

UNITED CAPITAL BANK
(Public Limited Company)

Consolidated
Financial Statements
December 31, 2025

Elmamoun Hamid & Co.

Certified Accountants & Consultants



المأمون حامد وشركاه

محاسبون قانونيون ومستشارون

UNITED CAPITAL BANK

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In the Name of Allah, Most Gracious, Most Merciful
Sharia Supervisory Board-United Capital Bank
Sharia Supervisory Board's Report for the General Assembly
of Shareholders of United Capital Bank
For the Period: (01 Jan 2025- 31 Dec 2025)
Corresponding to (1 Rajab, 1446 AH - 11 Rajab 1447 AH)

Pursuant to the Control Standard for Islamic Financial Institutions No. (1) of the Sharia Supervisory Board (SSB) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and pursuant to the Licensing Regulations for Practicing Banking for the Year 2025, issued by the Central Bank of Sudan, and pursuant to the Central Bank of Sudan Circular (8/2022) Implementing Risk-Based Supervision: **The Sharia Supervisory Board present to the General Assembly the following report:**

1. The SSB reviewed the executed credit contracts submitted to it by the bank's management, and gave such advice and directives that might render them sound from a Sharia point of view.
2. The SSB has viewed the External Auditor's report, the Statement of Financial Position, the Income statement, the Cash Flow statement, and the notes thereof for the year ended Dec 31, 2025, and has listened to the answers of the bank's officers on the questions posed thereon, as well as the final accounts for Almal for Securities Company limited and Almawarid Investment Company limited.
3. The SSB draws attention to the fact that it's the responsibility of the bank management to ensure that the bank acts in compliance with the

provisions of the Sharia; and the SSB's responsibility is only to give an independent opinion on the bank activities according to its own surveillance, and in making a report thereon.

4. Considering the above, and based on monitoring of the bank's operations during the year 2025, the SSB decides the following:

A. The contracts, operations, and transactions executed by the Bank during the year ended 31 December 2025, which were reviewed by the SSB, were conducted in accordance with the principles and provisions of Islamic Sharia. Any observations identified have been duly rectified.

B. The distribution of profits and charging of losses on the investment accounts are consistent with the provisions and principles of Sharia.

C. The Zakat calculation has been in accordance with the Zakat Law and the Chamber of Zakat circulars.

D. Any prohibited revenue identified during the year 2025 shall be allocated for charitable purposes.

The SSB extends its thanks to the bank's officers for their cooperation in achieving its mission, supplicating to enhance and keep them in their right path.

Sharia Supervisory Board:

1. Prof. Abdalla Elzubair Abdelrahman

Chairman, SSB



2. Dr. Mohamed Ali Yousif Ahmed

Member, SSB



3. Dr. Mohamed Elrasheed Saeed

Member, SSB



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of United Capital Bank (Public Limited Company)

Opinion

We have audited the consolidated financial statements of United Capital Bank (the "Bank/UCB") and its two subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of income, cash flows, changes in equity and changes in restricted investments for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Financial Accounting Standards ("FASs") issued by The Accounting and Auditing Organization for Islamic Institutions ("AAOIFI"), as modified by the Central Bank of Sudan, and the applicable requirements of the Central Bank of Sudan set out in Note (2.2.1) to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and we have fulfilled our ethical responsibilities in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions (AAOIFI Code), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2.2 to the consolidated financial statements, which describe the negative effects of the military operations ongoing in Sudan since April 15, 2023 on the Group's operations. These events or conditions, along with other matters described in Note 2.2.2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern should the scope of military operations expand to include the safe locations where the Group currently conducts its operations. However, in the opinion of the Group's management, as long as such expansion in the scope of war does not occur, the Group is expected to continue its operations. Accordingly, the attached consolidated financial statements have been prepared on the going concern basis.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is a description of the key audit matter that we considered and how we addressed each matter in the context of our audit:

Provision for finance losses

The Bank's financing portfolio represents approximately 43% of the Group's total assets as of December 31, 2025. Accordingly, this portfolio and the related provisions for financing losses have been identified as a key audit matter, particularly in the context of the operating environment described in Note (2.1) to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

The 2025 consolidated financial statements reflect a decrease in financing loss provisions of about SDG 6.7 billion down to SDG 18.6 billion compared to December 2024, where provisions stood at SDG 25.3 billion. This decrease, based on the criteria outlined in Note 3.5.2, represents 23% of the total financing portfolio.

Our audit procedures included verifying that UCB is complying with Central Bank of Sudan's directives on the recognition of impairment for financing losses, noting that, UCB does not apply AAOIFI standards in this respect, as outlined in Note (2.2.1). Furthermore, we reviewed the recalculation of provisions for financing losses in accordance with the Central Bank's revised guidelines issued on July 25, 2024 and April 21, 2025, as well as the Group's internal policies set out in Note (3.5.2) to these consolidated financial statements.

Other Information Included in the Group's Annual Report for year 2025

The directors are responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to report the matter to those charged with governance. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Financial Accounting Standards ("FASs") issued by The Accounting and Auditing Organization for Islamic Institutions ("AAOIFI") as modified by the Central Bank of Sudan (Central Bank), and the applicable requirements of the Central Bank of Sudan as stated in Note (2.2.1) of the financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Auditing Standards for Islamic Financial Institutions issued by AAOIFI 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 consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

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

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Elmamoun Hamid & Co.



Elmamoun Hamid Abdelrahman, CPA, CGMA
License No. 1020

Date: March 18, 2026



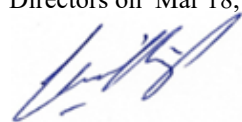
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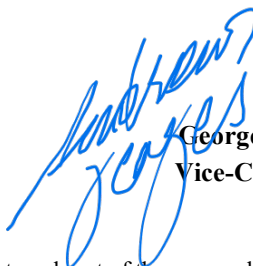
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	Notes	2025 SDG	2024 SDG
ASSETS			
Cash and balances with banks and financial institutions	4	48,134,795,170	40,028,062,887
Investments with banks and financial institutions	5	51,501,123,378	7,075,078,396
Investments in securities	6	–	–
Deferred sales receivable, net	7	71,486,961,580	63,223,556,589
Mudarabah and Musharakah, net	8	5,777,708,931	7,129,731,872
Other investments	9	–	–
Other assets	10	6,207,488,477	1,751,031,986
Property and equipment, net	11	1,446,360,325	914,697,911
TOTAL ASSETS		184,554,437,861	120,122,159,641
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND			
LIABILITIES			
Due to banks and financial institutions	12	1,479,885,040	1,037,455,688
Customers' deposits	13	57,969,280,076	34,564,280,245
Other Liabilities	14	26,756,438,747	21,827,272,535
TOTAL LIABILITIES		86,205,603,863	57,429,008,468
EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS			
Investment deposits -banks and financial institutions	15	3,425,254,131	8,192,969,629
Investment deposits-other	16	43,028,576,110	19,000,719,387
TOTAL EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS		46,453,830,241	27,193,689,016
SHAREHOLDERS' EQUITY			
Share capital	17	240,000,000	240,000,000
Share premium	18	4,500,000	4,500,000
Reserves	19	21,427,759,755	35,535,709,257
Accumulated profit (loss)		30,222,719,169	(280,771,910)
Total Shareholders' equity of the parent company		51,894,978,924	35,499,437,347
Non-controlling interest		24,833	24,810
TOTAL SHAREHOLDERS' EQUITY		51,895,003,757	35,499,462,157
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND SHAREHOLDERS' EQUITY			
		184,554,437,861	120,122,159,641
COMMITMENTS AND CONTINGENCIES	33	3,285,211,729	4,019,788,617

The consolidated financial statements were authorized for issuance in accordance with a resolution of the Board of Directors on Mar 18, 2026.


Yousif Ahmed El-Tinay
CEO


Georges Elias Andraos
Vice-Chairman


Algaily Tagelden Abushama
Chairman

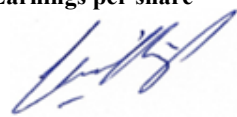
The attached notes 1 to 39 form an integral part of these consolidated financial statements.

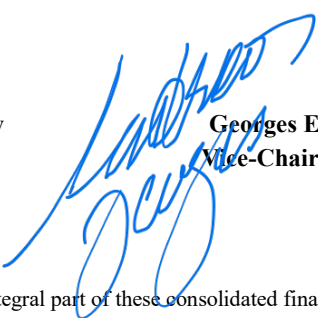
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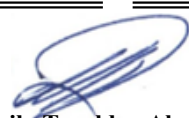
CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2025

	Notes	2025 SDG	2024 SDG
INCOME FROM :			
Investments with banks and financial institutions	20	750,045,524	287,202,536
Investments in securities	21	645,927	-
Income from deferred sales receivable	22	9,311,376,381	5,309,077,555
Income from Mudarabah and Musharakah finance	23	455,929,744	398,319,521
Other investments	24	-	264,978,832
Total income from financing and investments		10,517,997,576	6,259,578,444
Less: Return to unrestricted investment account holders	25	(2,266,248,812)	(1,023,375,808)
Net income from investments and finance		8,251,748,764	5,236,202,636
Fee income	26	4,876,865,659	2,695,594,444
Other income	27	226,999,997	171,037,643
Net gain from foreign exchange transactions		837,938,899	2,074,546,558
Foreign currency revaluation gain	28	5,465,957,782	32,156,540,727
Total operating income		19,659,511,101	42,333,922,008
EXPENSES			
Staff cost		(4,245,337,684)	(3,228,242,271)
General and administrative expenses	29	(6,595,081,117)	(4,022,989,252)
Depreciation	11	(240,762,042)	(179,571,333)
Bank of Sudan penalties		(2,000,000)	-
Total operating expenses		(11,083,180,843)	(7,430,802,856)
Total operating profit before provisions, zakat and income tax		8,576,330,258	34,903,119,152
Provision for finance losses	7.2	9,427,098,979	(12,765,448,450)
Provision for impairment and doubtful debts	30	73,080	36,220,465
Net operating profit before zakat and income tax		18,003,502,317	22,173,891,167
Zakat expense		(916,320,011)	(946,898,490)
Income tax expense		(691,640,706)	(543,978,619)
Net profit		16,395,541,600	20,683,014,058
Less: net profit attributable to non-controlling interest		(23)	286
Net profit attributable to equity holders of the parent		16,395,541,577	20,683,014,344
Earnings per share	31	683.15	861.79


Yousif Ahmed El-Tinay
CEO


Georges Elias Andraos
Vice-Chairman


Algaily Tagelden Abushama
Chairman

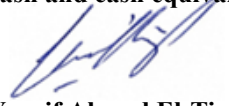
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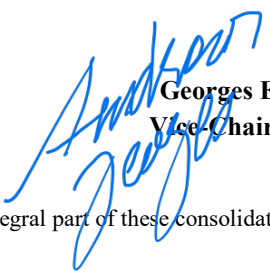
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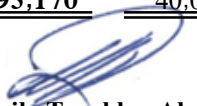
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Notes	2025 SDG	2024 SDG
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		16,395,541,577	20,683,014,344
Adjustments to reconcile net profit:			
Depreciation and amortization		240,762,042	179,571,333
FC revaluation gain		(5,465,957,782)	(32,156,540,727)
Provision for zakat		916,320,011	946,898,490
Provision for income tax		691,640,706	543,978,619
Provision for staff end of service benefits		56,961,153	157,521,353
Provision for finance losses		(9,427,098,979)	12,765,448,450
Provision for doubtful debts		(73,080)	(36,220,465)
Provision for staff bonus		1,443,340,821	1,309,716,943
Return to unrestricted investment account holders		2,266,248,812	1,023,375,808
Net loss (gain) on disposal of property and equipment		(226,999,997)	-
Net cash flow from operating activities		6,890,685,284	5,416,764,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments with banks and financial institutions		(44,426,044,982)	(2,246,187,348)
Acquisition of property and equipment		(775,311,507)	(250,688,477)
Proceeds from sale of property and equipment		229,887,047	-
Deferred sales receivables		9,980,309,230	(9,526,644,203)
Mudaraba financing		50,375,000	3,214,737
Musharaka financing		(2,049,009,519)	3,100,701,966
Net cash flow from investment activities		(36,989,794,731)	(8,919,603,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (increase)/decrease in operating assets:			
Other assets		(4,456,456,491)	(163,036,405)
Due to banks and financial institutions		442,429,352	591,549,444
Customers deposits		23,404,999,831	308,353,335
Other liabilities		1,820,976,602	14,159,547,687
Net movement in non-controlling interest		23	(286)
Net increase in equity of unrestricted investment accounts		16,993,892,413	1,274,531,156
Net cash flow from financing activities		38,205,841,730	16,170,944,931
Net increase in cash & cash equivalents		8,106,732,283	12,668,105,754
Cash and cash equivalents at beginning of the year		40,028,062,887	27,359,957,133
Cash and cash equivalents at end of the year	4	48,134,795,170	40,028,062,887


Yousif Ahmed EL-Tinay
CEO


Georges Elias Andraos
Vice-Chairman


Algaily Tagelden Abushama
Chairman

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

		Attributable to shareholders of the parent company								
		Share capital	Share premium	Statutory reserve	Fixed assets revaluation surplus	Foreign currencies revaluation	Accumulated losses	Total	Non-controlling interest	Total Shareholders' equity
	Note	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance at January 1, 2025		240,000,000	4,500,000	240,000,000	755,053,492	34,540,655,765	(280,771,910)	35,499,437,347	24,810	35,499,462,157
Net Profit for the year		-	-	-	-	-	16,395,541,577	16,395,541,577	23	16,395,541,600
Transfer to statutory reserve	19.1	-	-	-	-	-	-	-	-	-
Transfer of surplus for assets sold/write off	19.2				(4,195,089)		4,195,089	-		-
Net movement during the year	19.3	-	-	-	-	(14,103,754,413)	14,103,754,413	-	-	-
Balance at December 31, 2025		240,000,000	4,500,000	240,000,000	750,858,403	20,436,901,352	30,222,719,169	51,894,978,924	24,833	51,895,003,757
Balance at January 1, 2024		240,000,000	4,500,000	240,000,000	755,053,492	15,282,778,089	(1,705,908,578)	14,816,423,003	25,096	14,816,448,099
Net Profit for the year		-	-	-	-	-	20,683,014,344	20,683,014,344	(286)	20,683,014,058
Transfer to statutory reserve	19.1	-	-	-	-	-	-	-	-	-
Transfer of surplus for assets sold/write off	19.2	-	-	-	-	-	-	-	-	-
Net movement during the year	19.3	-	-	-	-	19,257,877,676	(19,257,877,676)	-	-	-
Balance at December 31, 2024		240,000,000	4,500,000	240,000,000	755,053,492	34,540,655,765	(280,771,910)	35,499,437,347	24,810	35,499,462,157


Yousif Ahmed El-Tinay
CEO


Georges Elias Andraos
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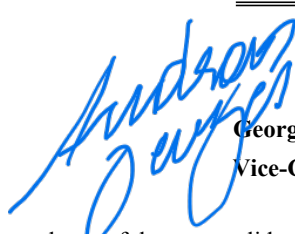
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CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENTS

For the year ended December 31, 2025

		White Nile Sugar Portfolio	Arab Investment Corporation	Mudaraba Portfolio	Total
	Note	SDG	SDG	SDG	SDG
Balance at January 1, 2025	34	-	267,027,712	11,704,562	278,732,274
Additions during period		-	-	9,212,837,525	9,212,837,525
Cash withdrawal during period		-	-	(9,352,526,907)	(9,352,526,907)
Investment profit		-	-	139,689,382	139,689,382
Balance at December 31, 2025	34	-	267,027,712	11,704,562	278,732,274
Balance at January 1, 2024	34	-	267,027,712	11,704,562	278,732,274
Additions during period		-	-	22,141,337,406	22,141,337,406
Cash withdrawal during period		-	-	(22,428,335,475)	(22,428,335,475)
Investment profit		-	-	286,998,069	286,998,069
Balance at December 31, 2024	34	-	267,027,712	11,704,562	278,732,274


Yousif Ahmed El-Tinay
CEO


Georges Elias Andraos
Vice-Chairman


Algaily Tagelden Abushama
Chairman

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

1. INCORPORATION AND ACTIVITIES

United Capital Bank (the Group/UCB) is a public limited company registered in the Republic of Sudan on November 25, 2007 under the Companies' Ordinance of 1925 . The Bank was initially registered on August 8, 2005 as a private limited company and commenced banking operations on August 1, 2006.

The Bank's shares were listed for trading at the Khartoum Stock Exchange with effect from November 25, 2007.

The Bank is engaged in providing a full range of Islamic banking services to corporate and institutional customers.

The Bank operates through four branches (2024: four branches) in the Republic of Sudan. The registered office is located at Building No. 411, Square 65, Mamoun Behairy Street, Khartoum East, Post Office Box 8210, Al-Amaarat, Khartoum, Sudan. Fax no. 00249 183 235 000, web site : www.bankalmal.net.

The Bank in Port Sudan city is located at Jabal Al-Sit Tower, Building No 1,Block (D/10) West, Othman Digna Street, Greek District

As of December 31, 2025, the bank employed 39 employees (2024: 39 employees).

The Bank more than owns 99% of the shares of Al-Mal United for Securities Company Limited (Al-Mal), which was registered with the Company Registrar and started operations in the Republic of Sudan in April 2008. Al-Mal provides financial investment and brokerage services and is a licensed dealer at the Khartoum Stock Exchange. The Bank also owns more than 99% of the shares of Al-Mawarid Investment Company Limited (Al-Mawarid), which was registered with the Company Registrar in the Republic of Sudan in January 2009 and started operations in April 1, 2009. Al-Mawarid is licensed to invest in real estate development and various other economic sectors.(the two subsidiaries).

The accompanying financial statements include the (financial statements) of the Bank and the two subsidiaries (together referred to as the "Group").

2. OPERATING ENVIRONMENT & BASIS OF PREPARATION

2.1 OPERATING ENVIRONMENT

Since mid-April 2023, Khartoum State and several other states in Sudan have witnessed large-scale armed hostilities between the Sudanese Armed Forces and the Rapid Support Forces militia. These events have resulted in a widespread suspension of governmental and private sector activities, damage to infrastructure, and the displacement of large numbers of the population, in addition to a significant increase in inflation rates and a deterioration in the value of the national currency.

Furthermore, public and private properties and facilities were subjected to looting, vandalism, and arson, which included certain assets of the Bank, such as safes, equipment, and machinery.

The war has resulted in the suspension of the Group's activities until management was able to relocate its critical systems, equipment and programs to the city of Port Sudan located in the Red-Sea State. The Bank was able to resume the operations of the Head office and all its branches in Khartoum in addition to the new branch in Portsudan in October 2023

During the current year, the security situation has witnessed a notable improvement following the restoration of control over Khartoum State by the Sudanese Armed Forces, rendering the state secure, despite the extensive damage and destruction incurred, which the relevant government authorities are currently addressing through rehabilitation and reconstruction efforts. A large number of government institutions and ministries have also resumed operations from Khartoum State, with expectations that the remaining institutions will gradually return during 2026.

2.1 OPERATING ENVIRONMENT (continued)

Subsequently, in January 2026, the Central Bank of Sudan resumed its operations from Khartoum State and directed the banks operating in the country to expedite their return to Khartoum State. In compliance with this directive, the Bank is undertaking the necessary technical and administrative arrangements to return to Khartoum State.

Central Bank of Sudan (“CBoS”) post-war directives on treatment of war losses and finance loss provisions:

The Central Bank of Sudan issued temporary circulars dated 25 July 2024 and 21 April 2025 to all banks operating in Sudan subject to certain restrictions which can be summarized as follows :

- (a) To allow treatment of direct war losses represented in loss of cash, property and equipment and other assets, as deferred losses to be charged to income over a period of 8 to 10 years.
- (b) To allow extension of the maturities of past-due financing facilities outstanding before outbreak of the war on 15 April 2023 for 36 additional months and, hence to start booking provisions with effect from 14 April 2027.

The management focuses on maintaining the Bank’s stable operations, which corresponds to the existing circumstances. However, against the background of the current situation, the possibility of the emergence of external factors that may have a negative impact on the stability of the banking system in general, and therefore on the results of operations and financial condition of the Bank, the nature and consequences of which cannot be determined at the present time, is not excluded.

However, the Bank charged all direct war-related losses of cash, properties, equipment, and other assets that were recognized as fully impaired due to theft or damage to the income statement for the year 2023. Impairment provisions for investments in securities were also recognized in the same year.

2.2 BASIS OF PREPARATION :**2.2.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with the regulations for banks as issued by the Central Bank of Sudan (“CBoS”). These regulations require banks and other financial institutions regulated by the CBoS to adopt the Financial Accounting Standards (“FASs”) issued by the Accounting and Auditing Organization for Islamic Financial institutions (“AAOIFI”), as modified by the CBoS. One of these modifications is the implementation by banks of the CBoS circular no. (1/2008), giving directives about “granting finance and establishment of provisions” in place of FAS 30 on “Impairment, credit losses and onerous commitments” issued by AAOIFI. Banks operating in Sudan including UCB have consistently adopted CBoS policy per circular 1/2008 in prior years (see note 2.2.5.1).

2.2.2 Going Concern

The financial statements have been prepared on a going concern basis. In preparing these financial statements, the Bank’s management assessed the Bank’s ability to continue its operations in the foreseeable future, taking into consideration the ongoing military activities in parts of Sudan, which may have material adverse effects on the national economy in general and on the Bank’s customers in particular, as disclosed in Note (1.2).

2.2 BASIS OF PREPARATION (continued) :

2.2.2 Going Concern (continued):

The Bank's management continuously monitors developments in the current situation in Sudan and takes the necessary measures, whenever required, to mitigate potential adverse effects to the extent possible and to ensure the continuity of providing essential banking services. Despite the relative improvement in the security situation, a level of material uncertainty remains arising from the unpredictable impact of the military activities, and the possibility of their resumption or expansion to other states, which could adversely affect the business environment and cast significant doubt on the Bank's ability to continue as a going concern should such conditions deteriorate.

Based on the going concern assessment and the assumptions referred to above, the Bank's management has concluded that the use of the going concern basis in the preparation of the financial statements remains appropriate as at the reporting date, and that the Bank will be able to continue operating as a going concern.

2.2.3 Basis of measurement

The financial statements are prepared on the historical cost concept except for :

- 1- The re-measurement at fair value of investment securities carried at fair value through income statement and equity.
- 2- The fixed assets revaluated in 2018 which include Land & Building, Motor vehicles and Corebanking system

2.2.4 Functional and presentation currency

The consolidated financial statements are presented in Sudanese Pounds (SDG) which is the Group's functional and presentation currency.

2.2.5 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Bank and its subsidiaries , Almal United Company Limited and Almarwarid Investment Co. Ltd. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Bank , using consistent accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continues to be consolidated until the date that such control ceases.

All inter-company balances, transactions, income and expenses arising from inter-company transactions are eliminated in preparing the consolidated financial statements.

Non-controlling interest represent the portion of profit or loss and net assets not owned by the Bank and are presented separately in the income statement and within the equity in the consolidated statement of the financial position, separate from parent shareholders' equity.

2.2 BASIS OF PREPARATION (continued) :**2.2.6 Critical accounting judgments and estimates**

In the application of the **Group's** accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.2.6.1 Impairment losses on financing portfolio

The Group reviews its financing portfolio on a monthly basis in terms of the collection from customers to determine if there is any delay in payments or any decrease in the value of the portfolio or the future cash flows which requires the establishment of a specific provision.

The amount of provision is calculated in accordance with the directives of the Central Bank of Sudan.

In addition , in accordance with the Central Bank of Sudan instructions , minimum general provision of 1% is made on all finance balances not subject to specific provisions.

2.2.6.2 Impairment of equity-type instruments through equity

The Group exercises judgment to consider impairment on equity-type instruments through equity. This includes determination of a significant or prolonged decline in the fair value below its cost. In making this judgment, the Group evaluates other factors including the normal volatility in securities price, the financial health of the investee, industry sector performance and cash flows.

2.2.6.3 Fair value of financial instruments that are not quoted in an active market

The fair values of financial instruments that are not quoted in an active market are determined by using valuation techniques such as:

- * recent arm's length market transactions;
- * current fair value of an instrument that is substantially the same;
- * the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. There are a number of investments where this estimation cannot be reliably determined. As a result, these investments are carried at cost less provision for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

The significant policies adopted in the preparation of these consolidated financial statements are set out below:

3.1 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment loss.

Depreciation is calculated on a straight line basis over the estimated useful lives as follow:

	<u>Useful life (years)</u>
• Land & Building :	
– Group's Building	40
– Leased Buildings (Lease tenure)	10
• IT equipment	4
• Office equipment, furniture and fixtures	5
• Motor vehicles	4
• Computer software & Corebanking system	4-8

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at the date of each statement of financial position. All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.2 Impairment and uncollectibility of assets

The carrying amounts of the Group's financial assets and tangible assets are reviewed at each balance sheet date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

3.3 Investment in securities

According to FAS 25, investments in securities are broadly classified into debt-type instruments where the investment is managed on a contractual yield basis; and equity-type investments which include instruments that evidence a residual interest in the net assets of the investee entity.

The investment securities held by the Group fall into the equity-type category which are subject to the following policies:

3.3.1 Equity-type instruments at fair value through equity:

Those are instruments which are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity. These are initially recognized at cost, being the fair value of the consideration given, plus transaction costs. Subsequent to acquisition, these are re-measured at fair value on individual basis. Unrealized gains or losses arising from a change in the fair value are recognized directly in owner's equity under "fair value reserve" until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in owners' equity is recognized in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.3.2 Equity-type instruments carried at cost:**

Those are have a quoted market price as they are not listed in the market or do not have an active market or their fair value cannot be determined in any other appropriate method, are recognized at cost less any impairment in value –if any. Any gain on such investment is calculated on the lowest profit's rate distributed in the last three years.

Gain or Loss on these investments is recognized when these investments are disinvested.

3.4 Investments with banks and financial institutions

Placements in investment accounts based on the Mudaraba contract with banks and financial institutions are stated at cost less provision for impairment, if any.

3.5 Finance to customers

Deferred receivables from Murabaha, Salam, Istisna and Ijarah are stated net of deferred profit, credit loss provision and suspended profit - if any.

Financing through Mudaraba contract is stated at cost less credit loss provision and provision impairment - if any.

Financing through Musharakah is stated at gross principal amount less any liquidation, credit loss provision and provision for impairment- if any.

3.5.1 Impairment provisions on financing portfolio

Past due and impaired facilities are monitored as irregular facilities and are classified into the following categories which are then used to determine the provisions.

Category	Criteria	Specific Provisions
Watch list	Past due less than 90 days	2%
Substandard	past due for 91 – 180 days	20%
Doubtful	past due for 181 – 365 days	50%
Bad	Past due in excess of 365 days	100%

The group may also include a credit facility in one of the above categories based on management's judgement of a customer's financial and/or non-financial circumstances.

In addition to the specific provisions, a general provision of 1% is made on all applicable facilities (net of certain restricted categories of collateral) which are not subject to specific provisioning.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):**3.5 finance to customers(continued):****3.5.2 Temporary amendment of accounting policy:**

On 25 July 2024, the CBoS issued a circular on “Temporary Controls for Addressing War Losses and Formation of Financing Provisions”. Which allowed banks to extend the maturities of credit facilities granted before outbreak of the war for 18 months effective from 15 April 2023 through 14 October 2025. Subsequently, on 21 April 2025, the Central Bank issued another circular whereby the classification period for such credit facilities was extended by an additional 18 months, ending on 14 April 2026.

The Bank adopted the change and subsequently reclassified non-performing customers and the methodology for provisioning against their non-performing exposures, in light of the risks associated with each customer, based on the

- a. For customers not covered by the temporary circulars issued by the Central Bank, provisions are recognized on their finance deals in accordance with Central Bank of Sudan Circular No. 1/2008.
- b. For customers covered by the temporary circulars, provisions for their finance deals were recognized as follows:
 - 1- Customers who are regular in settling their obligations and for whom there are no indications of an inability to meet their obligations as they fall due: provision at 1%.
 - 2- Customers with whom settlements have been reached and whose repayment has not yet fallen due: provision ranging from 2% to 20%.
 - 3- Customers with whom settlements have been reached but who are not regular in repayment: provision ranging from 40% to 50%.
 - 4- Customers who have been contacted by the Bank but have shown no response in addressing their non-performing installments: provision at 100%.

Moreover the bank is following more conservative approach by excluding any collaterals and suspended portion of the income for all default deals subject to specific provision.

3.5.3 Renegotiated and/or modified financing to customers

Under certain circumstances, the Bank seeks to restructure financing to customers rather than taking possession of collateral. This may involve extending the repayment arrangements and the agreement of new terms and conditions for a credit facility.

The rescheduled facility will be subject to the classification criteria set by Central Bank of Sudan. Management continuously reviews modified financing to customers to ensure that all criteria are met and that future payments are likely to occur. Management also assesses whether there has been significant increase in credit risk. The non-performing financing for which the bank has entered into a settlement with the customer, remains classified as non-performing. this classification is based on the original due date, in accordance with the guidelines set by the Central Bank of Sudan. The provision for finance losses is calculated according the rates specified in the Central Bank of Sudan Circular No. (1/2008) based on the new due dates following the rescheduling

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

3.6 Other financial assets and liabilities

With regard to other financial assets and financial liabilities, fair value is determined based on expected future cash flows or management's estimate of the amount at which an asset could be exchanged for cash on an arm's length basis or a liability settled to the satisfaction of creditors.

3.7 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are defined as cash, balances with the Central Bank of Sudan and investment deposits with banks and other financial institutions that are readily convertible to known amounts of cash within ninety days.

3.8 Provisions

Provisions, other than impairment or finance loss provisions, are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of the expenditure required to settle the obligation at the balance sheet date.

Provision for finance losses is based on the assessment of collectability of each debt separately, in accordance with the directives of the Central Bank of Sudan and the Group's policy

3.9 Zakat

Zakat is calculated and provided for, in accordance with the regulations of the Chamber of Zakat which is a Government Agency responsible for the collection and distribution of Zakat. Zakat is paid in full to the Chamber of Zakat.

3.10 Taxation

The Group is subject to business profit tax at the rate of 30% of taxable profit. Zakat is allowed as deduction for income tax purposes.

3.11 Staff end of service benefits

End-of-service benefits provision for subsidiaries is calculated in accordance with the provisions of the Sudanese Labor Law and the internal policy of the subsidiaries .

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Revenue recognition

Income from Murabaha finance is recognized on a time proportion basis over the period of the contract based on the outstanding balance, where profits are allocated between financial periods within the contract term using the effective rate of return method. Assets available for sale after acquisition on the basis of Murabaha to the purchase orderer shall be measured at their historical cost. In the cases where the assets value declines below cost due to damage, destruction or any other unfavorable circumstances, such a decline shall be reflected in the evaluation of the assets at the end of the financial period.

Income from Istisnaa arises from financing the contract and post-contract phases of the project. Profit from financing the contract phase of the Istisnaa Project is recognized on the percentage of completion method. No profit is recognized on this phase until the project has progressed to the point where the estimate of realizable profit can be reasonably determined. Profit from financing the completed project is recognized on a time-apportioned basis over the period.

Ijarah income is recognized on a time-apportioned basis over the lease period.

Profit or loss from Salam finance is recognized when Salam commodity has been received and the significant risks and rewards of ownership of the Salam inventory have passed to a buyer and the amount of profit or loss is realized or can be measured reliably.

Income from participation in syndicated facilities managed by other banks under Mudaraba contracts is recognized on an accrual basis.

Profit from Mudaraba investments with banks and other financial institutions is recognized on an accrual basis.

Income from Musharakah financing is recognized on cash basis if such income cannot be reliably measured.

In cases where income can be reliably measured (e.g. where the Musharakah activities are in the form of deferred sales such as Murabaha and Ijarah) then the Group's income from such Musharakah is recognized on the accrual basis.

Income from equity-type investment carried at cost is recognized on accrual basis.

Dividend income is recognized when the right to receive the dividend is established.

Fee and foreign exchange income from banking services and foreign exchange transactions are recognized when contractually earned at the time the related services are provided.

3.13 Settlement date accounting

All regular purchases and sales of financial assets are recognized on the settlement date i.e. the date on which the asset is delivered to the counterparty. Regular purchases and sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Year ended December 31, 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Return to Unrestricted Investment Account Holders

Return to Unrestricted Investment Account Holders is calculated based on the income generated from all financing and investment assets after deducting the expense related to the investment pool “Mudarib expense”. Mudarib expenses include all expenses directly attributed to the investment and financing activities and the general provision for finance losses. All general and administrative expenses of the Bank including the specific provisions for finance losses are charged to revenue allocated to the shareholders’ equity. The Bank’s “Mudarib Profit” is deducted from depositors’ share of income before distribution.

The financing and investment income is allocated between the unrestricted investment account holders and the shareholders’ equity according to the contribution of each of the two parties in the invested funds according to the Bank’s standard policies approved by the Bank’s Sharia Supervisory Committee.

3.15 Restricted investment accounts

Restricted investment accounts represent funds belonging to the Bank’s customers for which it has assumed investment management responsibility. Such funds are invested on behalf of the customers by the Bank acting as mudarib or agent, or the funds may be invested by the Bank in its own name under the terms of a specific Mudaraba contract with the customers.

Restricted investment accounts and the attributable investment income or loss are not included in the Bank’s consolidated financial statements and are directly paid to the customers after deducting of the Bank’s stated commission as agent or profit share as Mudarib.

3.16 Commitments and Contingencies

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed in the notes when the possibility of an outflow of economic resources is reasonable.

Contingent assets are not recognized in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

3.17 Foreign currency transactions

The consolidated financial statements are denominated in Sudanese Pounds (SDG). Transactions in foreign currencies are translated into SDG at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies, at balance sheet date, are translated into SDG at the exchange rates prevailing at the balance sheet date.

Realized and unrealized gains or losses on foreign exchange are credited or charged to the consolidated income statement.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
4- CASH AND BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS			
Cash in hand	4.1	1,616,755,249	1,103,557,747
Central Bank of Sudan - Current account	4.1	25,316,548,839	14,965,126,083
Local Banks -Current accounts		1,096,413,342	270,542,174
Foreign correspondent banks – Current accounts	4.1	12,862,578,833	15,880,241,998
Sub-total		40,892,296,263	32,219,468,002
Central Bank of Sudan - Statutory Cash Reserve	4.1	6,727,123,770	7,807,580,028
Cash margin on letters of credit with correspondent banks	4.1	515,375,137	1,014,857
Total		48,134,795,170	40,028,062,887

	2025 <i>SDG</i>	2024 <i>SDG</i>
4.1 Foreign currency balances included in the above balances are as follows:		
Cash in hand	1,539,246,809	1,075,675,057
Central Bank of Sudan - Current account	23,228,799,932	13,897,978,205
Foreign correspondent banks – Current accounts	12,862,578,833	15,880,241,998
Sub-total	37,630,625,574	30,853,895,260
Central Bank of Sudan - Statutory cash reserve	5,014,145,805	5,546,015,891
Cash margin on letters of credit with correspondent banks	515,375,137	1,014,857
Total	43,160,146,516	36,400,926,008

5- INVESTMENTS WITH BANKS AND FINANCIAL INSTITUTIONS

These represent investment accounts placed with banks and financial institutions according to Mudaraba contracts for renewable periods not exceeding three month. Partial and total withdrawals are allowed without significant cost.

Balances at December 31, are as follows:

	2025 <i>SDG</i>	2024 <i>SDG</i>
Local banks	58,112,547	55,854,646
Foreign banks and financial institutions	51,443,010,831	7,019,223,750
Total	51,501,123,378	7,075,078,396

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

6- INVESTMENTS IN SECURITIES

Comprise the following equity-type instruments:	Note	2025 SDG	2024 SDG
Securities at fair value through equity			
Liquidity Management Fund- Not listed	6.1	82,789,687	82,789,687
Less : provision for Liquidity Management Fund impairment		(82,789,687)	(82,789,687)
Securities carried at cost			
Shahama Certificates - Listed	6.2	-	1,962,000
Less : provision for shahama impairment		-	(1,962,000)
Total		<u>-</u>	<u>-</u>

Investment securities at fair value through equity:

6.1 Liquidity Management Fund: This is a Fund concerned with the liquidity management among banks , where all banks operating in Sudan are obligated to contribute in. The Fund is managed by Financial Investment Bank with a capital of SDG 1000 Million divided into 6,000,000 Share (*Sukuk*) with nominal value of one thousand SDG .These *Sukuk* are not traded in Khartoum Stock Exchange (KSE).The objective of this fund is to recover the over draft current account with Central Bank of Sudan in local currency for all the participating banks with specific regulations ,not only but also the Fund invests excess money in Shahama certificates.

The Shares (*Sukuk*) invested in this Fund are valued on a daily basis and profits are distributed on a semi-annual basis.

Investment securities carried at cost:

6.2 Shahama Certificates: Represents securities issued by the Ministry of Finance and are based on the Musharaka contract. The certificates are traded at Khartoum Stock Exchange (KSE). They consistently recorded a yield not less than 14% per annum since their inception in 1999.These certificates were liquidated during 2025.

7- DEFERRED SALES RECEIVABLE,NET

	Notes	2025 SDG	2024 SDG
Deferred sales receivables :			
Murabaha receivables		87,064,985,319	96,134,383,261
Istisna receivables		9,228,397,210	2,737,099,862
Total deferred sales receivables		<u>96,293,382,529</u>	<u>98,871,483,123</u>
Less : deferred profit		(10,776,638,424)	(11,806,451,286)
Income suspense		(1,226,921,159)	(944,069,074)
Less : provision for finance losses	7.1	(12,802,861,366)	(22,897,406,174)
Total deferred sales receivables, net of deferred profit		<u>71,486,961,580</u>	<u>63,223,556,589</u>

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

7.1 MOVEMENTS IN THE PROVISION FOR FINANCE LOSSES:

The accumulated provision for finance losses is as		2025		
	Note	Mudaraba and Musharakah SDG	Deferred sales receivables SDG	Total SDG
General Provision for :				
Balance at beginning of the year		10,040,307	588,187,873	598,228,180
Provided (recovered) during the period	7.1.1	(8,899,404)	129,664,123	120,764,719
FX Changes		–	18,985,586	18,985,586
Balance at the end of the year		1,140,903	736,837,582	737,978,485
Specific Provision:				
Balance at beginning of the year		2,403,359,777	22,309,218,301	24,712,578,078
Provided (recovered) during the period	7.1.1	3,359,556,864	(12,907,420,562)	(9,547,863,698)
Bad debts written-off		–	–	–
FX Changes		–	2,664,226,045	2,664,226,045
Balance at the end of the year		5,762,916,641	12,066,023,784	17,828,940,425
Total accumulated provision at end of the year		5,764,057,544	12,802,861,366	18,566,918,910

7.1 MOVEMENTS IN THE PROVISION FOR FINANCE LOSSES (continued):

The accumulated provision for finance losses is as follows:		2024		
	Note	Mudaraba and Musharakah SDG	Deferred sales receivables SDG	Total SDG
General Provision for :				
Balance at beginning of the year		15,280,000	213,161,740	228,441,740
Provided (recovered) during the period	7.1.1	(5,239,693)	62,850,554	57,610,861
FX Changes		–	312,175,579	312,175,579
Balance at the end of the year		10,040,307	588,187,873	598,228,180
Specific Provision:				
Balance at beginning of the year		1,487,086,866	8,010,461,843	9,497,548,709
Provided (recovered) during the period	7.1.1	916,272,911	11,791,564,678	12,707,837,589
Bad debts written-off		–	–	–
FX Changes		–	2,507,191,780	2,507,191,780
Balance at the end of the year		2,403,359,777	22,309,218,301	24,712,578,078
Total accumulated provision at end of the year		2,413,400,084	22,897,406,174	25,310,806,258

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

7.1.1 Net provided (recovery) of provision for credit losses for the year in the consolidated income statement

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
General Provision:			
Addition during the period		120,764,719	57,610,861
Recoveries of amounts previously provided		-	-
Total recovery of general provision	a	120,764,719	57,610,861
Specific Provision:			
Provided during the year		-	12,707,837,589
Recoveries of amounts previously provided		(9,547,863,698)	-
Total provided of specific provision	b	(9,547,863,698)	12,707,837,589
Net provided of the provision expense for the year (a+b)		(9,427,098,979)	12,765,448,450

7.2 FINANCE TO CUSTOMERS BY INDUSTRY

Finance to customers include Deferred sales receivables, Mudaraba and Musharakah.

	2025 <i>SDG</i>	2024 <i>SDG</i>
Industrial	10,642,258,715	3,689,834,518
Export	7,516,364,235	7,726,286,315
Service	9,424,461,624	775,376,674
Micro Finance & Social Dimension	1,986,410,263	3,382,452,048
Mining	-	175,945,125
Real-State	19,286,763	25,144,415
Import	77,292,780,936	85,868,625,574
Transportation	478,764,379	3,082,109,859
Agriculture	350,000,000	3,688,840,551
Other	124,822,089	-
Total Finance to customers	107,835,149,004	108,414,615,079
Less: deferred profit	(10,776,638,424)	(11,806,451,286)
Total finance to customers, net of deferred profit	97,058,510,580	96,608,163,793
Less Income suspense	(1,226,921,159)	(944,069,074)
less: Provision for finance losses	(18,566,918,910)	(25,310,806,258)
Finance to customers, net	77,264,670,511	70,353,288,461

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
7.3 FINANCE TO CUSTOMERS BY PORTFOLIO			
Performing finance to customers (Deferred sales receivables, Modaraba and Maharajah)		65,347,631,024	57,267,647,476
Non-performing finance to customers	7.3.1	42,487,517,980	51,146,967,603
Total finance to customers		107,835,149,004	108,414,615,079
Less : deferred profit		(10,776,638,424)	(11,806,451,286)
Income suspense		(1,226,921,159)	(944,069,074)
Total finance to customers, net of deferred profit		95,831,589,421	95,664,094,719
General provision	7.1	(737,978,485)	(598,228,180)
Specific provision	7.1	(17,828,940,425)	(24,712,578,078)
Total provision		(18,566,918,910)	(25,310,806,258)
Finance to customers , net		77,264,670,511	70,353,288,461

7.3.1 All past due installments were recognized for the purpose of NPL calculation based on their original contractual due dates, without reflecting the Central Bank's amended definition of past due installments, which granted an additional 36-month grace period for the settlement of certain financing facilities (see note 3.5.1.2)

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
8 - MUDARABA & MUSHARAKA			
Modaraba financing		1,986,410,263	2,036,785,263
Mutharika financing		9,555,356,212	7,506,346,693
Total Modaraba and Maharajah		11,541,766,475	9,543,131,956
Less : provision for finance losses	7.1	(5,764,057,544)	(2,413,400,084)
Total Modaraba and Maharajah, net		5,777,708,931	7,129,731,872

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
9. OTHER INVESTMENTS			
Investments in companies			
Al-Hadal Grain Silos for Investments	9.1	10,705,738	10,705,738
Less: Provision for Impairment		(10,705,738)	(10,705,738)
Subtotal		-	-
Equity participation			
Microfinance Guarantee Agency	9.2	1,316,000	1,316,000
Less: Provision for Impairment		(1,316,000)	(1,316,000)
Subtotal		-	-
Total		-	-

9.1 Al-Hadal Grain Silos for Investments : Represents equity shares in a private company acquired in exchange of debt.

9.2 Represents the bank's share in Microfinance Guarantee Agency (Tessier), which was established by the government to expand microfinance services through covering part of the risk of the Microfinance Finance Institutions (MFIs) by letter of guarantee issued according to specific conditions. The agency's capital is about SDG 550 million, in which banks contribute about SDG100 million, distributed equally to banks by SDG 2.632 thousand for each bank to be paid in four equal installments, the value of each installment is about SDG 658 thousand. The bank's management decided to build a provision of 100% for this contribution due to the high risk of recovery.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

9. OTHER INVESTMENTS (continued):

10. OTHER ASSETS	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
Subsidiaries trade receivables	10.1	2,596,339,352	51,297,813
Deferred expenses	10.2	36,525,197	55,001,985
Prepaid expenses	10.3	1,195,137,107	211,039,333
Accrued income		66,169,864	27,545,525
Staff Loans		377,395,910	370,417,510
Purchase of foreign currencies of CBOS	10.4	864,519,238	11,227,580
Sundry receivables		285,329,423	274,653,997
Fund under settlement (petty cash float)		170,227,272	167,097,394
Inventory in subsidiaries		615,845,114	582,750,849
Total		6,207,488,477	1,751,031,986

10. OTHER ASSETS (continued)**10.1 Sundry receivables**

10.1. The balance represents trading accounts receivable in subsidiaries' records.

10.2 Deferred expenses:

The bank grant cars to some of the senior staff according to specific conditions, the bank bears 80-85% of its value while the employee bears 15-20%. The car's ownership is registered in the employee's name and being mortgaged in favor of the bank, provided that the employee continues to work with the bank for a period of 5 years . The deferred expenses represent the outstanding balance of the cars, which will be amortized over the contracted period (5 years) of each employee.

10.3 Prepaid expenses:

Represents the annual support for the core banking system, insurance, lease contracts, advertisement and promotion expenses paid in advance, and are amortized within the operating expenses as per the accrual basis.

10.4 Sundry receivables - CBOS:

Represents the counter value of the Central Bank of Sudan's purchases of 70% of foreign currencies, It is paid immediately by credited our accounts at the Central Bank when the process of credited of foreign currency completed.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2025

11. PROPERTY AND EQUIPMENT, NET

	Land and Buildings	IT equipment	Office equipment, Furniture & fixtures	Motor vehicles	Intangible assets: Computer Software	Total
	<i>SDG</i>	<i>SDG</i>	<i>SDG</i>	<i>SDG</i>	<i>SDG</i>	<i>SDG</i>
<u>Cost</u>						
Balance at January 1, 2025	941,064,079	390,348,719	369,987,349	35,691,607	135,131,429	1,872,223,183
Acquisitions	28,805,000	53,420,856	57,502,768	635,582,883	–	775,311,507
Disposals / write off	–	(3,275,000)	–	(6,260,577)	–	(9,535,577)
Balance at December 31, 2025	969,869,079	440,494,575	427,490,117	665,013,913	135,131,429	2,637,999,113
<u>Accumulated depreciation and amortization</u>						
Balance at January 1, 2025	66,875,035	237,326,275	137,394,448	28,601,414	95,535,902	565,733,074
Depreciation expense for the year	32,283,696	82,331,269	67,695,806	39,615,459	18,835,813	240,762,043
Disposals / write off	–	(387,952)	–	(6,260,575)	–	(6,648,527)
Balance at December 31, 2025	99,158,731	319,269,592	205,090,254	61,956,298	114,371,715	799,846,590
Net book value at December 31, 2025	870,710,348	121,224,983	222,399,863	603,057,615	20,759,714	1,838,152,523
Provisoin for impairment	(206,715,422)	(110,737,805)	(74,338,971)	–	–	(391,792,198)
Net book value after provision at December 31. 2025	663,994,926	10,487,178	148,060,892	603,057,615	20,759,714	1,446,360,325
Net book value at December 31, 2024	667,549,913	42,351,573	158,029,619	7,171,279	39,595,527	914,697,911

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

	Notes	2025	2024
		SDG	SDG
12. DUE TO BANKS AND FINANCIAL INSTITUTIONS			
Local banks		26,362,132	18,697,390
Foreign banks		1,453,522,908	1,018,758,298
Total		1,479,885,040	1,037,455,688
		2025	2024
		SDG	SDG
13. CUSTOMERS' DEPOSITS			
Current accounts - Corporate		40,603,815,194	20,241,079,486
Current accounts - Individuals		12,829,051,408	11,035,592,619
Saving accounts		2,230,244,265	3,185,339,829
Total current accounts	13.1	55,663,110,867	34,462,011,934
Margins of LCs & LGs	13.1	2,306,169,209	102,268,311
Total		57,969,280,076	34,564,280,245
		2025	2024
		SDG	SDG
13.1- Foreign currency deposits included in customers' deposits:			
Current accounts		40,033,064,285	23,916,219,135
Margins of LCs & LGs		2,306,169,209	102,268,311
Total		42,339,233,494	24,018,487,446
		2025	2024
		SDG	SDG
14. OTHER LIABILITIES			
Bills payable		661,376,159	8,026,183,046
Zakat payable		2,353,813,839	1,477,970,689
Business profit tax payable		1,093,132,400	774,092,148
Provision for Staff end of service benefits		221,586,622	164,625,469
Board of Directors remuneration		904,919,994	1,018,775,951
Provision for annual bonus		1,443,340,821	1,309,716,943
Guarantees against legal cases		263,258,854	263,258,854
Unearned commissions		48,104,203	35,880,752
Dividends payable		26,278	26,278
Payable on parallel Istisnaa		2,748,748	2,748,748
Accounts payable		10,253,776,903	3,663,001,398
Accrued expenses		1,263,527,762	818,099,032
Stamp Duties		6,198,052,966	3,417,373,195
Unclaimed cheque Payable		61,401,422	57,015,029
Unclaimed Account balances		933,450,827	685,382,957
Purchase of foreign currencies for the CBOS		791,395,111	11,185,790
Others		262,525,838	101,936,256
Total		26,756,438,747	21,827,272,535

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15 INVESTMENT DEPOSITS OF BANKS AND FINANCIAL INSTITUTIONS

	Notes	2025 SDG	2024 SDG
Local banks and financial institutions		3,050,000,000	7,804,490,000
Foreign banks and financial institutions		17,380,000	17,380,000
Sub-total	15.1	3,067,380,000	7,821,870,000
Return to Unrestricted Investment Account Holders		733,570,600	570,533,785
Payments on account of profit during the year		(375,696,469)	(199,434,156)
Total		3,425,254,131	8,192,969,629

15.1 CONCENTRATION OF INVESTMENT DEPOSITS OF BANKS AND FINANCIAL INSTITUTIONS

Customer "1"	1,100,000,000	3,404,490,000
Customer "2"	1,000,000,000	1,550,000,000
Customer "3"	950,000,000	1,700,000,000
Other	17,380,000	1,167,380,000
Total	3,067,380,000	7,821,870,000

16. OTHER INVESTMENT DEPOSITS

Corporations	35,474,757,688	14,718,563,936
Individuals	4,106,948,390	2,104,635,994
Quasi-government	1,952,964,494	1,740,507,412
Sub-total	41,534,670,572	18,563,707,342
Return to Unrestricted Investment Account holders	1,493,905,538	437,012,045
Payments on account of profit during the year	-	-
Total	43,028,576,110	19,000,719,387

16.1 CONCENTRATION OF OTHER INVESTMENT DEPOSITS

Customer "1"	20,000,000,000	6,098,185,419
Customer "2"	8,976,306,001	3,641,456,244
Customer "3"	5,378,606,594	3,000,000,000
Other	7,179,757,977	5,824,065,679
Total	41,534,670,572	18,563,707,342

All investment deposits (in note "15" and "16" above) include balances in foreign currencies equivalent to SDG 18,528,415,272 (2024: 11,487,664,797)

	2025 SDG	2024 SDG
17. SHARE CAPITAL		
Authorized, issued and paid up share capital :		
24 million shares of SDG 10 each (2024: 24 million shares of SDG 10 each)	240,000,000	240,000,000

18. SHARE PREMIUM

The share premium is not available for distribution and is subject to the rules governing the statutory reserve.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

	<i>Notes</i>	2025	2024
19. RESERVES		SDG	SDG
Statutory reserve	19.1	240,000,000	240,000,000
Fixed assets revaluation surplus	19.2	750,858,403	755,053,492
Foreign currencies revaluation reserve	19.3	20,436,901,352	34,540,655,765
Total		21,427,759,755	35,535,709,257

19.1 - STATUTORY RESERVE

In accordance with the requirements of the Central Bank of Sudan, a minimum of 10% of the Bank's net income for the year is transferred to statutory reserve until this reserve equals the paid up capital of the Bank. This reserve is not available for distribution .

19.2 - FIXED ASSETS REVALUATION SURPLUS

As a result of the significant devaluation in the SDG against the foreign currencies, UCB's Board of Directors decided in November 2018 to re-evaluate the fixed assets of the bank after obtaining the Central Bank of Sudan approval. The evaluation was conducted on December 20, 2018, and led to a surplus of about SDG 897 million at that time.

	2025	2024
	SDG	SDG
Balance at 1/1	755,053,492	755,053,492
Transfer of surplus for assets sold/write off	(4,195,089)	-
Balance at 31/12	750,858,403	755,053,492

19.3 - FOREIGN CURRENCIES REVALUATION RESERVES

In accordance with the directives of the Central Bank of Sudan, the foreign currencies revaluation gains must be deducted from retained earnings and be disclosed in a separate line in the statement of financial position.

	<i>Notes</i>	2025	2024
<i>The details of foreign currencies revaluation reserves :</i>		SDG	SDG
Opening balance		34,540,655,765	15,282,778,089
Foreign currencies revaluation gain for the year	28	5,025,743,491	32,067,500,405
Realized gain from foreign currency position during the year		(19,129,497,904)	(12,809,622,729)
Net movement during the year		(14,103,754,413)	19,257,877,676
Closing balance		20,436,901,352	34,540,655,765

20. INCOME FROM INVESTMENT WITH BANKS AND FINANCIAL INSTITUTIONS

	2025	2024
	SDG	SDG
Local banks	1,761,027	11,395,763
Foreign banks	748,284,497	275,806,773
Total Income from investment with banks and financials institutions	750,045,524	287,202,536

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

	Notes	2025 SDG	2024 SDG
21. INCOME FROM INVESTMENT IN SECURITIES			
Shahama certificates	6.2	645,927	–
Total		645,927	–
22. INCOME FROM DEFERRED SALES RECEIVABLES			
		2025 SDG	2024 SDG
Murabaha		9,252,298,464	3,891,311,761
Istisnaa/ Mugawala		59,077,917	14,599,627
Ijarah		–	–
Subtotal		9,311,376,381	3,905,911,388
Income Suspense		–	1,403,166,167
Total		9,311,376,381	5,309,077,555
23. INCOME FROM MUDARABA AND MUSHARAKAH			
Mudaraba		69,844,691	375,919,521
Musharakah		386,085,053	22,400,000
Total		455,929,744	398,319,521
24. OTHER INVESTMENTS			
Represents profits of trading and investment activities in subsidiary companies.			
		2025 SDG	2024 SDG
25. RETURN TO UNRESTRICTED INVESTMENT			
Unrestricted investment account holders' share of profit before the Bank's share as Mudarib		2,725,136,708	940,755,083
Bank's share as Mudarib		(664,155,456)	(275,712,535)
Unrestricted Investment Account Holders' share of profit after the Bank's share as Mudarib		2,060,981,252	665,042,548
Shareholders' cession		166,519,192	342,503,280
FX Changes		38,748,368	15,829,980
Unrestricted Investment Account Holders' share of profit , net		2,266,248,812	1,023,375,808
Average profit distribution rates :			
Investment accounts in local currency (SDG)		12.20%	4.60%
Investment accounts in foreign currencies		0.90%	0.20%

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

	2025 SDG	2024 SDG
26. FEE INCOME		
Letters of credit	1,174,076,047	443,724,619
IBC & OBC documentary commissions	1,971,200,795	1,406,011,549
Letters of guarantees	324,384,284	63,139,463
Visa Card commissions	489,889,231	355,013,252
Administration fees	61,276,549	17,890,197
Draft cheques, transfers and remittances	732,729,912	343,255,930
Ledger Fees	24,720,542	24,315,161
Fee from other banking services	98,588,299	42,244,273
Total	4,876,865,659	2,695,594,444

27. OTHER INCOME		
Gain on Sale of Fixed Assets	226,999,997	-
Miscellaneous Other Income	-	171,037,643
Total	226,999,997	171,037,643

28. FOREIGN CURRENCY REVALUATION GAIN

After the Central Bank of Sudan's decision to liberalize the exchange rate in 2022 and due to the war in Sudan the declared price at which all banking transactions are executed and the revaluation of the financial assets and liabilities are carried out had increased to about SDG 2,616 against the US Dollar as at Dec 31, 2025 (Dec 31, 2024 : SDG 1,997 against the US Dollar). This resulted in a revaluation gain of about SDG 5,025 million.

	Notes	2025 SDG	2024 SDG
29. GENERAL AND ADMINSTRATIVE EXPENSES			
Bank premises expense	29.1	778,931,373	634,865,655
Communications		547,925,012	267,982,229
Maintenance of equipment, furniture & motor vehicles		158,379,106	181,418,055
Computer expenses		868,954,768	550,280,664
Marketing & promotion		79,646,401	9,712,301
Office supplies		32,269,897	22,541,378
Business travel		980,039,582	485,149,192
Legal and consultants expenses		90,067,260	67,503,429
Training		46,082,298	-
Subscriptions		283,583,962	87,542,321
Board and General Assembly expenses		221,195,223	168,985,975
Board Remunerations		904,919,994	1,018,775,951
Bank charges		134,736,535	37,122,192
Donations		2,300,000	7,500,000
Cash Insurance		14,108,999	13,739,017
Cash Sorting		48,719,151	46,362,100
Commercial losses in subsidiaries		377,899,408	-
Catering Service		18,651,600	10,934,800
Visa expenses		593,755,531	354,662,260
Government dues		3,825,000	7,071,000
Exceptional losses from finance settlements		361,369,208	-
Other		47,720,809	50,840,733
Total		6,595,081,117	4,022,989,252

29.1- Bank premises expense

This item includes rent in addition to expenses related to security, water, electricity, cleaning and maintenance.

UNITED CAPITAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

	2025 SDG	2024 SDG
30. PROVISION FOR IMPAIRMENT AND DOUBTFUL DEBTS		
Provision for doubtful debts in subsidiaries	(73,080)	(36,220,465)
Total	(73,080)	(36,220,465)

This item represents provisions for doubtful debts that were created or reversed in the books of the subsidiary companies during the year.

	2025 SDG	2024 SDG
31. EARNINGS PER SHARE		
Net Profit (loss) for the year	16,395,541,577	20,683,014,344
Weighted average number of shares outstanding	24,000,000	24,000,000
Earnings per share (in SDG)	683.15	861.79

The Bank did not issue any instruments which would have a dilutive impact on earnings per share when exercised. Therefore the calculation of diluted earnings per share is not applicable to the Bank.

32. RELATED PARTY TRANSACTIONS

Related parties comprise the major shareholders, members of the Board of Directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members. Major shareholders are those holding more than 5% of the Bank's issued share capital. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Bank, directly or indirectly including Board Members. The related party transactions are governed by the regulations issued by the Central Bank of Sudan. Balances with related parties arise from commercial transactions in the normal course of business on an arm's length basis and are included within the following consolidated financial statement captions:

	2025		
	Major shareholders, directors and their affiliated entities	Key Management Personnel	Total at December 31, 2025
<u>Balance sheet items:</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Cash and balances with banks and financial institutions	196,791,600	-	196,791,600
Financing and investing assets	54,429,653,158	15,538,310	54,445,191,468
Current and investments deposits other liabilities	6,820,634,681	149,127,801	6,969,762,482
<u>Income statement items:</u>			
Profit from financing	3,744,245,484	435,714	3,744,681,198
Fees income	16,914,447	-	16,914,447
<u>Key Management Personnel Compensation:</u>			
Salaries and other benefits	1,114,838,273	2,160,595,145	3,275,433,418
Social Insurance	-	451,861,498	451,861,498

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*Year ended 31 December 2025***32. RELATED PARTY TRANSACTIONS (continued)**

		2024	
	Major shareholders, Directors and their affiliated entities	Key Management Personnel	Total at December 31, 2024
<u>Balance sheet items:</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Cash and balances with banks and financial institutions	94,257,747	-	94,257,747
Financing and investing assets	46,541,758,411	95,959,430	46,637,717,841
Current and investments deposits other liabilities	6,062,104,621	451,452,875	6,513,557,496
<u>Income statement items:</u>			
Profit from financing	1,606,922,803	464,387	1,607,387,190
Fees income	171,126,287	-	171,126,287
<u>Key Management Personnel Compensation:</u>			
Salaries and other benefits	1,168,314,075	1,441,070,781	2,609,384,856
Social Insurance	-	191,416,566	191,416,566

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

33. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies as at December 31, as follows :

	<i>Notes</i>	2025 <i>SDG</i>	2024 <i>SDG</i>
33.1.Financing - related commitments and contingencies :			
Letters of credit		2,360,474,149	-
Letters of guarantees		646,005,306	3,741,056,343
Total financing - related commitments and contingencies		3,006,479,455	3,741,056,343
33.2 Non-financing related commitments :			
Restricted investment accounts	34	278,732,274	278,732,274
Total commitments and contingencies		3,285,211,729	4,019,788,617

Financing related commitments and contingencies

Financing-related commitments and contingencies mainly comprise letters of credit, guarantees, acceptance and irrevocable commitments to extend credit.

The primary purpose of these instruments is to ensure that funds are available to customers as required.

Documentary letters of credit, which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate, and therefore have significantly less risk.

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent the unused portion of the approved credit limits, principally in the form of direct financing, guarantees and letters of credit. The Bank is not exposed to loss on these commitments since it maintains the contractual right to revoke these commitments at its sole discretion at any time.

The contractual structure of the Bank's financing-related commitments and contingencies is as follows:

	within 3 months	3-6 months	6m- 1 year	More than 1 year	Total
2025	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Letters of credit	2,360,474,149	-	-	-	2,360,474,149
Letters of guarantee	646,005,306	-	-	-	646,005,306
Total	3,006,479,455	-	-	-	3,006,479,455

	within 3 months	3-6 months	6m- 1 year	More than 1 year	Total
2024	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Letters of credit	-	-	-	-	-
Letters of guarantee	3,741,056,343	-	-	-	3,741,056,343
Total	3,741,056,343	-	-	-	3,741,056,343

34. RESTRICTED INVESTMENT ACCOUNTS

The Bank manages restricted investment accounts, on a fiduciary basis, with assets totaling SDG 278,732,274 as at December 31, 2025 (2024: SDG 278,732,274). These transactions are governed by the regulations of the Central Bank of Sudan. The financial statements of these accounts, and assets held in trust or in a fiduciary capacity, are not included in the financial statements of the Bank.

The maximum Bank's risk exposure is limited to its profit share as Mudarib receivable in return for the management of the accounts. The Bank does not guarantee the account holders equities & liabilities other than operational risk represented by the non-compliance with investment conditions.

Changes in restricted investment accounts and the assets in which they are invested and classification by sector as at 31 December are as follows:

	2025	2024
	SDG	SDG
a) By type of assets :		
Mudaraba Finance	11,704,562	11,704,562
Shahama Securities	265,788,000	265,788,000
Sudatel Shares	1,239,712	1,239,712
Total	278,732,274	278,732,274
b) By sector :		
Banks and financial institutions	267,027,712	267,027,712
Corporates	11,704,562	11,704,562
Total	278,732,274	278,732,274

35. CAPITAL ADEQUACY

The Bank monitors the adequacy of its capital using the ratios and weights established by the Central Bank of Sudan which are in line with the requirements of the Islamic Financial Services Board (IFSB) and Basel Committee. These ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets and commitments at a weighted amount to reflect their relative risks.

	Eligible Capital		Capital Adequacy Ratio	
	2025	2024	2025	2024
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Core capital (Tier 1)	19,381,695,000	11,799,463,000	15%	16%
Core and supplementary capital (Tier 2)	28,721,614,765	14,275,142,408	22%	19%

The Central Bank of the Sudan Circular No. 6/2009 issued at March 11, 2009 requires all banks operating in the Sudan to maintain a Risk Weighted Asset Ratio (the 'Basel Ratio') at a minimum of 12% (Basel II : 8 %)

Tier 1 Capital comprises share capital and premium, statutory reserve and retained earnings at the period/year end, less prescribed deductions.

Tier 2 Capital comprises the elements of Tier 1 in addition to fair value revaluation and a prescribed amount of eligible portfolio (general) provisions less prescribed deductions.

The Bank has implemented the capital adequacy standard issued by the Islamic Financial Services Board (IFSB) (which is in line with Basel II) effective January 1, 2009 as required by the Central Bank of Sudan. The Bank uses the standardized approach of Basel II, as stipulated by the IFSB standard and the Central Bank of Sudan to calculate the Risk Weighted Assets and required Regulatory Capital for Pillar 1 (including credit risk, market risk and operational risk). Quarterly prudential returns are submitted to the Central Bank of Sudan showing the Capital Adequacy Ratio.

	Risk Weighted Assets	
	2025	2024
	<u>SDG</u>	<u>SDG</u>
Credit Risk	75,378,136,959	33,796,929,104
Operational risk	27,794,857,800	14,537,532,043
Market risk	54,760,934,952	39,997,692,721
Total Pillar 1 - Risk Weighted Assets	<u>157,933,929,711</u>	<u>88,332,153,868</u>

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**36.1 Financial instruments**

Financial instruments cover all financial assets and liabilities of the Bank. Financial assets include cash and balances with banks and other financial institutions, investment in securities, financing to customers and certain other assets. Financial liabilities include customers' accounts, due to banks and other financial institutions, and certain other liabilities. Financial instruments also include unrestricted investment accounts and contingent liabilities and commitments included in off balance sheet items.

By its nature the Bank's activities are principally related to the use of financial instruments. The Bank accepts deposits from customers for various periods and seeks to earn profit by investing these funds in quality assets. The Bank also seeks to increase its profit spread by making investments in diversified products and services and by consolidating short and long-term investment strategies while maintaining sufficient liquidity to meet all claims that might fall due.

36.2 Risk management

Risk is an integral part of the Bank's business and is critical to the Bank's continuing success and profitability. The essence of effective risk management is to strike an optimal balance between return and risk that lead to enhance depositors and shareholders value through business profits commensurate with the risk appetite of the Bank.

The authority of risk management of the Bank is vested in the Risk and Audit Committees, whose members are nominated by the Board. The Risk Committee assists the Board of Directors and the senior management in performing their risk management oversight function. The Committee is responsible to ensure that the Bank adopts, maintains and applies appropriate risk management policies and procedures. The process of risk management is carried out by the Risk Management Department which is mandated with identifying, quantifying and assessing all risks and setting appropriate prudential limits within the parameters of the overall risk strategy approved by the Board.

The Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures and for reviewing the adequacy of the risk management framework. The Audit Committee is assisted in these functions by the Internal Audit and Compliance Departments.

The risk management strategy in respect of each of these types of risks is set out below:

36.2.1 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 Bank's Assets and Liabilities Committee Management (ALCO) performs regular reviews of the assets and liabilities situation of the Bank in order to ensure that the maturity gap between assets and liabilities is maintained at minimum level and also to ensure that financing and investments are made for qualified assets at higher rates of return.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

36.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss.

The Bank attempts to manage its credit risk exposure through diversification of its financing and investment activities to avoid undue concentration of risk with individuals or group of customers in specific locations or economic sectors. The Bank pursues its policies to safeguard its interest and in a prudent manner obtains tangible or intangible securities and collaterals for financing, investments and contingent commitments. The Bank controls the credit risk arising from its financing and investment activities through its risk management and the approval process and use of risk control limits and monitoring procedures.

The exposure to any one customer including banks and financial institutions is controlled by a set off limits for each major customer covering on and off balance sheet exposures. Actual exposure of the customers is regularly monitored against the limits approved for such customers. Credit risk exposure is also managed through regular analysis of the ability of the customer to meet the repayment obligations and by making appropriate changes to the limits where needed.

Note 7.2 discloses the economic sector distribution of financing to customers.

36.2.3 Liquidity risk

Liquidity risk is the risk of a bank being unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to cease immediately. To mitigate this risk, the Bank has diversified its sources of funding and maintained a diversified portfolio of high quality liquid assets, and readily marketable securities.

The maturity profile of the assets and liabilities of the Bank are disclosed below. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

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36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The maturity profile of the assets and liabilities at December 31, 2025 is as follows:

	2025				
	within 3 months	3-6 months	6m- 1 year	More than 1 year	Total
	SDG	SDG	SDG	SDG	SDG
Assets					
Cash and balances with banks and financial institutions	48,134,795,170	-	-	-	48,134,795,170
Investments with banks and financial institutions	46,071,483,643	4,383,063,080	1,046,576,655	-	51,501,123,378
Investments in securities	-	-	-	-	-
Deffered sales receiveable, net	1,819,904,570	26,265,029,597	38,650,992,909	4,751,034,504	71,486,961,580
Mudarabah and Musharakah, net	112,949,365	4,680,082,201	98,957,152	885,720,213	5,777,708,931
Other investments	-	-	-	-	-
Other assets	3,851,107,616	981,825,359	785,460,287	589,095,215	6,207,488,477
Property and equipment, net				1,446,360,325	1,446,360,325
TOTAL ASSETS	99,990,240,364	36,310,000,237	40,581,987,003	7,672,210,257	184,554,437,861

Liabilities and Shareholders' Equity

Due to banks and financial institutions	369,971,260	295,977,008	221,982,756	591,954,016	1,479,885,040
Customers' deposits	14,416,700,947	11,614,021,101	8,710,515,826	23,228,042,202	57,969,280,076
Other Liabilities	11,560,096,456	5,285,906,150	3,964,429,613	5,946,006,528	26,756,438,747
Investment deposits of banks and financial institutions	300,000,000	1,641,849,631	333,404,500	1,150,000,000	3,425,254,131
Investment deposits-Other	36,464,070,683	4,109,306,750	2,449,558,874	5,639,803	43,028,576,110
Non-controlling interest	-	-	-	24,833	24,833
Shareholders' equity	-	-	-	51,894,978,924	51,894,978,924
TOTAL LIABILITIES, AND SHAREHOLDERS' EQUITY	63,110,839,346	22,947,060,640	15,679,891,569	82,816,646,306	184,554,437,861

The attached notes 1 to 39 form an integral part of these consolidated financial statements.

UNITED CAPITAL BANK

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Year ended 31 December 2025

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The maturity profile of the assets and liabilities at December 31, 2024 is as follows:

	2024				
	within 3 months	3-6 months	6m- 1 year	More than 1 year	Total
	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>	<u>SDG</u>
Assets					
Cash and balances with banks and financial institutions	40,028,062,887	-	-	-	40,028,062,887
Investments with banks and financial institutions	6,276,093,396	-	798,985,000	-	7,075,078,396
Investments in securities	-	-	-	-	-
Deffered sales receiveable, net	10,894,235,518	11,252,762,540	30,366,193,822	10,710,364,709	63,223,556,589
Mudarabah and Musharakah, net	900,000,000	500,000,000	4,894,991,611	834,740,261	7,129,731,872
Other investments	-	-	-	-	-
Other assets	1,068,770,692	209,926,552	314,889,828	157,444,914	1,751,031,986
Property and equipment, net				914,697,911	914,697,911
TOTAL ASSETS	59,167,162,493	11,962,689,092	36,375,060,261	12,617,247,795	120,122,159,641

Liabilities and Shareholders' Equity

Due to banks and financial institutions	229,870,600	807,585,088	-	-	1,037,455,688
Customers' deposits	8,641,070,061	6,912,856,049	5,184,642,037	13,825,712,098	34,564,280,245
Other Liabilities	5,165,808,786	724,093,092	914,068,034	15,023,302,623	21,827,272,535
Investment deposits of banks and financial institutions	3,595,364,577	1,380,225,052	600,000,000	2,617,380,000	8,192,969,629
Investment deposits-Other	5,701,547,729	819,026,195	2,469,757,595	10,010,387,868	19,000,719,387
Non-controlling interest	-	-	-	24,810	24,810
Shareholders' equity				35,499,437,347	35,499,437,347
TOTAL LIABILITIES, AND SHAREHOLDERS' EQUITY	23,333,661,753	10,643,785,476	9,168,467,666	76,976,244,746	120,122,159,641

36.2.4 Foreign currency risk

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

The Bank is exposed to foreign currency risk on transactions that are denominated in a currency other than the Sudanese Pound. The Bank has a set of limits to the level of exposure by currency and in total which are monitored on a daily basis to ensure that the net exposure is kept at an acceptable level.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**36.2.4 Foreign currency risk (continued)**

At year end the Bank had the following significant net exposure denominated in foreign currencies in equivalence to SDG:

Currency	Dec. 31, 2025 Long (short)	Dec. 31, 2024 Long (short)
Euro	4,481,981,857	3,336,361,704
US Dollar	(15,188,594,563)	(16,217,703,115)
Other currencies	<u>77,800,152,029</u>	<u>56,737,022,609</u>
Net FC position (Long position)	<u>67,093,539,323</u>	<u>43,855,681,198</u>

Long position indicates that the assets in a foreign currency are higher than the liabilities in the same currency; the opposite applies to short position.

The following are the exchange prevailing rates for the major currencies at year end under which all the financial assets and liabilities foreign currencies are valued :

Currency	Dec. 31, 2025	Dec. 31, 2024
Euro	3,070.13	2,078.56
US Dollar	2,616.44	1,997.46
Emirates dirham (AED)	730.51	562.10
Saudi riyal (SAR)	697.54	532.52

36.2.5 Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market prices.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The Bank is not exposed to material risk in terms of the re-pricing of its liabilities since, in accordance with Islamic Shariah, the Bank does not provide a guaranteed contractual rate of return to its depositors.

36.2.6 Risk of managing customers' investments

The Bank provides investment administration services to third parties in relation to funds provided by them. These services give rise to legal and operational risk. Such risks are mitigated through detailed daily procedures to ensure compliance.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**36.2.7 Operational and other risks**

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an impact on the operations. The Bank seeks to minimize actual or potential losses from operational risks failure through a framework of policies and procedures that are approved by its Board of Directors and are applied to identify, assess, control and manage operational risk. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes. Other types of risks to which the Bank is exposed such as regulatory risk, legal risk, and reputation risk. Regulatory risk is controlled through the framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisors. Reputation risk is controlled through regular examinations of issues that are considered to have reputation repercussions for the Bank, with guidelines and policies being issued as appropriate.

The operational risk function of the Bank is in line with the Central Bank of Sudan instructions regarding the general guidelines for internal controls and sound practices for managing and supervising operational risk in banks.

37. SEGMENTAL INFORMATION

For the years ended at December 31, 2025 and 2024 the Bank principally provided banking services, including financing and deposit taking to corporate and institutional customers with insignificant portion of its business directed to individual customers mainly having employment relationship with the Bank's institutional customers.

Therefore no primary segment information is presented since the Bank's total assets, liabilities, operating income and expenses, commitments and contingencies as reported in the consolidated financial statements at December 31, 2025 and 2024 are principally derived from the Bank's corporate and institutional business.

Also, no secondary segment information is presented as the Bank operates only in the Republic of the Sudan and does not conduct operations in other geographical segments. The bank operates through four branches (2024 four branches)

38. SHARIAH SUPERVISORY COMMITTEE

The Bank's activities are subject to the supervision of a Shariah Supervisory Committee which is appointed by the General Assembly. The Committee supervises the Bank's transactions to ensure compliance with Shariah rules, prepares and submits annual report to the General Assembly.

39. COMPARATIVE FINANCIAL STATEMENTS

Certain 2024 comparative figures have been reclassified to conform to the current year's presentation. Such reclassifications did not have an impact on the previously reported net profit or retained earnings.