

**Al Salam Bank- Sudan
(Public limited Company)
Unaudited Financial Statements
For The Six Months Ended
June 30, 2025**



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Independent Auditor's Review Report on the Interim Condensed Financial Information

Report on Review of Interim Financial Statements

Al-Salam Bank – Sudan

To: Members of Board of Directors

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al-Salam Bank "the Bank" as of June 30, 2025 and the related interim condensed statement of income for the three-month and six-month periods then ended, and the interim condensed statements of cash flows and changes in equity for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and in accordance with International Accounting Standard (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted review in accordance with Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information performed by the Independent Auditor of the entity". A review of interim financial information consists of making inquiries, primary of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards issued by the Accounting and Auditing Organization for Islamic financial institution and in accordance with International Standards on Auditing and consequently dose not enable us to obtain assurance that we would be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and in accordance with International Accounting Standard (34).

Abdelgadir Bannaga /PhD /FCCA

Khartoum on Muharram 11, 1447H
Corresponding to July 6, 2025G



AL SALAM BANK

Condensed Statement of Financial Position As at June 30, 2025

	Note	<u>June 30, 2025</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31, 2024</u> <u>Audited</u> <u>SDG</u>
<u>Assets: -</u>			
Cash and cash equivalents		27,942,585,669	25,307,940,678
Deferred sales receivables (net)		35,722,994,868	31,280,877,667
Investments held to maturity	(3)	33,569,500	33,569,500
Investments in Mudaraba	(4)	3,476,552,845	3,476,552,845
Musharaka financing	(5)	230,235,730	230,235,730
Investments available for sale	(6)	41,300,065,069	30,774,521,980
Investments in property		468,281,029	468,281,029
Other assets		29,379,464,500	21,858,990,073
Fixed assets (net)		1,591,475,517	1,694,019,658
Total Assets		<u>140,145,224,727</u>	<u>115,124,989,160</u>
<u>Liabilities, Unrestricted investment accounts and Equity: -</u>			
<u>Liabilities: -</u>			
Current Account		15,756,119,896	15,863,520,760
Other liabilities		25,099,319,873	20,934,183,584
Provisions and accrual		8,659,543,377	6,594,949,102
Total Liabilities		<u>49,514,983,146</u>	<u>43,392,653,446</u>
Unrestricted investment accounts holders		<u>31,445,669,114</u>	<u>27,345,931,954</u>
<u>Owners' Equity: -</u>			
Paid up capital	(8)	326,229,750	326,229,750
Reserves	(9)	51,348,095,656	43,687,452,153
Retained earnings		7,510,247,061	372,721,857
Total equity		<u>59,184,572,467</u>	<u>44,386,403,760</u>
Total Liabilities, Unrestricted investment accounts and equity		<u>140,145,224,727</u>	<u>115,124,989,160</u>
Contra accounts: -	(10)	<u>69,174,738,931</u>	<u>54,931,266,236</u>

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 Six Months Ended June 30, 2025

	For three months ended 30 June		For six months ended 30 June	
	2025	2024	2025	2024
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Income				
Deferred sales	136,203,263	461,292,926	1,351,182,981	920,948,492
Income from investments	-	-	-	-
Total income from financing and investments	136,203,263	461,292,926	1,351,182,981	920,948,492
Less :				
Return on unrestricted investment accounts	(101,059,227)	(313,969,149)	(101,059,227)	(416,451,417)
Bank's share in income from investments (as Mudarib and as fund owner	35,144,036	147,323,777	1,250,123,754	504,497,075
Income from direct investments	1,369,984,308	1,460,328,814	4,794,963,930	2,873,681,736
Income from banking services	420,262,558	8,659,473	546,338,632	311,401,990
Gain on exchange of foreign currency	4,153,958,461	40,638,339	4,164,901,394	42,675,008
Other income	282,090	1,432,904	528,202	1,433,323
Total Bank's revenue	5,979,631,453	1,658,383,307	10,756,855,912	3,733,689,132
Expenses				
Staff cost	(418,572,087)	(374,460,452)	(859,114,711)	(752,051,344)
Operation expenses	(440,759,364)	(152,207,758)	(832,675,957)	(274,198,053)
Depreciation	(55,851,271)	(27,723,633)	(107,540,040)	(55,447,260)
Total expenses	(915,182,722)	(554,391,843)	(1,799,330,708)	(1,081,696,657)
Net profits from operation	5,064,448,731	1,103,991,464	8,957,525,204	2,651,992,475
Gain (loss) on valuation of foreign currencies	(177,331,274)	6,922,777,679	3,223,374,712	9,149,329,167
Profit before Zakah & Tax	4,887,117,457	8,026,769,143	12,180,899,916	11,801,321,642
Provision for Zakah	(318,080,667)	(420,820,647)	(560,000,000)	(573,686,278)
Provision for Tax	(505,929,556)	-	(1,260,000,000)	-
Net profit for the period	4,063,107,234	7,605,948,496	10,360,899,916	11,227,635,364
Earnings per share	33.50	62.72	85.43	92.58

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
Board member

AL SALAM BANK

Condensed Statement of Cashflow For The Six Months Ended June 30, 2025

	<u>June 30, 2025</u> <u>Unaudited</u> <u>SDG</u>	<u>June 30, 2024</u> <u>Unaudited</u> <u>SDG</u>
Cash flows from operating activities		
Net income for the period	10,360,899,916	11,227,635,364
Adjustments for:		
Provision for Zakah	560,000,000	573,686,278
Provision for business Profit Tax	1,260,000,000	-
Gain (loss) on valuation of foreign currencies	(3,223,374,712)	(9,149,329,167)
Depreciation of fixed assets	107,540,040	55,447,260
Return on unrestricted investment accounts	101,059,227	416,451,417
	9,166,124,471	3,123,891,152
Changes in operating assets and liabilities:		
Provisions and accruals	244,594,275	828,086,877
Revaluation differences (prior years)	(3,597,382,000)	-
Net cash from operating activities	5,813,336,746	3,951,978,029
Cash flows from investing activities:		
Deferred sales receivables (net)	(4,442,117,201)	6,672,662,014
Investments available for sale	(2,490,892,297)	(826,162,635)
Projects on progress	-	(240,582,069)
Purchase of fixed assets	(4,995,900)	-
Net cash from (used in) investing activities	(6,938,005,398)	5,605,917,310
Cash flows from financing activities:		
Other assets	(7,520,474,427)	(13,558,568,635)
Current accounts	(107,400,864)	6,290,522,599
Other liabilities	4,165,136,289	11,954,851,307
Unrestricted investment accounts	3,998,677,933	(14,315,029,344)
Net cash from (used in) financing activities	535,938,931	(9,628,224,073)
Increase (decrease) in cash and cash equivalents	(588,729,721)	(70,328,734)
Gain (loss) on valuation of foreign currencies	3,223,374,712	9,149,329,167
Cash and cash equivalents at the beginning of the period	25,307,940,678	21,202,141,474
Cash and cash equivalents at the end of the period	27,942,585,669	30,281,141,907

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
Board member

AL SALAM BANK

Condensed Statement of Changes in Equity For the Six Months Ended June 30, 2025

	Paid up capital	Retained earnings	Statutory reserve	General reserve	Property revaluation reserve	Foreign Invts revaluation reserve	Foreign assets & liabilities revaluation reserve	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance at January 1, 2024	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 year	-	5,326,362,471	-	-	-	-	-	5,326,362,471
Capital expenses	2,680,750	-	-	-	-	-	-	2,680,750
Reserves	-	(2,680,750)	2,680,750	-	-	-	-	-
Revaluation Diff	-	(2,839,259,671)	-	-	-	14,141,898,270	2,839,259,671	14,141,898,270
Balance at December 31, 2024	326,229,750	372,721,857	326,229,750	284,407,948	307,550,184	29,160,286,642	13,608,977,629	44,386,403,760
Net income for the period	-	10,360,899,916	-	-	-	-	-	10,360,899,916
Revaluation Diff (prior years)	-	-	-	-	-	-	(3,597,382,000)	(3,597,382,000)
Revaluation Diff	-	(3,223,374,712)	-	-	-	8,034,650,791	3,223,374,712	8,034,650,791
Balance at June 30, 2025	326,229,750	7,510,247,061	326,229,750	284,407,948	307,550,184	37,194,937,433	13,234,970,341	59,184,572,467

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
Board member

AL SALAM BANK

NOTES TO CONDENCED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

(1) Incorporation and activities

Al Salam Bank (the Bank) was established as a public limited liability company in Khartoum in December 28, 2004 under companies' law 1925 with registration certificate No. 23335. The bank provides 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 Bort -Sudan and Bort -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) 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, 2024 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 30, June, 2025 are not indicative of the results that may be expected for the year ended 31 December 2025.

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 SIX MONTHS ENDED JUNE 30, 2025****(3) Investments held to maturity**

	<u>June 30,2025</u>	<u>December 31,2024</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Shahama securities	33,569,500	33,569,500
	<u>33,569,500</u>	<u>33,569,500</u>

(4) Investment in Mudaraba

	<u>June 30,2025</u>	<u>December 31,2024</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 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	<u>2,140,665,689</u>	<u>2,140,665,689</u>
	<u>4,266,885,689</u>	<u>4,266,885,689</u>
Less: Provision for financing risk	<u>(790,332,844)</u>	<u>(790,332,844)</u>
	<u>3,476,552,845</u>	<u>3,476,552,845</u>

(5) Musharka financing

	<u>June 30,2025</u>	<u>December 31,2024</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Musharaka	460,471,461	460,471,461
Less: Provision for financing risk	<u>(230,235,731)</u>	<u>(230,235,731)</u>
	<u>230,235,730</u>	<u>230,235,730</u>

AL SALAM BANK**NOTES TO CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025****(6) Investments available for sale**

	Ownership percentage	<u>June 30,2025</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2024</u> <u>Audited</u> <u>SDG</u>
Alsalam bank- Bahrain	0.98%	19,262,540,443	13,230,593,530
AL Salam bank- Algeria	3.60%	18,203,006,400	14,454,000,000
King Abdullah city	0.06%	3,601,667,334	2,857,077,558
Local investment funds		232,800,892	232,800,892
Al Salam Real Estate Company	50%	50,000	50,000
		<u>41,300,065,069</u>	<u>30,774,521,980</u>

(7)Investments Analysis

	<u>June 30,2025</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2024</u> <u>Audited</u> <u>SDG</u>
Local Investments (note 7/1)	5,462,058,571	5,462,058,571
Investments in GCC countries (note 7/2)	22,864,207,777	16,087,671,088
Foreign Investments (Al Salam Bank - Algeria)	18,203,006,400	14,454,000,000
	<u>46,529,272,748</u>	<u>36,003,729,659</u>
Less: Provision for financing risk	<u>(1,020,568,575)</u>	<u>(1,020,568,575)</u>
	<u>45,508,704,173</u>	<u>34,983,161,084</u>

(7/1) Local Investments

	<u>June 30,2025</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2024</u> <u>Audited</u> <u>SDG</u>
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	2,140,665,689	2,140,665,689
Musharaka	460,471,461	460,471,461
Al Salam Real Estate Company	50,000	50,000
Local land	468,281,029	468,281,029
Total	<u>5,462,058,571</u>	<u>5,462,058,571</u>
Less: provision for investment risk	<u>(1,020,568,575)</u>	<u>(1,020,568,575)</u>
	<u>4,441,489,996</u>	<u>4,441,489,996</u>

AL SALAM BANK**NOTES TO CONDENCED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025****(7/2) Investments in GCC countries**

	<u>June 30,2025</u>	<u>December 31,2024</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
AL Salam Bank – Bahrain	19,262,540,443	13,230,593,530
King Abdullah City shares	<u>3,601,667,334</u>	<u>2,857,077,558</u>
	<u>22,864,207,777</u>	<u>16,087,671,088</u>

8/ capital

	<u>June 30,2025</u>	<u>December 31,2024</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Paid up capital	<u>326,229,750</u>	<u>326,229,750</u>
	<u>326,229,750</u>	<u>326,229,750</u>

The authorized share capital of the bank comprises of 200 million shares with nominal value of SDG 2,69 each, issued and paid shares 121,275,000.

9/ Reserves: -

	<u>June 30,2025</u>	<u>December 31,2024</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>SDG</u>	<u>SDG</u>
Property revaluation reserve	307,550,184	307,550,184
Foreign investments revaluation reserve	37,194,937,433	29,160,286,642
Foreign assets and liabilities revaluation reserve	13,234,970,341	13,608,977,629
General reserve	284,407,948	284,407,948
Statutory reserve (note 9/1)	<u>326,229,750</u>	<u>326,229,750</u>
	<u>51,348,095,656</u>	<u>43,687,452,153</u>

(9/1) Statutory reserve

As required by the banking regulation law of 2004 and the central bank of Sudan circular dated 7 April 2007, 10% of net profit must be transferred to statutory reserve. The bank may discontinue such annual transfers when the reserve equals 100% of the paid-up capital.

AL SALAM BANK

NOTES TO CONDENCED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

(10) Contra accounts

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

	<u>June, 30,2025</u> <u>Unaudited</u> <u>SDG</u>	<u>December 31,2024</u> <u>Audited</u> <u>SDG</u>
Letters of credit	8,525,826,053	6,770,110,615
Letters of guarantee	11,168,977	10,231,725
Restricted investments accounts- Elneelein bank- Abu Dhabi	56,858,904,976	45,150,003,504
Written off debts	<u>3,778,838,925</u>	<u>3,000,920,392</u>
	<u>69,174,738,931</u>	<u>54,931,266,236</u>

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