



In the Name of Allah The most
Gracious The most Merciful

*Allah has permitted trade and
forbidden usury.*

(275)

Holly Quran The Qur'an (275)



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Bank Information

Establishment	2006
Commenced Operation	4/May/2008
Authorized Share Capital	200 Million Dollar
Paid Up Capital	110 Million Dollar
Tel	+ 249 187 051000 + 249 183 741531
Fax	+ 249 183 741517 + 249 183 741523
P.o Box	424 Khartoum - Sudan
Website:	www.aljazeerabank.com.sd
Email	info@aljazeerabank.com.sd
Swift Code	GSJBSDKH



Vision



A comprehensive Bank having an advanced position among the list of Banks in Sudan, and pioneer in providing diversity of products and quality of investing and commercial services.

Our Values



1. Eminent Sharia is our approach.
2. Customers' Satisfaction is our goal .
3. Dealing with credibility and pioneering is our trend.
4. Keeping up development and professional performance is our method.
5. Profitability growth for Shareholders is our goal.
6. Spirit of one team is our standard.
7. Interaction with community requirements is our commitment.



Objectives



1. Achieve the highest returns for the bank's owners, investors deposits and partners.
2. Lead the way in the diverse areas of commercial and investment banking business.
3. To benefit from the enormous investment opportunities enjoyed by Sudan.
4. Contributing in the construction development in the public and private sectors.
5. To work towards the promotion of the investment and commercial exchange between the Arab and Islamic countries in general and between Sudan and Jordan in particular.
6. To work towards fulfilling the ambitions and expectations of the monetary authorities, clients and staff.

Strategies



1. We Provide banking services, products and investments to the largest number of customers.
2. To Adhere to the highest international standards in respect of corporate governance & class supervision
3. To take part in the economic development and infrastructure in Sudan as a whole & Al Jazeera State, which is a strategic partner and a shareholder of the bank, in particular.
4. To Promote the investment relations and trade exchange between Arabic and Islamic countries, and to make use of the available resources therein with specific emphasis on the investment and trade operations between Republic of Sudan and the Hashemite Kingdom of Jordan.



H.E. Ayman Al Majali
Chairman



H.E. Ali M. Osman Yassin
Vice Chairman



Mr. Amer Abdalwahab Alallawi
General Manager

Board of Directors Members



Name	Title	Address
H/E Ayman Hazza'a Barakat Almajali	Chairman	Jordan
H/E Ali Mohamed Osman Yassin	Vice chairman	Sudan
Mr. Michael Faig Ibrahim Elsaigh	Member	Jordan
Dr. Hamid Abdulghani Mohamed Gabr	Member	Jordan
Mr. Muhnad Akram Abdulatif Hassan	Member	Jordan
Mr. Assem Yousif	Member	Sudan
Mr. Abdelgadir Yousif Alawad	Member	Sudan
Mr. Hatim Abdalhai Yahia Abdulkareem Zaloum	Member	Jordan
Mr. Ramzi Mrwan Salama	Member	Jordan



Sharia Supervisory Board

Dr. Awad Elhassan Elnur
Dr. Elmahi Khalafalla Elmahi
Dr. Abdelgayoum Ibrahim Babikir

Head
Member
Member

Legal Auditor

Mohamed Suliman Haggar & Co.
Certified Accountants Financial Consultant

Legal Advisor

Ali Mohamed Osman Yassin
Office of Honored





Executive Management



Dr. Osama Mohamed Ali Tambal
Deputy General Manager.



Dr. Suleiman H. Al-kharabsheh
Executive Manager for
precision and internal audit



Mr. Ahmed sleim Al masarwah
Executive Manager for Retail &
Branches Dept.



Dr. Muna Eltayeb M. Eltayeb
BOARD Secretary & Head of Legal Dept.



Mrs. Muna M. Salih
Executive Director of Quality
Management and Corporate Excellence.



Head Office & Branches

1. Main Branch - Aljazeera Tower - Khartoum

Africa St - Aljazeera Tower

Fax: 00249 183741525 Tel: 00249 187051000

2. Khartoum Branch

Albarlaman St Cross Al Qaser St.

Fax: 00249 183741525 Tel: 00249 187051133

3. Wad Madani- Aljazeera State

Alsuk Alkabeir - West Central Bank of Sudan building

Fax: 00249 5118832169 Tel:00249 187051244

4. Alsuk Alshabi - Omdurman

Northern Alsinaat Police Station Alsinaat St.

Fax: 00249 187560500 Tel: 00249 187051222

5. Alsaggana -Khartoum

Alsaggana - Alnus St.

Fax: 00249183 466213 Tel:00249 187051333

6. Bahri - Khartoum North

Khartoum North Industrial Area -Facing Custom Building

Fax: . 00249 185345202 Tel:00249 187051266

7. Port Sudan - Port Sudan

Facing Red Sea University

Fax: 00249311833232 Tel: 00249 187051255

8. Alsuk Almahali - Khartoum

Alsuk Almahali - East of Alfouad specialize Hospital

Fax: 00249 183 403049 Tel: 00249 187 051277

9. Saad Geshrah

Khartoum North Suk Saad Geshrah - west of Atyar Alkadro St.

Fax: 00249187 051288 Tel:00249 185 331177

10. Suk Libya -Omdurman

Suk Libya -Omdurman- west of Sudan Services

Office TEL+249 187 051233



Head Office & Branches

11. Altaif -Khartoum

Bashir Alnifidi st. Cross Almashtal street

Fax: 00249 183 730000 Tel:00249 187 051300

12. Algadarif - Algadarif state

Alsuk Alkabeir - South Central Bank of Sudan building

Fax: 00 249 441 844166 Tel:00249 187 051313

13. Alkalakla -Khartoum

Suk Alkalakla - Oppsite of Police Station

Tel: Fax: 00249 183 722220 Tel:00249 187 051322

14. Alamrat -Khartoum

Moh.Najeeb St.Crossing 41 St . Khartoum

Tel: Fax: 00249 183 779900 Tel:00249 187 051344

15. Alobied - North Kordofan State

Alsouk - Opposite of the Justice Building

Tel: 00249 187 051355

16. Almina Albary - Khartoum

Almina Albary South of Khartoum State Water Stores

Tel: 00249 187 051366

17. Almawrada. Omdurman

Omdurman Almawrada . Banks St.

Tel: 00249 187 051388

18. kassala branch - kassala

town centre

tel: 00249187051390 - 00249187051399



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Chairman Statement

Speech by the Chairman of the Board of Directors to the 10th General Assembly of Shareholders Thursday, April 11, 2019

Dear Ladies and Gentlemen, honorable shareholders,

Peace, mercy and blessings of Allah be upon you.

On behalf of the Board of Directors and the Executive Management of the Bank, I am pleased to welcome you to your tenth ordinary annual meeting. I would like to present to you the annual report for the year ended 31/12/2018, which includes the most important activities and achievements of the Bank during the year under the local, regional and global conditions. Regarding the global economy, the year 2018 was characterized by optimism after a significant improvement in industrial and commercial activity. With regard to the Middle East and North Africa, and despite the political turmoil in some countries, the economy of this region grew slightly by 2% compared to 1.4% for the year 2017. The World Bank announced in its economic report on the region that this modest growth comes mostly because of recent increase in oil prices.

On the side of the local economy in Sudan, the year 2018 witnessed high inflation and exchange rate instability, which led the government to adopt a comprehensive economic reform program to support production and austerity in government spending.

Looking at the most important economic indicators, the GDP growth rate for the year 2018 was about 2.8% and the average inflation rate in December 2018 was about 69% compared to 25.2% in December 2017. Despite Sudan's efforts to improve its foreign relations, the country remained on the list of State Sponsors of Terrorism which has not enabled the financial institutions to benefit from the lifting of the banking ban, thus challenges remain in the operational environment of the local banking sector.

At Al Jazeera Sudanese Jordanian Bank, the progress has continued as in the previous years with confidence and has been supported by a series of development projects in more than one area, which was reflected in the quality and diversity of the Bank's services due to implementation of advanced technologies and banking best practices. All this has contributed to the improvement in the Bank's financial position and the year 2018 has witnessed rising growth in the different activities of the Bank. The bank recorded a growth in the assets base by the end of 2018 by 100%, rising from 2,788 million SDG in 2017 to 5,592



million SDG. Deposits grew by 89% reaching 3,039 million SDG compared to 1,607 million SDG for the same period last year. Investment portfolio grew by 31% to 688 million SDG compared to 525 million SDG for the same period last year. The bank recorded 71.7% rise in net deferred sales receivables to 2,251 million SDG compared to 1,315 million SDG in the same period last year. Profit before tax and Zakat increased to 257.2 million SDG compared to 145.8 million SDG for the same period last year with a growth rate of 76% while net profits after taxes and Zakat reached 194 million SDG compared to 107 million SDG for the same period last year.

These results were positively reflected in a number of key indicators of the Bank's performance, with operational efficiency at 37.9%, below the benchmark of 55% set by the Central Bank of Sudan, and 23% capital adequacy ratio given that the Central Bank of Sudan requirement is 12% which confirms the strong financial position of the Bank. The Bank has maintained the quality of its loan portfolio as the non-performing loan ratio has not exceeded the limit of 0.13%. The market value of Al Jazeera Sudanese Jordanian Bank's share has reached 21 SDG after the revaluation of the assets approved by Khartoum Stock Exchange.

Ladies and Gentlemen; honorable shareholders,

The Bank continued to play an active role in the development of all economic sectors by providing financing to the corporate and retail sectors, focusing on providing financing to priority sectors such as the agricultural, industrial and mining sectors as well as the export sector in line with the state policy that encourages these sectors. The Bank has not neglected small and medium enterprises and microfinance. The Bank has contributed to the establishment of Alfal Microfinance Company, which focuses on providing financing to small farmers and producers.

The Bank is currently developing and modernizing its banking services to be offered to its customers through a number of electronic distribution channels that are characterized by safety standards and the confidentiality of their financial statements and their banking transactions. These channels include Call Center, Aljazeera online services, SMS services and ATM's. During the year 2018, the Bank responded swiftly to the directives of the Central Bank of Sudan on the expansion of electronic payment services.

Ladies and Gentlemen,

The Bank has always aimed to upgrade its services in order to achieve greater satisfaction for its customers through presence in the main areas of Khartoum State. In this regard, a number of branches were rehabilitated and some of them



were transferred to other locations. In line with the Bank's strategy of well-studied expansion to create an attractive and stimulating business environment for our customers and employees alike, the construction of the Port Sudan branch in the land owned by the Bank has been completed despite the difficulties encountered in 2018 and the Kassala branch was added to our branch network at the end of 2018.

Because of our attention in developing and modernizing the various services and activities of the Bank, we gave high consideration to human resources and we work to improve the standard of living and professional capabilities of our employees. Therefore, the Bank's management is offers continuous training to the human cadres, leading to the qualification of a second class of young cadres so that they are ready and able to assume the managerial and administrative positions in the Bank at all levels. In addition to designing a plan for continuous training for the staff to keep up with all banking business development and to gain staff satisfaction and loyalty to the Bank.

As part of its social responsibility, the Bank continued in 2018 its efforts to strengthen its role in serving the society through its contribution to social services and its sponsorship of many health, social, cultural and sport activities.

Finally, I would like to extend my thankfulness and gratitude to his Excellency the Governor of the Central Bank of Sudan for his long-lasting support to the Banking Sector. I would also like to appreciate the Stock Market Authority, the Companies Registrar, the Internal Auditor Mohamed Suliman Haggar and his partners for their constructive and effective role in supporting the Bank.

I would like also to thank our customers and shareholders for their invaluable confidence and trust in the Bank that we are all proud of its achievements. Thanks are also due to their Excellency Chairman and Members of the Sharia Board, the Members of the Board of Directors, the Executive Management and all the staff for their full commitment and keenness in developing the Bank and the quality of its services.

With Allah's Blessings

HH. Ayman EL-Majali

Chairman of the Board of Directors



General Manager's Speech

In the name of Allah Most Merciful Most Gracious

May the peace and blessing of Allah be upon the Prophet, his family and his Companions

On Behalf of the Chairman and the Members of the Board of Directors, I am pleased to present to you the Eleventh annual report which encompasses the management activities as well as the consolidated financial statements and the results and achievements during the year ending 31\12\2018.

The year 2018 was full of financial challenges at the locally and globally, on the global economy side the emerging markets economy has been disputed by high U.S dollar price and unstable oil price which lost 40% of its value by the last quarter of 2018.

Regarding the local economy, the year 2018 has witnessed significant difficulties due to high inflation and unstable exchange rate despite of the considerable efforts to restrain the continuous increase of the exchange rate. Also Sudan being listed as State Sponsoring Terrorism has restricted its integration in the global economy and remained a challenge especially with regard to cooperation with the International Financial Institutions and regional and international Development Agencies and benefiting from the agreements and assistance provided by these institutions.

Given all these challenges and in a banking business environment affected by may external factors out of the banks control and as Al Jazeera Sudanese Jordanian Bank is one of the leading banks in Sudan's Banking sector, it was very important to continue the efforts to maintain the gains and enhance its ability to meet its customers, shareholders and employees' ambitions. The Bank has completed the year 2018 with strong performance indicators contributed to the Banks' position and promote it as a leading institution that contributed significantly in the country's economic development. These results have been achieved with a clear vision that directed towards adoption of methods of institutional quality and excellence, as a result the Bank has gained the ISO 9001/2015 certificate and won a number of awards among them the Banking Excellency Award in Sudan for 2018 awarded by the Union of Arab Banks based on cumulative grades on a number of indicators at the regional and local levels, the Bank also won the Social Responsibility of Islamic Banks Award in 2018.

The Bank continued implementing its branch network expansion strategy with the number of its branches reached 18 by adding Kassala branch to its network



as part of a well-designed expansion strategy to select the best locations.

The Bank has focused on provision of a number of excellent services and products that meets the customers' demands in addition to the optimal use of the available resources through managing customers' relations and reaching new customers in different sectors to broadening the customer base. The number of bank accounts has reached 71,475 at the end of the year with emphasis on quality and quantity in services delivery which helped in raising the deposits to 3,744 million SDG.

The Bank's management has worked during 2018 to build-up its loan portfolio following a conservative and balanced credit policy that carefully studied the market and credit risk, the Bank continued financing all economic sectors making 355 transactions in the corporate sector with a loan size of 2,363 million SDG and 552 transactions in the retail and individuals sector with a loan size of 157,314 thousand SDG, aiming at risk distribution and effective and efficient allocation of existing funds besides exerting efforts to recover the non-performing loans which has been below the standard ratio (0.13%) at the end of the year.

The Bank also developed its employment policies that helped in staff stability and recruiting of highly qualified and diverse expertise, the Bank recruited 26 employees and in the area of training and development 245 employees were trained; the participation in training activities reached 433 in different fields while the percentage of training reached 78%. The staff salary structure has been changed during the same period with an annual increase of 54%, moreover the rules of health service for the Bank staff was updated to improve their livelihood.

In the area of compliance with governance and institutional regulations, the Bank started implementing a system of Anti Money Laundering and Combating Financing Terrorism and the Foreign Account Tax Compliance Act (FATCA) which will be launched in the beginning of 2019, and to reduce risks, control and improve the performance the Bank adopted AVRA flow risk systems that categorizes the customers and assess their credit worthiness according to the International Credit Rating Standards and One sumX System which is a system to activate and categorize operation risks.

In the area of banking system and technology development, the data storage capacity of the servers in the data bank has been increased to meet the requirements of the new systems and the bank account control project was completed as well launching the live mobile application for the human resources management system and the back-up lines that reached 3 lines. In addition, the Penetration or Hack Test project for ensuring the safety and security of the main database was launched in collaboration with foreign companies, the second face of connection to the Electronic Clearing House project was started, the network security system has been updated and a FortiManager device was



installed to ensure the central management of all internal security systems for the headquarter and all branches.

On the social responsibility dimension, the Bank is playing an effective role through leading may initiatives to support the vulnerable groups like ‘Worm Winter” initiative and distribution of 600 Ramadan baskets in coordination with Ministry of Social Security and Welfar, Al Jazeera State and Civil Society Organizations.

Thanks to Allah for the success and then to the Board of Directors, the partners and shareholders of Al Jazeera Sudanese Jordanian Bank and thanks to our loyal customers for their confidence in the Bank. Appreciation and respect to the Central Bank of Sudan, Sudanese Banks Union, the Union of Arab Banks, Khartoum Stock Exchange, Ministry of Finance, Ministry of Trade, Ministry of Investment, the Sharia Supervisory Board of the Bank and the Auditors for their efforts to enhance the Banking sector services. Thanks to the executive management of the Bank and its different departments and to all the employees of the Bank for their sincere efforts to improve the performance of the Bank in all areas. We will continue in the path to the success and achievements with strong will to maintain the excellency and innovation with Allah will.

May Allah guide us to success

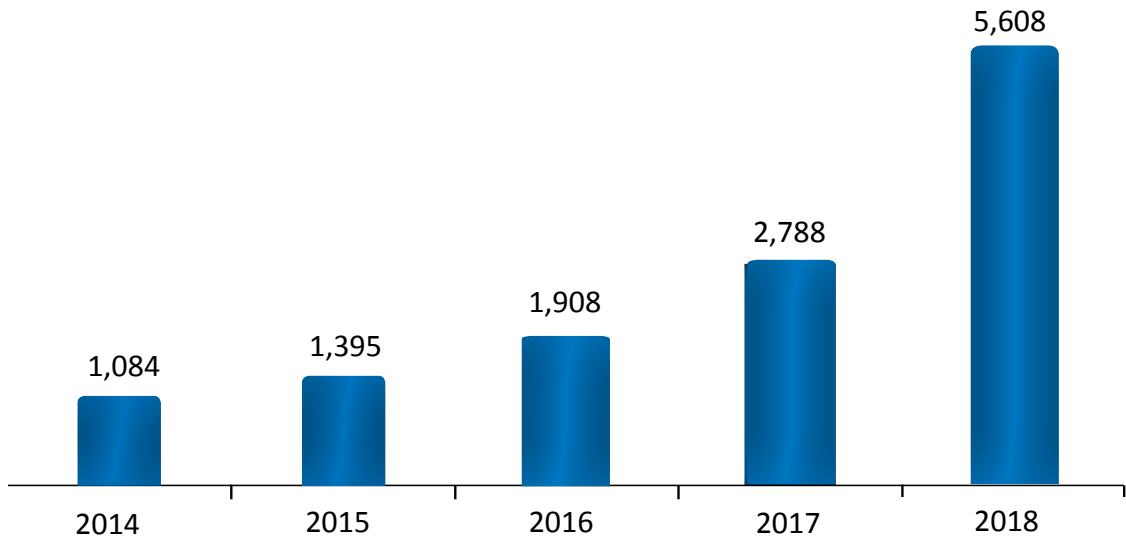
Dr. Amir Abdelwahab Al Alawi

General Manager

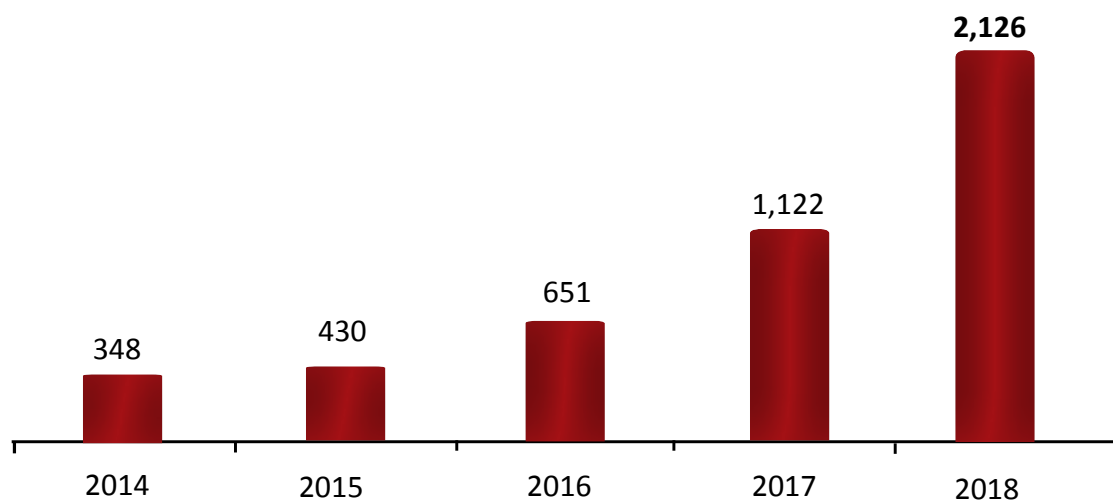


Financial Indicator (2014-2018) : Millions SDG

Total Assets (Millions SDG)



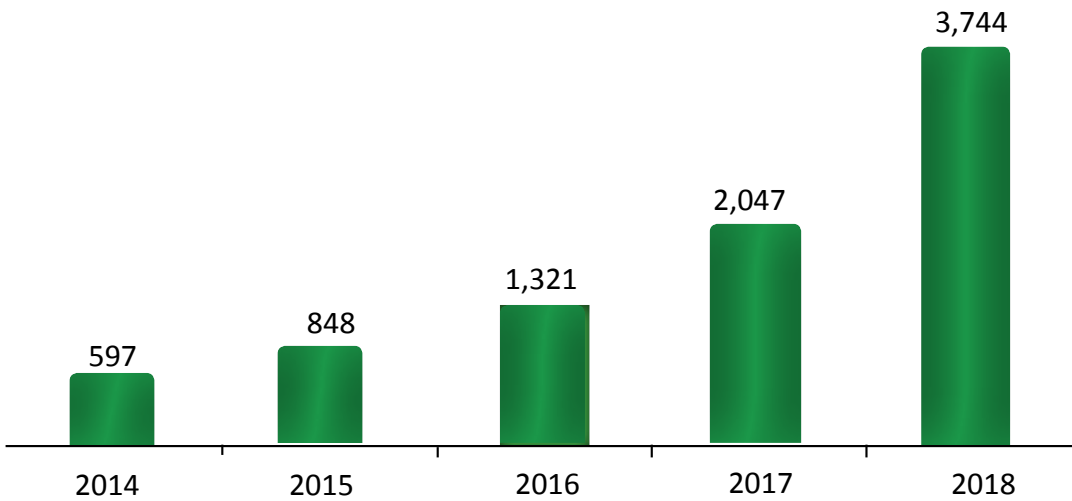
sales receivables growth (Millions SDG)



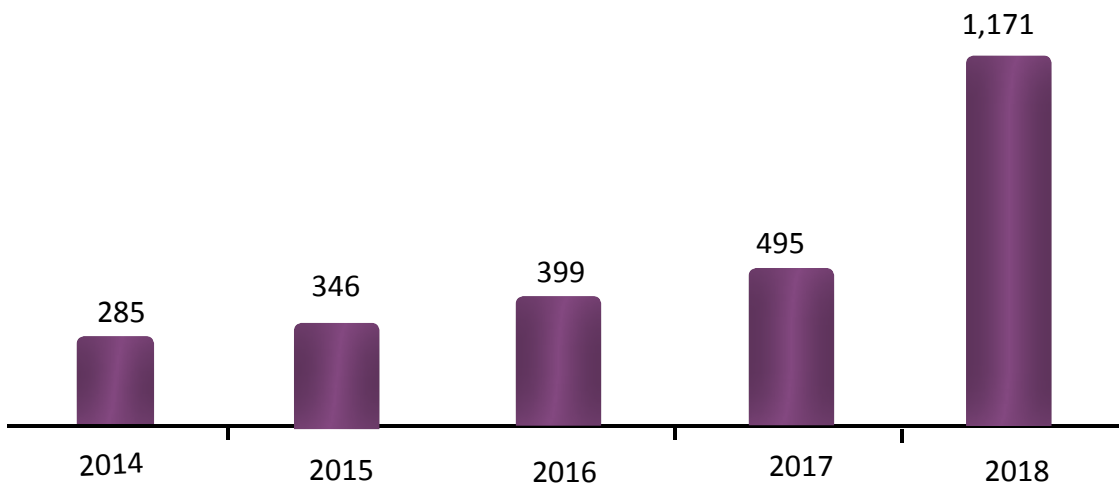


Financial Indicator (2014-2018) : Millions SDG

Total Customers' Deposites (Millions SDG)



Total Owners' Equity (Millions SDG)





بنك الجزيرة السودانية الأردنية

The bank participated in supporting the national economy by financing the infrastructure and the various economic sectors.

With regard to Individuals, The bank introduced various funding programs such a



Emaar



Arzaq



Flah



Yashfien



Wasaiel



Ibdaa

The bank invest in a strong structure & distinctive competencies with respect to information technology so as to provide the best services to its customers.





Sharia Supervisory Board Report



AL Jazeera Sudanese Jordanian Bank

Al Jazeera Sudanese Jordanian Bank Member of Deposit Security Fund

Praise be to Allah and all blessings and Peace to our Prophet Mohamed the last of the Prophets and to all Prophets. Thereafter;

Report of the Sharia Supervisory Board to the General Assembly of Shareholders of Al Jazeera Sudanese Jordanian Bank for the period from 1/1/2018 to 31/12/2018

Following the Regulatory Standard for Financial Institutions No. (1) of the Sharia Supervisory Board issued by the Accounting and Auditing Organization for Islamic Financial Institutions (Bahrain), the Sharia Supervisory Board submits the following report to the Shareholders' annual Meeting:

- 1- The Sharia Supervisory Board has reviewed all the investment contracts and products submitted to the Board and suggested amendments and provided comments.
- 2- The Board has reviewed the balance sheet for the year ending 31/12/2018 and the income statement for the year ending 31/12/2018 and the notes on these financial statements, the Board has also studied the legal auditor's report and listened to explanations from the Bank's management and provided comments reported in its minutes.
- 3- The management is responsible for ensuring the Bank's compliance with the Islamic Sharia Principles, while the Board's responsibility is limited to offering an independent opinion based on its review of the Bank's operations and reporting on it.
- 4- The Board has monitored the operations of the Bank during 2018 and is pleased to declare the following:
 - A- All the contracts and operations of the Bank during the year ending 31/12/2018 that are reviewed by the Board were compliant with the Islamic Sharia principles.
 - B- The profits and losses sharing of the investment accounts was in accordance



with what is agreed upon by the Board and according to the Islamic Sharia principles.

c- The Zakat was calculated according to the Islamic Sharia principles, the guidelines of the Zakat Chamber and the Board's opinion.

Therefore, the Board declares that the Bank's transactions undertaken during the year are not contradicting with the Islamic Sharia. This is based on the cases submitted to the Board and the transactions reviewed by the Board and the provided comments and the management's response towards implementing these comments.

The Board in submitting this report to the honorable members of the Assembly would like to thank the Bank's management for the collaboration.

The Shari'a Supervisory Board

Dr. Awad Elhassan Elnur

Head

Dr. Elmahi Khalafalla Elmahi

Member

Dr. Abdelgayoum Ibrahim Babikir

Member



تقرير المراجعين

Mohamed S. Haggag & Co.

Chartered Certified Accountants
Management & Financial Consultants

Fellow Chartered Certified Accountants U.K.



مركز سنجار محاسبين ومراجعين
مستشارون إداريون وماليون

إعداد الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة

INDEPENDENT AUDITOR'S REPORT

*To the Shareholders of Aljazeera Sudanese Jordanian Bank
Report on the Audit of the Consolidated Financial Statements*

We have audited the accompanying Consolidated Financial Statements of Aljazeera Sudanese Jordanian Bank which comprise The Consolidated Statement of Financial Position as at 31 December 2018, Consolidated Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, for the year then ended, and notes, comprising, significant accounting policies and other explanatory information Note (2).

Opinion

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the Consolidated Financial Position of the Bank as at 31 December 2018 and its Consolidated Financial performance and its Consolidated Cash Flows and Consolidated Changes in Equity for the year then ended in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Shariah rules and principles as determined by the Shariah Supervisory Committee of the Bank and the applicable regulations of the Central Bank of Sudan. In accordance with the requirement of AAOIFI, for matters where no AAOIFI standards exist, the Bank applies the relevant International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibility

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تلفونات : ٨٣٧٧٦٨٥١ - فاكس : ٨٣٧٨٤٦٣٩

ص . ب : ١١٢٥٦ - الخرطوم - السودان

المقر : شقة رقم (٤) الطابق السادس

عمارة المبارك شارع الحرية - الخرطوم



Mohamed S. Haggag & Co.

Chartered Certified Accountants
Management & Financial Consultants

Fullon Chartered Certified Accountants U.K.



مكتب مراجعة ومحاسبة

محاسبون ومراجعون قانونيون
مستشارون إداريون ومحاسبون

إمارة الجمعية الملكية المحاسبين القانونيين - المملكة المتحدة

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Bank's Financial Statements in the Republic of Sudan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provision of Deferred Sales Risks

Total deferred sales receivables included (Murabaha receivables, Construction receivables, Ijara) Total deferred sales receivables represent 36% of total Assets has been considered as a key audit matter. The amount of provision of doubtful receivables is calculated in accordance with the directives of the Central Bank of Sudan. In addition, and in accordance with the Central Bank of Sudan instructions, minimum general provision of 1% is made on all finance balance not subject to specific provisions our audit procedures in this area included review of doubtful receivables to ascertain that the amount of provision is calculated in accordance with the directives of the Central Bank of Sudan.



Mohamed S. Haggag & Co.

Chartered Certified Accountants
Management & Financial Consultants

Fellow Chartered Certified Accountants UK



محمد بن جعفر وشركاه

محاسبون ومراجعون قانونيون
مستشارون إداريون وماليون

(ملاءة الجمعية الملكية المحاسبين القانونيين - المملكة المتحدة)

Provision of Financing Risks (Investment and Securities)

The Bank investments include Modaraba and Musharaka and Financial instruments (Shahama) liquidity fund securities portfolio finance which represent 13.5% of total assets. They have all been considered to be key audit matters. They were subject to audit scrutiny to assess the adequacy of Bank judgments and to review if there is any deficiency in their value. Our review revealed that the Bank has exercised number of steps in order to evaluate the important factors including changes in instruments and security prices and has duly made the necessary Provision for finance risk in the investment and Consolidated Financial instruments which amounted to 0.28% of the total investments. The Bank complied with the approved ratios of provisions set by Bank of Sudan.

Risk management

In view of the recent economic conditions in Sudan which has direct effect on risk management in particular market risk, financing risk, liquidity risk, operation risk etc.). Our audit review was to assess the prudential measures taken by the Bank. Our review was further enhanced by referring to the Banks legal adviser who is in charge of the Banks law cases and those charged with governance to ensure that the Bank adopts, maintains and applies appropriate risk management policies and procedures to minimize the negative effect of these risks.

Foreign currency risk

Due to fluctuations of exchange rate and the devaluation of Sudanese pound during the accounting period foreign currency risk has been considered as a key audit matter. Our audit procedures were focusing on foreign currency risk.

To assess the level of exposure of the Bank and the measures taken by the Bank to monitor and ensure that the exposure is kept at an acceptable level. Our audit review was extended to observe

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تلفونات : ٨٣٧٧٦٨٥١ - فاكس : ٨٣٧٨٤٦٣٩

ص.ب. ١١٢٥٦ الخرطوم - السودان

المقر : شقة رقم (٤) الطابق السادس

عمارة المبارك شارع الحرية - الخرطوم



Mohamed S. Haggag & Co.

Chartered Certified Accountants
Management & Financial Consultants

Fellow Chartered Certified Accountants U.K.



محمد سليمان محمد وشركاه

محاسبون ومراجعون قانونيون
مستشارون إداريون وماليون

زعماء الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة

that the special directives of the Central Bank of Sudan as regard the treatment of foreign currencies revaluation gains have been adopted. There has been large foreign exchange difference especially as regard the SWAP deposit with CBOS which has been credited to reserves. Other foreign exchange differences have been credited to income statement.

Related Party Transactions

The Related Parties Transactions Note (29) has been considered as key audit matter the related parties as defined by the Bank comprise the major shareholders (who own more than 6% of equity shares) members of the Board of Director, entities controlled by them or under their joint control, associates, key management personal and their close family members. Our audit procedures in this respect included, among others understanding the nature of the related parties, as defined by the Bank authority, financing process and the internal control system adopted by the Bank. We tested the key controls over the granting and monitoring process, we tested the governance controls over the related party transaction, to ascension adherence by the Group to adopt the Bank policies and procedures as regard related party treatment. Our audit procedures were focused on the transactions carried with the related parties to observe that they were in the normal course of business, they comply with the directives of the central Bank of Sudan and that they are appropriately disclosed in Consolidated Financial Statements.

Responsibility of the Bank Management

The Bank Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with FAS issued by AAOIFI, and the CBOS regulations, and for such internal control as the Bank Management determines is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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تلفونات : ٨٣٧٧٦٨٥١ - فاكس : ٨٣٧٨٤٦٣٩

ص.ب : ١١٢٥٦ - الخرطوم - السودان

المقر : شقة رقم (٤) الطابق السادس

عمارة المبارك شارع الحرية - الخرطوم



Mohamed S. Haggag & Co.

Chartered Certified Accountants
Management & Financial Consultants

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مكتب المحاسبة
مخبرين ومراجعون قانونيين

مستشارون إداريون وماليون

زعماء الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة

Auditor's responsibilities

Our responsibility as auditors is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs).

We plan and perform the audit to obtain reasonable assurance about whether the Bank's Consolidated Financial Statements are free from material misstatement. We also:

- *Identify and assess the risks of material misstatement of Consolidated Financial Statements, whether due to fraud or error; design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal control.*
- *Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.*
- *Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures*

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تلفونات : ٨٣٧٨٤٦٣٩ - فاكس : ٨٣٧٧٦٨٥١

ص.ب : ١١٢٥٦ - الخرطوم - السودان

المقر : شقة رقم (٤) الطابق السادس

عمارة المبارك شارع الحرية - الخرطوم



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محمد سليمان محيى وشركاه

محاسبون ومراجعون قانونيون
مستشارون إداريون وماليون

زعماء الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit's report. However, future events or conditions may cause the Bank to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Financial information of the entities or business activities within the Bank to express an opinion on the Consolidated Financial Statements We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.
- We communicate with the Bank's Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, include any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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تلفونات : ٨٣٧٧٦٨٥١ - فاكس : ٨٣٧٧٦٨٥١

ص. ب. : ١١٢٥٦ - الخرطوم - السودان

المقر : شقة رقم (٤) الطابق السادس

عمارة المبارك شارع الحرية - الخرطوم



Mohamed S. Haggag & Co.

Chartered Certified Accountants
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محمد سليمان عبد الله هججار وشركاه

محاسبون ومراجعون قانونيون
مستشارون إداريون وماليون

(ملاء الجمعية الملكية للمحاسبين القانونيين - المملكة المتحدة)

Other Legal and Regulatory Requirements

As regard compliance with Companies' Ordinance 2015 requirements:

1/ we have obtained all the information and explanations we considered necessary for the purposes our audit.

2//The Consolidated Financial Statement have been prepared in accordance with Companies' Ordinance 2015, Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Shariah rules and principles as determined by the Shariah Supervisory Committee of the Bank and the applicable regulations of the Central Bank of Sudan.

3/ The Bank has maintained proper accounting records and its Consolidated Financial Statements are in agreement therewith.

4/The investment securities held by the Bank note (10) comprise the equity shares and the micro finance agency.

5/Note (29) shows balances with related parties arising from commercial transactions in the normal course of business at an arm's length basis and are disclosed in the Consolidated Financial Statements

6/ We are not aware of any violations of the provisions of the Central Bank of Sudan Regulations or the Companies' Ordinance 2015 or the terms of the Articles of Association and the amendments thereto having occurred during the year which might have had a material adverse effect on the Bank's Financial position or performance as and for the year ended 31 December 2018.

7/ Note (28) shows the Bank contributions towards social welfare.

Date: 6th February 2019

Mohamed Suliman Abdalla Haggag

Mohamed Suliman Abdalla Haggag Dip. Of Com. FCCA

**Chartered Certified Accountant
Mohamed Suliman Haggag & Co.**



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للفونات : ٨٣٧٧٦٨٥١ - فاكس : ٨٣٧٨٤٦٣٩

س . ب : ١١٢٥٦ - الخرطوم - السودان

لمقر : شقة رقم (٤) الطابق السادس

بمارة المبارك شارع الحرية - الخرطوم



Consolidated Statements of Financial Position As At 31 Dec 2018

ASSETS :-	<u>Notes</u>	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Cash & Cash Equivalent	3	1,564,844,039	548,614,463
SWAP deposit with CBOS	4	714,282,000	134,014,500
Sales receivables	5	2,126,153,974	1,164,489,748
Investments	6	664,754,534	484,736,635
Investments (capital contributions)	7	165,000,000	195,000,000
Other investments	8	1,799,000	1,500,000
Sundry debtors	9	53,893,972	33,058,115
Other assets	10	10,130,764	7,770,700
Formation expenses	11	-	919,325
Fixed assets under construction	12	93,201,937	41,061,160
Net fixed assets	13	<u>214,376,434</u>	<u>183,485,286</u>
Total assets		<u>5,608,436,654</u>	<u>2,794,649,932</u>
Liabilities, unrestricted investment accounts and owners' equity			
Liabilities:-			
Current accounts and savings accounts	14	3,039,689,576	1,607,600,517
Accounts payable	15	463,447,507	90,919,567
Other liabilities	16	<u>140,605,127</u>	<u>73,094,762</u>
Total Liabilities		<u>3,643,742,210</u>	<u>1,771,614,846</u>
Unrestricted investment accounts	17	704,355,667	439,399,978
SWAP deposit with CBOS	18	<u>85,224,000</u>	<u>85,224,000</u>
Total liabilities & unrestricted investment accounts		<u>4,433,321,877</u>	<u>2,296,238,824</u>
Owners' Equity			
Paid Capital	19	225,866,666	205,333,333
Statutory Reserve		39,534,927	68,260
Legal reserve		58,490,707	39,059,073
SWAP revaluation reserve	20	665,786,089	85,518,589
Retained earnings	21	<u>182,986,388</u>	<u>166,981,853</u>
Total owners' Equity		<u>1,172,664,777</u>	<u>496,961,108</u>
Non-controlling interest		<u>2,450,000</u>	<u>1,450,000</u>
Total owners' Equity		<u>1,175,114,777</u>	<u>498,649,923</u>
Total liability ,equity of unrestricted investment account holders and owner equity		<u>5,608,436,654</u>	<u>2,794,649,932</u>
Contra Accounts	22	<u>695,706,924</u>	<u>671,394,398</u>

The attached notes from 1-29 form an integral part of these financial statements

Ayman Hazzaa Almajali
Chairman

Ali Mohamed Osman Yasin
Deputy Chairman


Amir Allawi
General Manager




Consolidated Statement of Income for the Year Ended 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		<u>SDG</u>	<u>SDG</u>
Income from Deferred Sales	23	305,785,681	181,208,646
Income from Investments		56,807,062	43,511,579
Internally Generated Income	24	<u>57,941,775</u>	<u>45,613,871</u>
Total Income from Investment and financing		420,534,518	270,334,096
Less :-			
Returns on unrestricted Investments	25	<u>(65,354,390)</u>	<u>(48,941,998)</u>
Bank share in income(as Mudarib & owner)		355,180,128	221,392,098
ADD:-			
Income from Bank Services	26	82,649,068	52,575,764
Other Income	27	20,658,412	12,222,196
Income from Capital Investments		-	2,700,000
Income from Foreign Currencies Revaluation		<u>29,377,626</u>	-
Total Income		<u>487,865,234</u>	<u>288,890,058</u>
Less :-			
Human Resource Costs	28	111,941,907	65,624,548
General Administration Expenses	29	91,787,785	57,383,825
Depreciation		13,137,071	11,875,221
Amortization		932,826	1,207,533
CBOS Penalty		45,750	36,250
Provision for financing risk		<u>11,751,532</u>	<u>6,593,977</u>
Total cost		<u>229,596,871</u>	<u>142,721,354</u>
Net profit / loss before Zakat and taxes		258,268,363	146,168,704
Less :-			
Provision for Zakat		7,119,557	6,742,341
Provision for Tax		55,837,888	31,965,789
Net Income		195,310,918	107,460,574
Earnings per share		<u>(487,444)</u>	<u>(154,649)</u>
Net Profit attributable to equity holders of the Bank		<u>194,823,474</u>	<u>107,305,925</u>

The attached notes from 1-29 form an integral part of these financial statements


 Ayman Hazzaa Almajali
 Chairman


 Ali Mohamed Osman Yasin
 Deputy Chairman


 Amir Allawi
 General Manager



Consolidated Statement of Cash flows for the Year Ended 31 December 2018

	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Cash flows from Operating activities		
Net Income	194,823,474	107,305,925
Adjustments for non-cash items		
Depreciation of fixes assets	13,137,071	11,748,519
Amortization	932,826	1,159,380
Provision for finance losses	11,751,532	6,593,977
Equity of investment accounts holders	65,354,390	48,941,998
Zakat for the year	7,119,557	6,742,341
Business profit tax for the year	55,837,888	31,965,789
Income from sales of fixed assets	<u>(1,167,650)</u>	<u>(925,048)</u>
Net cash flow from operating activities	<u>347,789,088</u>	<u>213,532,881</u>
Cash flows from investing activities		
Purchase of fixed assets)95,751,376)	(35,265,858)
Cash received from sale of fixed assets	3,286,041	1,083,295
Purchase of Securities	(62,692,969)	(121,264,015)
Investment in liquidity Mangment fund	(130,219,306)	62,700,783
Due from banks and financial institutions	30,000,000	10,000,000
Increase in sales receivables	(961,664,226)	(475,502,482)
Increase in Musharka	(9,093,157)	(55,416,934)
Increase in Mudaraba	(30,924,575)	(39,196,925)
Goods available for sale	20,004,674	(11,674,754)
Increase / decrease in long term investments	2,360,064	(2,208,000)
Increase / decrease in Portfolios	<u>1,053,212</u>	<u>(2,479,129)</u>
Net cash flow from investment activities	<u>(1,233,641,618)</u>	<u>(669,224,019)</u>
Cash flows from Financing activities		
increase in Equity of unrestricted investment account holders	264,955,689	175,963,416
increase current deposits and Savings accounts	1,432,089,059	549,297,049
Increase in capital	20,533,333	
Increase share premium	39,466,667	

Ayman Hazzaa Almajali
Chairman

Ali Mohamed Osman Yasin
Deputy Chairman

Amir Allawi
General Manager



Consolidated Statement of Cash flows for the Year Ended 31 December 2018

	<u>2018</u> SDG	<u>2017</u> SDG
Dividends (free Shares)	(20,533,333)	
increase in reserve	446,253,000	27,510,000
Distributed Profits((102,666,000)	(96,430,467)
Transferred to statutory reserve	19,431,634	10,714,496
Increase / decrease in other assets	20,835,857	(7,316,000)
increase in payables	(299,000)	2,574,376
increase in swap revaluation	(580,267,500)	(27,510,000)
Increase in other liabilities	4,552,920	23,693,516
increase in receivables	372,527,940	(4,758,733)
Net Movement in Non-controlling interest	<u>(14,798,160)</u>	<u>(160,961)</u>
Net cash flows from financing activities	<u>1,902,082,106</u>	<u>653,576,692</u>
Change in cash and cash equivalents	1,016,229,576	197,885,554
Cash and cash equivalents at the beginning of the year	<u>548,614,463</u>	<u>350,728,909</u>
Cash and cash equivalents at the end of the year	<u>1,564,844,039</u>	<u>548,614,463</u>

The attached notes from 1-29 form an integral part of these financial statements

Ayman Hazzaa Almajali
Chairman

Ali Mohamed Osman Yasin
Deputy Chairman

Amir Allawi
General Manager



Consolidated Statement of changes in Owners' Equity for the year ended 31/ 12/ 2018

Descriptions	Paid Up Capital	Statutory Reserve	Exchange Differences Reserve	Share Premium	Retained Earnings	Total equity & return on shore holder	Minority rights	Total
Balance as at 1-1-2017	205,333,333	28,344,577	58,008,589	68,260	66,870,058	358,624,817		358,624,817
Capital	-	-	-	-	-	-	1,450,000	1,450,000
Prior Adjustment for the year	-	-	-	-	2,020,880	2,020,880	1,344,837	3,365,717
Net Income	-	-	-	-	107,144,963	107,305,925	154,649	107,460,574
Legal reserves	-	10,714,496	-	-	(10,714,496)	-	-	-
Converter for Reserves	-	-	27,510,000	-	-	27,510,000	-	27,510,000
Balance as at 31/12/2017	205,333,333	39,059,073	85,518,589	68,260	165,321,406	495,461,622	2,949,486	498,411,108
1/1/2018	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	1,000,000	1,000,000
Free shares	20,533,333	-	-	-	(20,533,333)	-	-	-
Prior Adjustment for the year	-	-	-	-	4,136,088	4,136,088	(1,344,837)	2,791,251
Net income	-	-	-	-	194,823,474	194,823,474	487,444	195,310,918
Legal reserve	-	19,431,634	-	-	(19,431,634)	-	-	-
Transfers of buns share Issue	-	-	-	39,466,667	(39,466,667)	-	-	-
Cash Dividends	-	-	-	-	(102,666,000)	(102,666,000)	-	(102,666,000)
Converter for reserves	-	-	580,267,500	-	-	580,267,500	-	580,267,500
Balance as at 31/12/2018	225,866,666	58,490,707	665,786,089	39,534,927	182,344,295	1,172,022,684	3,092,093	1,175,114,777

The attached notes from 1-29 form an integral part of these financial statements

Ayman Hazzaa Almajali
Chairman

Ali Mohamed Osman Yasin
Deputy Chairman

Amir Allawi
General Manager



Consolidated Statement of Changes in Investments For the Year ended 31/ 12 / 2018

Descriptions	Deposit of the Blue Nile Bank
Balance at 1-1-2018	85,000,000
Discount	-
Addition	-
Balance at 31/12/2018	85,000,000
Balance at 1-1-2017	97,000,000
Discount	(12,000,000)
Addition	-
Balance at 31/12/2017	85,000,000

The attached notes from 1-30 form an integral part of these financial statements


 Ayman Hazzaa Almajali
 Chairman


 Ali Mohamed Osman Yasin
 Deputy Chairman


 Amir Allawi
 General Manager





Aljazeera Sudanese Jordanina Bank Notes to the financial statements

1/ Status and Operation:

Aljazeera Sudanese Jordanian Bank was established in august 2006 under the company's ordinance 1925 registration certificate No .28581 in accordance with central Bank of Sudan license No .11/2008.

To rend commercial, financial, agricultural and business consultancy services and etc. all banking activities, and to apply Bank financial resources in accordance with the Islamic models of finance

2/ Significant Accounting Policies:

The financial statements have been prepared under the historical cost convention in accordance with Central Bank of Sudan directors, accounting and auditing standards and accounting and auditing organization of Islamic financial institution (AAOIFI).

2-1/ Revenue Recognition:

- Deferred sales receivable profits are recognized on settlement.
- The bank commission is recognized as revenue when rendering Bank service.
- The earning purchase is recognized when reported by general meeting of shareholder of the company.
- Interest received from foreign correspondents is kept in a separate account and disposed- off according to sharia board fatwa.

2-2/Fixed Assets:

Fixed assets are valued at cost less accumulated depreciation, routine repairs and maintenance are treated as expenses when incurred.

Depreciation has been charged to write off assets value over their estimated useful lives on an annual basis using the straight line method applying rates ranging between (2.5 to 30%).

Addition during the year depreciated at 50% of the relevant cost irrespective of the date of acquisition.

2-3/Foreign Currency Translation:

- a- Transaction in foreign currency are recorded at exchange ruling rate at the date they take place any differences are treated in the profit and loss account.
- b- Assets and liabilities in foreign currencies at balance sheet date are translated



to Sudanese pounds at the exchange ruling rate at that date and any differences in exchange are treated in the profit and loss account.

2-4/ Capitalized Expenditure:

Amortization within ten years

2-5/Investment s:

Short term investment is recorded at its actual value and revalued at the date of financial

Statement at the fair value, Difference in value will be located to profit and loss account.

2-6/Return on Investment Deposits:

- 1- The return on investment deposits is calculated on the basis agreed upon by the bank Management and the Islamic sharia board.
- 2- It is considered that all investment deposits are completely used in the bank investment Operations before The bank start to use its own resources.
- 3- The owners of the investment deposits share in all revenues from Bank's investment Operations except revenues from banking services and other revenues.

2-7/Provision for Doubtful Debts:

The provision for doubtful debts is to be charged according to the central Bank of Sudan instructions.





Notes to the Accounts

3/ Current & Savings Accounts	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Current deposits Local	8,527,171	76,272,902
Current deposits Foreign	39,490,214	10,268,748
CBOS current account /local	701,885,410	143,794,577
CBOS current account /Foreign	200,795,420	28,801,204
Reserve at CBOS/Local	506,779,919	251,938,888
Reserve at CBOS /Foreign	31,565,455	13,400,280
Correspondents	<u>75,800,450</u>	<u>24,137,864</u>
	<u>1,564,844,039</u>	<u>548,614,463</u>

4/ SWAP WITH CBOS	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Deposit of 15 Million US Dollars	714,282,000	134,014,500

5/ Net Deferred Sales	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Murabahat	1,649,527,872	681,699,799
Leases	786,974,115	341,416,880
Mugawala	137,083,565	349,471,704
Total	2,573,585,552	1,372,588,383
Profit from Deferred Sales	(422,379,947)	(194,408,889)
Unclassified finance provision	(24,880,906)	(13,389,889)
Classified finance provision	(170,725)	(299,857)
	2,126,153,974	1,164,489,748



Notes to the Accounts

5-A / Financial Risks Provisions				
2018	Murabahat	Leases	Mugawala	Total
Opening Balance	6,780,859	3,414,169	3,494,717	13,689,745
Years Provision	9,030,196	4,455,572	(2,123,881)	11,361,887
Year End Balance	15,811,055	7,869,741	1,370,836	25,051,632
2017				
Opening Balance	6,161,315	1,606,336	152,654	7,920,305
Years Provision	619,544	1,807,833	3,342,063	5,769,440
Year End Balance	6,780,859	3,414,169	3,494,717	13,689,745

5/1 Customer Finance by Sector	2018 SDG	2017 SDG
Transport sector	380,492,701	190,221,262
Industrial sector	565,513,478	312,873,942
Local trade	9,244,614	24,424,618
Real estate and construction	43,501,364	40,575,559
Government and private service	345,174,398	162,787,961
Mining and energy sector	742,719,358	332,665,419
Export sector	308,005,128	163,085,445
Agricultural sector	<u>178,934,511</u>	<u>145,954,177</u>
	<u>2,573,585,552</u>	<u>1,372,588,383</u>

5/2 Geographical Distribution of Customer Finance	2018 SDG	2017 SDG
Khartoum state	2,350,198,477	1,219,032,349
Giezira state	17,993,271	28,336,630
White Nile state	86,369,838	42,715,901
Red Sea state	46,280,974	38,837,146
Al Gadarife state	31,073,559	19,939,578
North Kordfan	<u>41,669,433</u>	<u>23,726,779</u>
	<u>2,573,585,552</u>	<u>1,372,588,383</u>



Notes to the Accounts

5/3 Funding for the Top 10 Client	2018 SDG	2017 SDG
Client 1	176,049,649	88,679,174
Client 2	97,507,919	43,205,056
Client 3	82,756,859	39,909,291
Client 4	80,305,003	36,958,866
Client 5	61,274,157	35,677,528
Client 6	56,394,873	34,448,080
Client 7	53,103,161	33,434,163
Client 8	50,737,500	33,275,737
Client 9	49,088,234	31,788,371
Client 10	<u>46,518,872</u>	<u>31,137,037</u>
	<u>753,736,227</u>	<u>408,513,302</u>
Percentage of portfolio Size	29%	30%

6/ Investments	2018 SDG	2017 SDG
Musharakat 1/6	134,681,950	125,588,793
Mudarabat	-	540,000
Unclassified Finance	(2,048,035)	(1,647,856)
Shahama 2/6	367,166,484	304,473,515
Liquidity Management Fund 3/6	155,842,306	25,623,000
Portfolios	4,456,710	5,509,922
Goods	-	12,166,083
Mugawala Assets	4,699,686	12,538,277
Less: doubtful debts provision Merchandise	(44,567)	(55,099)
	664,754,534	484,736,635





Notes to the Accounts

6-A / Financial Risks Provisions

2018	Musharakat	Mudarabat	Unclassified Finance	Total
Opening Balance	1,255,888	391,969	55,099	1,702,956
Years Provision	90,932	309,246	(10,532)	389,646
Year End Balance	1,346,820	701,215	44,567	2,092,602
2017				
Opening Balance	701,718	120,000	56,700	878,418
Years Provision	554,170	271,969	(1,601)	824,538
Year End Balance	1,255,888	391,969	55,099	1,702,956

6/1 Musharakat	2018 SDG	2017 SDG
Production of cartons and gold processing	82,299,875	36,250,000
Input for the production of ceramics and porcelain	15,750,000	3,975,000
Production of gum	18,000,000	19,555,893
Input for the production of Iron and raw paper	18,632,075	9,500,000
Purchase of agricultural Crops	-	41,625,000
Last Purchase of machinery and excavators	-	14,682,900
	<u>134,681,950</u>	<u>125,588,793</u>





Notes to the Accounts

6/2	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Shahama Publishing 1/1	46,982,000	46,982,000
Shahama Publishing 1/4	130,977,984	81,332,500
Shahama Publishing 1/7	116,524,000	103,476,515
Shahama Publishing 1/10	<u>72,682,500</u>	<u>72,682,500</u>
	<u>367,166,484</u>	<u>304,473,515</u>

6/3	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Compulsory subscription (22,273) instrument	22,273,000	22,273,000
Addition subscription	<u>133,569,306</u>	<u>3,350,000</u>
	<u>155,842,306</u>	<u>25,623,000</u>

6/4 Company Assets:-

The amount represents the contractors for a number of employees to build housing for them were started during the year 2018. Not that the policy of the bank to complete the work is nine months, according to the contracts concluded with the implementing agencies.

7/ other investments

7/ other investments	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Financial Investment Bank Deposit	90,000,000	90,000,000
Al Baraka Bank Deposit	35,000,000	35,000,000
Sudanese's French Bank Deposit	40,000,000	40,000,000
Byblos Bank Deposit	-	10,000,000
Khalig Bank Deposit	-	20,000,000
	<u>165,000,000</u>	<u>195,000,000</u>

1. Deposits bank are executed in accordance with the central Bank of Sudan interbank policy which is short term deposits which are renewed every three or six months. A monthly deposit is received on the traffic jam and liquidation at full accounting within the limits of dividends.
2. The united Bank deposit is not included in the deposits with the banks while profits are shown in the profits because the deposit was granted during 2018 and the liquidation before the end of the year.



Notes to the Accounts

8/ Receivables	2018 SDG	2017 SDG
Al Gasser Branch Indebtedness	1,500,000	1,500,000
Islamic Insurance Co. chq Indebtedness	299,000	-
	1,799,000	1,500,000

1. This is a fraud case of an amount drawn from the Bank by forged identity card. There is a lawsuit against the employees responsible in the case.
2. There is a lawsuit at the investigation stage once it is raised to the court there will make a provision for it.

9/ Other Assets	2018 SDG	2017 SDG
Accrued Income	17,324,218	3,029,957
Prepayments	32,103,721	25,043,724
Staff Loans		
Stationary Stock	1,672,252	1,115,291
Local Fund to Purchase Foreign Currencies CBOS	-	682,522
CHQ Under Adjustments	154,023	-
Intangible assets	218,000	31,500
	53,893,972	33,058,115





Notes to the Accounts

10/ Investment in other Ventures	<u>2018</u> SDG	<u>2017</u> SDG
Arabian Lease Company	7,112,700	7,112,700
Al-FAL for Microfinance Lease Company	2,360,064	-
Microfinance Insurance Agency	658,000	658,000
	10,130,764	7,770,700

- The percentage of the bank's contribution in the Arab company for dialogue is 10% and owns 51% of the shares of Al-FAL for microfinance. The securities are traded under incorporation and have not yet started to work.

11/ Preoperational Expenses	<u>2018</u> SDG	<u>2017</u> SDG
Balance on 1-1-	11,086,581	11,488,456
Less Amortization	(11,086,581)	(10,569,131)
Net Balance	-	919,325

12/ Noncurrent Assets Under construction	<u>2018</u> SDG	<u>2017</u> SDG
Office Furniture	20,498,065	20,603,168
Office Fittings	1,888,167	456,000
Computers	14,303,473	8,341,620
Communications equipment	527,557	341,690
Furniture	-	370,600
ATM	1,400,000	1,235,706
Elevators	2,608,440	990,000
Decors	51,976,235	8,722,376
	93,201,937	41,061,160



13/ Non-Current Assets

Descriptions	Lands	Motors	Furniture & Electric equipment	Computers & Communications Equip	Office equipment	Buildings	Decorations	Elevators	Total
Assets at Cost									
Cost 1/1/2018	85,532,130	10,564,228	9,008,021	27,845,519	8,904,620	46,710,065	27,002,798	6,575,505	222,142,886
Additions	607,138	11,438,373	4,235,725	12,213,121	5,717,523		9,341,719	57,000	43,610,599
Disposals		(1,518,119)	(9,200)						(1,527,319)
Balance Cost 31/12/2018	86,139,268	20,484,481	13,234,546	40,058,640	14,622,143	46,710,065	36,344,517	6,632,505	264,226,166
Depreciation									
Balance 1/1/2018	-	3,025,329	2,477,874	14,868,931	5,876,272	2,059,508	7,987,205	2,362,481	38,657,600
Accumulated Depreciation		1,698,121	965,501	4,154,611	1,503,142	1,167,752	2,753,289	823,616	13,066,032
Disposals		(765,264)	(9,197)		(1,099,439)				(1,873,900)
Balance Cost 31/12/2018		3,958,186	3,434,178	19,023,542	6,279,975	3,227,260	10,740,494	3,186,097	49,849,732
Net book Value on 31/12/2018	86,139,268	16,526,295	9,800,368	21,035,098	8,342,168	43,482,805	25,604,023	3,446,408	214,376,434
Net book Value on 31/12/2017	85,532,130	7,538,899	6,530,147	12,976,588	3,028,348	44,650,557	19,015,593	4,213,024	183,485,286



Notes to the Accounts

14/ Current & Savings Accounts	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Current Deposits -local	2,644,754,478	1,374,397,848
Current Deposits - foreign	193,077,629	75,459,563
Saving Deposit local	159,205,260	148,305,758
Saving deposits foreign	42,652,209	9,437,348
	3,039,689,576	1,607,600,517

15/ Account Payables	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Bills Payable - local	325,653,648	33,270,945
Bills Payable - foreign	10,778,095	384
L/Gs Margin	8,391,435	8,328,519
Accrued Expense>s	11,767,312	600,706
# Participation in Musharakat	-	32,349,232
Stamps	-	3,520,668
CBOS Dirham Current Ac	8,462,380	3,828,897
CBOS- Window	-	412,591
Bushan Co. CBOS	-	92,301
Dividends under distribution	28,597,670	281,362
Credit Code Claims under adjustment	2,255	1,455
Increase in storage of supervisors	135,635	
ATM Liabilities	1,079,071	848,856
Deposit of the Bank Blue Nile Mushrage	50,000,000	-
Clients Transfers under Adjustment	15,293,073	4,602,064
Insurance of Metal cabinets	222,750	140,152
Cheque clearance fees under adjustment	51,748	16,518
Donations	1,550	50
Deferred income	2,913,879	2,052,733
Requirement of agricultural association	<u>97,006</u>	<u>572,134</u>
	<u>463,447,507</u>	<u>90,919,567</u>



Notes to the Accounts

Bank's share in the Musharaka finance with clients':-

Tamani Mining Company	17,500,000
Musharaka Gum Export	8,284,000
Musharaka for paints National Paints Company	6,565,232
	32,349,232

16/ Other Liabilities	<u>2018</u> SDG	<u>2017</u> SDG
Investment Deposits Provision	16,497,593	1,917,860
Deposit Insurance Fees	6,768,880	3,392,500
Audit Fees Provision	108,250	80,500
Post Service Benefits	81,422	61,289
Provision Al Majd Company case	-	2,017,768
Provision for deposit algasr	1,500,000	
Check Islamic insurance Company	299,000	
Zakat Provision 2016	666,938	2,573,324
Tax Provision 2016	8,674,703	4,716,045
Remaning Incentive works	10,030	-
Zakat &Tax Provision 2018	62,957,445	38,708,130
Motivation of the board of directors & employees	42,948,294	19,627,346
Personal income tax and social insurance	92,572	-
	140,605,127	73,094,762

17/ Equity of Unrestricted Investments Accounts	<u>2018</u> SDG	<u>2017</u> SDG
Three Months Deposits - SDG	459,913,783	177,429,415
Six Months Deposits - SDG	8,517,629	7,297,301
One Year Deposits - SDG	215,018,218	0
One Year Deposits Foreign currency	20,906,037	254,673,262
	704,355,667	439,399,978



Notes to the Accounts

18/ SWAP deposit with CBOS	2018 SDG	2017 SDG
Mubadala Bank of Sudan	85,224,000	85,224,000
	85,224,000	85,224,000

The amount received from central Bank of Sudan against the SWAP amount set out in note (4)

19/ Capital	2018 SDG	2017 SDG
Authorized Capital 200 Milions ordinary shares at \$ 1 Par shar		
Paid- up Capital \$ 110 Milions	225,866,666	205,333,333
	225,866,666	205,333,333

20/ Revaluation SWAP Deposit Reserve	2018 SDG	2017 SDG
Balance on 1-1-2018	85,518,589	58,008,589
SWAP Difference	580,267,500	27,510,000
	665,786,089	85,518,589

21/ Retained Earnings	2018 SDG	2017 SDG
Balance on 1/1/	165,321,407	66,870,058
Dividends & Capitalization	(162,666,000)	-
Previous Years Retained Earnings (21A)	4,136,087	2,020,881
Years Profit	195,626,528	108,805,410
Statutory Reserve	(19,431,634)	(10,714,496)
	182,986,388	166,981,853





Notes to the Accounts

21/A/ Profit from previous years	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Prior Year Adjustment	5,414,371	45,080
Fine Return from CBOS	-	3,101,882
Taxes and stamping capital increase	(1,254,780)	-
Difference in Exchange of incentives and Board of directors remuneration	(23,504)	(1,126,081)
	4,136,087	2,020,881

22/ Contra Accounts	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Letters of Credit	550,406,865	551,791,452
Letters of Guarantees'	60,300,059	34,602,946
Restricted Investment Deposit Securities(22-A)	85,000,000	85,000,000
	695,706,924	671,394,398

22/A/ Restricted Investment Account	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Opening Balance	85,000,000	97,000,000
Disposal	-	(12,000,000)
Year-end Balance	85,000,000	85,000,000
Banks profits	3,825,275	4,402,561





Notes to the Accounts

23/ Income from Deferred Sales	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Murabahat	215,026,207	134,275,823
Leases	90,759,474	46,932,823
	305,785,681	181,208,646

24/ Banks Own Investments Income	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Sudanese's French Deposit	1,763,334	4,117,104
Fisal Islamic Deposit	-	2,068,290
Financial Bank Deposit	15,959,328	12,459,535
Baraka Bank Deposit	4,285,584	4,087,933
United Finance Bank#	200,678	200,000
Bank deposit income Khaleeg	1,196,712	1,066,783
Bank deposit income Byblos	548,493	551,507
Musharaka income	31,558,298	17,296,150
Mudaraba income	1,841,052	3,483,158
Income from finance portfolios	588,296	283,411
	57,941,775	45,613,871

25/ Income from Unrestricted Investment Acc	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Their Share from Unrestricted Investment	93,363,414	69,917,140
Banks' share as a Mudarib	(28,009,024)	(20,975,142)
Share of owners of Unrestricted Investment	65,354,390	48,941,998

The share of Unrestricted Investment accounts and their equivalent and the bank's share as Mudarib is calculated in accordance with Mudaraba agreement and profit is distributed at the rate of 30% to 70% and return to investors at the rate of 12.5% for the year 2018 and 12.2% for 2017. There was no profit support from the bank's share.



Notes to the Accounts

26/ Income from Banking Services	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Transfers Commissions	1,894,854	1,231,090
LCs & Documentary Credit Commissions	54,720,250	39,698,436
L/G Commissions	2,386,712	2,067,836
ATM & SWIFT Commissions	1,136,098	-
Current Acc. Commissions	6,777,994	3,527,468
Foreign Exchange Commissions	12,777,302	4,026,622
Bank Cheques - commission	2,790,502	1,857,000
Financial Capability Certificate - commission	72,295	70,925
Bank Account Statement - commission	93,061	96,387
	82,649,068	52,575,764

27/ Other Income	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Madani Building Rent	597,744	453,146
Capital Gains	1,167,650	925,048
Insurance Commissions	3,777,959	2,534,355
Legal Authentication	352,531	190,285
Counter Checks & RD CHQs	1,986,912	774,292
Save Deposit Lockers	107,300	52,800
Estate commissions	12,668,316	7,292,270
	20,658,412	12,222,196



Notes to the Accounts

28/ Human Resource Costs	<u>2018</u> <u>SDG</u>	<u>2017</u> <u>SDG</u>
Salaries	35,339,508	23,930,380
Air Tickets	22,503,440	12,115,920
Staff & Contractors incentive and non-Pecuniary	1,065,076	1,346,213
Employees Incentives	28,624,102	11,985,464
Social Insurance	8,313,498	5,476,296
Post Service Expenses	20,133	17,661
Medical Fees	3,215,044	1,881,906
Training Fess	2,312,617	1,006,652
Over Time``	2,147,244	1,806,229
Air Tickets - Contractors	1,155,897	1,036,682
Lodging of contractors	3,144,347	2,139,530
Tax on contractors	3,185,780	2,049,001
Fuel & Telephone allowance	915,221	832,614
	111,941,907	65,624,548





Notes to the Accounts

29/ General Administration Expenses	2018 SDG	2017 SDG
Insurance of Noncurrent Assets and Cash	1,085,630	764,579
Microfinance Risks Insurance	7,027,074	3,711,293
Stationary	1,686,457	786,891
Printings	703,944	324,406
Electricity & Water	4,315,404	2,298,809
Rent & Rates	4,514,950	3,983,277
Magazine & Journals	90,043	50,833
Portage & Transportation	2,032,115	1,683,220
Security Fees	2,161,716	1,311,578
Cleaning	1,493,340	1,114,789
Post & Telephones	2,329,432	1,296,966
Hospitality	516,307	631,341
Miscellaneous	6,678,185	7,130,322
Consultancy	249,555	317,042
Donations	4,601,237	3,403,740
Publicity	1,516,261	1,063,174
Travelling	269,334	98,964
Electronic fees	578,191	-
BOD Committees› Fees	6,540,819	3,684,519
BOD Remuneration	15,000,000	8,000,000
Bank Deposit Guarantee Fund	5,521,175	3,392,500
Subscriptions in Financial Organizations	1,706,926	490,863
Cash Sorting Expenses	253,832	240,398
CBOS Fees	495,454	133,665
Audit Fees	270,000	160,000
Tax On Audit Fees	38,250	25,500
Local Jurisdiction Fees	701,561	-
Repair & Maintenance	370,764	285,172
Operating Fees	3,620,795	1,783,844
ATM & PCs Maintenance	650,653	460,962
Transport & deportation expenses	8,890,396	7,640,852
ATM and Computer Expenses	948,407	471,778
Student Stamp Fees.	40,751	25,406
Maintenance of Generator	1,065,333	617,142
Settlement of embezzlement and deposit	1,799,000	-
Legal expenses	1,787,104	-
Sports and social activating of works	181,832	-
Business profit tax	55,558	-
	91,787,785	57,383,825



Relation Type	Transaction Type	Size Of Finance	Balance as at 31/12/2018	Size Of Finance	Balance as at 31/12/2017
Deputy Chairman	Musharaka	6,500,000	6,500,000	5,500,000	4,125,000
Deputy Chairman	Murabaha	672,000	647,136	3,598,900	3,598,900
Member of BOD>	Musharaka	645,000	621,135	6,500,000	6,500,000
Member of BOD>	Mugawala	585,000	563,355	27,871,911	12,085,824
Member of BOD>	Murabaha	70,121,500	70,121,500	39,196,925	39,196,925
Bank of BOD	Leases	7,000,000	1,821,153	-	-
		85,523,500	80,274,279	82,667,736	65,506,648