Al Salam Bank- Sudan
(Public Company)
Unaudited
Financial Statements
For The Nine Months Ended
September 30, 2024

المحاسبون المتحدون
بانقا وشركاه
محاسبون ومراجعون قانونيون

شارع عطبـــرة
عمارة التاكا - الدور الثاني
س.ب ١٦٠٣ - الخرطوم
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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 September, 30, 2024 and the related statement of income, cash flow and change in equity for the nine-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 September 30, 2024, and its performance and its cash flow for the nine-month period then ended in accordance with standards issued by Accounting and Auditing Organization for Islamic financial institution and international accounting standard (34).

October, 10, 2024

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

Al Salam bank

Condensed Statement of Financial Position

As at September30, 2024

	Note	September 30,2024 Unaudited SDG	December 31,2023 Audited SDG
Assets:-			
Cash and cash equivalents		26,758,403,657	21,202,141,474
Deferred sales receivables (net)		45,753,870,123	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)	34,412,782,140	15,806,461,074
Investments in property		468,281,029	468,281,029
Other assets		24,733,268,350	9,437,111,770
Projects in progress		222,450,995	175,479,777
Property plant and equipment(net)		1,403,523,201	1,058,840,498
Total Assets		**138,464,093,433**	**96,839,556,065**
Liabilities, Unrestricted investment accounts and Owners' Equity: -			
Liabilities: -			
Current Accounts		15,699,881,470	14,523,796,299
Other liabilities		32,333,680,686	13,057,485,990
Provisions and accruals		6,515,886,442	2,343,730,068
Total Liabilities		**54,549,448,598**	**29,925,012,357**
Unrestricted investment accounts holders		**29,716,107,452**	**41,999,081,439**
Owners' Equity: -			
Paid up capital	(8)	323,549,000	323,549,000
Reserves	(9)	50,093,371,166	26,703,613,462
Retained earnings		3,781,617,217	(2,111,700,193)
Total Owners' equity		**54,198,537,383**	**24,915,462,269**
Total Liabilities, Unrestricted investment accounts and Owners' equity		**138,464,093,433**	**96,839,556,065**
Contra accounts	(10)	**66,956,079,240**	**43,915,038,888**

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

Mohamed Ahmed Alamin
Acting General Manager

Dr. Mohamed Ali Khamis Alhosani
Board member

Abdulrahman Ahmed Abdullah Senan
Board member

Al Salam bank

Condensed Income Statement

For the Nine month ended September 30, 2024

	For three months ended 30 Sept		For nine months ended 30 Sept	
	2024	2023	2024	2023
	SDG	SDG	SDG	SDG
Income				
Deferred sales	527,074,482	55,334,425	1,448,022,974	1,110,311,307
Income from investments	-	-	-	106,598,724
Total income from financing and investments	527,074,482	55,334,425	1,448,022,974	1,216,910,031
Less :				
Return on unrestricted investment accounts	(357,351,658)	-	(773,803,075)	(161,145,825)
Bank's share in income from investments (as Mudarib and as fund owner	169,722,824	55,334,425	674,219,899	1,055,764,206
Income from direct investments	359,153,978	-	3,232,835,714	383,630,239
Income from banking services	196,618,138	308,362,324	508,020,128	1,228,658,216
Gain on exchange of foreign currency	6,469,799,370	75,005	6,512,474,378	237,574,150
Other income	6,567,893	1,205	8,001,216	3,096,748
Total Bank's revenue	7,201,862,203	363,772,959	10,935,551,335	2,908,723,559
Expenses				
Staff cost	(420,737,306)	(805,615,192)	(1,172,788,650)	(2,287,572,338)
Operation expenses	(409,640,190)	(35,019,066)	(683,838,243)	(347,046,099)
Depreciation	(18,482,418)	(42,838,655)	(73,929,678)	(70,187,607)
Provision for financing risk	-	-	-	(121,857,054)
Total expenses	(848,859,914)	(883,472,913)	(1,930,556,571)	(2,826,663,098)
Net profits (loss) from operation	6,353,002,289	(519,699,954)	9,004,994,764	82,060,461
Gain from revaluation of foreign currencies	(3,539,729,894)	-	5,609,599,273	267,783,780
Profit(loss) before Zakah &Tax	2,813,272,395	(519,699,954)	14,614,594,037	349,844,241
Provision for Zakah	(12,283,614)	(140,502,880)	(585,969,892)	(320,287,680)
Provision for Tax	(2,525,707,462)	163,233,801	(2,525,707,462)	-
Net profit (loss)for the period	275,281,319	(496,969,033)	11,502,916,683	29,556,561
Earnings per share	2.27	(4.10)	94.85	0.24

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 flow

For the nine months ended September 30, 2024

	September 30,2024 Unaudited SDG	September 30,2023 Unaudited SDG
Cash flows from operating activities		
Net income for the period	11,502,916,683	29,556,561
Adjustments for:		
Provision for Zakah	585,969,892	320,287,680
Provision for business Profit Tax	2,525,707,462	-
Provision for financing risk	-	121,857,054
Gain (loss) on valuation of foreign currencies	(5,609,599,273)	(267,783,780)
Depreciation of fixed assets	73,929,678	70,187,607
Return on unrestricted investment accounts	773,803,075	161,145,825
	9,852,727,517	**435,250,947**
Changes in operating assets and liabilities:		
Provisions and accruals	1,060,479,020	(16,514,072)
Paid Zakah and tax	-	(173,186,067)
Net cash from operating activities	**10,913,206,537**	**245,550,808**
Cash flows from investing activities :		
Deferred sales receivables (net)	(1,774,143,618)	(15,273,033,663)
Investments in Mudaraba	-	(1,860,000,000)
Musharaka financing	(826,162,635)	(522,497,897)
Investments available for sale	(46,971,218)	(144,212,463.00)
Projects on progress	(418,612,381)	-
Net cash from (used in) investing activities	**(3,065,889,852)**	**(17,799,744,023)**
Cash flows from financing activities :		
Other assets	(15,296,156,580)	(1,052,634,649)
Current accounts	1,176,085,171	(2,365,921,628)
Other liabilities	19,276,194,696	9,291,517,344
Unrestricted investment accounts	(13,056,777,062)	16,551,025,986
Reserves	-	334,890,011
Net cash from (used in) financing activities	**(7,900,653,775)**	22,758,877,064
Increase (decrease) in cash and cash equivalents	(53,337,090)	5,204,683,849
Gain (loss) on valuation of foreign currencies	5,609,599,273	267,783,780
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	**26,758,403,657**	31,841,995,783

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 Nine Months ended September 30, 2024

	Paid up capital SDG	Retained (loss) 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
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		11,502,916,683						11,502,916,683
Exchange Diff	-	(5,609,599,273)				17,780,158,431	5,609,599,273	17,780,158,431
Sept 30, 2024	**323,549,000**	**3,781,617,217**	**323,549,000**	**284,407,948**	**307,550,184**	**32,798,546,803**	**16,379,317,231**	**54,198,537,383**

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

(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.

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(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).

(3) Investments held to maturity

	Sept. 30,2024 Unaudited SDG	December 31,2023 Audited SDG
Shahama securities	33,569,500	33,569,500
	33,569,500	**33.569,500**

(4) Mudaraba Investment

	September 30,2024 Unaudited SDG	December 31,2023 Audited SDG
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	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

	Sept. 30,2024 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	September 30,2024 Unaudited SDG	December 31,2023 Audited SDG
Alsalam bank- Bahrain	**0.98 %**	14,801,469,021	6,335,301,886
Alsalam Algeria Bank	**3.60 %**	16,170,131,200	7,708,800,000
King Abdullah city	**0.06 %**	3,208,331,027	1,529,508,296
Interbank liquidity management fund		232,800,892	232,800,892
Al Salam Real Estate Company	**50 %**	50,000	50,000
		34,412,782,140	**15,806,461,074**

(7)Investments Analysis

	September 30,2024 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)	18,009,800,048	7,864,810,182
Foreign Investments (Al Salam Bank - Algeria)	16,170,131,200	7,708,800,000
	39,756,949,819	**21,150,628,753**
less : Provision for financing risk	(164,372,712)	(164,372,712)
	39,592,577,107	**20,986,256,041**

(7/1) Local Investments

	September 30,2024 Unaudited SDG	December 31,2023 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)	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
	5,577,018,571	**5,577,018,571**
	(164,372,712)	(164,372,712)
	5,412,645,859	**5,412,645,859**

(7/2) Investments in GCC countries

	September 30,2024 Unaudited SDG	December 31,2023 Audited SDG
AL Salam Bank – Bahrain	14,801,469,021	6,335,301,886
King Abdullah City shares	3,208,331,027	1,529,508,296
	18,009,800,048	**7,864,810,182**

8/ capital

	September 30,2024 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 shares with nominal value of SDG 2.69 each.
Issued and paid 121,275,000 shares.

9/ Reserves

	September 30,2024 Unaudited	December 31,2023 Audited
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	32,798,546,803	15,018,388,372
Assets & liabilities foreign currencies revaluation reserve	16,379,317,231	10,769,717,958
General reserve	284,407,948	284,407,948
Statutory reserve (9/1)	323,549,000	323,549,000
	50,093,371,166	**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) Contra accounts

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

	September 30,2024 Unaudited SDG	December 31,2023 Audited SDG
Letters of credit	7,573,929,074	32,481,493,080
Letters of guarantee	10,660,758	8,545,425
Restricted investment account	56,014,471,927	9,823,708,460
Debts written-off	3,357,017,481	1,601,291,923
	66,956,079,240	**43,915,038,888**