

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 عطبرة
عمارة التكا - الدور الثاني
ص.ب ١٦٠٣ - الخرطوم
جمهورية السودان
هاتف : +٢٤٩ ١٥٢ ٩٢٣ ٧٩١
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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 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.

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 13, 2023



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

المحاسبون المتحدون بانقا وشركاه
رقم التسجيل ١٣٦٥٧

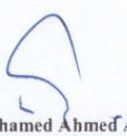
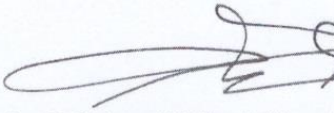
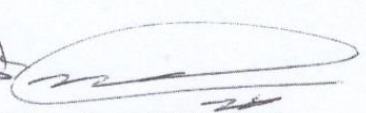
AL SALAM BANK

CONDENSED STATEMENT OF FINANCIAL POSITION

As At 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

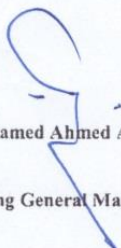
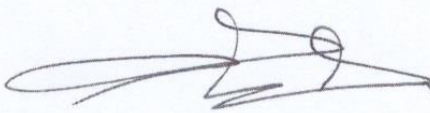
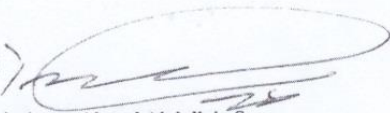
		
Mohamed Ahmed Alamin	Dr. Mohamed Ali Khamis Alhosani	Abdulrahman Ahmed Abdullah Senan
Acting General Manager	Board Member	Board Member

AL SALAM BANK

CONDENSED INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
Note	<u>Unaudited</u> SDG	<u>Unaudited</u> SDG
<u>Income: -</u>		
Income from deferred sales	883,386,080	489,263,689
Income from investments	<u>106,389,045</u>	<u>242,954,811</u>
Total income from finance and investments	989,775,125	732,218,500
Less: Return on unrestricted investment accounts	<u>(161,145,825)</u>	<u>(69,073,233)</u>
Bank's share in income from investments (as Mudarib and as fund owner)	<u>828,629,300</u>	<u>663,145,267</u>
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	<u>2,258,201</u>	<u>1,585,578</u>
Total income	2,163,704,245	1,702,419,177
<u>Expenses: -</u>		
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	<u>(121,857,054)</u>	<u>(18,790,394)</u>
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	<u>235,969,522</u>	<u>1,526,750,401</u>
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	<u>(292,939,922)</u>	<u>(313,252,454)</u>
Net income for the period	<u>797,358,953</u>	<u>2,238,252,399</u>
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
	<u>Unaudited</u> <u>SDG</u>	<u>Unaudited</u> <u>SDG</u>
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
	<u>1,257,262,188</u>	<u>1,233,060,931</u>
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	<u>986,604,498</u>	<u>1,205,652,881</u>
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	<u>(16,950,785,542)</u>	<u>(3,954,430,777)</u>
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	<u>19,565,849,741</u>	<u>7,323,614,769</u>
Increase (decrease) in cash and cash equivalents	<u>3,601,668,697</u>	<u>4,574,836,873</u>
Gain (loss) on valuation of foreign currencies	235,969,522	1,526,750,401
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>30,207,166,373</u>	<u>18,963,253,038</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 THREE MONTHS ENDED MARCH 31, 2023**

	Paid up capital	Retained earnings	Statutory reserve	General reserve	Property revaluation n 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 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	<u>323,549,000</u>	<u>2,993,503,436</u>	<u>323,549,000</u>	<u>284,407,948</u>	<u>307,550,184</u>	<u>9,126,052,175</u>	<u>6,848,533,162</u>	<u>20,207,144,905</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

NOTES TO CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 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 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).

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023****(3) Investments held to maturity**

	<u>March 31,2023</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>March 31,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
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	<u>1,298,665,689</u>	<u>1,198,665,689</u>
	3,424,885,689	2,564,885,689
Less : Provision for financing risk	<u>(15,886,657)</u>	<u>(10,486,657)</u>
	<u>3,408,999,032</u>	<u>2,554,399,032</u>

(5) Musharka financing

	<u>March 31,2023</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>(24,035,152)</u>	<u>(18,783,878)</u>
	<u>543,396,309</u>	<u>548,647,583</u>

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023****(6) Investments available for sale**

	Ownership percentage	<u>March 31,2023</u>	<u>December 31,2022</u>
		<u>Unaudited</u>	<u>Audited</u>
		<u>SDG</u>	<u>SDG</u>
Alsalam bank- Bahrain	0.98 %	3,939,766,189	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
		<u>9,914,124,877</u>	<u>9,440,275,859</u>

(7)Investments Analysis

	<u>March 31,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
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
	<u>14,368,370,747</u>	<u>13,045,173,003</u>

(7/1) Local Investments

	<u>March 31,2023</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)	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
	<u>4,687,096,762</u>	<u>3,837,748,036</u>

AL SALAM BANK**NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023****(7/2) Investments in GCC countries**

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

8/ capital

	<u>March 31,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Paid up capital	<u>323,549,000</u>	<u>323,549,000</u>
	<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>March 31,2023</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	9,126,052,175	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)	<u>323,549,000</u>	<u>323,549,000</u>
	<u>16,890,092,469</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 THREE MONTHS ENDED MARCH 31, 2023****(10) Contra accounts**

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

	<u>March 31,2023</u>	<u>December 31,2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
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	<u>996,452,561</u>	<u>966,460,522</u>
	<u>25,564,678,345</u>	<u>32,937,808,853</u>