Al Salam Bank- Sudan
(Public limited Company)
Unaudited Financial Statements
For The Three Months Ended
March 31, 2024

المحاسبون المتحدون
بانقا وشركاه
محاسبون ومراجعون قانونيون

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

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

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 March, 31, 2024 and the related statement of income, cash flow and change in equity for the three-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 March 31, 2024, and its performance and its cashflow for the three- month period then ended in accordance with standards issued by Accounting and Auditing Organization for Islamic financial institution and international accounting standard (34).

Khartoum
April, 25, 2024

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

Al Salam Bank

Condensed Statement of Financial Position

As at March 31, 2024

	Note	March 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Assets:-			
Cash and cash equivalents		21,128,931,603	21,202,141,474
Deferred sales receivables (net)		52,119,720,431	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)	19,752,453,620	15,806,461,074
Investments in property		468,281,029	468,281,029
Other assets		12,698,510,467	9,437,111,770
Projects in progress		322,341,527	175,479,777
Fixed assets (net)		1,031,116,871	1,058,840,498
Total Assets		**112,232,869,486**	**96,839,556,065**
Liabilities, Unrestricted investment accounts and Equity:-			
Liabilities:-			
Current Account		17,017,829,141	14,523,796,299
Other liabilities		15,794,495,449	13,057,485,990
Provisions		2,737,170,436	2,343,730,068
Total Liabilities		**35,549,495,026**	**29,925,012,357**
Unrestricted investment accounts holders		45,026,395,412	41,999,081,439
Owners' Equity:-			
Paid up capital	(8)	323,549,000	323,549,000
Reserves	(9)	32,049,994,861	26,703,613,462
Retained earnings		(716,564,813)	(2,111,700,193)
Total equity		**31,656,979,048**	**24,915,462,269**
Total Liabilities, Unrestricted investment accounts and equity		**112,232,869,486**	**96,839,556,065**
Contra accounts:-	(10)	**52,604,899,048**	**43,915,038,888**

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 Income Statement
For three month ending March 31, 2024

	March, 31,2024 Unaudited SDG	arch, 31,2023 Unaudited SDG
Income		
Deferred sales	459,655,566	883,386,080
Income from investments	-	106,389,045
Total income from financing and investments	**459,655,566**	**989,775,125**
Less: Return on unrestricted investment accounts	(102,482,268)	(161,145,825)
Bank's share in income from investments (as Mudarib and as fund owner)	357,173,298	828,629,300
Income from direct investments	1,413,352,922	381,712,119
Income from banking services	302,742,517	758,880,520
Gain on exchange of foreign currency	2,036,669	192,224,105
Other income	419	2,258,201
Total Bank's revenue	**2,075,305,825**	**2,163,704,245**
Expenses		
Staff cost	(377,590,892)	(789,035,871)
Operation expenses	(121,990,295)	(278,552,011)
Depreciation	(27,723,627)	(27,348,952)
Provision for financing risk	-	(121,857,054)
Total expenses	**(527,304,814)**	**(1,216,793,888)**
Net operation profits	1,548,001,011	946,910,357
Gain / (losses) from revaluation of foreign currencies	2,226,551,488	235,969,522
Profit before Zakat & tax	**3,774,552,499**	**1,182,879,879**
Provision for Zakat	(152,865,631)	(92,581,004)
Provision for business Profit Tax	-	(292,939,922)
Net income for the period	**3,621,686,868**	**797,358,953**
Basic earnings per share	29.86	6.57

Mohamed Ahmed Alamin — Acting General Manager

Dr. Mohamed Ali Khamis Alhosani — Board member

Abdulrahman Ahmed Abdullah Senan — Board member

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AL SALAM BANK

Condensed Statement of Cashflow

For the three months ended March 31, 2024

	March, 31,2024 Unaudited SDG	March, 31,2023 Unaudited SDG
Cash follows from operating activities:		
Net income for the period	3,621,686,868	797,358,953
Adjustments for:		
Provision for Zakah	152,865,631	92,581,004
Provision for business profit tax	-	292,939,922
Provision for financing risk	-	121,857,054
(Gain) loss on translation of foreign currencies balances	(2,226,551,488)	(235,969,522)
Depreciation of fixed assets	27,723,627	27,348,952
Return on unrestricted investment accounts	102,482,268	161,145,825
	1,678,206,906	**1,257,262,188**
Changes in operating assets, liabilities:		
Provisions and accrual	240,574,737	(270,051,369)
Tax and zakat paid	-	(606,321)
Net cash from provided by operating activities	**1,918,781,643**	**986,604,498**
Cash follows from investing activities:		
Deferred sales receivables	**(8,139,993,926)**	(15,622,546,345)
Investments in Mudaraba	-	(854,600,000)
Musharaka financing	-	5,251,274
Investments available for sale	(826,162,635)	(473,849,018)
Projects in progress	(146,861,750)	(5,041,453)
Purchases of fixed assets	-	-
Net cash (used in) investing activities	**(9,113,018,311)**	**(16,950,785,542)**
Cash follows from financing activities:		
Other assets	(3,261,398,697)	(1,389,996,635)
Current accounts	2,494,032,842	1,338,867,523
Other liabilities	2,737,009,459	2,999,176,613
Unrestricted investment accounts	2,924,831,705	16,331,561,108
Reserves	-	286,241,132
Net cash from financing activities	**4,894,475,309**	**19,565,849,741**
Increase in cash and cash equivalents for the period	**(2,299,761,359)**	**3,601,668,697**
Gains (loss) on translation of foreign currencies balances	2,226,551,488	235,969,522
Cash and cash equivalents at the beginning of the period	21,202,141,474	26,369,528,154
Cash and cash equivalents at the end of the period	**21,128,931,603**	**30,207,166,373**

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 Changes in Equity

For the three Months ended March 31, 2024

	Paid up capital SDG	Retained (loss) earnings SDG	Statutory reserve SDG	General reserve SDG	Property revaluation reserve SDG	Foreign Invts valuation reserve SDG	Foreign assets reserve SDG	Total SDG
Balance 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(loss) for the period	-	(386,659,880)	-	-	-	-	-	(386,659,880)
Reserves	-	-						-
Exchange Diff		(4,157,154,318)	-	-	-	6,178,577,329	4,157,154,318	6,178,577,329
Balance at 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(loss) for the period	-	3,621,686,868	-	-	-	-	-	3,621,686,868
Reserves	-	-	-	-	-	-	-	
Exchange Diff	-	(2,226,551,488)	-	-	-	3,119,829,911	2,226,551,488	3,119,829,911
Balance as at March , 31, 2024	323,549,000	(716,564,813)	323,549,000	284,407,948	307,550,184	18,138,218,283	12,996,269,446	31,656,979,048

Mohamed Ahmed Alamin
Acting General Manager

Dr. Mohamed Ali Khamis Alhosani
Board member

Abdulrahman Ahmed Abdullah
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 and Wad Medini 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, 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 Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and also the results for the period ended 31,March, 2024 are not indicative of the results that may be expected for the year ended 31 December 2024.

c) Functional currency

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

(3) Investments held to maturity

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Shahama securities	33,569,500	33,569,500
	33,569,500	**33,569,500**

(4) Investment in Mudaraba

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Mudaraba with corporate & customers	690,000,000	690,000,000
Mudaraba with Hyper deal company	1,130,000,000	1,130,000,000
Al-Baraka investment fund fourth	15,000,000	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	2,148,665,689	2,148,665,689
	4,274,885,689	**4,274,885,689**
Less : Provision for financing risk	(33,137,836)	(33,137,836)
	4,241,747,853	**4,241,747,853**

(5) Musharka financing

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Musharaka	567,431,461	567,431,461
Less : Provision for financing risk	(131,234,876)	(131,234,876)
	436,196,585	**436,196,585**

(6) Investments available for sale

	Ownership percentage	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Alsalam bank- Bahrain	**0.98%**	8,452,879,199	6,335,301,886
Alsalam Algeria Bank	**3.60%**	9,234,500,000	7,708,800,000
King Abdullah city	**0.06%**	1,832,223,529	1,529,508,296
Local investment funds		232,800,892	232,800,892
Al Salam Real Estate Company	**50%**	50,000	50,000
		19,752,453,620	**15,806,461,074**

(7)Investments Analysis

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Local Investments (note 7/1)	5,577,018,571	5,577,018,571
Investments in GCC countries (note 7/2)	10,285,102,728	7,864,810,182
Foreign Investments (Al Salam Bank - Algeria)	9,234,500,000	7,708,800,000
Total	25,096,621,299	21,150,628,753
Less: provision for investments risl	(164,372,712)	(164,372,712)
	24,932,248,587	**20,986,256,041**

(7/1) Local Investments

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Shahama securities	33,569,500	33,569,500
Local investment funds	232,800,892	232,800,892
Al-Baraka investment fund	15,000,000	15,000,000
Mudaraba with customers	690,000,000	690,000,000
Mudaraba with Hyper Deal Co	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
Total	**5,577,018,571**	**5,577,018,571**
Less: provision for investment risk	(164,372,712)	(164,372,712)
	5,412,645,859	**5,412,645,859**

(7/2) Investments in GCC countries

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
AL Salam Bank – Bahrain	8,452,879,199	6,335,301,886
King Abdullah City shares	1,832,223,529	1,529,508,296
	10,285,102,728	**7,864,810,182**

8/ capital

	March, 31,2024 Unaudited SDG	December 31,2023 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:-

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	18,138,218,283	15,018,388,372
Foreign assets and liabilities revaluation reserve	12,996,269,446	10,769,717,958
General reserve	284,407,948	284,407,948
Statutory reserve (note 9/1)	323,549,000	323,549,000
	32,049,994,861	**26,703,613,462**

(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.

	March, 31,2024 Unaudited SDG	December 31,2023 Audited SDG
Letters of credit	38,910,115,495	32,481,493,080
Letters of guarantee	8,926,850	8,545,425
Restricted investment accounts	11,767,982,150	9,823,708,460
Written off debts	1,917,874,553	1,601,291,923
	52,604,899,048	**43,915,038,888**