

Interim Report

To the shareholders of Albaraka Bank Limited
Unaudited results for the period ended 30 June 2025

Statement of comprehensive income

	Six months ended-30 June			Year ended
	2025	2024		31 Dec 2024
	R'000	R'000	% change	R'000
Income earned from advances	412 966	426 031	(3)	853 928
Income earned from interbank placements - murabaha	14 840	6 037	146	13 357
Income earned from interbank placements - mudarabah	27 220	22 293	22	48 780
Income from Sovereign Sukuk	41 668	25 569	63	68 276
Gross income earned	496 694	479 930	3	984 341
Credit loss expense	(2 903)	(13 203)	(78)	(16 104)
Gross income after credit loss expense	493 791	466 727	6	968 237
Income paid to depositors	(200 312)	(191 780)	4	(399 407)
Income paid to Tier 2 sukuk holders	(14 955)	(15 266)	(2)	(30 449)
Net income earned	278 524	259 681	7	538 381
Fee and commission income	27 045	23 286	16	50 014
Other operating income	1 855	1 393	33	3 392
Net income from operations	307 424	284 360	8	591 787
Operating expenditure	(178 856)	(156 609)	14	(331 738)
Finance costs	(201)	(299)	(33)	(543)
Profit before taxation	128 367	127 452	1	259 506
Taxation	(32 073)	(32 347)	(1)	(60 128)
Profit after tax for the year attributable to equity holders	96 294	95 105	1	199 378
Items subsequently classified to profit and loss				
Fair value gains net of tax	-	-	0	89
Total comprehensive income for the year	96 294	95 105	1	199 467
Attributable to ordinary shareholders	85 964	84 559	2	178 359
Attributable to Additional Tier 1 Sukuk instrument holders	10 330	10 546	(2)	21 108
Weighted average number of shares in issue ('000)	32 240	32 240		32 240
Basic and diluted earnings per share (cents)	266,6	262,3	2	552,9

Statement of financial position

	Six months ended-30 June			Year ended
	2025	2024		31 Dec 2024
	R'000	(Restated)* R'000	% change	R'000
Assets				
Deferred Tax Asset*	37 052	9 940	273	30 119
Property and equipment	101 793	91 676	11	102 688
Right of use asset	2 994	4 972	(40)	3 664
Investment property	10 339	10 339	0	10 339
Intangible assets	49 984	57 004	(12)	54 543
Investment securities	17 680	17 567	1	17 680
Advances and other receivables	7 345 243	7 511 256	(2)	7 264 691
Interbank & Sovereign Sukuk placements*	1 557 450	896 980	74	1 369 593
Regulatory balances*	618 975	626 232	(1)	618 507
South African Revenue Service receivable	-	413	(100)	-
Cash and cash equivalents	100 008	103 913	(4)	311 542
Total assets	9 841 518	9 330 292	5	9 783 366
Equity and liabilities				
Equity				
Share capital	322 403	322 403	0	322 403
Share premium	82 196	82 196	0	82 196
Other reserves	2 529	2 440	4	2 529
Retained Income	780 436	656 783	19	694 472
Shareholders' interests	1 187 564	1 063 822	12	1 101 600
Additional Tier 1 Sukuk instrument holders	124 000	124 000	0	124 000
Total equity	1 311 564	1 187 822	10	1 225 600
Liabilities				
Deferred Tax Liability*	18 190	18 206	0	18 174
Welfare and charitable funds	64 575	59 212	9	59 389
Sukuk Holders	311 248	311 248	0	311 248
Provision for leave pay	10 109	7 164	41	7 330
Lease liabilities	3 499	5 334	(34)	4 103
Accounts payable	101 024	93 431	8	69 277
South African Revenue Service payable	2 220	-	100	1 311
Deposits from customers	8 019 089	7 647 875	5	8 086 934
Total liabilities	8 529 954	8 142 470	5	8 557 766
Total equity and liabilities	9 841 518	9 330 292	5	9 783 366

*Comparative amounts have been restated to align with 31 December 2024 disclosures in the Annual Financial Statements which is available on www.albaraka.co.za.

Statement of changes in shareholders' equity

	Share capital R'000	Share premium R'000	Other reserves R'000	Retained income R'000	Shareholders' interest R'000	AT1 Sukuk instrument holders R'000	Total Equity R'000
Balance at beginning of year - 1 Jan 2025	322 403	82 196	2 529	694 472	1 101 600	124 000	1 225 600
Total comprehensive income for the period	-	-	-	85 964	85 964	10 330	96 294
Profit paid to Additional Tier 1 Sukuk instrument holders					-	(10 330)	(10 330)
Balance at end of period - 30 June 2025	322 403	82 196	2 529	780 436	1 187 564	124 000	1 311 564

Commentary on the unaudited results for the period ended 30 June 2025

Group position

12-month position

During the 12-month period as at 30 June 2025, the bank reported an increase in liquidity from its deposit-taking activities with reduced growth in financing activities. Term deposits and transactional banking balances grew by R 371 million or 5%. During the same period customer advances and other receivables reduced by R 166 million or 2%, primarily due to active management of product concentration targets.

The resultant additional liquidity allowed for further investments in both shariah-compliant interbank placements growing by R 514 million or 75%, and sovereign sukuk of R 146 million or 68%, R 42m of which relates to charitable and welfare funds.

6-month position

During the six-month period as at 30 June 2025, customer advances and other receivables grew by R81 million or 1%, whilst the deposit book reduced by R 68 million or 1%. Interbank placements increased by R 188 million or 14%, primarily funded by cash and cash equivalents which decreased by R 212 million or 68%.

Group performance

6-month performance

The following commentary reflects the year-on-year change in the Group results for the six months ended 30 June 2025 compared to the six months ended 30 June 2024.

Income from advances decreased by R 13 million or 3% owing to both the decline in the advances book and the impact of market rate reductions for the period under review. Over the last 12 months, the bank reduced its profit mark-up on four occasions by 0.25 basis points each, totaling 1%, which resulted in the repricing of existing deals and origination of new deals at lower mark-ups.

In line with the increase in interbank and sovereign sukuk placements, the related income grew by R14 million or 48% and R 16 million or 63% respectively.

Credit loss expense was R 10million or 78% lower compared to the same period in 2024, primarily due to the year-on-year decline in customer advances, as well as a refinement in the calculation methodology.

After accounting for profits shared with depositors, net income earned increased by R 19 million or 7%.

Fees and commission income increased by R 4 million or 16%, primarily due to the growth in customer advances over the past 6 months leading to higher service fees earned.

Operating expenditure increased by R22 million or 14%, primarily due to increases in staff, technology-related and advances-related costs. Other costs contributing to the overall increase related to higher municipal and maintenance costs for both leased and owned properties, operational costs related to new product development initiatives, and consultant fees arising from the implementation of new industry regulations.

After accounting for the above, net profit before tax increased by R 1 million closing at R 128 million for the six months ended June 2025.

Total comprehensive income amounted to R 96 million, with R 10 million being attributable to Additional Tier 1 Sukuk holders and R 86 million being attributable to ordinary shareholders. This represents an increase to ordinary shareholders of R 1 million or 2%. Consequently, basic and diluted earnings per share rose by 2% for the period.

Management remain focused on growing the advances book in order to achieve growth in income over the next 6 months through to the end of 2025. Cost-reduction initiatives continue to be pursued where possible, alongside disciplined expense management. In addition, macro-economic factors that pose risk to the economy, including further changes in monetary policy, political and geopolitical developments, as well as broader economic trends will be closely monitored.

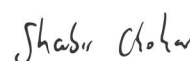
Additional Disclosures

Additional disclosure requirements in terms of regulation 43 of the Banks Act may be accessed via the bank's website, being: www.albaraka.co.za, when published in line with regulations.

For and on behalf of the Board
25 August 2025



Mr Zahid Fakey
CHAIRMAN



Mr Shabir Chohan
CHIEF EXECUTIVE

Directors: ZH Fakey(Chairman), SAE Chohan (Chief Executive), A Ameen (Financial Director), JMA Cane SC, SM Nyasulu, FA Randeree (British), Dr MM Khemira (Canadian), AA Dogar (Pakistani), R Lachman, A Essack

Company Secretary: MT Kazi

Business address and registered office

Albaraka Bank Limited: Reg No. 1989/003295/06, FSP No. 4652, NCR No. NCRCP14

Albaraka Bank Limited is an Authorised Financial Services and Credit Provider and subscribes to the Code of Banking Practice.

Albaraka Bank Limited is an Authorised Dealer in foreign exchange.

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