



ANNUAL REPORT
2018

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In the name of Allah , the most Gracious , the most Merciful

{And the king said , bring him to me that I may attach him to my person .” then , when he spoke to him , he said , verily , this day , you are with us high in rank and fully trusted. (54) he said set me over the store-houses of the land ;I will indeed guard them with full knowledge. (55) thus did we give full authority to yusuf in the land , to take possession therein , when or where he likes . we bestow of our mercy on whom we will , and we make not to be lost the reward of the good doers (56) }.

Great truth of god
Verses (54) (56)of surat yusuf



SHAIK. SALEH ABDULLAH KAMEL
Chairman of AlBaraka Banking Group

Bank Informations

| | |
|---------------------------------------|--|
| Company's nature | Public shareholding company |
| Date of establishment | 26/2/1984 |
| Opening date | 14/3/1984 |
| The authorized capital | 500 million SDG |
| Paid capital and legal reserve | 253 million SDG |
| Head Office | Albaraka Tower - Qasr Street Khartoum - Sudan |
| P.O.Box | Khartoum 3583 |
| Telephones | 00 249 187 112 000 00 249 187 112 034 00 249 187 112 050 00 249 187 112 128 |
| Fax | 00 249 183 778 948 |
| E-mail | info@albaraka.com.sd |
| Website | www.albaraka.com.sd |
| Swift | RAKASDKH |

Vision

'We believe society needs a fair and equitable financial system: one which rewards effort and contributes to the development of the community'.

Mission

'To meet the financial needs of communities across the world by conducting business ethically in accordance with our beliefs, practicing the highest professional standards and sharing the mutual benefits with the customers, staff and shareholders who participate in our business success'.

Core Values



01 Partnership

Our shared beliefs create strong bonds that form the basis of long-term relationships with customers and staff.



02 Driven

We have the energy and perseverance necessary to make an impact in our customer's lives for the greater good of society.



03 Neighbourly

We value and respect the communities we serve. our doors are always open, our customers always experience a warm – hearted, hospitable welcome and accommodating service.



04 Peace-of-mind

Our customers can rest assured that their financial interests are being managed by us to the highest ethical standards.



05 Social contribution

By banking with us, our customers make a positive contribution to a better society-their growth and our growth will benefit the world around us.

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**Board of
directors**

Mr. Adnan Ahmed Yusuf Chairman of the Board



Mr. Adnan Ahmed Yusuf is a highly regarded senior banker with over 38 years of international banking experience. He holds a master of business Administration degree from University of Hull , UK. He was earlier with banking corporation , for over 20 years and last served as Director on its board.

As president Chief Executive, Mr. yousif has lead Al Baraka Banking Group (ABG) since inception. Developing the Group into one of the largest and most diversified Islamic Banking group in the world. He is also the chairman of Al Baraka Turk participation bank , Banque Albaraka D`Algerie Al Baraka Bank Ltd, South Africa ,Al Baraka bank Lebanon , Jordon Islamic Bank , Al Baraka Bank Egypt , Al Baraka Bank Syria , Al Baraka Bank Sudan, Al Baraka Bank Pakistan Ltd. , Vice Chairman of Al Baraka Islamic Bank , Bahrain And A Board member of Al Baraka Bank Tunisia .

Mr. yousif was the chairman of the Union of Arab Banks, Lebanon for two terms (2003-2007). Beside having received many international awards including twice the Islamic Banker of the year award (2004 and 2009) , he is the recipient of the Medal of Efficiency, a unique Honor conferred by his Royal Highness – King Hamad bin Isa Al Khalifa, the King of Kingdom of Baharin during the year 2011.

Mr. Adnan Ahmed yousif was honored with the Tatweej Award for Excellence in leadership and institutional performance in category – “ Wise Leadership in the field of Arab banking for 2012” granted by the Arab Administrative Development Organization – on organization affiliated to the Arab League – in cooperation with the Tatweej Academy, In Addition, he was Awarded by LARIBA American Finance House the 2012 “ LARIBA Award for Excellence In Achievement”, in recognition of his leadership role consolidating and operating the diversified Islamic Banking Group in the world.

Mr. Abdelrahman Ahmed Osman Vice-chairman of the Board and Chairman of the Executive Committee



Sudanese.

Holds a master's degree in development from Harvard University, USA.

Joined the Ministry of Finance and the Central Bank of Sudan and was commissioned to establish the Central Bank of Yemen.

Worked for a period as an expert in the Arab Monetary Fund (IMF).

Established the Arab Bank for Exports and Imports and then held the position of the general manager and president of the Board of Directors for the period 1984-1993.

Served multiple terms as president in the Union of Sudanese Banks then the Union of African Banks.

Served as a member of several boards of directors of banks and various companies for many periods.

Served as a member of the Executive Committee of the Union of Arab Banks.

Served as Chairman of the Audit Committee and Chairman of the Risk Committee at Al Baraka Bank Sudan before being appointed Vice-chairman in the current session of the Council.

Mr. Adnan Abdalla Albasam Member of the board, Chairman of the Audit, risk and compliance Committee.



Bahraini national.

Certified Public Accountant (USA).

Executive Director of Al Bassam Investment Group since 2005.

Internal Auditor at Al Baraka Islamic Bank Bahrain (2000-2005).

Worked as the first accountant at Ernst & Young Firm.

Dr. Izzeldin Ibrahim Hassan Member of the board, Chairman of the board affairs, Remuneration and sustainability and social responsibility committee.



PHD in economics from university of york u.k.
Chairman, Sudanese French bank board of directors (2004-2007).
Chairman, civil aviation authority board of directors (2006-2009).
Chairman, Sudan news agency board of directors (2006-2008).
Chairman, insurance supervisory Authority board of directors (2003-2007).
State minister of finance (1996-2000).
Chairman, the board of directors of PTA bank 1996.
Member, bank of Sudan board of directors (1994-1996).
Chairman, the economic committee, the transitional national assembly (1995-1996).
Advisor, ministry of finance and national economy, Sudan 1989.
Director, department of economic research and statistics the Arab monetary fund (AMF) (1981-1989).
Economist, the international monetary fund (1972-1974).
Professor of economics in Sudanese universities and has published several academic research papers.

Mr. Joseph Makeen Iskander Board Member



Sudanese.
Bachelor of Commerce (Accounting).
Chairman of a group of locally and internationally renowned companies covering commercial, industrial activities and multiple investment.
The agent for global brands and American and Asian companies.
He has leading contributions in society and sports.

Mr. Saoud Mamoun Alberier

Board Member



Sudanese.

Bachelor of Law.

President of Mamoun Alberier Group and Saoud Mamoun Alberier Group, two of the largest Sudanese business groups known locally and internationally.

Chairman of the Sudanese Employers' Federation for several cycles and still occupies this position.

Member of the International Islamic Chamber of Commerce.

Member of the Board of Directors of Al Salam Bank (Khartoum - Bahrain).

A member of many boards of directors of companies and institutions of Sudan.

Chairman of the Board of Directors of the Al Baraka Insurance Company (Sudan).

Member of the National Investment Council of the Republic Presidency.

Member of the Advisory Council for the Department of Energy.

Honorary Consul of the Kingdom of Sri Lanka.

Dr. Ahmad Albadawi M. Alamin

Board Member



Sudanese.

Pharmacist and a lawman.

Founder and Chairman of Amipharma Pharmaceutical Co., Ltd. It is, one of the largest drug manufacturers and medical products in Sudan.

Chairman of the Medical Industrial Federation in the Chambers of Industry.

Vice-chairman of the Board of Directors of the Arab Union for Producers of Medicines (based in Amman).

Awarded the Medal of Merit from the President of the Republic in May 2011.

Awarded an honorary doctorate from the University of the Al Jazeera in October 2002 and the University of Al Ahfad in April 2001.

Amipharma Group has important initiatives and social activities.

Dr. Mekki Madani Alshibli Board Member



Sudanese.

Ph.D. in economics from the University of Kent – England.

He has an experience of more than thirty years in various areas of economic and social development, private credit and financing issues of Arab and African cooperation.

Director of International Cooperation Department in the Arab Organization for Agricultural Development.

Worked as an expert in the Arab Authority for Agricultural Investment and Development (AAID).

Worked as the Assistant Director of Operations Management of the Arab Bank for Economic Development in Africa (BADEA).

Principal at the University of Science and Technology and the founder of the Faculty of Social and Environmental Studies and the founder of the Sudan Development Institute.

Listed in '500 Founders of the 21st Century' issued by the International Biographical Centre in England 2002.

Mr. Ahmed Elamin Ahmed Abdellatif Board Member



Mphil in management –University of Cambridge, U.K.

President, Board of Directors member at The Central Trading Co.Ltd (CTC).

Has been the Honorary Consul in Sudan , for the Republic of Senegal since 2009.

Founding director and vice chairman of the US-Sudan Business Council (USSBC)

Sudanese Businessmen and Employers federation, Board Member.

Founding President, Sudanese Young Businessmen Association.

Mr. Kamal Ahmed Elzubeir Board Member



MBA (planning and systems Analysis) From Odense University Denmark.

Former General Manager at United Capital Bank Khartoum, Sudan.

Served as Senior Manager and Head of Trade Finance & Financial Institutions at The Arab Investment Company, Bahrain.

Served as Assistant General Manager at Qatar Islamic Bank, Doha Qatar .

Served as Division Manager at Albank Alsaudi Alhollandi – Saudi Arabia.

Mr. Mohammed El Sharif M. Al Amin Secretary of the Board of Directors



Secretary of the board of directors.

M.Sc. of Financial & Banking Sciences – Amman.

BSc Econometrics and Social Statistics – University of Khartoum.

Acting deputy general al kaleej bank (sudan), jan 2017-feb 2017.

Acting general manager al rowad bank for development and investment, may 2016-jan 2017.

Assistant of general manager for financial investment alrowad bank for development & investment, feb 2014-may 2016.

Assistant of general manager for financial affairs & treasury alrowad bank for development & investment, feb 2013 – feb 2014.

A modern office interior with a large window, a whiteboard, and a conference table with a laptop. The scene is brightly lit, suggesting a professional and collaborative environment. A red circular graphic is overlaid on the upper part of the image, containing the text 'Board of director's committees'.

Board of director's committees

Board of Directors' Committees

01

**Auditing,
risk and
compliance
committee**

| | | |
|----|-------------------------------|------------------|
| 01 | Mr. Adnan Abdulla al Bassam | President |
| 02 | Dr. Mekki Madani Alshibli | Vice – president |
| 03 | Mr. Kamal Ahmed Elzubeir | Member |
| 04 | Mr. Ahmed E. Ahmed Abdellatif | Member |
| 05 | Auditing Department manager | Rapporteur |
| 06 | Risk Department Manager | Rapporteur |

02

**Executive
and policies
committee**

| | | |
|----|---|------------------|
| 01 | Mr. Abdelrahman Ahmed Osman | President |
| 02 | Dr. Izzeldin Ibrahim Hassan | Vice – president |
| 03 | Mr. Saoud Mamoun Alberier | Member |
| 04 | Mr. Joseph Makeen Iskander | Member |
| 05 | Mr. Secretary General of the Board of Directors | Rapporteur |

03

**Board affairs,
Remuneration
and sustainability
and social
responsibility
committee**

| | | |
|----|---|------------------|
| 01 | Dr. Izzeldin Ibrahim Hassan | President |
| 02 | Dr. Ahmad Albadawi M. Alamin | Vice – president |
| 03 | Mr. Abdelrahman Ahmed Osman | Member |
| 04 | Mr. Kamal Ahmed Elzubeir | Member |
| 05 | Mr. Secretary of the Board of Directors | Adviser |
| 06 | Mr. Director of Human Resources | Rapporteur |

01

External
Auditor

M/S: Mubarak EL-Awad & CO.

02

Sharia
Supervisory
Board

| | | |
|----|---|-----------|
| 01 | Prof. Mohammad S. Mohammad Ahmed | President |
| 02 | Dr.Abdul Sattar Abu Ghudah | Member |
| 03 | Dr.Abd El-ilah Mohammed Ahmed Abd allah | Member |
| 04 | Dr.Hammad Mohammed Ahmed Albashir | Member |

Executive Management



01

01 MR. ABDULLAH KHAIRY HAMID
General Manager



02



03

02 MR. ALRASHEED A. ALI
Deputy General – Manager

03 DR. MOHAMMED A. O. TAHA
Assistant General Manager



04



05

04 MR. ABDULBASIT A. OSMAN
Assistant General Manager

05 MR. ABDELHAFIZ F. MOHAMMED
Assistant General Manager



06



07

06 MR. AYMAN AHMED M. ABDALLH
Assistant General Manager

07 MR. MOHAMMED M. WARAG
Assistant General Manager

A photograph of a modern glass skyscraper with a red circular graphic overlay in the center. The building's facade is composed of large glass panels and metal frames, reflecting the sky and surrounding environment. The red circle is semi-transparent, allowing the building's structure to be seen through it. The text inside the circle is white and centered.

Bank branches
Correspondents banks
Capital contributions

Bank Branches

| Sr. | Branch | E-mail | Tel. |
|-----|----------------|---------------------------------------|------------|
| 01 | Alburg | burg-branch@albaraka.com.sd | 0187112200 |
| 02 | Khartoum South | bahri-branch@albaraka.com.sd | 0187112290 |
| 03 | Alsoug Alarabi | sougarabi-branch@albaraka.com.sd | 0187112230 |
| 04 | Omdurman | omdurman-branch@albaraka.com.sd | 0187112260 |
| 05 | Khartoum South | khartoumjanoub-branch@albaraka.com.sd | 0187112500 |
| 06 | Moghtribin | mogbranch@albaraka.com.sd | 0187112530 |
| 07 | Soug Libya | souklibya-branch@albaraka.com.sd | 0187112382 |
| 08 | Alsagana | sagana-branch@albaraka.com.sd | 0187112320 |
| 09 | Alhirafeen | hirafeen-branch@albaraka.com.sd | 0187112350 |
| 10 | Alamarat | amarat-branch@albaraka.com.sd | 0187112920 |
| 11 | Alzahraa | zahraa-branch@albaraka.com.sd | 0187112413 |
| 12 | Portsudan | portsudan-branch@albaraka.com.sd | 0187112860 |
| 13 | Gari | garry-branch@albaraka.com.sd | 0187112470 |
| 14 | Soug Mahali | soukmahali-branch@albaraka.com.sd | 0187112560 |
| 15 | Al Gadarif | gadarif-branch@albaraka.com.sd | 0187112830 |

Bank Branches


| Sr. | Branch | E-mail | Tel. |
|-----|----------------|-----------------------------------|------------|
| 16 | Medani | medani-branch@albaraka.com.sd | 0187112950 |
| 17 | Elhasaheisa | hasaheisa-branch@albaraka.com.sd | 0187112563 |
| 18 | Hhag Abdalla | hagabdalla-branch@albaraka.com.sd | 0187112650 |
| 19 | El Obeid | elobeid-branch@albaraka.com.sd | 0187112440 |
| 20 | Nnyala | nyala-branch@albaraka.com.sd | 0187112804 |
| 21 | Sinnar | sinnar-branch@albaraka.com.sd | 0187112680 |
| 22 | Dongola | dongola-branch@albaraka.com.sd | 0187112890 |
| 23 | Al Damazeen | damazeen-branch@albaraka.com.sd | 0187112710 |
| 24 | Kosti | kosti-branch@albaraka.com.sd | 0187112770 |
| 25 | Rabak | rabak-branch@albaraka.com.sd | 0187112740 |
| 26 | Aswag Omdurman | omdurman_market@albaraka.com.sd | 0187112950 |
| 27 | Alsiteen | alsteen-branch@albaraka.com.sd | 0187112981 |

Correspondents Banks


| | | |
|----|-----------------------------------|------------------------|
| 01 | Al Baraka Islamic Investment Bank | Manama / Bahrain |
| 02 | Al Baraka Turk Participation | Istanbul / Turkey |
| 03 | Al Baraka Bank Egypt | Cairo / Egypt |
| 04 | Al Baraka Bank Syria | Damascus / Syria |
| 05 | Al Baraka Bank Lebanon | Beirut / Lebanon |
| 06 | Abu Dhabi Islamic Bank | Abu Dhabi / UAE |
| 07 | Arab African International Bank | Cairo / Egypt |
| 08 | National Bank of Egypt | Cairo / Egypt |
| 09 | El Nilein Bank | Abu Dhabi / UAE |
| 10 | Qatar National Bank | Doha / Qatar |
| 11 | Commercial Bank Of Ethiopia | Addis Ababa / Ethiopia |

AlBaraka Banking Group

Albaraka Bank - Sudan

 Baraka Tower
3583
Qaser St. , Khartoum, Sudan
+249187112140
+249187112143
+249183788585
www.albaraka.com.sd


AlBaraka Bank — South Africa

 2 Kingsmead Boulevard,
Kingsmead Office Park,
Stalwart Simelane Street,
Durban 4000, SA
+27313649000
+27313649001
www.albaraka.co.za

Albaraka Islamic Bank - Bahrain

 Al Baraka Headquarters
Bahrain Bay
1882
Manama, Kingdom of Bahrain
+97317535300
+97317533993
www.albaraka.bh

AlBaraka Bank — Lebanon

 Justinian Street, BAC Center, 12th floor
Sanayeh, near Chamber of Com & Inds.
Beirut,
Lebanon
+9611 748061 to 65
+9611 748061 to 65 Ext: 700
www.al-baraka.com

Albaraka Bank - Pakistan

 Al Baraka House, 162, Bangalore Town,
Main Shahrah-e-Faisal, Karachi,
Pakistan
+92 21 3430 7000
+92 21 3453 0981
www.albaraka.com.pk

AlBaraka Bank - Tunisia

 88, Avenue Hedi Chaker 1002,
Tunis,
Tunisia
+216 71 186 500
+216 71 780 235
www.albarakabank.com.tn

Albaraka Bank - Algeria

 Hai Bouteldja Houidef, Villa No.1,
Rocade Sud, Ben Aknoun,
Algiers, Algeria
+213 23 38 12 73
+213 23 38 12 76/ 77
www.albaraka-bank.com

AlBaraka Bank— Egypt

 Plot 29, Road 90, City Center, First
Sector, 5th Settlement, New Cairo,
84, Cairo, Egypt
+202 281 03600, +202 281 03500
+202 281 03501, +202 281 03503
www.albaraka-bank.com.eg

AlBaraka Banking Group

Jordanian Islamic Bank - Jordan



✉ 926225,
📍 Amman 1 1190, Jordan
☎ +96265677377
📠 +96265666326
🌐 www.jordanislamicbank.com

AlBaraka Turk Participation Bank



📍 Saray Mahallesi,
Dr. Adnan Buyukdeniz Caddesi, No: 6,
34768 Umraniye, Istanbul, Turkey
☎ +9021166660101
📠 +902166661600
🌐 www.albarakatürk.com.tr

AlBaraka Banking Group



📍 Representative Office
Ravindo Building, 10th Floor, Jalan Kebon
Sirih, No. 75, Jakarta Pusat 10340,
Indonesia
☎ +62213161345
📠 +62213161074
🌐 www.albaraka.com

AlBaraka Bank - Syria



📍 Alshahbender Street,
100, Damascus, Syria
☎ +963114437820
📠 ++963114437810
🌐 www.albaraka.com.sy

AlBaraka Banking Group



Representative Office, Libya
(Under Formation)
Trepoli Tower, Towerl
📍 Floor 14, Office No. 144
✉ 93271, Tripoli, Libya
☎ +218 (21) 336 2310
+218 (21) 336 2311
📠 +218 (21) 336 2312
🌐 www.albarakalibya.com.ly

Mr. Mohamed Maarouf



General General
BTI Bank S.A
📍 157, Avenue Hassan II ,
Casablanca 20 000 - Morocco
(Agreee Banque Participative par
Bank AL-Maghrib)
☎ +212520515151
🌐 www.btibank.ma

AlBaraka Banking - Iraq



📍 Heva Grup Ofisi Karşıyolu. Caddesi
Erbil - Iraq
☎ +902123605214
📠 +902123608596
@ erbil@albarakatürk.com.tr

Saudi Arabia



📍 Itqan Capital
The Headquarters Business Park-
West Tower - 15th Floor, Corniche Road
PO Box 8021,
Jeddah 21482
Kingdom of Saudi Arabia
☎ +966125106030
📠 +966125106033
🌐 www.itqancapital.com

Capital Contribution

| | |
|----|---|
| 01 | AL Baraka Real Estate Management company |
| 02 | AL Baraka Insurance Company |
| 03 | AL Baraka Exports Development Company Ltd |
| 04 | AL Baraka Financial Service Company |
| 05 | Arab Agricultural Investment Company |
| 06 | Al Haj Abdullah Ice Factory |
| 07 | National Agency for Insurance and Finance of Export |
| 08 | Forus Development Company Ltd |
| 09 | Al Baraka Financial Services Company |
| 10 | Microfinance Guarantee Agency |



**General Manager's Speech
Board Report**

General Manager's Speech



Al Salamu Alaukum

It is my pleasure and honour to convey to you the most important achievements in this annual report of 2018 which includes:

- The Chairman of the Board of Directors speech.
- Local and global economy performance.
- The Bank Performance in 2018.
- Legal Auditor's report and financial statements for 2018.
- Sharia'a Supervisory Board report.

Finally, I hope to extend my sincere thanks and appreciation to all who cooperated with us to achieve the best results in 2018, especially our valued customers, our correspondents and the employees of the bank.

Abdullah, khairy Hamid

General Director



Board Report

“

In the name of Allah, Most Gracious, Most Merciful
Praise be to Allah, Lord of the worlds, and prayers and peace be upon the seal of Messengers; Muhammad, his family and all his companions.

The global economy witnessed a recovery during 2018, but at a slower pace than the previous year due to slower growth in developed countries, rise of trade conflicts between the United States and China, and the increasing pressure on emerging economies and commodity exporters.

At the domestic level, the domestic economy was affected during the year 2018 by continuing uncertainty and the adverse impacts of unfavorable conditions, which led to modest growth, high inflation, a record exchange rate decline and acute lack of liquidity, which affected the performance of the banking sector.

Despite the obstacles surrounding the circumstances, efforts within the Bank focused on implementing its strategic plan by activating a number of initiatives, particularly those based on diversification and expansion of sources of income at acceptable risks. We thank Allah that the Bank enjoys a safe and secure liquidity position that has attracted many active transactions. The Bank's presence within Al Baraka Banking Group has strengthened its competitive position and created an excellent banking environment, where the results of the works indicate the strength and power of the bank and its potentials to deal with the developments, thanks to Allah and the efforts of the Board of Directors, executive management and the employees.



Please allow me to review the most important results achieved by your Bank during the year 2018:

1. The Bank achieved a substantial growth in total assets by 109% to reach SDG 9.2 billion compared to SDG 4.4 billion in 2017.

2. Total deposits shifted by 94% to SDG 6.6 billion compared to SDG 3.4 billion in 2017 as a result of the expansion of customer attraction and the introduction of new products and services.

3. Financing and investment operations increased by 83% to SDG 5.5 billion compared to SDG 2.3 billion in 2017. The excellent indicators are that the ratio of net non-productive assets decreased to about 0.3 % of the total financing and investment portfolio.

4. The significant improvement in the diversification of sources of income positively reflected on the total operating income, which shifted from SDG 385 million to SDG 775 million in 2017, an increase of 101%.

5. The operating expenses in 2018 reached about SDG 347 million, an increase rate of 73% for the year 2017 amounting to SDG 199 million to accommodate the big changes that have accompanied economic conditions as well as financial leasing cost for the project of new cars and buildings for the head office.

6. The bank achieved net profit after Zakat, taxes and privileges amounting to SDG 368 million compared to SDG 153 pounds in 2017 with growth rate of 140%.

7. Shareholders' equity has grown in 2018 to reach SDG 741 million compared to SDG 453 million pounds in 2017, with growth rate of 63%.

8. The positive financial results achieved during 2018 resulted in the improvement of a range of financial indicators. The Bank's Early Warning Indicators according to the Central Bank of Sudan classification is (satisfactory), the return on total activity of the Bank was 4% , the return rate on equity was 50% and on Capital was 145% compared to 3.5% , 34% , 73% for the year 2017, respectively.

| Results | Percentage |
|---|-------------|
| Asset growth | %109 |
| Increase total deposits | %94 |
| Growth of financing & investment operations | %83 |
| Increase operating income | %101 |
| Increase operational expenses | %73 |
| Net profit increase | %140 |
| Growth of shareholders' equity | %63 |

In addition to the financial indicators, the efforts have resulted in achieving outstanding results at various levels. The year 2018 has been full of achievements, including the following:

- We have worked on to improve the working environment to be attractive by owning distinctive locations for branches of the bank in Amarat, and Rabak and Abu Hamad, as well as construction of the buildings of Al Ahfad, Nyala and Qadarif branches and we have gone far in the implementation of the vehicles parking investment building and the headquarters of the bank. We have also modernized the transport fleet of the bank to contribute in reducing the operational cost and improving the performance.
- In the framework of efforts to achieve the aspirations of customers, the Bank introduced new products and services such as a product of financing medical professions and the product of installment, besides expanding electronic banking services by development of mobile banking and activation of the electronic portfolio project as well Al Baraka Bank customers Loyalty Card (maak). The ATM network of the bank has developed to reach 45 points and the number of sales points reached 400 points and work

is underway to open two branches so that the number reached 29 branches and payment counters.

- Based on the continuous growth and improvement of the quality of work and services, we have developed and qualified human resources through the implementation of many programs and workshops in various sectors of business as well as continuing to develop and finalize the administrative structure and improve the salary structure.
- Our efforts are on to implement several initiatives to accelerate the pace of digital transformation of the Bank in order to execute projects aimed at the development of technical infrastructure, where the entries transformer has been upgraded and the Bank 's new networking (TIC) with national entries transformer has been completed as well as the application of programs dedicated to the calculation of risk financing automatically and human resources management, and work is under way on the application of the (Share Point) system, rows management system and a risk management program.
- On the side of deepening governance, we have upgraded and modernized some of the Bank's (financial, administrative and control) regulations, taking into account

the directives of the Central Bank, Supervision Boards and the best practices of international institutions.

- The Bank kept on playing its key role towards the community. The Bank carries out a package of programs in the areas of health, education, sports and cultural activities. The social dimension of funding is expanded through the education financing product, training opportunities for university students, assisting researchers in addition to creation of employment opportunities through funding of intensive-labor projects and encouragement of entrepreneurship programs where the Bank has co-sponsored Mashroi (my project) program, which aims to encourage young people to self-employment. The Bank is currently working towards to shift towards linkage between the products and services the bank and their impact on the clusters of Sustainable Development (economy, community, environment) as well as measuring this impact as part of the ongoing evaluation.

Before we conclude, we would like to express our deep appreciation to all those who contributed to the achievement of these good results, particularly the Government of the Republic of Sudan, the Central Bank of Sudan, the General Commercial Register and the Khartoum Stock Exchange for their cooperation with us and Al Baraka Banking Group for their continued support to us. We also thank the Shari'a Supervisory Board and external auditors for their guidance. I would also like to thank our honorable shareholders for their continuous support and trust, and our customers, whom we are proud of their trust and loyalty to this bank. I would also like to thank the members of the Board of Directors and the Executive Management Team for their commitment and dedication, hoping to continue exerting efforts to achieve the desired successes during the coming years. In conclusion, our last prayer to praise Allah, Lord of the Creations.



Peace, mercy and blessings of Allah be upon
Chairperson of the Board of Directors.



**Economic
Review**

Global Economy

The global economy continued to grow despite a slowdown in some European and Asian economies. The US-China tariff trade conflict has slowed growth in trade and investment. The rise in interest rates on the dollar and the decline in capital inflows have also affected growth in emerging markets.

Growth in the euro area has been negatively affected by US trade protection policies. The UK's separation from the EU remains an issue affecting the kingdom's growth and trade with the EU countries.

Growth in the Middle East and North Africa (MENA) region continued to decline as a result of continuing tensions and fluctuations in oil prices.

The economic forecasts indicate the following:

- The global economic growth rate for the year 2018 was about 3.7% compared to 3.8% in 2017. Global growth is expected to decline to 3.5% in 2019 before slightly improving in 2020 to 3.6%.
- The growth rate in the United States fell to 2.3% in 2018 from 2.4% in 2017 and is expected to decline to 2% , 1.7% in 2019 , 2020.
- Declining growth in the euro zone in 2017 reached 1.8% compared to 2.4% in 2018 and is expected to decline to 1.6% in 2019,2020.
- The growth rate in emerging markets countries and developing economies declined from 4.7% in 2017 to 4.6% in 2018 and is expected to decline to 4.5% in 2019 and improve to 4.9% in 2020.
- The growth rate of the Chinese economy fell to 6.6 percent in 2018 from 6.9 percent in 2017 and growth is expected to fall to 6.6 percent in 2019 and 2020.

Local Economy

The performance of the local economy during the year 2018 faced many challenges, most notably the continued repercussions of the economic blockade, the banking embargo and the severe shortage of foreign exchange resources which contributed to the deterioration of the Sudanese pound exchange rate against foreign currencies. The gap between the official and parallel prices widened, resulting in run out of the foreign exchange reserve and rise of inflation to record levels in addition to the negative impact of the large shortage of liquidity and the acute shortage of petroleum and flour. The negative impact of rising spending rates on security in some conflict areas also continued.

Among the macroeconomic performance indicators are the following:

- GDP growth in 2018 dropped to about 4% compared to 4.4% in 2017.

- The trade balance deficit fell from US\$ 1.5 billion in 2017 to US\$ 1.3 billion in 2018 and the total budget deficit is expected to reach about one billion pounds.

- Inflation rose from 25.2% in December 2017 to 72.9% in December 2018.

- Money supply rose in 2018 to reach 431 billion pounds, with a rate of 112% than in 2017, amounting to 203 billion pounds. The total volume of bank deposits rose to about 306 billion pounds compared to 140 billion pounds in 2017, an increase rate of 119%. The total banking financing amounted to SDG168 billion, compared to about SDG103 billion pounds in 2017 with growth rate of 63%.

- The exchange rate of the pound against the dollar rose to 47.6 pounds per dollar in December 2018 compared with 8.4 pounds per dollar in December 2017.

Banking Sector

The performance of the Sudanese banking sector during the year 2018 was affected by the continuous pressures and challenges, most notably the inability to deal with the international banking system because of the classification of Sudan as a state sponsoring terrorism. The limits of monetary withdrawals were also restricted aiming to absorb liquidity to reduce the exchange rate gap between the official and parallel prices, lead to increase of cash out of the banking system, which aggravated the liquidity crisis significantly. Similarly, the severe shortage of foreign exchange resources significantly reduced the volume of banking activity and affected inflation rates in improving the operational efficiency of banks. The banks also focused on developing their technical systems to cope with the technical development and expanded their electronic banking services to contribute to reducing the negative effects of liquidity shortage and to allocate 12% of the financing portfolio for Small and medium enterprises.



**Bank
Performance**

Bank Performance

The table below shows the most important indicators of the financial performance of the Bank during the period 2014-2018

(Amounts in millions of pounds)

| Year | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|------|-------|-------|------|------|
| Total activity | 2109 | 2241 | 2692 | 4392 | 9206 |
| Annual Growth rate | %14 | %6 | %20 | %63 | %109 |
| Total Deposits | 1474 | 1684 | 1784 | 3411 | 6648 |
| Annual Growth rate | %19 | %14 | %6 | %91 | %94 |
| Investment and Financial operator | 1192 | 1303 | 1561 | 2939 | 5399 |
| Annual Growth rate | %11 | %9 | %20 | %88 | %83 |
| Total shareholders' equity | 255 | 286 | 335 | 453 | 741 |
| Annual Growth rate | %31 | %12 | %17 | %35 | %64 |
| Operating income | 161 | 211 | 247 | 385 | 775 |
| Annual Growth rate | %13 | %31 | %17 | %56 | %101 |
| Operating expenses | 96.5 | 125.5 | 147.8 | 199 | 345 |
| Annual Growth rate | %17 | %30 | %18 | %35 | %73 |
| Net profit | 51.5 | 59.1 | 76.6 | 153 | 368 |
| Annual Growth rate | %3 | %14 | %30 | %100 | %140 |

Statement of financial position

AS AT 31 DECEMBER 2018

| | | 2018 | 2017 |
|---|-------|----------------------|----------------------|
| <u>ASSETS</u> | Notes | <u>SDG</u> | <u>SDG</u> |
| Cash and cash equivalents | 4 | 2,844,628,381 | 950,153,031 |
| Net of deferred sales receivables | 5 | 2,732,495,591 | 1,334,221,027 |
| Investments in available-for-sale securities | 6 | 405,392,663 | 353,599,414 |
| Investments in securities | 7 | 890,591,500 | 524,759,676 |
| Net of Musharaka financing | 8 | 301,288,392 | 202,433,927 |
| Net financing and other investments | 9 | 488,593,116 | 227,030,738 |
| Net of Ijara ended by ownership | 10 | 6,399,644 | 10,446,269 |
| Murabaha assets | 11 | 544,788,664 | 263,153,502 |
| Net Fixed assets | 12 | 701,821,620 | 264,544,950 |
| Investment in subsidiaries, associates and other companies | 13 | 31,474,576 | 23,853,194 |
| Net other assets | 14 | 256,974,622 | 235,543,471 |
| Improvements in rented premises | 15 | 1,827,988 | 2,720,426 |
| Total assets | | <u>9,206,276,757</u> | <u>4,392,459,625</u> |
| <u>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</u> | | | |
| <u>LIABILITIES</u> | | | |
| Customers' current and saving accounts | 16 | 4,124,368,922 | 2,350,704,699 |
| Other liabilities | 17 | 1,759,727,845 | 490,165,396 |
| Provisions | 18 | 56,953,764 | 37,342,097 |
| Total Liabilities | | <u>5,941,050,531</u> | <u>2,878,212,192</u> |
| <u>EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS</u> | 19 | <u>1,905,476,260</u> | <u>944,827,618</u> |
| <u>SUPPORTING SHARE CAPITAL</u> | 20 | <u>619,044,400</u> | <u>116,145,900</u> |
| <u>EQUITY</u> | | | |
| Share capital | 21/2 | 253,526,638 | 209,126,638 |
| Retained earnings | | 167,829,108 | 137,652,961 |
| Reserves | 22 | 319,349,820 | 106,494,316 |
| Total equity | | <u>740,705,566</u> | <u>453,273,915</u> |
| TOTAL LIABILITIES AND UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY | | <u>9,206,276,757</u> | <u>4,392,459,625</u> |
| Contra accounts | 35 | <u>558,713,333</u> | <u>340,216,896</u> |

General Manager
Abdallah Khairy Hamid

Board Member
Dr. Izzeldin Ibrahim Hassan

Vice Chairman of the Board
Abdelrahman Ahmed Osman

Statement of income

AT 31 DECEMBER 2018

| | | 2018 | 2017 |
|--|-------|---------------|--------------|
| <u>INCOME</u> | Notes | <u>SDG</u> | <u>SDG</u> |
| Income from deferred sales receivables | 23 | 274,046,914 | 290,258,828 |
| Income from Ijara | 24 | 335,616 | 232,558 |
| Income from investments | 25 | 241,555,468 | 134,752,182 |
| | | 515,937,998 | 425,243,568 |
| Less: Return of unrestricted investment account holders | 26 | (186,418,192) | (94,365,009) |
| Net income from deferred sales receivable and investment | | 329,519,806 | 330,878,559 |
| Income from fees and commissions of banking services | 27 | 85,898,083 | 30,319,444 |
| Other income | 28 | 359,946,998 | 24,046,580 |
| | | 445,845,081 | 54,366,024 |
| Total operating income | | 775,364,887 | 385,244,583 |
| <u>EXPENSES</u> | | | |
| staff expenses | 29 | 163,564,616 | 97,836,401 |
| Depreciation and amortization | 30 | 18,982,079 | 11,551,243 |
| Central Bank of Sudan Penalties | 31 | 112,500 | 24,050 |
| General and administration expenses | 32 | 161,688,578 | 89,662,780 |
| Provision for Investment and Financing Risk | 33 | 27,989,376 | 2,645,527 |
| Total Expenses | | 372,337,149 | 201,720,001 |
| Net Profit for the year before taxes and Zakat | | 403,027,738 | 183,524,582 |
| Zakat | 46 | -1,380,191 | -1,508,340 |
| Business profit tax | 47 | -33,637,294 | -29,068,507 |
| NET PROFIT FOR THE YEAR | | 368,010,253 | 152,947,735 |
| Earning per share | 36 | 5.08 | 2.56 |

General Manager
Abdallah Khairy Hamid

Board Member
Dr. Izzeldin Ibrahim Hassan

Vice Chairman of the Board
Abdelrahman Ahmed Osman

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2018

| | 2018 | 2017 |
|--|-----------------------------|---------------------------|
| | SDG | SDG |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Net profit for the year | 368,010,253 | 152,947,735 |
| <u>Adjustments for non-cash items:-</u> | | |
| Gain on sale of fixed assets | (168,708,264) | (5,135,372) |
| Depreciation and amortization | 18,162,311 | 6,097,810 |
| Return of unrestricted investment account holders | 186,418,192 | 94,365,009 |
| Zakat | 1,380,191 | 1,508,340 |
| Business profit tax | 33,637,294 | 29,068,507 |
| Provision for investment and finance risk | 27,989,376 | 2,645,527 |
| Other provisions | (61,105,122) | (13,402,252) |
| Net cash from (used in) operating activities | <u>405,784,231</u> | <u>268,095,304</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | |
| deferred Sales receivables | (1,679,909,726) | (462,617,288) |
| Musharaka financing | (98,854,465) | (48,247,661) |
| Investments in available-for-sale securities | (51,793,249) | (568,970,804) |
| Investments in securities | (365,831,824) | - |
| Net of Ijara ended by ownership | 4,046,625 | (10,203,527) |
| Improvements in rented premises | 892,438 | (819,768) |
| Net financing and other investments | (261,562,378) | (117,714,507) |
| Net Fixed assets | (455,438,981) | (21,200,976) |
| Investment in subsidiaries, associates and other companies | (7,621,382) | (6,238,043) |
| Net cash from (used in) investing activities | <u>(2,916,072,942)</u> | <u>(1,236,012,574)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:-</u> | | |
| Other assets | (21,431,151) | (163,820,387) |
| Customers' current and saving accounts | 1,773,664,223 | 1,066,565,536 |
| Other liabilities | 1,269,562,449 | (76,553,490) |
| Unrestricted investment account holders | 960,648,642 | 458,075,972 |
| Supporting Share Capital | 502,898,500 | 23,842,000 |
| Share Capital | 44,400,000 | 32,571,493 |
| Reserves | 25,851,064 | 1,322,127 |
| Proposed dividends | (150,829,666) | (68,988,132) |
| Net cash from (used in) financing activities | <u>4,404,764,061</u> | <u>1,273,015,119</u> |
| Increase (decrease) in cash and cash equivalents | 1,894,475,350 | 305,097,849 |
| Cash and cash equivalents at beginning of the year | <u>950,153,031</u> | <u>645,055,182</u> |
| Cash and cash equivalents at end of the year | <u><u>2,844,628,381</u></u> | <u><u>950,153,031</u></u> |

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Share capital | Statutory reserve | Fixed Assets Revaluation Surplus | Investment Revaluation Reserve | Foreign exchange gains reserve | Retained earnings | Total |
|--|-------|---------------|-------------------|----------------------------------|--------------------------------|--------------------------------|-------------------|--------------|
| | | SDG | SDG | SDG | SDG | SDG | SDG | SDG |
| Balance at 1 January 2018 | | 209,126,638 | 53,150,446 | 21,180,689 | 32,163,181 | - | 137,652,961 | 453,273,915 |
| Shares capital increase | | 44,400,000 | - | - | - | - | (44,400,000) | - |
| Investment revaluation reserve | 22 | - | - | - | (10,949,962) | - | - | (10,949,962) |
| Net profit for the year | | - | - | - | - | - | 368,010,253 | 368,010,253 |
| Convert to 'foreign exchange gains reserve | | - | - | - | - | 187,004,441 | (187,004,441) | - |
| Transfer to statutory reserve | 22 | - | 36,801,025 | - | - | - | (36,801,025) | - |
| Cash dividends for the year 2017 | | - | - | - | - | - | (43,000,000) | (43,000,000) |
| Proposed dividends | | - | - | - | - | - | (26,628,640) | (26,628,640) |
| Balance at 31 December 2018 | | 253,526,638 | 89,951,471 | 21,180,689 | 21,213,219 | 187,004,441 | 167,829,108 | 740,705,566 |

Notes

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Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Share capital | Statutory reserve | Fixed Assets Revaluation Surplus | Investment Revaluation Reserve | Foreign exchange gains reserve | Retained earnings | Total |
|----------------------------------|-------|---------------|-------------------|----------------------------------|--------------------------------|--------------------------------|-------------------|--------------|
| | | <u>SDG</u> | <u>SDG</u> | <u>SDG</u> | <u>SDG</u> | <u>SDG</u> | <u>SDG</u> | <u>SDG</u> |
| Balance at 1 January 2017 | | 176,555,145 | 37,855,672 | 21,180,689 | 30,841,054 | - | 68,988,132 | 335,420,692 |
| Shares capital increase | | 32,571,493 | - | - | - | - | (32,571,493) | - |
| Investment revaluation reserve | 22 | - | - | - | 1,322,127 | - | - | 1,322,127 |
| Net profit for the year | | - | - | - | - | - | 152,947,735 | 152,947,735 |
| Transfer to statutory reserve | 22 | - | 15,294,774 | - | - | - | (15,294,774) | - |
| Cash dividends for the year 2016 | | - | - | - | - | - | (36,416,639) | (36,416,639) |
| Balance at 31 December 2017 | | 209,126,638 | 53,150,446 | 21,180,689 | 32,163,181 | - | 137,652,961 | 453,273,915 |

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REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS AL BARAKA BANK SUDAN (PUBLIC SHAREHOLDING COMPANY) REPORT ON THE AUDITED FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **al Baraka Bank Sudan** (the bank), which comprise the statements of financial position as at 31 December 2018, statement of income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the bank as of 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and Financial Accounting Standards (FAS) issued by the accounting and auditing organization for Islamic financial institutions (AAOIFI) and the companies law for the year 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Auditing Standards issued by (AAOIFI). Our responsibility under those standards is set forth in the "Auditor's responsibility" section on the audit of the financial statements of our report. We are also independent of the bank in accordance with the international standards of ethics of the board of accountants "code of ethics for professional accountants (IESBA Code) of professional ethical requirements relating to our audit of the bank's financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements for the current year. We have addressed these matters in the context of our audit of the financial statements as a whole, and do not express a separate opinion on these issues. We have identified the following key audit matters and addressed them in our report:

1) Provisions for impairment of financing assets:

The financial assets accounted for 30% of the total assets of the Bank as at 31 December 2018 and represent a significant portion of the statement of financial position. And the related impairment provision is considered a significant matter for the audit.

Our audit procedures include:

- The Central Bank of Sudan's (CBOS) circulars specify certain percentages for calculating the general provision for impairment of non-performing and doubtful loans. According to CBOS circulars, the Bank calculates a general provision for impairment of financing assets of 1% on financing assets not subject to special provision (specific) that varies according to the financing instrument and the period of delay in payment. The mortgage offered against the financing is deducted according to the type of mortgage at specific rates of the CBOS for each type of mortgage.

- In order to provide adequate disclosure of exposure level, we have taken into account the impact of the application of Financial Accounting Standard (FAS) No. 30 issued by the Accounting and Auditing Organization for Islamic Financial Institutions (Financial Assets and Credit Losses), as well as the related CBOS circulars.

Other Information

Management is responsible for other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information identified above and in so doing, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management for the financial statements

The preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is the responsibility of the Board of Directors. This responsibility includes: designing, implementing and maintaining internal control systems relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors, the selection and application of appropriate accounting policies, and the preparation of reasonable accounting estimates That are appropriate in such circumstances.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards of the Accounting and Auditing Organization for Islamic Financial Institutions (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 financial statements.

Mubarak El-Awad & Co.

Mubarak El-Awad & Co.

Chartered Certified Accountants &
Financial Consultants

مبارك العوض وشركاؤه

محاسبون قانونيون
وإستشاريون ماليون


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 evidenced 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 disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate whether the preparation and presentation of the financial statements of the Bank have been made in all material respects, in accordance with the provisions and principles of Islamic Sharia.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Bank as of 31 December 2018 have met all the essential aspects of the legal, regulatory and other local requirements which are as follows:

- Appropriate requirements of the Companies Act 2015.
- Banking Regulatory Act and the Central Bank of Sudan requirements
- Fatwa and Sharia Supervisory Board.
- The Memorandum and the Articles of Association of the Bank.


Mubarak El-Awad Mohammed - Partner
Mubarak El-Awad & Co.
Chartered Certified Accountants
Khartoum, Sudan
7 March, 2019

Mubarak Elawad & Co.
07 MAR 2019
Chartered Certified Accountants

Report of the Fatwa and Shari'a Supervisory Board

In the name of Allah. Most Gracious, Most Merciful

Al Baraka Bank - Sudan

Praise be to Allah, the Lord of the Worlds, and prayers and peace be upon our master Muhammad, the seal of the Prophets and upon all other Prophets and Messengers:

This is the report of the Fatwa and Shariah Supervisory Board submitted to the general assembly of shareholders of Al Baraka Bank - Sudan for the period from 01/01/2018 to 31/12/2018.

Pursuant to the Control Standard of the Financial institutions No. (1) regarding Shari'a Supervisory Boards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) (Bahrain), the Fatwa and Shariah Supervisory Board submits the following report to the General Assembly of Shareholders of Al Baraka Bank – Sudan:

The Board held thirteen meetings at the Bank's premises during the year 2018, where it:

1. Reviewed the samples of the contracts executed.
2. Reviewed a number of models of investment operations contracts.
3. Issued a number of "Fatwas" and directives related to various subjects in the aspects of the bank's activities documented in the minutes.
4. Responded to several inquiries from a number of branches and management of the bank.
5. Held a meeting in February 2019 in which it reviewed the draft report of the legal auditor, the financial statements and clarifications thereon, heard an explanation from the Director of the Financial Supervision Department, and made some observations documented by the minutes of the meeting.

Report of the Fatwa and Shari'a Supervisory Board

6. The Board supervised the work of the Bank in 2018 , and is pleased to decide the following:

- a) The responsibility of ensuring that the institution operates in accordance with the provisions of the Islamic Shari'a lies on the Administration. However, the responsibility of the Board is limited to expressing an independent opinion based on its supervision of the Bank's operations and in preparing a report for you.
- b) The responsibility for calculating and paying Zakat lies on the Bank's management in accordance with the law and circulars of the Sudanese Zakat Chamber, and the directives of the Fatwa and Shari'a Supervisory Board of the Bank.
- c) The distribution of profits and bearing of losses by investment accounts are in accordance with the basis approved by us pursuant to the provisions and principles of Islamic Sharia.
- d) The Board, through its review of the contract samples and transactions entered into by the Bank during the year ending 31 December 2018, concluded to the fact that that all transactions of the Bank are almost in accordance with the provisions of the Islamic Sharia .
- e) There is no money related to illegitimate gain.
- f) The Board thanks the Bank's officials for their cooperation in accomplishing its tasks.

Members of the Fatwa and Shari'a Supervisory Board

Signed: Dr : Abdullah Mohamed Ahmed Abdullah

Signed: Prof.: Mohamed Sirelkhatim Mohamed Mohamed Ahmed

Signed: Dr : Abdul Sattar Abdul Karim or Ghada

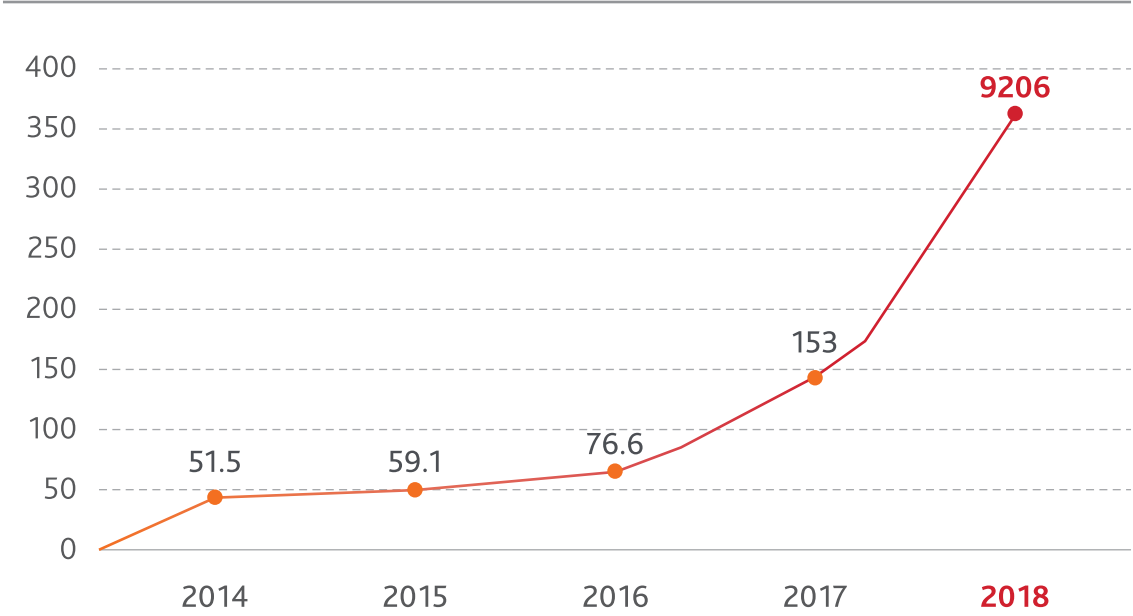
Signed: Dr.: Hammad Mohamed Ahmed Al-Bashir

Issued in Khartoum - Sudan - On the 4th of February 2019.

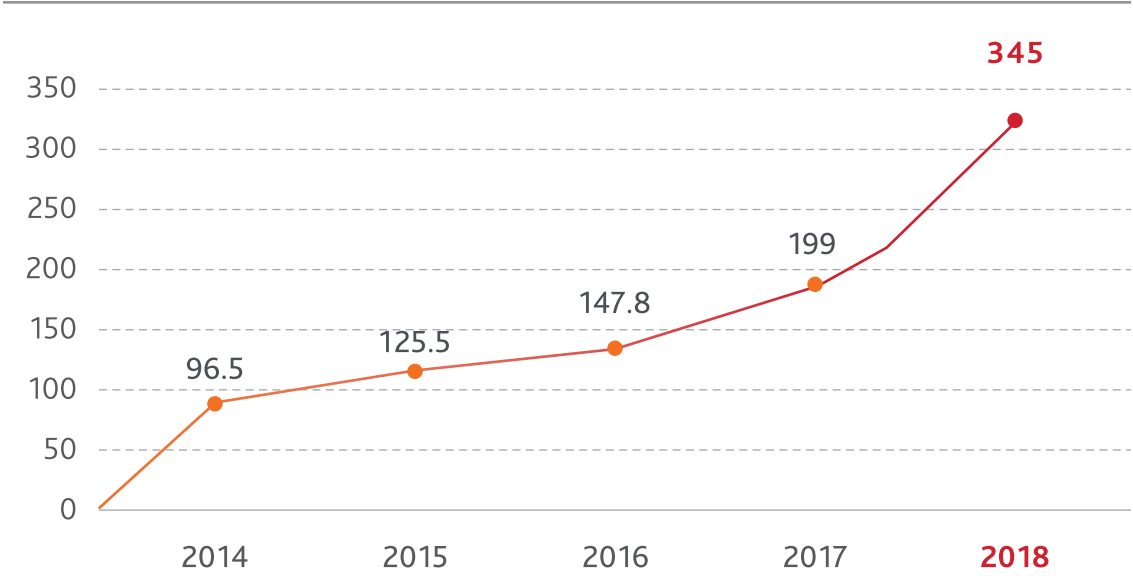
TAY_____

This translation is certified true, correct and in conformity with the text presented to us.

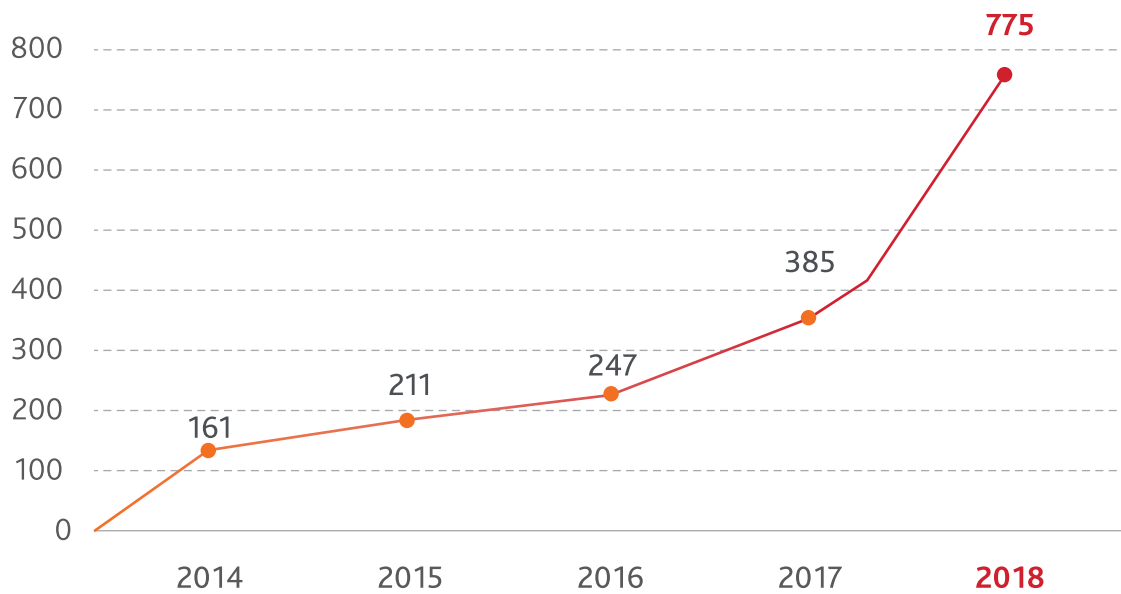
Net Profit (Amount in millions of SDG)



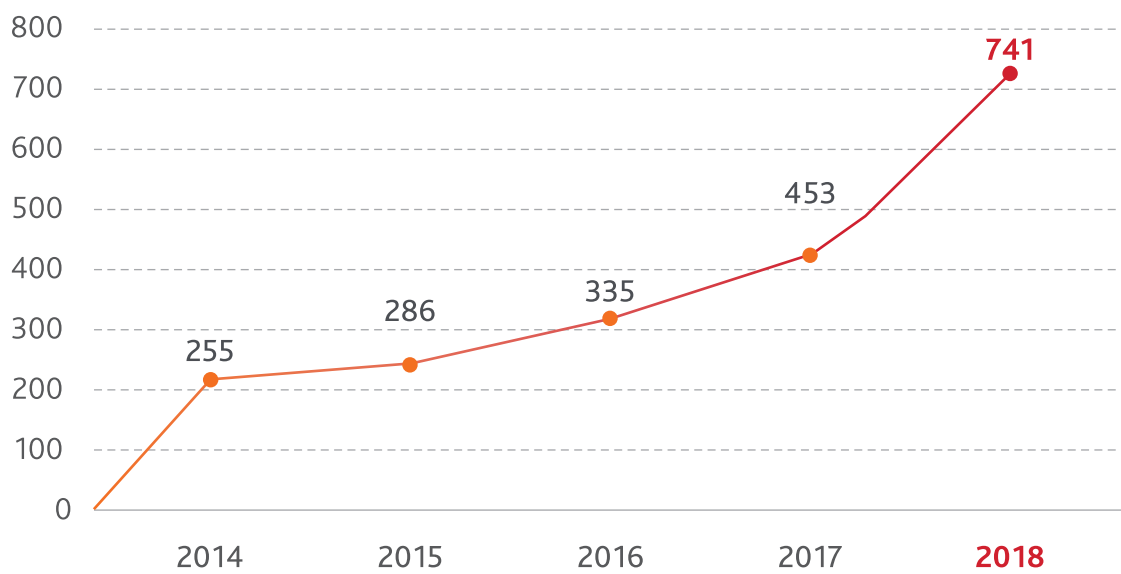
Operating Expenses (Amount in millions of SDG)



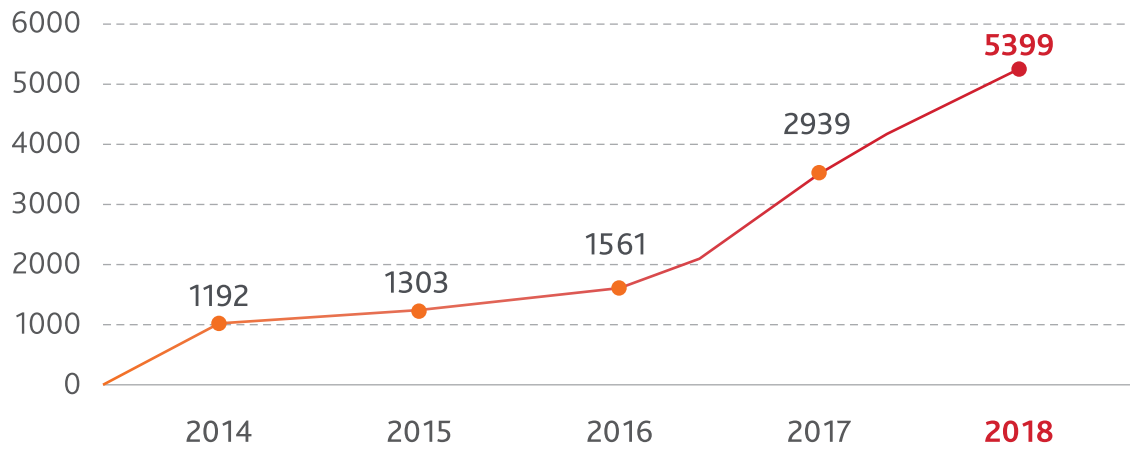
Operating Income (Amount in millions of SDG)



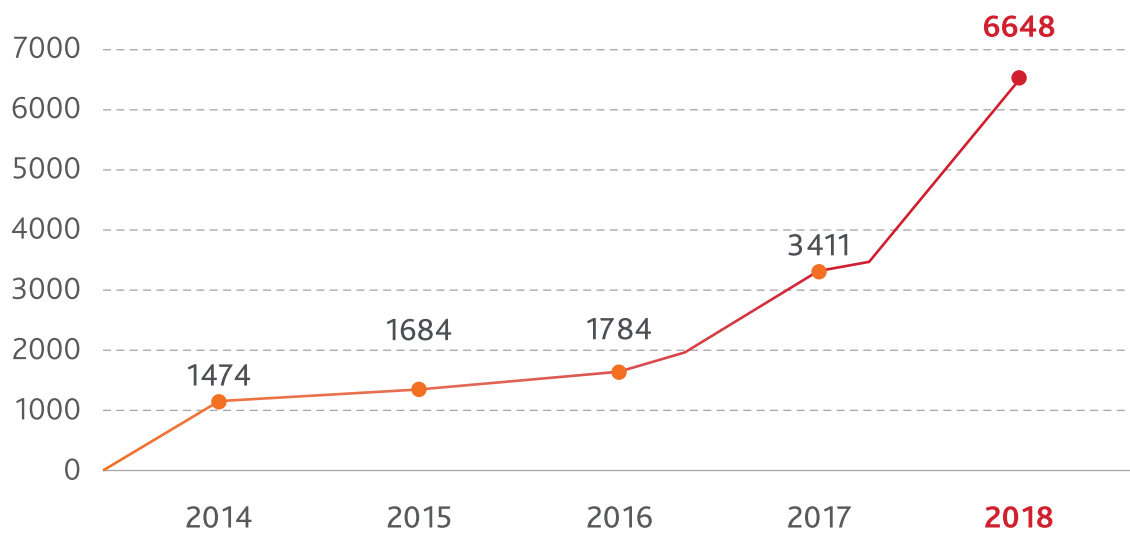
Total Shareholders Equity (Amount in millions of SDG)



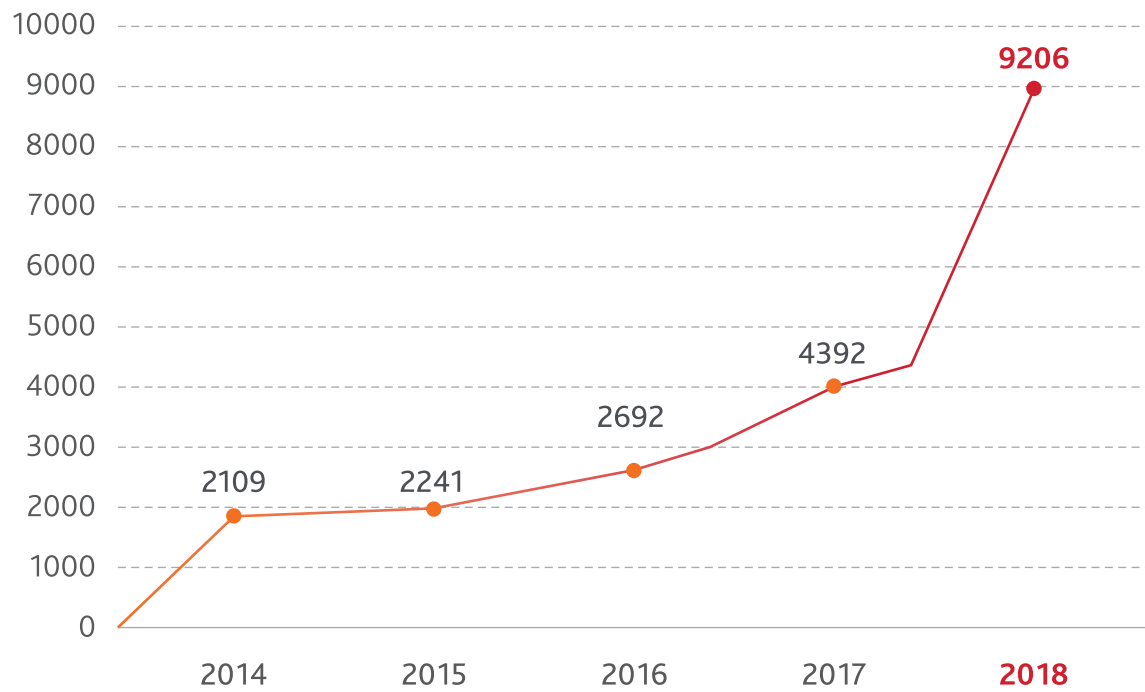
Investment & Financing Operation (Amount in millions of SDG)



Total Deposits (Amount in millions of SDG)



Total Activity (Amount in millions of SDG)



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