Ahmed Alamin
Acting General Manager

Abbas Albakhit Musa
Board member

Abdurrahman Ahmed Abdullah Senan
Board member

The accompanying notes (1) to (10) form an integral part of these Statements

AL SALAM BANK

CONDENSED STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Paid up capital SDG	Retained earnings SDG	Statutory reserve SDG	General reserve SDG	Property revaluation reserve SDG	Foreign Invts valuation reserve SDG	Foreign assets reserve SDG	Total SDG
Balance as at January 1, 2020	**323,549,000**	**288,225,064**	**109,003,245**	**284,407,948**	**307,550,184**	**624,776,629**	**898,854,774**	**2,836,366,844**
Net income for the period	-	326,804,137			-	-	-	326,804,137
Reserves	-	(18,164,275)	18,164,275		-			
Exchange Diff	-	(145,161,390)				149,903,768	- 145,161,390	- 149,903,768
Balance as at January 1, 2021	**323,549,000**	**451,703,536**	**127,167,520**	**284,407,948**	**307,550,184**	**774,680,397**	**1,044,016,164**	**3,313,074,749**
Net income for the period	-	5,330,071,302						5,330,071,302
Reserves	-	(6,511,680)	6,511,680					
Exchange Diff		(5,264,954,499)				6,999,999,565	5,264,954,499	- 6,999,999,565
Balance as at JUNE , 30, 2021	**323,549,000**	**510,308,659**	**133,679,200**	**284,407,948**	**307,550,184**	**7,774,679,962**	**6,308,970,663**	**15,643,145,616**

Mohamed Ahmed Alamin
Acting General Manager

Abbas Albakhit Musa
Board member

Abdurrahman Ahmed Abdullah Senan
Board member

The accompanying notes (1) to (10) form an integral part of these Statements

(1) Incorporation and activities

Al Salam Bank (the Bank) was established as a public company with a limited liability in Khartoum on December 28, 2004 under companies law 1925 with registration certificate No. 23335. The Bank is providing commercial banking services according to Islamic rules and principles.
The Bank started its commercial operations on May 2005, Providing its services from the head office, which is located at Aljamhoria street and Alhuria street junction and Alsalam Rotana branch (Africa street) and Omdurman (almawrada 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 Institutions (AAOIFI), and the international Accounting Standard 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 31,2020and 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 30,June, 2021 are not indicative of the results that may be expected for the year ended 31 December 2020.

c) Functional currency

The functional currency of these condensed financial statements is Sudanese Geneih (SDG).

(3) Investments held to maturity

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Shahama securities	**430,257,500**	670,816,000
	430,257,500	670,816,000

(4) Investment in Mudaraba

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Mudaraba with corporate & customers	**775,189,253**	119,528,216
Mudaraba with Dam securities Co	**275,000,000**	210,000,000
Mudaraba with Hyper Deal Co	**220,000,000**	220,000,000
Mudaraba with local banks	**281,518,309**	231,518,309
	1,551,707,562	781,046,525
Less : Provision for financing risk	**(753,145,386)**	(92,976,349)
	798,562,176	**688,070,176**

(5) Musharka financing

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Musharaka	**895,392,259**	293,309,532
Less : Provision for financing risk	**(8,953,923)**	(2,964,595)
	886,438,336	**290,344,937**

(6) Investments available for sale

	Ownership percentage	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Local investment funds		**85,863,000**	192,477,000
Al Salam Real Estate Company	**50%**	**50,000**	50,000
Alsalam bank- Bahrain	**0.98%**	**3,610,004,626**	428,339,279
King Abdullah city	**0.06%**	**832,925,770**	101,519,786
Alsalam Algeria Bank	**3.60%**	**3,621,154,400**	441,100,000
		8,149,997,796	1,163,486,065

(7)Investments Analysis

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Local Investments (note 7/1)	**2,669,452,041**	2,310,039,142
Investments in GCC countries (note 7/2)	**4,442,930,396**	529,859,065
Foreign Investments (Al Salam Bank - Algeria)	**3,621,154,400**	441,100,000
	10,733,536,837	3,280,998,207

(7/1) Local Investments

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Shahama securities	**430,257,500**	670,816,000
Inter Bank Liquidity Managment Fund	**85,863,000**	192,477,000
Mudaraba with Customers (net)	**22,043,867**	26,551,867
Mudaraba with Dam securities Co	**275,000,000**	210,000,000
Mudaraba with Hyper Deal Co	**220,000,000**	220,000,000
Mudaraba with Local Banks	**281,518,309**	231,518,309
Net Musharaka	**886,438,336**	290,344,937
Al Salam Real Estate Company	**50,000**	50,000
Local land	**468,281,029**	468,281,029
	2,669,452,041	2,310,039,142

(7/2) Investments in GCC countries

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
AL Salam Bank – Bahrain	**3,610,004,626**	428,339,279
King Abdullah City shares	**832,925,770**	101,519,786
	4,442,930,396	529,859,065

8/ capital

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Paid up capital	**323,549,000**	323,549,000
	323,549,000	323,549,000

The authorized share capital of the bank comprises of 200 million share with nominal value of SDG 2,69 each ,issued and paid shares 121,275,000 .

(9) Statutory reserve

As required by the Central Bank of Sudan, 10 % of net profit 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.

(10) Contra accounts

The contra accounts which are not included in the statement of financial position are as follows.

	June 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Letters of credit	**1,695,974,861**	206,590,213
Letters of guarantee	**831,241,263**	22,785,509
Writing off debts	**1,716,530**	1,716,530
	2,528,932,654	231,092,252