Al-Salam bank- Sudan
(Public limited Liability Company)
Unaudited Financial Statements
For The Six Months Ended
June 30, 2022

Allied 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 ,30,2017 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 standards issued by Accounting and Auditing Organization for Islamic financial institution and international 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, 19, 2022

dam Abdullah Hussein (CPA)
Allied Accountants – Banaga &Co

AL SALAM BANK

CONDENSED STATEMENTS OF FINANCIAL POSITION

As At JUNE 30, 2022

	Note	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Assets:-			
Cash and cash equivalents		**15,468,625,674**	12,861,665,764
Deferred sales receivables (net)		**7,374,619,370**	7,264,381,206
Investments held to maturity	(3)	**33,569,500**	27,435,500
Investments in Mudaraba	(4)	**2,031,795,004**	1,838,113,893
Musharaka financing	(5)	**880,833,546**	1,055,467,046
Investments available for sale	(6)	**9,048,452,919**	7,331,918,576
Investments in property		**468,281,029**	468,281,029
Other assets		**5,513,269,773**	3,593,384,398
Projects in progress		**65,699,372**	66,637,612
Fixed assets (net)		**582,145,203**	591,207,318
Total Assets		**41,467,291,390**	**35,098,492,342**
Liabilities, Unrestricted investment accounts and Owners' Equity:-			
Liabilities:-			
Current Account		**8,735,441,628**	9,766,649,107
Other liabilities		**5,906,128,210**	4,845,594,920
Provisions		**1,724,557,472**	1,167,330,827
Total Liabilities		**16,366,127,310**	**15,779,574,854**
Unrestricted investment accounts holders		**6,339,141,403**	4,802,351,694
Owners' Equity:-			
Paid up capital	(8)	**323,549,000**	323,549,000
Reserves	(9)	**16,537,011,277**	13,112,228,326
Retained earnings		**1,901,462,400**	1,080,788,468
Total Owners' equity		**18,762,022,677**	**14,516,565,794**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**41,467,291,390**	**35,098,492,342**
Contra accounts:-	(10)	**48,323,913,116**	**19,526,315,167**

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 SIX MONTHS ENDED JUNE 30, 2022

	For Three Months Ended 30 June		For Six Months Ended 30 June	
	2022	2021	2022	2021
	SDG	SDG	SDG	SDG
Income				
Deferred sales	**503,319,337**	190,359,401	**992,583,026**	314,953,185
Income from investments	**202,841,643**	103,826,617	**445,796,454**	233,412,806
Total income from financing and investments	**706,160,980**	294,186,018	**1,438,379,480**	548,365,991
Less: Return on unrestricted investment accounts	**(150,142,112)**	(60,157,453)	**(219,215,345)**	(92,050,083)
Bank's share in income from investments (as Mudarib and as fund owner)	**556,018,868**	234,028,565	**1,219,164,135**	456,315,908
Income from direct investments	-	15,277,043	**267,015,683**	93,607,747
Income from banking services	**334,930,608**	32,618,852	**990,272,795**	47,381,714
Gain on exchange of foreign currency	**127,942,369**	5,434,888	**243,272,831**	8,948,621
Other income	**31,448,966**	2,056,630	**33,034,544**	3,358,497
Total Bank's revenue	**1,050,340,811**	289,415,978	**2,752,759,988**	609,612,487
Expenses				
Staff cost	**(463,446,003)**	(179,155,998)	**(901,113,310)**	(228,838,553)
Operation expenses	**(185,507,749)**	(42,426,500)	**(286,271,921)**	(69,053,174)
Depreciation	**(11,357,048)**	(3,949,342)	**(21,454,143)**	(7,723,829)
Provision for financing risk	**3,400,931**	(13,022,794)	**(15,389,463)**	(21,236,127)
Total expenses	**(656,909,869)**	(238,554,634)	**(1,224,228,837)**	(326,851,683)
Net operation profits	**393,430,942**	50,861,344	**1,528,531,151**	282,760,804
Gain / (losses) from revaluation of foreign currencies	**(87,411,519)**	968,178,090	**1,439,338,882**	5,264,954,499
Profit before Zakah & tax	**306,019,423**	1,019,039,434	**2,967,870,033**	5,547,715,303
Provision for Zakah	**(150,371,586)**	(77,545,062)	**(260,717,343)**	(180,430,592)
Provision for business Profit Tax	**(42,701,430)**	4,108,936	**(355,953,884)**	(37,213,409)
Net income for the period	**112,946,407**	945,603,308	**2,351,198,806**	5,330,071,302
Basic earnings per share	**.93**	7.8	**19.39**	43.95

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

AL SALAM BANK

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022

	June 30,2022 Unaudited SDG	June 30,2021 Unaudited SDG
Cash follows from operating activities:		
Net income for the period	**2,351,198,806**	5,330,071,302
Adjustments for:		
Provision for Zakah	**260,717,343**	180,430,592
Provision for business profit tax	**355,953,884**	37,213,409
Provision for financing risk	**15,389,463**	21,236,127
Depreciation of fixed assets	**21,454,143**	7,723,829
Profit on sale of fixed assets	**(18,094,204)**	-
Return on unrestricted investment accounts	**219,215,345**	92,050,083
Changes in operating assets, liabilities:	**3,205,834,780**	5,668,725,342
Other assets	**(1,919,885,375)**	(3,242,190,386)
Other liabilities	**1,060,533,290**	3,615,775,331
Paid Zakat and tax	**(696,252,376)**	(48,139,857)
Provisions	**636,807,794**	157,491,557
Net cash from (used in) operating activities	**2,287,038,113**	6,151,661,987
Cash follows from investing activities:		
Deferred sales receivables	**(125,627,627)**	(1,643,067,252)
Investments held to maturity	**(6,134,000)**	240,558,500
Investments in Mudaraba	**(193,681,111)**	(110,492,000)
Musharaka financing	**174,633,500**	(596,093,399)
Investments available for sale	**(1,716,534,343)**	(6,986,511,731)
Projects in progress	**938,240**	(27,618,591)
Purchases of fixed assets	**(12,422,054)**	(21,105,569)
Proceed on sale of fixed assets	**18,124,230**	-
Net cash (used in) investing activities	**(1,860,703,165)**	(9,144,330,042)
Cash follows from financing activities:		
Current accounts	**(1,031,207,479)**	2,313,479,859
Unrestricted investment accounts	**1,317,574,364**	2,359,072,734
Reserves	**1,894,258,077**	6,999,999,565
Net cash from financing activities	**2,180,624,962**	11,672,552,158
Increase in cash and cash equivalents for the period	**2,606,959,910**	8,679,884,103
Cash and cash equivalents at the beginning of the period	**12,861,665,764**	2,044,482,669
Cash and cash equivalents at the end of the period	**15,468,625,674**	10,724,366,772

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 SIX MONTHS ENDED JUNE 30, 2022

	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, 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	-	5,191,642,439			-	-	-	5,191,642,439
Reserves	-	(69,898,326)	69,898,326		-		-	-
Exchange Diff	-	(4,492,659,181)	-			6,011,848,606	4,492,659,181	6,011,848,606
Balance as at December 31, 2021	323,549,000	1,080,788,468	197,065,846	284,407,948	307,550,184	6,786,529,003	5,536,675,345	14,516,565,794
Net income for the period	-	2,351,198,806	-	-	-	-	-	2,351,198,806
Reserves	-	(91,185,992)	91,185,992	-	-	-	-	-
Exchange Diff	-	(1,439,338,882)	-	-	-	1,894,258,077	1,439,338,882	1,894,258,077
Balance as at june , 30, 2022	323,549,000	1,901,462,400	288,251,838	284,407,948	307,550,184	8,680,787,080	6,976,014,227	18,762,022,677

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, 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, 2021 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, 2022 are not indicative of the results that may be expected for the year ended 31 December 2022.

c) Functional currency

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

(3) Investments held to maturity

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Shahama securities	**33,569,500**	27,435,500
	33,569,500	**27,435,500**

(4) Investment in Mudaraba

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Mudaraba with corporate & customers	**217,501,123**	23,000,000
Mudaraba with Dam securities Co	**-**	75,000,000
Mudaraba with Hyper Deal Co	**810,000,000**	850,000,000
Al Baraka investment fund(4th)	**15,000,000**	-
Second investment fund - Hyper Deal Co	**41,220,000**	41,220,000
The animal production fund - Hyper Deal Co	**250,000,000**	250,000,000
Mudaraba with local banks	**706,294,370**	603,794,370
	2,040,015,493	**1,843,014,370**
Less : Provision for financing risk	**(8,220,489)**	(4,900,477)
	2,031,795,004	**1,838,113,893**

(5) Musharka financing

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Musharaka	**892,191,461**	1,066,241,461
Less : Provision for financing risk	**(11,357,915)**	(10,774,415)
	880,833,546	**1,055,467,046**

(6) Investments available for sale

	Ownership percentage	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Alsalam bank- Bahrain	**0.98%**	**3,576,177,694**	2,733,679,808
Alsalam Algeria Bank	**3.60%**	**4,569,070,400**	3,597,440,000
King Abdullah city	**0.06%**	**903,153,825**	710,809,531
Local investment funds		**1,000**	289,939,237
Al Salam Real Estate Company	**50%**	**50,000**	50,000
		9,048,452,919	**7,331,918,576**

(7)Investments Analysis

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Local Investments (note 7/1)	**3,414,530,079**	3,679,286,705
Investments in GCC countries (note 7/2)	**4,479,331,519**	3,444,489,339
Foreign Investments (Al Salam Bank - Algeria)	**4,569,070,400**	3,597,440,000
	12,462,931,998	**10,721,216,044**

(7/1) Local Investments

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Shahama securities	**33,569,500**	27,435,500
Local investment funds	**1,000**	289,939,237
Al Baraka investment fund(4th)	**15,000,000**	-
Mudaraba with Customers (net)	**209,280,634**	18,099,523
Mudaraba with Dam securities Co	**-**	75,000,000
Mudaraba with Hyper Deal Co	**1,101,220,000**	1,141,220,000
Mudaraba with Local Banks	**706,294,370**	603,794,370
Net Musharaka	**880,833,546**	1,055,467,046
Al Salam Real Estate Company	**50,000**	50,000
Local land	**468,281,029**	468,281,029
	3,414,530,079	**3,679,286,705**

(7/2) Investments in GCC countries

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
AL Salam Bank – Bahrain	**3,576,177,694**	2,733,679,808
King Abdullah City shares	**903,153,825**	710,809,531
	4,479,331,519	**3,444,489,339**

(8) capital

	June 30,2022 Unaudited SDG	December 31,2021 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) Reserves:-

	June 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Property revaluation reserve	**307,550,184**	307,550,184
Foreign investments revaluation reserve	**8,680,787,080**	6,786,529,003
Foreign assets and liabilities revaluation reserve	**6,976,014,227**	5,536,675,345
General reserve	**284,407,948**	284,407,948
Statutory reserve (note 9/1)	**288,251,838**	197,065,846
	16,537,011,277	**13,112,228,326**

(9/1) 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 30,2022 Unaudited SDG	December 31,2021 Audited SDG
Letters of credit	**31,576,401,942**	12,071,665,583
Letters of guarantee	**133,022,546**	810,025,143
Restricted investment accounts	**15,664,690,350**	5,896,439,394
Writing off debts	**949,798,278**	748,185,047
	48,323,913,116	**19,526,315,167**