

FINANCIAL INSTITUTIONS



بنك الخرطوم
Bank of Khartoum
— YOU FIRST —

منذ عام
1913
— SINCE —



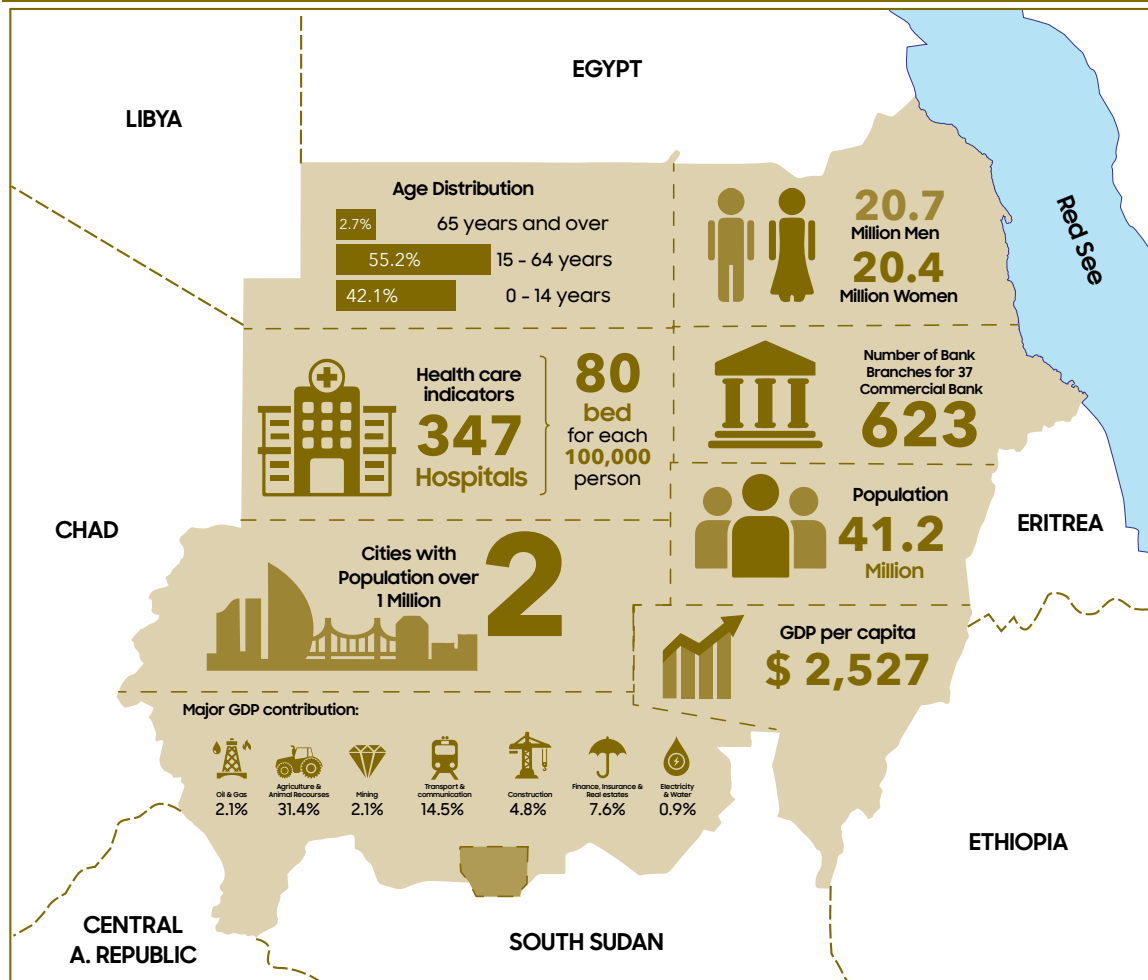
- 
- The background of the slide is a photograph of a desert landscape. In the lower-left corner, the golden-brown, textured stone of the Great Pyramids of Giza is visible. A large, smooth sand dune dominates the foreground and middle ground. On the right side of the dune, a person is riding a camel, silhouetted against the bright sky. The sky is a clear, pale blue. A large, semi-transparent yellow rectangle with a thin brown border is centered on the slide, containing a list of topics.
- Why Sudan
 - Sudan Snapshot
 - Sudan GDP
 - Agriculture Sector
 - Animal Resources
 - Mineral Recourses
 - Oil Sector
 - Electricity
 - Water, Roads & Bridges
 - Transportation
 - Telecommunication
 - Fiscal Policy & Monetary Policy
 - Inflation Rates & Foreign Exchange
 - Financial Sector
 - Banking Sector
 - Opportunities & Threats
 - U.S Sanction
 - Foreign Trade
 - Economic Forecast



WHY SUDAN?

- 3rd Largest Country in Africa, 16th in the world (1,886,086 km²)
- Arable Lands: 60m hectares
- Waterways 1,723 km
- 18,630 km² irrigated lands
- Rich Agricultural and Animal Resources
- Rich Mineral Resources
- 5 sea ports (Osman Digna , North Port, Green Harbour, South Port, Alkhair) Port
- Large Labour force
- Diverse wild life

Sudan Snapshot

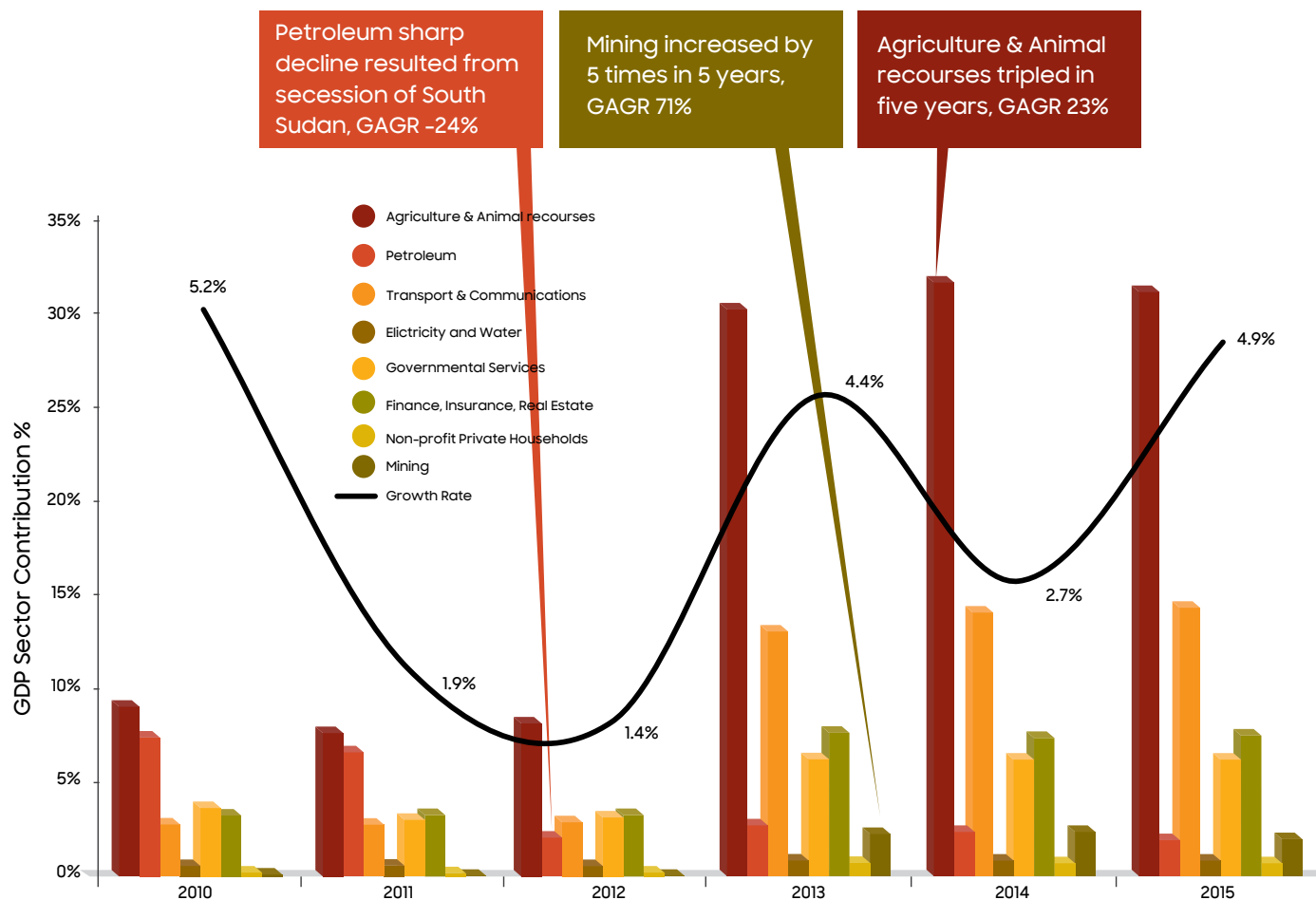


for more information please find below link

<http://www.irti.org/English/News/Documents/Launch%20of%20the%20Sudan%20Islamic%20Finance%20Country%20Report%202016.pdf>

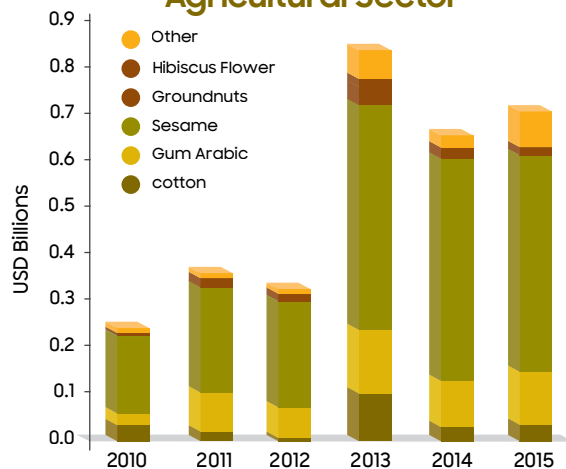
Sudan GDP

Sudan/Gross domestic product - GDP

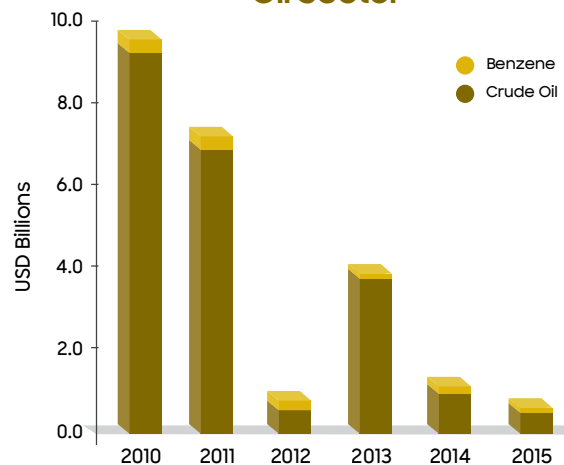


Sudan GDP

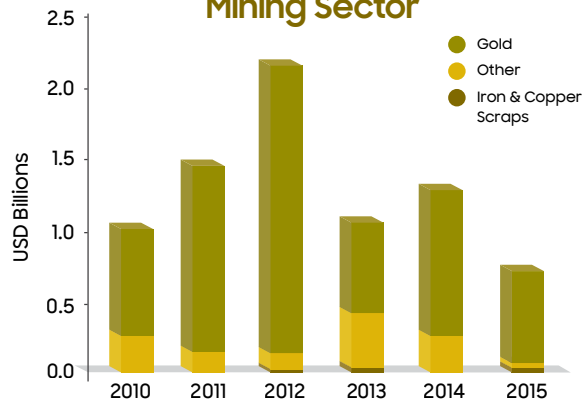
Agricultural Sector



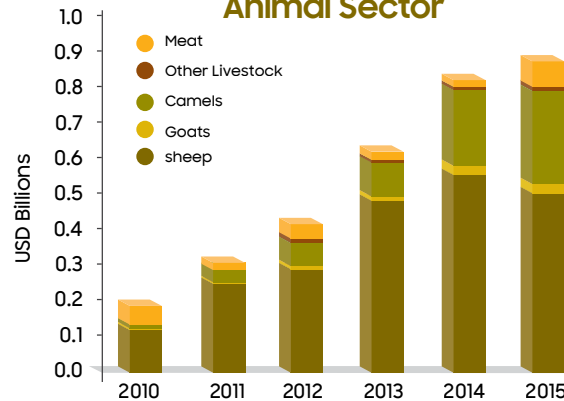
Oil Sector



Mining Sector



Animal Sector



Agricultural Sector



Potentiality & Opportunity:

- Arable lands 60 million hectares (142 million feddans), only 20% currently cultivated
- 50% of Labor force work in agriculture
- Forests cover about 11.6% of Sudan
- Diverse Climate zones
- Irrigation source from underground aquifers in Northern State
- Policies pursued to promote agriculture include zero tax on all agricultural projects and agricultural goods
- World Food Conference held in Rome in 1974, considered Sudan as the World Food Basket, as it could be capable to feed quarter of the world food and five times population of the Arab region if agricultural potentialities of Sudan had been properly utilized

Current Status:

The Agricultural & Animal Recourses sector is considered to be the backbone of industrial development and it continues to contribute in the growth domestic product (GDP) by 31.4% Agriculture is by far the most important industry in the economy, constitutes the vast majority of Sudan's exports. Irrigated land is turned over to high-yield crops such as wheat and, most notably, cotton. Irrigated schemes are all government-owned, with farmers taking long leases on large plots from the government. The largest of the schemes (and one of the largest cotton production areas in the world) is the Gezira scheme. Some diversification has been made from cotton to wheat in recent years, to reduce the countries import dependency. Other crops outside of intensively farmed agriculture include gum arabic, sesame, hibiscus, and groundnuts.



Gum Arabic

World 1st Producer
around 80% of the world
production, used in
food, pharmaceutical,
cosmetics, and ink
manufacturers



Hibiscus

World 1st High Quality, 50%
of Sudan's total hibiscus
production is exported mainly
to Germany, German herbal
tea manufacturers consider
Sudanese hibiscus to have the
perfect color blend and taste
for herbal tea bases



Sesame

World 4th producer
Country, distinguished
for its high quality
compared to other
producing countries



Peanuts

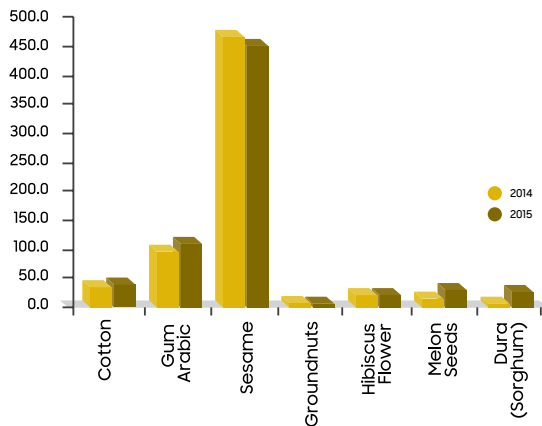
World 4th country exporting
peanuts, producing around
14% of the world production,
Sudan is the measured as
the greatest producer of the
crop in arabian and African
globe



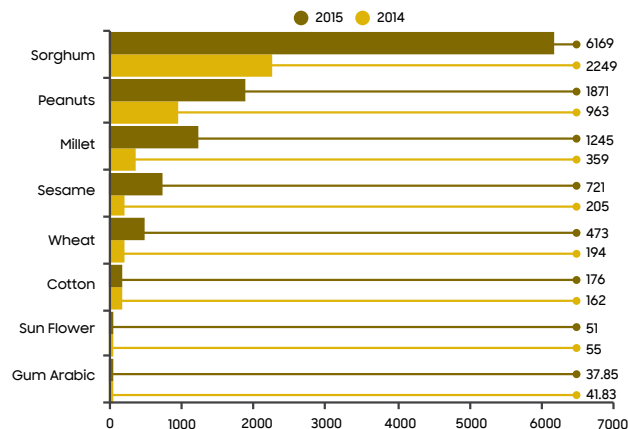
Sorghum

World 5th sorghum producer
country, Sorghum is the
largest and the most
important crop and livestock
feed in Sudan, exported
mainly to the Gulf states

Agricultural Products Exports in Millions USD



Agricultural Production Per Metric Tons



Animal Resources

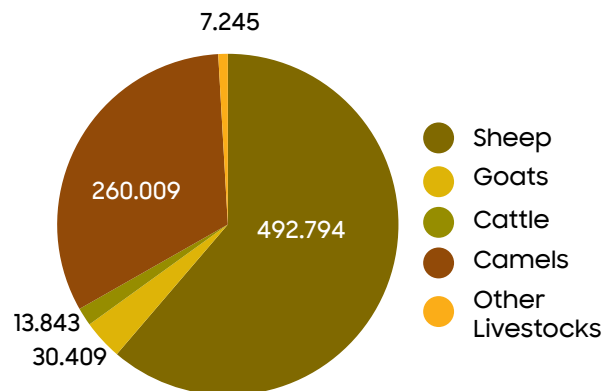


Sudan animal wealth far exceeds that of Arab countries and is Africa's second largest.

Sudan remains one of Africa's leading country in animal resources production with 105M heads of livestock. The country's climatic diversity led to diverse animal resources: camels are in the northern belt and cattle in the southern and eastern belts while sheep and goats are bred in all parts of the country.

Sudan also possesses huge fishery and poultry wealth.

2015 Livestocks exports in USD Millions





Goat

World 6th Goat
population

30.22M
heads



Cattle

World 7th Cattle
population

30.37M
heads



Camel

World 2nd camel
population

4.8M
heads



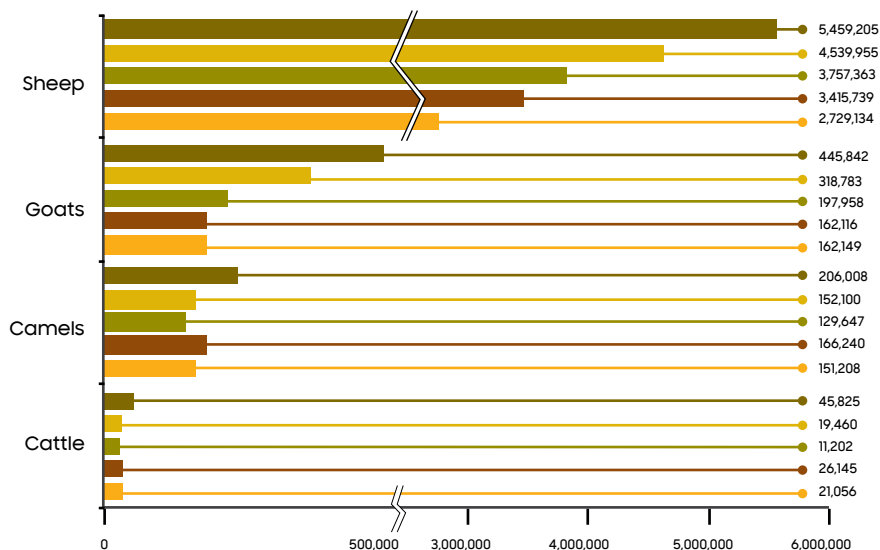
Sheep

World 5th Sheep
population

40.21M
heads

Exports per head

2011 2012 2013 2014 2015



THERE ARE ESTIMATED

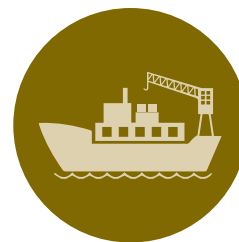
105 MILLION

LIVESTOCK IN SUDAN

THE SUDANESE ECONOMY EARNED

\$ 910 MILLION

FROM LIVESTOCK AND ANIMAL
PRODUCT EXPORTS IN 2015



More Than
6 Million
Live stock were
exported in 2015



Importers are: Saudi
Arabia, United Arab
Emirates, Egypt, Libya,
Qatar and Kuwait

Mining



THE SUDANESE
ECONOMY EARNED
\$753
MILLIONS
FROM MINERAL
PRODUCTS
EXPORTS IN 2015

Sudan has a long history and vast heritage of Mining culture which goes back to three thousand years when Nubians extracted gold and precious metals and smelted iron to make water wells. including Gold, Chrome, Manganese, Kaolin, Talc, Gypsum, Salt, Silver, Maecha, Marble, Clinker, Iron, Feldspar, Copper, Quartz and Fluoride .

The geology of the Sudan is dominated by the basement complex formations that cover more than 50% of its area.

Potentiality:

- Precious metals: Au, Ag, Pt.
- Tin, tungsten, zirconium Aluminum.
- Sedimentary & Igneous iron formations.
- Rare Earth Elements.
- Radio-Active elements, black sands.
- Industrial minerals: fluorite, white sands. Industrial minerals & rocks include: Pozolana, limestone, marble, gypsum, mica, kaolin, feldspar, kyanite, bauxite, wollastonite,

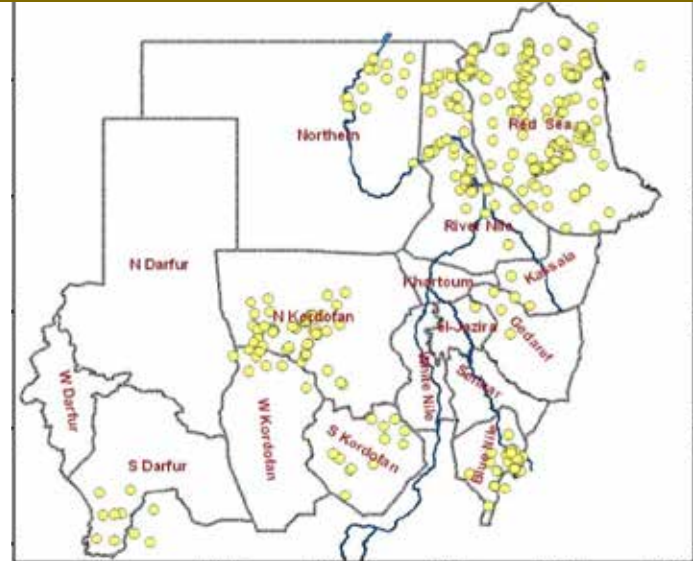
graphite, potassium salts and barite.

- Agro minerals like phosphate, potash, gypsum, zeolite, vermiculite.
- Gem stones.
- Building materials [igneous, metamorphic & sedimentary].
- Dimension stones.
- Basalts.

Mineral Production in Tons

Product	2010	2011	2012	2013	2014	2015
Gold	34	38	40	70	73	82
Chrome	56,823	64,128	18,300	30,870	58,834	15,143
Manganese	-	-	-	3,250	7,000	31,400
kaolin	32,696	15,096	11,579	26,000	18,500	14,490
gypsum	31,000	31,000	117,073	132,000	150,000	24,136
Salt	14,184	10,791	26,315	20,800	34,000	20,111
Clinker	-	-	884,570	32,000,000	3,128,934	281,956
Iron	17,000	24,500	96,400	339,390	82,180	109,000e
Feldspar	9,237	9,519	26,283	31,700	50,680	28,238

Gold

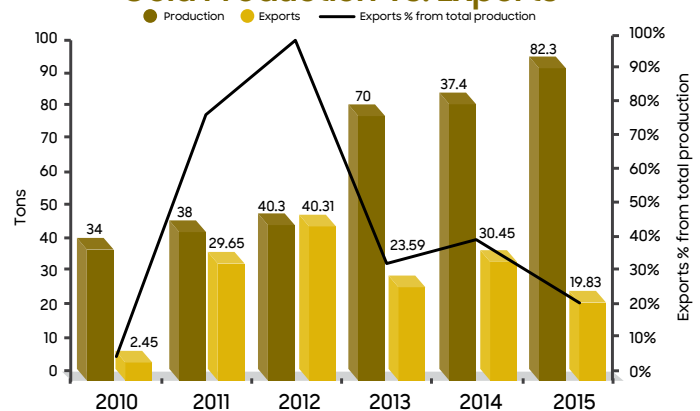


Sudan jumps into third rank for gold in Africa in 2015 and predicted to be Africa's largest gold producer by 2018

With the loss of oil revenue, Sudan has prioritized the mining sector as its top foreign exchange earner, with lucrative gold investment and exports now expected to spearhead growth. Gold mining is an important part of government efforts to keep the economy afloat after losing three quarters of its oil production the main source of state revenue.

Sudan's gold production expected to reach 100 tons in 2016. The rise in gold production will compensate slightly for the loss in oil revenue.

Gold Production VS. Exports



Oil Sector



THE SUDANESE
ECONOMY EARNED

\$627

MILLIONS

FROM OIL EXPORTS
IN 2015

Sudan has lost around three quarters of its oil production in a heavy blow to the economy South Sudan gained independence from Sudan in July 2011.

Most of the oil production capacity is now in South Sudan, but South Sudan is landlocked and still remains dependent on Sudan as it must use Sudan's pipelines to export oil through Bashayer port along the Red Sea, Sudan relies on the fees it charges South Sudan for using its pipelines and facilities to help fill in financing the gap of losing its oil exports revenue .

Prior to the split, the unified Sudan was the second-largest oil producer in Africa in 2010, Oil still plays a vital role in the economies of both countries, albeit to lesser extent in Sudan.

Potentially and Opportunity:

- Sudan is considered one of the top most African hydrocarbon potential country.

- Nearly twenty hydrocarbon basins do exist:

* Late Proterozoic-Paleozoic continental sag basins

(Misaha, Murdi, Wadi Hawar and Salima).

* Mesozoic-Cenozoic rift basins (Muglad, Rawat, Khartoum, Blue Nile and Red Sea)

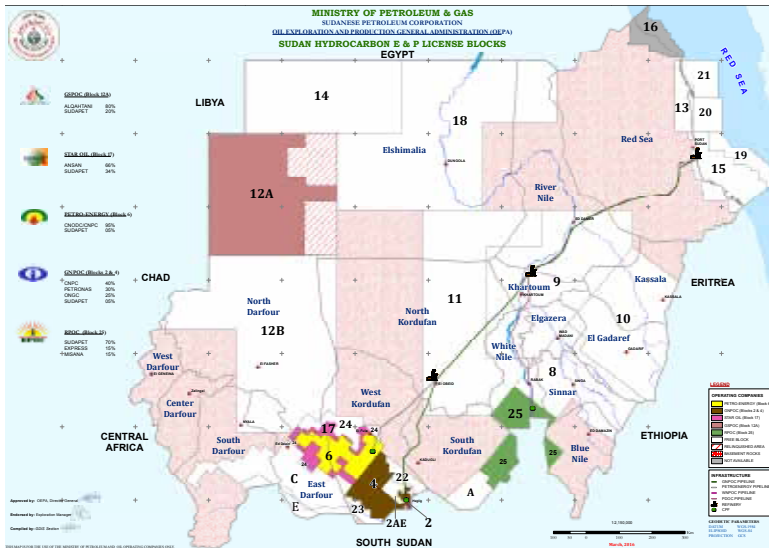
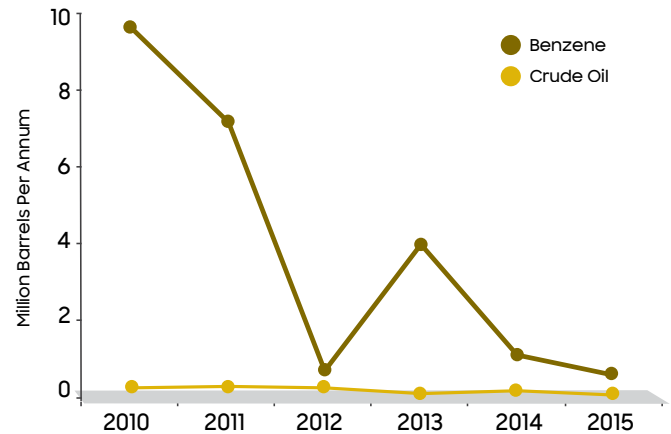
- Most of the Sudanese basins are by far highly under explored due to data scarcity and others logistical constrains.
- Sudanese basins could be classified into: Producing (1 basin) and Under exploring (6 basins)
- The country's speculative oil in place resource is totaling to 23.6 BSTB
- The reported Undiscovered Resource figures are highly underestimated due to the fact that most of the Sudanese basins are currently not well explored.
- Huge HC resources are expected to be uncovered through literal and wise exploration practices with the advantage of technological advancement.

Sudan Oil Reserves

Basin	Discovered Resources		Undiscovered Resources(SR)
	OIIP (MM S TB)	GIIP (BSCF)	OIIP (MM S TB)
Muglad	6,501	2,017	12,453
Rawat	37		386
Red Sea	37	525	8,381
Blue Nile	1	116	
Um Agaga Basin			597
Khartoum Basin			620
Mourdi Basin			1,167
Total	6,575	2,658	23,604

OIIP: Oil Initially in Place GIIP: Gas Initially In Place MM S TB: Million Stock Tank Barrels

Sudan Oil Exports

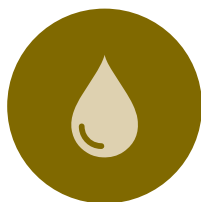


Electricity



TOTAL ELECTRICITY
GENERATION WAS
13,146.2
GIGA WATT / HOUR
IN 2015

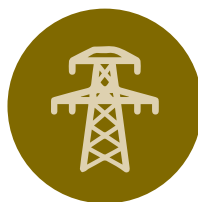
- One of the largest hydroelectric power plants in East Africa (1,250 MW Merowe dam project) started operations in 2009. Therefore the generation capacity mix is mostly hydro-based, producing about 64% of the electricity needs, 34% from thermal generation with the remaining 28% coming .01% coming from Ethiopian Transmission
- Renewable energy can play an important role in the sector, particularly wind generation, because Sudan has areas with high wind speeds mainly in the east and centre of the country
- There are several wind projects under development (totally about 300 MW) as well as some solar generation (about 20 MW)
- The Ministry of Water and Electricity has reported that according to the renewable energy master plan by 2031 renewable energy will represent about 29% of the total installed capacity



Water Generation
8,367.8
(GIGA WATT hr)

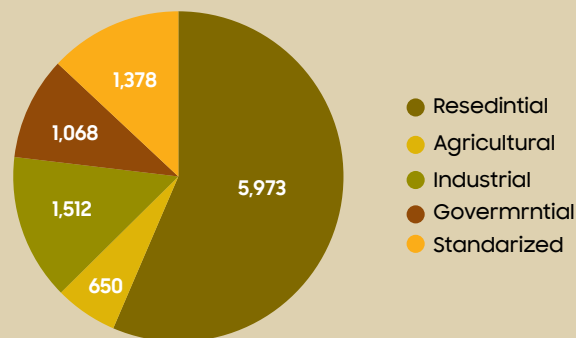


Thermal Generation
4,636.1
(GIGA WATT hr)



Ethiopian Transmission
142.3
(GIGA WATT hr)

Consumed Electrical Power distributed by Sectors in 2015 (GIGA WATT / hs)



Water, Roads and Bridges



SUDAN WATER PRODUCTION & CONSUMPTION

2015 IN THOUSAND
CUBIC METERS PER DAY

WATER PRODUCTION:

4,471

WATER CONSUMPTION:

4,023

Sudan is rich in water resources (the Nile and its tributaries and renewable ground water) with total water resources of 30.8 Billion cubic meters

Every human being needs water to survive and the bare minimum per person for drinking and sanitation is measured at 20 liters a day., water supply in Sudan per capita / day is 50.1 liters.

Roads and Bridges

Road density in Sudan is among the lowest in Africa and the world. The existing road arteries are centered on Khartoum as the hub. One artery connects Khartoum with the coastal gateway of Port Sudan, a second connects Sudan with Egypt and North Africa, a third connects Khartoum with the Eritrean border, and a fourth leads to Ethiopia. Connections to South Sudan are fragmented; there is little traffic overall. In fact, along most of the networks, except between the Red Sea

and Khartoum, traffic is sparse and road conditions patchy at best.

Sudan's road density is exceedingly low and traffic along most roads is sparse, poor-quality roads drastically undermine the efficiency of transport services. the large volumes of unpaved roads makes movement impossible during the rainy season.

Sudan's infrastructure development has so far had a national focus, and there is much that remains to be done to achieve greater regional integration, while internal road corridors are developed, connectivity with neighbors is largely absent. Sudan has a natural gateway to the sea through Port Sudan but the port's performance is severely hindered by long dwell times, high costs, and capacity constraints, Looking further ahead, Sudan has the potential to be a major hydropower exporter if additional capacity could be developed and transmission links with neighboring Nile Basin countries strengthened.

Transportation



No. of Airports
30



No. of Sea ports
5



No. of Dry ports
2



Rail road length
5898km



Lenth of Paved roads
135,444 km



THE SUDANESE
ECONOMY EARNED

SDG 84
BILLIONS

FROM TRANSPORTATION
& COMMUNICATION
SERVICES IN 2015

Transported (Goods/Thousand Tones-Passengers /Thousand)	2013	2014	2015
Air Transport			
Goods on international and domestic flights (Thousand tones)	38	29	32
Passengers on international and domestic flights (Thousand)	2,629	2,299	3,008
Sudan Shipping Line			
Good Carried (Thousand tones)	323	75	100
Passengers (Thousand)	21	67	25
Sudan Railways			
Good Carried (Thousand tones)	1,102	857	869
Passengers (Thousand)	13	188	193
River Transport Cooperation			
Good Carried (Thousand tones)	2	14	25
Passengers (Thousand)	-	33	12
Land Transport			
Good Carried (Thousand tones)	8,683	8,783	18,451
Passengers (Thousand)	47,400	30,000	40,515

Telecommunication



Status:

- Telecommunication Sector was the fastest growing Economic sector among all economics sectors in Sudan, total investment in the Sector is estimated to be more than \$5 billion, including the Goodwill of the operator companies, the growth in the sector is reflected in tele-density (No. of Telecom Users/100 inhabitants): 2% in 1995 to more than 60% in 2015.
- Mobile SIM cards in usage have reached 28 million by the end of 2015 with a steady growth during the period 2010-2012, geographical coverage of the services is estimated not to exceed 44% of the total Land area in Sudan, population coverage has exceeded 80%.

Internet

Internet users are estimated to be exceeding 11 million users, however, registered Broadband users are approximately one million, this is due to the only fixed registered (wired or

wireless) broadband customers are counted. customers accessing through mobile devices and/or using prepaid scheme are not counted.

History of the Development of the Telecom Sector in Sudan:

- 1993 Establishment of Sudan Telecom Company (SUDATEL)
- 1996 Establishment . of Telecom Council as a Regulatory Authority
- 1997 Establishment of First Mobile Operator-Mobitel-(Zain now)
- 2001 Establishment of NIC
- 2001 Approval of Telecom Law and Est. of NTC as a Corp.
- 2003 Introduction of a Second Mobile Operator (MTN)
- 2004 Introduction of a Second Fixed Operator (Canar)
- 2005 Liberalization of Int. Gateway.
- 2006 Licensing Sudatel as a Third Mobile Operator
- 2009 Privatization and Regulation of Postal Services.
- 2015 First operation of 4th. Generation Mobile Network.

Fiscal Policy & Monetary Policy



Fiscal Policy

The authorities have endeavored to maintain fiscal restraint while preserving social spending. However, financing needs remain large, in part, due to the significant fall in oil prices and also on account of the considerable revenue gaps created by the secession of South Sudan. Given the limited access to external budgetary and balance of payments support, the authorities will continue to implement fiscal consolidation with the view to reduce the deficit to 0.4 percent by 2019. The consolidation plan will combine expenditure restraint, revenue mobilization and enhanced public finance management.

On the revenue side, the authorities have made significant efforts to increase domestic revenues. Since tax revenue performance is still relatively low by comparison, they continue to focus on strengthening revenue mobilization by enforcing compliance, reducing tax exemptions, reviewing the taxation and royalties on extractive industries and, reviewing direct taxes including income and corporate taxes. The program for economic reform also focuses on reviewing and harmonizing the tax codes. On the expenditure front, the authorities will continue to rationalize subsidies and strengthen the social safety net. In this regard, they are implementing gradual liberalization of wheat, hydrocarbons and electricity.

The authorities will continue to strengthen public finance management. Benefiting from Fund technical assistance, they have introduced an integrated financial management system and the Treasury Single Account (TSA).

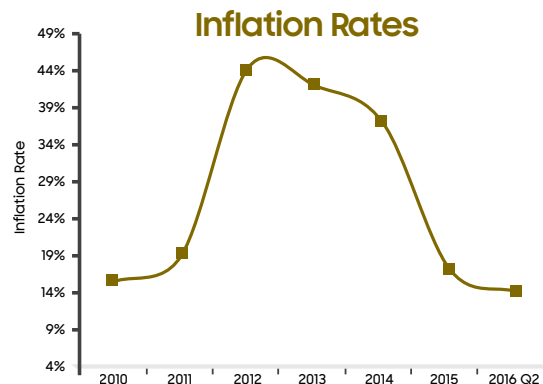


Monetary Policy

The authorities agree on the need to adopt tighter fiscal and monetary policy to anchor macroeconomic stability and reduce financing gaps in light of the uncertain and short-term nature of financing. In this context, monetary policy will continue to focus on containing reserve money growth and are in the process of developing instruments for effective liquidity management. The authorities' consolidation efforts will also focus on reducing the government deficit and minimizing the central bank's quasi fiscal activities. They have also made efforts to strengthen the AML/CFT framework. Successful implementation of the key recommendations of the MENAFAFT led to Sudan's removed from the 'gray list' of countries requiring regular follow-up to biennial updates.

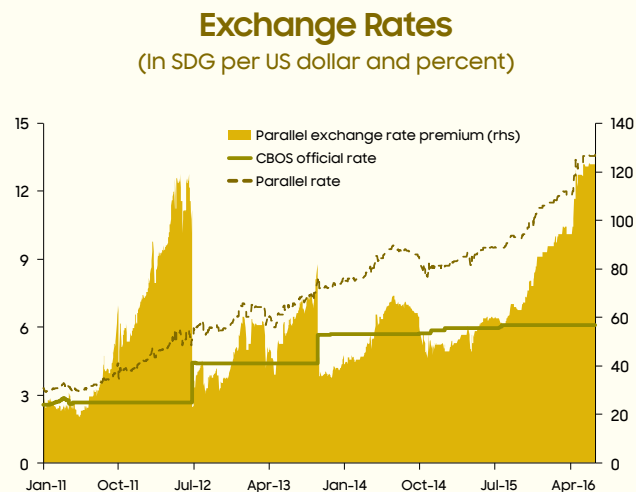
Inflation & Foreign Exchange

According to data from the Central Bank of Sudan and the National Bureau of Statistics, the overall annual inflation rate stood at 17.6 in December 2015, while the inflation rate for food and drinks was slightly higher, at 28.4%. The authorities also calculate separate inflation rates for urban and rural areas, and their data indicate that rural inflation is generally higher than urban.



The official exchange rate remained virtually fixed in 2015–2016, the official rate was adjusted by only 2%, while the parallel market exchange rate depreciated by 36% since end-2014. As a result, the premium widened to 125 % at end-June 2016 (from 46% at end-2014).

Based on the official rate, the real effective exchange rate (REER) appreciated by 17 percent between December 2014 and April 2016. The appreciation of the official REER reflected Sudan's high inflation relative to trading partners and the quasi-fixed official exchange rate in 2015–16. It wiped out the real depreciation that followed the devaluations in June 2012 and September 2013. On the parallel market, the 18 percent REER depreciation between December 2014 and April 2016 still resulted in a cumulative appreciation of 15 percent since end-2012.



Financial Sector

Industry Players

Specialized Banks:
Joint: 3
Government: 3

Commercial Banks:
Joint: 22
Foreign: 7
Government: 1

Microfinance
Institutions
38

Stock Brokerage
Companies
38

Insurance/ Reinsurance
Companies
16

Regulation references

Central Bank Of Sudan Law

Banking Regulation Act

Five - year program for
economic reform 2015 - 2019

Five - Year Country
Strategy 2012 - 2016

Five - Year CBOS
strategy 2012 - 2016

Key Regulation: Central Bank of Sudan

Maintaining the stability of the exchange rate and efficiency of the banking system, issuing the currency in different denominations and organizing and monitoring it, formulating and implementing monetary policy, organizing, supervising, and controlling of and working towards upgrading, developing and enhancing banking business efficiency in a manner that contributes to the attainment of balanced economic and social development, as well as acting as the governments bank, and its advisor and agent in the monetary and financial affairs.

Other Regulators

Ministry Of Finance

Khartoum Securities
Exchange

The Higher Shariaa
Supervisory Board

Liquidity Management
Fund (LMF)

Credit Information
Scoring Agency

Banking Industry Regulators

Bank Deposits Security Fund (BDSP)

Central Bank Of Sudan (CBOS)

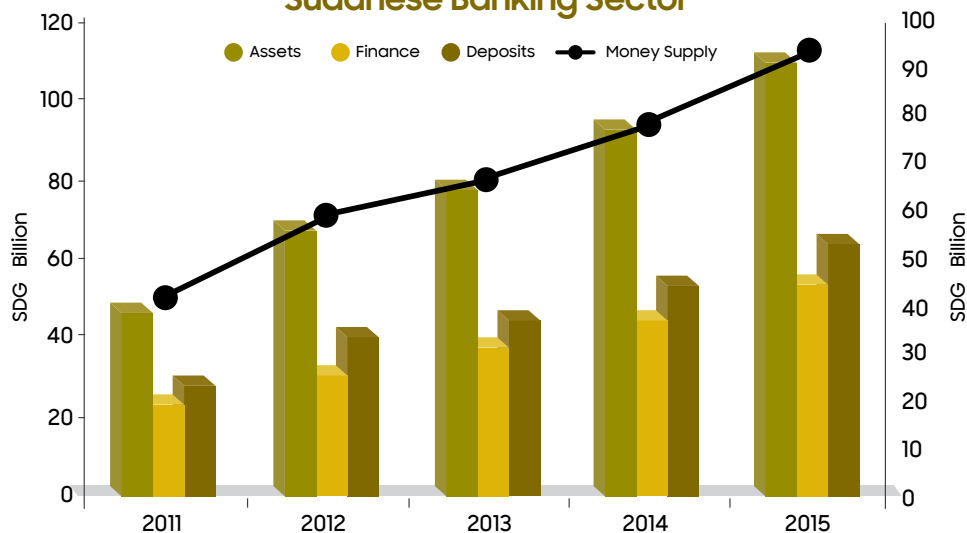
Sudan Financial Services Co. Ltd

Banking Sector

Values in million SDG

	2011	2012	2013	2014	2015
Total Money Supply	41,853	58,663	66,446	77,739	93,643
With Population	12,850	16,751	19,179	23,343	27,496
Deposits	12,000	14,242	16,487	19,743	25,376
Semicash	17,003	27,670	30,780	34,653	40,771
Assets	46,504	67,050	77,480	92,317	108,937
Finance	22,867	30,483	37,622	44,321	53,457
Deposits	27,984	39,920	44,133	53,469	63,419

Sudanese Banking Sector



Opportunities & Threats



Opportunities

- Presence of large unbanked population in the country provides room for growth even with traditional product suite. Moreover, technological developments provide opportunities to reach potential customer base without having to incur huge administrative costs
- Limited range of financial products available in the market provides new avenues for growth
- Opportunity for growth in microfinance segment

Threats

- Weak macroeconomic fundamentals may hamper growth and increase
- Continuing sanctions on Sudan may threaten banking operations, particularly relations with correspondent banks
- Regulatory constraints in launch of new products may hamper growth
- Structural weaknesses in domestic capital market may affect liquidity position
- Political uncertainties and regional security may also pose challenges for the bank

U.S Sanctions



Federal Register / Vol. 82, No. 10 / Tuesday, January 17, 2017 / Rules and Regulations 4781

<https://www.federalregister.gov/documents/2017/00836-2017/17/01/revisions-to-sudan-licensing-policy>



Federal Register / Vol. 82, No. 10 / Tuesday, January 17, 2017 / Rules and Regulations 4793

<https://www.federalregister.gov/documents/2017/00844-2017/17/01/sudanese-sanctions-regulations>

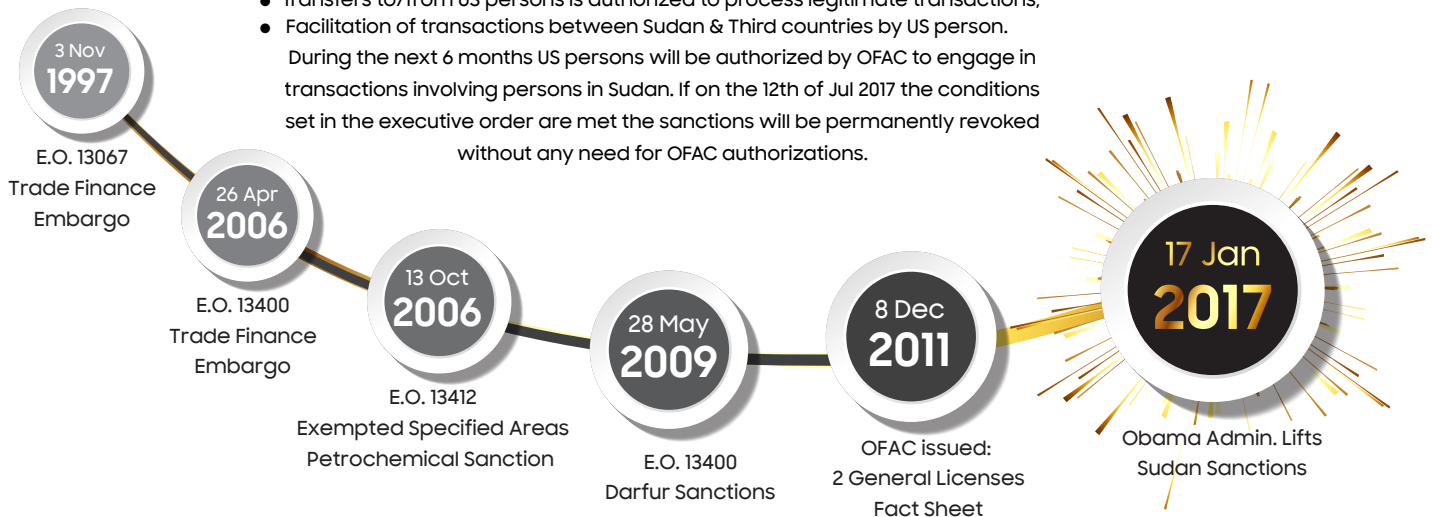
<https://www.treasury.gov/resource-center/sanctions/Programs/pages/sudan.aspx>

OFAC amended the Sudanese Sanctions Regulations, 31 C.F.R. part 538 (SSR), by issuing a general license authorizing all transactions prohibited by the SSR, including transactions involving property in which the Government of Sudan has an interest. The general license only authorizes transactions that are prohibited under the SSR and does not affect other OFAC sanctions programs, including those related to Darfur or South Sudan. However, there are only eight SDNS designated under the Darfur program (seven individuals and one entity), and only six SDNs designated under the South Sudan program (all individuals). So the practical impact of US sanctions under these two programs is quite limited.

Effectively this means that Sudan can engage with its US & other counterparts in:

- Exports/Import of products & services to/from US companies,
- Investment from US companies are allowed,
- Blocked Assets/Banking are now unblocked,
- Transfers to/from US persons is authorized to process legitimate transactions,
- Facilitation of transactions between Sudan & Third countries by US person.

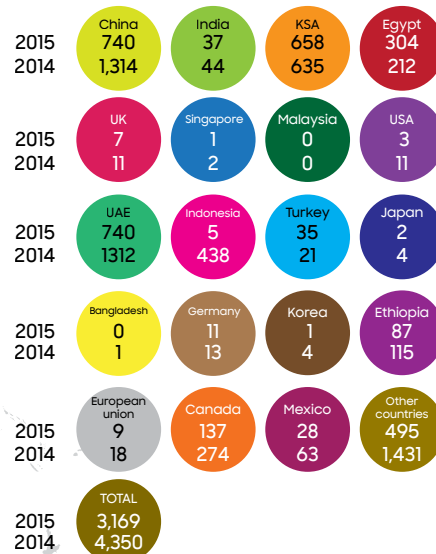
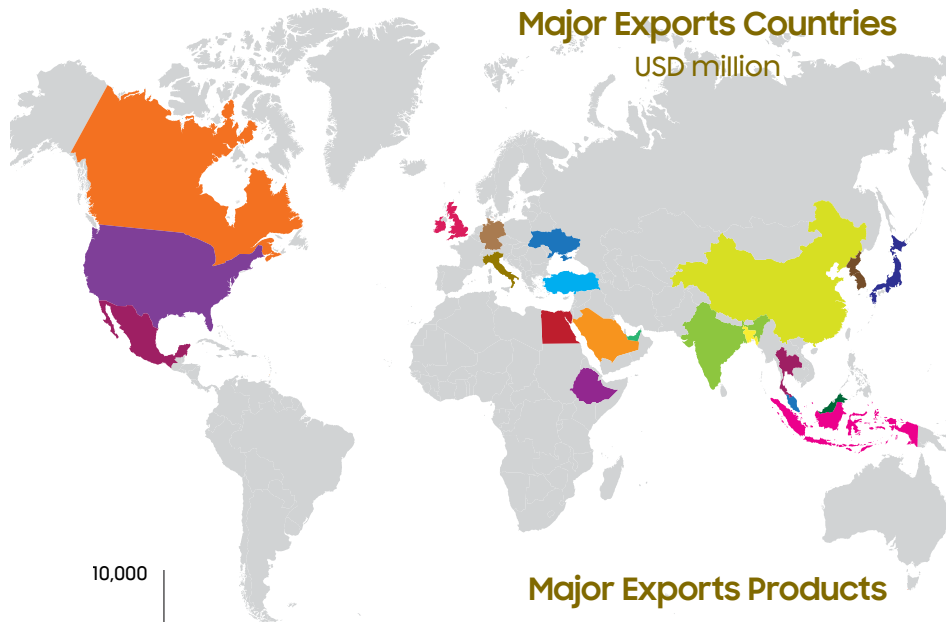
During the next 6 months US persons will be authorized by OFAC to engage in transactions involving persons in Sudan. If on the 12th of Jul 2017 the conditions set in the executive order are met the sanctions will be permanently revoked without any need for OFAC authorizations.



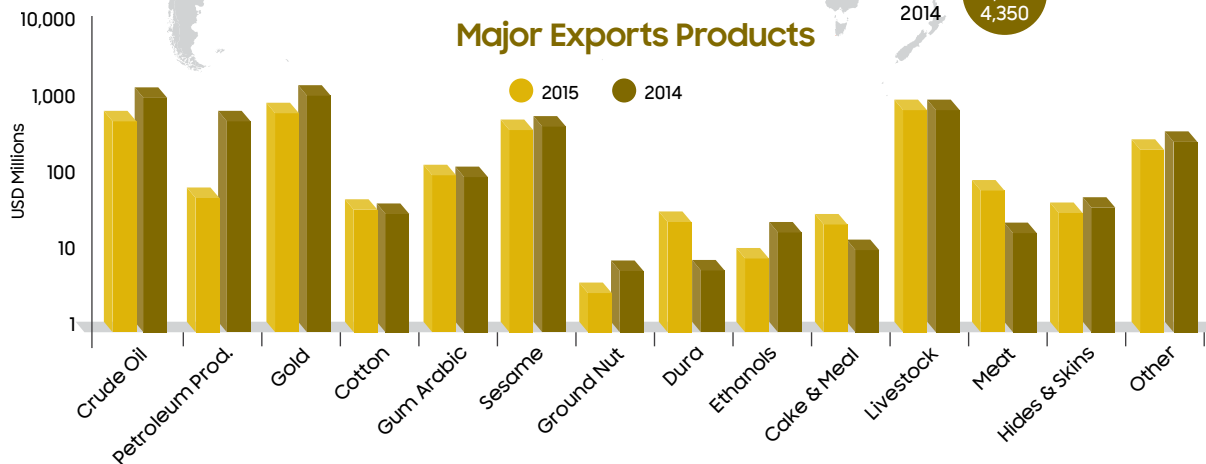
Foreign Trade

Major Exports Countries

USD million



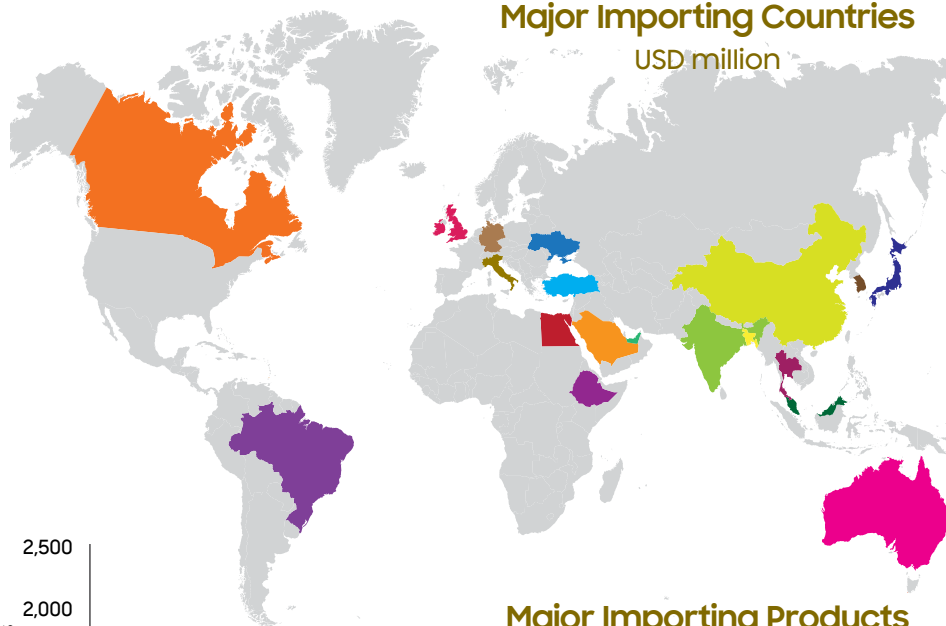
Major Exports Products



Foreign Trade

Major Importing Countries

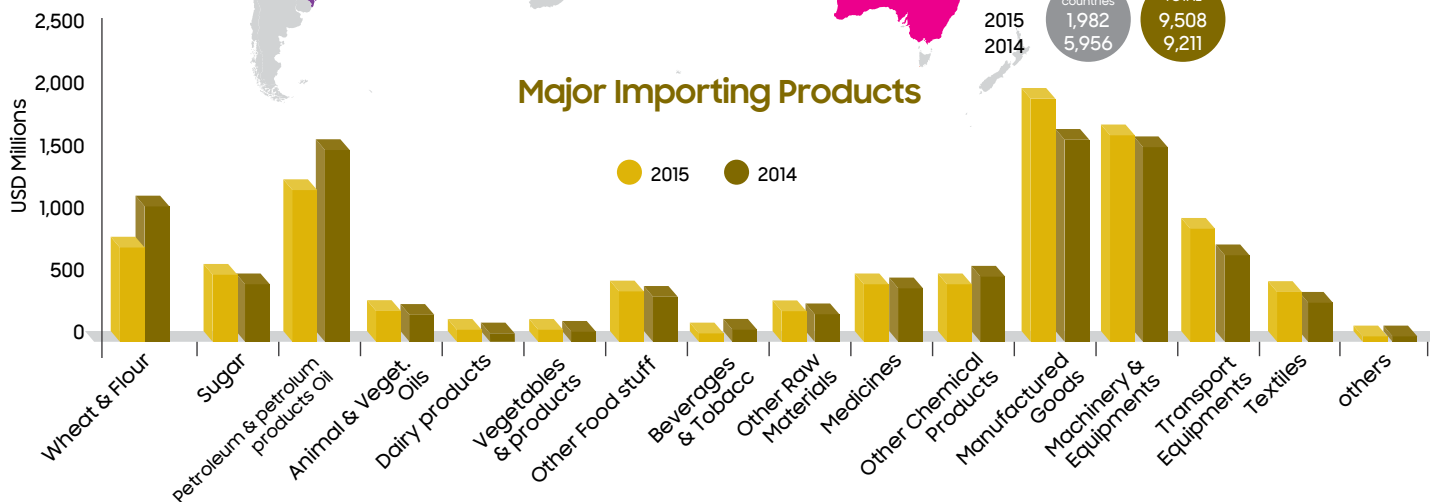
USD million



2015	China 2,159	India 794	KSA 436	Egypt 569
2014	1,314	1,847	415	491
2015	UK 107	Ukraine 198	Malaysia 317	Brazil 25
2014	135	197	684	93
2015	UAE 835	Australia 88	Turkey 410	Japan 301
2014	941	300	283	212
2015	S.Korea 176	Ethiopia 43	European union 143	Canada 137
2014	119	31	43	274
2015	Bangladesh 57	Germany 208	Thailand 353	Italy 159
2014	39	249	247	146
2015	Other countries 1,982	TOTAL 9,508		
2014	5,956	9,211		

Major Importing Products

● 2015 ● 2014



Economic Forecasts 2016 – 2025 Outlook

TABLE: SUDAN – MACROECONOMIC DATA & FORECASTS

	2015e	2016f	2017f	2018f	2019f	2020f	2021f	2022f	2023f	2024f	2025f
Nominal GDP, USDbn	82.3	86.3	95.7	108.6	124.5	142.2	162.4	185.4	211.9	242.1	253.8
Nominal GDP, USRbn	74.8	80.7	87.0	94.4	103.8	118.5	135.3	154.5	176.6	201.8	205.3
CDP per capita, USD	2,078	2,129	2,307	2,557	2,863	3,194	3,566	3,983	4,453	4,980	5,108
CDP per capita, EUR	1,889	1,990	2,097	2,223	2,386	2,662	2,972	3,319	3,711	4,150	4,133
Real GDP growth, % y-o-y	3.7	3.9	3.8	3.8	3.7	4.2	4.2	4.2	4.3	4.3	4.3
Private final consumption, % of GDP	87.1	87.5	87.8	88.0	88.2	88.4	88.5	88.7	88.8	88.9	88.3
Private final consumption, real growth % y-o-y	3.6	3.6	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.1
Government Final consumption, % of GDP	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2
Government Final consumption, real growth % y-o-y	3.0	3.0	3.0	3.5	3.5	4.0	4.0	4.0	4.0	4.0	4.4
Fixed capital formation, % of GDP	16.1	15.5	15.0	14.5	14.2	13.9	13.6	13.3	13.1	12.8	13.8
Fixed capital formation, real growth % y-o-y	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.0	4.0	4.0
Population, mn	40.2	41.2	42.2	43.2	44.2	45.3	46.4	47.5	48.5	49.6	50.7
Consumer price inflation, % y-o-y, ave	19.1	12.3	12.0	12.0	11.0	10.0	10.0	10.0	10.0	10.0	0.0
Exchange rate SDG/USD, ave	5.97	6.60	6.88	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Exchange rate SDG/EUR, ave	6.57	7.06	7.56	8.05	8.40	8.40	8.40	8.40	8.40	8.40	8.65
Budget balance, % of GDP	-4.4	-4.5	-4.4	-4.4	-4.6	-4.7	-4.9	-5.0	-4.7	-5.2	0.0

e/f = BMI estimate/forecast. Source: National sources, BMI

TABLE: SUDAN – GDP GROWTH FORECASTS

	2014	2015e	2016f	2017f	2018f	2019f	2020f	2021f	2022f	2023f	2024f	2025f
Nominal GDP, SDGbn	402.7	491.4	569.4	657.9	760.3	871.5	995.2	1,136.5	1,297.9	1,483.2	1,695.0	1,776.3
Real GDP growth % y-o-y	3.0	3.7	3.9	3.8	3.8	3.7	4.2	4.2	4.2	4.3	4.3	4.3
CDP per capita, SDG	10,388	12,406	14,052	15,862	17,902	20,043	22,364	24,967	27,884	31,173	34,860	35,757

e/f = BMI estimate/forecast. Source: BMI, UN

Bank of Khartoum

Overview

- Historical Brief
- Performance Ratios & Financial Highlights
- Stakeholders-Board of Directors
- Awards & Milestones
- Executive Management
- Credit Rating
- OFAC & FATCA
- NPL's
- Market Share
- Treasury & Investment Banking
- Correspondent Banking
- Corporate Banking
- Retail Banking
- International Branches
- Subsidiaries
- Strategy
- Contacts

Historical Brief

1913

Established as the Anglo-Egyptian Bank during the Anglo-British rule

1925

Renamed as Barclays Bank for Overseas Properties and Territories

1954

Renamed as Barclays Bank

1970

Renamed as State Bank for Foreign Trade after acquisition by the Government of Sudan

1975

Renamed as Bank of Khartoum through a Presidential Decree

1983

Merged with People's Cooperative Bank (Bank Misr) through a Presidential Decree

1993

Merged with Unity Bank (Othman Bank) and National Export & Import Bank

2002

Converted to a Public Limited Company under the Companies' Act of 1925

2005

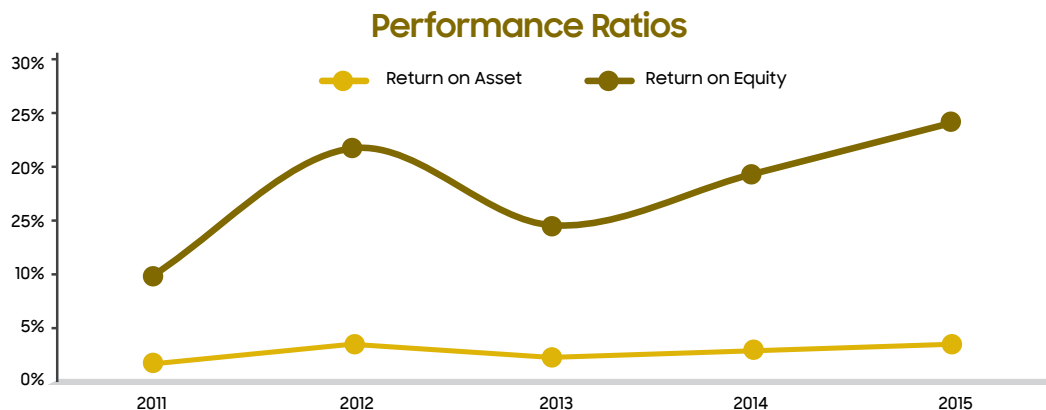
Government of Sudan sold its 60% stake in the bank to Dubai Islamic Bank P.J.S.C. (DIB)

2008

Merged with Emirates and Sudan Bank

Performance Ratios

Performance Indicators	2011	2012	2013	2014	2015
Return on Share	16.53%	44.96%	36.81%	56.77%	69.68%
Return on Equity	9.65%	21.73%	14.47%	19.29%	24.15%
Return on Assets	1.39%	3.19%	2.07%	2.62%	3.31%
Gross Finance / Total Assets	52.40%	52.37%	50.47%	48.89%	49.77%
Gross Finance / Total Deposits and Cash margin	63.99%	65.50%	61.55%	60.96%	61.07%
Liquid Assets / Total Assets	25.94%	26.29%	29.61%	33.35%	33.22%
Liquid Assets / Customer Deposits	32.55%	35.17%	38.55%	43.69%	41.77%
Capital Adequacy Ratio	18.00%	19.00%	14.00%	15.75%	19.05%



Return on average Asset and Return on average Equity have marked a significant increase over time to 3.31% and 24.15% respectively, given that the bank experienced sharp business growth in 2015, a more meaningful improvement may become apparent on next years, potentially rehabilitating return indicators. In nominal terms, BOK expected return indicators to remain strong in 2016

Financial Highlights

Income Statement

Values SDG "000"	2011	2012	2013	2014	2015
Income from deferred Sales	192,092	254,011	304,169	536,847	666,987
Income from Investments	60,982	120,616	153,299	163,617	347,983
Gross Income	253,074	374,627	457,468	700,464	1,014,970
Financing and Investing risk provision	(22,800)	(40,300)	(45,000)	(45,021)	(45,000)
Return on unrestricted Investment Accounts	(104,111)	(144,528)	(166,319)	(230,000)	(318,985)
Bank's Share in income from investments	126,163	189,799	246,149	425,443	650,985
Income from banking services	82,285	160,509	176,159	144,020	137,226
Foreign Currency Income	9,694	41,258	(9,337)	30,447	12,139
Other Income	24,835	59,986	45,587	30,478	37,008
Total Income	242,977	451,552	458,558	630,388	837,358
Staff expenses	81,338	98,296	149,703	158,091	175,602
General and administration expenses	75,115	101,581	122,005	161,268	209,922
Depreciation and Amortization	15,574	19,337	28,164	31,629	45,600
Total Expenses	172,027	219,214	299,872	350,988	431,124
Profit before Zakah and Tax	70,950	232,338	158,686	279,400	406,234
Zakah	(2,598)	(1,334)	(913)	(3,118)	(14,738)
Income Tax expense	(5,375)	(41,921)	(6,141)	(38,590)	(25,923)
Net profit for the year	62,977	189,083	151,632	237,692	365,573

(Net Profit increased by CAGR 42% i.e. 5 times in 5 years)

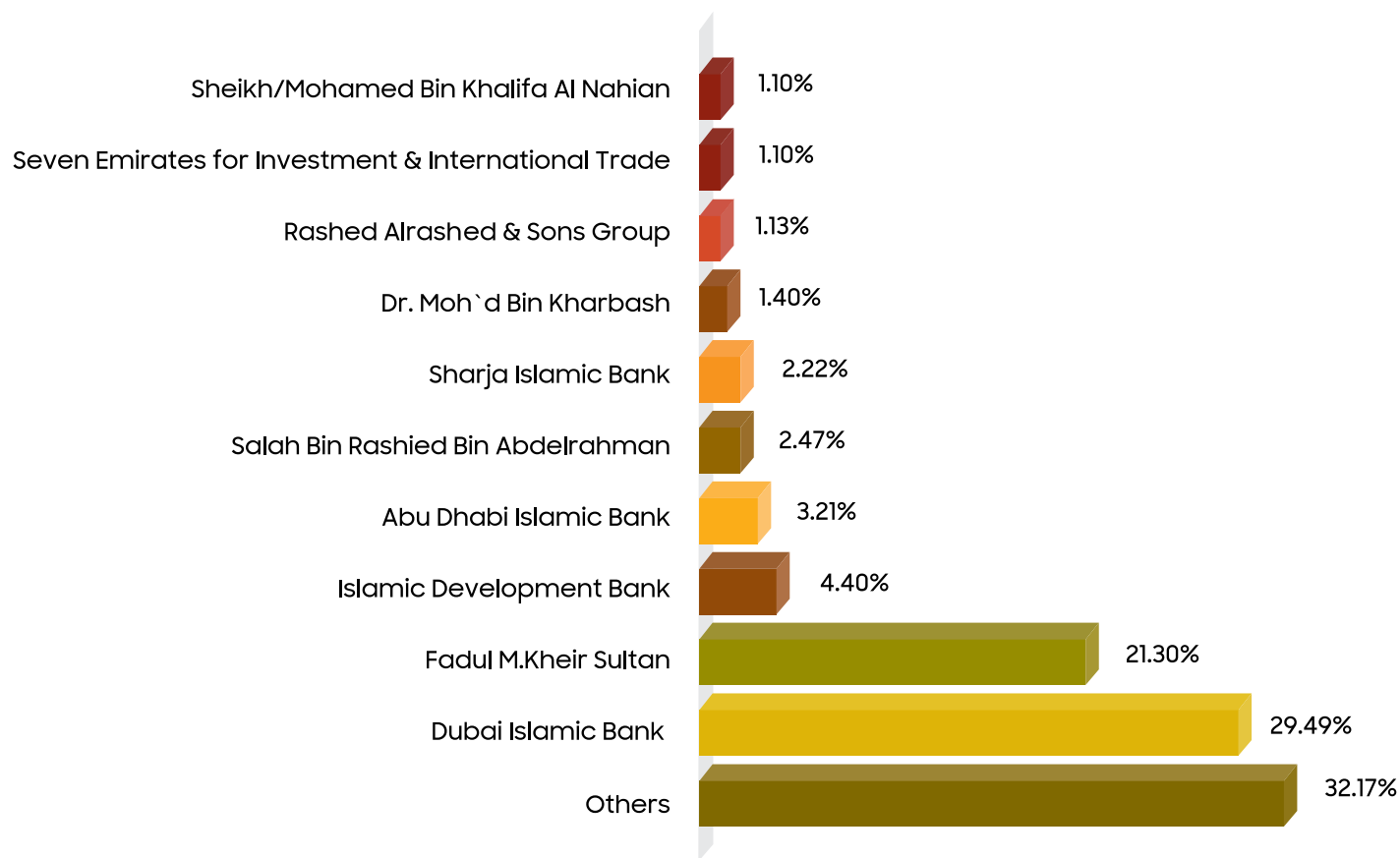
Financial Highlights

Balance Sheet

Values SDG "000"	2011	2012	2013	2014	2015
Assets					
Cash and Cash equivalent	625,942	908,245	1,377,117	1,886,078	1,740,702
Investment Accounts with Banks	39,333	21,828	25,403	126,442	81,409
Investment in Trading Securities	297,171	589,504	678,285	839,373	1,582,273
Sale Receivables	2,272,764	3,234,582	3,691,381	4,518,773	5,713,288
Investment in Mudaraba and Musharaka	350,708	327,430	412,735	389,612	288,663
Available for Sale Investments	336,626	268,687	326,983	496,016	601,172
Investment in Real Estate & others	59,980	58,176	49,496	758,920	797,922
Other Assets	283,015	409,216	402,764	273,836	336,459
Intangible Assets	87,942	92,623	90,603	90,949	92,356
Property , Plant and Equipment	653,572	891,012	1,077,533	659,794	825,021
Total Assets	5,007,053	6,801,303	8,132,300	10,039,793	12,059,265
Liabilities and Shareholders' Equity					
Customer Deposits :	3,991,274	5,084,854	6,245,222	7,753,498	9,591,022
Current Accounts	1,569,009	2,056,561	2,557,360	2,982,799	3,625,430
Saving Accounts	957,293	1,484,236	2,038,102	2,669,011	3,942,054
Investment Accounts	1,464,972	1,544,057	1,649,760	2,101,688	2,023,538
Cash Margins	108,795	353,484	422,577	387,730	237,397
Other Liabilities	173,126	278,536	285,624	405,371	431,755
Provisions	17,412	66,761	64,604	93,566	84,464
Total Liabilities	4,290,607	5,783,635	7,018,027	8,640,165	10,344,638
Total Shareholders' Equity	716,446	1,017,668	1,114,273	1,489,628	1,715,642
Total Liabilities and Shareholders' Equity	5,007,053	6,801,303	8,132,300	10,129,793	12,060,280

(Balance sheet grew by CAGR 19% i.e. more than doubled in 5 years)

Key Bank of Khartoum Shareholders 2016



Board Of Directors



Mr. Mohamed Saeed Alsharif
Chairman-AE



Mr. Fadul Mohamed Khair
Deputy Chairman-SD



Mr. Mohamed Elmurtada
Board Member-SD



Mr. Muhammed Maqbool
Board Member-BK



Dr. Nabil M. Ghalleb
Board Member-TN



Mr.Obaid Elshamsi
Board Member-AE



Mr. Jihad Alhussein
Board Member-SD



Mr. Mohamed Elnahdi
Board Member-AE



Dr. Awadalkarim Mustafa
Board Member-SD



Mr. Salaheldin Abu Elhaja
Board Member-SD



Mr. Fadi Alfaqih
General Manager-JO

Awards & Milestones

Best Bank in Sudan 2016 –Banking Executive Awards 2016, World Union of Arab Bankers



Best Retail Bank – Africa – Islamic Business & Finance Awards 2015

Best SME Bank – Africa – Islamic Business & Finance Awards 2015

Best Islamic Bank – East Africa- Islamic Business & Finance Awards 2015

Best Islamic Bank – Africa- Islamic Business & Finance Awards 2015



Best Microfinance Bank – East Africa – Banker Africa

Best Customer Service – East Africa – Banker Africa

Best Islamic Retail Bank – East Africa – Banker Africa

Best Bank in Sudan – East Africa Awards by Banker Africa

Best Islamic Bank – East Africa Awards by Banker Africa



Best Islamic Retail Bank Sudan – Global Banking & Finance 2015

Best Islamic Microfinance Bank Sudan – Global Banking & Finance 2015



Best Islamic Retail Bank – Africa – International Finance Magazine 2015



Critics' Choice Best Islamic Retail Bank 2015 Sudan – Islamic Retail Banking Awards 2015 by Cambridge Analytica IF.



Executive Management



Fadi Al Faqih
Chief Executive Officer



Faisal Abbas
Deputy CEO



Yacoub Zafer
EVP, Group Head
Corporate Banking



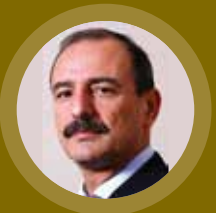
Kashif Naeem
EVP, Group Head Retail,
SME & Microfinance



Khaled Zada
EVP, Group Head
Treasury & Investment
Banking



Odai Hindawi
EVP, Chief
Finance Officer



Fuad Bahou
EVP, Chief
Operations Officer



Faisal Abdullateif
EVP, Head
Internal Audit



Salah Abdul Rahim
EVP, Chief
Risk Officer



Nadia Youhanna
VP, Head
Human Resources



Ammar Osman
VP, Head of Legal
and Compliance

Rating



الوكالة الإسلامية الدولية للتصنيف
Islamic International Rating Agency

FIDUCIARY RATING REPORT

Bank of Khartoum

Report Date:

December 09, 2015

Analysts:

Maimoon Rasheed

Syed Huzairah Musharraf, ACA

Credit Rating

	Latest Ratings (December 09, 2015)	Previous Ratings (March 05, 2015)
National Scale (LT/ST)	AA-(sd)/A1(sd)	AA-(sd)/A1(sd)
Rating Outlook	Stable	Stable

Fiduciary Score

	Latest	Previous
Total Score	71-75	71-75
<i>Asset Manager Quality</i>	66-70	66-70
<i>Corporate Governance</i>	66-70	66-70
<i>Shari'a Governance</i>	76-80	76-80
Fiduciary Score 71-75 indicates that rights of various stakeholders are adequately protected. Certain weaknesses have been identified in a few governance related areas.		

Office of Foreign Asset Control – OFAC & Foreign Account Tax Compliance Act – FATCA

<http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20110428.aspx>

On 28th Apr 2011 Bank of Khartoum successfully managed to get delisted from the OFAC sanctioned lists through extensive work supported by the Bank's legal council in the US, Patton Boggs LLP, USA.

FATF congratulation to Sudan for the significant progress made in addressing the strategic AML/CFT deficiencies earlier identified by the FATF and included in his respective action plans. Sudan will no longer be subject to the FATF's monitoring under its on-going global AML/CFT compliance process. Sudan country will work with his respective FATF-Style Regional Body as they continue to further strengthen his AML/CFT regime..

<http://www.fatf-gafi.org/publications/fatfgeneral/documents/outcomes-plenary-october2015-.html#ecuador-sudan>

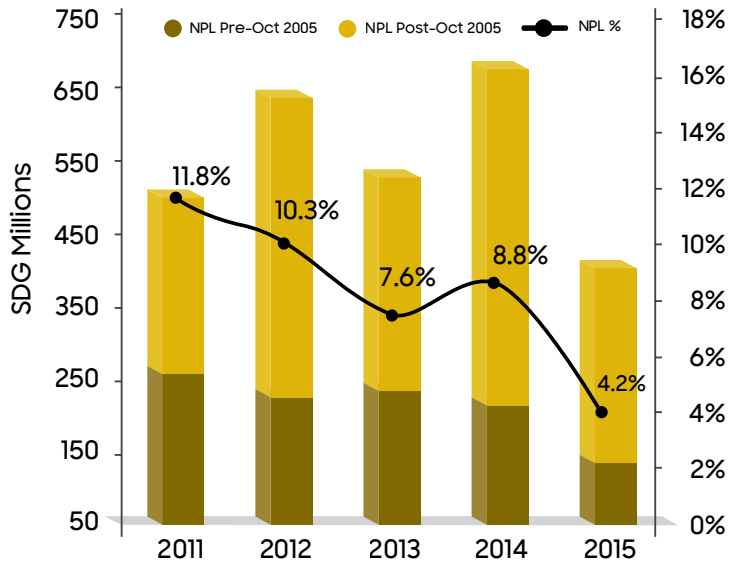
KHARTOUM (Reuters) The United States has lifted economic sanctions on a major lender in Sudan which has long been under a trade embargo, U.S administration official said on Friday.

In November, Washington renewed sanctions on the Sudanese government but also held out prospect of reconsidering its tough action if Khartoum made progress in resolving the north - south dispute and improved the situation in the troubled Darfur region.

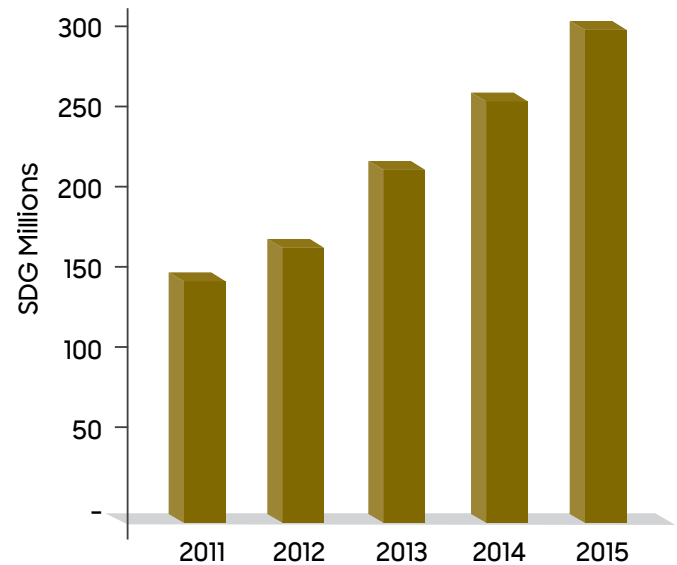
The Sudan-based Bank of Khartoum has been removed from the U.S blacklist because it is no longer controlled by the government, the U.S official told routers.

Non Performing Loans - NPL's

NPL: Breakdown & Ratio

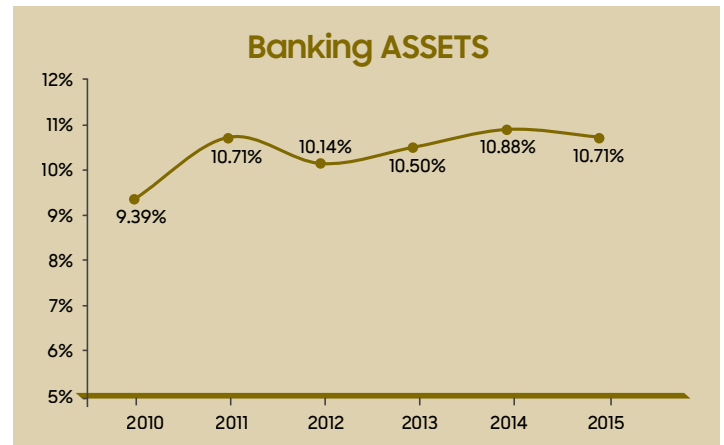
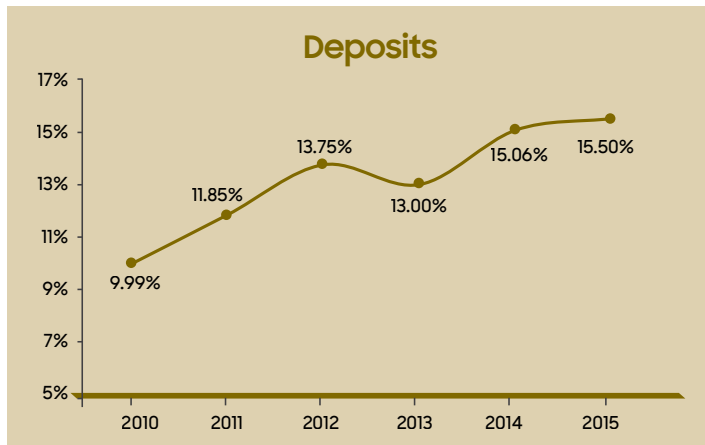
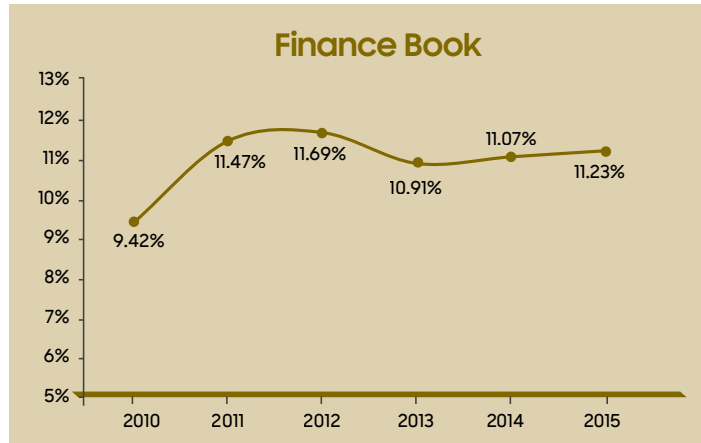


Provisions



Non- Performing loans decreased by SGD 205 M, due to written off for of SGD 151M and the remaining is a significant settlements/collections of corporate & remedial clients.

BOK Market Share



Treasury & Investment Banking



BOK is committed to transparency, service excellence, customer focus and this is everyone's responsibility within BOK family.

BOK Treasury had been successful in promoting and taking lead in the local Money Market lending and borrowing between banks and plays a key role in this function. Bank of Khartoum was the first to issue local private Ijara Sukuk to the Market in 2007.

BOK's Treasury & Investment Division endeavor to provide customers with a range of appropriate -compliant Islamic investment products that suit different lifestyle, as well as

various investment time horizons and risk appetites. Our goal is to make Islamic investment easy for our clients.

Treasury & Investment Banking Services provide:

- Money markets, Capital market & Foreign exchange,
- Structured deposits,
- Investment advisory services,
- Sukuk syndications & Portfolio issuance.
- Customized structuring financing solutions.
- Lines of credit.

Correspondent Banking



Correspondent Banking Division:

- Enjoys a close relations with worldwide correspondent network.
- Caters for the needs and requirements of all Offshore correspondents .
- Promotes bank development through expanding new relationships.
- Endeavor to enhance international banking operations opportunities.
- Dedicated to tap and develop the best solutions in international banking business.

Corporate Banking

General Services:

- Online Centralized Branches
- Corporate Service Desk
- Corporate ATMs
- Special Cheques
- Corporate Relationship Manager

Financial Services:

- Collection and Cash Management Services:
- Cash/Cheque Pickup
- Sub-branches
- Corporate Teller
- Direct Debit
- Quick Collect Service (Post Dated Cheques Custody(PDS)):
- Express Payments

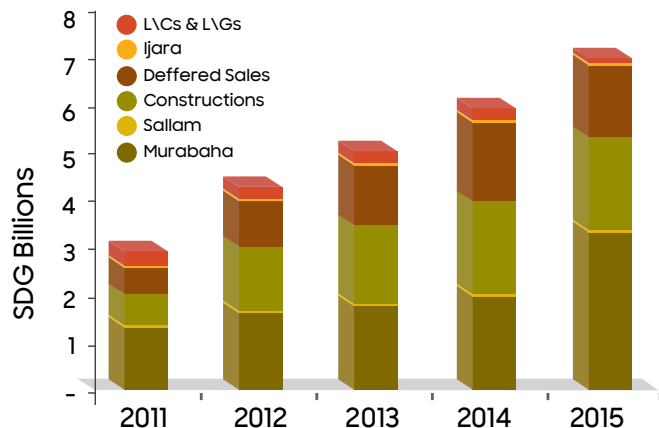
Electronic Services:

- Corporate Internet Banking
- General Account Services:
- Transaction Payment:
- White Labeling Solutions:
- Electronic Collection
- Electronic Reporting
- SWIFT Services

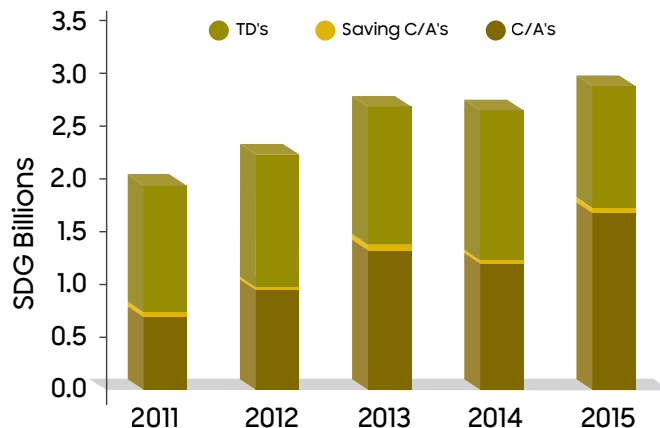
Trade Products:

- Letters of Credit
- Letters of Guarantee
- Documentary Collections

Corporate Banking Assets Breakdown



Corporate Banking Liabilities Breakdown



Retail Banking



Highest brand recall
in industry 98%.



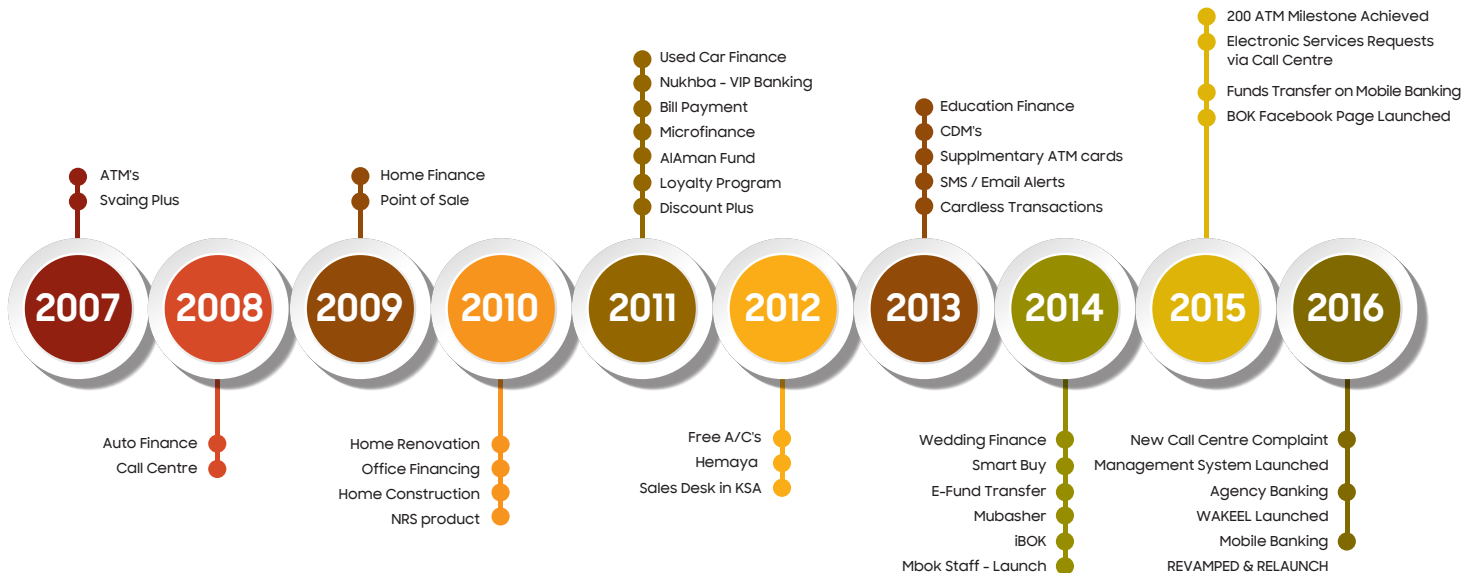
Only Bank to offer
24/ 7 Call Centre



Night shifts opening
hours 5 - 9 pm.

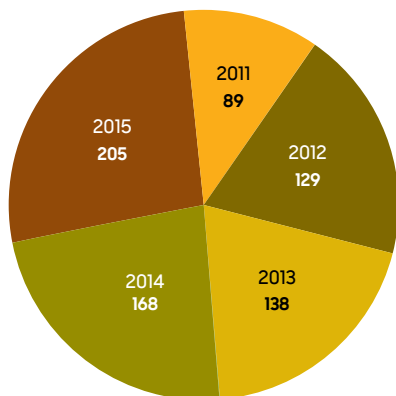


Highest customer loyalty
across market

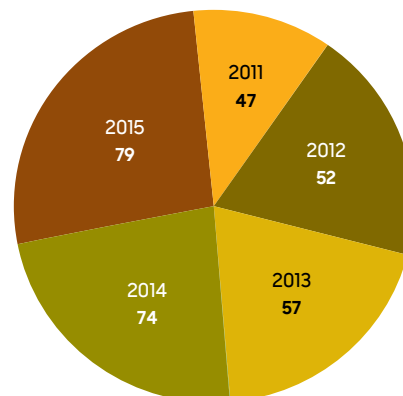


Retail Banking

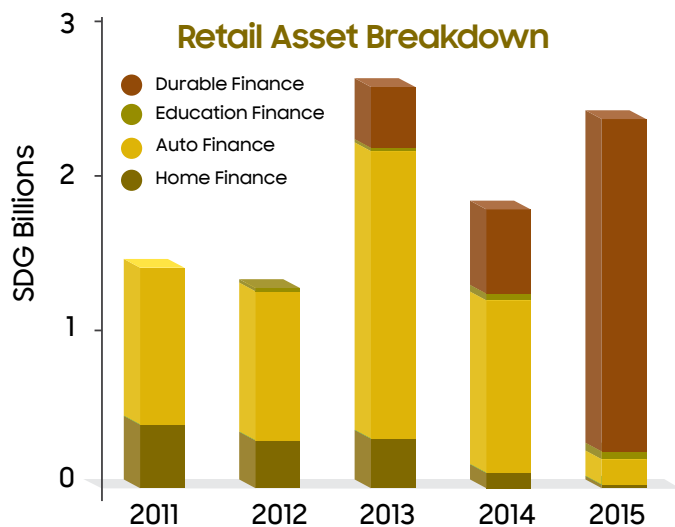
No. Of ATMs & CDMs



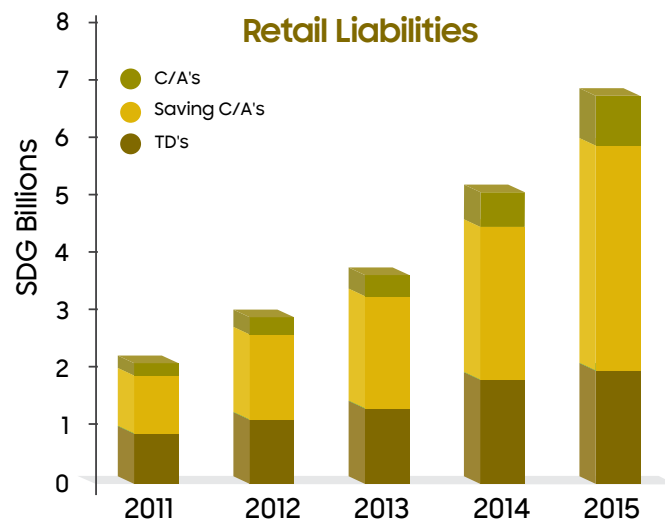
No. Of Branches



Retail Asset Breakdown



Retail Liabilities



SME & Microfinance



SME

BOK believes that the SME sector is a vital engine of economic growth for the Sudanese market, and will ensure a bright and sustainable future for the country.

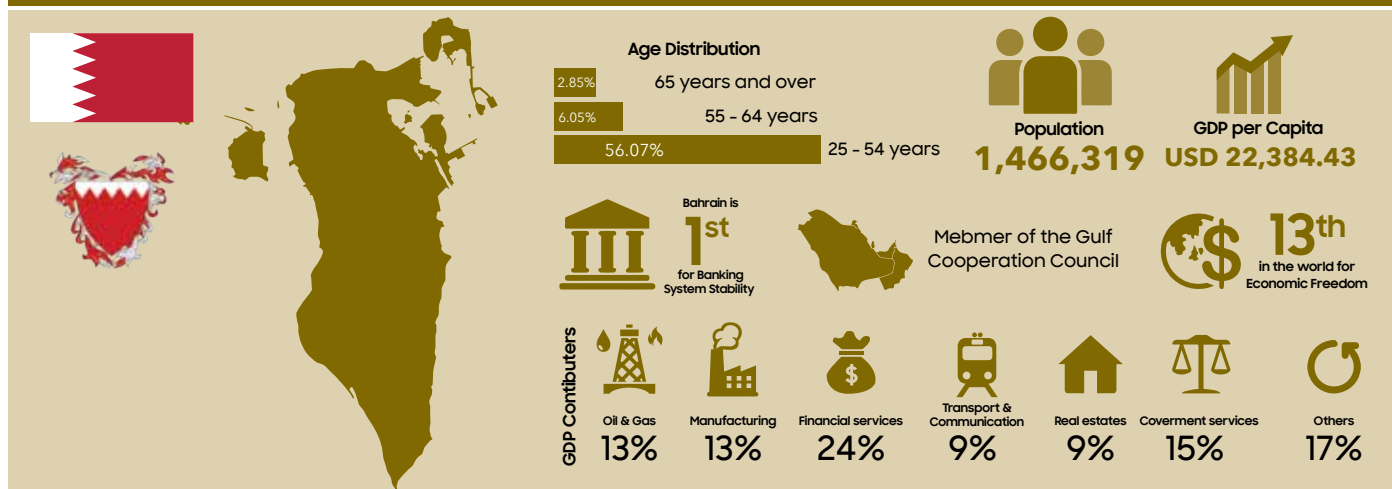
BOK's services and products provide support for SMEs who have been in business for at least 2 years, have a net worth of minimum %25 of sales and subject to a minimum of SDG 300k in capital or assets.

Microfinance

Islamic Microfinance unit of Bank of Khartoum was founded in collaboration with Islamic Development Bank in Jeddah with the support and supervision of the Central Bank of Sudan .The unit was founded to work on specialized private two axes:

- Setup and establish Islamic microfinance institution IRADA; as a subsidiary of Bank of Khartoum
- Offer microfinance services and products across Bank of Khartoum and a safety portfolio Success of the idea of microfinance with other Islamic approaches and the transfer this experience to other countries

BOK International – 1st Branch in Bahrain



The Bank of Khartoum - International (BOK-I) received an Islamic Wholesale Bank Branch Licence from the Central Bank of Bahrain on 9th November 2015.

Following subsequent compliance with local legal and regulatory requirements, BOK-I is expected to commence operations in early 2016 as the first overseas branch to be established by the Bank of Khartoum, Sudan.

Mission

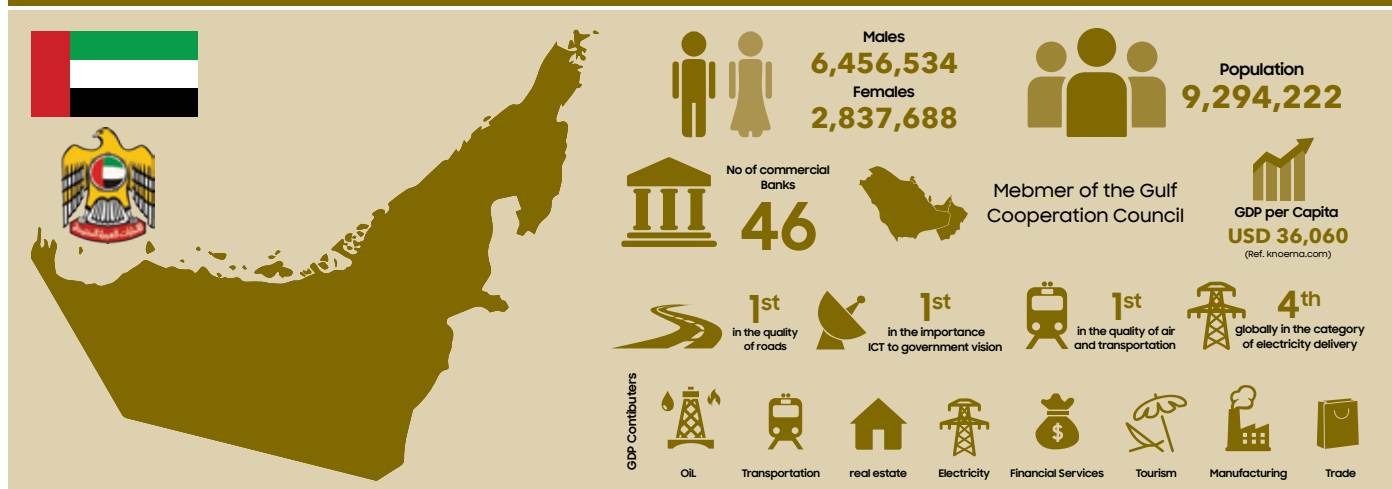
BOK-I aims to become a prominent wholesale banking solutions provider in Bahrain, recognised for offering innovative Sharia-compliant products and services, with a commitment to exceptional service quality.

Business focus

The Branch will focus predominantly on the following business lines:

- Trade finance
- Treasury
- Deposit generation
- Syndicated lending
- Correspondent banking

BOK International - 1st Branch in UAE



Bank of Khartoum announces its 1st branch in United Arab Emirates

With long history of great achievements, Bank of Khartoum has announced a marking of another successful milestone in being granted an approval from the Central Bank of the United Arab Emirates to open a branch in Abu Dhabi - UAE, in line with the principles of Islamic Sharia law.

Bank of Khartoum, largest and the most prestigious financial and banking institution in Sudan promises success in the UAE. In 2015, the bank achieved 24.15% return on equity, 3.31% return on assets with a balance sheet asset size of an equivalent of US \$1.9 billion.

Moreover, the bank achieved a (AA-) rating for its fifth consecutive year by Islamic International Rating Agency (IIRA) and considered the only bank that has been de-listed from OFAC SDN list since April 2011.

Bank of Khartoum's shareholders are leading regional

Islamic and financial institutions lead by Dubai Islamic Bank, Islamic Development Bank Jeddah, Abu Dhabi Islamic Bank along with many other prominent Sudanese and Regional businessmen. The bank has pioneered and contributed to the development of many Islamic products and banking services. The most significant initiative of the bank had been the establishment of IRADA Islamic Microfinance institution in partnership with Islamic Development Bank Jeddah. The approval of the Central Bank of the United Arab Emirates, CEO of Bank of Khartoum illustrated is a key milestone for the bank's strategy in itself and an external presence outside Sudan. He further explained that the branch will provide a bouquet of Islamic products and services to Retail and Commercial customers.

Subsidiaries

Subsidiary Name	Business Activity
Al Fahad for Valuable Assets in Transit	Valuable Assets in Transit
Sanabel for Financial Securities	Brokerage
National Trading & Services Co.	Dealing in Commodities and Facilitating Exporters/ Importers
IRADA	Islamic Microfinance
SudaCash	Dealing in Foreign Exchange & Funds Transfer
Wahat Al Khartoum	Hotel, Shopping Mall and Offices
Canar	Telecommunication



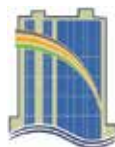
First secured transportation in Sudan



First stock brokerage firm



The premier foreign exchange company in Sudan

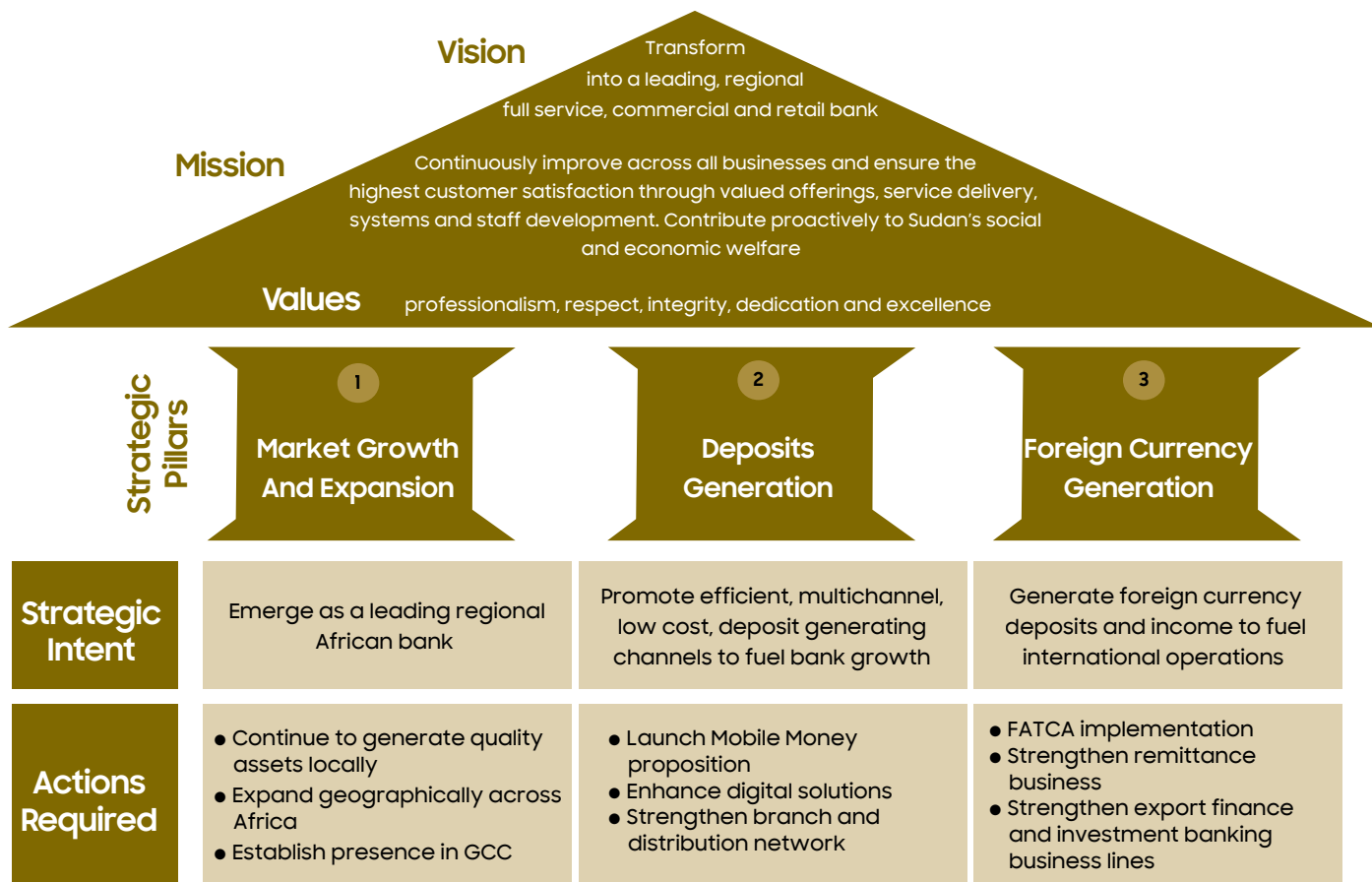


شركة واحة الخرطوم
للمتنية العمرانية المحدودة

Largest shopping mall in the Sudan
(22,000 sqm)



Strategy



Treasury & Investment Banking

Khaled Zada

EVP, Group Head Treasury &
Investment Banking
Khaled.zada@bok.sd
+249156661700

Haroun Adam

Treasury Manager
Haroun.mahmoud@bok.sd
+249156661702

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Services in Action

BOK is now a fully integrated Financial services group offering a range of corporate, retail, SME, treasury and investment products and service.

Our goal now is to harness greater synergy within the groups customer base to become the one bank for their financial needs across our range of services and continue to develop new products and services to meet the growing sophistication of our customers needs. We also intend to tap into the Sudanese expatriate community across the GCC, to increase our customer base and bring investment back into the Sudan through BOK.

