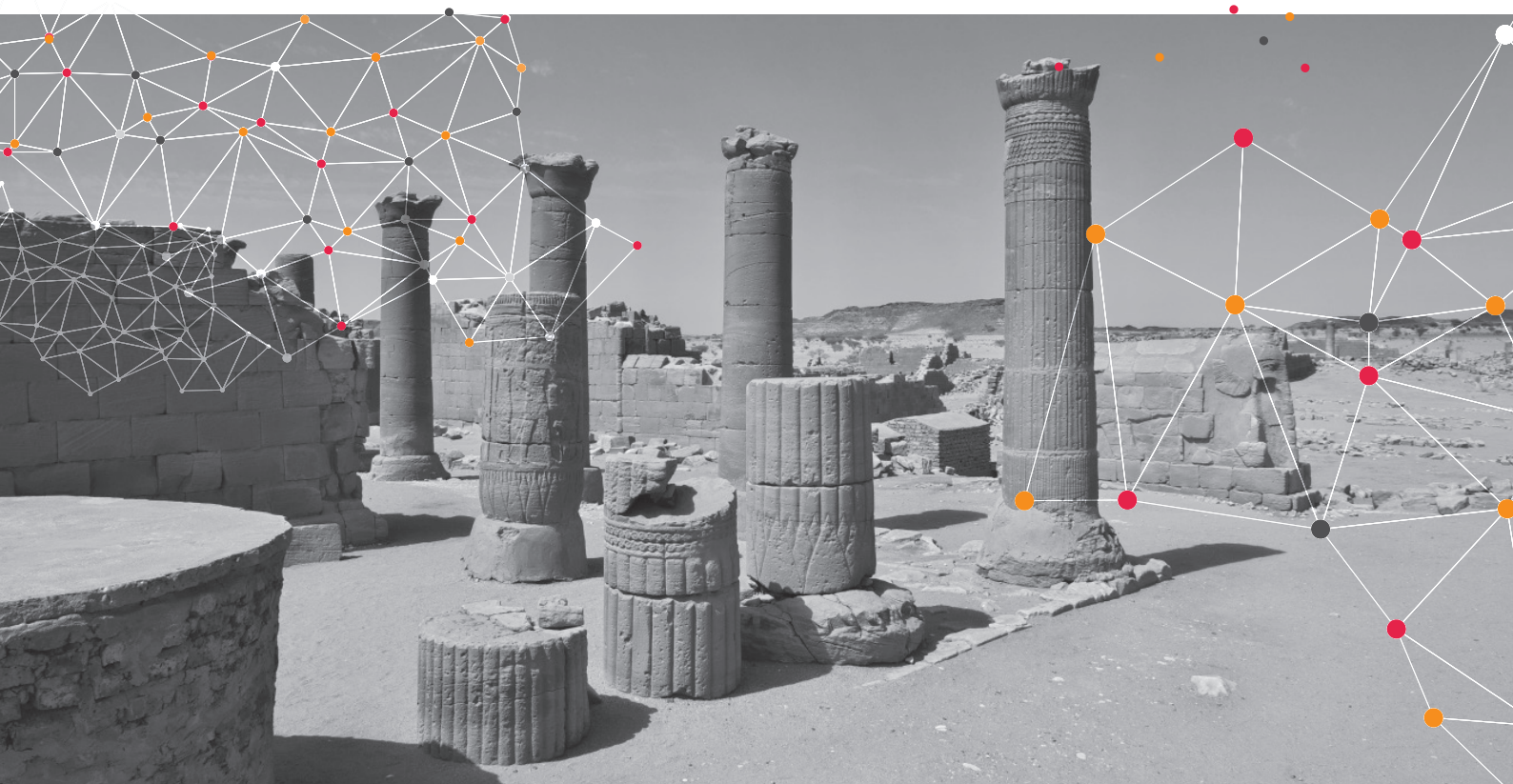




Annual Report **2020**



Your Partner Bank

{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



Shaikh Saleh Abdullah kamel

Chairman of the Board of Directors
Albaraka Banking Group

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OUR VISION

We believe society needs a fair and equitable financial system, one which rewards efforts and contributes to the development of the community

OUR 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

OUR CORE VALUES

Partnership

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

Driven

We have the energy and perseverance it will take to make an impact in our customer lives and for the greater good of society

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

Peace of Mind

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

Board of directors

	Name	Nationality	Board of Directors
1	Mr.Adnan Ahmed Yousef	Bahraini	Chairman
2	Mr.Abdelrahman Ahmed Osman	Sudanese	Vice – Chairman
3	M.Yassir Ismail Muzafar	Bahraini	Board Member
4	Dr.Izzeldin Ibrahim Hassan	Sudanese	Board Member
5	Dr.Ahmad Albadawi M.Alatin	Sudanese	Board Member
6	Dr.Mekki Madani Alshibli	Sudanese	Board Member
7	Mr.Kamal Ahmed Elzubeir	Sudanese	Board Member
8	Mr.Ahmed E.Ahmed Abdellatif	Sudanese	Board Member
9	Mr.Saoud Mamoun Alberier	Sudanese	Board Member
10	Mr. Joseph Makeen Iskander	Sudanese	Board Member
11	Mohammed Alsharif Mohammed Alatin	Sudanese	Secretary Of the board of Directors



His Excellency Mr. Adnan Ahmed Yousif, Chairman of the Board of Directors:

(Bahraini national)

A prominent Arab banking personality, with a wide and diverse experience that exceeds three decades in international banking. He holds a Master's degree in Business Administration from the University of Hull, United Kingdom and has worked in the Arab Banking Corporation for more than 20 years, being a member in its Board of Directors.

Mr. Adnan has led the development of Al Baraka Banking Group since its establishment, to become one of the largest and most diversified Islamic financial groups in the world and operates more than 700 branches in 15 countries. Its head office is located in the Kingdom of Bahrain. Mr. Adnan also chaired the boards of directors of Al Baraka Partnerships Bank Turkey, Al Baraka Bank Algeria, Al Baraka Bank Limited South Africa, Al Baraka Bank Lebanon, Jordan Islamic Bank, Al Baraka Bank Egypt, Al Baraka Bank Syria, Al Baraka Bank Sudan, Al Baraka Bank Limited Pakistan and Vice Chairman of the Board of Directors of Al Baraka Islamic Bank Bahrain, in addition to his membership in the boards of directors of Al Baraka Bank Tunisia and Itqan Capital Company in the Kingdom of Saudi Arabia.

Mr. Adana as CEO of the Group retired at the end of the year 2020 AD, after a long career that was full of many achievements and successes at all levels.

Mr. Adnan also chaired the Board of Directors of the Union of Arab Banks headquartered in Lebanon for two consecutive terms (2007-2013). Mr. Adnan has received several international medals and awards, as he was awarded the "First Class Medal of Merit", which is a distinguished honor from His Majesty King Hamad Bin Eissa, King of the Kingdom of Bahrain in 2011. Mr. Adnan was also awarded the title of United Nations Ambassador for Social Responsibility (Kingdom of Bahrain from the Regional Network for Social Responsibility, in addition to twice receiving the award of Islamic Banking Personality for the years (2004 and 2009).

He also received the Excellence Award in "Achievement for the year 2012", presented by the American Finance House "LARIBA" in recognition of his leadership role in the development and operation of the largest Islamic banking group in the world.

In appreciation of his efforts in serving the Islamic economy and his outstanding contribution to Islamic banking and highlighting its role in serving development and community issues. The Lebanese University of Jinan awarded him an honorary PhD in business administration. Moreover, in appreciation of his efforts in developing a unique business model that integrates with the noble goals of Islamic banking Mr. Adnan was awarded the Sudanese Presidential Medal for Excellence in Social Responsibility in December 2015.

In December 2016, Mr. Adnan was awarded the title of High Commissioner for Preaching the United Nations Sustainable Development Goals 2030". He also won the Golden Award for Sustainable Development in appreciation of his great role in social responsibility service programs nationally and internationally, as well as in appreciation of the pioneering role of Al Baraka Banking Group in the field of social responsibility activities at the 2016 Oman International Conference on Social Responsibility. At the beginning of 2017, Mr. Adnan Youssef was elected as President of the Bahrain Association of Banks.



His Excellency Mr. Abdel ARahman Ahmed Osman Al-Sayed, Vice Chairman of the Board of Directors:

Chairman of the Executive and Policy Committee

- Sudanese national

- Holds a Master's degree in Economics of Development of Developing Countries from Wilms College (Harvard University, USA).

- He served at the Ministry of Finance and then at the Central Bank of Sudan since its establishment, and was delegated to establish the Central Bank of Yemen

- He served as an expert in the Arab Monetary Fund for a period of two years.

- He founded the National Export-Import Bank (Exim Bank) and then led the work in it as General Manager and Chairman of the Board of Directors for the period 1984-1993

- He led the Union of Sudanese Banks, and then the African banks as president in several historical periods

- He served as a member of many boards of directors in different banks and companies for many periods.

- He served as a Member of the Executive Committee of the Union of Arab Banks.

- He served as Chairman of the Audit Committee and then Chairman of the Risk Committee at Al Baraka Bank Sudan before being appointed as Vice Chairman.

- He was appointed as Vice Chairman of the Board of Directors for the new term (2019-2021).



His Excellency Dr. Ahmed El-Badawy Mohammed El-Amin Hamed, Member of the Board of Directors:

Chairman of the Governance and Compliance Committee

- Sudanese national.
- Pharmacist and man of law.
- Founder and President of Amipharma Pharmaceuticals Laboratories Ltd, which is the largest manufacturer of medicine and medical preparations in Sudan and which has important initiatives in the field of social responsibility and sustainability.
- Chairman of the Medical Chamber of the Sudanese Federation of Chambers of Industry (formerly).
- Vice Chairman of the Board of Directors of the Arab Federation of Pharmaceutical Producers (based in Amman). He was awarded the Medal of Merit by the Sudan President of the Republic in May 2011. He received an honorary Phd from the University of Gezira in October 2002 and from Ahfad University in April 2001



His Excellency Mr. Yasser Ismail Muzaffar Ali, Member of the Board of Directors: Chairman of the Audit and Risk Committee

(Joined the Board of Directors in April 2019 AD, the new Board term (2019-2022))

- Bahraini national He currently holds the position of Senior Vice President Head of Finance at Al Baraka Banking Group (ABG)
- Mr. Yasser Muzaffar has more than 19 years of extensive experience in the Islamic banking industry, and his last position was Assistant General Manager
- Served as Financial Director at Khaleeji Commercial Bank for more than 12 years, during which he established, developed and managed the Financial Supervision and Internal Control Department in the bank.
- Previously, he served at Kuwait Finance House - Bahrain in the Financial Supervision Department. He also served in the Khaleeji Commercial Bank
- Member of the American Institute of Certified Public Accountants (AICPA) and holder of the Certified Public Accountant (CPA) certificate from the state of Michigan, USA
- He holds an Executive Master's degree in Business Administration from the University of Bahrain and holds a Certified Islamic Certified Public Accountant (CIPA) from the Audit and Appropriation Office for Islamic Financial Institutions (AAOIFI).



His Excellency Dr. Ezzeldin Ibrahim Hassan – Board of Directors Member, Chairman of the Committee on Benefits, Board Membership, Social Responsibility and Sustainability

- Sudanese national.
- Holds PhD in Economics from York University, UK
- Chairman of the Board of Directors of the Sudanese French Bank (2004 -2007)
- Chairman of the Board of Directors of the Civil Aviation Authority (2006 -2009)
- Chairman of the Board of Directors of Sudan News Agency - SUNA (2006 -2008)
- Chairman of the Board of Directors of the Insurance Supervisory Board (2003 -2007).
- Minister of State for at the Ministry of Finance (1996-2000).
- Chairman of the Board of Directors of PTA Bank 1996.
- Member of the Board of Directors of the Central Bank of Sudan, 1994- 1996 .
- Member of the National Transitional Assembly 1993-1996 and Chairman of its Economic Committee 1996/95 .
- Adviser to the Ministry of Finance and National Economy (Sudan) 1989 .
- Director of the Department of Economic Research and Statistics at the Arab Monetary Fund (1981-1989)
- Economist, International Monetary Fund (1972-1974)
- University Professor of economics in Sudanese universities and has several published research papers.



His Excellency Mr. Joseph maken Iskandar Yaqoub, Member of Board of Directors.

- Sudanese national.
- Bachelor degree of Commerce (Accounting) Cairo University, Khartoum Branch.
- Head of a group of companies covering commercial and industrial activities.
- His investments are numerous, and he has a reputable local and international reputation.
- Agent for American and Asian international companies and brands.
- He has pioneering social and sports contributions and initiatives



His Excellency Mr. Saoud Mamoun Al-Barair, Member of the Board of Directors.

- Sudanese national
- Bachelor's degree in Business Administration, Cairo University.
- Bachelor of Law.
- Chairman of the Mamoun Al-Barair Group and the Saud Mamoun Al-Barair Group, two of the largest local and international well-known Sudanese business groups
- Chairman of the Sudanese Businessmen & Employers Union for several terms of office (previously).
- Member of the International Islamic Chamber of Commerce, Member of the Board of Directors of Al Salam Bank (Khartoum - Bahrain) (formerly).
- Member of several boards of directors of Sudanese companies and institutions.
- Member of the Board of Directors of Al Baraka Insurance Company (Sudan)
- Honorary Consul for the Kingdom of Sri Lanka



His Excellency Dr. Makki Medani Al-Shibli, Member of Board of Directors, Vice-chairman of Audit & Risk Committee, and Governance and Compliance Committee.

- Sudanese national
- PhD in Economics from the University of Kent, England
- Having experience for more than thirty years in various fields of economic and social development and credit financing, especially issues of Arab-African cooperation.
- Director of the International Cooperation Department at the Arab Organization for Agricultural Development.
- He served as an expert in the Arab Authority for Agricultural Investment Development (AAAID).
- He served at the Arab Bank for Economic Development in Africa (BADEA) as an assistant director of Operations Department.
- Vice Dean of the University of Medical Sciences and Technology, founder of the College of Social and Environmental Studies, and founder of the Sudan Development Institute.
- Executive Director of the Mamoun Al Bahiri Center for Economic and Social Studies and Research in Africa.
- He is one of the characters included in the book entitled: 500 Founders of the 21st Century, issue by Biographical Institute in England, 2002.



His Excellency Mr. Mohammed Sharif Mohammed Al-Amin, Secretary of the Board of Directors:

- Sudanese national
- Master's degree in Banking and Finance, Jordan
- Bachelor's degree in Econometrics and Social Statistics, University of Khartoum
- Served as Acting Deputy General Manager at AL khaleej Bank Sudan (January 2017-February 2017).
- Served as Acting General Manager at Pioneers Bank for Development and Investment, Sudan (May 2016 January 2017).
- Served as Assistant General Manager for Financial Investment, Pioneers Bank for Development and Investment, Sudan (2014, May 2016).
- Served as Assistant Manager-General for Financial Affairs and Treasury, Pioneers Bank for Development and Investment, Sudan (2013-2014).
- Served as Vice Director General for Financial and Administrative Affairs, Al-Rowad Financial Services Company, Sudan (2006-2012).
- Served as Secretary of the Board of Directors - Al-Rowad Financial Services Company, Sudan (2008-2012).
- He was selected in the year 2017 AD as Secretary of the Board of Directors of the Bank.



His Excellency Mr. Ahmed Al-Amin Ahmed Abdullatif, Member of Board of Directors:

- Sudanese national
- Holds a Master Degree in Business Administration from Cambridge University, UK
- Member of the Board of Directors and CEO of the Central Trading Company Limited CTC Group.
- Honorary Consul of the Republic of Senegal in Sudan since 2009.
- Vice President of the American-Sudanese Business Council
- Member of the Board of Directors of the Sudanese Employers & Businessmen Union (formerly).
- Youth Business Secretariat at Sudanese Employers & Businessmen Union (formerly).



His Excellency Mr. Kamal Ahmed Al Zubair, member of Board of Directors:

- Sudanese national.
- Holds a master degree in business administration from the University of Au Dennis, Denmark.
- General Manager (former) of the United Money Bank Sudan
- Director of Finance and Financial Institutions Department at the Arab Investment Company, Bahrain.
- Director of the London for Feiting Company, Cyprus.
- He served as a sector manager at the Saudi Holland Bank, Kingdom of Saudi Arabia.

Board of directors Committees

Committee	Member's Name	Title
Executive and Policies Committee	Mr.Abdelrahman Ahmed Osman**	President
	Dr.Izzeldin Ibrahim Hassan	Vice president
	Mr.Saoud Mamoun Alberier	Member
	Mr. Joseph Makeen Iskander	member
Board Affairs, Remuneration , Sustainability and Social Responsibility Committee	Dr.Izzeldin Ibrahim Hassan	President
	Dr.Ahmad Albadawi M.Alatin	Vice president
	Mr.Abdelrahman Ahmed Osman	Member
	Mr.Kamal Ahmed Elzubeir	member
	Mr.Ahmed E.Ahmed Abdellatif	member
	Mohammed Alsharif Mohammed Alamin	Board Secretary
Auditing and Risk Committee	Mr.Yassir Ismail Muzafar	President
	Dr.Mekki Madani Alshibli **	Vice president
	Mr.Kamal Ahmed Elzubeir	member
Compliance and Governance Committee	Dr.Ahmad Albadawi M.Alatin	President
	Dr.Mekki Madani Alshibli	Vice president
	Mr. Joseph Makeen Iskander	member
	Mr.Ahmed E.Ahmed Abdellatif	member
General Secretariat	Mohammed Alsharif Mohammed Alamin	Board Secretary

** Independent Auditor

Executive Committee



Mr. Alrasheed Abdulrahman Ali
General Manager



Mr. Abdulhafiz Fahmi Mohammed
Deputy – General Manager



Mr. Abdulbasit Abdulrahman Osman
Assistant manager for profit centers



Dr. Mohammed Ahmed Omer Taha
General Assistant manager for branches



Mr. Ayman Ahmed Mohammed Abdulla
Assistant Manager for Strategies and Development



Mr. Albashir Omer Albashir
Assistant Manager for Support



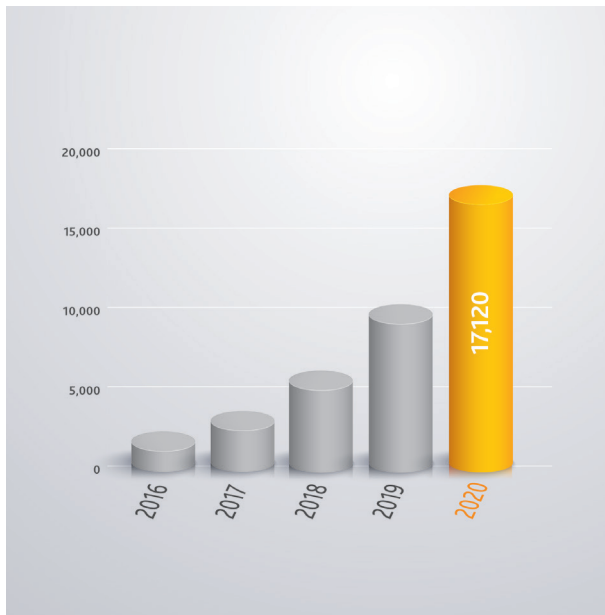
Mr. Mohammed Majzoub Waraq Mohammed
Main branch Manager and Assistant manager

Financial Highlights

Statement	SDG Millions				
	2020	2019	2018	2017	2016
Total Assets	38,125	15,976	9,206	4,392	2,692
Total Finance & Investments	17,120	9,623	5,399	2,939	1,561
Total Deposits	30,895	12,828	6,648	3,411	1,784
Total Equity	2,464	1,050	741	453	335
Total operating Income	3,181	1,058	775	385	247
Operating Costs	1,163	594	345	199	148
Net Operating Income	2,018	464	430	186	99
Net Income	1,413	443	368	153	77

Main Financial Highlights

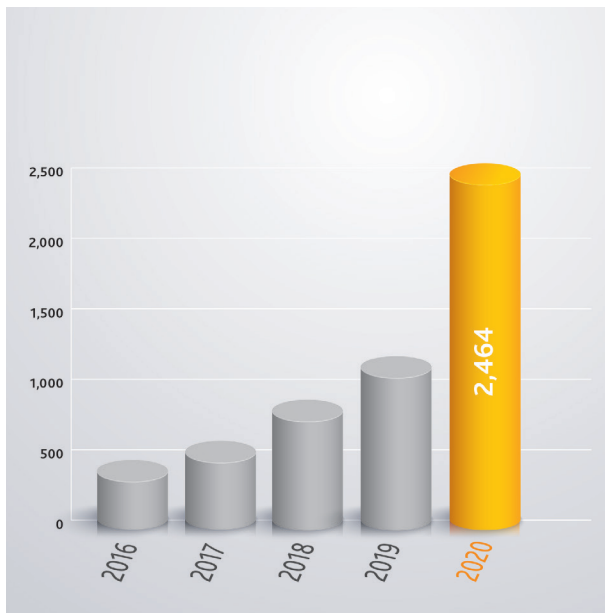
Total Finance & Investments



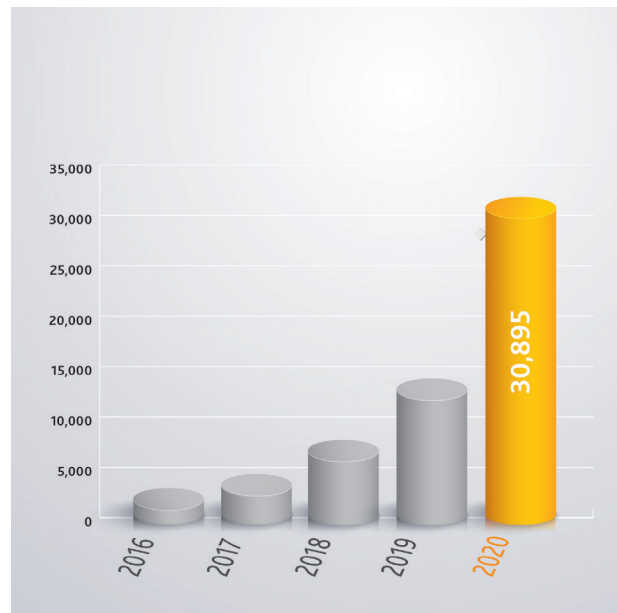
Total Assets



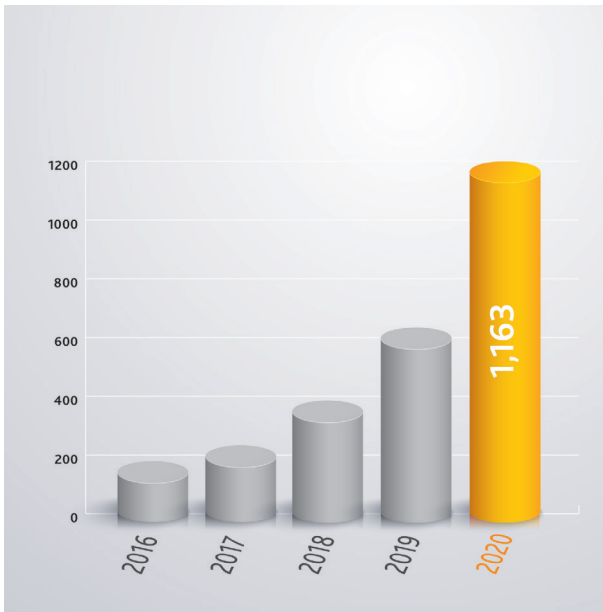
Total Equity



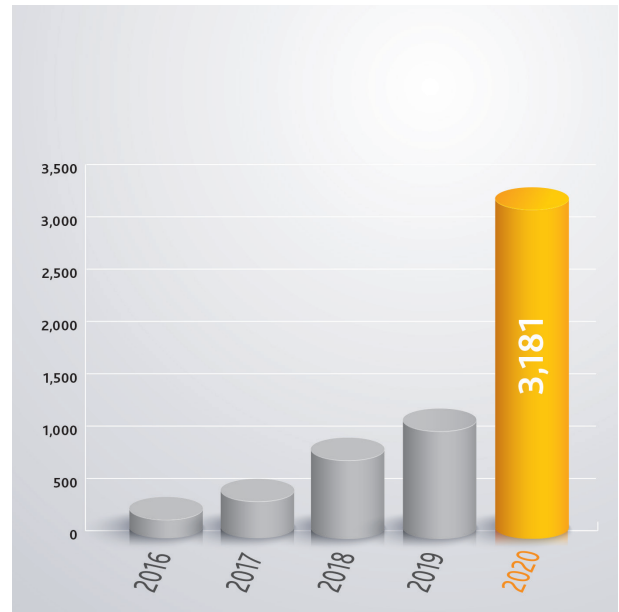
Total Deposits



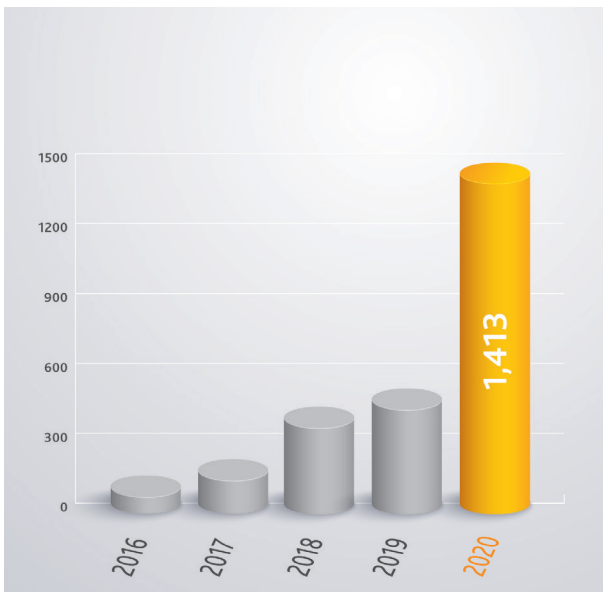
Operating Costs



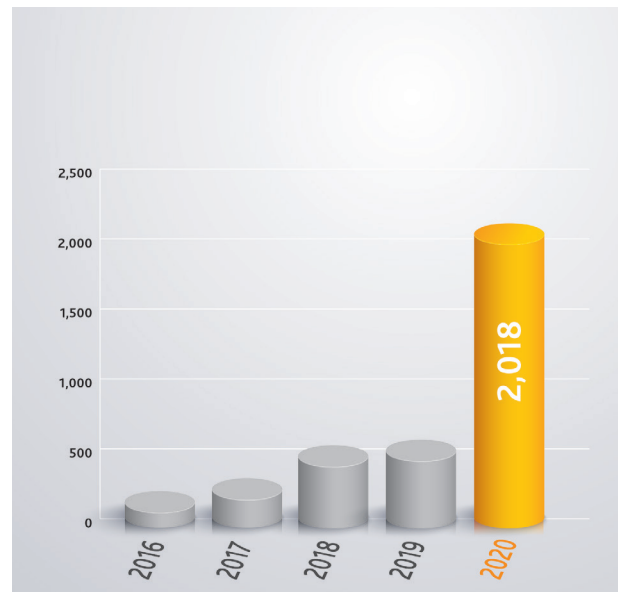
Total operating Income



Net Income



Net Operating Income





Board of Directors' Report



Praise be to Allah, Lord of the Creations, and prayers and peace be upon the Seal of the Messengers, our Master Muhammad, and upon all his family and companions.

Dear Shareholders,

Peace, mercy and blessings of Allah Almighty be upon you.

We are pleased to welcome you to the annual general meeting of the shareholders of Al Baraka Bank Sudan, in which we review the bank's most prominent achievements and financial results for the year 2020.

The global economy for the year 2020 witnessed an unprecedented decline as a result of the exceptional repercussions of the Covid-19 pandemic and its negative effects on various countries of the world, as supply chains were disrupted and the lockdowns affected most sectors, which resulted in the decline in the prices of basic commodities and oil to their lowest levels since decades. International Monetary Fund reports indicate that the decline in the growth rate of the global economy will be greater than the decline that was recorded during the global financial crisis, where the global economy recorded a growth rate of minus 3.3% by the end of 2020, while the growth will return to 6% in 2021, according to IMF reports, where The pandemic is expected to recede, restrictions on productive sectors will be eased, and economic recovery will begin, particularly with the introduction of vaccines and the start of vaccination campaigns.

Indicate the continued decline in the GDP growth to the year ended 2020 to -3.6% compared to -2.5 for the year 2019.

Inflation reached 148% on average, due to the continued escalation of the growth rates of the money supply, in addition to the structural reforms in the government

sector. The value of the national currency continued to deteriorate, and the gap between the official exchange rate and the parallel market price against the US dollar widened due to the scarcity of foreign exchange resources and parallel market speculations.

Performance during 2020

Our Bank worked on during the year 2020 to conduct its business efficiently and competently and to save its strategic plan by activating a set of initiatives, particularly based on diversifying and expanding sources of income according to acceptable risks, as the results indicate the strength and integrity of the Bank's financial position and reflect the great efforts made by the Board of Directors, Executive Management and employees.

With a brief review of the features and indicators of the Bank's performance and achievements during the year 2020, we find that, thank to Allah, most of them were positive, and their most important indicators were reflected in achieving net profits after taxes and zakat amounting to 1.4 billion pounds, with a growth rate of 219% over the year 2019, and the rate of return on shareholders' equity reached 57%, the return on total assets was 3.7%, and the Bank's rating was satisfactory according to the early warning indicators (CAEL) from the Central Bank of Sudan.

In terms of the bank's financial position, the bank's total assets recorded 38 billion pounds at the end of the year 2020, with a growth rate of 139% over the year 2019, and total equity recorded 2.5 billion pounds, with a growth rate of 135%, and total deposits 31 billion pounds, with a growth rate of 141% over the year 2019.

- In light of the difficult operating

environment and a reflection of the high rates of inflation, the total operating expenses amounted to 1.1 billion pounds, an increase of 96% over the year 2019, however, the high growth in the total operating income by 201% contributed to the improvement of the cost to income ratio from 56% in 2019 to 36% in 2020.

- During the year 2020, the Bank was able to increase the financing and investment portfolio by 78% to reach 17 billion pounds, while maintaining the percentage of non-performing assets (insolvency) within 0.38%, and the coverage ratio for bad debts 67%.

Believing in its pioneering role in contributing to alleviating the bottlenecks suffered by the Sudanese (general) economy, Al Baraka Bank launched the initiative to establish a strategic commodity portfolio to cover the import of commodities (wheat, petroleum derivatives, and medicines) and also to provide resources to finance export commodities (gum arabic, livestock, meat. .) With the contribution of a group of banks and the private sector. That had a clear impact on improving the Bank's financial position and the Bank's mental image.

Digitization and technological development:

The developments witnessed by the year 2020 and the change in customer behavior accelerated some developments in the banking sector that our bank was not isolated from, so an integrated strategy for digitization and business intelligence was developed, which is considered the first of its kind at the level of Sudanese banks. Praise be to Allah for the success granted by Him, the bank succeeded in launching the new updates in the converter, which had a major role in upgrading and modernizing service delivery channels such as mobile banking

and points of sale etc....., and the bank also entered into distinguished partnerships with a number of local service providers such as petroleum material distribution services. The bank has also worked on to complement the risk management system within the banking system, and work is now underway to prepare special plans related to digital transformation, taking advantage of the strong infrastructure that the Bank has at the level of technology and systems.

Customer Service Channels:

In the context of the attention in facilitating access to the Bank's services, the service channels were expanded during the year 2020 by opening two branches, one in the state of Khartoum and the other in the River Nile State, bringing the number of service delivery outlets to 32, (29) branches and (3) exchange offices, the Bank is heading to open an other branch during 2021.

Products:

Al Baraka Bank went ahead, through a variety of products, to meet the needs of different groups of individuals and companies. The retail products were expanded by contracting with Al Baraka Insurance Company to raise the ceiling of securing individual financing for employees and salary earners.

Human Resources:

Believing in the importance of the human resource as a cornerstone of business success, the Bank worked on to provide a stable business environment by continuing to improve the salary structure and the incentive system by allocating a percentage of profits to employees, and developing the capabilities of workers through an educational digital platform that provides more than 800 training programs that benefit more than 500 employees.

Governance:

Al Baraka Bank accords utmost importance to adherence to the best international standards and practices in the field of governance. It is worth mentioning that the Board of Directors has committed to apply the annual evaluation (self-evaluation) to the Chairman and members of the Board of Directors, the Board of Directors' (standing committees) committees and the Fatwa and Shari'a Supervisory Board, in addition to the Chairman's self-evaluation, the CEO (General Manager) self-evaluation, and the Board Secretary evaluation, according to the models issued by Al Baraka Banking Group. The results of this evaluation were more advanced than the previous years.

Social Responsibility:

In the context of the practical application of our mission towards the Sudanese community, Al Baraka Bank is committed to providing its services in line with Al Baraka's global strategy for social responsibility and sustainability, which in turn is in line with the United Nations sustainable development goals. In light of the economic sectors affected by the Covid-19 pandemic, the Bank has taken many measures that would alleviate it among customers by expanding the financing programs that targeted the sectors most affected by the crisis, especially programs to support small and medium enterprises. During the year 2020, the community support programs were expanded by allocating a percentage of the profits during the year, it included several areas such as health, education, environment, sports and cultural activities. The initiatives to support health services are among the Bank's priorities, through direct support to the National Fund to Combat Corona, and contribution in the efforts to combat the pandemic through the provision of sterilization and prevention equipment and establishment of social distancing rules in the head office and the Bank's branches.

Our Bank's Strategy:

Although the local and global markets will take time to fully recover from the shock left by the emerging Corona Virus (Covid 19) pandemic, expectations indicate that the year 2021 and subsequent years will witness less fluctuations compared to the past two years. As for the banking sector, it depends largely on the volume of pressures facing profit rates due to high inflation in Sudan, however, the flexibility that Al Baraka Bank of Sudan has, stems from the great progress it has made in terms of digital transformation efforts, and the success of efforts to attract clients from strategic economic sectors, in addition to maintaining its customer base, in addition to the stability of the bank's capital adequacy ratio at good levels, which are factors that combine to prepare the Bank to continue its growth journey during 2021 AD. and subsequent years. In line with the Bank's vision, we will continue to implement the Bank's strategy based on the following themes:

- Strengthening the capital base of the Bank and supporting its financial position.
- Developing the Bank's resources.
- Improving operational efficiency.
- Developing the technical infrastructure to keep pace with the latest banking systems and implement the digital transformation

plan.

Distinguished Shareholders,

In conclusion, we extend our deepest thanks and appreciation to Al Baraka Banking Group for its continuous support to us. We also thank the Central Bank of Sudan, the General Commercial Registrar, the Khartoum Stock Exchange and the Money Markets Regulatory Board for their cooperation with us. We also thank the Sharia Supervisory Board and the external auditors for their generous guidance. I particularly thank our valued shareholders for their continued trust, and our customers, whose trust and loyalty to this Bank we are proud of. We commend our fellow members of the Board of Directors, the executive management team and employees for their efforts, their sincere giving and their appreciative role in the success and development of the bank.

And Praise is due to Allah, the Lord of the worlds

Peace, Mercy and Blessings of Allah be upon you.

Chairman of Board of Directors

Fatwa and Sharia Report

In the name of Allah, Most Gracious, Most Merciful

Report of the Fatwa and Sharia Supervisory Board on

Al Baraka Bank Sudan

"Praise is due 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 Shari'a Supervisory Board submitted to the General Assembly of Shareholders in Al Baraka Bank Sudan, covering the period from 01/01/2020 to 31/12/2020.

Pursuant to the Financial Institutions Control Criteria No. (1) of Shari'a Supervisory Boards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (Bahrain), and in accordance with the assignment letter from the General Assembly of Shareholders of Al Baraka Bank Sudan, the Fatwa and Shari'a Supervisory Board submits the following report:

The Board held five meetings at the Bank's premises during the year 2020:

1. It reviewed samples of executed contracts
2. It reviewed a number of investment operations contracts models and approved them.
3. It has issued a number of fatwas and directives related to various topics in the aspects of the activities of the Petroleum, which are included in the minutes.
4. It answered several inquiries received from a number of the bank's branches and departments.
5. It held a meeting in which it reviewed the draft legal auditor's report, the financial statements and the clarifications related to it, and listened to an explanation from the Director of the Financial Control Department.
6. The Board monitored the Bank's business in 2020 and is pleased to decide the following:
 - (a) The responsibility of ensuring that the institution operates in accordance with the provisions of Islamic Sharia shall be upon the management. As for the Board's responsibility, it is limited to express an independent opinion based on its monitoring of the Bank's operations, and preparing a report for you.
 - (b) The responsibility for calculating and paying Zakat shall be the management of the Bank in accordance with the law and circulars of the Sudanese Zakat Chamber, and the directives of the Fatwa and Sharia Supervisory Board for the Bank.
 - (c) The distribution of profits and bearing of losses on investment accounts is consistent with the basis that has been approved by us in accordance with the provisions and principles of Islamic Sharia.
 - (d) The Board, through its review of the samples of contracts and operations concluded by that the Bank during the year ending on December 31, 2009, has what is likely that all of the bank's transactions were carried out in accordance with the provisions of Islamic Sharia.
 - (c) The money of illegal gain was spent on charitable aspects.

The Board thanks the officials in the bank for their cooperation with it in accomplishing its tasks.

Allah is the guardian of success.

Members of the Fatwa and Shari'a Supervisory Board,

Dr. Abdul Ilah Mohammed Ahmed Abdullah



Dr. Mustaeen Ali Abdul Hamed



Dr. Abdul Sattar Abdul Karim Abu Ghuddah

Who died on January, 11 - May

Allah have mercy on him and make his destination the paradise.

Issued in Khartoum - Sudan - on January 25, 2020

Independent Auditor Report

Mubarak El-Awad & Co.

Mubarak El-Awad & Co.

Chartered Certified Accountants
& Financial Consultants

مبارك العوض وشركاؤه

محاسبون قانونيون
و استشاريون ماليون

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 2020, 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 2020 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 32% of the total assets of the Bank as at 31 December 2020 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 specifies 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.

Mubarak El-Awad & Co.

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Chartered Certified Accountants
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- 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.

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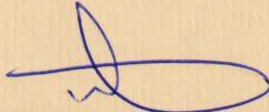
As part of an audit in accordance with Auditing Standards of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- 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.

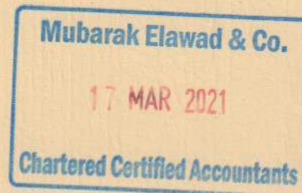
Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Bank as of 31 December 2020 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.
Khartoum, Sudan
17 March, 2021





Corporate
Governance

Corporate Governance Report

Al Baraka Bank Sudan was established on February 26, 1984, with a national and Arab partnership of a number of businessmen and institutions, whose common denominator was its vision which was characterized by morals derived from the tolerant Sharia, diligent work and compliance to apply the best professional standards, achieve common gains and contribute to reliable sustainable development in our local community, and consistently build high shareholder value for the long term.

Al Baraka Bank Sudan turned into a public joint stock company with limited liability in October of the year 2011. It has been keen to follow the highest standards of governance drawn from the best international institutions, and the (Corporate Governance Code of Conduct), hereinafter referred to as the "Code" the set of regulations that regulate the bank's business, which is an important element to maintain enhancing the confidence of all parties that deal with the bank.

This "Code" defines the responsibilities and relationships between each of the shareholders, the board of directors, and the senior management of the bank, through defining objectives, formulating strategies, and effective monitoring of performance, in addition to verifying full compliance with all laws and regulations, and developing a culture of transparency by adhering to the Central Bank of Sudan controls and directives, as well as adherence to standards of disclosure and professional behaviour.

The Board of Directors of Al Baraka Bank, Sudan has adopted a corporate governance policy and culture as a practice with the aim of managing risks as a prerequisite to ensure effective management of the Bank and its continuity, as well as maintaining the highest level of corporate governance and risk management, through continuous and vigilant audit, which is the key to build a responsible company with strong ethics.

This was necessary to build a comprehensive governance structure in which the functions, roles, and responsibilities between the Board of Directors, the Board Committees, the Executive Management, and the Company's officials and employees, are clearly defined and separated from the Board of Directors.

The Board of Directors (the Board) is responsible for setting and supervising business strategies, objectives, and priorities. It is also responsible for setting policies at the highest level, and managing the Bank in general, and is responsible to shareholders for the Bank's financial and operational performance. It is also

responsible for raising and allocating capital, monitoring the executive management and following up performance of the Bank's operations; making important business decisions and maximizing long-term shareholder value.

The Board ensures that the Bank manages risks effectively by approving and following up the level of acceptable risks, identifying and protecting the long-term strategic threats to the Bank's business, in addition to carrying out the duties and responsibilities stipulated by law. Some of the basic tasks of the Board of Directors are carried out through sub-standing committees stemming from the Board of Directors and having their own regulations specifying their tasks and functions.

The Board of Directors shall also, among other things, be responsible for the following:

1. Setting the goals and objectives of the Bank and re-evaluating them periodically.

2. Laying down the necessary policies to achieve the bank's goals and objectives.

3. Establishing the structure and responsibilities of management, reviewing them on a regular basis, and monitoring the effectiveness of the executive management, including monitoring its ability to plan and implement strategies.

- Holding the executive management accountable for the results.
- Setting appropriate policies and procedures for the approval process of the annual plan/budget and reviewing performance against the objectives set therein and the key performance indicators
- Verifying the establishment of a general, effective, comprehensive and transparent framework for corporate governance.
- Adopting and/or approving appropriate policies and procedures to ensure compliance with ethical and professional behavior, laws, regulations, auditing and accounting standards, the Bank's corporate governance policy, institutional control policies issued by the Central Bank of Sudan, and Al Baraka Banking Group's directives.
- Ensure that the Bank's operations are supported by an appropriate control environment, so that the Bank has the functions and departments of compliance, risk management, financial control, and reporting; With suitable

resources and appropriate structures.

- Verifying that the Bank's operations are supported by a disciplined, efficient, integrated, stable and reliable IT system.
- Emphasizing and informing the executive management of the importance of the bank's internal audit by carrying out periodic reviews of the internal control mechanisms, activating procedures to enhance internal auditing, and taking quick and effective corrective measures to address what audit work may reveal.
- Approving the dismissal of credit facilities and investments, when required, in accordance with the Bank's policies and procedures.
- Approval of the strategic investments carried out by the Bank.
- Monitoring and following up the possibility of conflict of interest arising and preventing improper transactions with related parties.
- Approval of any substantial transactions outside the normal course of the Bank's business or that exceed the limits of the approval powers delegated to the Executive Management according to the list of financial and administrative delegations approved by the Board.
- Ensuring the preparation of financial statements that accurately reflect the financial position of the bank, on a regular and consistent basis, as well as ensuring that the periodic financial statements and reports are reviewed, approved and published.
- Approval of all significant changes in the Bank's accounting and reporting policies.
- Ensuring compliance at all times with all Shariah and Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- * Ensuring that the bank has an approved code of conduct for employees and that it is fully complied with at all times.
- Ensuring that the control and discipline environment maintains the necessary confidentiality of customer information and safeguards and protects the rights and funds of customers appropriately.
- Organizing the shareholders' general assembly meetings on their specified dates, and preparing their own agendas.
- Ensuring fair and equitable treatment of all share holders, including minority

shareholders

- Carrying out any tasks or functions that the Board of Directors is required to perform under the applicable laws and regulations.

During its regular review of the Bank's strategy, the Board reviews the Bank's business plans and the level of risk involved in these plans, assesses the adequacy of capital to support the Bank's business risks, sets performance targets, and oversees major capital expenditures and the disposal of investments and acquisitions.

The Board of Directors has overall responsibility for the bank's internal control system and its effectiveness, and for defining and applying accountability standards that enable the executive management to achieve Al Baraka Bank's objectives. The Board verifies that the general frameworks of the systems and control procedures, the structure of the Board and the organizational structure of the Bank in general are appropriate for the Bank's business and the risks associated with it. It also regularly evaluates the general frameworks of the systems and control procedures for this purpose.

The Bank has continuous approved procedures for diagnosing, evaluating and managing the main risks faced by the Bank, and these procedures are regularly reviewed by the Board. This system is designed to ensure the effectiveness and efficiency of operations and their compliance with all applicable laws and regulations. It aims to manage risks in a way that avoids major errors, major losses or fraud.

As part of the Board of Directors' responsibility to verify the implementation of effective corporate governance in all matters related to the Board's mandate, the Board establishes and approves a written compliance policy that governs the bank's compliance process with all laws and regulations, especially those stipulated by the Central Bank of Sudan and other supervisory bodies in Sudan. The Board has delegated the responsibility for following up compliance to a Committee on Compliance of the Board of Directors, which evaluates the performance of this responsibility through the Compliance Department of the Bank that is entrusted with compliance, including: setting effective policies and procedures for managing the compliance risks of the Bank, assisting management in managing risks, and advising on Related to the applicable laws, regulations and standards, circulating compliance policies and policies to employees in the Bank, ensuring an effective compliance

methodology, and preparing periodic reports to the Board of Directors.

With regard to compliance controls, establishing operational controls and a tight general framework for the requirements of the (know your customer) policy, and combating money laundering and terrorist financing. Al Baraka Bank of Sudan continuously enhances the compliance framework in it and in all its branches and subsidiaries.

The Central Bank of Sudan, the shareholders of the Bank, the Board of Directors and the Executive Management shall be fully informed of any deficiencies, if any, and the steps that are being taken to remedy them, Based on this procedure.

The Board of Directors shall hold regular meetings (at least four times a year) and has an official schedule of the matters it is concerned with, and it considers the basic aspects of the bank's affairs that are referred to it to take decisions in their regard. The Board reviews the bank's strategy and financial plans and all the proposed fundamental changes in the bank's policies, structure and organization and considers the reports submitted to it on the bank's operations (with a focus on organizational development, risk management, information technology development) and executive management performance as well as follow-up the remarks of Al Baraka Banking Group inspection teams and the responses of the Bank's executive management. The members of the board of directors shall attend all board meetings as much as possible, and in all cases the number of meetings attended by a member must not be less than 75% of the total meetings in any year. The members also communicate informally with each other in the periods separating the meetings.

The Chairman of the Board is responsible for leading the Board and for the efficient functioning of the Board, as well as ensuring that all Board members receive the agenda, minutes of previous meetings, and/or any written background information before each Board meeting and between meetings when necessary. The Board and its committees are provided with complete and timely information to enable them to carry out their responsibilities to the fullest. In this regard, the Board of Directors, its committees and all its members have the right individually to contact the Executive Management, external legal advisors or other specialists at the expense of the Bank, and the Secretary of the Board of Directors, who must ensure compliance with the Board's procedures and the applicable

regulations and rules. Members of the executive management members (the general manager and/or his deputy) in the meetings of the board to take their opinion and to inquire of them regarding the issues discussed by the Board.

According to Article (16) of the Bank's approved Articles of Association, the board of directors shall consist of not less than seven and not more than ten members. Article (17) of the Articles of Association stipulates that the members of the board of directors shall occupy their positions for a term of three years, subject to renewal. Upon the expiry of his term of office or upon a decision of the shareholders in the meeting of the general assembly of shareholders, and under Article (22) of the Articles of Association, the Board of Directors has the authority to exempt any of its members if he is convicted of a crime or has become mentally unstable or acts in violation of the bank's regulations and rules that causes direct damage to the bank, or if he becomes bankrupt or reconciled with his creditors, or if his service is terminated, after the approval of the Central Bank of Sudan.

When announcing the acceptance of applications for candidacy for the position of a member of the Board of Directors to replace the members of the Board of Directors whose term of membership has expired, these nomination applications must be submitted to the Secretariat of the Board of Directors within the legal time specified in the announcement, and then submit the candidates to the Committee on Benefits and Members Affairs Board of Directors, Corporate Social Responsibility and Sustainability; To submit their recommendations to the Board of Directors. As part of the nomination process, any nomination must be in compliance with local rules and regulations and must be submitted to the Central Bank of Sudan to ensure compliance with the nomination requirements and conditions. After that, the names of the nominated individuals approved by the Central Bank are submitted and presented to the meeting of the general assembly of shareholders to conduct the voting or election process. Elections for the members of the Bank's board of directors are conducted in accordance with the rules and procedures stipulated in the Companies ordinance, 2015 and the Bank's Articles of association.

In line with the corporate governance practices, there shall be a plan approved by the Board and the Executive Management (the replacement and succession plan), and this plan is reviewed annually.

Each new member elected to the Board of Directors shall receive a written appointment letter stating the powers, duties, responsibilities, obligations of that member and other relevant terms of his appointment, in addition to the regulations governing and approved by the Board.

The Board of Directors shall be currently composed of ten members who have diverse backgrounds, experiences, and abilities. And their mobilization in April of the year 2019 AD for a three-year session (2019 until 2022 AD). These members are individually and collectively responsible for performing the responsibilities of the Board and for judging matters independently and objectively. No individual member of the Board of Directors has absolute powers to make a decision or dominate the process Decision making in the Board.

All members of the Board of Directors are either non-executive members or are completely independent from the executive management, and each of them is individually responsible for scrutiny and accountability for the decisions and performance of the executive management.

The position of the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors, and the Position of the General Manager (the CEO), different members and the General Manager has separate, clearly defined responsibilities stipulated in Article (30) in the Bank's Articles of Association. The size and composition of the Board of Directors and its committees are evaluated on a regular basis, while on annual basis the performance of the members of the Board of Directors is evaluated individually (self-evaluation) with regard to their effectiveness, contribution and independence in light of the expressed interests and behaviour. Also their independence and non-independane of the members shall be reviewed on an annual basis.

The Bank has been applying (self-evaluation) and implemented it on annual basis by the Committee on Benefits, Board Members Affairs, Social Responsibility and Sustainability ("the Benefits Committee") emanating from the Board of Directors (the "Board"), according to the evaluation forms and questionnaires prepared for this purpose by the Committee. . The model includes performance indicators

The form includes the key performance indicators (KPI), and the scope of the evaluation includes the following: the self-evaluation of the Board of Directors, the self-evaluation of the Board of Directors' committees, the self-evaluation of { the

Chairman, Vice-Chairman, Board member, Board Secretary's self-evaluation, the CEO's self-evaluation, the self-evaluation of the Bank's Fatwa and Shari'a Supervisory Board's Chairman and the self-evaluation of a member of the Sharia Board). The results of this evaluation reflected a significant improvement and development in performance.

All members of the Board of Directors are remunerated only through the annual remuneration in addition to the attendance allowance paid to the member of the Board of Directors for each meeting he attends, in addition to reimbursement of travel expenses, as the case may be. The Board of Directors has approved an official code of professional conduct and ethics (the Regulation of Ethical Standards and Code of Professional Conduct) that applies to members of the Board of Directors, executive management, staff officials, agents, consultants and any other person representing or acting on behalf of the Bank.

In line with international best practices, and Banking Governance Circular No. 5/2020 issued by the Central Bank of Sudan on July 13, 2020, the Board implemented corporate governance procedures to ensure the separation of powers and protect the interests of shareholders and clients of the Bank.

Board committees:

The Board committees (standing committees) work in accordance with the directives of the Central Bank of Sudan and the codes approved by the board of directors. The codes of these committees adhere to all the requirements stipulated in the code of corporate governance and organization, and their members are appointed from among the members of the Board, and specific responsibilities have been delegated to each of these committees. The main committees of the Council are currently (four committees) which are as follows:

1. Executive & Policy Committee:

The Executive and Policy Committee consists of the following:

1. His Excellency **Abdul Rahman Ahmed Othman** - Vice Chairman of the Board of Directors - and Chairman of the Committee, a (banking expert) and a non-executive member -
2. His Excellency **Dr. Ezz El-Din Ibrahim Hassan** - Member of the Board of Directors - and Vice-Chairman of the Committee (a shareholder and an economist) and a non-executive member.

3. His Excellency **Saud Mamoun Mohammed Ahmad Al-Barair**, a member of the Board of Directors and a member of the committee, who is (a shareholder, a businessman and a non-executive member).

4. His Excellency **Joseph McCain Iskandar** is a board member and committee member (a shareholder and a businessman) and a non-executive member.

The Executive Committee includes at least four members of the Board of Directors and holds meeting at least four times a year. The Board of Directors has delegated the Executive Committee in accordance with the approved Articles of Association the responsibility to raise recommendations to the Board, for the purpose of obtaining the Board's approval, in relation to the strategies, general policies and business plan of the Bank, in relation to a material change to it, or any significant change in the Bank's capital or its organizational structure or its assets or investments. The committee also has the power to approve credit and disbursement; as specified in the financial and administrative authorizations regulation and modifications therein.

2. Audit and Risk Committee:

The Audit and Risk Committee consists of the following:

1. His Excellency **Mr. Yasser Ismail Muzaffar** - Member of the Board of Directors - and Chairman of the Committee (a representative of Al Baraka Banking Group, a capable banker) and a non-executive member.
2. His Excellency **Dr. Makki Medani Al-Shibli** - Member of the Board of Directors - Vice-Chairman of the Committee (an economic expert) and a non-executive member
3. His Excellency **Mr. Kamal Ahmed Al-Zubair** - Member of the Board of Directors - and Committee Member (a representative of Al Baraka Banking Group and a former banker) and a non-executive member.

The Audit and Risk Committee has at least four Board members and meets at least four times a year. The external auditor attends at least one of these meetings each year. Furthermore, the external auditor has unlimited contact with the Board Audit and Risk Committee and its chairman throughout the year. The Board of Directors has delegated to the Audit and Risk Committee under the approved Articles of Association its responsibilities to raise recommendations to the Board, for the purpose of obtaining the approval of the Board, in connection with the audit of the annual and quarterly financial statements

of the Bank and to recommend to the Board of Directors for approval. It also reviews the efficiency of the allocations and any external consultants reports in relation to the tasks of a request to investigate or provide specific advice.

The Committee is responsible for ensuring the existence of an effective internal audit system, evidence of continuous internal control, and a good accounting and financial control system.

The Committee also accomplishes this through a regular review of internal audit reports, letters of external auditors, reports of inspection visits carried out by the Central Bank and Al Baraka Banking Group inspection teams, as well as of accounting and financial policies and practices, financial reporting, disclosure controls and procedures for the bank, and the adequacy and effectiveness of internal control procedures at the bank's head office, its departments, units, and branches.

The committee is concerned with looking into all matters related to financial control, financial reporting, internal and external audits, scope and results of audits, risk management, compliance management, and compliance with regulatory and legal requirements and accounting standards. The committee also considers and approves the annual audit plans, ensures coordination between the external and internal auditors, monitors the independence, qualifications, effectiveness and performance of the external auditors, and raises recommendations to the Board of Directors regarding the appointment and termination of contracts for external auditors, determining their remuneration, and appointing the Director of the Internal Audit Department and the Director of Risk Management.

The committee ensures the existence of appropriate control systems for the bank's business and for the information needed by the board of directors, including consideration and functions for diagnosing and controlling risks, the bank's financial position, compliance with applicable laws and regulations, and best practices in place. The committee is authorized to provide this information at the required time. The various internal control procedures and systems of independent internal audit are subject to the bank's internal audit department, which is directly responsible before the committee, as well as being subject to external auditors or the official supervisory authorities, as the case may be. All letters of the external auditor directed to the management and any important issues raised by the external auditors and reports

Inspections issued by the Central Bank's inspectors or inspectors affiliated to the authorities having jurisdiction in any place where the bank or its branches operate to the Committee for review immediately upon its issuance, and it shall, on behalf of the Board, ensure that the appropriate corrective action is taken.

The Board of Directors has established a system for reporting violations that allows employees to express in strict confidence any concerns related to potential violations in financial or legal matters. According to this system, concerns can be reported directly to any member of the official or a specific employee who in turn informs the committee of the matter.

The Board of Directors also determines the extent of the bank's ability and willingness to accept risks based on the recommendations of the committee, and the committee is responsible for setting acceptable levels for the bank's exposure to risks, and for approving the executive management's strategy for risk management and ensuring the executive management of all the necessary steps to diagnose, measure, monitor and monitor risks. The objective of the Committee is to oversee the Bank's risk management systems, practices and procedures, ensuring effective risk diagnosis and management in addition to verifying compliance with internal guidelines and external requirements. The committee reviews matters diagnosed by the internal audit and risk management departments in the bank, and identifies and analyzes control systems to identify weaknesses or defects therein. The Committee also oversees and monitors the implementation of the corporate governance policy framework and submits reports and recommendations to the Board of Directors based on its findings.

3. The Committee on Benefits, Board Membership, Social Responsibility and Sustainability:

The Committee on Benefits, Board Membership Affairs, Social Responsibility and Sustainability consists of the following:

1. His Excellency Dr. **Ezz El-Din Ibrahim Hassan** is a member of the Board of Directors and Chairman of the Committee. He is (a shareholder and an economist) and a non-executive member.
2. His Excellency Dr. **Ahmed Al-Badawi Mohammed Al-Amin Hamed**, a member of the Board of Directors and Vice-Chairman of the Committee, a representative of Al Baraka Banking Group, a businessman and a non-executive member.

3. His Excellency Mr. **Abdul Rahman Ahmed Othman**, Vice Chairman of the Board of Directors, Member of the Committee, a (banking expert) and a non-executive member.

4. His Excellency Mr. **Kamal Ahmed Al-Zubair** a member of the Board of Directors and Committee Member (a representative of Al Baraka Banking Group and a former banker) and a non-executive member

5. His Excellency Mr. **Ahmed Al-Amin Ahmed Abdel Latif** a member of the Board of Directors committee member (a representative of Al Baraka Banking Group, a businessman and a non-executive member

6. His Excellency Mr. **Mohammed Al-Sharif Mohammed Al-Amin**, Secretary of the Board of Directors and Advisor to the Committee, a (banker) and a non-executive member.

The Committee on Benefits, Board Membership, Social Responsibility and Sustainability includes at least four Board members and meets at least four times a year. It considers all the basic elements of the remuneration policy, including, among other things, approving the remuneration of Board members based on their regular attendance at Board and committee meetings, and recommends to the Board the levels of remuneration for the executive management team and other employees of the Bank in accordance with an approved performance-related incentive structure. The Committee also performs the role of the Nominations Committee as mentioned below.

The Committee conducts an annual evaluation of the performance of the Board, Board Committees and the General Manager (CEO). When a matter relating to the personal interest of a member of the Committee is discussed, that member withdraws from the meeting and abstains from voting. The committee is responsible for determining the persons who are qualified to become suitable members of the board of directors or the general manager and his deputy, the financial controller, the secretary of the board of directors, and any other executive officials, except for appointing directors of: (internal audit, risk, compliance), and raising recommendations thereof. It is also responsible for qualifying, educating and guiding the new members of the Board of Directors and organizing seminars and other training programs from time to time for the members of the Board (the program to raise and strengthen the capacities of the members of the Board of Directors).

The committee is responsible for leading

the Al Baraka Social Responsibility and Sustainability Program. It supervises the formulation of policies and strategies by the executive management, which aims to make Al Baraka Banking Group and all its subsidiaries a role model for the Islamic banking group that provides banking and financial services in a socially responsible and sustainable manner in accordance with the objectives of Islamic Sharia.

The committee coordinated with Al Baraka Banking Group to raise the value of social responsibility to international level to obtain high rating in social responsibility. It works on formulating and preparing principles, policies and strategies related to social responsibility. Through general supervision of the implementation of policies and strategies established in the area of social responsibility, re-evaluating and/or updating and/or developing them according to developments, and recommending policies related to social responsibility of the bank, and making the necessary recommendations in the aspect of improving the Bank's economic, social and official relations in the light of the proposals of the executive management and/or on the initiative of the committee, so that it serves its overall policies and strategies, and works on a continuous compliance to behave ethically and contribute to achieve (sustainable) economic development, improve the business environment of human resources and their families, in addition to contributing to the initiatives of the local society and community as a whole, as well as encouraging applied scientific research in the fields of Islamic banking and finance; This is within the scope of the ethical codes and the overall policies of the state, the Central Bank, Al Baraka Banking Group, and the policies issued by the Board of Directors.

The committee aims to adhere to the spirit of Islamic finance that imposes social responsibility and sustainability as a key feature of Islamic banking and finance. The committee implements its compliance to the spirit of social responsibility and sustainability inherent in Islamic finance by setting various quarterly and annual targets for the executive management.

4. Governance and Compliance Committee :

The Governance and Compliance Committee consists of the following:

1. His Excellency Dr. **Ahmed Al-Badawi Mohammed Al-Amin Hamed**, a member of the Board of Directors and Chairman of the Committee, (a representative of Al Baraka Banking Group, a businessman and

a non-executive member.

2. His Excellency Dr. **Makki Medani Al-Shibli** is a member of the Board of Directors and Vice-Chairman of the Committee. He is an (Economist) and a non-executive member.

3. His Excellency Mr. **Joseph McCain Iskandar** - Board Member and Committee Member (a shareholder and businessman) and a non-executive member.

4. His Excellency **Ahmed Al-Amin Ahmed Abdullatif**, Board Member and Committee Member (a representative of Al Baraka Banking Group, a businessman and a non-executive member.

5. His Excellency Mr. **Mohammed Al-Sharif Mohammed Al-Amin**, Secretary of the Board of Directors- and advisor to the Committee, a (banker) and a non-executive member.

The Corporate Governance and Compliance Committee includes at least four members of the Board of Directors and meets at least four times a year. It considers all the basic elements related to studying the Compliance Chart and recommending it to the Council for approval, and updating it to keep pace with professional, legal, banking, sharia and technical developments. In addition to adopting policies related to combating money laundering and terrorist financing operations, and in the field of dealing with economic or commercial sanctions imposed on individuals, entities and countries, and in the field of compliance with the Foreign Account Tax Compliance Act (FATCA), and in the field of monitoring regulatory and legal compliance, and in the field of dealing with customer complaints, in addition to the periodic quarterly report on activating the role of the Board of Directors, and recommending all these policies to the Board for approval, provided to be evaluated and reviewed periodically.

The committee works on to ascertain the extent of the adequacy of the internal control systems in the bank, to implement compliance control policies, to review the reports of the compliance department, to discuss the notes contained therein with the executive management of the bank, to follow up the implementation of the recommendations and decisions issued, as well as to review the supervisory and procedural systems and evaluate their effectiveness and efficiency in achieving the objectives set, create the required control environment, and recommend the necessary modernization to strengthen and improve these systems and ensure their implementation.

It supervises the development and approval of a manual that includes the frameworks, policies and procedures necessary to deal with the risks of non-compliance, or recommend it to the Board and propose amendments thereto, in addition to studying and approving the annual action plan of the Compliance Department that relates to the general guidelines for its business, following up performance of these departments, and evaluating their work and results, besides examining any reports related to compliance, reviewing the notes contained therein, following up the measures taken in this regard, discussing them with the bank's executive management, and following up the implementation of recommendations and decisions issued in this regard.

And to take what is necessary to consolidate the culture of compliance in the Bank and make it a primary objective that must be implemented, by spreading awareness and setting up workshops, seminars and training courses on compliance issues and topics.

And striving to ensure that the issues of non-compliance are resolved in a radical and effective manner by the executive management and with the assistance of the Director of Compliance, as well as raising periodic reports to the Board of Directors on a summary of its work, decisions and essential recommendations for consideration and approval, and follow-up the implementation of the decisions issued by the Board, in addition to submitting the minutes of its sessions and recommendations to the Board of Directors.

The committee is also concerned with any other business related to its responsibilities and competencies or any other matters it deems necessary for the objectives set for it. The committee undertakes any special tasks assigned to it by the board of directors from time to time.

Attendance schedule for the Board and committees meetings:

The elected board of directors for the session (2019 - 2022 AD), exercises its business through the meetings of the Board and its standing committees during the past year 2020 AD, in accordance with the statute and regulations governing the Board of Directors and its committees, as follows:

Meeting Level	Member Name	Dates of Meetings	Number of Meetings According to A.Ass.	Number of Actual Meetings	Meetings Attended by the Member	Attendance % of the Member
Board of Directors	Mr. Adnan Ahmed Youssef		4	4	4	100%
	Mr. Abdulrahman Ahmed Othman**		4	4	4	100%
	Mr. Yasser Ismail Muzaffar		4	4	4	100%
	Dr. Ezz El-Din Ibrahim Hassan	June 27, 2020	4	4	4	100%
	Dr. Ahmad Al-Badawi Mohammed Al-Amin Hamed	October 31, 2020	4	4	4	100%
	Dr. Makki Medani Al-Shibli**	December 22, 2020	4	4	4	100%
	Mr. Saud Mamoun Al-Barair	December 31, 2020	4	4	4	100%
	Mr. Joseph McCain Iskandar		4	4	4	100%
	Mr. Kamal Ahmed Al Zubair		4	4	4	100%
	Mr. Ahmed Al-Amin Abdullatif #		4	4	4	100%
Executive & Policy Committee	Mr. Abdul Rahman Ahmed Othman **	June 11, 2020	4	4	4	100%
	Dr. Ezz El-Din Ibrahim Hassan	October 18, 2020	4	4	4	100%
	Mr. Saud Mamoun Al-Barair	December 15, 2020	4	4	4	100%
	Mr. Joseph McCain Iskandar	December 29, 2020	4	4	4	100%
Audit and Risk Committee	Mr. Yasser Ismail Muzaffar	April 02, 2020	4	4	4	75%
	Dr. Makki Medani Al-Shibli**		4	4	4	100%
	Mr. Kamal Ahmed Al Zubair	July 23, 2020	4	4	4	100%
	Mr. Ahmed Al-Amin Abdullatif #	October 12, 2020 December 14, 2020	4	4	1	25%
Committee on Benefits, Board Membership Affairs, Social Responsibility and Sustainability	Mr. Ezz El Din Ibrahim Hassan	June 14, 2020	4	4	4	100%
	Dr. Ahmad Al-Badawi Mohammed Al-Amin	October 27, 2020	4	4	4	100%
	Mr. Abdul Rahman Ahmed Othman **	November 10, 2020	4	4	4	100%
	Mr. Kamal Ahmed Al Zubair	December 15, 2020	4	4	4	100%
	Mr. Ahmed Al-Amin Abdullatif #		4	4	4	100%
Governance and Compliance Committee	Dr. Ahmad Al-Badawi Mohammed Al-Amin Hamed	June 08, 2020	4	4	4	100%
	Dr. Makki Medani Al-Shibli**	October 16, 2020	4	4	4	100%
	Mr. Joseph McCain Iskandar	December 09, 2020	4	4	4	100%
	Mr. Ahmed Al-Amin Abdullatif #	December 27, 2020	4	4	2	50%

(** two banking expert)

His membership is amended upon transferring him to the Audit & Risk Committee, and addition of a member in Committee on Benefits, Board Membership Affairs, Social Responsibility and Sustainability pursuant to the BOD decision No 72/ passed/1/2020 dated May 5, 2020

Compliance, policies and procedures:

Bank's compliance:

Al Baraka Bank Sudan complies with the increasing global regulatory requirements, which support the compliance function of the Bank in general and in all its branches and subsidiaries. The Bank also updates policies and formulates the framework when necessary. There is a continuous tendency to enhance the culture of compliance by investing in advanced systems and controls, refining the skills of employees and raising their level of awareness. The Bank does not hesitate at all to refuse businesses that risk violating applicable laws, rules and regulatory standards. The Bank's Governance and Compliance Committee approves the compliance strategy and sets a general framework for the Bank's compliance management for implementation in all departments and branches across the country. This strategy reflects the following principles and practices, which are consistent with the Bank and all its banking branches:

- Compliance to the text and spirit of the laws, rules and regulatory standards that apply to the Bank, its branches and its subsidiaries.
- Adhere to doing business in accordance with all regulatory, professional and ethical standards.
- Encouraging a strong compliance culture according to which compliance is the responsibility of every individual in the bank.
- Maintain a strong corporate governance environment at all times.

The Bank continues to enhance the compliance policies, procedures and frameworks. The skills of employees are upgraded by providing continuous and targeted training in all areas related to compliance with the requirements related to financial crimes. Systems and automation tools have been introduced in accordance with the requirements of need, with the aim of improving compliance standards in all departments and branches of the bank.

Independent function:

The compliance function at Al Baraka Bank Sudan includes the following:

1. Protecting the bank against the risks of non-compliance in a form of legal or regulatory risks, reputational risks, financial losses as a result of administrative and financial violations and abuses, financial and/or information crime risks, fraud, corruption

and bribery risks, and non-compliance risks, by ensuring the compliance of the Bank and its internal policies to all laws, regulations, instructions, orders, rules of professional code of conduct, standards and sound banking practices issued by the regulatory and supervisory authorities locally and internationally, the principles, decisions and fatwas issued by the Bank's Fatwa and Sharia Supervisory Board and/or the Supreme Sharia Supervisory Board.

2. Creating a work environment characterized by transparency, objectivity and justice, in which all businesses are performed to achieve the objectives of the bank, and to ensure the effectiveness of the bank's reporting policies and program as well as ensuring the necessary protection for whistleblowers and the consequences of cases of plotting and cover-ups

3. Dealing with customers' complaints in a fair manner that achieves their satisfaction, providing procedures to reduce the number of customer complaints or reducing the period for dealing with them, and finding appropriate and radical solutions to reduce their recurrence.

4. Preventing the misuse of the Bank by any person or entity in illegal acts, taking the necessary precautionary and preventive measures, preventing and combating money laundering and terrorist financing operations, and ensuring the adequacy of the internal control systems to achieve this goal.

5. Defining, understanding and evaluating the risks of money laundering and terrorist financing operations that the bank may face based on the Risk Based Approach (RBA), in order to enhance the effectiveness of the controls and system for combating money laundering and terrorist financing operations and directing resources in an optimal manner to prevent the realization of these risks or mitigate their effects .

6. Full compliance with the international sanctions lists issued by the United Nations (U.N. Lists), and other international groups such as the European Union (Euro Lists), the United States Office of Foreign Assets Control (OFAC lists) and others.

The responsibility for managing the compliance of the Bank is entrusted to the Governance and Compliance Committee. The Committee undertakes independent oversight functions on behalf of the Board of Directors. The Compliance Department has the right to communicate with the Board of Directors whenever it deems necessary. In addition, the Bank's Compliance Department has the right and authority to contact the Central Bank

of Sudan whenever necessary.

The Bank has set all its departments and branches written guidelines for employees on the appropriate implementation of laws, regulations, rules and standards through approved policies and procedures, including the comprehensive compliance policy. The compliance policy requires from all officials and employees of the affiliated units to comply with all laws and rules and standards of the best market practices.

The Bank's compliance risk is categorized as follows:

1. Regulatory Compliance and Corporate Governance
2. Anti-money Laundering and combating the financing of terrorism.
3. International sanctions
4. The Foreign Account Tax Compliance Act (FATCA) and Uniform Reporting Standards.

Regulatory Compliance and Corporate Governance:

At the Bank level, the setting of the Bank's policies for management of compliance risk in all the above-mentioned categories is an on-going process. These policies are systematically disseminated to all levels thereafter. Policies are developed and implemented in line with the regulatory requirements and the Bank has a strict code of conduct that always obliges all employees to abide by.

The purpose of the Code of Conduct is to prevent any wrongful practice and encourage ethical practice and fair treatment of customers at all times. The Code includes the responsibilities of all members of Al Baraka Bank Sudan and its employees, who are expected to read, understand and support all these standards and principles at all times.

The Bank has also established a whistleblowing policy that provides an official channel for employees to report any unethical behavior or corporate line, and employees are encouraged to report their concerns through communication channels that protect their identities without fear of retaliation or exposure.

Anti-Money Laundering and Combating the Financing of Terrorism:

The risks associated with financial crimes are dealt with fully at the level of the Bank, its departments and its branches, as the Bank respects the compliance to the laws and regulations related to Anti-money laundering and combating the financing of terrorism and to the recommendations

of the Basel Committee and the working group on financial operations, which in turn are included in the policies of Anti-money laundering and combating the financing of terrorism in all departments of the Bank, its branches and subsidiaries. The Bank has strict policies regarding Know Your Customer (KYC) requirements, which include detailed requirements for identifying and verifying the identity and data of customers. These policies prevent operating branches from establishing any new business relationships unless all parties involved in the relationship are identified and verified, and the nature of the business expected to be undertaken is clearly verified.

Being in line with the requirements of the Central Bank of Sudan, the Bank's policy and Al Baraka Banking Group's anti-money laundering policy, officials are appointed to report money laundering in all affiliated departments and branches. Money laundering reporting officers are responsible for ensuring compliance with all laws and regulations and policies related Anti-money laundering and combating terrorist financing as well as looking into any doubts or concerns about any client or transaction and reporting it or about it to the concerned supervisory Board.

At the bank level, the Compliance Department is responsible for reporting any suspected money laundering. Its responsibilities also include formulating, issuing and implementing anti-money laundering strategies and policies approved in the bank on an ongoing basis, as well as conducting anti-money laundering training for all concerned employees and submitting reports to the Board of Directors, Governance and Compliance Committee, then to the Board on important matters relating to money laundering.

International sanctions:

Due to the increasing numbers of sanctions imposed by local and international regulatory bodies, the main challenges faced by banks, especially those operating in or across different geographical areas. Violation sanctions leads the Bank to regulatory risks, reputational risks and commercial risks, including the potential for financial losses. The risks of sanctions have become one of the most important risks facing banks globally, as evidenced by the large number of registered cases and the huge fines that have been imposed.

In view of our awareness of these risks, the Bank has developed a strategy and policy to manage the risks of sanctions at the Bank level and applied it in all its departments

and subsidiaries. Where the Bank is working on to raise awareness among its members of the importance of compliance with the sanctions and invest more in the appropriate examination systems to manage and reduce the risks related to international sanctions. It also the Bank's policy on sanctions is applied at the level of all departments and branches to ensure that there are unified standards for compliance with all orders related to sanctions, where this sanction policy sets various restrictions and warnings regarding the customers and transactions that are subject to sanctions. Sometimes these restrictions go beyond the strict requirements stipulated by the applicable laws in order to ensure the protection of the Bank's reputation and Status.

FATCA and Uniform Reporting Standard.

In an effort to enhance tax transparency around the world, the United States of America and the Organization of Economic Cooperation Development (OECD) countries have enacted extensive tax compliance and reporting legislation, under which banks and financial institutions are required to identify and report relevant information about taxable persons to their home tax authorities.

The requirements of the Foreign Account Tax Compliance Act (FATCA) were introduced a few years ago in order to prevent tax evasion by citizens and residents of the United States of America. In response, the Bank has developed its own FATCA implementation for bank-wide application. The Bank has invested heavily in improving systems and training its staff to ensure that the requirements are properly and appropriately implemented. Thus, the FATCA law has now been fully implemented in all departments and branches of the bank, and accordingly Al Baraka Bank Sudan informs the authorities of the required information according to the specified dates.

In light of the FATCA framework that was developed and applied earlier, the standardized reporting standard has been implemented easily and smoothly in all departments and branches of Al Baraka Bank Sudan and its subsidiaries, and in Al Baraka Banking Group and its units. As a result, all members of Al Baraka Bank Sudan are now fully prepared to share information regarding tax residents of all countries participating in this standard. Relevant persons are also reported according to the specified dates.

Bank Disclosure Policy:

Al Baraka Bank Sudan's communication

strategy aims to help achieve the Bank's goal of making the financial market always aware of the essential information. The Bank's communication with the market achieves compliance with the directives of the Central Bank of Sudan, and the disclosure standards specified in the regulations governing the Khartoum Stock Exchange and the Money Market Regulatory Board.

Material information is defined as any information, whether financial or non-financial, related to the business and affairs of the Bank or any of its branches that leads or is reasonably expected to lead to a significant change in the market price of the Bank's shares and influence the investor's decision to sell or buy or keep the Bank's shares in the market or affect the investor's decision to change the decision to enter into a transaction or to refrain from entering into a transaction with the Bank or one of its subsidiaries. Material information includes, but is not limited to, material facts or material changes relating to the business and affairs of the Bank as a whole as well as disclosure of all the information required in its audited quarterly financial statements and its audited annual financial statements that are published, in addition to any other information related to it being requested by the regulatory authorities from time to time.

And Al Baraka Bank Sudan, as a public shareholding company limited and listed in the regulations of the Khartoum Stock Exchange (KSE), complies with all the requirements of publishing periodic information to KSE at the required time, in accordance with what is stipulated in the directives and the regulatory framework for KSE in this regard.

In addition, the Bank will disclose on a large scale all material information and publish it to the general public as soon as it becomes aware of the circumstances or events that lie behind this material information or when a decision is taken by the board of directors or the executive management of the Bank to implement a material change. The members of the board of directors are committed to disclose the announcement of the interest and any item or topic of the meeting agenda from the meetings of the Board or the standing committees before the start of discussing these topics.

Regulatory provisions:

The Bank complies with all the regulatory

requirements that govern the business of Islamic banks and which are issued by the Central Bank of Sudan. These requirements include, among others, the regulations governing the Bank's capital adequacy, asset quality and risk management, liquidity and funds management, and corporate governance.

As the supervisory body of the Bank, the Central Bank of Sudan determines and monitors the Bank's capital adequacy requirements at the level of the consolidated and unconsolidated budgets of the Bank Group and its subsidiaries.

Monitoring of financial performance:

The Bank applies several procedures that help monitor and control its activities throughout the year. In addition, integrated and highly effective procedures have been developed to standardize the financial statements, and according to these procedures, the bank submits its financial statements in a format that complies with the Islamic accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and with the International Financial Reporting Standards (IFRS).

The Bank, as one of the units of Al Baraka Banking Group (ABG), submits monthly reports to the group's headquarters that include details of its financial performance compared to the approved estimated budgets, in addition to sending its (quarterly) financial statements, with which consolidated financial results are issued to the group.

Related parties transactions.

Transactions with persons or entities associated with the Bank are called "Related party transactions", including directors and stockholders. The Bank deals with all such transactions on a purely commercial basis and furthermore these transactions require specific approval from the Board of Directors. A member of the Board of Directors shall also abstain from voting if it has an interest in the matter being voted upon.

Code of Conduct and Professional Ethics:

Al Baraka Bank of Sudan has adopted an internal policy approved by the Board of Directors regarding the employment of immediate family members or other relatives of the employees. The policy prohibits internal employment transfers, where applicable, of first and second degree

relatives. However, the policy allows the employment of third and fourth degree relatives in jobs that do not involve an actual, potential or perceived conflict of interest, or opportunity for citizenship. The Human Resources Development Department and the Internal Audit Department are responsible for reviewing potential applications for employment to verify the possibility that there is an actual or potential interests as determined by the Bank's policies.

Remuneration Policy:

The Bank's total remuneration approach shall be defined. It includes a variable remuneration policy, the Bank's policy in relation to the remuneration of members of the Board of Directors and Senior Executive Management and the main factors that are taken into consideration when developing this policy based on the bonus framework. The Bank aims to comply with rules related to sound practises issued by the Central Bank of Sudan.

The BOD also has a policy approved by the Board, which is the policy of privileges and remunerations for members of the Board of Directors and the Board affiliate committees.

Board remuneration:

The remuneration of the Bank's board of directors is determined in accordance with the provisions of Article 56, paragraph (d) of the Bank's Articles of Association. The management's remuneration is subject to the approval of the shareholders present at the annual ordinary general assembly meeting.

Variable bonuses for employees:

The variable bonus is related to performance and is mainly in a form of granting of an annual bonus for performance. As part of the variable bonus for our employees, this annual bonus rewards the employee for achieving the operational and financial goals set in each year, and for the employee's individual performance in achieving those goals and his contribution to achieve the strategic objectives of the bank.

The Bank has adopted a general framework approved by the Board of Directors to develop a transparent link between variable bonus and performance. The framework has been designed on the basis of achieving satisfactory financial performance as well as achieving other non-financial goals which lead to assume that other things being equal, will lead to the creation of a

target bonus basket for employees, before considering the allocation of bonuses to business departments and to each employee.

Financial Statements



STATEMENT OF FINANCIAL POSITION

ALBARAKA BANK SUDAN
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

ASSETS	Notes	2020 SDG	2019 SDG
Cash and cash equivalents	4	13,348,061,250	4,337,254,255
Net of deferred sales receivables	5	12,143,271,916	5,909,978,495
Investments in available-for-sale securities	6	491,733,430	404,277,656
Investments in securities	7	1,308,897,634	1,296,164,500
Net of Musharaka financing	8	420,268,929	428,661,991
Net financing and other investments	9	1,712,950,665	1,009,596,356
Net of Ijara ended by ownership	10	602,325	2,477,956
Murabaha assets	11	1,008,975,935	539,645,433
Net Fixed assets	12	950,333,654	867,918,706
Investment in subsidiaries, associates and other companies	13	34,183,573	32,132,576
Net other assests	14	6,649,945,143	1,128,660,317
Improvements in rented premises	15	56,725,106	19,831,863
Total assets		38,125,949,560	15,976,600,104
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY			
LIABILITIES			
Customers' current and saving accounts	16	24,612,839,133	7,008,896,155
Other liabilities	17	4,105,986,570	2,023,406,195
Provisions	18	660,494,861	74,622,926
Total Liabilities		29,379,320,564	9,106,925,276
EQUITY OF UNRESTRICTED INVESTMENT ACCOUNTS HOLDERS			
	19	5,565,668,181	5,232,866,397
SUPPORTING LOANS			
	20	716,787,500	586,462,500
EQUITY			
Share capital	21/2	414,436,115	287,039,835
Retained earnings		1,312,085,696	267,833,720
Reserves	22	737,651,504	495,472,376
Toatal equity		2,464,173,315	1,050,345,931
TOTAL LIABILITIES AND UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		38,125,949,560	15,976,600,104
Contra accounts			
	36	2,105,329,313	652,407,449



General Manager
AlRashid AbdulRahman Ali



Board Member
Dr:Izzeldin Ibrahim Hassan

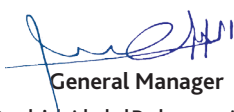


Vice Chairman of the Board
Abdelrahman Ahmed Osman

STATEMENT OF INCOME

ALBARAKA BANK SUDAN STATEMENT OF INCOME AT 31 DECEMBER 2020

INCOME	Notes	2020 SDG	2019 SDG
Income from deferred sales receivables	23	1,356,999,386	813,271,956
Income from Ijara	24	125,847	280,284
Income from investments	25	411,707,422	413,452,239
		1,768,832,655	1,227,004,479
Less: Return of unrestricted investment account holders	26	(729,158,241)	(423,447,867)
Net income from deferred sales receivable and investment		1,039,674,414	803,556,612
Income from fees and commissions of banking services	27	1,050,200,945	96,093,803
Other income	28	991,047,521	26,645,586
Gains from foreign currency revaluation	29	100,796,389	131,753,166
		2,142,044,855	254,492,555
Total operating income		3,181,719,269	1,058,049,167
EXPENSES			
staff expenses	30	674,739,586	280,384,002
Depreciation and amortization	31	52,856,064	42,532,885
Central Bank of Sudan Penalties	32	106,000	7,500
General and administration expenses	33	435,890,307	270,644,149
Provision for Investment and Financing Risk	34	54,844,843	(34,701,703)
Total Expenses		1,218,436,800	558,866,833
Net Profit for the year before taxes and Zakat		1,963,282,469	499,182,334
Zakat	47	(46,571,105)	(6,333,647)
Business profit tax	48	(502,883,981)	(49,154,780)
NET PROFIT FOR THE YEAR		1,413,827,383	443,693,907
Earning per share	37	17.24	5.41



General Manager

AlRashid AbdulRahman Ali



Board Member

Dr:Izzeldin Ibrahim Hassan




Vice Chairman of the Board


Abdelrahman Ahmed Osman

STATEMENT OF CHANGES IN EQUITY

ALBARAKA BANK SUDAN STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020								
		Share capital	Statutory reserve	Fixed Assets Revaluation Surplus	Investment Revaluation Reserve	Foreign exchange gains reserve	Retained earnings	Total
	Notes	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance at 1 January 2020		287,039,835	134,320,862	21,180,689	21,213,219	318,757,607	267,833,720	1,050,345,932
Shares capital increase	21/2	127,396,280	-	-	-	-	(127,396,280)	-
Net profit for the year		-	-	-	-	-	1,413,827,383	1,413,827,383
Convert to foreign exchange gains reserve	22	-	-	-	-	100,796,389	(100,796,389)	-
Transfer to statutory reserve	22	-	141,382,738	-	-	-	(141,382,738)	-
Balance at 31 December 2020		414,436,115	275,703,600	21,180,689	21,213,219	419,553,996	1,312,085,696	2,464,173,315
Balance at 1 January 2019		253,526,638	89,951,471	21,180,689	21,213,219	187,004,441	167,829,108	740,705,566
Shares capital increase	21/2	33,513,197	-	-	-	-	(33,513,197)	-
Net profit for the year		-	-	-	-	-	443,693,907	443,693,907
Convert to foreign exchange gains reserve	22	-	-	-	-	131,753,166	(131,753,166)	-
Transfer to statutory reserve	22	-	44,369,391	-	-	-	(44,369,391)	-
Cash dividends for the year 2018		-	-	-	-	-	(134,053,541)	(134,053,541)
Balance at 31 December 2019		287,039,835	134,320,862	21,180,689	21,213,219	318,757,607	267,833,720	1,050,345,932
Notes		21/2	22	22	22	22		


General Manager
AlRashid AbdulRahman Ali


Board Member
Dr. Izzeldin Ibrahim Hassan


Vice Chairman of the Board
Abdelrahman Ahmed Osman

STATEMENT OF CASH FLOWS

ALBARAKA BANK SUDAN STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

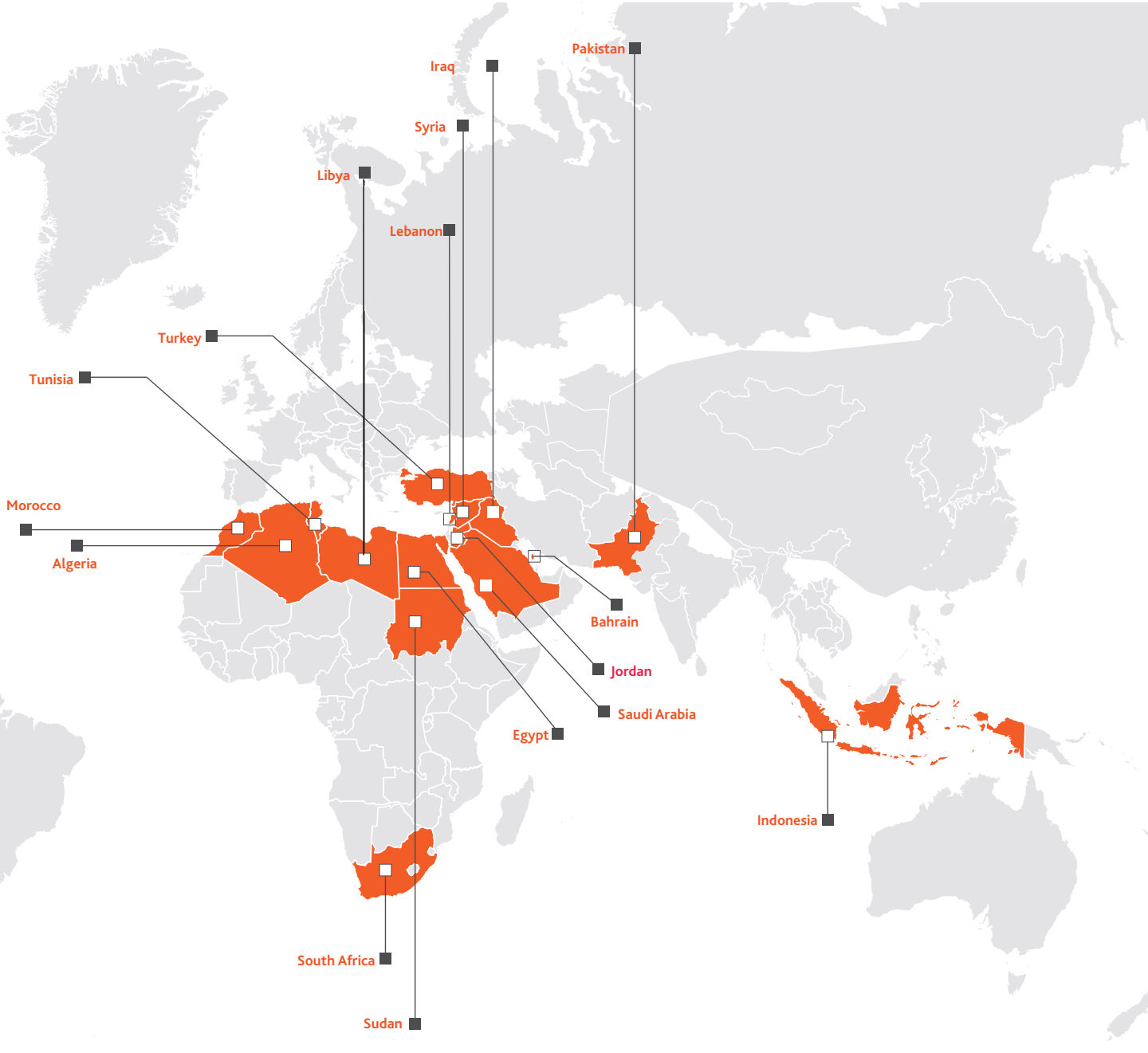
CASH FLOWS FROM OPERATING ACTIVITIES:	2020 SDG	2019 SDG
Net profit for the year	1,413,827,383	443,693,907
Adjustments for non-cash items:-		
Gain on sale of fixed assets	(879,841)	(5,016,001)
Depreciation and amortization	52,856,064	42,532,885
Return of unrestricted investment account holders	729,158,241	423,447,867
Zakat	46,571,105	6,333,647
Business profit tax	502,883,981	49,154,780
Provision for investment and finance risk	54,844,843	(34,701,703)
Other provisions	36,416,849	(37,819,265)
Net cash from (used in) operating activities	2,835,678,625	887,626,117
CASH FLOWS FROM INVESTING ACTIVITIES:		
deferred Sales receivables	(6,757,192,446)	(3,133,231,077)
Musharaka financing	8,409,240	(128,931,351)
Investments in available-for-sale securities	(87,455,774)	1,115,007
Investments in securities	(12,733,134)	(405,573,000)
Net of Ijara ended by ownership	1,875,631	3,921,688
Improvements in rented premises	(37,705,677)	(18,823,643)
Net financing and other investments	(703,354,309)	(521,003,240)
Net Fixed assets	(133,871,235)	(202,794,202)
Investment in subsidiaries, associates and other companies	(2,050,997)	(658,000)
Net cash from (used in) investing activities	(7,724,078,701)	(4,405,977,818)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Other assets	(5,521,284,826)	(874,534,836)
Customers' current and saving accounts	17,603,942,979	2,884,527,233
Other liabilities	2,082,580,375	263,678,350
Unrestricted investment account holders	(396,356,457)	2,903,942,270
Supporting Loans	130,325,000	(32,581,900)
Share Capital	127,396,280	33,513,197
Reserves	242,179,127	176,122,557
Proposed dividends	(369,575,407)	(343,689,296)
Net cash from (used in) financing activities	13,899,207,071	5,010,977,575
Increase (decrease) in cash and cash equivalents	9,010,806,995	1,492,625,874
Cash and cash equivalents at beginning of the year	4,337,254,255	2,844,628,381
Cash and cash equivalents at end of the year	13,348,061,250	4,337,254,255

About Al Baraka



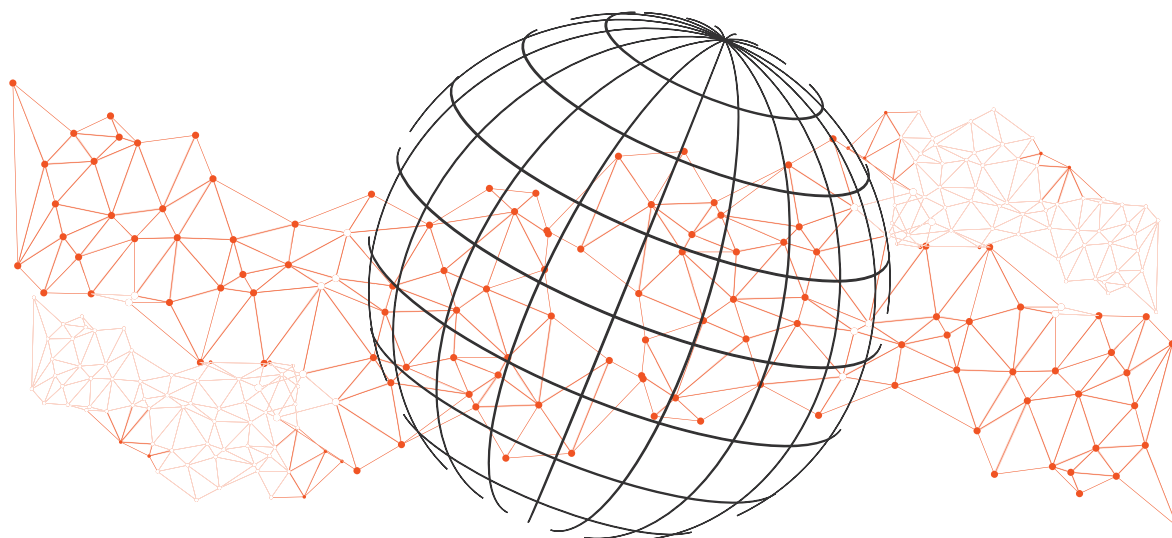
Al Baraka Banking Group

Geographical Presence of Al Baraka banking units



Al Baraka Banking Group

Name of the Bank	Establish Date	Country	Branchs
Jordan Islamic Bank	1978	Jordan	105
Al Baraka Bank Egypt	1980	Egypt	32
Al Baraka Bank Tunisia	1983	Tunisia	37
Al Baraka Bank Sudan	1984	Sudan	29
Al Baraka Islamic Bank - Bahrain	1984	Bahrain	8
Al Baraka Turk Participation Bank	1985	Turkey	230
Al Baraka Bank Limited - South Africa	1989	South Africa	32
Banque Al Baraka DAlgerie	1991	Algerie	31
Al Baraka Bank Lebanon	1991	Lebanon	6
Itqan Capital	2007	Kingdom of Saudi Arabia	
Al Baraka Banking Group Representative office, Indonesia	2008	Indonesia	
Al Baraka Bank Syria	2009	Syria	13
Al Baraka Bank (Pakistan) Limited	2010	Pakistan	191
Al Baraka Banking Group Representative office, Libya	2011	Libya	
Bti Bank - Maroc	2017	Maroc	4
Al Baraka Bank - Iraq	2011	Iraq	1



Albaraka Branches

	Branch	Tel	E-mail
1	Burj	0187112200	burg-branch@albaraka.com.sd
2	Khartoum North	0187112290	bahri-branch@albaraka.com.sd
3	Soug Arabi	0187112230	sougarabi-branch@albaraka.com.sd
4	Soug libya	0187112260	omdurman-branch@albaraka.com.sd
5	South Khartoum	0187112500	khartoumjanoub-branch@albaraka.com.sd
6	Mughtribin	0187112530	mogbranch@albaraka.com.sd
7	Soug libya	0187112382	souklibya-branch@albaraka.com.sd
8	Sjjana	0187112320	sagana-branch@albaraka.com.sd
9	Hirifiain	0187112350	hirafeen-branch@albaraka.com.sd
10	Ammarat	0187112920	amarat-branch@albaraka.com.sd
11	AL-zahraa	0187112413	zahraa-branch@albaraka.com.sd
12	PortSudan	0187112860	portsudan-branch@albaraka.com.sd
13	Garri	0187112470	garry-branch@albaraka.com.sd
14	Soug Mahali	0187112560	soukmahali-branch@albarak.com.sd
15	Gadariff	0187112830	gadarif-branch@albaraka.com.sd
16	Meddani	0187112950	medani-branch@albaraka.com.sd
17	Hassahisa	0187112563	hasaheisa-branch@albaraka.com.sd
18	Hajj abdalla	0187112650	hagabdalla-branch@albaraka.com.sd
19	ALobaid	0187112440	elobeid-branch@albaraka.com.sd
20	Nyala	0187112804	nyala-branch@albaraka.com.sd
21	SINNAR	0187112680	sinnar-branch@albaraka.com.sd
22	Dongla	0187112890	dongola-branch@albaraka.com.sd
23	Dammazin	0187112710	damazeen-branch@albaraka.com.sd
24	Kosti	0187112770	kosti-branch@albaraka.com.sd
25	Rbbak	0187112740	rabak-branch@albaraka.com.sd
26	Aswag Omdorman	0187112950	omdurman_market@albaraka.com.sd
27	ALsitin	0187112981	alsteen-branch@albaraka.com.sd
28	Alwadi	0187112300	alwadi-branch@albraka.com.sd
29	Abuhamed	0187112310	abuhamad@albaraka.com.sd

Correspondent Banks

Al Baraka Islamic Investment Bank	Manama / Bahrain
Al Baraka Turk Participation	Istanbul / Turkey
Al Baraka Bank Egypt	Cairo / Egypt
Al Rajhi Banking Corporation	Saudi Arabia / Riyadh
Al Baraka Bank Lebanon	Beirut / Lebanon
Abu Dhabi Islamic Bank	Abu Dhabi / UAE
Arab African International Bank	Cairo / Egypt
National Bank of Egypt	Cairo / Egypt
El Nilein Bank	Abu Dhabi / UAE
Commercial Bank Of Ethiopia	Addis Ababa / Ethiopia