

**Al Salam Bank- Sudan
(Public Company)
Unaudited
Financial Statements
For The Six Months Ended
June 30, 2024**



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شارع عطبرة
علمارة التاكا - الدور الثاني
ص.ب ١٦٠٣ - الخرطوم
جمهورية السودان

المحاسبون المتحدون
بانقا وشركاه
محاسبون ومراجعون قانونيون

Independent Auditor's Report
Report on Review of Interim Financial Statements
Al-Salam Bank – Sudan
To: Members of Board of Directors

Introduction

We have reviewed the accompanying statement of financial position of Al-Salam bank as of June, 30, 2024 and the related statement of income, cash flow and change in equity for the six-month period then ended, and summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of these interim financial statements in accordance with standards issued by Accounting and Auditing Organization for Islamic financial institution and international accounting standard (34). Our responsibility is to express conclusion on the interim financial statements based on our review.

Scope of Review

We conducted review in accordance with Accounting and Auditing Organization for Islamic financial institution and international standard on review engagement (2410), Review of Interim Financial Statements by Independent Auditor of an entity. A review of interim financial statements consists of making inquiries, primary of persons responsible for financial and accounting matters and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Accounting and Auditing Organization for Islamic financial institution and international standard on auditing and consequently does not enable us to obtain assurance that we would be aware of all significant matters that might be identified in an audit.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give true and fair view of financial position of Al Salam bank at June 30, 2024, and its performance and its cash flow for the six- month period then ended in accordance with standards issued by Accounting and Auditing Organization for Islamic financial institution and international accounting standard (34).

July, 15, 2024

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

Al Salam bank

Condensed Statement of Financial Position

As at June 30, 2024

	Note	June 30, 2024 Unaudited SDG	December 31, 2023 Audited SDG
Assets:-			
Cash and cash equivalents		30,281,141,907	21,202,141,474
Deferred sales receivables (net)		37,307,064,491	43,979,726,505
Investments held to maturity	(3)	33,569,500	33,569,500
Investments in Mudaraba	(4)	4,241,747,853	4,241,747,853
Musharaka financing	(5)	436,196,585	436,196,585
Investments available for sale	(6)	30,615,540,606	15,806,461,074
Investments in property		468,281,029	468,281,029
Other assets		22,995,680,405	9,437,111,770
Projects in progress		416,061,846	175,479,777
Property plant and equipment (net)		1,003,393,238	1,058,840,498
Total Assets		127,798,677,460	96,839,556,065
Liabilities, Unrestricted investment accounts and Owners' Equity: -			
Liabilities: -			
Current Accounts		20,814,318,898	14,523,796,299
Other liabilities		25,012,337,297	13,057,485,990
Provisions and accruals		3,745,503,223	2,343,730,068
Total Liabilities		49,572,159,418	29,925,012,357
Unrestricted investment accounts holders		28,100,503,512	41,999,081,439
Owners' Equity: -			
Paid up capital	(8)	323,549,000	323,549,000
Reserves		49,835,859,526	26,703,613,462
Retained earnings		(33,393,996)	(2,111,700,193)
Total Owners' equity		50,126,014,530	24,915,462,269
Total Liabilities, Unrestricted investment accounts and Owners' equity		127,798,677,460	96,839,556,065
Contra accounts	(10)	65,470,025,838	43,915,038,888

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

Condensed Income Statement

For the Six month ended June 30, 2024

	For three months ended 30 June		For six months ended 30 June	
	2024	2023	2024	2023
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Income				
Deferred sales	461,292,926	171,590,802	920,948,492	1,054,976,882
Income from investments	-	209,679	-	106,598,724
Total income from financing and investments	461,292,926	171,800,481	920,948,492	1,161,575,606
Less :				
Return on unrestricted investment accounts	(313,969,149)	-	(416,451,417)	(161,145,825)
Bank's share in income from investments (as Mudarib and as fund owner	147,323,777	171,800,481	504,497,075	1,000,429,781
Income from direct investments	1,460,328,814	1,918,120	2,873,681,736	383,630,239
Income from banking services	8,659,473	161,415,372	311,401,990	920,295,892
Gain on exchange of foreign currency	40,638,339	45,275,040	42,675,008	237,499,145
Other income	1,432,904	837,342	1,433,323	3,095,543
Total Bank's revenue	1,658,383,307	381,246,355	3,733,689,132	2,544,950,600
Expenses				
Staff cost	(374,460,452)	(692,921,275)	(752,051,344)	(1,481,957,146)
Operation expenses	(152,207,758)	(33,475,022)	(274,198,053)	(312,027,033)
Depreciation	(27,723,633)	-	(55,447,260)	(27,348,952)
Provision for financing risk	-	-	-	(121,857,054)
Total expenses	(554,391,843)	(726,396,297)	(1,081,696,657)	(1,943,190,185)
Net profits (loss) from operation	1,103,991,464	(345,149,942)	2,651,992,475	601,760,415
Gain from revaluation of foreign currencies	6,922,777,679	31,814,258	9,149,329,167	267,783,780
Profit(loss) before Zakah &Tax	8,026,769,143	(313,335,684)	11,801,321,642	869,544,195
Provision for Zakah	(420,820,647)	(87,203,796)	(573,686,278)	(179,784,800)
Provision for Tax	-	129,706,121	-	(163,233,801)
Net profit (loss)for the period	7,605,948,496	(270,833,359)	11,227,635,364	526,525,594
Earnings per share	62.72	(2.23)	92.58	4.34

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 flow For the six months ended June 30, 2024

	<u>June 30, 2024</u> <u>Unaudited</u> <u>SDG</u>	<u>June 30, 2023</u> <u>Unaudited</u> <u>SDG</u>
Cash flows from operating activities		
Net income for the period	11,227,635,364	526,525,594
Adjustments for:		
Provision for Zakah	573,686,278	179,784,800
Provision for business Profit Tax	-	163,233,801
Provision for financing risk	-	121,857,054
Gain (loss) on valuation of foreign currencies	(9,149,329,167)	(267,783,780)
Depreciation of fixed assets	55,447,260	27,348,952
Return on unrestricted investment accounts	416,451,417	161,145,825
	<u>3,123,891,152</u>	<u>912,112,246</u>
Changes in operating assets and liabilities:		
Provisions and accruals	828,086,877	(254,996,032)
Paid Zakah and tax	-	(173,186,067)
Net cash from operating activities	<u>3,951,978,029</u>	<u>483,930,147</u>
Cash flows from investing activities :		
Deferred sales receivables (net)	6,672,662,014	(15,535,244,697)
Investments in Mudaraba	-	(1,854,600,000)
Musharaka financing	-	5,251,274
Investments available for sale	(826,162,635)	(522,497,897)
Projects on progress	(240,582,069)	(5,041,453)
Net cash from (used in) investing activities	<u>5,605,917,310</u>	<u>(17,912,132,773)</u>
Cash flows from financing activities :		
Other assets	(13,558,568,635)	(1,578,354,256)
Current accounts	6,290,522,599	(3,105,872,517)
Other liabilities	11,954,851,307	10,017,829,055
Unrestricted investment accounts	(14,315,029,344)	16,463,225,575
Reserves	-	334,890,012
Net cash from (used in) financing activities	<u>(9,628,224,073)</u>	<u>22,131,717,869</u>
Increase (decrease) in cash and cash equivalents	<u>(70,328,734.00)</u>	<u>4,703,515,243</u>
Gain (loss) on valuation of foreign currencies	9,149,329,167	267,783,780
Cash and cash equivalents at the beginning of the period	<u>21,202,141,474</u>	<u>26,369,528,154</u>
Cash and cash equivalents at the end of the period	<u>30,281,141,907</u>	<u>31,340,827,177</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 Equity

For the six Months ended June 30, 2024

	Paid up capital	Retained (loss) 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
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 year	-	(386,659,880)	-	-	-	-	-	(386,659,880)
Exchange Diff	-	(4,157,154,318)	-	-	-	6,178,577,329	4,157,154,318	6,178,577,329
December 31/2023	323,549,000	(2,111,700,193)	323,549,000	284,407,948	307,550,184	15,018,388,372	10,769,717,958	24,915,462,269
Net income for the period		11,227,635,364						11,227,635,364
Exchange Diff	-	(9,149,329,167)				13,982,916,897	9,149,329,167	13,982,916,897
June 30, 2024	323,549,000	(33,393,996)	323,549,000	284,407,948	307,550,184	29,001,305,269	19,919,047,125	50,126,014,530

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 Six Month Ended June 30, 2024

(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 , Omdurman Mordah Street branch , Suq Shabie Omdurman , Alsajana branch , Wad Medani Branch and Port . Sudan 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 2023, 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 2023 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 June, 2024 are not indicative of the expected results for the year ending 31 December 2024.

c) Functional currency

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

Al Salam Bank**Notes To Condensed Financial Statements
For The Six Month Ended June 30, 2024****(3) Investments held to maturity**

	<u>June 30,2024</u>	<u>December 31,2023</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

	<u>June 30,2024</u>	<u>December 31,2023</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Mudaraba with corporate & customers	690,000,000	690,000,000
Mudaraba with Hyper Deal	1,130,000,000	1,130,000,000
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>2,148,665,689</u>	<u>2,148,665,689</u>
	<u>4,274,885,689</u>	<u>4,274,885,689</u>
Less : Provision for financing risk	<u>(33,137,836)</u>	<u>(33,137,836)</u>
	<u>4,241,747,853</u>	<u>4,241,747,853</u>

(5) Musharka financing

	<u>June 30,2024</u>	<u>December 31,2023</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>(131,234,876)</u>	<u>(131,234,876)</u>
	<u>436,196,585</u>	<u>436,196,585</u>

Al Salam Bank

Notes To Condensed Financial Statements For The Six Month Ended June 30, 2024

(6) Investments available for sale

	Ownership percentage	<u>June 30,2024</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2023</u> <u>Audited</u> <u>SDG</u>
Alsalam bank- Bahrain	0.98 %	13,157,090,232	6,335,301,886
Alsalam Algeria Bank	3.60 %	14,373,700,000	7,708,800,000
King Abdullah city	0.06 %	2,851,899,482	1,529,508,296
Interbank liquidity management fund		232,800,892	232,800,892
Al Salam Real Estate Company	50 %	50,000	50,000
		<u>30,615,540,606</u>	<u>15,806,461,074</u>

(7)Investments Analysis

	<u>June 30,2024</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2023</u> <u>Audited</u> <u>SDG</u>
Local Investments (note 7/1)	5,577,018,571	5,577,018,571
Investments in GCC countries (note 7/2)	16,008,989,714	7,864,810,182
Foreign Investments (Al Salam Bank - Algeria)	14,373,700,000	7,708,800,000
	<u>35,959,708,285</u>	<u>21,150,628,753</u>
less : Provision for financing risk	<u>(164,372,712)</u>	<u>(164,372,712)</u>
	<u>35,795,335,573</u>	<u>20,986,256,041</u>

(7/1) Local Investments

	<u>June 30,2024</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2023</u> <u>Audited</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)	690,000,000	690,000,000
Mudaraba with hyper deal Company	1,421,220,000	1,421,220,000
Mudaraba with Local Banks	2,148,665,689	2,148,665,689
Musharaka	567,431,461	567,431,461
Al Salam Real Estate Company	50,000	50,000
Local land	468,281,029	468,281,029
	<u>5,577,018,571</u>	<u>5,577,018,571</u>
	<u>(164,372,712)</u>	<u>(164,372,712)</u>
	<u>5,412,645,859</u>	<u>5,412,645,859</u>

Al Salam Bank

Notes To Condensed Financial Statements For The Six Month Ended June 30, 2024

(7/2) Investments in GCC countries

	<u>June 30,2024</u>	<u>December 31,2023</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
AL Salam Bank – Bahrain	13,157,090,232	6,335,301,886
King Abdullah City shares	2,851,899,482	1,529,508,296
	<u>16,008,989,714</u>	<u>7,864,810,182</u>

8/ capital

	<u>June 30,2024</u>	<u>December 31,2023</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>June 30,2024</u>	<u>December 31,2023</u>
	<u>Unaudited</u>	<u>Audited</u>
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	29,001,305,269	15,018,388,372
Assets & liabilities foreign currencies revaluation reserve	19,919,047,125	10,769,717,958
General reserve	284,407,948	284,407,948
Statutory reserve (9/1)	323,549,000	323,549,000
	<u>49,835,859,526</u>	<u>26,703,613,462</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 Six Month Ended June 30, 2024

(10) Contra accounts

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

	<u>June 30,2024</u>	<u>December 31,2023</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Letters of credit	12,684,050,375	32,481,493,080
Letters of guarantee	10,211,650	8,545,425
Restricted investment account	49,791,505,665	9,823,708,460
Debts written-off	<u>2,984,258,148</u>	<u>1,601,291,923</u>
	<u>65,470,025,838</u>	<u>43,915,038,888</u>