

**AL- SALAM BANK- SUDAN
(Public Company)
UNAUDITED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30 ,2023**



المحاسبون المتحدون
بانقا وشركاه
محاسبون ومراجعون قانونيون

شارع عطبرة
عمارة التاكا - الدور الثاني
ص.ب. ١٦٠٣ - الخرطوم
جمهورية السودان
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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, 30,2023 and 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 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)

Wad Madany November 16, 2023



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

المحاسبون المتحدون بانقا وشركاه
رقم التسجيل ١٣٦٥٧

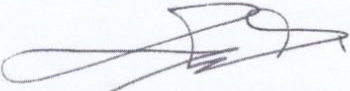
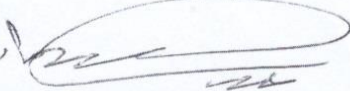
AL SALAM BANK

CONDENSED STATEMENT OF FINANCIAL POSITION

As At SEPTEMBER 30, 2023

	Note	September 30, 2023 <u>Unaudited</u> SDG	December 31, 2022 <u>Audited</u> SDG
<u>Assets:-</u>			
Cash and cash equivalents		31,841,995,783	26,369,528,154
Deferred sales receivables (net)		24,683,386,433	9,532,209,824
Investments held to maturity	(3)	33,569,500	33,569,500
Investments in Mudaraba	(4)	4,414,399,032	2,554,399,032
Musharaka financing	(5)	548,647,583	548,647,583
Investments available for sale	(6)	9,962,773,756	9,440,275,859
Investments in property		468,281,029	468,281,029
Other assets		6,406,956,036	5,354,321,387
Projects in progress		313,222,938	169,010,475
Fixed assets (net)		983,548,511	1,053,736,117
Total Assets		<u>79,656,780,601</u>	<u>55,523,978,960</u>
<u>Liabilities, Unrestricted investment accounts and Owners' Equity: -</u>			
<u>Liabilities: -</u>			
Current Accounts		14,355,676,216	16,721,597,844
Other liabilities		14,572,114,783	5,280,597,439
Provisions		2,082,862,999	1,952,275,458
Total Liabilities		<u>31,010,653,998</u>	<u>23,954,470,741</u>
Unrestricted investment accounts holders		29,158,135,210	12,445,963,399
<u>Owners' Equity: -</u>			
Paid up capital	(8)	323,549,000	323,549,000
Reserves		16,970,555,607	16,367,881,815
Retained earnings		2,193,886,786	2,432,114,005
Total Owners' equity		<u>19,487,991,393</u>	<u>19,123,544,820</u>
Total Liabilities, Unrestricted investment accounts and Owners' equity		<u>79,656,780,601</u>	<u>55,523,978,960</u>
<u>Contra accounts</u>	(10)	<u>33,979,205,258</u>	<u>32,937,808,853</u>

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

		
Mohamed Ahmed Alamin	Dr. Mohamed Ali Khamis Alhosani	Abdulrahman Ahmed Abdullah Senan
Acting General Manager	Board Member	Board Member

AL SALAM BANK

CONDENSED INCOME STATEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	For three months ended 30 September		For nine months ended 30 September	
	2023	2022	2023	2022
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Income				
Deferred sales	55,334,425	476,244,938	1,110,311,307	1,468,827,964
Income from investments	-	252,933,496	106,598,724	698,729,950
Total income from financing and investments	55,334,425	729,178,434	1,216,910,031	2,167,557,914
Less :				
Return on unrestricted investment accounts	-	(123,507,512)	(161,145,825)	(342,722,857)
Bank's share in income from investments (as Mudarib and as fund owner)	55,334,425	605,670,922	1,055,764,206	1,824,835,057
Income from direct investments	-	-	383,630,239	267,015,683
Income from banking services	308,362,324	465,413,938	1,228,658,216	1,455,686,733
Gain on exchange of foreign currency	75,005	133,036,049	237,574,150	376,308,880
Other income	1,205	10,549,556	3,096,748	43,584,100
Total Bank's revenue	363,772,959	1,214,670,465	2,908,723,559	3,967,430,453
Expenses				
Staff cost	(805,615,192)	(442,852,362)	(2,287,572,338)	(1,343,965,672)
Operation expenses	(35,019,066)	(206,929,994)	(347,046,099)	(493,201,915)
Depreciation	(42,838,655)	(11,808,960)	(70,187,607)	(33,263,103)
Provision for financing risk	-	(30,610,323)	(121,857,054)	(45,999,786)
Total expenses	(883,472,913)	(692,201,639)	(2,826,663,098)	(1,916,430,476)
Net operation profits	(519,699,954)	522,468,826	82,060,461	2,050,999,977
Gain / (losses) from revaluation of foreign currencies	-	23,252,608	267,783,780	1,462,591,490
Profit before Zakah & Tax	(519,699,954)	545,721,434	349,844,241	3,513,591,467
Provision for Zakah	(140,502,880)	(77,021,557)	(320,287,680)	(337,738,900)
Provision for Tax	163,233,801	(124,990,650)	-	(480,944,534)
Net income (loss) for the period	(496,969,033)	343,709,227	29,556,561	2,694,908,033
Earnings per share	(5)	2.83	0.24	22.22

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

Mohamed Ahmed Alamin

Acting General Manager

Dr. Mohamed Ali Khamis Alhosani

Board Member

Abdulrahman Ahmed Abdullah Senan

Board Member

AL SALAM BANK

CONDENSED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>SDG</u>	<u>SDG</u>
Cash flows from operating activities		
Net income for the period	29,556,561	2,694,908,033
Adjustments for:		
Provision for Zakah	320,287,680	337,738,900
Provision for business Profit Tax	-	480,944,534
Provision for financing risk	121,857,054	45,999,786
Gain (loss) on valuation of foreign currencies	(267,783,780)	(1,462,591,490)
(Gains) losses of disposal of fixed assets	-	(38,158,588)
Depreciation of fixed assets	70,187,607	33,263,103
Return on unrestricted investment accounts	161,145,825	342,722,857
	<u>435,250,947</u>	<u>2,434,827,135</u>
Changes in operating assets and liabilities:		
Provisions	(16,514,072)	441,447,274
Paid Zakah and tax	(173,186,067)	(696,252,376)
Net cash from (used in) operating activities	<u>245,550,808</u>	<u>2,180,022,033</u>
Cash flows from investing activities		
Deferred sales receivables (net)	(15,273,033,663)	(998,368,112)
Investments held to maturity	-	(6,134,000)
Investments in Mudaraba	(1,860,000,000)	(339,211,111)
Musharaka financing	-	499,283,900
Investments available for sale	(522,497,897)	(1,863,462,471)
Projects in progress	(144,212,463)	(270,923,493)
Sale of fixed assets	-	115,615,328
Purchases of fixed assets	-	(315,564,478)
Net cash (used in) investing activities	<u>(17,799,744,023)</u>	<u>(3,178,764,437)</u>
Cash flows from financing activities		
Other assets	(1,052,634,649)	(2,844,718,262)
Current accounts	(2,365,921,628)	4,725,352,692
Other liabilities	9,291,517,344	1,782,355,683
Unrestricted investment accounts	16,551,025,986	1,913,362,875
Reserves	334,890,011	1,957,867,415
Net cash from (used in) financing activities	<u>22,758,877,064</u>	<u>7,534,220,403</u>
Increase (decrease) in cash and cash equivalents	<u>5,204,683,849</u>	<u>6,535,477,999</u>
Gain (loss) on valuation of foreign currencies	267,783,780	1,462,591,490
Cash and cash equivalents at the beginning of the period	<u>26,369,528,154</u>	<u>12,861,665,764</u>
Cash and cash equivalents at the end of the period	<u>31,841,995,783</u>	<u>20,859,735,253</u>

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

Mohamed Ahmed Alamin

Acting General Manager

Dr. Mohamed Ali Khamis Alhosani

Board Member

Abdulrahman Ahmed Abdullah Senan

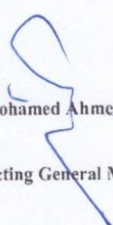
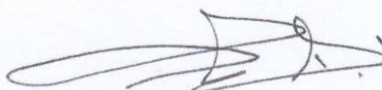
Board Member

AL SALAM BANK

**CONDENSED STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

	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 1/2022	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 year	-	2,553,696,986	-	-	-	-	-	2,553,696,986
Reserves	-	(126,483,154)	126,483,154	-	-	-	-	-
Exchange Diff	-	(1,075,888,295)	-	-	-	2,053,282,040	1,075,888,295	2,053,282,040
Balance as at December 31/2022	323,549,000	2,432,114,005	323,549,000	284,407,948	307,550,184	8,839,811,043	6,612,563,640	19,123,544,820
Net income for the period	-	29,556,561	-	-	-	-	-	29,556,561
Reserves	-	-	-	-	-	-	-	-
Exchange Diff	-	(267,783,780)	-	-	-	334,890,012	267,783,780	334,890,012
Balance as at September 30, 2023	<u>323,549,000</u>	<u>2,193,886,786</u>	<u>323,549,000</u>	<u>284,407,948</u>	<u>307,550,184</u>	<u>9,174,701,055</u>	<u>6,880,347,420</u>	<u>19,487,991,393</u>

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


Mohamed Ahmed Alamin Dr. Mohamed Ali Khamis Alhosani Abdulrahman Ahmed Abdullah Senan
 Acting General Manager Board Member Board Member

AL SALAM BANK

NOTES TO CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(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 Africa street and the Omdurman Murdah street branch , suq shabie Omdurman and alsajana 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 2022, 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 2022 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 30 September, 2023 are not indicative of the expected results for the year ending 31 December 2023.

c) Functional currency

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

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023****(3) Investments held to maturity**

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Shahama securities	<u>33,569,500</u>	<u>33,569,500</u>
	<u>33,569,500</u>	<u>33,569,500</u>

(4) Mudaraba Investment and Agencies

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Mudaraba with corporate & customers	790,000,000	250,000,000
Mudaraba with Dam Securities Co	250,000,000	-
Mudaraba with Hyper Deal	880,000,000	810,000,000
Al Baraka Fourth Investment Fund	15,000,000	15,000,000
Second Investment Fund – Hyper Deal	41,220,000	41,220,000
Animal Production Fund - Hyper Deal	250,000,000	250,000,000
Mudaraba with banks	<u>2,198,665,689</u>	<u>1,198,665,689</u>
	<u>4,424,885,689</u>	<u>2,564,885,689</u>
Less : Provision for financing risk	<u>(10,486,657)</u>	<u>(10,486,657)</u>
	<u>4,414,399,032</u>	<u>2,554,399,032</u>

(5) Musharka financing

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Musharaka	567,431,461	567,431,461
Less : Provision for financing risk	<u>(18,783,878)</u>	<u>(18,783,878)</u>
	<u>548,647,583</u>	<u>548,647,583</u>

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023****(6) Investments available for sale**

	Ownership percentage	<u>September 30,2023</u>	<u>December 31,2022</u>
		<u>Unaudited</u>	<u>Audited</u>
		<u>SDG</u>	<u>SDG</u>
Alsalam bank- Bahrain	0.98 %	3,959,563,678	3,639,027,911
Alsalam Algeria Bank	3.60 %	4,818,000,000	4,649,370,400
King Abdullah city	0.06 %	952,359,186	919,026,656
Interbank liquidity management fund		232,800,892	232,800,892
Al Salam Real Estate Company	50 %	50,000	50,000
		<u>9,962,773,756</u>	<u>9,440,275,859</u>

(7)Investments Analysis

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Local Investments (note 7/1)	5,697,748,036	3,837,748,036
Investments in GCC countries (note 7/2)	4,911,922,864	4,558,054,567
Foreign Investments (Al Salam Bank - Algeria)	4,818,000,000	4,649,370,400
	<u>15,427,670,900</u>	<u>13,045,173,003</u>

(7/1) Local Investments

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Shahama securities	33,569,500	33,569,500
Inter Bank Liquidity Managment Fund	232,800,892	232,800,892
AL baraka forth fund for investment	15,000,000	15,000,000
Mudaraba with Customers (net)	779,513,343	239,513,343
Mudaraba with Dam Securities Co	250,000,000	-
Mudaraba with hyper deal Company	1,171,220,000	1,101,220,000
Mudaraba with Local Banks	2,198,665,689	1,198,665,689
Net Musharaka	548,647,583	548,647,583
Al Salam Real Estate Company	50,000	50,000
Local land	468,281,029	468,281,029
	<u>5,697,748,036</u>	<u>3,837,748,036</u>

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023****(7/2) Investments in GCC countries**

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
AL Salam Bank – Bahrain	3,959,563,678	3,639,027,911
King Abdullah City shares	952,359,186	919,026,656
	<u>4,911,922,864</u>	<u>4,558,054,567</u>

8/ capital

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Paid up capital	323,549,000	323,549,000
	<u>323,549,000</u>	<u>323,549,000</u>

The authorized share capital of the bank comprises of 200 million shares with nominal value of SDG 2.69 each.

Issued and paid 121,275,000 shares.

9/ Reserves

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	9,174,701,055	8,839,811,043
Assets & liabilities foreign currencies revaluation reserve	6,880,347,420	6,612,563,640
General reserve	284,407,948	284,407,948
Statutory reserve (9/1)	323,549,000	323,549,000
	<u>16,970,555,607</u>	<u>16,367,881,815</u>

(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.

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023****(10) Contra accounts**

The contra accounts which are not included in the statement of financial position:

	<u>September 30,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Letters of credit	26,853,137,952	23,286,486,021
Letters of guarantee	7,822,725	12,795,190
Restricted investment account	6,116,793,430	8,672,067,120
Debts written-off	<u>1,001,451,151</u>	966,460,522
	<u>33,979,205,258</u>	<u>32,937,808,853</u>