AL- SALAM BANK- SUDAN
(Public Company)
UNAUDITED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31 ,2023

المحاسبون المتحدون
بانقا وشركاه
محاسبون ومراجعون قانونيون

شارع عطبـــرة
عمارة التاكا - الدور الثاني
ص.ب ١٦٠٣ - الخرطوم
جمهورية السودان

هاتف : ٢٤٩ ١٥٢ ٩٢٣ ٧٩١+
فاكس : ٢٤٩ ١٥٢ ٩٢٢ ٧٩١+

Auditor's Report
Financial Statement Review Report
Al-Salam Bank -Sudan

<u>Review Scope: -</u>

We have reviewed the accompanying balance sheet of Al-salam bank as of march, 31,2023 and related statement of income, cash flow and change in equity for the three 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.

<u>Opinion: -</u>

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 13, 2023

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

AL SALAM BANK
CONDENSED STATEMENT OF FINANCIAL POSITION
As At March 31, 2023

	Note	March 31,2023 Unaudited	December 31,2022 Audited
Assets:-		SDG	SDG
Cash and cash equivalents		30,207,166,373	26,369,528,154
Deferred sales receivables (net)		25,032,899,115	9,532,209,824
Investments held to maturity	(3)	33,569,500	33,569,500
Investments in Mudaraba	(4)	3,408,999,032	2,554,399,032
Musharaka financing	(5)	543,396,309	548,647,583
Investments available for sale	(6)	9,914,124,877	9,440,275,859
Investments in property		468,281,029	468,281,029
Other assets		6,744,318,022	5,354,321,387
Projects in progress		174,051,928	169,010,475
Fixed assets (net)		1,026,387,165	1,053,736,117
Total Assets		**77,553,193,350**	**55,523,978,960**
Liabilities, Unrestricted investment accounts and Owners' Equity: -			
Liabilities: -			
Current Accounts		18,060,465,367	16,721,597,844
Other liabilities		8,279,774,052	5,280,597,439
Provisions and accruals		2,067,138,694	1,952,275,458
Total Liabilities		**28,407,378,113**	**23,954,470,741**
Unrestricted investment accounts holders		**28,938,670,332**	**12,445,963,399**
Owners' Equity: -			
Paid up capital	(8)	323,549,000	323,549,000
Reserves		16,890,092,469	16,367,881,815
Retained earnings		2,993,503,436	2,432,114,005
Total Owners' equity		**20,207,144,905**	**19,123,544,820**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**77,553,193,350**	**55,523,978,960**
Contra accounts	(10)	**25,564,678,345**	**32,937,808,853**

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 THREE MONTHS ENDED MARCH 31, 2023

	Note	March 31,2023	March 31,2022
		Unaudited	Unaudited
Income: -		SDG	SDG
Income from deferred sales		**883,386,080**	489,263,689
Income from investments		**106,389,045**	242,954,811
Total income from finance and investments		**989,775,125**	**732,218,500**
Less: Return on unrestricted investment accounts		**(161,145,825)**	(69,073,233)
Bank's share in income from investments (as Mudarib and as fund owner)		**828,629,300**	**663,145,267**
Income from bank's own investments		**381,712,119**	267,015,683
Income from banking services		**758,880,520**	655,342,187
Gain on foreign currency transaction		**192,224,105**	115,330,462
Other banking income		**2,258,201**	1,585,578
Total income		**2,163,704,245**	**1,702,419,177**
Expenses: -			
Staff cost		**(789,035,871)**	(437,667,307)
Operations expenses		**(278,552,011)**	(100,764,172)
Depreciation		**(27,348,952)**	(10,097,095)
Provision for Investment & Finance		**(121,857,054)**	(18,790,394)
Total expenses		**(1,216,793,888)**	**(567,318,968)**
Net operating income		**946,910,357**	1,135,100,209
Gain (loss) on valuation of foreign currencies		**235,969,522**	1,526,750,401
Profit before Zakah and business profit tax		**1,182,879,879**	**2,661,850,610**
Provision for Zakah		**(92,581,004)**	(110,345,757)
Provision for Business Profit Tax		**(292,939,922)**	(313,252,454)
Net income for the period		**797,358,953**	**2,238,252,399**
Earnings per share		**6.57**	18.46

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

CONDENSED STATEMENT **OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2023

	MARCH 31,2023	MARCH 31,2022
	Unaudited	Unaudited
	SDG	SDG
Cash flows from operating activities		
Net income for the period	**797,358,953**	2,238,252,399
Adjustments for:		
Provision for Zakah	**92,581,004**	110,345,757
Provision for business Profit Tax	**292,939,922**	313,252,454
Provision for financing risk	**121,857,054**	18,790,394
Gain (loss) on valuation of foreign currencies	**(235,969,522)**	(1,526,750,401)
Depreciation of fixed assets	**27,348,952**	10,097,095
Return on unrestricted investment accounts	**161,145,825**	69,073,233
	1,257,262,188	**1,233,060,931**
Changes in operating assets and liabilities:		
Provisions	**(270,051,369)**	(27,408,050)
Paid Zakah and tax	**(606,321)**	-
Net cash from (used in) operating activities	**986,604,498**	**1,205,652,881**
Cash flows from investing activities		
Deferred sales receivables (net)	**(15,622,546,345)**	(1,847,176,072)
Investments in Mudaraba	**(854,600,000)**	(294,608,656)
Musharaka financing	**5,251,274**	12,163,500
Investments available for sale	**(473,849,018)**	(1,821,612,414)
Projects in progress	**(5,041,453)**	(1,431,918)
Purchases of fixed assets	**-**	(1,765,217)
Net cash (used in) investing activities	**(16,950,785,542)**	**(3,954,430,777)**
Cash flows from financing activities		
Other assets	**(1,389,996,635)**	(1,614,191,677)
Current accounts	**1,338,867,523**	(869,437,946)
Other liabilities	**2,999,176,613**	6,263,256,960
Unrestricted investment accounts	**16,331,561,108**	1,586,120,017
Reserves	**286,241,132**	1,957,867,415
Net cash from (used in) financing activities	**19,565,849,741**	**7,323,614,769**
Increase (decrease) in cash and cash equivalents	**3,601,668,697**	4,574,836,873
Gain (loss) on valuation of foreign currencies	**235,969,522**	1,526,750,401
Cash and cash equivalents at the beginning of the period	**26,369,528,154**	12,861,665,764
Cash and cash equivalents at the end of the period	**30,207,166,373**	**18,963,253,038**

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

CONDENSED STATEMENT **OF CHANGES IN OWNERS' EQUITY**
FOR THE THREE MONTHS ENDED MARCH 31, 2023

	Paid up capital SDG	Retained earnings SDG	Statutory reserve SDG	General reserve SDG	Property revaluation reserve SDG	Foreign investments revaluation reserve SDG	Assets & liabilities foreign currencies revaluation reserve SDG	Total 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 January 1, 2023	**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	-	797,358,953	-	-	-	-	-	797,358,953
Reserves	-		-	-	-		-	
Exchange Diff	-	(235,969,522)	-	-	-	286,241,132	235,969,522	286,241,132
Balance as at March 31, 2023	**323,549,000**	**2,993,503,436**	**323,549,000**	**284,407,948**	**307,550,184**	**9,126,052,175**	**6,848,533,162**	**20,207,144,905**

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

(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 31 March, 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).

(3) Investments held to maturity

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
Shahama securities	**33,569,500**	33,569,500
	33,569,500	**33,569,500**

(4) Mudaraba Investment and Agencies

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
Mudaraba with corporate & customers	**690,000,000**	250,000,000
Mudaraba with Hyper Deal	**1,130,000,000**	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	**1,298,665,689**	1,198,665,689
	3,424,885,689	**2,564,885,689**
Less : Provision for financing risk	**(15,886,657)**	(10,486,657)
	3,408,999,032	**2,554,399,032**

(5) Musharka financing

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
Musharaka	**567,431,461**	567,431,461
Less : Provision for financing risk	**(24,035,152)**	(18,783,878)
	543,396,309	**548,647,583**

(6) Investments available for sale

	Ownership percentage	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
Alsalam bank- Bahrain	**0.98 %**	**3,939,766,189**	3,639,027,911
Alsalam Algeria Bank	**3.60 %**	**4,793,910,400**	4,649,370,400
King Abdullah city	**0.06 %**	**947,597,396**	919,026,656
Interbank liquidity management fund		**232,800,892**	232,800,892
Al Salam Real Estate Company	**50 %**	**50,000**	50,000
		9,914,124,877	**9,440,275,859**

(7)Investments Analysis

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
Local Investments (note 7/1)	**4,687,096,762**	3,837,748,036
Investments in GCC countries (note 7/2)	**4,887,363,585**	4,558,054,567
Foreign Investments (Al Salam Bank - Algeria)	**4,793,910,400**	4,649,370,400
	14,368,370,747	**13,045,173,003**

(7/1) Local Investments

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
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)	**674,113,343**	239,513,343
Mudaraba with hyper deal Company	**1,421,220,000**	1,101,220,000
Mudaraba with Local Banks	**1,298,665,689**	1,198,665,689
Net Musharaka	**543,396,309**	548,647,583
Al Salam Real Estate Company	**50,000**	50,000
Local land	**468,281,029**	468,281,029
	4,687,096,762	**3,837,748,036**

(7/2) Investments in GCC countries

	March 31,2023 Unaudited SDG	December 31,2022 Audited SDG
AL Salam Bank – Bahrain	3,939,766,189	3,639,027,911
King Abdullah City shares	947,597,396	919,026,656
	4,887,363,585	4,558,054,567

8/ capital

	March 31,2023 Unaudited SDG	December 31,2022 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 shares with nominal value of SDG 2.69 each.
Issued and paid 121,275,000 shares.

9/ Reserves

	March 31,2023 Unaudited	December 31,2022 Audited
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	9,126,052,175	8,839,811,043
Assets & liabilities foreign currencies revaluation reserve	6,848,533,162	6,612,563,640
General reserve	284,407,948	284,407,948
Statutory reserve (9/1)	323,549,000	323,549,000
	16,890,092,469	16,367,881,815

(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) Contra accounts

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

	March 31,2023 **Unaudited** **SDG**	December 31,2022 Audited SDG
Letters of credit	**18,474,201,651**	23,286,486,021
Letters of guarantee	**7,816,703**	12,795,190
Restricted investment account	**6,086,207,430**	8,672,067,120
Debts written-off	**996,452,561**	**966,460,522**
	25,564,678,345	**32,937,808,853**