ALSALAM BANK – SUDAN
(public company)
UNAUDITED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
SEPTEMBER 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 September ,30,2021 and the related statement of income , cash flow and change in equity for the nine 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
October 12, 2021

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

Reg. No. 13657
Allied Accountants
Bannaga & Co.

AL SALAM BANK

CONDENSED STATEMENTS OF FINANCIAL POSITION

As At September 30, 2021

	Note	September 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Assets:-			
Cash and cash equivalents		**12,214,356,863**	2,044,482,669
Deferred sales receivables (net)		**5,476,048,190**	1,800,202,681
Investments held to maturity	(3)	**107,756,000**	670,816,000
Investments in Mudaraba	(4)	**1,026,823,893**	688,070,176
Musharaka financing	(5)	**1,080,782,646**	290,344,937
Investments available for sale	(6)	**8,262,819,817**	1,163,486,065
Investments in property		**468,281,029**	468,281,029
Other assets		**3,722,769,686**	472,725,788
Projects in progress		**23,699,258**	223,581,075
Fixed assets (net)		**425,260,343**	167,549,080
Total Assets		**32,808,597,725**	**7,989,539,500**
Liabilities, Unrestricted investment accounts and Owners' Equity:-			
Liabilities:-			
Current Account		**7,812,500,391**	2,309,361,437
Other liabilities		**4,349,161,797**	521,472,100
Provisions		**700,866,946**	258,490,119
Total Liabilities		**12,862,529,134**	3,089,323,656
Unrestricted investment accounts holders		**4,424,083,721**	**1,587,141,095**
Owners' Equity:-			
Paid up capital	(8)	**323,549,000**	323,549,000
Reserves		**14,435,251,749**	2,537,822,213
Retained earnings		**763,184,121**	451,703,536
Total Owners' equity		**15,521,984,870**	**3,313,074,749**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**32,808,597,725**	**7,989,539,500**
Contra accounts:-	(10)	**13,084,107,959**	**231,092,252**

Mohamed Ahmed Alamin	Dr.Mohamed Ali Khamis Alhosani	Abdulrahman 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 INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	For Three Months Ended 30 September		For nine Months Ended 30 September	
	2021	2020	2021	2020
	SDG	SDG	SDG	SDG
Income				
Deferred sales	**218,698,371**	70,299,486	**533,651,556**	203,179,852
Income from investments	**119,588,406**	66,089,889	**353,001,212**	188,091,575
Total income from financing and investments	**338,286,777**	**136,389,375**	**886,652,768**	**391,271,427**
Less: Return on unrestricted investment accounts	**(74,030,099)**	(22,365,581)	**(166,080,182)**	(76,550,534)
Bank's share in income from investments (as Mudarib and as fund owner)	**264,256,678**	114,023,794	**720,572,586**	314,720,893
Income from direct investments	**(2,281,656)**	138,553,752	**91,326,091**	150,553,752
Income from banking services	**173,611,670**	10,394,730	**220,993,384**	22,962,324
Gain on exchange of foreign currency	**236,635,921**	69,488	**245,584,542**	334,301
Other income	**1,260,053**	324,218	**4,618,550**	716,239
Total Bank's revenue	**673,482,666**	**263,365,982**	**1,283,095,153**	**489,278,509**
Expenses				
Staff cost	**(116,608,905)**	(46,138,738)	**(345,447,458)**	(100,801,000)
Operation expenses	**(78,077,962)**	(16,058,803)	**(147,131,136)**	(39,249,286)
Depreciation	**(6,667,817)**	(3,263,619)	**(14,391,646)**	(9,787,858)
Provision for financing risk	**(24,521,547)**	(9,137,536)	**(45,757,674)**	(16,550,538)
Total expenses	**(225,876,231)**	(74,598,696)	**(552,727,914)**	(166,388,682)
Net operation profits	**447,606,435**	188,767,286	**730,367,239**	322,898,827
Gain / (losses) from revaluation of foreign currencies	**(309,597,503)**	129,512	**4,955,356,996**	145,093,253
Profit before Zakah & tax	**138,008,932**	188,896,798	**5,685,724,235**	467,992,080
Provision for Zakah	**(84,996,408)**	(12,399,073)	**(265,427,000)**	(39,873,444)
Provision for business Profit Tax	**(81,637,291)**	(42,330,874)	**(118,850,700)**	(54,657,864)
Net income for the period	**(28,624,767)**	134,166,851	**5,301,446,535**	373,460,772
Basic earnings per share	**(.24)**	1.11	**43.71**	3.08

Mohamed Ahmed Alamin	Dr.Mohamed Ali Khamis Alhosani	Abdulrahman 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 NINE MONTHS ENDED SEPTEMBER 30, 2021

	September, 30,2021 Unaudited SDG	September, 30,2020 Unaudited SDG
Cash follows from operating activities:		
Net income for the period	**5,301,446,535**	373,460,772
Adjustments for:		
Provision for Zakah	**265,427,000**	39,873,444
Provision for business profit tax	**118,850,700**	54,657,864
Provision for financing risk	**45,757,674**	16,550,538
Depreciation of fixed assets	**14,391,646**	9,787,858
Loss on disposal of fixed assets	**60,565**	-
Return on unrestricted investment accounts	**166,080,182**	76,550,534
Changes in operating assets, liabilities:	**5,912,014,302**	570,881,010
Other assets	**(3,250,043,898)**	(56,125,152)
Other liabilities	**3,827,689,697**	84,036,173
Zakat and tax paid	**(58,168,637)**	-
Provisions	**116,267,764**	2,311,968
Net cash from (used in) operating activities	**6,547,759,228**	**601,103,999**
Cash follows from investing activities:		
Deferred sales receivables	**(3,721,603,183)**	(117,193,371)
Investments held to maturity	**563,060,000**	(61,356,498)
Investments in Mudaraba	**(338,753,717)**	(201,773,783)
Musharaka financing	**(790,437,709)**	35,186,151
Investments available for sale	**(7,099,333,752)**	(316,038,657)
Projects in progress	-	(13,166,769)
Purchases of fixed assets	**(72,281,657)**	(8,628,118)
Net cash (used in) investing activities	**(11,459,350,018)**	**(682,971,045)**
Cash follows from financing activities:		
Current accounts	**5,503,138,954**	222,659,380
Unrestricted investment accounts	**2,670,862,444**	256,061,576
Reserves	**6,907,463,586**	149,855,456
Net cash from financing activities	**15,081,464,984**	628,576,412
Decrease in cash and cash equivalents for the period	**10,169,874,194**	546,709,366
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	**12,214,356,863**	**1,808,491,471**

Mohamed Ahmed Alamin	Dr.Mohamed Ali Khamis Alhosani	Abdulrahman 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 CHANGE IN OWNERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	5,301,446,535						5,301,446,535
Reserves	-	(34,608,954)	34,608,954					-
Exchange Diff		(4,955,356,996)				6,907,463,586	4,955,356,996	6,907,463,586
Balance as at September , 30, 2021	323,549,000	763,184,121	161,776,474	284,407,948	307,550,184	7,682,143,983	5,999,373,160	15,521,984,870

Mohamed Ahmed Alamin
Acting General Manager

Dr.Mohamed Ali Khamis Alhosani
Board member

Abdulrahman 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 , Africa street branch and Omdurman (almawrada street) , Suq shabee Omdurman and Al- sagana 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) 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,September, 2021 are not indicative of the results that may be expected for the year ended 31 December 2021.

c) Functional currency

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

(3) Investments held to maturity

	September, 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Shahama securities	**107,756,000**	670,816,000
	107,756,000	670,816,000

(4) Investment in Mudaraba

	September ,30,2021 Unaudited SDG	December 31,2020 Audited SDG
Mudaraba with corporate & customers	**765,510,163**	119,528,216
Mudaraba with Dam securities Co	**75,000,000**	210,000,000
Mudaraba with Hyper Deal Co	**600,000,000**	220,000,000
Mudaraba with local banks	**331,226,923**	231,518,309
	1,771,737,086	781,046,525
Less : Provision for financing risk	**(744,913,193)**	(92,976,349)
	1,026,823,893	**688,070,176**

(5) Musharka financing

	September 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Musharaka	**1,091,441,461**	293,309,532
Less : Provision for financing risk	**(10,658,815)**	(2,964,595)
	1,080,782,646	**290,344,937**

(6) Investments available for sale

	Ownership percentage	**September 30,2021**	December 31,2020
		Unaudited	Audited
		SDG	SDG
Local investment funds		**291,221,000**	192,477,000
Al Salam Real Estate Company	**50%**	**50,000**	50,000
Alsalam bank- Bahrain	**0.98%**	**3,568,354,067**	428,339,279
King Abdullah city	**0.06%**	**823,819,550**	101,519,786
Alsalam Algeria Bank	**3.60%**	**3,579,375,200**	441,100,000
		8,262,819,817	1,163,486,065

(7)Investments Analysis

	September 30,2021	December 31,2020
	Unaudited	Audited
	SDG	SDG
Local Investments (note 7/1)	**2,974,914,568**	2,310,039,142
Investments in GCC countries (note 7/2)	**4,392,173,617**	529,859,065
Foreign Investments (Al Salam Bank - Algeria)	**3,579,375,200**	441,100,000
	10,946,463,385	3,280,998,207

(7/1) Local Investments

	September 30,2021	December 31,2020
	Unaudited	Audited
	SDG	SDG
Shahama securities	**107,756,000**	670,816,000
Inter Bank Liquidity Managment Fund	**291,221,000**	192,477,000
Mudaraba with Customers (net)	**20,596,970**	26,551,867
Mudaraba with Dam securities Co	**75,000,000**	210,000,000
Mudaraba with Hyper Deal Co	**600,000,000**	220,000,000
Mudaraba with Local Banks	**331,226,923**	231,518,309
Net Musharaka	**1,080,782,646**	290,344,937
Al Salam Real Estate Company	**50,000**	50,000
Local land	**468,281,029**	468,281,029
	2,974,914,568	2,310,039,142

(7/2) Investments in GCC countries

	September 30,2021 Unaudited SDG	December 31,2020 Audited SDG
AL Salam Bank – Bahrain	**3,568,354,067**	428,339,279
King Abdullah City shares	**823,819,550**	101,519,786
	4,392,173,617	529,859,065

8/ capital

	September 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.

	September 30,2021 Unaudited SDG	December 31,2020 Audited SDG
Letters of credit	**1,676,407,661**	206,590,213
Letters of guarantee	**891,748,844**	22,785,509
Restricted investment accounts	**10,514,234,924**	-
Writing off debts	**1,716,530**	1,716,530
	13,084,107,959	231,092,252