

TARIG NOUR & CO.
CHARTERED CERTIFIED
ACCOUNTANTS

Blue Nile Mashreg Bank Financial Statements As At 31st. December, 2024

Index

	Page
Auditor's Report	1-3
Financial Statement	4
Income Statement	5
Statement of Cash Flows	6
Statement of Changes and Equity	7
Statement of Changes in Restricted Investments	8
Notes to the Financial Statements	9-26

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blue Nile Mashreg Bank

Opinion

We have audited the financial statements of Blue Nile Mashreg Bank which comprises the statement of financial position as at 31 Dec. 2024, and the statement of comprehensive income and statement of cash flow and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 Dec. 2024, and its financial performance for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and Generally Accepted Accounting Principles for items not covered by AAOIFI and Central Bank of Sudan regulations.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing and Auditing Standards issued by the Authority. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Professional Conduct of Professional Accountants, the International Council for Standards of Professional Ethics for Accountants and the Ethics Charter issued by the Commission, and we have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and Generally accepted accounting principles for items not covered by AAOIFI and Central Bank of Sudan regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 guarantee that the audit conducted in accordance with International Standards on Auditing, together with the Audit Standards issued by the Commission, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with the International Auditing Standards and the Audit Standards issued by the Commission, we exercise professional judgment and maintained professional skepticism throughout the audit. We also:

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

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

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

Report on other legal and regulatory requirements

We have obtained all the clarifications and information that we considered necessary for audit purposes. The Bank maintains regular accounting records and its financial statements are consistent with those records. We have not heard of any violations of the provisions of the Companies Act of 2015, the Banking Regulatory Act of 2004 and the requirements of the Central Bank of Sudan relating to the preparation and presentation of the financial statements or items of the Bank's Articles of Association and its amendments during the year ended 31 Dec. 2024 in a manner that could have a negative impact on the Bank's activity or Financial position.

Tang Now (Co.

Chartered Certified Accountants

Date: 15, March . 2025

FINANCAL STATEMENT AS AT ,31ST DECEMBER ,2024

PARTICULARS	NOTE	2024	2023
ASSETS:		SDG	SDG
CASH AND CASH EQUIVALENT	5	480,906,582,555	161,788,146,935
SALES RECEIVABLE	6	12,132,717,328	19,509,751,732
OTHER FINANCE	7	108,327,363	182,225,000
MUDARABAT	8	1,402,193,557	5,697,297,168
SECURITES	9	1,144,531,168	1,144,531,168
LONG – TERM INVETMENT	10	663,727,991	663,727,991
OTHER ASSETS	11	6,405,217,742	6,239,483,597
BRANCHES UNDER CONSTRUCTION	12	1,072,486,681	543,222,563
NET FIXED ASSETS	13	21,965,353,048	19,587,526,990
TOTAL ASSETS		525,801,137,433	215,355,913,144
LIABILITES, UNRESTRISTED INVESTMENT ACCOUNT			
AND OWNERS EQUITY:			
LIABILITES:			
CURRENT ACCOUNTS AND SAVIN GACCOUNTS	14	340,648,105,356	129,920,946,475
ACCOUNTS PAYABLE	15	29,797,194,000	20,479,409,725
OTHER LIABILITES	16	23,579,820,126	7,646,494,457
TOTAL LIABILITES		394,025,119,482	158,046,850,657
UN RESTRISTED INVESTMENT ACCOUNT	17	136,544,730	714,065,504
TOTAL UNRESTRISTED INVESTMENT ACCOUNT		394,161,664,212	158,760,916,161
OWNER EQUITY:			
PAID UP CAPITAL	19	13,599,554,763	4,277,227,097
LEGAL RESERVE		5,597,437,385	2,230,730,858
FOREIGN CURRENCY RESERVES		64,191,332,485	22,813,919,569
FIXED ASSETS REVALUATION		17,950,789,850	17,950,789,850
RETAINED EARNINGS	19	30,300,358,738	9,322,329,609
TOTAL OWNERS EQUITY		131,639,473,221	56,594,996,983
TOTAL LIABILITES & UNRESTRISTED INVESTMENT		525,801,137,433	215,355,913,144
ACCOUNTS &OWNER EQUITY			
CONTRA ACCOUNT:			
LETER OF CREDIT		2,599,416,160	0
LETER OF GURANTEE		134,851,400	200,000
		2,734,267,560	200,000
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MOHAMMED ISMAIL MOHAMMED ABDEL AZEEM MOHAMED

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AKRAM ABDELAZEEM EL BALOULA

CHAIRMAN

MEMBER OF BOARD OF DIRECTOR

GENERAL MANAGER

THE ATTACHED NOTES FROM (1) TO (27) FROM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

BLUE NILE MASHREG BANK

INCOME STATEMENT FOR THE YEAR ENDED ,31ST DECEMBER ,2024

PARTICULAR	NOTE	2024	2023
INCOME:		SDG	SDG
DEFERRED SALES		48,404,431	453,432,789
INVESTMENT SECURITIES REVENUES	18	0	2,816,064
OTHER INVESTMENT INCOME	19	9,076,712,287	1,635,165,222
TOTAL		9,125,116,718	2,091,414,075
LESS:			
RETURN ON OWNER OF UNRESTRICTED INVESMENT ACCOUNT		(67,481,028)	(348, 203, 783)
BANKS SHARE OF INVESTMENT INCOME AS MUDARIB			
AND OWNER OF THE FUND		9,057,635,690	1,743,210,292
ADD:			
REVENUES FROM BANKING SERVICES	20	72,181,981,522	15,846,379,825
FOREIGN CURRENCY RE-EVALUATION OF REVENUE GAINS		41,377,412,916	7,259,963,433
OTHER REVENUES	21	6,739,935,917	2,893,571,501
TOTAL INCOME		129,356,966,045	27,743,125,051
TOTAL			
LESS:			
STAFF COST	22	2,896,661,673	2,003,932,962
GENERAL AND ADMINISTRATIVE EXPENSES	23	14,546,554,466	1,930,771,752
DEPRECIATION		385,626,912	172,104,484
FINANCE PROVISION		18,365,691,837	362,433,109
TOTAL EXPENSES		36,194,534,888	4,469,242,307
NET INCOME BEFORE ZAKAT AND TAX		93,162,431,157	23,273,882,744
LESS:			
PROVISION FOR ZAKAT		(3,692,073,508)	(1,069,541,774)
PROVISION FOR TAX		(14,427,883,419)	
NET PROFIT FOR THE YEAR		75,042,474,230	17,612,562,711
EARNING PER SHARE		5.52	4.12

MOHAMMED ISMAIL MOHAMMED

ABDEL AZEEM MOHAMED

A.M. M. Ku

AKRAM ABDELAZEEM EL BALOULA

CHAIRMAN

MEMBER OF BOARD OF DIRECTOR GENERAL MANAGER

THE ATTACHED NOTES FROM (1) TO (27) FROM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ,31ST DECEMBER ,2024

PARTICULARS	2024	2023
The second secon	SDG	SDG
CASH FLOWS FROM OPERATIONS		
NET INCOME	75,042,474,230	17,612,562,711
NET INCOME ADJUSTED BY		
DEPRECIATION OF FIXED ASSETS	385,626,912	172,103,438
PROVISION FOR ZAKAT	3,692,073,508	1,069,541,774
PROVISION FOR TAX	14,427,883,419	4,591,778,259
TAX AND ZAKAT PAID	(2,452,032,579	(1,808,017,187)
RETURN ON UNRESTRICTED INVESTMENT ACCOUNTS	67,481,028	348,203,783
ADJUSTMENT	2,002,008	0
PROVISION FOR DOUBTFUL DEBTS	18,365,691,837	362,433,109
PROFIT ON SALES OF ASSETS	0	(44,000)
GAIN/LOSS EXCHANGE RATE	(41,377,412,916)	(7,259,963,433)
NET CASH FLOWS FROM OPERATIONS	68,153,787,447	15,088,598,454
CASH FROM INVESTING		
NET INCREASE (DECREASE) IN DEFERRED SALES RECEIVABLES	(10,988,657,433)	(9,754,002,889)
INCREASE (DECREASE)IN OTHER FINANCE	73,897,637	(179,170,957)
INCREASE (DECREASE) IN MUDARABAT	4,295,103,611	(472,032,941)
INCREASE (DECREASE)IN SECURITES	0	143,597,427
INCREASE (DECREASE) IN CREDITORS	9,583,185,596	17,504,158,599
INCREASE (DECREASE)IN OTHER ASSETS	(165,734,145)	(5,204,566,955)
SALES OF FIXED ASSETS	0	339,201,889
PURCHASE OF FIXED ASSETS	(2,763,452,970)	(852,103,918)
REAL STATE CONSTRUCTION	(529, 264, 118	(274,940,262)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(494,921,822)	1,250,139,993
CASH FLOWS FROM FINANCING	(545,004,002)	(2 007 026 740)
NET INCREASE IN UNRESTRICTED INVESTMENT ACCOUNT	(645,001,802)	(2,887,926,740)
NET INCREASE (DECREASE) IN CURRENT ACCOUNTS	210,727,158,881	43,129,137,425
CASH DIVIDENTS	0	(2,030,232,021)
INCREASE (DECREASE) IN EXCHANG RATE	41,377,412,916	7,259,963,433
NET CASH FLOWS FROM FINANCING ACTIVITIES	251,459,569,995	45,470,942,097
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	319,118,435,620	61,809,680,54
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	161,788,146,935	99,978,466,391
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	480,906,582,555	161,788,146,935

MOHAMMED ISMAIL MOHAMMED

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ABDEL AZEEM MOHAMED

AKRAM ABDELAZEEM EL BALOULA

CHAIRMAN

MEMBER OF BOARD OF DIRECTOR GENERAL MANAGER

THE ATTACHED NOTES FROM (1) TO (27) FROM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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Particulars	Paid Up capital	Legal reserves	Reserves of foreign	Returned	Fixed assets	Total
			Currencies	(Gain / Loss)	revaluation	
	SDG	SDG	SDG	SDG	SDG	SDG
Balance at 01.01.2024	4,277,227,097	2,230,730,858	22,813,919,569 9,322,329,609	9,322,329,609	17,950,789,850	56,594,996,983
Dividends	0	0	0	0	0	0
Net profit	0	0	0	75,042,474,230	0	75,042,474,230
Transferred to) reserves	0	3,366,706,527	0	(3,366,706,527)	0	0
Reserves of foreign Currencies Rating	0	0	41,377,412,916	(41,377,412,916)	0	0
Adjustment				2,002,008		2,002,008
Transferred to paid up capital	9,322,327,666	0	0	(9,322,327,666)	0	0
Balance at 12.31.2024	13,599,554,763	5,597,437,385	64,191,332,485	30,300,358,738	17,950,789,850	131,639,473,221
Balance at 01.01.2023	2,920,412,302	1,195,470,931	15,553,956,136	3,392,037,075	17,950,789,850	41,012,666,294
Net profit	0	0	0	17,612,562,711	0	17,612,562,711
Dividends	0	0	0	(2,030,232,022)	0	(2,030,232,022)
Reserves of foreign Currencies Rating	0	1,035,259,927	0	(1,035,259,927)	0	0
Transferred to) reserves	0	0	7,259,963,433	(7,259,963,433)	0	0
Transferred to paid up capital	1,356,814,795	0	0	(1,356,814,795)	0	0
Balance at 12.31.2023	4,277,227,097	2,230,730,858	22,813,919,569	9,322,329,609	17,950,789,850	56,594,996,983

Mr. M. M.

Akram Abd elazeem Elbalola General Manager

Member of Board of Directors General Member of Board of Directors General Part of these financial statements

Statement of Changes in Restricted Investments for the Year ended 31st. December, 2024

	portfolo	portfolo	
Investment at the beginning	0		0
No. of the units	0	J	0
Value of the unit at the beginning	0		0
Deposit	0	0	0
Net profit	0	0	0
Drowing	0	J	0
Gross Unit	0	0	-
Net profit	0	0	0
Adminstrative expenses	0	0	-
Management Margine 20%	0	0	-
Investment at the end of the year	0	0	-
No. of the units at the end	0	0	
	0		
T.M. M. M. M.	*		
lammed Abdel AlAzeem Mohamed Member of Board of Directors	Akram Abd elazeem Elbalola General Manager	Ilbalola	



1. Foundation and the nature of the activity: -

Blue Nile Mashreq Bank was established in October 2003 Due to the merger of Mashreg Bank, Khartoum branch which was founded in 1979 into Blue Nile Bank, which was established in 1983.

Capital of Mashreg Bank authorized and paid up was \$ 10 million, (Ten Million U.S. Dollar) and the authorized capital of Blue Nile Bank was \$ 20 million, (Twenty Million U.S.Dollar) and paid up capital was \$ 17,114,000 at the date of merger.

The Bank operates under the Bank of Sudan license, dated 01/10/2003, to doing all banking activities in accordance with the laws and guidelines of Bank of Sudan.

The Bank has a subsidiary company named Nile & Mashreg for Financial Services Co.

The Bank acquired 60% percent of its equity shares; also the Bank acquired 40 % of equity shares of another company named Nile & Mashreg for Investment Co. which now has not any activity.

2. Basis of preparation of financial statements

2.1 The financial statements have been prepared in accordance with the provisions and principles of Islamic law as determined by the Sharia Supervisory Board of the Bank, and in accordance with the standards issued by the Bank of Sudan and in consistent with accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions standards.

2.2 The Financial Statements are Prepared on a Historical Cost Basis.

The financial statements were approved by the Board of Directors

2-3 Currency of Entry and Presentation

Financial statements are presented in Sudanese Pounds currency which represents the enrollment of the bank.

2.4 Use of Estimates and Assumptions

The preparation of financial statements requires the use of estimates and assumptions affect the value of assets and contingent liabilities at the date of the financial statements, as well as the revenues and expenses during the fiscal year, and despite the fact that these estimates are prepared in accordance with the best information available to the administration about the current events And circumstances, but the final result may differ from these estimates.

3. Important Accounting Policies :-

3.1 Transactions in Foreign Currencies

The registration of foreign operations by Sudanese pound according to prevailing prices at the time they occur, the assets and liabilities in foreign currency monetary, transferred to Sudanese pound at the date of preparation of financial statements on the basis of the prevailing price at that date.

Dollar and the differences resulting from those operations transferred to the income statement for the year.

- It is evaluated the balances of outstanding exchange contracts at the end of the financial period -, if any, at fair value at that date using the futures prices for the remaining periods to maturity dates of those contracts, and the different valuation recorded in the income statement within the profit (loss) item from foreign currency transactions Swap currency contracts are recognized in the history of the relevance under "contingent liabilities and commitments" with proof of the difference between the equivalent of naughty contract swap under "debit balances and other assets" or item payables and other obligations, so as unrealized profit / losses in the relevance to history contract swap, and balances are consume over the life of contract swap plus / or discount from the item "proceed on loans and bank balances" in the income statement, while gains (losses) resulting from the execution of a contract swap in the income statement under "profit (losses) from foreign currency transactions.
- The value of the premium paid for the options of foreign exchange contracts recorded on "debit balances and other assets" and the balance of the premium to be settled in the income statement in accordance with of the outcome of the evaluation of options contracts at their fair value on "profit (loss) from foreign currency transactions.
- For option contracts purchased, to cover options contract sold to clients to cover the risks related to the nature of their activity.

The difference between the premium paid for the option contract of the buyer and the premium received for option contract are recognized as in the date issuance of the contract, in the item "credit balances and other obligations" and is this the difference will be settled in the income statement item "profit (loss) from foreign currency transactions," according to the accrual basis.

3.2 Swap Contracts Interest Rate

The balances of interest rate swap contracts existing at the end of the financial period, evaluated at fair value at that date using a return price agreed upon, in those contracts and the fair valuation differences will recorded in the income statement.

3.3 Revenue Recognition

Revenue recognized on an accrual basis with the exception of non-performing loans that are turned recognized as revenue when the uncertainty of the recovery of the value of such proceeds or principal indebtedness, and revenue of stocks & documents of investment are recognized at the declaration of distributions dividends that relating thereto, and the return of banking services are recognized in the date of the transaction.

3.4 Evaluation of the Financial held for Trading

- The financial evaluation of investments held for trading, including the government financial investments by non-managed investment funds and documents that are not issued by banks and insurance companies acquired for trading at the end of the financial period at fair value

which represents the market price of the knowledge, reputation and prove the statement of income differentials.

- The financial evaluation of investments held for trading, which lost one of the conditions classified as securities.
- for trading at carrying amounts, with decreasing this value in the event of any reduction according to the objective and comprehensive study of the most recent financial statements issued by the company, proving valuation differences in the income statement. The evaluation of assessment and documentation of investment funds issued by the bank, insurance companies must be at the fair value, which represents the recoverable value of these documents in the history of the evaluation, assessment and prove the statement of income differentials.

The Bank discloses separately the assets in which have invested the money of owners of unrestricted accounts, and the money shared it with them, and its owned money.

The investments divided into a partial which represent the current deposits, plus excess of capital (70%) & a total which represent investment deposit (30%) as shown in note 6-7.

3-4-1 Supporting of Owners of Unrestricted Accounts:-

The Bank does not supports the owners of unrestricted investment accounts.

3-5 Evaluation of Available Investments for Sales

Available financial investments for sale are carried at the cost or fair value, whichever is less for each investment unit - taking into account the changing differences in foreign-currency exchange rate, and the differences will be loaded on the income statement at the "evaluation of other financial investments differences item, and in the event of an increase it will be added to the relevant item within the limits already loaded on the statements of income accordance to the previous financial periods

3-6 Evaluation of the Financial Investments Held to Maturity

Bonds that purchased as a first issue will be evaluated at the revised cost which represent the nominal value plus premium or excluding the release discount depending on the circumstances, the consumption of premium / discount version will be done

3-7 Evaluation of Financial held to Maturity

The adjustment of the bond book value will be done in foreign currency according to the evaluation result of the exchange rate at the valuation date, differences will be inserted on the income statement on earnings (loss) from foreign currency transactions item the evaluation of the investment documents, which the Bank is required to keep to the date of the end of the Fund as the originator bank of the Fund will be done at the cost, and in case of

Blue Nile Mashreg Bank A complementary Notes to Financial Statements

for the Year Ended 31st. December, 2024

a decrease in recoverable amount of these documents cost the difference will be loaded to the income statement in differences assess other financial investments item, and in the event of rise it will be added to the same item within the limits of what already loaded on the income statements for the previous financial year.

3-8 Provision for Loan and Contingent Liabilities

The formation for loans and obligations of cross-alone configuration, in addition to the percentage of the public of the risks calculated from the total loans and other contingent liabilities excluding from them covered balances deposits and bank bails issued by creditworthy foreign banks in light of administration experience and detailed studies for loan balances and contingent liabilities.

Loans will be terminated in case of the futility of the actions taken the collection procedures according to the deduction against the provision, which is added to the proceeds of loans previously written off.

3-9 Contingent Liabilities and Commitments

Contingent liabilities in which the Bank is a party in addition to commitments for exchange contracts ,currency exchange ,interest rate and other outside financial position under "contingent liabilities and commitments" item do not represent actual assets or liabilities at the balance sheet date.

3.10 Cash and Cash Equivalents

For the purposes of cash flows statement preparation, cash and cash equivalents for example: cash balances and balances in Central Bank of Sudan and current account balances in other banks, as well as treasury bills balances that mature within three months from the date of acquisition includes.

3-11 Depreciation and Consumption

The depreciation of fixed assets will be done according to the straight line method using the appropriate amortization rates which determined based on the estimated useful lives of each asset, and calculated from the date of the start of the actual use and fixed assets will appear in the net value after deducting the accumulated depreciation, The following are the

Depreciation rates used: Building 2.5% Furniture and equipment 10% Vehicles 15%Computers 33.33%

Some assets in some states of sudan may be damaged or lost due to war

The improvements and renovations expenses for the rented bank branches will be depreciated over the estimated useful life or the lease term, whichever is less.

3-12 Investment & Finance Risk Provision

Investment risk provision is made after studying surrounding circumstances for each conversion process according to conditions, principles and rules set by the Bank of Sudan, and according to directions & instructions of Bank of Sudan. There are two provisions for doubtful & bad debt, the first one is general which represent 1% of portfolio and the second is private which depend on the percentage of debt (2% to 100 %), the provision is evaluated every three months, there are movements between the two provisions, the amount of SDG 18,365,691,837 was added to the finance provision in year 2024.

The Bank is not writing off any bad debt in the year 2024.

3-13 Sales Receivables and Deferred Installments: -

It is recorded in the time of their occurrence in real terms.

3-14 Processing Zakat and Taxes:

The Bank is obligated to pay Zakat and taxes according to memos issued by the Zakat Chamber and the Office of Tax in Sudan.

3-15 Employees Benefits: -

Benefits of the personnel services determined by the Bank

3-16 Sharia Supervisory Board: -

Activity of the Bank is subject to the supervision of the Sharia Supervisory Board. There are no any transactions discrepant with Islamic Sharia & there is no any deposit outside Sudan.

3-17 The basis of profits distribution between owners 'equity and owners of unrestricted investment accounts

The Bank distributes monthly profits to owners' equity and owners of unrestricted investment accounts, the payments will be in advance for the restricted & unrestricted deposit,70% for the owners' of investment deposit & 30 % for the bank, from finance profits.

(4) Financial Instruments and Related Risk Management

4-1 Financial Instruments

(A) Financial instruments

Financial instruments for the bank are financial assets and liabilities, including financial assets, cash balances and current accounts and deposits with banks and financial investments and loans to customers include financial liabilities, customer deposits and due to banks and long-term loans and financial instruments also include rights and commitments included under contingent liabilities and commitments.

And it includes a note (3) of the notes to the financial statements of accounting policies in respect of recognition and measurement of the key financial instruments and their related income and expenses.

(B) The Fair Value of Financial Instruments

Based on the methods used to evaluate the assets and liabilities of the bank and received the notes to the financial statements, the fair values of financial instruments are fundamentally different from their book values do not differ in the history of financial position.

(C) Deferred Contracts

The Bank does not enter into futures contracts unless to meet the necessary requirements of the foreign currency or the requirements of its customers to meet the obligations in foreign currencies arising from transactions through the Bank, all of which are characterized as short-term operations.

4-2 risks associated with financial instruments Management

- (A) Interest Rate Risk Exposed to certain financial instruments values fluctuate due to changes in interest rates by the Bank and the several measures that would reduce this risk raised to a minimum. Examples include:
- Linking the interest rate on borrowing with the rate of return on lending.
- Prevailing discount rates of different currencies when determining interest rates.

(B) Credit Risk

Loans to customers and banks and financial investments in the form of bonds, as well as current account balances and deposits with banks and the rights and obligations of third parties are considered as financial assets exposed to credit risk of the inability of the parties to repay part or all of its dues on the due dates of financial assets.

The Bank adopted several measures, including reducing the credit risk to a minimum. Examples include:

- Preparing credit studies on customers and banks before dealing with them and determining credit risk rates related thereto,
- Obtain sufficient guarantees to reduce the risks that arise in the ease that the customer or the size of banks,
- The follow-up study, Journal of customers and banks in order to assess the financial and credit positions and estimate the required provisions for non-performing assets.
- The distribution of a portfolio of loans and balances with banks on the different sectors in order to avoid the concentration of risk.

(C) The Risk of Fluctuations in Foreign Currency Exchange Rate

Due to the dealing in a number of foreign currencies, according to the nature of bank activity, it may put the bank at risk of fluctuations in foreign currency exchange rates and for the purposes of reducing that risk to a minimum, the bank will take into account the balance in the foreign currency positions in accordance with instructions issued by the Central Bank of Sudan in this regard.

(D) The Risk of Net Assets & Liabilities in Foreign Currency

The Bank follow all directions & instructions issued from Bank of Sudan which related to assets and liabilities management in foreign currency, and the Bank incurred losses from these transactions, the amount of SDG 41,377,412,916 in year 2024 & earned profits in year 2023 amounted SDG 22,813,919,569 which represent foreign currency re-evaluation revenue gains transferred to currency revaluation reserve in year 2024 to be amounted SDG 64,191,332,485 to meet the risk of net assets & liabilities in foreign currency.

4-3 Monitoring and identifying Money Laundering and Terrorist Financing Risk

Their is monitoring system to monitor and identify money laundering and terrorist financing risks to alert financial transactions that may contain suspicion of money laundering and terrorist financing. The bank also applies the standards ,directives, and publications issued by the authorities and identifies the Risk of money laundering and terrorist financing and other international procedures, This confirms our assurance that the bank follows several policies and procedures for monitoring and identifying money laundering risks. Through the the special Managements

Compliance management:-

The Compliance Department follows a number of procedures and policies as follows:
First: The bank's activity in the field of combating money laundering and terrorist financing
In cooperation with the Banking Technology Department, a customer classification field was
added in terms of the degree of risks related to combating money laundering and terrorist financing
A report has been requested for this field because it is linked to a quarterly review of the Central
Bank of Sudan, and some fields in opening the account have been made mandatory

This is after noticing that some branches are not interested in completing the information required in these fields.

The bank's position on Circular 8/2014 has been updated periodically so that the bank is fully committed to all aspects of the circular.

There are also several measures followed to combat money laundering and terrorist financing, which are:-

Know your customer (KYC):-

Through follow-up and periodic visits to the branches, it is ensured that the procedures followed to identify customers are

Implemented properly.

Monitoring accounts and operations:-

Clients' accounts are monitored through reports extracted from the banking system, where monitoring is carried out according to special

indicators of suspicion Money laundering and terrorist financing, which are related to the nature of account movement and operations

Identify and monitor money laundering and terrorist financing risks to which the bank may be exposed

Administration of Supervision send a semi-annual review to the General Banks at the Central Bank of Sudan must monitor and identify

the risks of money laundering and terrorist financing. Blue Nile Mashreq Bank is fully committed to sending Financing. Blue Nile Mashreq Bank is fully committed to sending

This feedback is done as required and on time.

Blue Nile Mashreq Bank takes several policies and procedures that identify and monitor the risks of money laundering and terrorist

financing to which the bank may be exposed

There is a classification of money laundering and terrorist financing risks conducted by the Bank of Sudan for all banks operating in

Sudan, which showed the results

Blue Nile Mashreq Bank is considered to have low risks with regard to money laundering and terrorist financing risks.

Mashreq Blue Nile Bank is within the framework of banking cooperation and the exchange and updating of information and data. Cooperation has been carried out with banks and correspondent entities Regarding requesting data about the Blue Nile Mashreq Bank and mobilizing investments sent by them.

The bank has prepared its own policy to monitor and identify the risks of money laundering, terrorist financing, and financial crimes. Specifies have also been set to classify clients from:

Where is the degree of risk and updating indicators for reporting suspicious cases for the year 2024.

Adherence to global (OFAC -UN - EU) and local ban lists

The bank is committed to the sanctions and ban lists issued by (OFAC - UN - EU) as well as the ban lists issued by the Central Bank of Sudan through the anti-money laundering system

And the terrorist financing of the FCM Bank, which enables inquiries about these lists.

Blue Nile Mashreg Bank A complementary Notes to Financial Statements

for the Year Ended 31st. December, 2024

Correspondent banking relationships

The Compliance Department plays a fundamental and major role in establishing business relationships with correspondent banks. It also updates the bank's statements to correspondents and the bank's statements to correspondents

To evaluate business relationships and ensure compliance with the bank's policies, the following are business relationships with correspondent banks as well as the correspondent banking relationship circular issued by the Central bank of sudan

- 1- The bank's compliance with the policies of the Central Bank of Sudan and the directives and publications issued was confirmed through the review conducted of the bank's various departments and branches
- 2- It was confirmed that the various departments are committed to sending periodic reviews to the Bank of Sudan on the specified dates.
- 3- The bank is committed to all laws, regulations, directives, and professional and ethical standards issued by the bank and the supervisory and supervisory authority.

Second: Commitment to controls from local and international regulatory authorities

Blue Nile Mashreg Bank adheres to all circulars and directives issued by the Central

Bank of Sudan regarding the ban, unblocking it, and requesting information

About various persons and entities, especially responding to requests issued by those parties during this period that Sudan is going through.

In this regard, we confirm that the bank's systems for combating money laundering and terrorist financing and reporting suspicious cases have been reviewed

Now work is underway to activate the electronic system to examine all customers and all beneficiaries, and we confirm that we have confirmed that the bank is committed to all directives and policies.

Central Bank of Sudan in this regard

Capital adequacy:-

The bank monitors capital adequacy through ratios and indicators according to the publications of the Central Bank of Sudan, which at the end of the year were as follows

Net eligible capital = 31,000,847,269

Weighted risky assets = 124,201,834,803

Ratio = 24.96%

Minimum = 12%

Risk management:-

There is an integrated automated system to monitor and identify money laundering risks and combat terrorist financing, where a unified committee of the Board of Directors and Management has been formed Compliance and risk management. This committee is entrusted with setting policies and procedures for following up on customer accounts, and one of its primary objectives is:-

Identify and evaluate the risks surrounding the bank's business

Measure the potential impact of those risks

Four risks are managed in risk management:-

- 1. Credit risk, concentration of assets and liabilities and unbudgeted items
- 2. Market risk
- 3. Foreign currency risks
- 4. Liquidity risk

Credit risk:

Credit risk is the failure of one party to financing contracts to fulfill its obligations, which results in the other party bearing the burden

For financial losses, the bank tries to control credit risks by monitoring credit risks and continuously evaluating them The creditworthiness of other parties. Financing contracts are usually secured by mortgages on assets, securities, or personal guarantees By other parties

Market risk:

Market risk is the risk of fluctuations in profit rates, currency exchange rates, and stock and securities prices set by the bank's management Limits on the levels of risks that can be accepted, and compliance with these limits is monitored by the bank's management

Foreign currency risks:

Foreign currency risk is the risk that leads to fluctuations in the value of financial instruments due to changes in foreign currency prices

The currency is managed on the basis of limits and ceilings determined by the bank's board of directors, and these limits are constantly monitored to ensure that the net

Liquidity risk:

These are the risks that lie in the bank's inability to fulfill its obligations when they fall due. To reduce these risks, the: administration distributed Funding sources and asset management by taking liquidity into account, monitoring liquidity on a regular basis, and maintaining a sufficient balance of cash and items Similar to cash and rapidly liquidated securities

	2024	2023
Cash and Cash Equivalents (5): -	SDG.	SDG.
Cash in hand-local	964,114,397	521,111,261
Cash in hand-foreign	39,785,090,539	1,928,785,363
Bank of Sudan current account- local	50,508,084,905	21,021,420,886
Bank of Sudan's current account- foreign	66,231,769,227	23,112,241,054
Cash Reserve with the Bank of Sudan - Local	9,048,487,478	9,815,134,587
Cash Reserve with the Bank of Sudan - foreign	42,009,877,210	16,607,957,187
Foreigners Correspondents	272,359,158,799	88,781,496,597
Total	480,906,582,555	161,788,146,935
Sales Receivable(6): -		
Murabaha receivables	37,776,797,836	25,912,753,846
(Normal) Provision for doubtful debts(-)	(18,681,823,324)	(316,132,816)
(Bad) Provision for doubtful debts (-)	(222,546,840)	(270,812)
Profits under collection	(6,739,710,344)	(6,086,598,486)
Total Sales receivable	12,132,717,328	19,509,751,732
Other finance(7):-		
ljara	108,327,363	182,225,000
Total other finance	108,327,363	182,225,000
Mudarabat(8):-		
Mudarabat	1,420,746,478	6,286,730,552
(Normal) Provision for doubtful debts (-)	(15,273,440)	(238,554,430)
(Bad) Provision for doubtful debts (-)	(1,006,291)	0
Profits under collection	(2,273,190)	(350,878,954)
Total Mudarabat	1,402,193,557	5,697,297,168
Securities(9):-		
Shahama	876,507,500	876,507,500
Shahama 2	100,000,000	100,000,000
Instruments of Liquidity Management Fund	168,023,668	168,023,668
Total securities	1,144,531,168	1,144,531,168

Particulars		2024 SDG.	2023 SDG.
Concentration of assets according to sector	Sector	Amount	Amount
& gegraphical areas (8-2):-			
Customer 1 (Khartoum Area)	Construction	613,175,713	620,257,400
Customer 2 (Khartoum Area)	Transport	277,380,745	235,692,030
Customer 3 (Khartoum Area)	Service	15,604,440,244	608,059,381
Customer 4 (Khartoum Area)	Agriculture	20,715,903	10,853,480
Customer 5 (Khartoum Area)	Industrial	18,426,224,475	28,879,019,355
Customer 6 (Khartoum Area)	Export	1,265,670,000	1,265,670,000
Customer 7 (Gedarif Area)	Agriculture	1,925,000	1,925,000
Customer 8 (Kassala Area)	Agriculture	10,296,000	23,564,640
Customer 9 (Kassala Area)	Service	337,824	337,824
Customer 10 (Algenayna Area)	Service	8,472,109	0
Customer 11 (Neyala Area)	Transport	204,510,882	204,566,666
Customer12 (Por-Sudan Area)	Transport	61,100	92,130,000
Total		36,433,209,995	31,942,075,776
Long-term Investments(10): -			
	Bank Owner %		
Juba Investment Company		25	25
Blue Nile Co., Ltd.	-	1,000	1,000
Banking Services Company	1.2	376,966	376,966
Nile and Mashreq Financial Services Company	60	22,950,000	22,950,000
Nile and Mashreq Investment Services Company	40	640,400,000	640,400,000
Total		663,727,991	663,727,991
Other Assets(11): -			
Prepayments		749,958,866	220,283,357
Staff Loans		772,214,116	481,476,343
stationery inventory		78,667,486	30,846,000
Incoming transfers (Western Union)		0	13,073,186
Mobile Application		109,781,311	109,781,311
Mashreqe Application		60,000,000	1,246,714
Human Resources Development System		10,169,627	9,742,500
Prepaid Electricity Settlement		4,219,836	4,219,836
Camps cash distibution		4,620,206,500	0
Medical insurance		0	31,692,105
Central Archeef		0	4,997,944,602
Amount under adjestment		0	339,177,643
Total		6,405,217,742	6,239,483,597
Branches under Construction(12): -			
Al Damazune		2,594,999	2,594,999
Private bank		117,367,578	117,367,578
Port Sudan		528,383,659	117,563,590
Aldyaeen		7,418,818	7,418,818
Mobile Branch		416,721,627	229,137,808
Central Archeef		0	69,139,770
Total		1,072,486,681	543,222,563

Schedule of Depreciation of Fixed Assets for the Year Ended 31st. December 2024

Fixed Assets (13): -

Particulars	Lands	Cars	Furniture &	Computers	Generators	Buildings	Computers	Total
			Ornce Equips.				Software	
Cost:-	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance at 01.01.2024	413,136,510	256,087,282	58,993,243	30,910,814	9,418,455	508,055,876	577,194,946	1,853,797,126
Additions	0	543,225,270	195,493,722	441,571,113	234,436,397	1,348,726,468	0	2,763,452,970
Disposals	0	0	0	0	0	0	0	0
Balance at 12.31.2024	413,136,510	799,312,552	254,486,965	472,481,927	243,854,852	1,856,782,344	577,194,946	4,617,250,096
Depreciation: -								
Balance at 1.1.2024	0	60,304,422	13,871,145	6,104,751	1,685,081	19,700,728	115,393,860	217,059,987
Depreciation of year	0	37,797,108	4,065,357	15,003,164	776,405	12,701,397	173,158,484	243,501,915
Additions	0	37,052,863	16,768,060	59,723,173	11,721,820	16,859,081	0	142,124,997
Disposals	0	0	0	0	0	0	0	0
Balance at 12.31.2024	0	135,154,393	34,704,562	80,831,088	14,183,306	49,261,206	288,552,344	602,686,899
Net book value as at 12.31.2024	413,136,510	664,158,159	219,782,403	391,650,839	229,671,546	1,807,521,138	288,642,602	4,014,563,197
Revaluation Of Fixes Assets	10,054,923,865					7,895,865,986		17,950,789,851
Net book value After Revaluation as at 12.31.2024	10,468,060,375	664,158,159	219,782,403	391,650,839	229,671,546	9,703,387,124	288,642,602	21,965,353,048
Net book value as at 12.31.2023	10,468,060,375	195,782,860	45,122,098	24,806,063	7,733,374	8,384,221,134	461,801,086	19,587,526,990

	2024	2023
Current Accounts and Savings Accounts(14): -	SDG.	SDG.
Local Current deposits	68,672,689,669	63,634,443,425
Local savings deposits	1,870,205,878	301,804,272
Foreign current deposits	268,348,527,166	65,808,200,547
Foreigner savings deposits	1,756,682,643	176,498,231
Total	340,648,105,356	129,920,946,475
Accounts Payable(15): -		
Margins of letters of credit	56,839,468	4,658,619,309
Margins of letters of guarantee	2,880,448,060	3,474,468
Certified cheques	3,486,802,592	5,510,888,831
Unpaid dues	2,446,770,286	27,739,232
Stamps Duty	8,369,210	645,976,269
Transfer notes - salary of organizations	19,728,103,973	9,454,545,272
ATM adjustment	99,702,527	91,139,533
Personal income tax & free professions	56,015,747	21,054,442
Social Insurance	83,751,178	51,694,354
VISA Cards	360,273,953	14,278,015
Westoron union account	590,117,006	0
Total	29,797,194,000	20,479,409,725
Other Liabilities(16): -		
Provision for after service benefits	1,302,966,500	1,045,793,387
Provision of certified auditors	8,000,000	4,500,000
Provision for tax	17,571,504,063	5,157,148,608
Provision for zakat	4,551,615,282	1,298,046,389
Other provisions	140,874,960	136,146,752
Unallocated profit	4,859,321	4,859,321
Total	23,579,820,126	7,646,494,457
Investment accounts - local	127,012,441	252,012,215
Investment accounts - foreign	9,532,289	462,053,289
	136,544,730	714,065,504
Plus: Return on equity of unrestricted investment account holder		
Deposit holders' share of profits	67,481,028	348,203,783
Support provided *	07,481,028	348,203,783
	67,481,028	348,203,783
Minus: - Advance payments	(67,481,028)	(348,203,783)
The state of the s	136,544,730	
	130,344,730	714,065,504

* The bank does not provide any support to unrestricted investment account holders.

		2024	2023
Concentration of sources of unrestricted	Notes	SDG.	SDG.
Investment Accounts (17-1): -	Type		
Client 1	Company	125,011,223	252,000,000
Client 2	Association	9,532,289	3,982,176
Client 3	Company	2,000,000	458,071,113
Client 4	Client	1,218	12,215
		136,544,730	714,065,504
Capital (18): -			
Nominal capital 2024			
Blue Nile Bank 14,000,000,000), the value of sto	ock shares	26,180,000,000	10,098,000,000
1.87 per SDG			
Paid up Capital:-			
(2,287,287,218), (7,272,489,178) shares,		13,599,554,763	4,277,227,097
value per share 1.87 SDG			
Balance at 1/1		9,322,329,609	3,392,037,075
Less: Dividends		0	(2,030,232,021)
Less: Transferred to capital		(9,322,327,665)	(1,356,814,795)
		1,944	4,990,259
Adjustment		2,002,008	0
Add: Year profits		75,042,474,230	17,612,562,711
Less: Foreign currency valuation reserve		(41,377,412,916)	(7,259,963,433)
		33,667,063,322	10,352,599,278
Less: Transferred to reserves		(3,366,706,528)	(1,035,259,928)
Retained earnings		30,300,358,738	9,322,329,609
Investment Securities(20): -			
Proceed of Shihab 2			2.016.064
		0	2,816,064
Total		0	2,816,064

Other Investment Income(21): -		
Ijara profit	11,550,000	52,800
Speculation profits	8,546,655,089	1,635,112,422
westron union profit	518,507,198	0
Total	9,076,712,287	1,635,165,222
Revenues From Banking Services(22) :-		
Transfers commission	15,819,147,238	6,175,536,880
Letters of credit commission	22,505,927,788	5,806,903,540
Letters of guarantee commission	0	804,281
Proceed of ATMs Services	0	727,333
Commission of customs collection	0	66,654
Checks collect commission	1,756,594	3,177,938
Ledger Fees	510,559,064	4,636,426
Foreign currency Return	33,342,636,688	3,854,526,773
Mobile charges	1,954,150	0
Total	72,181,981,522	15,846,379,825
Other Income(23): -	2024	2023
Means of communication	25,856,876	7,283,733
Sale of fixed assets profits	0	44,000
Camps distribution charges	6,297,952,614	0
Miscellaneous	416,126,427	2,886,243,768
	6,739,935,917	2,893,571,501
The Human Factor Cost(24): -		
Salaries and wages	1,548,088,420	993,315,641
Medical exps.	78,924,325	13,635,522
After service benefits	260,210,298	843,345,129
Social insurance	60,150,496	37,279,350
Staff Fund	71,000	370,500
Training	68,001,120	3,404,753
Bounus	785,124,783	0
Special grants	0	101,538,307
Vacation allowance	63,438,258	11,043,760
Closing allowance	32,652,973	0
Total	2,896,661,673	2,003,932,962

General and Administrative Expenses(25): -	2024	2023
	SDG.	SDG.
Travelling & transportation exps.	778,731,027	183,795,322
Audit fees	8,000,000	4,500,000
Maintenance and repairs	598,781,683	190,177,437
Insurance	1,195,975,015	205,011,439
Office supplies and computer expenses	3,793,902,942	302,486,921
Maintenance of vehicles	246,178,231	100,680,006
Subscriptions	19,669,088	41,726,450
Hospitality and gratuities	95,453,249	48,321,231
Other	73,654,646	47,757,197
Cleaning	70,951,773	73,474,125
Water & Electricity	55,846,034	57,638,131
Rent & rates	268,491,915	119,246,512
Commissions paid	145,605,596	37,927,919
Advertisement exps.	87,353,433	18,351,360
Telex, telephone and the Internet	354,518,464	125,267,922
Consulting & legal fees	9,278,000	10,063,607
Generator exps.	227,130,750	87,231,659
Commissions paid to Bank of Sudan	17,062,280	37,531,541
Automated Teller Machines exps.	0	23,226,663
Income tax	0	1,781,167
Guarding expenses	91,113,100	49,961,180
Contribute to Investment Deposit Guarantee Fund	140,874,960	136,146,752
Company service fees	27,430,886	0
Donations	72,839,369	17,261,354
Share profit fees	239,716,148	11,205,857
War Losses	5,342,631,238	0
Civil Registry	103,586,000	0
Banking technology Systems	481,778,639	0
Total Administrative Expenses	14,546,554,466	1,930,771,752

* Provision for board fees is calculated according to the circular issued by the Central Bank of Sudan on July 17, 2014, so that it does not exceed 5% of the net profits after zakat and taxes.

Transactions with Related Parties (26): -

 Statement
 Type of Relationship
 Balance as at 31 Dec.2024
 Balance as at 31 Dec.2023

 Gapco Holding Co.
 Murabaha
 16,941,771,000
 12,978,269,560

 16,941,771,000
 12,978,269,560

Profit contrary to the provisions of Islamic law and unlawful (27): -

There were no transactions in the bank that violated the provisions of Islamic Sharia law or any illegal operations during the year 2024.