

AL Salam Bank- Sudan
(Limited liability Company)
Financial Statements Dec, 31, 2025
With
Independent Auditors' Report



Allied Accountants

Bannaga & Co.

Certified Public Accountants

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“Independent Auditor’s Report”

To: The Shareholders

Al-Salam Bank – Sudan

Opinion

We have audited the financial statements of Al-Salam Bank - Sudan “Public Limited Liability Company” (the bank), which comprise the statement of financial position as at December 31, 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including significant material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and International Financial Reporting Standards (IFRS) for items not covered by (AAOIFI) standards.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards issued by (AAOIFI) and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements of the auditing standards issued by AAOIFI and in accordance with the International Code of Ethics for Professional Accountants that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphases of matters

We draw attention to Note (29) of the financial statements, which describes losses the bank incurred as a result of the war in Sudan, the loss included some equipment, tools and all cash in the bank’s safes. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements. Our audit procedures relating to these matters were designed in the context of audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters describe below, and we do not express an opinion on these individual matters.



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Key Audit Matters (continued)

The following are the key audit matters identified:

1- Islamic financing and investments (Murabaha, Modaraba, Musharaka, And other).

Financing and investments represent 57.6% of the total assets of the bank at year end, therefore it represents key part of the financial information. We applied the following audit procedures:

- Obtained lists of financing provided to the bank's client and investments at December 31, 2025.
- Tested investments and its value reported in the financial statements.
- Tested the correctness of the procedures applied for financing.
- Tested collaterals against financing provided by the bank's client to reduce risks of financing.
- Tested accuracy and correctness of the returns from such financing.
- Tested compliance with Central Bank regulations and circulars and accounting and Auditing Organization for Islamic financial institutions standards.
- Overall presentations disclosure of financing assets investments in the financial statements.

2- Allowance for Doubtful Financig

It is a contra account to financing assets which represents 30.85 % of the bank total assets at the end of the year 2025. Total allowance for the year amounted to SDG 9 billion during the year. The following procedures were applied:

- Reviewed adequacy to allowance for doubtful financing and whether properly disclosed in the financial statements.
- Tested whether allowance comply with the Central Bank of Sudan requirements.
- Tested subsequent events to confirm doubtful financing that was not allowed for were collected after year end and do not require additional provision.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Accounting and Auditing Organization for Islamic Financial Institution and International Auditing Standards. This responsibility includes designing and implementing international control as management determines is necessary to enable the preparation of financial statements that are reasonable to the bank circumstances. Management provided and disclosed information that we required for the purpose of auditing the financial statements in preparing the financial statements, management is responsible for assessing the bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with (AAOIFI) Standards and International standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and other activities to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Also, we make statement to those charged with corporate governance.

Other Legal and Regulatory requirements

We obtained information and clarification that we considered necessary for purpose of the audit. The bank maintains regular accounting records and the financial information reconciled with the records. Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable requirements of the Banking Operation Law and the Companies Law 2015 and the Central Bank of Sudan requirements in so far as they affect the preparation and presentation of the financial statements for the year ended December 31, 2025.

For Allied Accountants, Bannaga & Co.

Abdelgadir Bannaga, PhD/FCCA
Senior partner



Date: Shaaban 9, 1447 H
Corresponding to: January 28, 2026 G

AL SALAM BANK

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

	<u>Note</u>	<u>2025</u> <u>SDG</u>	<u>2024</u> <u>SDG</u>
<u>Assets: -</u>			
Cash and cash equivalents	(5)	34,761,113,552	25,307,940,678
Deferred sales receivables (net)	(6)	36,584,360,797	31,280,877,667
Investments held to maturity	(7)	-	33,569,500
Investments in Mudaraba	(8)	4,266,885,689	3,476,552,845
Musharaka financing	(9)	360,000,000	230,235,730
Investments available for sale	(10)	50,953,909,633	30,774,521,980
Property investments	(11)	468,281,029	468,281,029
Other assets	(12)	30,961,551,321	21,858,990,073
Projects in progress	(13)	2,993,980,860	-
Fixed assets (net)	(14)	<u>1,366,070,176</u>	<u>1,694,019,658</u>
Total Assets		<u>162,716,153,057</u>	<u>115,124,989,160</u>
<u>Liabilities, Unrestricted investment accounts and Owners' Equity: -</u>			
<u>Liabilities: -</u>			
Current Accounts	(15)	17,330,048,689	15,863,520,760
Other liabilities	(16)	32,769,988,099	20,934,183,584
Provisions and accruals	(17)	<u>10,865,568,781</u>	<u>6,594,949,102</u>
Total Liabilities		<u>60,965,605,569</u>	<u>43,392,653,446</u>
Unrestricted investment accounts holders	(18)	<u>36,206,506,610</u>	<u>27,345,931,954</u>
<u>Owners' Equity: -</u>			
Paid in capital	(19)	326,229,750	326,229,750
Reserves	(20)	63,060,868,488	43,687,452,153
Retained earnings		<u>2,156,942,640</u>	<u>372,721,857</u>
Total Owners' equity		<u>65,544,040,878</u>	<u>44,386,403,760</u>
Total Liabilities, Unrestricted investment accounts and Owners' equity		<u>162,716,153,057</u>	<u>115,124,989,160</u>
Contra accounts:-	(31)	<u>85,559,604,777</u>	<u>54,931,266,236</u>

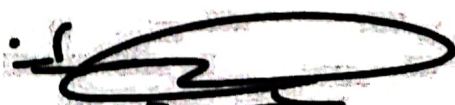
The accompanying notes (1) to (45) form an integral part of these Financial Statements



Eltayeb Ali Ibrahim
General Manager



Dr. Mohamed Ali Khamis Alhosani
Board Member



Abdulrahman Ahmed Abdullah Senan
Board member

AL SALAM BANK

INCOME STATEMENT

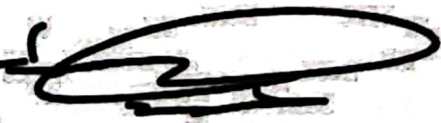
FOR THE YEAR ENDED DECEMBER 31, 2025

		<u>2025</u> SDG	<u>2024</u> SDG
Income: -	Note		
Income from deferred sales	(21)	1,946,005,698	1,632,326,547
Income from investments	(22)	<u>40,662,805</u>	<u>7,206,087</u>
Total income from financing and investments		1,986,668,503	1,639,532,634
Less: Return on unrestricted investment accounts		<u>(1,389,390,540)</u>	<u>(1,158,321,825)</u>
Bank's share in income from investments (as Mudarib and as fund owner)	(23)	<u>597,277,963</u>	<u>481,210,809</u>
Income from bank's own investments	(24)	6,395,591,169	3,859,161,863
Income from banking services	(25)	794,996,879	556,523,640
Gain on foreign currency transaction		4,998,053,041	6,522,422,009
Other income	(26)	2,076,269	12,137,008
Gains on valuation of foreign currencies		<u>5,282,302,980</u>	<u>2,839,259,671</u>
Total income		<u>18,070,298,301</u>	<u>14,270,715,000</u>
Expenses: -			
Staff cost	(27)	(3,873,562,762)	(2,759,956,982)
Operations expenses	(28)	(2,781,713,022)	(1,367,574,328)
Depreciation		(213,942,377)	(142,440,650)
Central Bank of Sudan penalties		(2,000,000)	-
Provision for Investment & Finance		(1,468,713,888)	(2,600,000,000)
War losses	(29)	(262,709,616)	-
Total expenses		<u>(8,602,641,665)</u>	<u>(6,869,971,960)</u>
Net profit from operations before Zakat and tax		9,467,656,636	7,400,743,040
Provision for Zakah		(1,118,734,100)	(799,208,024)
Provision for Business Profit Tax		<u>(1,282,398,773)</u>	<u>(1,275,172,545)</u>
Net profit for the year		<u>7,066,523,763</u>	<u>5,326,362,471</u>
Earnings per share	(30)	<u>58.27</u>	<u>43.92</u>

The accompanying notes (1) to (45) form an integral part of these Financial Statements


Eltayeb Ali Ibrahim
General Manager



Dr. Mohamed Ali Khamis Alhosani
Board Member


Abdulrahman Ahmed Abdullah Senan
Board member

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u> SDG	<u>2024</u> SDG
<u>Cash flows from operating activities:</u>		
Net profit for the year	7,066,523,763	5,326,362,471
<u>Adjustments to reconcile net income to net cash:</u>		
Provision for Zakah	1,118,734,100	799,208,024
Provision for Business Profit Tax	1,282,398,773	1,275,172,545
Provision for Investment & Finance	1,468,713,888	2,600,000,000
Gains on valuation of foreign currencies	(5,282,302,980)	(2,839,259,671)
Depreciation of fixed assets	213,942,377	142,440,650
Return on unrestricted investment accounts	<u>1,389,390,540</u>	<u>1,158,321,825</u>
	7,257,400,461	8,462,245,844
Changes in operating assets, liabilities:		
Provisions and accruals	<u>1,869,486,806</u>	<u>2,176,838,465</u>
Net cash from operating activities	<u>9,126,887,267</u>	<u>10,639,084,309</u>
<u>Cash flows from investing activities:</u>		
Deferred Sales receivables	(6,772,197,018)	10,098,848,838
Investments held to maturity	33,569,500	-
Investments in Mudaraba	(790,332,844)	765,195,008
Musharaka financing	(129,764,270)	205,960,855
Investments available for sale	(2,490,892,298)	(826,162,636)
Projects in progress	(2,993,980,860)	175,479,777
Disposal of assets	144,109,287	-
Purchases of fixed assets	(30,102,182)	(777,619,810)
Net cash from (used in) investing activities	<u>(13,029,590,685)</u>	<u>9,641,702,032</u>
<u>Cash flows from financing activities:</u>		
Other assets	(9,102,561,248)	(12,421,878,303)
Current accounts	1,466,527,929	1,339,724,461
Other liabilities	11,835,804,515	7,876,697,594
Gains on valuation of foreign currencies prior years	(3,597,382,000)	-
Amortization of capital expenses	-	2,680,750
Unrestricted investment accounts	<u>7,471,184,116</u>	<u>(15,811,471,310)</u>
Net cash (used in) from financing activities	<u>8,073,573,312</u>	<u>(19,014,246,808)</u>
Increase in cash and cash equivalents	4,170,869,894	1,266,539,533
Gains on valuation of foreign currencies	5,282,302,980	2,839,259,671
Cash and cash equivalents at the beginning of the year	<u>25,307,940,678</u>	<u>21,202,141,474</u>
Cash and cash equivalents at the end of the year	<u>34,761,113,552</u>	<u>25,307,940,678</u>

The accompanying notes (1) to (45) form an integral part of these Financial Statements


Eltayeb Ali Ibrahim
General Manager


Dr. Mohamed Ali Khamis Alhosani
Board Member


Abdulrahman Ahmed Abdullah Senan
Board member

AL SALAM BANK

**STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

	RESERVES						Total	
	Paid in capital	Retained (loss) earnings	Statutory reserve	General reserve	Property revaluation reserve	Investment revaluation reserve		Foreign assets & Liab reserve
	SDG	SDG	SDG	SDG	SDG	SDG	SDG	
Balance as at Jan, 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 as at Dec, 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 year	-	7,066,523,763	-	-	-	-	-	7,066,523,763
Reserves	-	-	-	-	-	-	-	-
Revaluation Diff prior years	-	-	-	-	-	-	(3,597,382,000)	(3,597,382,000)
Revaluation Diff current year		(5,282,302,980)				17,688,495,355	5,282,302,980	17,688,495,355
Balance as at Dec, 31, 2025	326,229,750	2,156,942,640	326,229,750	284,407,948	307,550,184	46,848,781,997	15,293,898,609	65,544,040,878

The accompanying notes (1) to (45) form an integral part of these Financial Statements



Eltayeb Ali Ibrahim
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 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- Significant Accounting Policies: -

i- Bases of preparation:

- 1- The financial statements are prepared in accordance with the standards issued by the Accounting and Auditing Organizations for Islamic Institutions (AAOIFI) and international accounting standards as required by the Central Bank of Sudan and shari'a supervisory board (SSB) requirements.
- 2- The functional currency is Sudanese Geneih , financial statements have been presented in Sudanese Geneih (SDG) .
- 3- The financial statements were prepared in accordance with the historical cost concept as amended, except for the valuation of securities classified as available for sale, held for trading and investments properties which are valued at fair value at the end of the year.
- 4- The bank uses the accrual basis in recording its assets, liabilities, revenues and expenses.
- 5- Accounting policies used this year consistent with those used last year.

ii- Fixed assets:

- Fixed assets are stated at cost less accumulated depreciation and any permanent impairment in value
- Depreciation of fixed assets is calculated on straight line basis over their estimated useful lives according to managements' judges as follows:

Motor Vehicles	%15
Office equipment	%10
Furniture and fixture	%10
Freehold land and building	%2.5
IT equipment	%30
- The carrying values of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

2- **Significant Accounting Policies: - (continued)**

iii- **iii/ Foreign Currency: -**

All transactions in foreign currencies are recorded using the exchange rate at the date in which they were recognized. Assets and liabilities which were recorded in foreign currency are translated to Sudanese Geneih at the rate of exchange at the financial statements date 2,810.5 as at 31-12-2025 (1,806.75: 31-12-2024).

Exchange differences resulting from the bank investment balances and transaction in foreign currency have been recognized in foreign exchange investment reserve. Exchange differences resulted from bank transactions and other operations are treated in the income statement.

iv- **Revenue recognition:**

a- **Murabaha and Istisnaa:-**

The profits from Murabaha and Istisnaa transaction are recognized on proportionate basis over the period of credit.

b- **Mudaraba Financing**

Mudaraba financing is recognized in the income statements at the time of liquidation or the extent of profit being distributed or at declaration date or when such profits can reasonably be estimated.

c- **Musharaka and Salam financing: -**

The profit from Musharaka and Salam transactions are recognized at the time of Liquidation.

d- **Income from banking services: -**

Income from banking services is recognized at the time when related services are provided and amount of revenue can be measured reliably.

e- **Dividends and bonds income: -**

Dividends and bonds income are recognized when declared, or when such profits can reasonably be estimated.

v- **Provisions for doubtful debts: -**

Provision for doubtful debt is based on the assessment of collectability of each debt and in accordance with the directive of Central Bank of Sudan.

vi- **cash and cash equivalents: -**

For the purpose of preparation of statement of cash flows, cash and cash equivalents consist of cash in the bank and with other banks (current accounts) and balances with Central Bank of Sudan and cash in hand.

vii- **Provisions: -**

Provisions are recognized when the bank has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be reliably measured. Provisions are reviewed at the end of each financial year to ensure its adequacy to meet the obligations, Differences arise from such review are adjusted through income statement.

2- Significant Accounting Policies: - (continued)

viii- Doubtful investment and bad debts:

Doubtful investment and bad debts are written off on the passage of legal period determined by central bank, or when court decides write off and closure of cases,

ix- Measurement of investments and finance at the end of the period: -

a- Deferred sales receivable: -

Deferred sales receivable are initially recorded at cost, at the end of the financial period deferred sales receivables are measured at their net realizable value.

b- Mudaraba: -

Mudaraba is measured by the amount paid or the amount placed under the disposition of the Mudarib less the portion of the Mudaraba capital recovered from the Mudarib(if any).

c- Musharaka:-

Musharaka is measured by the historical cost less provision for finance losses (if any).

d- Available for sale investments: -

Available for sale investments are measured at fair value, the difference or deficits) between the book value and fair value is recognized in the revaluation reserve if fair value is not available, they are reported at cost.

e- Investment in securities held to maturity: -

Investments in securities held to maturity are initially recognized at cost, including acquisition charges associated with the investment. At the balance sheet date securities held to maturity are measured at cost less impairment in value if any.

x- Zakah and Tax treatment: -

The bank is subject to the Zakah and Tax regulations prescribed by the Sudanese authorities. The bank is subject to business profit tax after excluding the exempted profits from investment in shahama bonds.

xi- Return on unrestricted investment account holders: -

The Return on unrestricted investment account is calculated on yearly basis. The bank allows the investment account holders to withdraw funds from their investment accounts before the agreed period with a condition of losing the right on profits, however at the mudaraba for fixed period the banks (as mudarib) has not right to allow them to withdraw funds from their investment accounts until the end of agreed period.

Profits are allocated between the unrestricted investment account holders and the owners' equity according to the contribution of each of the two parties. Those profits added to their accounts after the approval of Shari'a Supervisory Board and the regulators.

3- Supervisory body:

The bank's business activities are subject to the supervision of central bank of Sudan according to the central bank of Sudan laws 2002 and banking operations regulating law year 2004. The bank abides to Central Bank of Sudan circulars.

4- Shari'a Supervisory Board (SSB)

The bank's business activities are subject to the supervision of Shari'a Board, which has been appointed by the shareholders. The Shari'a Supervisory Board has the power to direct, review and supervises the activities of the bank to ensure that they are in compliance with sharia rules and principles. This including issuing an annual report to the shareholders.

5- Cash and Cash equivalents:

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Cash on hand	231,107,881	1,217,902,825
Balances with central bank of Sudan - local	566,747,854	1,407,332,272
Balances with central bank of Sudan - foreign	25,077,659,484	18,963,559,291
Current account –local banks	-	28,009,250
Cash with foreign correspondent banks	5,577,425,414	356,675,399
Central bank of Sudan – Statutory cash reserve-local	534,625,654	863,648,086
Central bank of Sudan - Statutory cash reserve- foreign	2,773,547,265	2,470,813,555
	<u>34,761,113,552</u>	<u>25,307,940,678</u>

6- Deferred sales receivables-net:-

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Murabahat	11,124,563,436	10,978,119,067
Istisnaa	335,945,432	462,466,128
Deferred sales	11,628,143,130	27,161,734,418
Deferred litters of credit	24,709,372,960	-
Ijarra	-	17,121
	<u>47,798,024,958</u>	<u>38,602,336,734</u>
Less: Deferred sales profit	(2,326,286,939)	(2,271,516,491)
Less: provision for doubtful debts (note 6/1/1)	(8,887,377,222)	(5,049,942,576)
Deferred sales receivable (net)	<u>36,584,360,797</u>	<u>31,280,877,667</u>

6- Deferred sales receivables-net:- (continued)**6-1 Provision for doubtful finance and investment: -**

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Balance at 1/1	6,070,511,151	3,158,534,996
Provision for the year	1,468,713,888	2,600,000,000
Revaluation difference of provision – foreign currencies	1,448,623,644	311,976,155
Balance at 31/12 (6/1/1)	<u>8,987,848,683</u>	<u>6,070,511,151</u>

6-1-1 Total Provisions for doubtful finance and investment: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Provision for doubtful deferred sales (note 6)	8,887,377,222	5,049,942,576
Provision for finance and investment – Mudaraba (note 8)	-	790,332,844
Provision for finance and investment – Musharaka (note 9)	100,471,461	230,235,731
	<u>8,987,848,683</u>	<u>6,070,511,151</u>

7- Investments in securities held to maturity: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Shahama securities (7/1)	-	33,569,500
	<u>-</u>	<u>33,569,500</u>

7-1 Investment in government bonds (Shahama): -

Government bonds are certificates issued by ministry of finance and economy on behalf of Sudan government, these certificates are traded through Sudan financial Securities Company based on Musharaka contract, the certificates are exchangeable at Khartoum stock market.

8- Investments in Mudaraba: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Mudaraba with customers – Individuals and companies	690,000,000	690,000,000
Mudaraba with Hyper Deal Co	1,130,000,000	1,130,000,000
Al Baraka forth fund for investment	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 banks 8/1	<u>2,140,665,689</u>	<u>2,140,665,689</u>
	4,266,885,689	4,266,885,689
Less: Provision for finance and investment risk (note 6/1/1)	-	(790,332,844)
	<u>4,266,885,689</u>	<u>3,476,552,845</u>

8-1 Mudaraba with banks: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Subsidized housing portfolio - Bank of Khartoum	665,689	665,689
Al ebdaa Bank	430,000,000	430,000,000
Employee's sustenance portfolio- Worker' s National Bank	50,000,000	50,000,000
Oil seeds portfolio - Industrial Development Bank	10,000,000	10,000,000
AL-Nilein bank	850,000,000	850,000,000
Financial Investment Bank	400,000,000	400,000,000
Strategic commodities portfolio- Al Baraka Bank	<u>400,000,000</u>	<u>400,000,000</u>
	<u>2,140,665,689</u>	<u>2,140,665,689</u>

9- Musharaka Financing: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Musharaka	460,471,461	460,471,461
Less: provision for finance and losses (note6/1/1)	<u>(100,471,461)</u>	<u>(230,235,731)</u>
	<u>360,000,000</u>	<u>230,235,730</u>

10- Investments available for sale: -

		<u>2025</u>	<u>2024</u>
		SDG	SDG
AL Salam bank- Bahrain	.0.98%	23,792,715,873	13,230,593,530
AL Salam bank- Algeria	3.6%	22,484,000,000	14,454,000,000
King Abdullah city	0.06%	4,444,342,868	2,857,077,558
Interbank liquidity management fund		232,800,892	232,800,892
AL Salam real estate company	50%	50,000	50,000
		<u>50,953,909,633</u>	<u>30,774,521,980</u>

11- Property investments: -

Property investments on December 31, 2024 represent 5 plots of land of different sizes fully owned by the bank in carefully selected locations in Khartoum and Khartoum North, with the aim of supporting the bank's financial position against erosion in light of the decline in the value of the Sudanese pound. The cost of these lands when purchased amounted to SDG 127.3 million, while their market value on December 31, 2014 was SDG 442.5 million, as they have not been evaluated since 2015 due to the absence of significant differences. The bank is currently conducting studies to establish investment projects on these lands, but they have been temporarily halted due to the current war, and work will resume on them after the end of the war so that maximum benefit can be gained from them within the bank's productive and income-generating assets in the future.

12- Other assets: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Debtors (note 12/1)	22,366,727,700	13,993,748,505
Accrued income of investments	3,629,342,400	4,249,656,889
Staff loans	477,504,551	543,626,391
Prepayments	467,626,171	122,908,120
Financing assets owned by the bank	10,650,000	10,650,000
Exchange dealing room accounts - local	3,928,776,885	2,857,476,554
Sales of mobile balances & electricity	80,923,614	80,923,614
Total	<u>30,961,551,321</u>	<u>21,858,990,073</u>

12- Other assets: - (continued)**12-1 Debtors: -**

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Shares in AL Salam bank/ Algeria- under allotment	19,673,500,000	12,647,250,000
Hussein Mohamed Salim Almiza	7,925,410,455	5,094,906,721
Loans under re-numeration of Board of directors and Shari'a board (2019-2022)	2,693,227,700	1,346,498,505
Hussein Mohamed Salim Almiza- Ajman plots of land not transferred to the bank	9,000,490	9,000,490
Hussein Mohamed Salim Almiza and Leader Capital Company (owned by Mohamed Ali Rashid Alabar & Hussein Mohamed Salim Almiza)	2,222,812	2,222,812
Fatah ALrahman Hassan heirs	101,018	101,018
Court fee- litigation against Hussein Mohamed Salim Amiza	25,915,273	25,915,273
Court fee- litigation against Hasban company	91,227,772	-
Tax stamps - litigation against Hasban company	43,570,161	-
legal fee- litigation against Rotana company	30,000,000	-
	<u>30,494,175,681</u>	<u>19,125,894,819</u>
Less: provision of doubtful debts	<u>(8,127,447,981)</u>	<u>(5,132,146,314)</u>
Total	<u>22,366,727,700</u>	<u>13,993,748,505</u>

12-1-1 Provision of doubtful debts: -

It provided for the debtors except items 1,3.

13- Projects in progress: -

	<u>2025</u>	<u>2024</u>
	<u>SDG</u>	<u>SDG</u>
Rehabilitation of Atbara branch	575,850,000	-
Rehabilitation of Alsuq Elaraby branch	1,025,000,000	-
Rehabilitation of Al gadaref branch	1,274,350,000	-
Rehabilitation of Rotana branch	12,598,260	-
Equipment and software	106,182,600	-
Total	<u>2,993,980,860</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**14- Fixed assets: -**

Particulars	Motor Vehicles SDG	Furniture and fixture SDG	Office equipment SDG	IT equipment SDG	Freehold land and building SDG	Total SDG
<u>Cost at:</u>						
Jan ,1,2025	122,345,192	238,310,684	353,827,376	766,769,348	541,009,988	2,022,262,588
Additions	-	10,425,900	7,503,400	12,172,882	-	30,102,182
Disposals	(1,620,234)	(110,245,177)	(43,743,951)	(3,836,149)	-	(159,445,511)
Dec,31,2025	120,724,958	138,491,407	317,586,825	775,106,081	541,009,988	1,892,919,259
<u>Depreciation:</u>						
Jan ,1,2025	44,604,139	25,509,168	47,923,095	184,844,331	25,362,197	328,242,930
For the year	19,202,928	11,746,422	19,279,776	163,713,251	-	213,942,377
disposals	(222,783)	(10,105,803)	(3,952,697)	(1,054,941)	-	(15,336,224)
Dec,31,2025	63,584,284	27,149,787	63,250,174	347,502,641	25,362,197	526,849,083
<u>Net book value:</u>						
Dec,31,2025	57,140,674	111,341,620	254,336,651	427,603,440	515,647,791	1,366,070,176
Dec,31,2024	77,741,053	212,801,516	305,904,281	581,925,017	515,647,791	1,694,019,658

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

15- Current accounts: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Current accounts – local	5,557,696,050	5,769,783,095
Current accounts – foreign	11,772,352,639	10,093,737,665
	<u>17,330,048,689</u>	<u>15,863,520,760</u>

16- Other liabilities: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Other creditors (note 16/1)	15,738,485,678	12,942,317,894
Outstanding cheques	1,270,344,636	1,027,726,512
letters of credit cash margin	15,383,957,307	6,783,244,949
Other payable (note 16/2)	27,046,637	34,799,139
letters of guarantee cash margin	130,059,210	5,705,210
Mudaraba profit under liquidation	51,802,166	33,301,393
Accrued expenses	168,292,465	107,088,487
	<u>32,769,988,099</u>	<u>20,934,183,584</u>

16-1 Other creditors: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Albokhary corporation	8,431,500,000	5,420,250,000
National clearance account	202,967,288	204,026,345
Export proceed account	1,769,756,918	600,920,544
Exchange dealing room accounts – foreign	3,928,776,885	2,392,223,454
Accrued commissions	401,470,508	258,088,187
Stamps	359,195,248	209,192,844
Clients import accounts	644,818,831	3,857,616,520
	<u>15,738,485,678</u>	<u>12,942,317,894</u>

16-2 Other payable: -

A major part of this amount represents shareholders unpaid dividends.

17- Provisions and accrual: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Provision of social insurance	242,908,292	165,763,037
End of service provision	1,100,000,000	500,000,000
Board of directors' remuneration 2019-2025	2,699,333,500	1,507,007,250
Provision for staff bonus	842,477,467	656,000,000
Shari'a supervisory board remuneration 2019-2025	230,078,600	121,752,655
Personal Income tax and Zakah	261,165,055	226,291,692
Provision for Zakah (Prior years)	1,242,829,949	743,621,925
Provision for business profit tax (Prior years)	1,826,369,224	549,408,679
Provision for Zakah	1,118,734,100	799,208,024
Provision for Business profit tax	1,282,398,773	1,275,172,545
Provision for deposits guarantee fund	19,273,821	50,723,295
	<u>10,865,568,781</u>	<u>6,594,949,102</u>

18- Unrestricted investment accounts holders: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Unrestricted investment account balances*	35,436,405,460	26,699,328,042
Return on unrestricted investment accounts (note 23)	852,877,436	681,993,509
Advance payment to investment holders	(82,776,286)	(35,389,597)
	<u>36,206,506,610</u>	<u>27,345,931,954</u>

* Unrestricted investment accounts include both local and foreign currency for a period of one year.

* The bank has not subsidized the returns on these investments.

19- Paid in capital: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Authorized and paid-up capital	326,229,750	326,229,750
Capital increase fees	-	(2,680,750)
Amortization of capital expenses	-	2,680,750
	<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 US \$1 equivalent SDG 2.69 each, the bank issued bonus shares amounted to SDG 23,758,000, SDG 32,910,350 and SDG 15,561,400-year 2010, 2013 and 2016 which represent 10%, 5% and 5% of total issued numbers of shares respectively.

20- Reserves: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Property revaluation reserve (note 20/1)	307,550,184	307,550,184
Foreign investments revaluation reserve (note 20/2)	46,848,781,997	29,160,286,642
Foreign assets and liabilities revaluation reserve (note 20/3)	15,293,898,609	13,608,977,629
General reserve (note 20/4)	284,407,948	284,407,948
Statutory reserve (note 20/5)	326,229,750	326,229,750
	<u>63,060,868,488</u>	<u>43,687,452,153</u>

20-1 Property revaluation reserve: -

Property revaluation reserve relates to property investment owned by the bank.

20-2 Foreign investments revaluation reserve: -

Foreign investments revaluation reserve resulted from translation of these investments to local currency at the balance sheet date.

20-3 Foreign assets and liabilities revaluation reserve: -

This reserve relates to translation assets and liabilities in foreign currency to local currency at the financial statements date, based on the central bank of Sudan instructions, the difference results from such translation to be accounted for through income statement, and is not allowed to be distributed or capitalized, but to be reserved in separate account within the owner equity.

20-4 General reserve: -

This reserve has been built based on the general assembly resolution no 14.

20-5 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

21- Income from deferred sales: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Murabaha income	498,594,172	1,140,329,719
Deferred sales income	1,447,411,526	491,996,828
	<u>1,946,005,698</u>	<u>1,632,326,547</u>

22- Income from investments: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Interbank liquidity management fund	12,497,778	-
Income from portfolios	13,145,076	-
Mudaraba income	-	7,206,087
Investment accounts	15,019,951	-
	<u>40,662,805</u>	<u>7,206,087</u>

23- Return on unrestricted investments accounts: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Share of profit before Mudarib share	1,986,668,503	1,639,532,634
Mudarib share of profit	(597,277,963)	(481,210,809)
Net return after mudarib share	<u>1,389,390,540</u>	<u>1,158,321,825</u>

* The bank has not subsidized the returns to unrestricted investment accounts.

* The bank share (as mudarib) of net return range between 25% - 60% whereas the investors (owner of the fund) range between 75%-40%.

24- Income from bank's own investments: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Dividends from AL Salam bank- Bahrain	4,426,278,327	2,954,337,713
Dividends from Al Salam- Algeria	1,969,312,842	904,824,150
	<u>6,395,591,169</u>	<u>3,859,161,863</u>

25- income from banking services: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Ledger and cheques issuance commission	1,823,942	1,996,000
Letters of credit commission	645,132,204	516,450,367
Letters of guarantee commission	450,000	-
Transfers and acceptances commission	79,394,338	21,013,548
Administrative commission	4,253,705	-
Other bank services	36,962,980	8,170,971
Transfers	18,309,710	7,542,754
Income from mail and communications (SWIFT)	8,670,000	1,350,000
	<u>794,996,879</u>	<u>556,523,640</u>

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FOR THE YEAR ENDED DECEMBER 31, 2025**26- Other income: -**

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Miscellaneous	1,458,979	12,126,188
Income from sale of fixed assets	77,500	-
Income from sales of electricity and communications services	539,790	10,820
	<u>2,076,269</u>	<u>12,137,008</u>

27- Staff cost: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Basic salary	432,294,935	357,154,395
Bonus	385,130,111	392,785,936
Emergency allowance	866,400,000	253,425,000
Uniform allowance	129,156,321	136,299,853
End of service benefit	790,516,165	701,755,260
Training	450,000	-
Annual bonus	800,000,000	656,000,000
Incentives	-	1,200,000
Health insurance	142,899,811	77,772,482
Social insurance	53,350,596	53,665,573
Other staff cash and in-kind benefits	26,961,675	22,333,172
Annual leave allowances	246,403,148	107,565,311
	<u>3,873,562,762</u>	<u>2,759,956,982</u>

28- Operations expenses: -

	2025	2024
	SDG	SDG
Stationery and printings	11,508,861	49,417,510
Maintenance and repair	431,126,518	72,102,579
Telecommunications	76,627,516	24,323,305
Vehicles running expenses	31,571,096	14,156,201
Electricity and water	8,662,998	12,244,533
Insurance	3,350,537	4,483,190
Security expenses	24,054,475	7,211,580
Rent	447,365,203	189,952,637
Legal consultants' expenses	169,262,933	14,851,941
Audit fees	19,656,000	14,250,600
Board of directors meeting expenses	883,994,152	471,953,238
Shari'a supervisory board expenses	29,028,444	10,081,781
Subscriptions	65,946,706	26,592,075
Entertainment	22,687,067	22,566,182
Board of directors' remuneration 5% Of net profit	94,000,000	193,500,000
Shari'a supervisory board remuneration	50,000,000	29,500,000
Cash sorting expenses	-	150,000
Cleaning	24,191,980	11,936,449
Transportations	7,386,275	19,376,300
Travelling expenses	157,086,267	54,952,390
Banks charges	43,091,511	30,747,452
Donations	4,000,000	-
Swift	133,780,099	63,643,675
Advertising	28,965,000	8,678,000
Deposits guarantee fund	14,367,884	20,795,440
National clearing expenses	-	92,270
Stamp expenses	1,500	15,000
	<u>2,781,713,022</u>	<u>1,367,574,328</u>

29- War losses: -

The civil war loss was has estimated based on the damages that occurred to some of equipment, financing assets in addition to cash, which have been stolen. This estimate was based on the management best available information. Details as follows:

	2025	2024
	SDG	SDG
Loss of equipment	164,698,434	-
Other losses	98,011,182	-
	<u>262,709,616</u>	<u>-</u>

30- Earnings per share: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Net profit for the year	7,066,523,763	5,326,362,471
Number of shares	121,275,000	121,275,000
earnings per share	<u>58.27</u>	<u>43.92</u>

31- Contra accounts: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Letters of credit	10,531,283,027	6,770,110,615
Letters of guarantee	127,839,225	10,231,725
Restricted investments accounts- Elneelein bank- Abu Dhabi	70,233,337,765	45,150,003,504
Bad debts	<u>4,667,144,760</u>	<u>3,000,920,392</u>
	<u>85,559,604,777</u>	<u>54,931,266,236</u>

32- Concentration of investments – Economic sector: -

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Export & Import	82.00%	75.40%
Industry	8.00%	10.00%
Transportation	4.00%	4.00%
Agriculture	1.00%	1.00%
Services	3.00%	1.70%
Micro financing	2.00%	7.00%
Other sectors	0,00%	0.90%
Total	<u>100.%</u>	<u>100.%</u>

33- Social responsibility: -

With regard to the banks role in supporting the needy and poor people, the bank has allocated Zakah for this year 2025 amounting to SDG 1,118.7 million (SDG 799.2 million: 2024),

34- Related party transactions:

These represent transactions with related parties i: e shareholders, board of directors and senior management of the bank, and companies of which they are principal shareholders. These transactions are conducted in the arm length basis.

31, Dec ,2025				
SDG				
	Principal shareholders &board of directors and their companies and Shari'a supervisory board		Key managers	Total at 31 Dec 2025
	SDG	\$	SDG	\$
<u>Balance sheet</u>				
<u>items:</u>				
Loans \$	2,693,227,700	958,260	-	2,693,227,700
Current accounts foreign	913,412	325	154,577	1,067,989
Current account local	-	-	254,585	254,585
<u>Top management: -</u>				
Remuneration end of service			101,787,990	101,787,990

31, Dec ,2024				
SDG				
	Principal shareholders &board of directors and their companies and Shari'a supervisory board		Key managers	Total at 31 Dec 2024
	SDG	\$	SDG	\$
<u>Balance sheet</u>				
<u>items:</u>				
Murabaha	-	-	-	-
Loans \$	1,346,498,505	745,260	-	1,346,498,505
Loans SDG	-	-	105,446,073	105,446,073
Current accounts foreign	587,194	325	43,848,016	44,435,210
Current account local	-	-	9,547	9,547
<u>Income statement</u>				
<u>items</u>				
Murabaha income	-		-	-
<u>Top management: -</u>				
Remuneration end of service			84,265,839	84,265,839

35- Distribution of unrestricted investment accounts: -

The balance of unrestricted investment accounts as at 31 Dec 2025 was SDG 36,206,506,610 (31 Dec 2024: SDG 27,345,931,954). The balances of 10 major clients represents 78% of the total of this balance.

36- Credit risk: -

Credit risk is the risk that one party of the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The bank attempts to control credit risk by monitoring credit exposures continuously.

The bank seeks to manage its credit risk exposure through the diversification of financial and investment activities to ensure that there is no undue concentration of risks with individuals or group of customers in specific locations or business. It also takes security when appropriate.

Analysis of investments concentration by economic sector is provided in note (32).

37- Liquidity risk: -

Liquidity risk is the risk that the bank will be unable to meet its net funding requirements, liquidity risk can be caused by disruptions or downgrades, which may cause certain sources funding to dry up immediately.

To mitigate this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

38- Market risk: -

Market risk is the risk that value of an asset will fluctuate as a result of change in market price, whether those changes are caused by factors specific to the individual investment or its issuer of factor affecting all investment traded in market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and managements estimate of long- and short-term changes in fair value.

39- Share price risk: -

Shares prices risk is the risk that the value of the shares will fluctuate as a result of changes in the market prices of the share. The board of directors put the limits on the amounts and types of shares to be acquired for investment purposes. The investments committee of the bank regularly monitor these limits.

40- Profit rate risk: -

The profit rate risk refers to the risk due to change of profit rates, which might affect the future earnings of the bank. Exposure to profit rate risk is managed by the bank through diversification of assets portfolio and by matching the maturities of assets and liabilities.

In line with the policy approved by the board of directors, the assets and liabilities committee perform regular review of the assets and liabilities in order to ensure that the maturity gap between assets and liabilities is maintained at minimum levels and also to ensure that financing and investments are made for quality assets at higher rate of returns.

41- Currency risk: -

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk is managed on the basis of limits determined by the bank board of directors.

These Limits are monitored continuously to ensure that the net exposure is kept on an acceptable level.

Assets and liabilities in foreign currency are mainly denominated in US Dollars and other foreign currencies. The bank foreign currencies net position was as follows:

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Assets	55,064,684	57,564,530
Liabilities	<u>(32,104,011)</u>	<u>(31,448,247)</u>
Net foreign currency position	<u>22,960,673</u>	<u>26,116,283</u>

42- Capital adequacy: -

The bank calculates the adequacy of its capital using the ratios established by central bank of Sudan.

	<u>2025</u>	<u>2024</u>
	SDG	SDG
Core capital	<u>(41,548,138,000)</u>	<u>(9,102,988,000)</u>
Total risk weighted assets	<u>132,372,751,000</u>	<u>80,175,228,000</u>
The banks' capital adequacy ratio	<u>(%31,5)</u>	<u>%(11.4)</u>
Minimum capital adequacy ratio required	<u>%12</u>	<u>%12</u>

43- Zakat: -

The bank paid its Zakat liabilities up to 2022 and provided for 2025.

44- Business profit tax: -

The bank paid its business profit tax up to 2021 and gets clearance and provided for years 2022 up to 2025.

45- Comparative figures: -

Some of the comparative figures are re-classified to fit with the current year classification, the re-classification didn't affect the profits or the owners' equity for the last year.