

# Bank of Khartoum Group

## Financial Institutions



بنك الخرطوم  
Bank of Khartoum  
— YOU FIRST —

منذ عام  
**1913**  
— SINCE —



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- The background of the slide is a photograph of a desert landscape. On the left, the golden stone structures of the Great Pyramids of Giza are visible against a clear blue sky. In the lower right, a person is riding a camel across a sand dune. The entire scene is bathed in the warm, golden light of late afternoon or early morning.
- Sudan
  - Sudan Snapshot
  - Sudan GDP
  - Sudan Major Export
  - Agriculture Sector
  - Animal Sector
  - Mining & Quarrying Sector
  - Oil Sector
  - Manufacturing & Services Sector
  - Electricity Sector
  - Water, Roads and Bridges Sector
  - Transportation Sector
  - Telecommunication Sector
  - Tourism Sector
  - Fiscal Policy & Monetary Policy
  - Inflation Rates & Exchange Rates
  - Financial Sector
  - Banking Sector
  - US Sanction Lifting
  - Foreign Trade
  - Investor Advantage
  - Economic Forecast



## About Sudan

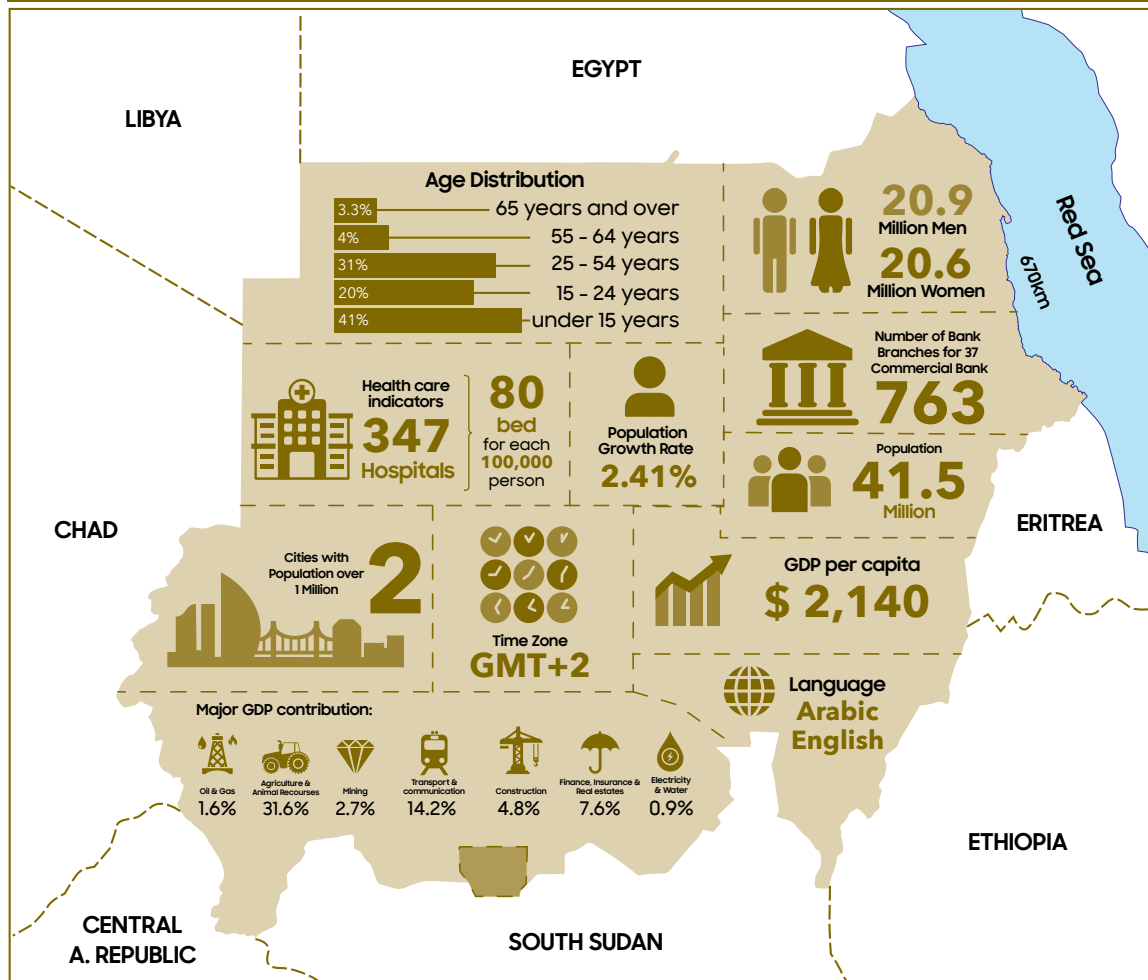
Sudan is one of the most geographically diverse states in Africa. Before 2011, Sudan was Africa's largest country and once the home of an ancient and powerful civilization, in July 2011 split into two countries after the people of the south voted for independence. It borders Egypt, Libya, Chad, the Central African Republic, South Sudan, Ethiopia and Eritrea. Sudan is a country of great economic potential: a strategic location, Animal Resources, Arable lands, gold reserves, oil & gas fields, other mineral resources, a favorable climate, excellent irrigation and soil conditions and the majestic Nile river running through the country

## Why Sudan?

- 3rd Largest Country in Africa, 16th in the world (1,886,086 km<sup>2</sup>)
- Arable Lands: 60m hectares
- Waterways 1,723 km
- 18,630 km<sup>2</sup> irrigated lands
- Rich Agricultural and Animal Resources
- Rich Mineral Resources
- 7 sea ports ( Port Suda, Suakin, Bashayer, Southern port ,Osaif, Green Harbour, Al-Khair) and River ports.
- Large Labour force & Young population
- Diverse wild life



# Sudan Snapshot

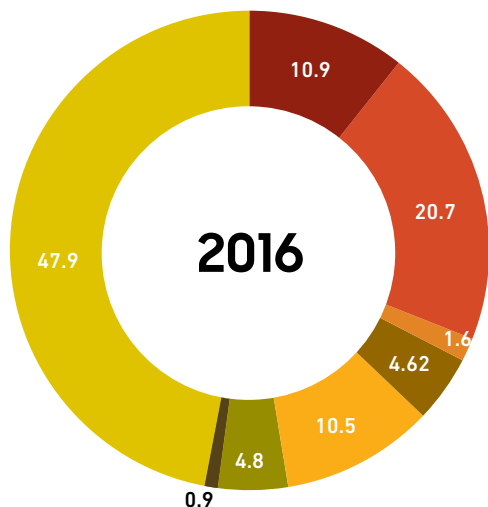







for more information please find below link

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

# Sudan GDP

Sudan /Gross Domestic Product – GDP



Sector	Contribution	Growth Rate
 Agriculture	10.9	↑ 3.74%
 Animal Resources	20.7	↑ 3.82%
 Petroleum	1.6	↓ -8.60%
 Mining & Quarrying	4.62	↑ 14.03%
 Manufacturing	10.5	↑ 4.49%
 Construction	4.8	↑ 3.85%
 Electricity & Water	0.9	↑ 3.82%
 Services	47.9	↑ 3.36%



GDP at current Prices  
SDG 693 Billion



GDP at constant  
Prices 1982

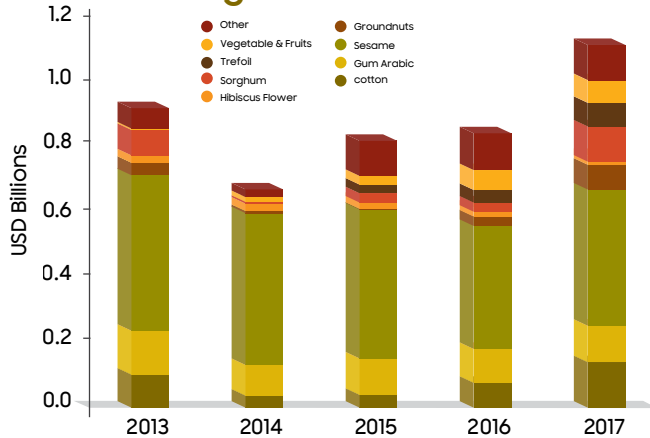


GDP per capita  
\$ 2,140

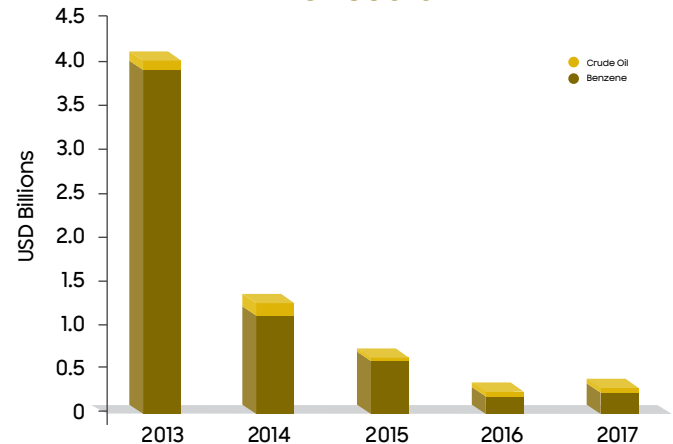


# Sudan Major Exports

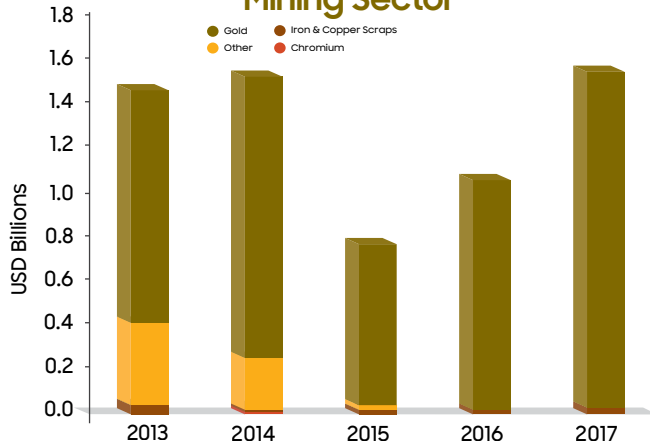
## Agricultural Sector



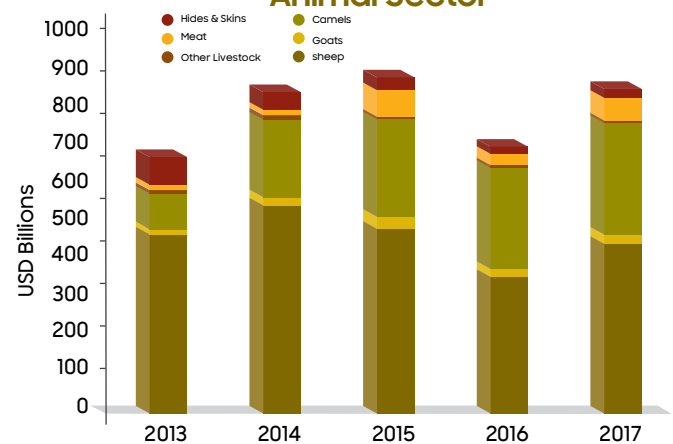
## Oil Sector



## Mining Sector



## Animal Sector



# Agricultural Sector



The SUDANESE  
ECONOMY EARNED  
**\$ 1.2 BILLION**  
FROM AGRICULTURAL  
PRODUCTS EXPORTS  
IN 2017

## Potentiality:

- Arable lands 60 million hectares (142 million feddans), Only 20% currently cultivated
- Majestic Nile river running through the country
- 50% of Labor force work in agriculture
- Forests cover about 11.6% of Sudan.
- Diverse Climate zones.
- Irrigation source from under-ground 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.

## Irrigated Agriculture

Crops of irrigated agriculture contribute by about 64% Gross Domestic Agriculture Product.

Main crops of irrigated sector include sugar, cotton, sorghum, ground nuts, vegetable, fruits and green fodders.

## Mechanized Rain-Fed Agriculture

Started since 1940s and is considered as the most suitable means of agriculture in middle clay plains, because of heavy muddy soil, and vast areas with low number of population and scarcity of drinking water during harvest time. Individual schemes form 78% of the allotted land and 65% of the total.

Sorghum is the main crop in this sector which covers an area of about 85% of the cultivated land, followed by sesame 10%, cotton, millet, sunflower and guar in small areas. Mechanized rain-fed agriculture constitutes 65% of sorghum production and 53% of sesame in Sudan.

## Conventional Rain-Fed Agriculture

The area of this sector is estimated at around 9 million hectares and mainly practiced in west, south and central Sudan. The importance of this sector is attributed to its contribution in the national economy by 90% of millet production, 48% of sorghum and 100% of gum arabic besides other crops.



# Agricultural Sector



## Gum Arabic

World 1st Producer with 80% of the world production, The dried Gum Arabic sap is a natural emulsifier and is prized throughout the world by the food, pharmaceutical, cosmetics, and ink manufacturers. It is found in soft drinks, chocolate candies, gummy candies, and marshmallows; it coats medicine capsules and helps cough syrup soothe a scratchy throat.



## 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.



## Cotton

Cotton crop or the white Gold (Long-staple cotton), constitutes one of Sudan's major cash crops. International prices of long-staple cotton have recently quadrupled compared to short-staple cotton prices. Cotton was the number one crop in Sudan's exports before the leap in the country's oil industry. (before South Sudan session)



## Peanuts

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



## Sorghum

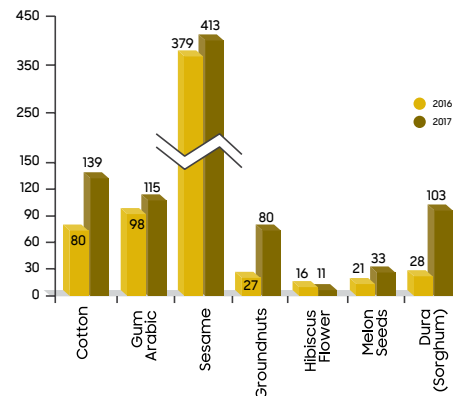
World 5th sorghum producer country, Sorghum is the largest and the most important crop and livestock feed in Sudan, exported mainly to the Gulf states



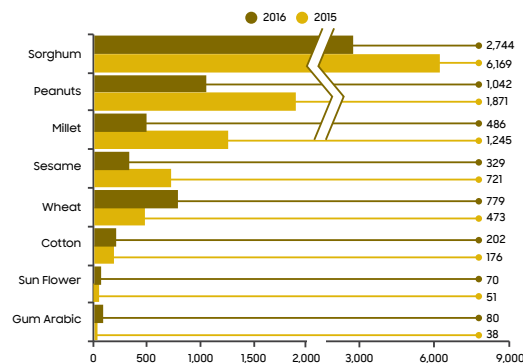
## Sesame

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

## Agricultural Products Exports in Millions USD



## Agricultural Production Per Metric Tons



# Animal Sector

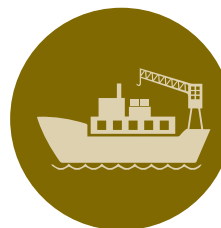


THERE ARE ESTIMATED  
**108 MILLION**  
LIVESTOCK IN SUDAN  
THE SUDANESE ECONOMY EARNED  
**\$ 923 MILLION**  
FROM LIVESTOCK AND ANIMAL  
PRODUCT EXPORTS IN 2017

**Sudan tops the chart of Export in Africa & Middle East with an export value of USD 833,9 M Livestock in 2017.**

Sudan remains one of Africa's leading country in animal resources production with 108M 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 possesses huge fishery and poultry wealth, average rain fall is between 100 mm and 1000 mm while the temperature ranges from 45c (Summer) to 10c (Winter). In Sudan, the livestock export forms the basis for the foreign exchange earnings in the country after the production of oil.



More Than  
**5.1 Million**  
head of Live stock were  
exported in 2017



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



# Animal Sector



## Goat

World 6<sup>th</sup> Goat  
population

**31.66M**  
heads



## Cattle

World 7<sup>th</sup> Cattle  
population

**30.93M**  
heads



## Camel

World 2<sup>nd</sup> camel  
population

**4.85M**  
heads

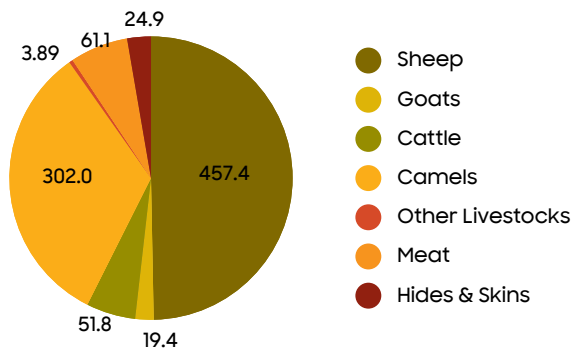


## Sheep

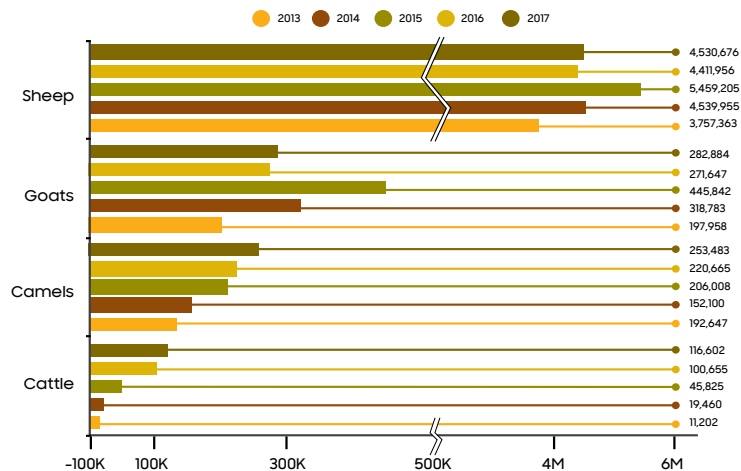
World 5<sup>th</sup> Sheep  
population

**40.75M**  
heads

## Livestock and Animal products Exports in USD millions - 2017



## Livestock Exports per Head



# Mining & Quarrying Sector



THE SUDANESE  
ECONOMY EARNED  
**\$1.55**  
**BILLIONS**  
FROM MINERAL  
PRODUCTS  
EXPORTS IN 2017

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:

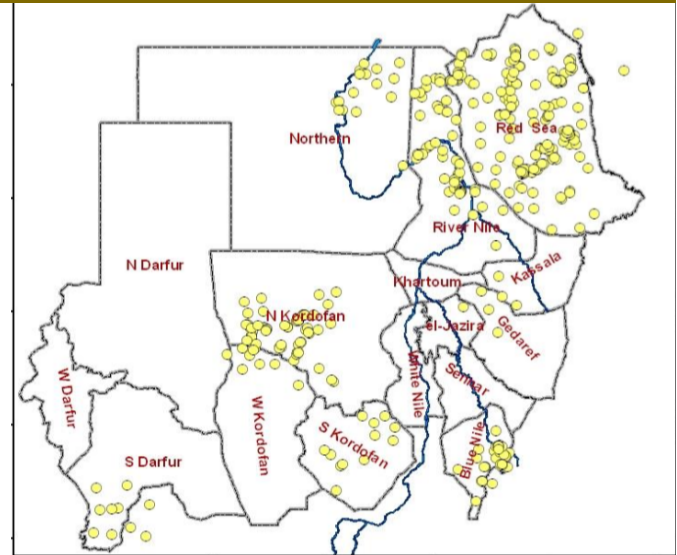
- Precious metals: Au, Ag, Pt.
- Tin, tungsten, zirconium Aluminum.
- Sedimentary & Igneous iron formations.
- Rare Earth Elements.
- Radio-Active elements, black sands.
- Industrial minerals: fluorite, white sands. Industrial minerals & rocks include: Pozolana, limestone, marble, gypsum, mica, kaolin,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

Prodcut	2013	2014	2015	2016	2017
Gold	70	73	82	93.4	107.3
Chrome	30,870	58,834	15,143	93	32,166
Manganese	3,250	7,000	31,400	3,862	-
kaolin	26,000	18,500	14,490	9,800	6,056
Talc	26,000	18,500	14,490	104,000	-
gypsum	132,000	150,000	24,136	4,250	333,381
Salt	20,800	34,000	20,111	349,236	235,458
Clinker	3,200,000	3,128,934	281,956	-	4,000,000
Iron	339,390	82,180	109,000e	92,712	-
Feldspar	31,700	50,680	28,238	-	28,978

# Gold



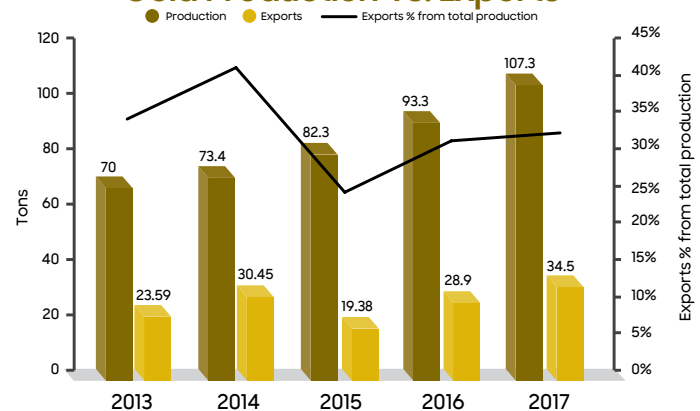
**Sudan jumps into 2nd rank for gold in Africa and 9th biggest gold producer in the world by 2018.**

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 reached 107 Tons in 2017**

The Ministry of Minerals plans to regulate the traditional mining market and establish about 40 gold-trading markets and it plans to set up an international gold stock exchange in 2018 to curb smuggling of the precious metal.

## **Gold Production VS. Exports**





# Oil Sector



THE SUDANESE  
ECONOMY EARNED

**\$417**

**MILLIONS**

FROM OIL EXPORTS  
IN 2017

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

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.

## Potentially and Opportunity:

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

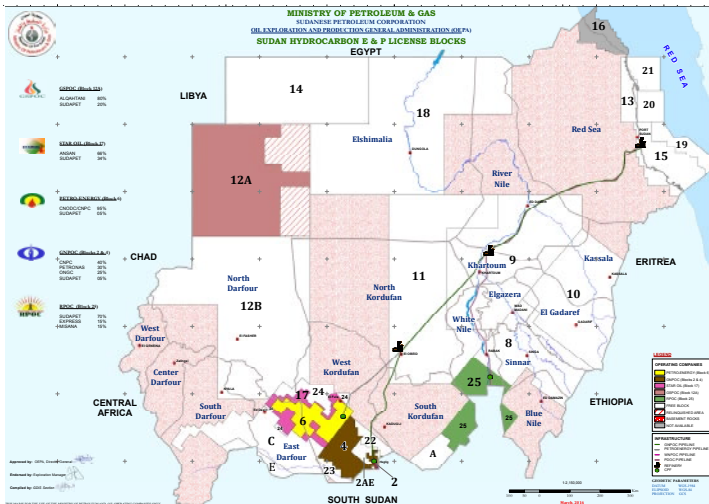
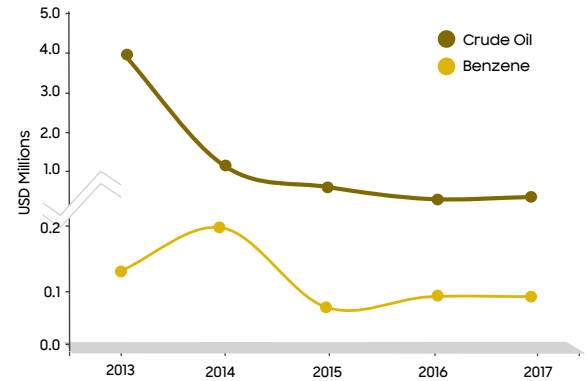
- Most of the Sudanese basins are by far highly under explored due to data scarcity and others logistical constrains.
- Sudanese basins could be classified into: Producing (1 basin) and Under exploring (6 basins)
- The country's speculative oil in place resource is totaling to 23.6 BSTB
- The reported 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

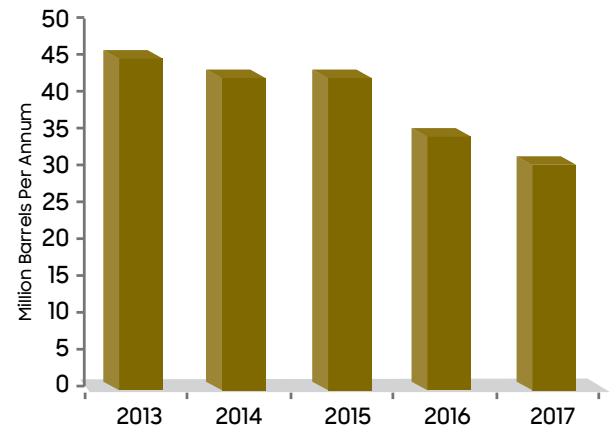
Basin	Discovered Resources		Undiscovered Resources(SR)
	OIIP (MM S TB)	GIIP (BSCF)	OIIP (MM S TB)
Muglad	6,501	2,017	12,453
Rawat	37		386
Red Sea	37	525	8,381
Blue Nile	1	116	
Um Agaga Basin			597
Khartoum Basin			620
Mourdi Basin			1,167
<b>Total</b>	<b>6,575</b>	<b>2,658</b>	<b>23,604</b>

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

## Sudan Oil Exports



## Sudan Crude Oil Production



# Manufacturing & Services Sector



The Sudanese Economy  
earned in 2017:

**SDG 72B**  
from Manufacturing Sector

**SDG 332B**  
from Services Sector

## Manufacturing

Sudan industry depends mainly on its agricultural sector, getting most of its raw materials from agricultural products, including textiles, leather tanning, sugar, edible oils, and other food products, along with some other related operations, such as soap making. Sudanese industry accounted for about 10% product (GDP) in 2017.

## Textile

Sudan was famous in producing different cotton varieties and grades and the Sudanese cotton was very famous worldwide with its high quality. This initiated the earlier beginning of textile industry which was first started with some governmental projects followed by the private sector. Textile Industry is Recovering during the last three After Years of Deterioration.

## Sugar Processing

Sugar production is a key industry in Sudan, being Africa's third largest producer of sugar. There are six cane-sugar factories in Sudan, belonging to Khartoum-based Sudanese Sugar Company are New Halfa, Geneid, Assalaya, and Sennar with a total annual production of 228,000 tons, the White Nile Sugar Company 78,000 tons a year and Kenana Sugar Company which produces 300,000 tons a year, making the largest producer in Sudan.

## Edible oils

Sudan is an important international producer of oil seeds. Sudan's vast agriculture sector produces sesame seeds, groundnuts (peanuts), cottonseed, and sunflower seeds. There are approximately 223 factories extracting edible oil, with a capacity of 2.3 million tons.

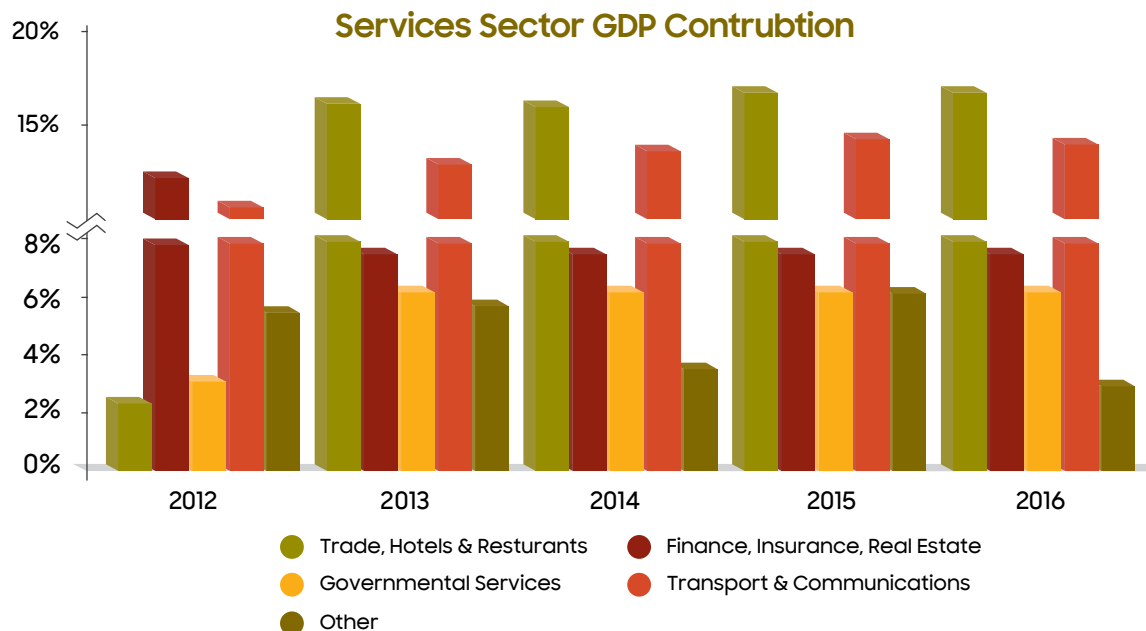
# Manufacturing & Services Sector

## Cement

The construction boom of the last two decades greatly increased the demand for cement in Sudan and made it one of the most important non-agricultural industries that resulted in achieving self-sufficiency in cement, and providing a surplus for export. There are seven cement plants in Sudan. Many Chinese, Saudi, and Turkish companies have invested more than USD 2 billion in the Sudanese cement industry during the last few years. The capacity of cement production is 15 million tons per year, but the actual production is only 4.1 million tons per 2016. The shortage of power is the main factor in holding down production.

## Services

In Sudan's service sector, the key contributors are restaurants and hotels, commerce services, transport and communications, and finance & insurance.





# Electricity Sector



TOTAL ELECTRICITY  
GENERATION WAS  
**14,871.3**  
GIGA WATT / HOUR  
IN 2017

- The power sector in Sudan has a total electricity generation capacity of about 3000 MW, much of which has been added since 2000.
- 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 53% of the electricity needs,

with the remaining 43% and 23% coming from thermal generation and Ethiopian transmission respectively.

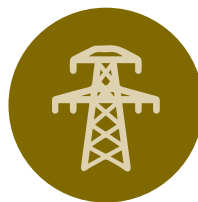
- Renewable energy can play an important role in the sector, particularly wind generation, because Sudan has areas with high wind speeds mainly in the east and center of the country.



Water Generation  
**8,051**  
(GIGA WATT hr)

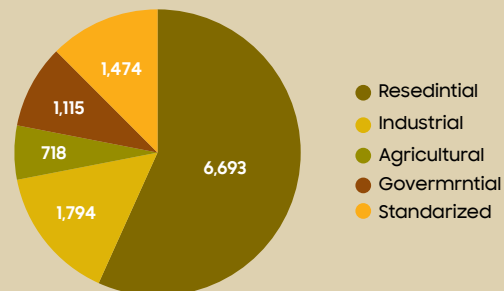


Thermal Generation  
**6,379**  
(GIGA WATT hr)



Ethiopian Transmission  
**440**  
(GIGA WATT hr)

## Consumed Electrical Power distributed by Sectors in 2017 (GIGA WATT\hr)



# Water, Roads and Bridges Sector



## SUDAN WATER PRODUCTION & CONSUMPTION

2015 IN THOUSAND  
CUBIC METERS PER DAY

WATER PRODUCTION:

**4,558**

WATER CONSUMPTION:

**4,220**

Sudan has a 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.

Poor-quality roads drastically undermine the efficiency of transport services. during the rainy season.

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.

## (Thousands Cubic Meters per Day) (Cubic meter = 1000 Liters)

Year	2016	
Production	Production	Consumption
Urban	2,328	2,160
Rural	2,230	2,060
Total	4,558	4,220

# Transportation Sector



No. of Airports  
**30**



No. of Sea ports  
**5**



No. of Dry ports  
**2**



Rail road length  
**5,898km**



Lenth of Paved roads  
**135,444 km**



**THE SUDANESE  
ECONOMY EARNED  
SDG 98.7  
BILLIONS  
FROM TRANSPORTATION  
& COMMUNICATION  
SERVICES IN 2017**

Transported (Goods/Thousand Tones- Passengers /Thousand)	2012	2013	2014	2015	2016
<b>Air Transport</b>					
Goods on international and domestic flights (Thousand tones)	31	38	29	32	30
Passengers on international and domestic flights (Thousand)	2,712	2,629	2,299	3,008	2,927
<b>Sudan Shipping Line</b>					
Good Carried (Thousand tones)	736	323	75	100	SSL's
Passengers (Thousand)	N/A	21	67	25	-
<b>Sudan Railways</b>					
Good Carried (Thousand tones)	1,056	1,102	857	869	618
Passengers (Thousand)	N/A	13	188	193	210
<b>River Transport Cooperation</b>					
Good Carried (Thousand tones)	1	2	14	25	-
Passengers (Thousand)	1.5	-	33	12	-
<b>Land Transport</b>					
Good Carried (Thousand tones)	26,313	8,683	8,783	13,684	14,086
Passengers (Thousand)	37,200	47,400	30,000	19,174	25,703

# Telecommunication Sector



No. Of Subscribers  
Mobile Services 28M  
Land-Lines 8M  
Internet 10.2M

## Current 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 due to the fact that only fixed registered (wired or wireless) broadband customers are counted. customers accessing through mobile devices and/ or using

prepaid scheme are factored in.

## 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 (owned bank of Khartoum in 2016).
- 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.
- 2017 Expansion of LTE services;



# Tourism In Sudan Sector



The Sudanese  
Economy earned  
**\$1.5 B**  
from Tourism in 2016

No Of Tourists reached  
1M by end of 2017

Sudan is an original, mysterious and unique destination, still unknown to the most, this is the area where the African and Arabic culture meet. Its history is very much connected to the Ancient Egyptian one, the Nile River crosses the Sahara Desert and along its valley lays very interesting archaeological sites of the Egyptian and Meroitic civilizations, most of them are World Heritage protected by Unesco.

The Sudanese people can be divided into several distinct people groups or tribes. Each of these peoples have a unique identity and traditions. During a visit in Sudan it is easy to notice that there are major differences in the characteristic of the people who they come from different areas of this vast country.

However the travel and tourism infrastructure in Sudan is in need of investment. There is a shortage of hotels, particularly outside the capital Khartoum, with many key tourist attractions completely lacking suitable accommodation in close proximity. Many of the country's historical monuments

are in need of restoration and a trained staff to assist visitors is another issue.

## Sudan Attractions



## Merowi

Owens set of incredibly impressive, ancient structures (Meroe pyramids). Meroe was the capital of the Kingdom of Kush, which was ruled by the Nubian kings. Up to 4,600 years old, the pyramids of Meroe were built in the what's known as Nubian style.

## Nubia

Sudan is the actual name of the ancient Nubia and it comes from the Arabic language: Bilad as-Sudan that means "country of the black people". The history of "Nubia" has always been strictly connected with the history of the big river that runs through it: the Nile.

## Dinder National Park

Has a diverse, unique and extensive array of fauna and flora. The wetlands, or the mayas, play a very important role in the park; not only for providing water for the many animals and plants (and humans) in and around the park, they also provide a much needed stopping point for the many migrating birds flying over Sudan. The wetlands are also breeding grounds for fish, amphibians, water dwelling insects and other micro organisms. And for some birds, reptiles and some small mammals. As important and beneficial as these wetlands are to the wildlife of the park, it is the water they hold that draws and is drawing people, especially the many farmers, to the area.

## Port Sudan

One of the outstanding natural attractions of Sudan, its an amazing treat to the eyes and a popular tourist destination, this place has attracted tourists for ages. Be it the day trips or night life, Port Sudan never ceases to amaze with its delightful offerings.

## Sanjaneb

The property consists of two separate areas: Sanganeb is an isolated, coral reef structure in the central Red Sea and the only atoll, 25 km off the shoreline of Sudan. The second component of the property is made up of Dungenab Bay

and Mukkawar Island, situated 125 km north of Port Sudan. It includes a highly diverse system of coral reefs, mangroves, seagrass beds, beaches and islets. The site provides a habitat for populations of seabirds, marine mammals, fish, sharks, turtles and manta rays. Dungenab Bay also has a globally significant population of dugongs.



## SUAKIN

It lies on the Red Sea coast 36 miles (58 km) south of Port Sudan. The town originated in the 12th century as a rival port to 'Aydhāb (Aidhab) to the north, where dues were levied on trade. It grew in importance after 'Aydhāb's destruction (about 1428) to become the chief African Red Sea port and a major pilgrimage crossing point on the route to Mecca. Suakin, one of the oldest seaports in Africa.

## Jebel Marra

One of the most beautiful places in Sudan, it stands at a whopping 10,000 feet as the southwestern Darfur. The area is stunning, boasting such natural formations as waterfalls and volcanic lakes. However the region is currently experiencing political instability.

# Fiscal Policy & Monetary Policy



## Fiscal Policy

Parliament passed the 2018 budget in January. The measure projects expenditure of SDG127.2bn (US\$7.06bn, at the devalued exchange rate of SDG18:US\$1), with spending on the security sector predominant. The exchange rate has subsequently been devalued again from SDG18:US\$1 to SDG30:US\$1. As a part of austerity measures, the government has removed wheat and electricity subsidies and shifted wheat import handling to the private sector. Aware of potential backlash arising from the austerity measures, the government has emphasised that no new taxes are included in the budget. However, protests have been escalating. Notwithstanding efforts to increase non-oil revenue and rein in spending, Sudan's economy and budget remain exposed to fluctuations in oil prices and revenue (although to a lesser extent than prior to 2011).

We expect currency devaluation, and its inflationary impact, to have a significant negative impact on growth. Thus, after moderating slightly to an estimated 3.8% of GDP in 2017—largely reflecting a rise in average international oil prices from 2016 levels—the fiscal deficit will average 4.9% of GDP in 2018–19 and widen to 6.9% of GDP in 2022, as both capital and current spending increase more rapidly than the tax take. A sustained decline in the fiscal deficit during the forecast period seems unlikely, given that oil prices will not return to the levels seen in 2011–2014, which will slow oil revenue growth. Moreover, income from the transport of South Sudanese oil will be significantly lower than previously expected, given the agreement on reduced transit fees and the ongoing domestic crisis in South Sudan. The deficit will be financed both domestically, through bond issues, and by external loans. The government will continue to turn to Saudi Arabia and the Gulf Arab states for such loans, although monetisation of the deficit is also a strong possibility.



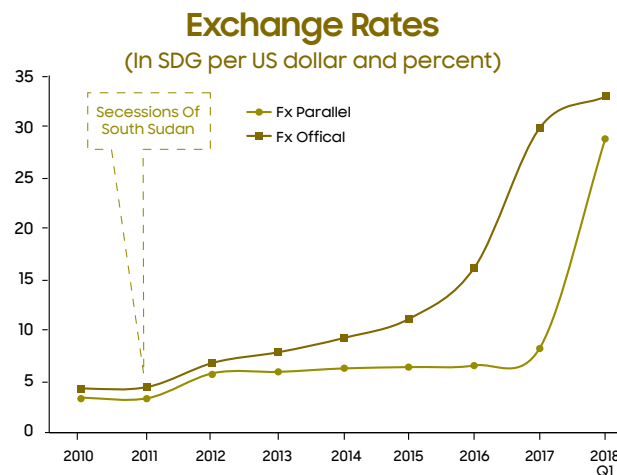
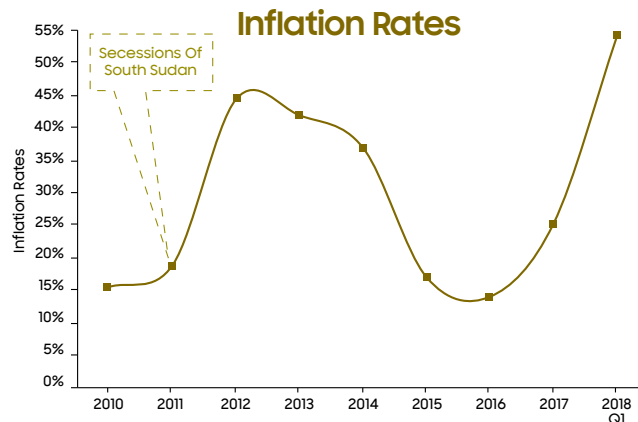
## Monetary Policy

The CBS manages monetary policy largely by issuing Islamic financial certificates, setting reserve requirements and manipulating the exchange rate. However, the high circulation of money outside official channels reduces the efficacy of monetary policy. The IMF will continue to call for a tightening of monetary policy, including by limiting quasi-fiscal activities by the CBS, and will encourage the CBS to switch to a reserve money anchor, while developing the interbank market and auctioning central bank securities in order to promote intermediation and absorb excess bank liquidity. Although the Sudanese lending and deposit rates are above key US policy rates, the central bank may need to raise interest rates to prevent capital outflows and counter inflationary pressures following the devaluation.

# 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 25.1% at December 2017, while the inflation rate for food and drink 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.

On 23rd January 2018 the CBOS again devalued the "pegged" exchange rate of the Sudanese pound from SDG18: US\$1 to SDG30:US\$1. We have adjusted our forecasts accordingly. Pressures for devaluation of the currency arise from the decline in foreign-exchange reserves and the continued gap between the official and black-market rates. Following the October 2017 announcement that US sanctions were being lifted, the black-market exchange rate for the pound strengthened initially, before depreciating again. However, shortages of dollars in the official banking system persist, and during the first half of February, the Sudanese pound was trading between SDG35:US\$1 and SDG40:US\$1 on the black market, underscoring the continued overvaluation of the official exchange rate. The parallel-market rate will continue to depreciate, owing to the lack of hard currency, despite central bank efforts to stabilise the currency by suppressing imports (and so preserving foreign-exchange reserves) and refusing to accept deposits of dollars obtained from the black market. Rapidly eroding confidence in the Sudanese pound is being reflected in dollarisation of personal savings on the black market. We thus expect further devaluations by the CBS, despite aid from international political allies. We forecast that Sudan will be forced to let the currency float by the end of 2018.





# 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

Exchange  
Companies  
18

### 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 Shari' a  
Supervisory Board

Liquidity Management  
Fund (LMF)

Credit Information  
Scoring Agency

## Banking Industry Regulators

Bank Deposits Security Fund (BDSP)

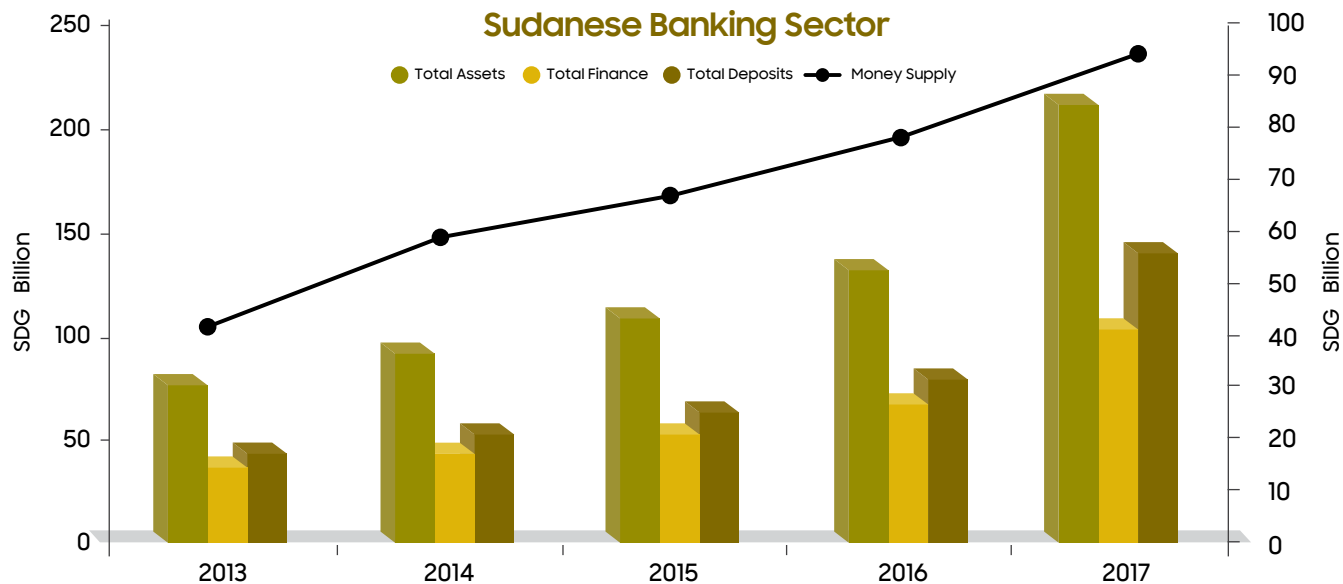
Central Bank Of Sudan (CBOS)

Sudan Financial Services Co. Ltd

# Banking Sector

Values in million SDG

Banking Sector	2013	2014	2015	2016	2017	CAGR	Times
Money Supply	66,446	77,739	93,643	120,800	203,368	%25	0.32
With Pop	19,179	23,343	27,496	38,712	61,445	%26	0.31
Deposits	16,487	19,743	25,376	33,461	59,546	%29	0.27
Semicash	30,780	34,653	40,771	48,627	82,367	%22	0.37
Total Assets	77,480	92,317	108,937	132,714	211,246	%22	0.36
Total Finance	37,622	44,321	53,457	67,689	102,928	%22	0.36
Total Deposits	44,133	53,469	63,419	79,918	139,964	%26	0.31



# U.S Sanctions Lifting



Today, the United States decided to revoke economic sanctions with respect to Sudan and the Government of Sudan under Executive Orders 13067 and 13412, in recognition of the Government of Sudan's sustained positive actions to maintain a cessation of hostilities in conflict areas in Sudan, improve humanitarian access throughout Sudan, and maintain cooperation with the United States on addressing regional conflicts and the threat of terrorism. The revocation will be effective October 12, 2017. This action came about through a focused, 16-month diplomatic effort to make progress with Sudan in these key areas.

To implement this decision, pursuant to Executive Order 13761, as amended by Executive Order 13804, and following consultation with the Secretary of the Treasury, the Director of National Intelligence, and the Administrator of the U.S. Agency for International Development (USAID), Secretary of State Tillerson will publish a notice in the Federal Register and has provided a report to the President on the Government of Sudan's sustained positive actions over the mandated reporting period of the last nine months.

To read the full report

<https://www.state.gov/r/pa/prs/ps/201727465910//.htm>

For OFAC Frequently Asked Questions

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/20171006\\_sudan\\_faqs.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/20171006_sudan_faqs.pdf)

U.S DEPARTMENT OF STATE

## EU-US: Export Controls and Sanctions Alert Trump Administration Permanently Lifts Sudan Sanctions

### Sudan Sanctions

In 1997, the US imposed a comprehensive trade and investment embargo against Sudan. In January 2017, i.e., in the closing days of the Obama Administration, President Obama announced a six-month suspension of US economic sanctions, citing ongoing dialogue with the Sudanese government and the government's progress in achieving milestones agreed upon in those negotiations. Specifically, the Obama Administration noted the government of Sudan's sustained positive actions to maintain a cessation of hostilities in conflict areas in Sudan, to improve humanitarian access throughout Sudan and to maintain cooperation with the US on addressing regional conflicts and the threat of terrorism. A decision on the final lifting of sanctions was left to the Trump Administration, however. On October 6, 2017, the Trump Administration announced that it will permanently revoke economic sanctions against Sudan effective October 12, 2017. The final step in the permanent revocation of sanctions was taken on October 11, 2017, when the State Department published a notice confirming the decision in the Federal Register (82 Fed. Reg. 47287).

# U.S Sanctions Lifting

## What Does This Mean in Practice?

**Exports:** US companies can now export their products and services to customers in Sudan without any license or authorization from the Treasury Department's Office of Foreign Assets Control (OFAC). Depending upon the product, customer and end use, they may have to obtain an export license under the Export Administration Regulations (EAR), but OFAC's blanket ban on exports, temporarily suspended in January 2017, will be permanently revoked on October 12. Licensing policy under the EAR has been amended to create a presumption of favorable consideration of applications to export to Sudan parts to ensure the safety of civil aviation and items to inspect, operate, improve, maintain, repair and overhaul railroads. Further, for exports and re-exports of certain telecommunications equipment and associated computers, software and technology (including items that are useful for the development of civil telecommunications network infrastructure) to Sudan, the general licensing policy of denial has been converted to one of case-by-case review. The one exception is military items subject to the State Department's International Traffic in Arms Regulations (ITAR). The export to Sudan of ITAR-controlled products, services or technical data will remain prohibited. Those who export or re-export to Sudan food, agricultural commodities, medicine or medical devices will be subject to an odd requirement that their export shipments take place within one year of signing the export contract.

**Investments:** US companies also are allowed to invest in Sudan. This may be of particular interest to US agricultural technology and energy companies.

**Blocked Assets:** When the sanctions were first imposed in 1997, OFAC listed as "specially designated nationals" (SDNs) Sudanese companies that were owned or controlled by the government of Sudan, and that list was updated over the years. Under the US embargo, US companies were required to "block" the property of the government of Sudan or of any Sudanese SDN. Thus, US banks were required to block funds transfers if one of the listed SDNs had any interest in the funds. All such blocked funds are now permanently unblocked. Of course, given that some of these funds were blocked almost 20 years ago, officials must first reconstruct who has the rightful claim to the unblocked funds before such funds are released. Further, even with a permanent revocation effective on October 12, it will take some time for US and European banks to reconnect with their Sudanese counterparts, meaning that there will continue to be difficulties in routing dollar and euro payments.

## Remaining Constraints

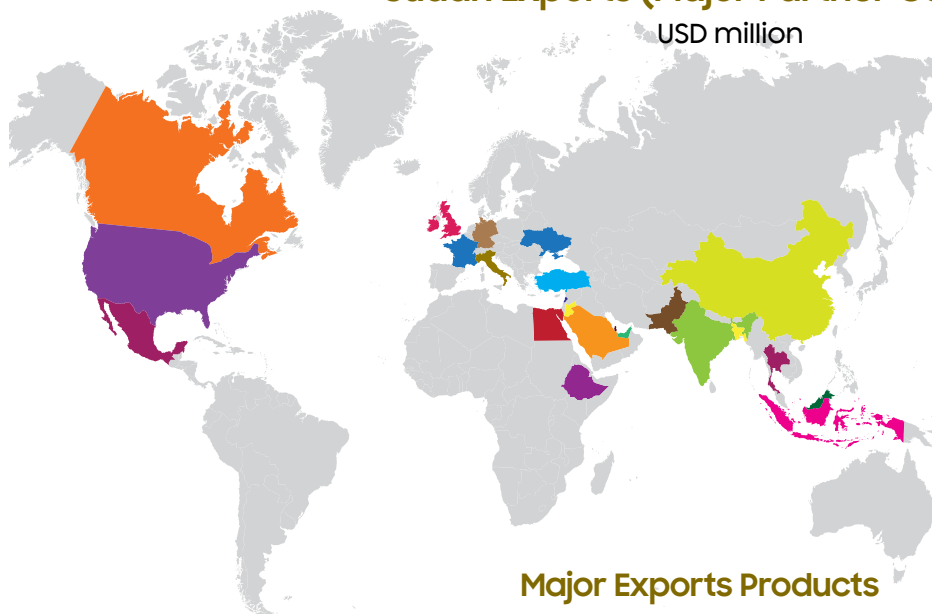
Although US economic sanctions on Sudan are fully and permanently revoked on October 12, some constraints on trade with Sudan will remain. First, the Darfur and South Sudan sanctions are still in effect. Thus, US persons continue to be prohibited from engaging in transactions with any SDNs designated under these programs. 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). Therefore, the practical impact of US sanctions under these two programs is quite limited. Sudan will also remain on the US list of State Sponsors of Terrorism. However, this impacts primarily the scope of permissible action of the US government and has little immediate bearing on companies interested in pursuing commercial opportunities in Sudan. Additionally, OFAC explains in its Frequently Asked Questions that this revocation "will not affect past, present, or future OFAC enforcement investigations or actions associated with any apparent violations of the SSR [Sudanese Sanctions Regulations] relating to activities that, effective October 12, 2017, will no longer be prohibited but that occurred prior to that date." For US companies looking to begin working with Sudan, subject to the few exceptions noted above, Sudan is now open for business.



# Foreign Trade

## Sudan Exports (Major Partner Countries)

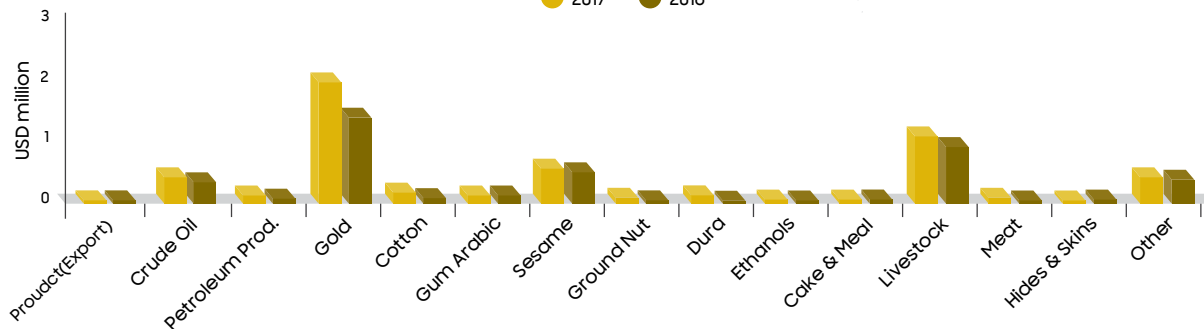
USD million



2016	UAE 1,116	China 459	KSA 506	Egypt 412
2017	1,611	614	612	450
2016	Ethiopia 71	India 88	Turkey 46	France 59
2017	123	91	67	59
2016	Pakistan 12	European union 22	Indonesia 4	Germany 14
2017	49	33	24	20
2016	UK 11	Italy 17	USA 10	Spain 0
2017	20	17	16	13
2016	Malaysia 3	Lebanon 30	Qatar 15	Jordan 30
2017	13	14	19	25
2016	Other countries 167	TOTAL 3,094		
2017	171	4,061		

## Major Exports Products

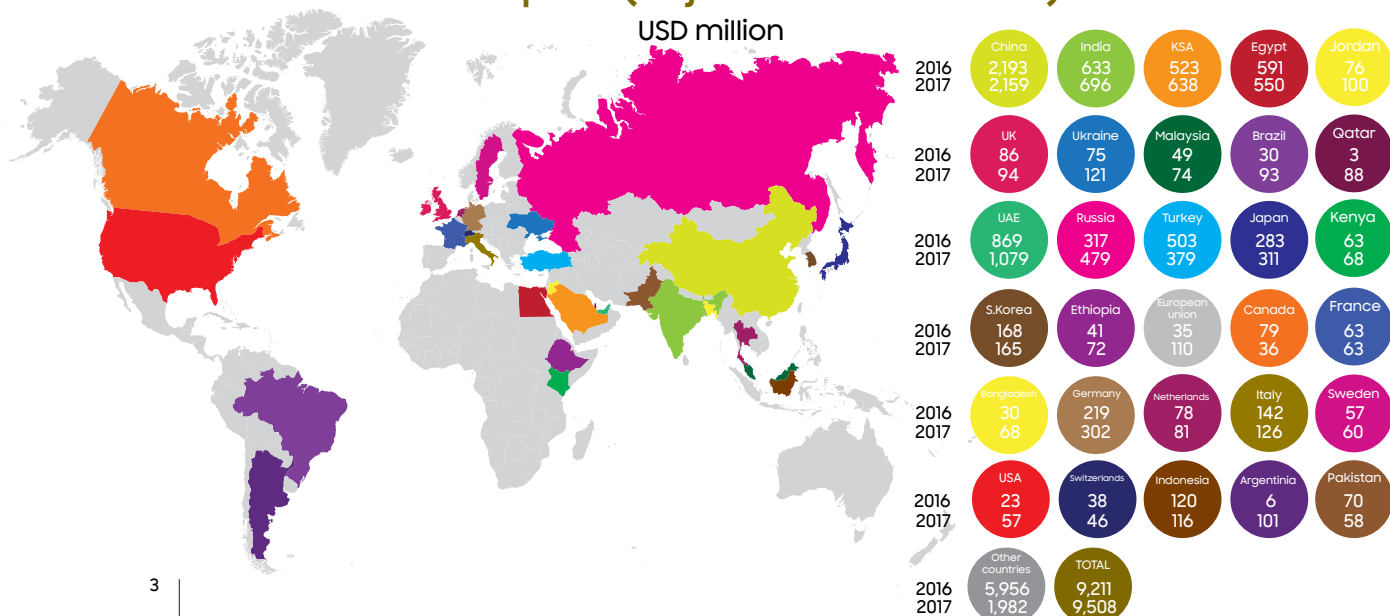
● 2017 ● 2016



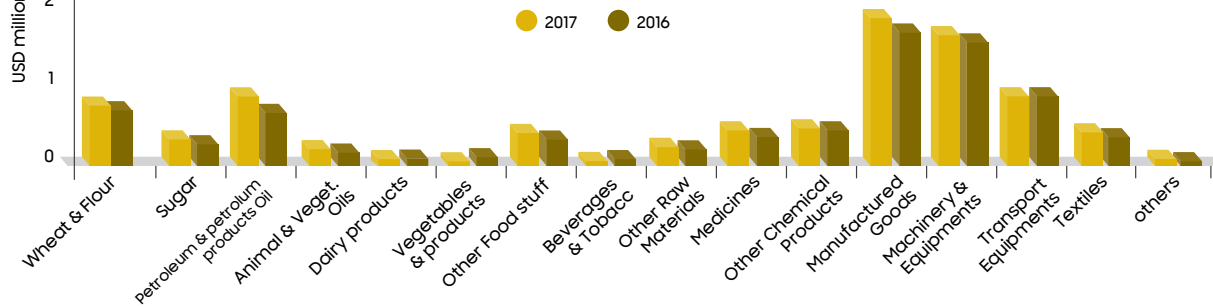
# Foreign Trade

## Sudan Imports (Major Partner Countries)

USD million



## Major Imports Products



# Investors Advantage - 2018

## Sudan's investment law provides the following guarantees:

- The investor has the right to re-transfer the capital in case the project isn't executed or is liquidated.
- Transfer of profits and costs of finance will be executed in the currency of import and on the date due (after payment of the legal duties).
- The project is automatically included in the registry of importers and exporters.

## Incentives

The 1999 Sudan Investment Encouragement Act aims to encourage investment in development projects and a greater number of private and public sector investment initiatives. Strategic investments were defined as investment in infrastructure such as roads, ports, power generation, dams, communications, energy, transportation, construction, administrative and consultancy services, education and health services, tourism and information technology, health and water projects. The government retains the right to offer non-strategic investments exemption from business tax for five years.

The primary incentives for investments are:

- 1) Investors are exempt of VAT for all imported capital needed to start the business and may be free of import duties for all or part of the imported capital upon prior approval by the Sudan Investment Authority.
- 2) Investors may also benefit from access to land under preferential rates as long as their projects are considered strategic investment projects. These lands are approved for encouragement allotment after an agreement is made between the Authority and the States to designate such land.
- 3) Under the Free Zones and Markets Act 2009, free zones are established pursuant to a resolution of the Council of Ministers based on the recommendation of the National Council for Free Zones and Markets. Currently there are two free zones in Sudan. The first is located at Suakin on the Red Sea near Port Sudan and the second at Aljaily near Khartoum. Investors operating in these free zones receive the following benefits:
  - 1- Incentive Packages (Zero business profit Tax for Agricultural project, 10% for industrial projects and 15% for service projects)
  - 2- Salaries of expatriates are exempt from personal income tax; Products imported or exported abroad are exempt from all customs fees and taxes except service fees.
  - 3- Real estate is exempt from all taxes and fees.
  - 4- Invested capital and profits are transferable from Sudan to abroad through any bank licensed to operate in the free zones.

# Economic Forecasts 2013 – 2019 Outlook

	2013a	2014a	2015a	2016a	2017b	2018c	2019c
<b>Gross domestic product</b>							
Nominal GDP (US\$ m)	72,043	82,107	96,780	96,725	131,180	65,259	77,822
Nominal GDP (SDG m)	342,803	471,295	582,937	593,579	853,437	1,199,988	1,622,271
Real GDP growth (%)	4.4	2.7	4.9	4.7	3.1	3.9	4.3
<b>Expenditure on GDP (% real change)</b>							
Private consumption	12.5	2.5	4	3.8b	6.3	4	4.5
Government consumption	2.4	(0.6)	(9.1)	12.5	5.4	5.3	4.2
Gross fixed investment	8.3	0	4.5	3.7	8	5.3	4.2
Exports of goods & services	2.9	3	3.5	4.1	5.9	4.3	4
Imports of goods & services	63.8	(11)	2.5		3.6	6.2	6.5
<b>Origin of GDP (% real change)</b>							
Agriculture	4	(4.1)	2.8	5.2	3	2.4	3.2
Industry	9.2	9.6	4.7	5.5	3	3.9	4.1
Services	2.2	3.4	6.4	3.8	3.4	4.9	5.1
<b>Population and income</b>							
Population (m)	25.7b	26.2b	26.8b	27.4b	28	28.7	29.4
GDP per head (US\$ at PPP)	6,206b	6,353b	6,609b	6,859b	7,040	7,303	7,558
<b>Fiscal indicators (% of GDP)</b>							
Public-sector revenue	9.3b	8.0b	7.0b	7.7b	6.6	6.4	5.2
Public-sector expenditure	11.2b	11.0b	10.3b	11.9b	10.5	10.4	10
Public-sector balance	(1.9b)	(3.0b)	(3.2b)	(4.2b)	(3.9)	(4.0)	(4.8)
Net public debt	72.1b	65.5b	59.4b	64.9b	52.1	84.6	75.9

# Economic Forecasts 2013 – 2019 Outlook

	2013a	2014a	2015a	2016a	2017b	2018c	2019c
<b>Prices and financial indicators</b>							
Exchange rate SDG:US\$ (end-period)	5.7	5.97	6.09	6.17	6.85	20.4	20.72
Consumer prices (end-period; % change)	34.2	25.7	12.6	30.5	25	40.0	25.7
Stock of money M1 (% change)	14.5	19.3	20.8	33.2	35	36.9	36.1
Stock of money M2 (% change)	13.3	17	20.9	28.3	32.1	34.9	33.7
Murabaha (profit) rate (av; %)	12.0b	12.3b	12.3b	12.5b	13	14	15
<b>Current account (US\$ m)</b>							
Trade balance	(3,938)	(3,652)	(5,199)	(4,231)	(3,816)	(2,442)	(3,572)
Goods: exports fob	4,790	4,454	3,169	3,094	4,834	5,800	6019
Goods: imports fob	(8,728)	(8,106)	(8,368)	(7,325)	(8,649)	(8,242)	(9,591)
Services balance	(772)	(507)	(52)	37	(359)	(742)	(440)
Primary income balance	(2,800)	(948)	(1,163)	(867)	(1,358)	(1,639)	(1,781)
Secondary income balance	1,688	1,562	953	933	1,058	1,067	1,076
Current-account balance	(5,822)	(3,545)	(5,461)	(4,127)	(4,475)	(3,755)	(4,718)
<b>External debt (US\$ m)</b>							
Debt stock	45,292b	46,848b	49,844b	52,713b	56,047	57,942	59,831
Debt service paid	432b	433b	464b	468b	494	499	514
Principal repayments	355b	363b	363b	397b	399	402	402
Interest	76b	71b	101b	87b	90	92	95
Debt service due	2,436b	1506b	1,579b	1,910b	2,028	2,031	2,091
<b>International reserves (US\$ m)</b>							
Total international reserves	193	182	174	168b	505	353	375

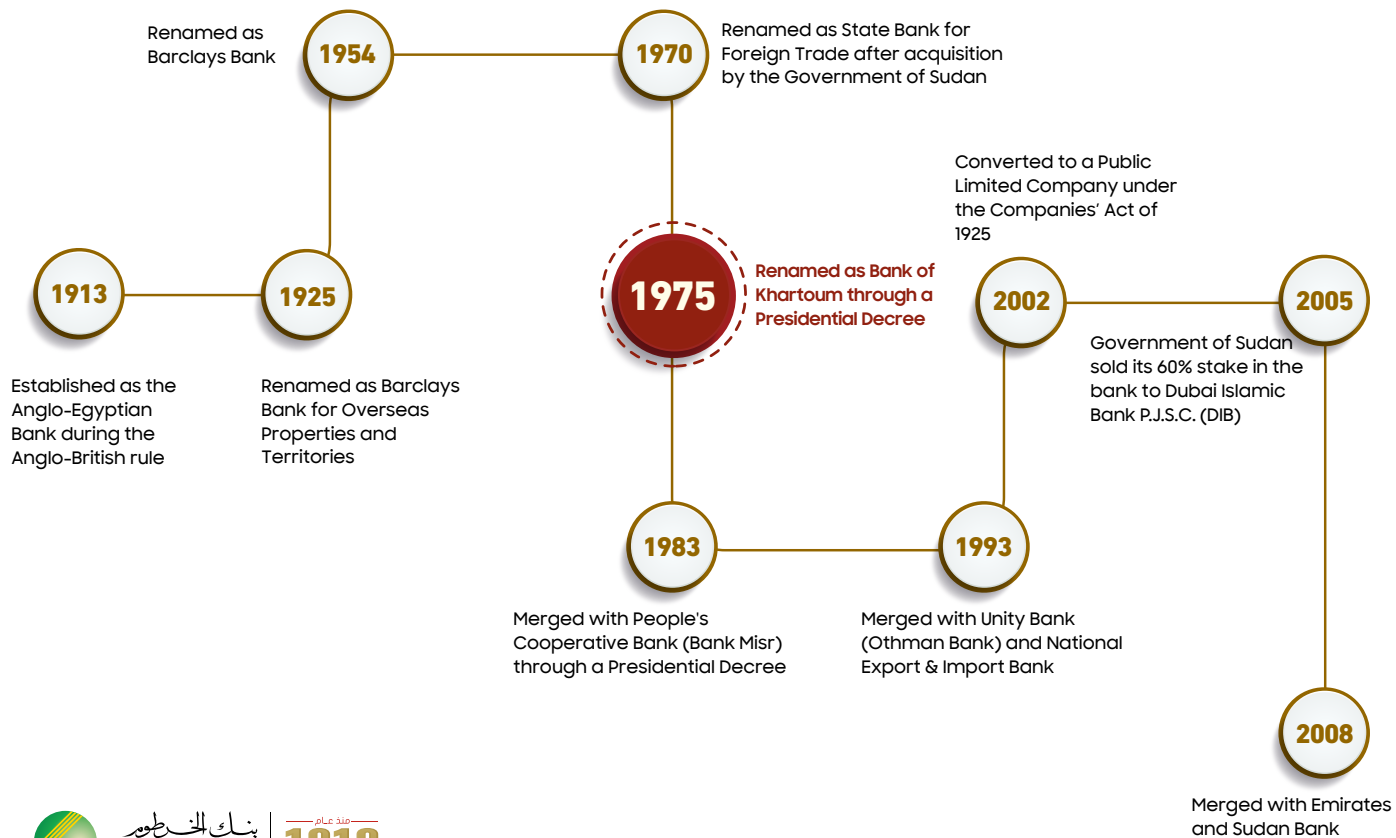
a Actual.    b Economist Intelligence Unit estimates.    c Economist Intelligence Unit forecasts.



# Bank of Khartoum Overview

- Historical Brief
- Performance Ratios
- Financial Highlights
- Shareholder Structure & Board Of Directors
- Awards & Milestones
- Executive Management
- Credit Rating
- NPL's
- Market Share
- Corporate Banking
- Treasury & Investment Banking
- Correspondent Banking
- Retail Banking
- AML & CTF Compliance
- International Branches
- Subsidiaries
- Strategy
- Contacts

# Historical Brief

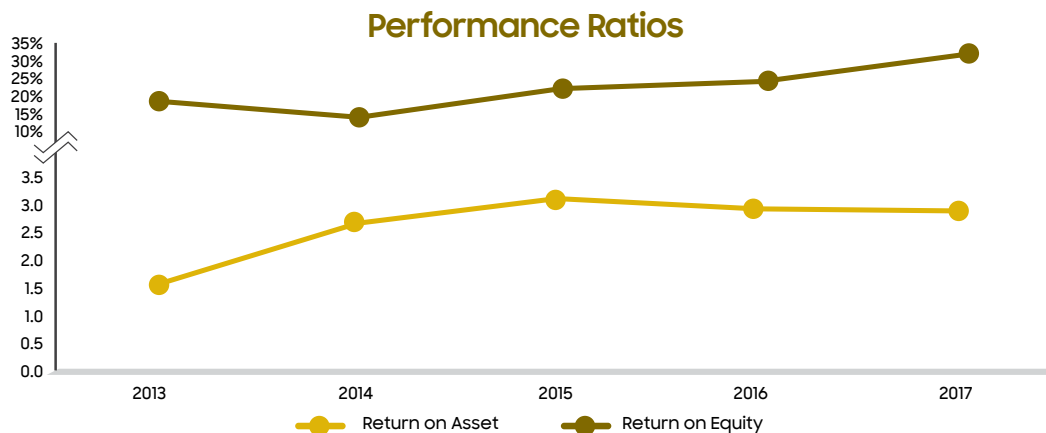


بنك الخرطوم  
Bank of Khartoum  
— YOU FIRST —

1913  
— SINCE —

# Performance Ratios

Performance Indicators	2013	2014	2015	2016	2017
Return on Share	36.81%	56.77%	69.68%	104.20%	146.60%
Return on Equity	21.10%	17.33%	24.15%	25.72%	31.80%
Return on Assets	1.77%	2.89%	3.31%	3.14%	3.10%
Gross Finance / Total Assets	16.59%	19.47%	19.70%	15.05%	31.53%
Gross Finance / Total Deposits and Cash margin	96.24%	81.00%	79.18%	81.90%	64.22%
Liquid Assets / Total Assets	16.59%	19.47%	19.70%	15.05%	31.53%
Liquid Assets / Customer Deposits	25.15%	16.63%	27.60%	20.39%	37.27%
Total Capital / Total Assets	13.70%	12.90%	14.23%	11.81%	7.93%
Capital Adequacy Ratio	14.00%	15.75%	19.00%	14.00%	20.02%
Cost to Income	45.16%	39.58%	40.22%	33.41%	48.56%
NPL	7.60%	8.80%	4.20%	2.60%	2.90%



# Financial Highlights

## Income Statement

SDG "000"	2013	2014	2015	2016	2017
Income from deferred Sales	304,169	536,847	666,987	897,895	1,462,171
Income from Investments	153,299	163,617	347,983	336,935	546,148
Gross Income	457,468	700,464	1,014,970	1,234,830	2,008,319
Financing and Investing risk provision	(45,000)	(45,021)	(45,000)	(73,931)	159,684
Return on unrestricted Investment Accounts	(166,319)	(230,000)	(318,985)	384,757	628,607
Bank's Share in income from investments	246,149	425,443	650,985	776,142	1,220,028
Income from banking services	176,159	144,020	137,226	382,258	948,264
Foreign Currency Income	(9,337)	30,447	12,139	396	39,168
Other Income	45,587	30,478	37,008	56,877	99,865
Total Income	458,558	630,388	837,358	1,195,300	2,160,886
Staff expenses	(149,703)	(158,091)	(175,602)	(271,513)	(442,413)
General and administration expenses	(122,005)	(161,268)	(209,922)	(384,120)	(607,112)
Depreciation and Amortization	(28,164)	(31,629)	(45,600)	(20,373)	(146,439)
Total Expenses	(299,872)	(350,988)	(431,124)	(657,874)	(1,049,587)
Profit before Zakah and Tax	158,686	279,400	1,268,482	537,426	1,111,299
Zakah	(913)	(3,118)	(14,738)	(13,662)	(23,159)
Income Tax expense	(6,141)	(38,590)	(25,923)	(48,355)	(251,794)
Net profit for the year	151,632	237,692	1,227,821	475,409	836,346

Net Profit increased by CAGR 41% i.e. more than 5 times in 5 years

# Financial Highlights

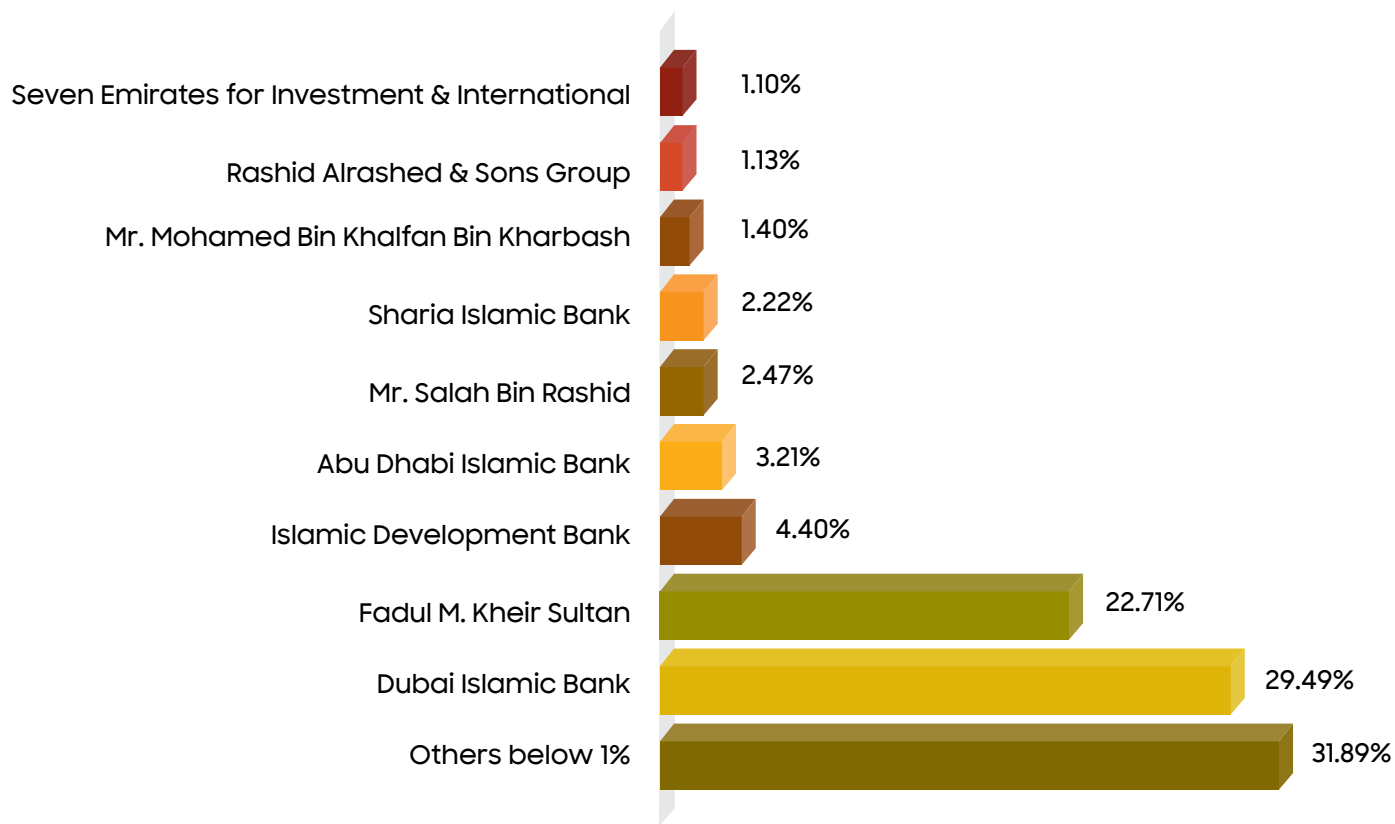
## Balance Sheet

SDG "000"	2013	2014	2015	2016	2017
<b>Assets</b>					
Cash and Cash equivalent	1,377,117	1,886,078	1,740,702	2,425,772	9,433,811
Investment Accounts with Banks	25,403	126,442	81,409	146,317	258,641
Investment in Trading Securities	678,285	839,373	1,582,273	1,622,777	3,124,255
Sale Receivables	3,691,381	4,518,773	5,713,288	9,611,841	14,847,875
Investment in Mudaraba and Musharaka	412,735	389,612	288,663	333,130	458,182
Available for Sale Investments	326,983	496,016	601,172	337,948	2,528,058
Investment in Real Estate & others	49,496	758,920	797,922	807,709	834,546
Other Assets	402,764	273,836	336,459	1,385,373	1,994,153
Intangible Assets	90,603	90,949	92,356	306,318	310,009
Property , Plant and Equipment	1,077,533	659,794	825,021	1,225,070	1,893,841
<b>Total Assets</b>	<b>8,132,300</b>	<b>10,039,793</b>	<b>12,059,265</b>	<b>18,202,255</b>	<b>35,683,371</b>
<b>Liabilities and Shareholders' Equity</b>					
Customer Deposits :	6,245,222	7,663,498	9,590,007	13,229,949	29,255,359
Current Accounts	2,557,360	2,982,799	3,625,430	5,620,512	12,038,694
Saving Accounts	2,038,102	2,669,011	3,942,054	5,534,519	12,246,639
Investment Accounts	1,649,760	2,011,688	2,022,523	2,074,918	4,970,026
Cash Margins	422,577	387,730	237,397	462,887	946,648
Other Liabilities	285,624	405,371	431,755	1,091,127	1,838,441
Provisions	64,604	93,566	84,464	142,509	335,031
<b>Total Liabilities</b>	<b>7,018,027</b>	<b>8,550,165</b>	<b>10,343,623</b>	<b>14,926,472</b>	<b>32,375,479</b>
<b>Total Shareholders' Equity</b>	<b>1,114,273</b>	<b>1,489,628</b>	<b>1,715,642</b>	<b>2,139,519</b>	<b>3,308,092</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>8,132,300</b>	<b>10,039,793</b>	<b>12,059,265</b>	<b>18,202,255</b>	<b>35,683,371</b>

Balance sheet grew by CAGR 34% i.e. more than 4 Times in 5



# Shareholder Structure



# 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



**Mr. Mohamed Ali Alshaikh**  
Board Member-SD



**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 Elnaja**  
Board Member-SD



**Mr. Fadi Alfaqih**  
General Manager-JO

# Awards & Milestones

## 2017 Awards

- GIFA (Global Islamic Finance Awards) 2017 – Most Innovative Bank 2017

## 2016 Awards

- Banker Africa 2016 – Best Bank in Sudan – East Africa
- Banker Africa 2016 – Best Islamic Bank – East Africa
- Islamic Business & Finance 2016 – Best Retail Bank – Africa
- Islamic Business & Finance 2016 – Best Islamic Bank – Africa
- World Union Of Arab Bankers 2016 – Best Bank in Sudan
- Cambridge Analytica IF 2016 – Best Islamic Retail Bank – Africa

## 2015 Awards

- Islamic Business & Finance 2015 – Best Retail Bank – Africa
- Islamic Business & Finance 2015 – Best SME Bank – Africa
- Islamic Business & Finance 2015 – Best Islamic Bank – East Africa
- Islamic Business & Finance 2015 – Best Islamic Bank – Africa
- Banker Africa 2015 – Best Microfinance Bank – East Africa
- Banker Africa 2015 – Best Islamic Retail Bank – East Africa
- Banker Africa 2015 – Best Customer Service – East Africa
- Global Banking & Finance 2015 – Best Islamic Microfinance Bank – Sudan
- Global Banking & Finance 2015 – Best Islamic Retail Bank – Sudan
- International Finance Magazine 2015 – Best Islamic Retail Bank – Africa
- Cambridge Analytica IF 2015 – Best Islamic Retail Bank – Sudan

## 2014 Awards

- Islamic Business & Finance 2014 – Best Retail Bank – Africa
- Thomson Reuters and ADIB 2014 – Ethical Finance Innovation Challenge Award
- Banker Africa 2014 – Best Retail Bank – East Africa
- Banker Africa 2014 – Best Microfinance Bank – East Africa
- International Finance Magazine 2014 – Best Islamic Retail Bank – Africa
- International Finance Magazine 2014 – Most Innovation Islamic Bank – Africa
- World Bank and CGAP 2014 – Top 3 Finalist Microfinance Challenge

# Executive Management



**Fadi Al Faqih**  
Chief Executive Officer



**Faisal Abbas**  
Deputy CEO



**Kashif Naeem**  
EVP, Group Head Retail,  
SME & Microfinance



**Yacoub Zafer**  
EVP, Group Head  
Corporate Banking



**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



**Mohamed Al Amin**  
AVP, Chief Risk  
Officer



**Nadia Youhanna**  
VP, Head  
Human Resources



**Ammar Osman**  
VP, Head of Legal and  
Compliance

# Rating

Bank of Khartoum has been rated since 2012 with stable rating AA-/A1



الوكالة الإسلامية الدولية للتصنيف  
Islamic International Rating Agency

## FIDUCIARY RATING REPORT

### Bank of Khartoum

Report date  
July 17, 2017

#### Credit Rating

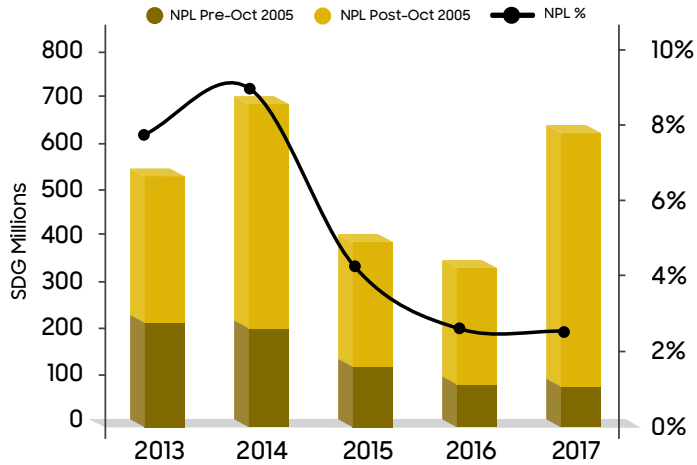
	<b>Latest Ratings</b> (December 09, 2015)	<b>Previous Ratings</b> (March 05, 2015)
<b>National Scale (LT/ST)</b>	AA-(sd)/A1(sd)	AA-(sd)/A1(sd)
<b>Rating Outlook</b>	Stable	Stable

#### Fiduciary Score

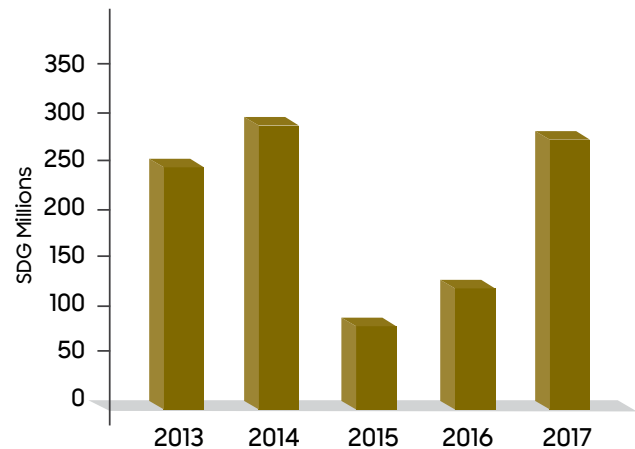
	<b>Latest</b>	<b>Previous</b>
<b>Total Score</b>	<b>71-75</b>	<b>71-75</b>
<i>Asset Manager Quality</i>	66-70	66-70
<i>Corporate Governance</i>	66-70	66-70
<i>Shari'a Governance</i>	76-80	76-80
<b>Fiduciary Score 71-75</b> indicates that rights of various stakeholders are adequately protected. Certain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

# Non Performing Loans - NPL's

## Gross NPL: Breakdown & Ratio



## Provisions

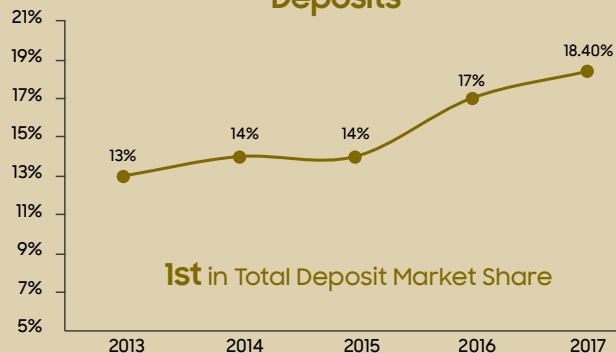


2017 increase is due mainly to currency devaluation

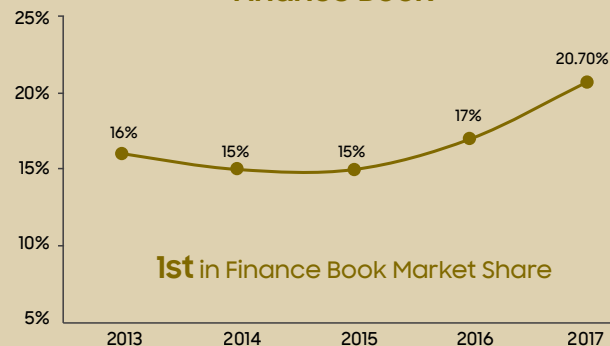


# Market Share

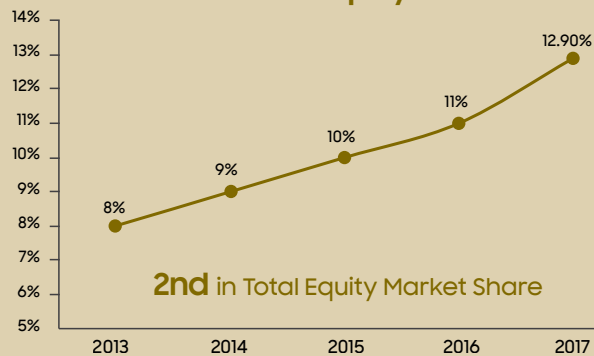
## Deposits



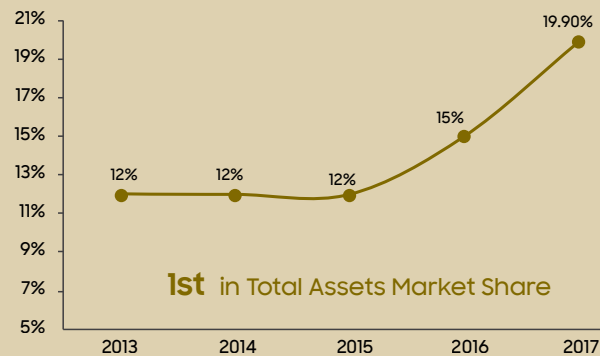
## Finance Book



## Total Equity



## Total ASSETS



# 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 It
- Quick Collect Service (Post Dated Cheques Custody(PDS)
- Express Payments

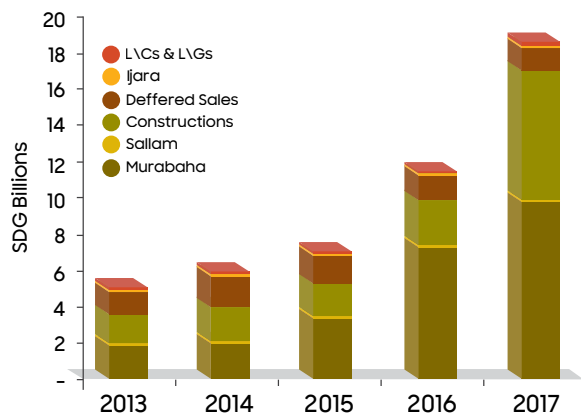
## Electronic Services:

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

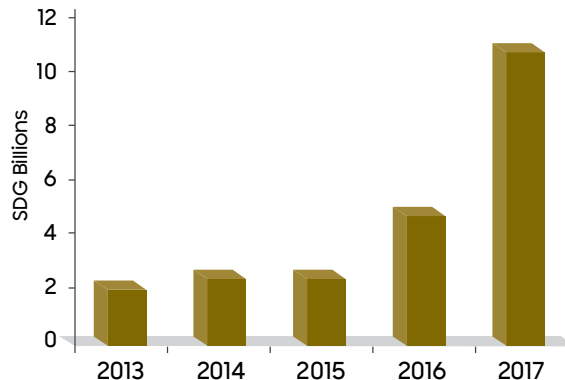
## Trade Products:

- Letters of Credit
- Letters of Guarantee
- Documentary Collections

**Corporate Assets**  
in SDG Billions



**Coreporate Deposits**  
in SDG Billions



# 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 & Portfolio issuance.
- Customized structuring financing solutions.
- Credit Lines.

# 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.
- WAKLA Agreements & Financing arrangements

# Retail Banking



**1 Million Mobile Money Subscribers in less than 1 Year** Paying at any shop/location with QR scan Crad Less withdrawals Online A/C transfers Bills payments (Telecom, Electricity, Fuel Cards, Customs, Hospitals, Universities Fees)



**100 Branches &  
33 sub branches**



**Over 276 ATMs/CDMs**  
BOK is the biggest market share with %21 share



Westren Union



BOK Own Point Of Sales Switch



Launched Kid's Account "Dokhry" in all BOK States branches



Call Center Upgrade Capacity & Services



**200k Mobile Banking Subscribers**



Retail Deposits  
**SDG 18.3 Billions**



Wakeel Agents for cash deposits/Withdraw



Durable Finance



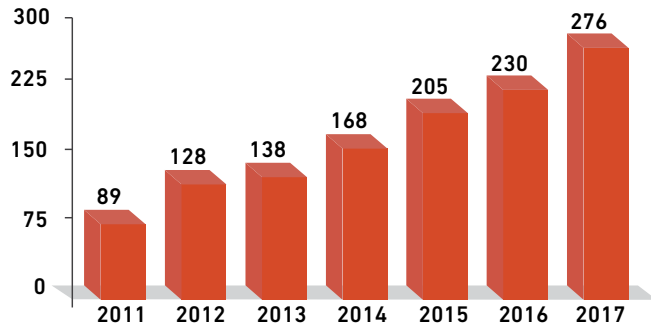
Wedding Finance



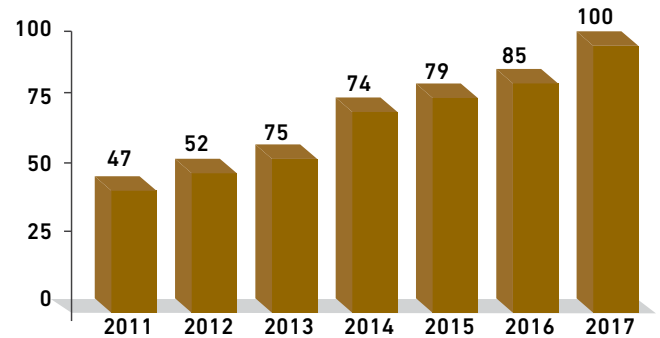
Education Finance

# Retail Banking

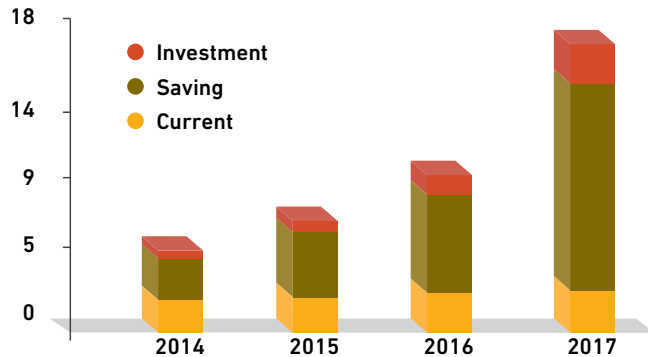
## No. Of ATMs



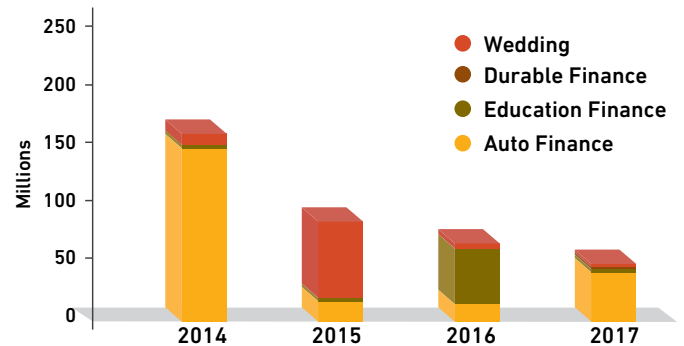
## No. Of Branches



## Retail Liabilities Breakdown



## Retail Asset Breakdown





# AML & CTF Compliance

Bank of Khartoum regards AML / KYC Compliance a key pillar of its business platform:

## External Supervision

- Central Banks
- Internationally accepted best practices e.g. FATF guidelines
- International Sanctions
- FATCA & CRS



## Internal Implementation

- Client On-boarding Procedures
- Transaction monitoring
- Remittance screening
- Review and Reporting
- Staff training on AML/Financial Crime
- Effective system

In keeping with International best practice, BOK has instituted a strong Compliance culture which is embedded in the processes, policies, procedures and continuous on-going monitoring. We adopt internationally accepted best practices

Compliance & AML team comprises 10% lawyers, 10% Chartered accountant, 100% CAMS certified. BOK training program includes staff from all other departments for short online training in addition to 15 CAMS & 15 Compliance certified staff each year for the next 3 years.

Bank of Khartoum adheres to:



# AML & CTF Compliance



With the help of Ernst & Young, bank of Khartoum is implementing best practices to ensure gaps are satisfactory covered

## BOK Does

- Exit customer relationships based on sanctions and money laundering concerns
- File Suspicious transactions Reports (STR's) to the FIU Unit with Central Bank of Sudan (CBOS)
- Escalate concerns immediately to senior management on an on-going basis
- Multilevel review and enhanced due diligence (EDD) for high risk customers
- Customer transaction monitoring on a daily basis
- Strong on boarding process
- Strong KYC culture

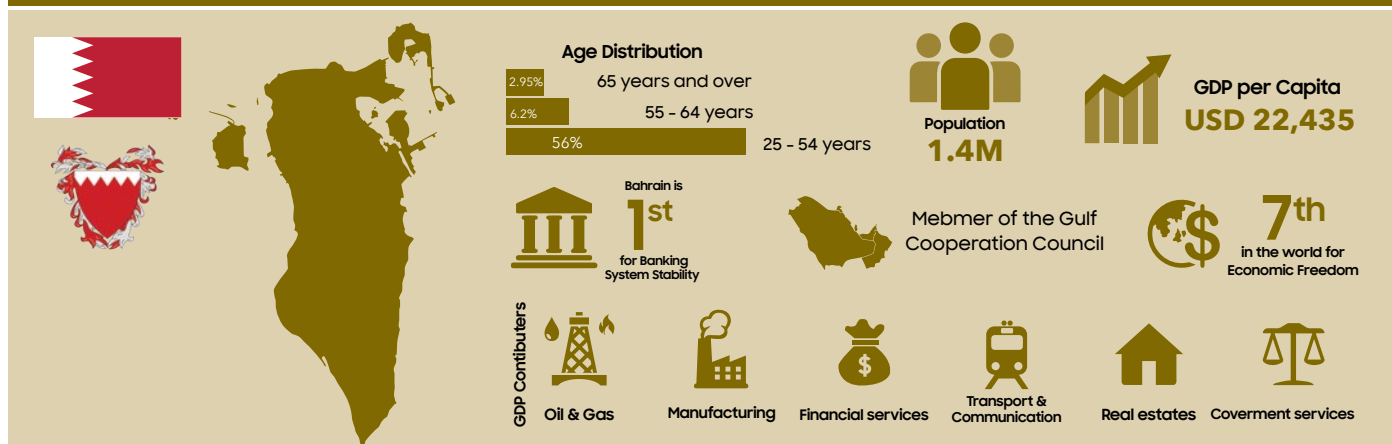
## BOK Does Not

- Perform transactions with sanctioned countries /entities /individuals.
- Deal with non-customers
- Open Accounts where ownership is not established
- Develop relationships with companies issuing bearer shares

## BOK systems fully address the above sanctions:

- The bank monitors and takes immediate remedial action if/when required
- BOK does not tolerate exceptions or known lapses
- The bank recognizes and accepts that business success and viability is reliant on adhering to the above

# BOK International – 1<sup>st</sup> 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

**Nabeel Al Tattan**

Chief Executive Officer  
BOK International

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Fax: +97317117765

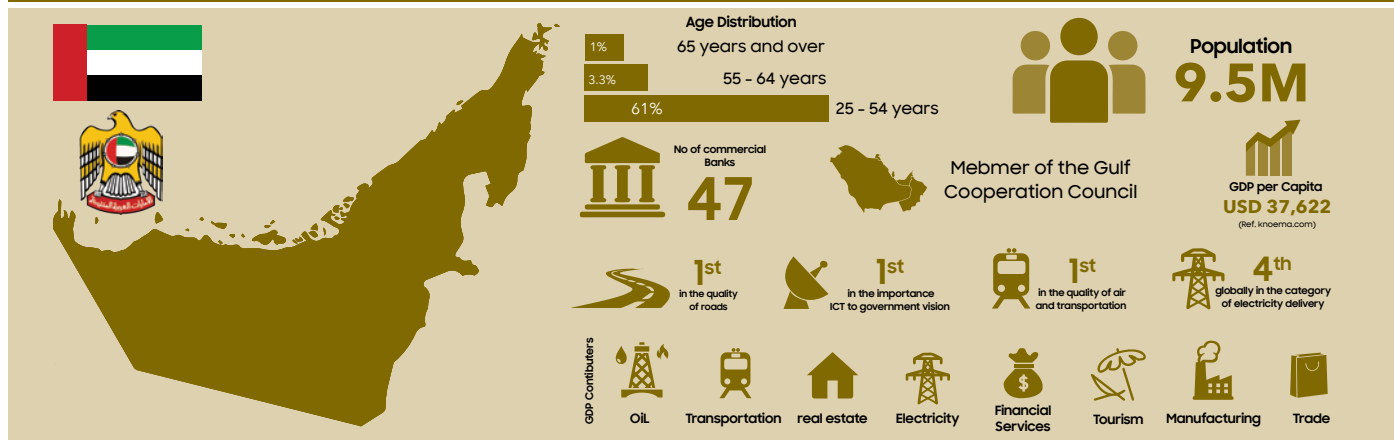
E-mail: Nabeel.Altattan@bokintl.com

<http://www.bokintl.com>

PO Box 60030 - Kingdom of Bahrain

Swift/BIC: BOKNBHBMXXX

# BOK International – 1<sup>st</sup> Branch in UAE



## Bank of Khartoum announces its 1<sup>st</sup> 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.

**Akram Elbaloula**

Country Chief Executive Officer  
BOK International

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United Arab Emirates  
Swift/BIC:BOKMAEAD

# 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



شركة الفهد  
لنقل وحفظ الأصول الثمينة

First secured transportation in Sudan



للأوراق المالية  
SANABEL SECURITIES

First stock brokerage firm



National  
Trading & Services Co. Ltd

IRADA  
Islamic Microfinance



إرادة  
التمويل الإسلامي الأصغر

Largest Microfinance company in Sudan

سوداكاش  
SudaCash  
للصرافة والتحويلات الخارجية

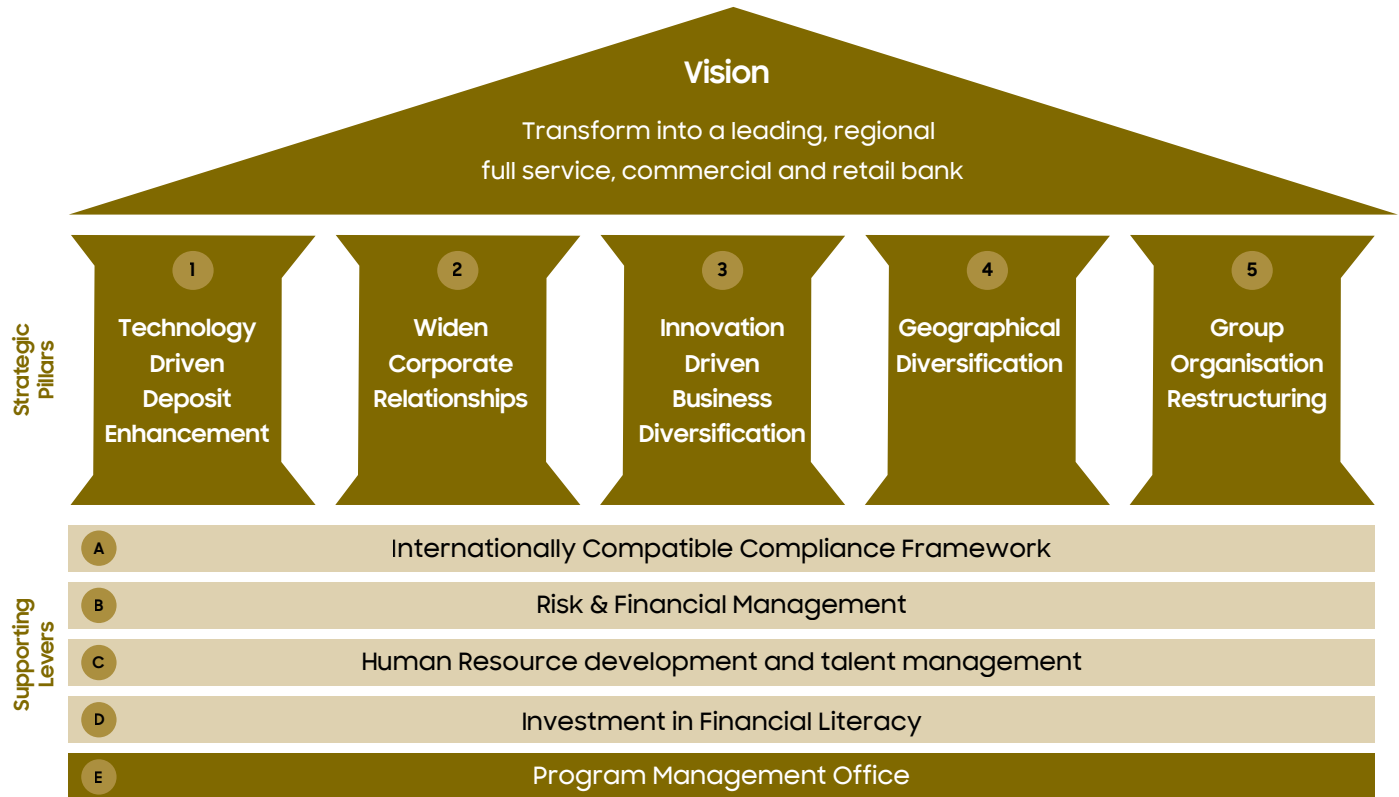


شركة واحة الخرطوم  
للتنمية العمرانية المحدودة

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

canar

# Strategy





# Treasury & Investment Banking



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[www.bankofkhartoum.com](http://www.bankofkhartoum.com)

## 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.



