

**Al-Salam bank- Sudan
(Public limited Company)
Unaudited Financial Statements
For The Three Months Ended
March 31, 2022**



Allied Accountants
Bannaga & Co.
Certified Public Accountants

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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, 2022 and the 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 the 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).

Khartoum
April 13, 2022

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




AL SALAM BANK

CONDENSED STATEMENTS OF FINANCIAL POSITION

As At MARCH 31, 2022


	Note	<u>March 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
<u>Assets:-</u>			
Cash and cash equivalents		18,963,253,038	12,861,665,764
Deferred sales receivables (net)		9,092,766,884	7,264,381,206
Investments held to maturity	(3)	27,435,500	27,435,500
Investments in Mudaraba	(4)	2,132,722,549	1,838,113,893
Musharaka financing	(5)	1,043,303,546	1,055,467,046
Investments available for sale	(6)	9,153,530,990	7,331,918,576
Investments in property		468,281,029	468,281,029
Other assets		5,207,576,075	3,593,384,398
Projects in progress		68,069,530	66,637,612
Fixed assets (net)		582,875,440	591,207,318
Total Assets		<u>46,739,814,581</u>	<u>35,098,492,342</u>
<u>Liabilities, Unrestricted investment accounts and Owners' Equity:-</u>			
<u>Liabilities:-</u>			
Current Account		8,897,211,161	9,766,649,107
Other liabilities		11,108,851,880	4,845,594,920
Provisions		1,632,594,221	1,167,330,827
Total Liabilities		<u>21,638,657,262</u>	<u>15,779,574,854</u>
Unrestricted investment accounts holders		<u>6,388,471,711</u>	<u>4,802,351,694</u>
<u>Owners' Equity:-</u>			
Paid up capital	(8)	323,549,000	323,549,000
Reserves	(9)	16,667,996,342	13,112,228,326
Retained earnings		1,721,140,266	1,080,788,468
Total Owners' equity		<u>18,712,685,608</u>	<u>14,516,565,794</u>
Total Liabilities, Unrestricted investment accounts and Owners' equity		<u>46,739,814,581</u>	<u>35,098,492,342</u>
Contra accounts:-	(10)	<u>50,286,588,776</u>	<u>19,526,315,167</u>



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 THE THREE MONTHS ENDED MARCH 31, 2022

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>March, 31,2021</u> <u>Unaudited</u> <u>SDG</u>
<u>Income</u>		
Deferred sales	489,263,689	124,593,784
Income from investments	242,954,811	129,586,189
Total income from financing and investments	732,218,500	254,179,973
Less: Return on unrestricted investment accounts	(69,073,233)	(31,892,630)
Bank's share in income from investments (as Mudarib and as fund owner)	663,145,267	222,287,343
Income from direct investments	267,015,683	78,330,704
Income from banking services	655,342,187	14,762,862
Gain on exchange of foreign currency	115,330,462	3,513,733
Other income	1,585,578	1,301,867
Total Bank's revenue	1,702,419,177	320,196,509
<u>Expenses</u>		
Staff cost	(437,667,307)	(49,682,555)
Operation expenses	(100,764,172)	(26,626,674)
Depreciation	(10,097,095)	(3,774,487)
Provision for financing risk	(18,790,394)	(8,213,333)
Total expenses	(567,318,968)	(88,297,049)
Net operation profits	1,135,100,209	231,899,460
Gain / (losses) from revaluation of foreign currencies	1,526,750,401	4,296,776,409
Profit before Zakat & tax	2,661,850,610	4,528,675,869
Provision for Zakat	(110,345,757)	(102,885,530)
Provision for business Profit Tax	(313,252,454)	(41,322,345)
Net income for the period	2,238,252,399	4,384,467,994
Basic earnings per share	18.46	36.15

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AL SALAM BANK

CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

	March, 31,2022	March, 31,2021
	<u>Unaudited</u> <u>SDG</u>	<u>Unaudited</u> <u>SDG</u>
<u>Cash follows from operating activities:</u>		
Net income for the period	2,238,252,399	4,384,467,994
Adjustments for:		
Provision for Zakah	110,345,757	102,885,530
Provision for business profit tax	313,252,454	41,322,345
Provision for financing risk	18,790,394	8,213,333
Depreciation of fixed assets	10,097,095	3,774,487
Return on unrestricted investment accounts	69,073,233	31,892,630
<u>Changes in operating assets, liabilities:</u>	<u>2,759,811,332</u>	<u>4,572,556,319</u>
Provisions	<u>(27,408,050)</u>	<u>(42,200,742)</u>
Net cash from (used in) operating activities	<u>2,732,403,282</u>	<u>4,530,355,577</u>
<u>Cash follows from investing activities:</u>		
Deferred sales receivables	(1,847,176,072)	(794,044,514)
Investments in Mudaraba	(294,608,656)	(19,980,308)
Musharaka financing	12,163,500	(88,223,399)
Investments available for sale	(1,821,612,414)	(5,710,702,274)
Projects in progress	(1,431,918)	(55,023,780)
Purchases of fixed assets	(1,765,217)	(695,300)
Net cash (used in) investing activities	<u>(3,954,430,777)</u>	<u>(6,668,669,575)</u>
<u>Cash follows from financing activities:</u>		
Other assets	(1,614,191,677)	(2,473,975,207)
Current accounts	(869,437,946)	1,587,548,588
Other liabilities	6,263,256,960	3,070,711,480
Unrestricted investment accounts	1,586,120,017	1,819,433,882
Reserves	1,957,867,415	5,752,392,971
Net cash from financing activities	<u>7,323,614,769</u>	<u>9,756,111,714</u>
Increase in cash and cash equivalents for the period	6,101,587,274	7,617,797,716
Cash and cash equivalents at the beginning of the period	<u>12,861,665,764</u>	<u>2,044,482,669</u>
Cash and cash equivalents at the end of the period	<u>18,963,253,038</u>	<u>9,662,280,385</u>

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AL SALAM BANK

**CONDENSED STATEMENT OF CHANGE IN OWNERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022**

	Paid up capital	Retained earnings	Statutory reserve	General reserve	Property revaluation reserve	Foreign Invts valuation reserve	Foreign assets reserve	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance as at January 1, 2021	323,549,000	451,703,536	127,167,520	284,407,948	307,550,184	774,680,397	1,044,016,164	3,313,074,749
Net income for the period	-	5,191,642,439	-	-	-	-	-	5,191,642,439
Reserves	-	(69,898,326)	69,898,326	-	-	-	-	-
Exchange Diff	-	(4,492,659,181)	-	-	-	6,011,848,606	4,492,659,181	6,011,848,606
Balance as at December 31, 2021	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 period	-	2,238,252,399	-	-	-	-	-	2,238,252,399
Reserves	-	(71,150,200)	71,150,200	-	-	-	-	-
Exchange Diff	-	(1,526,750,401)	-	-	-	1,957,867,415	1,526,750,401	1,957,867,415
Balance as at March , 31, 2022	323,549,000	1,721,140,266	268,216,046	284,407,948	307,550,184	8,744,396,418	7,063,425,746	18,712,685,608



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AL SALAM BANK

NOTES TO CONDENCED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022

(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 .

(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, 2021 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, 2022 are not indicative of the results that may be expected for the year ended 31 December 2022.

c) Functional currency

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

AL SALAM BANK**NOTES TO CONDENCED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022****(3) Investments held to maturity**

	<u>March, 31,2022</u>	<u>December 31,2021</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Shahama securities	27,435,500	27,435,500
	<u>27,435,500</u>	<u>27,435,500</u>

(4) Investment in Mudaraba

	<u>March, 31,2022</u>	<u>December 31,2021</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Mudaraba with corporate & customers	122,501,123	23,000,000
Mudaraba with Dam securities Co	75,000,000	75,000,000
Mudaraba with Hyper Deal Co	810,000,000	850,000,000
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	841,294,370	603,794,370
	<u>2,140,015,493</u>	<u>1,843,014,370</u>
Less : Provision for financing risk	<u>(7,292,944)</u>	<u>(4,900,477)</u>
	<u>2,132,722,549</u>	<u>1,838,113,893</u>

(5) Musharka financing

	<u>March, 31,2022</u>	<u>December 31,2021</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Musharaka	1,055,991,461	1,066,241,461
Less : Provision for financing risk	<u>(12,687,915)</u>	<u>(10,774,415)</u>
	<u>1,043,303,546</u>	<u>1,055,467,046</u>

AL SALAM BANK**NOTES TO CONDENCED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022****(6) Investments available for sale**

	Ownership percentage	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
Alsalam bank- Bahrain	0.98%	3,601,317,781	2,733,679,808
Alsalam Algeria Bank	3.60%	4,601,190,400	3,597,440,000
King Abdullah city	0.06%	909,503,076	710,809,531
Local investment funds		41,469,733	289,939,237
Al Salam Real Estate Company	50%	50,000	50,000
		<u>9,153,530,990</u>	<u>7,331,918,576</u>

(7)Investments Analysis

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
Local Investments (note 7/1)	3,713,262,357	3,679,286,705
Investments in GCC countries (note 7/2)	4,510,820,857	3,444,489,339
Foreign Investments (Al Salam Bank - Algeria)	4,601,190,400	3,597,440,000
	<u>12,825,273,614</u>	<u>10,721,216,044</u>

(7/1) Local Investments

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
Shahama securities	27,435,500	27,435,500
Local investment funds	41,469,733	289,939,237
Mudaraba with Customers (net)	115,208,179	18,099,523
Mudaraba with Dam securities Co	75,000,000	75,000,000
Mudaraba with Hyper Deal Co	1,101,220,000	1,141,220,000
Mudaraba with Local Banks	841,294,370	603,794,370
Net Musharaka	1,043,303,546	1,055,467,046
Al Salam Real Estate Company	50,000	50,000
Local land	468,281,029	468,281,029
	<u>3,713,262,357</u>	<u>3,679,286,705</u>

AL SALAM BANK

NOTES TO CONDENCED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022

(7/2) Investments in GCC countries

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
AL Salam Bank – Bahrain King Abdullah City shares	3,601,317,781 <u>909,503,076</u> <u>4,510,820,857</u>	2,733,679,808 <u>710,809,531</u> <u>3,444,489,339</u>

8/ capital

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
Paid up capital	323,549,000 <u>323,549,000</u>	323,549,000 <u>323,549,000</u>

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:-

	<u>March, 31,2022</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2021</u> <u>Audited</u> <u>SDG</u>
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	8,744,396,418	6,786,529,003
Foreign assets and liabilities revaluation reserve	7,063,425,746	5,536,675,345
General reserve	284,407,948	284,407,948
Statutory reserve (note 9/1)	268,216,046	197,065,846
	<u>16,667,996,342</u>	<u>13,112,228,326</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. 10% from the profit of the period was transferred to the statutory reserve.

AL SALAM BANK

**NOTES TO CONDENCED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022**

(10) Contra accounts

The contra accounts which are not included in the statement of financial position are as follows.

	<u>March, 31,2022</u>	<u>December 31,2020</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Letters of credit	32,566,628,754	12,071,665,583
Letters of guarantee	1,149,519,726	810,025,143
Restricted investment accounts	15,613,977,120	5,896,439,394
Writing off debts	<u>956,463,176</u>	<u>748,185,047</u>
	<u>50,286,588,776</u>	<u>19,526,315,167</u>