ALSALAM BANK – SUDAN
(public company)
UNAUDITED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31,2021

EL IMAM

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Auditor's Report

Financial Statements Review Report

Al-Salam Bank – Sudan

Review Scope

We have reviewed the accompanying balance sheet of Al-Salam Bank as of March 31, 2021 and the related statement of income, cash flow and change inequity for the three months then ended,in accordance with the standards forreview services. All the information included in these financial statements is the representation of Al-Salam Bank's management.

Review was conducted in accordance with the interim financial statements'review standards, which include enquires of the bank personnel and analytical procedures applied to financial data.

Review is less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Opinion

Based on the review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the International Accounting Standard number (34).

الإمام محاسبون ومراجعون قانونيون
El Imam Certified Public Accountants

Abdel Rahman Osman El Imam, PhD, CPA

Khartoum, 12April, 2021
30Shaban1442H

AL SALAM BANK

CONDENSED STATEMENT OF FINANCIAL POSITION

As At March 31, 2021

	Note	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Assets:-			
Cash and cash equivalents		9,662,280,385	2,044,482,669
Deferred sales receivables (net)		2,586,033,862	1,800,202,681
Investments held to maturity	(3)	670,816,000	670,816,000
Investments in Mudaraba	(4)	708,050,484	688,070,176
Musharaka financing	(5)	378,568,336	290,344,937
Investments available for sale	(6)	6,874,188,339	1,163,486,065
Investments in property		468,281,029	468,281,029
Other assets		2,946,700,995	472,725,788
Projects in progress		278,604,855	223,581,075
Fixed assets (net)		164,469,893	167,549,080
Total Assets		**24,737,994,178**	**7,989,539,500**
Liabilities, Unrestricted investment accounts and Owners' Equity:-			
Liabilities:-			
Current Accounts		3,896,910,025	2,309,361,437
Other liabilities		3,592,183,580	521,472,100
Provisions and accruals		360,497,252	258,490,119
Total Liabilities		7,849,590,857	**3,089,323,656**
Unrestricted investment accounts holders		**3,438,467,607**	**1,587,141,095**
Owners' Equity:-			
Paid up capital	(8)	323,549,000	323,549,000
Reserves		12,595,760,752	2,537,822,213
Retained earnings		530,625,962	451,703,536
Total Owners' equity		**13,449,935,714**	**3,313,074,749**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**24,737,994,178**	**7,989,539,500**
Contra accounts	(10)	**1,454,469,845**	**231,092,252**

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

Mohammed Ahmed Alamein **Acting General Manager**	**Abbas Elbakhit Musa** **Board member**	**Abdulrahman Ahmed Senan** **Board member**

AL SALAM BANK

CONDENSED INCOME STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2021

	Note	March 31,2021	March 31,2020
		Unaudited	Unaudited
Income:-		SDG	SDG
Income from deferred sales		124,593,784	66,040,138
Income from investments		129,586,189	53,493,559
Total income from finance and investments		**254,179,973**	**119,533,697**
Less: Return on unrestricted investment accounts		(31,892,630)	(14,579,342)
Bank's share in income from investments (as Mudarib and as fund owner)		**222,287,343**	**104,954,355**
Income from bank's own investments		78,330,704	-
Income from banking services		14,762,862	6,679,636
Gain on foreign currency transaction		3,513,733	117,941
Gain (loss) on valuation of foreign currencies		4,296,776,409	144,901,320
Other banking income		1,301,867	264,261
Total income		**4,616,972,918**	**256,917,513**
Expenses:-			
Staff cost		(49,682,555)	(25,512,388)
Operations expenses		(26,626,674)	(13,731,849)
Depreciation		(3,774,487)	(3,307,854)
Provision for Investment & Finance		(8,213,333)	(7,413,002)
Total expenses		**(88,297,049)**	**(49,965,093)**
Profit before Zakah and business profit tax		4,528,675,869	206,952,420
Provision for Zakah		(102,885,530)	(11,320,000)
Provision for Business Profit Tax		(41,322,345)	(2,840,000)
Net income for the period		**4,384,467,994**	**192,792,420**
Earnings per share		**36.15**	1.59

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

Mohammed Ahmed Alamein	**Abbas Elbakhit Musa**	**Abdulrahman Ahmed Senan**
Acting General Manager	**Board member**	**Board member**

AL SALAM BANK

CONDENSED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

	March 31,2021	March 31,2020
	Unaudited	Unaudited
	SDG	SDG
Cash flows from operating activities		
Net income for the period	**4,384,467,994**	192,792,420
Adjustments for:		
Provision for Zakah	102,885,530	11,320,000
Provision for business Profit Tax	41,322,345	2,840,000
Provision for financing risk	8,213,333	7,413,002
Depreciation of fixed assets	3,774,487	3,307,854
Return on unrestricted investment accounts	31,892,630	14,579,342
	4,572,556,319	**232,252,618**
Changes in operating assets and liabilities:		
Other assets	(2,473,975,207)	(46,531,844)
Other liabilities	3,070,711,480	91,994,295
Provisions	(42,200,742)	4,155,732
Net cash from (used in) operating activities	**5,127,091,850**	**281,870,801**
Cash flows from investing activities		
Deferred sales receivables (net)	(794,044,514)	(288,500,737)
Investments held to maturity	-	(54,732,240)
Investments in Mudaraba	(19,980,308)	(211,559,271)
Musharaka financing	(88,223,399)	15,768,182
Investments available for sale	(5,710,702,274)	(69,824,265)
Projects in progress	(55,023,780)	(13,399,154)
Purchases of fixed assets	(695,300)	(107,000)
Net cash (used in) investing activities	**(6,668,669,575)**	**(622,354,485)**
Cash flows from financing activities		
Current accounts	1,587,548,588	202,937,034
Unrestricted investment accounts	1,819,433,882	199,141,812
Reserves	5,752,392,971	149,693,264
Net cash from (used in) financing activities	**9,159,375,441**	**551,772,110**
Net increase (decrease) in cash and cash equivalents	**7,617,797,716**	**211,288,426**
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	**9,662,280,385**	**1,473,070,531**

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

Mohammed Ahmed Alamein	Abbas Elbakhit Musa	Abdulrahman Ahmed Senan
Acting General Manager	Board member	Board member

CONDENSED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2021

	Paid up capital	Retained earnings	Statutory reserve	General reserve	Property revaluation reserve	Foreign investments revaluation reserve	Assets & liabilities foreign currencies revaluation reserve	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG	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 year	-	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**	**288,225,064**	**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	-	4,384,467,994	-	-	-	-	-	4,384,467,994
Reserves	-	(8,769,159)	8,769,159	-	-	-	-	-
Exchange Diff	-	(4,296,776,409)	-	-	-	5,752,392,971	4,296,776,409	5,752,392,971
Balance as at March 31, 2021	**323,549,000**	**530,625,962**	**135,936,679**	**284,407,948**	**307,550,184**	**6,527,073,368**	**5,340,792,573**	**13,449,935,714**

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

Mohammed Ahmed Alamein
Acting General Manager

Abbas Elbakhit Musa
Board member

Abdulrahman Ahmed Senan
Board member

(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 Rotana branch which is placed in Africa street and the Omdurman Murdah street branch .

(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 (Interim Financial Reporting). The accounting policies applied in preparation of the condensed interim financial statements comply with the accounting policies applied in preparation of the annual financial statements for the year ended 31 December 2020, which are prepared in accordance with the Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) 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 for the year ended 31 December 2019 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 the Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Additionally, the results for the period ended 31 March, 2021 are not indicative of the expected results for the year ending 31 December 2021.

c) Functional currency

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

(3) Investments held to maturity

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Shahama securities	**670,816,000**	670,816,000
	670,816,000	**670,816,000**

(4) Mudaraba Investment and Agencies

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Mudaraba with corporate & customers*	**661,727,170**	119,528,216
Mudaraba with Dam Company	**210,000,000**	210,000,000
Mudaraba with Dam Company	**220,000,000**	220,000,000
Mudaraba with financial institutions	**251,518,309**	231,518,309
	1,343,245,479	781,046,525
Less : Provision for financing risk	**(635,194,995)**	(92,976,349)
	708,050,484	**688,070,176**

* Mudaraba with customers include non-performing Mudaraba with a customer for US $ 1.66 million, which was non-performing since 25/9/2008.

(5) Musharka financing

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Musharaka	**382,392,259**	293,309,532
Less : Provision for financing risk	**(3,823,923)**	(2,964,595)
	378,568,336	**290,344,937**

(6) Investments available for sale

	Ownership percentage	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Inter bank liquidity management fund		**72,455,600**	192,477,000
Al Salam Real Estate Company	**50%**	**50,000**	50,000
Alsalam bank- Bahrain		**3,044,704,199**	428,339,279
King Abdullah city		**702,870,540**	101,519,786
Alsalam Algeria Bank	**5%**	**3,054,108,000**	441,100,000
		6,874,188,339	**1,163,486,065**

(7)Investments Analysis

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Local Investments (note 7/1)	**2,298,221,449**	2,310,039,142
Investments in GCC countries (note 7/2)	**3,747,574,739**	529,859,065
Foreign Investments (Al Salam Bank - Algeria)	**3,054,108,000**	441,100,000
	9,099,904,188	**3,280,998,207**

(7/1) Local Investments

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
Shahama securities	**670,816,000**	670,816,000
Investment funds	**72,455,600**	192,477,000
Mudaraba with Customers (net)	**26,532,175**	26,551,867
Mudaraba with Dam Company	**210,000,000**	210,000,000
Mudaraba with Hyper Deal	**220,000,000**	220,000,000
Mudaraba with Local Banks	**251,518,309**	231,518,309
Net Musharaka	**378,568,336**	290,344,937
Al Salam Real Estate Company	**50,000**	50,000
Local land	**468,281,029**	468,281,029
	2,298,221,449	**2,310,039,142**

(7/2) Investments in GCC countries

	March 31,2021 Unaudited SDG	December 31,2020 Audited SDG
AL Salam Bank – Bahrain	**3,044,704,199**	428,339,279
King Abdullah City shares	**702,870,540**	101,519,786
	3,747,574,739	**529,859,065**

8/ capital

	March 31,2021 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 121,275,000 shares.

(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:

	March 31,2021	December 31,2020
	Unaudited	Audited
	SDG	SDG
Letters of credit	**1,430,592,225**	206,590,213
Letters of guarantee	**22,161,090**	22,785,509
Debts written-off	**1,716,530**	1,716,530
	1,454,469,845	**231,092,252**