بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

We are the pioneers

The Annual Report

2013

In the name of Allah the Most Gracious, Most Merciful

Allah says in the holy Qur`an: «O you who believe; be afraid of Allah and give up what remains (as due money to you) from usury, if you are really believers. (278)» If you don`t do so, be notified that a war from Allah and His Messenger (shall be declared on you), but if you repent, you shall have your capital sums. Don`t treat others unjustly; and you shall not be dealt with unjustly. (279)» if the debtor is in insolvency, (has no money or in difficulty) then give him time till it is easy for him to repay, but if you remit it by means of charity, that shall be better for you, if you really know (280)»

(Al-Baquara, 278 – 280)
Translation of the Meaning of the Qur`an
Translated by Saheeh International - Riyadh

Contents

The Bank Branches in Khartoum State

Khartoum Branches

No	Branch	Direct Telephone	Network Telephone +249 183 741326
1	Faihaa	+249 183 773566	226
2	Khartoum Central Station	+249 183 781767	741
3	University of Khartoum	+249 183 774479	742
4	Alsouq Alarabi	+249 183 774603	740
5	Alsaggana	+249 183 467758	745
6	Alsouq Alshaabi	+249 183 475656	744
7	Khartoum New Industrial Area	+249 183 471895	743
8	Alsouq Almahali	+249 183 425827	746
9	Alzobair Basha	+249 183 781962	735
10	Almanshia	+249 183 349254	769
11	Alriyadh Branch (Electronic Branch)	+249 183 741326	781

Khartoun North Branches

12	Saad Qishra	+249 185 331910	754
13	Helat Koko	+249 185 380155	756
14	Khartoum North Industrial Area	+249 185 330411	729
15	Garri Free Zone	+249 120 716883	757

Omdurman Branches

16	Omdurman Central Station	+249 187 551971	747
17	Alsouq Alshaabi	+249 187 553518	752
18	Souq Libya	+249 187 591631	753
19	Islamic University (AL-Thawra)	+249 187 431977	749
20	Islamic university (AL-Ardah)	+249 187 555345	750
21	Islamic University (Abusied)	+249 187 741326	748
22	Almawrada	+249 187 578999	739

The Bank Branches in Federal States

No	Branch	Direct Telephone	Network Telephone +249 183 741326
23	Port Sudan	+249 311 824651	863
24	Algadarif	+249 441 843503	860
25	Kassala	+249 411 822050	862
26	Kosti	+249 571 822711	866
27	Wad Madani	+249 511 843151	869
28	Atbara	+249 211 822367	868
29	Shendi	+249 183 741326	833
30	Alobeid	+249 611 823125	865
31	Alfashir	+249 731 842238	861
32	Nyala	+249 711 832013	867

Cash Offices

1	Dama Dama	+249 311 824651	823
2	Alabidiya	+249 183 822367	868
3	Soba Customs Station	+249 183 425827	764
4	Alribat National University	+249 183 774479	714
5	Khartoum Airport Customs Station	+249 183 781962	767
6	Abo Dleeg	+249 183 741326	837
7	Al-Thawra - Soug Khalifa	+249 183 741326	796
8	Al-Thawra - Al-Wadi Street	+249 183 741326	798
9	Al-Thawra - Soug Sabreen	+249 183 741326	799
10	Al-Hag Yousif Street	+249 183 741326	793
11	Eastern Giraif	+249 183 741326	794
12	Al Bayneia Services Complex	+249 183 741326	
13	Civil Registry Office	+249 183 741326	
14	General Administration of evidence	+249 183 741326	
15	General Directorate of Investigations	+249 183 741326	
16	Customs -Garry Free Zone	+249 183 741326	
17	Customs Dry Port - Atbara	+249 183 741326	

Locations of the ATM

No	Location
1.	Khartoum - Faihaa Branch
2.	Khartoum - Faihaa Commercial Center 1
3.	Khartoum - Faihaa Commercial Center 2
4.	Khartoum - Faihaa Commercial Center 3
5.	Khartoum - Faihaa Commercial Center 4
6.	Khartoum - University of Khartoum branch (1)
7.	Khartoum - University of Khartoum branch (2)
8.	Khartoum - University of Khartoum branch(3)
9.	Khartoum - University of Khartoum branch(4)
10.	Khartoum - Alsaggana Branch
11.	Khartoum - Sudan University of Science and technology -Western complex
12.	Khartoum - New Industrial Area Branch
13.	Khartoum - National Pension Fund – Al Mugran
14.	Khartoum - Al Mashtal Street
15.	Khartoum - Burri Exhibition Street - Central Investigatio-nand Criminal Evidence
16.	Khartoum - Mohammed Najeeb Street - Khartoum 2 -Ishraqah Altijani Yusuf Bashir Garden
17.	Khartoum - Khalifa Street - The Ministry of Finance and National Economy
18.	Khartoum - University of Khartoum Street - Presidency of National Electricity Corporation 1
19.	Khartoum - University of Khartoum Street - Presidency of National Electricity Corporation 2
20.	Khartoum - Bridge Manshia Street - A Bridge Entrance Manshia 1
21.	Khartoum - Bridge Manshia Street - A Bridge Entrance Manshia 2
22.	Khartoum - Obaid Khtem Street - Complex Islamic Expert – Arkaweet Alshargy Station
23.	Khartoum - Palace Street - University of Khartoum - Faculty of Pharmacy
24.	Khartoum - Alsayed Abdul Rahman Street – Bahrain Hotel

No	Location
25.	Khartoum - Street 15 – Alamarat - Nile Petroleum station
26.	Khartoum - Nile Street - Ministry of the Interior
27.	Khartoum - General Authority for Medical Supplies
28.	Khartoum - Elsahafa Zalut Street - Higher Police Academy
29.	Khartoum - Nile Street - Ministry of Energy and Mining
30.	Khartoum - Sudan Airways HQ
31.	Khartoum - National Pension Fund Khartoum State Presidency Entrance Bridge Freedom
32.	Khartoum -The National Ribat University
33.	Khartoum - Makah Hospital – Riyadh
34.	Khartoum - Dental Educational Hospital
35.	Khartoum - Lana Pharmacy – Sinkat Street
36.	Khartoum - Ministry of Education - Teacher Medical Center
37.	Khartoum - General Administration of Customs (HQ) 1
38.	Khartoum - General Administration of Customs (HQ) 2
39.	Khartoum - General Administration of Customs - Khartoum Airport
40.	Khartoum - Alsouq Alshaabi Branch
41.	Khartoum - Gubra – Nile Petroleum – Near Bilal Mosque
42.	Khartoum - Africa street - Canar Building
43.	Khartoum - Alzobair Basha Branch
44.	Khartoum - Central Station Branch
45.	Khartoum - Burri - Omak Street
46.	Khartoum - Central Reserve - EL-Kalakla -Jabal Awleya Street
47.	Khartoum - Royal Care Hospital
48.	Khartoum - EL-Kalakla Turn – Mousa Qatar Building 1
49.	Khartoum - EL-Kalakla Turn – Mousa Qatar Building 2
50.	Khartoum - Elsahafa Zalut Street – Rama Pharmacy
51.	Khartoum - Al Manshia Branch
52.	Khartoum - Napta Petrol Station – Al Firdos – Street 60
53.	Khartoum - Ammunition Factory
54.	Khartoum - Alriyadh - Abdullah Altayeb Street
55.	Khartoum - Armed Forces Radio Buildings – Khartoum Nile Street
56.	Khartoum - Alriyadh Branch 1

Locations of the ATM

No	Location
57.	Khartoum - Alriyadh Branch 2
58.	Khartoum - Obaid Khtem Street - Albalabil Station
59.	Khartoum - Best Care Hospital- Allamab
60.	Khartoum - Ministry of Health
61.	Khartoum -Taxsation Department - Gamhouriya Street
62.	Omdurman - Central Station Branch
63.	Omdurman - Islamic University Althawra Branch
64.	Omdurman - Alarda Street - The National Pension Fund
65.	Omdurman - Mohammed Saeed Pharmacy - 1 - Siraj Station
66.	Omdurman - Mohammed Saeed Pharmacy - 2 - Siraj Station
67.	Omdurman - Islamic University Alarda Branch
68.	Omdurman - Faculty of Education North - U. of K
69.	Omdurman - Faculty of Education South - U. of K
70.	Omdurman - Alarbaeen Pharmacy – Alarbaeen Street
71.	Omdurman - Youth and Children’s Palace
72.	Omdurman - National Authority for Radio and Television
73.	Omdurman - Alsouq Alshaabi Branch
74.	Omdurman - Almawrada Branch
75.	Omdurman - Alshuhada
76.	Omdurman - Rawda Area - Al Shati mosque
77.	Omdurman - Islamic University Abusied Branch 1
78.	Omdurman - Islamic University Abusied Branch 2
79.	Omdurman - Souq Libya Branch
80.	Omdurman - Khalifa Station
81.	Omdurman - Customs Police – Warehouses
82.	Omdurman - Al Romee Station
83.	Omdurman - Cross Wad Oro Street with the Gate
84.	Omdurman - Wad Albasheer Station
85.	Omdurman - Shuhada Street Cross with Al Doma Street –Wad Nobawi
86.	Khartoum North - Shambat South – North Sudatel
87.	Khartoum North - Industrial Area Branch
88.	Khartoum North - University of Khartoum - College of Agriculture and Veterinary Medicine

No	Location
89.	Khartoum North - Almaoona Street - Almoassa Station
90.	Khartoum North - Sudan University for Science and Technol-ogy - College of Veterinary
91.	Khartoum North - Saad Gishra Branch
92.	Khartoum North - Mirghania Pharmacy
93.	Khartoum North - Garri Free Zone Branch
94.	Khartoum North - Al-Engaz Street - 1
95.	Khartoum North - Al-Engaz Street - 2
96.	Khartoum North - CNPC Petroleum - Caforey
97.	Khartoum North - Military Industry Corporation – Caforey
98.	Khartoum North - AL-zaeem AL-Azhari Street Cross with Almughtarbeen Street
99.	Khartoum North - Al Faihaa - Al walee Street
100.	Khartoum North - Al Halfaya Alkilo Station
101.	Khartoum North - Hajj Al Safi Hospital
102.	Khartoum North - Helat Koko Branch
103.	Khartoum North - Almaoona street - Sumsung Center
104.	Port Sudan - University of Red Sea
105.	Port Sudan - General Administration of Customs - 1
106.	Port Sudan - General Administration of Customs - 2
107.	Port Sudan - Port Sudan Branch
108.	Kassala - Kassala Branch
109.	Algadarif - Algadarif Branch
110.	Wad Madani - Wad Madani Branch
111.	Wad Madani - Customs Police
112.	Atbara - Atbara Branch
113.	Kosti - KostiBranch
114.	Kosti - Kosti Branch
115.	Alobeid - Alobeid Branch 1
116.	Alobeid - Alobeid Branch 2
117.	Alfashir- Alfashir Branch
118.	Shendi - Shendi Branch

Correspondents

Egypt	
1. Faisal Islamic Bank	Cairo
2. A.B.C.	Cairo
KSA	
3. Riyadh Bank	Riyadh
4. Bank Al Bilad	Riyadh
Yemen	
5. Saba. I. Bank	Sanaa
UAE	
6. Arab Bank for Investment & Foreign Trade	Abu Dhabi
7. Abu Dhabi Islamic Bank	Abu Dhabi
8. Mashreq Bank	Dubai
Bahrain	
9. Ithmar Bank	Manama
10. A. B. C.	Manama
11. The Arab Investment Co.	Manama
12. Alubaf Arab International Bank	Manama
13. Al Baraka Islamic Bank	Manama
14. Bank Muscat	Manama
Qatar	
15. Qatar Islamic Bank	Doha
16. Qatar National Bank	Doha
Oman	
17. Bank Muscat	Muscat
Kuwait	
18. Kuwait Finance House	Kuwait
Malta	
19. FIM Bank PLC	
Lebanon	
20. Bank of Beirut	Beirut
21. North Africa Commercial Bank	Beirut
22. Fransa Bank	Beirut
23. Byblos Bank	Beirut
Europe	
24. British Arab Commercial Bank	U.K.
25. Commerz Bank	Germany
26. Banca UBAE SPA	Italy
Korea	
27. Korea Exchange Bank	Seoul
Jordan	
28. Jordan Islamic Bank	Amman
Turkey	
29. Al Baraka Turkparticipation Bank	Istanbul

Our Vision

An Islamic Bank, of Islamic orientation, Sudanese features, adhering to quality and excellence in performance, satisfaction of customers, confidence in suppliers, and community development, takes care of owners' equity and the welfare of employees.

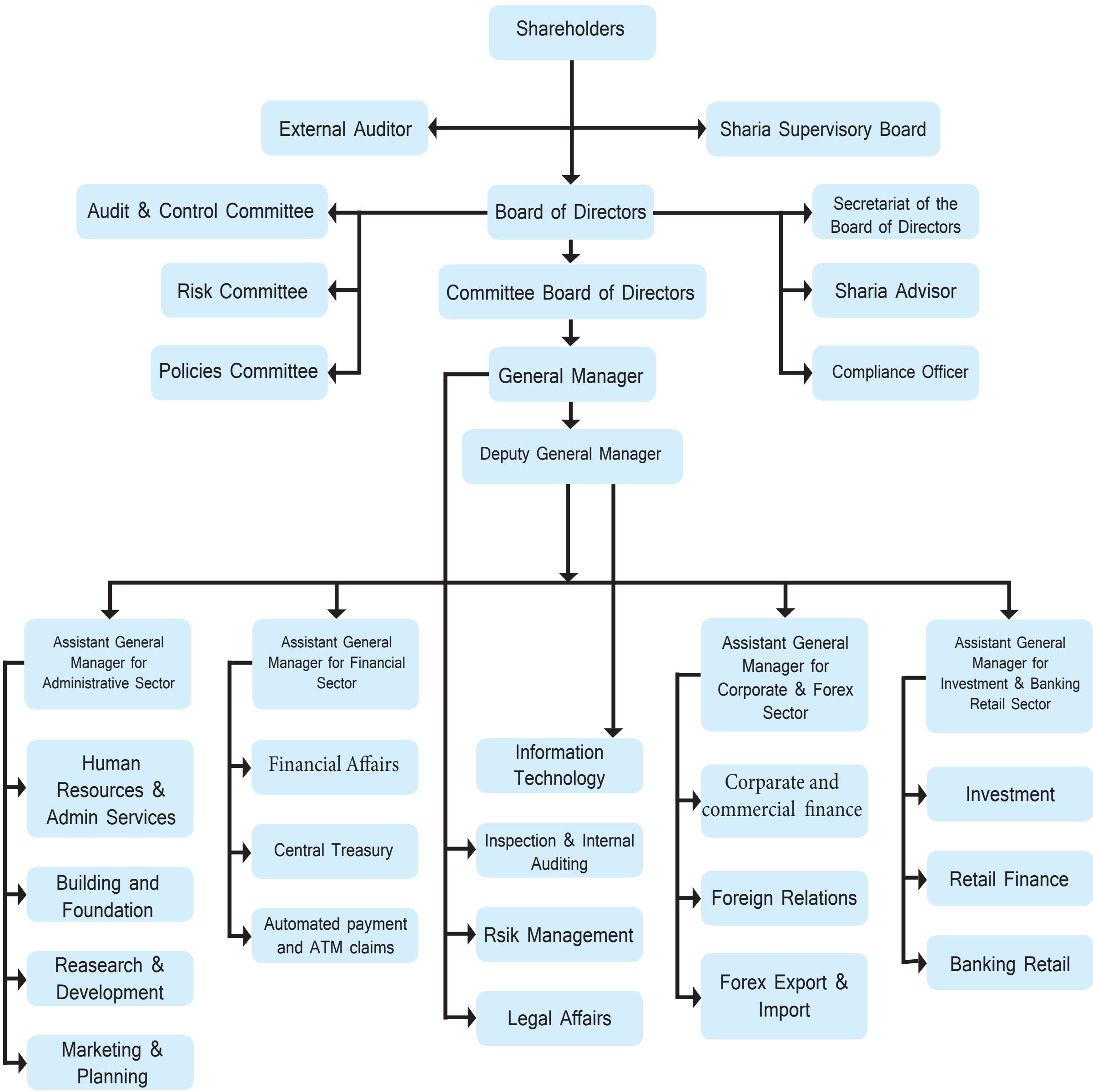
Our Mission

A bank with both Islamic face and Sudanese features, aiming to assume the best financial position through its efficiency and outstanding institution contemporary legal banking products, processing foreign relations, modern techniques, with a working team of high esteem, committed and sincere, trained and skillful, competent and knowledgeable transparent and aim to please the workers, the owners and the society.

The 10 Values

- Legitimacy of the Transactions.
- Leadership.
- Excellence in the Transactions.
- Professionalism.
- Teamwork.
- Continuous improvement.
- Transparency in Transactions and Relationships.
- Customer Satisfaction.
- Cooperation with partners.
- Partnership with the community

Organizational Chart



Establishment :

- Faisl Islamic Bank was established in accordance with Temporary Order No. (09) (1977) dated 04/04/1977.
- In May 1977, 84 Sudanese and Saudi founders as well as other nationals of some Islamic States, met and adopted the idea of establishing the Bank. They prescribed and paid up half of the authorized capital.
- On 18/8/1977, Faisal Islamic Bank was registered as a public limitted Company. According to the Co. Ordinance 1925.
- The bank commenced operations in May 1978.

The Bank Capital :

• Authorized capital	1000	Millions SDG.
• Paid-up capital	435	Millions SDG.

Activities :

To conduct all forms of banking activities, financial, commercial, investment as well as participation in economic development and social projects. To promote transactions and cooperation in the field of foreign trade, in conformity with Islamic Shari'a law, and advanced modern developed banking techniques.

Basic Information and Financial Ratios

Statement	2013	2012	2011	2010	2009	2008
Branches	32	31	31	31	29	28
ATM	118	112	91	80	72	64
Employees	1,063	942	904	886	805	789
Percentage of profits distribution to Shareholders	46.1%	67%	73.0%	55.1%	45.5%	40.0%
Distribution rate for the owners of deposits	12.0%	11.5%	10.0%	10.0%	10.0%	10.0%
Growth rate of Assets	25.7%	46.2%	25.0%	40.1%	57.0%	50.0%
Growth rate of Deposits	22.3%	48.6%	24.0%	40.0%	60.6%	54.1%
Growth rate of Income	37.0%	28.0%	40.0%	48.6%	57.0%	49.0%
Ruturn on Assets	3.2%	4.0%	4.0%	3.1%	3.0%	3.1%
Return on Equity	38.0%	33.0%	39.0%	35.8%	42.7%	37.0%
Operational Cost Ratio	23.7%	21.9%	19.6%	22.8%	22.6%	26.4%

Head-quarter Address:

El-Fayha Commercial Center - Ali Abdellatif Street
Khartoum- Sudan , P.O.Box: 10143 Khartoum
Fax: +249-183-771714 / +249-183-780193
Tel: +249-156-558787 / +249-183-741326
Call Center: +249-183- 741327 / 6161
SWIFT: FISBSDKH
E-Mail: fibsudan@fibsudan.com
Website: www.fibsudan.com

Subsidiary Companies :

- Islamic Insurance Co.
- Islamic Trading & Services Co.
- Al-Faisal Financial Transactions Co.
- Al-Faisal Realestate Co.

Chairman of the Board of Directors

His Highness

Prince/ Dr. Mohamed Al-Faisal Al-Saud

The Board of Directors

His Highness

Prince/ Amr Mohamed Al-Faisal Al-Saud

Prof/

Abdel Aziz Abdalla El-Fadda

Mr.

Dafa'allah El-Haj Yousuf Medani

Mr.

Mustafa Abu-Baker Mohamed Azzam

Mr.

Ali Abdalla Yagoub

Mr.

Al Bagkir Yousif Mudawi

The Board of Directors

Dr.
Mohamed Fouad El-Sarraf
(as a representative of Faisal Egyptian Islamic Bank)

Mr.
Mohamed Hassan Nayer

Dr.
Osman El-Hadi Ibrahim

Secretary of the Board of Directors
Mr.
Shurahbeel Ali El-Tayeb

General Manager

Mr. Ali Omer Ibrahim Farah

Deputy General Manager

Mr. Ahmed Osman Taj El-Deen

Assistants General Manager:

Mr. Abdalla Ali Mohamed

Assistant General Manager for Administrative Sector

Mr. Jamal Ibrahim Mohamed

Assistant General Manager for Investment & Banking Retail Sector

Mr. El-Bagir Ahmed Al-Nori

Assistant General Manager for Corporate & Forex Sector

Mr. Ali Ibrahim Osman

Assistant General Manager for Financial Sector

Departments Managers

Mr. Mohamed El-Sheikh El-Bakheit
Internal Audit

Dr. Ahmed Alsiddig Gibreel
Risk Management

Mr. Basheir Ali Abdel Karim
Retail Finance

Mr. El-Sheikh Idris Mohamed
Human Resources & Admin Services

Mr. Abdelrahim Yasin Abdelrahim
Investment

Eng. Gaafar Omer Ahmed
Information Technology

Mr. Ali Yousuf Babiker
Building and Foundations

Mr. Omer Babiker El-Mekki
Legal Affairs

Mr. Husham Bashir Al-Siddig
Corporate and Commercial Finance

Mr. El-Badri Ali El-Badri
Forex, Export & Import

Executive Management

Mr. Khogali Ahmed Khogali
Foreign Relations

Mr. Ahmed Alhag Dahab
The Central Treasury

Mr. Muzamel Abdelrahman Abubaker
Financial Affairs

Mr. Mohamed Omer Hamed
Banking Retail

Mr. Khalid Mohamed Zain
Marketing and Planning

Mr. Abdu Adam Ibrahim
Automated Payment and ATM claims

Mr. Mohamed Eltahir Eltayeb
Research & Development

Shari'a Supervisory Board

Chairman:

1 - Prof/ Yousuf Al-Khalifa Abu-Baker

Members:

2 - Prof/ Al Siddig Mohamed Al-Amin Al-Darir
3 - Prof/ Mohamed Al-Fateh Hamed
4 - Dr. Abdel Rahman Al-Siddig Dafa Alla
5 - Dr. Ibrahim Ahmed Osman
6 - Mr. Ali Abdulbasit Ahmed Al-Haj

Sharia Advisor:

Mr. Hassan Gaafar Alhafian

Auditors & Compliance Officer

Auditors:

Mubarak Alawad & Co.

Compliance Officer:

Mr. Abd Elnabi Eltieb Eljailani

Address by the Chairman of the Board of Directors

At the 35th Meeting of the Annual General Assembly of Shareholders, held on the 20th of March, 2014

In the Name of God, the Merciful the Compassionate

Our Honorable Shareholders ...

With the grace of God, and thanks to your support, we are holding, today, our 35th meeting.

It is my pleasure to address this meeting of your general annual assembly where we shall review the bank financial performance during the year ending at 31st of December 2013. The bank performance during the year has been substantially enhanced by achieving outstanding results in the area of banking technology together of high rate of profit. Our review shall also cover indicators for the future performance of the bank in the ever changing economic environment both locally and internationally. While doing so we keep in mind the bank has pioneering position among the banks operating in the country particularly in the area of banking technology. This has been witnessed by the acknowledgement of the internationally recognized authorities in assessing the standards of technological advancement. We shall mention here under some of these indicators:

Economic Indicators :

1. The world economic and financial institutions have recently experienced a severe drawback, which directly affected the pattern of growth of International Capital Markets, Banks, Trading Companies as well as other Financial and Social institutions. Primary reports on the performance of the World Economic System, indicate a slight growth rate of 2.8% of the international GDP in 2013 compare to 2.5% in 2012.
2. At the local level, the GDP showed a rate of growth of 3.6% in 2013 compared with only 2% in 2012 which had been affected by the decline of Oil exports after the secession of South Sudan.
3. At the bank level the outstanding technological innovations introduced by your bank is another factor that contributed to the improvement of work environment and to the bank leading role in modernizing banking technology, thanks to God and to your continued support. God bless you.

The development of the bank and the fulfillment of the requirements of the Central Bank of Sudan:

The bank sustained its leading position in the business sector, compling with the requirements of the Central Bank of Sudan, (which aimed at coping with international banking changes) and also carried out the prescribed reform and restructuring program designed by the Central Bank of Sudan.

Accordingly, the bank complied with the following requirements:

a) Capital Adequacy ratio reached 15.4% on 31st December 2013, which exceeded the capital adequacy ratio set by the Central Bank of Sudan at 12%. This indicates the bank's strong financial status.

b) In response to the requirements of the Central Bank of Sudan, the bank fulfilled a restructuring program, by increasing its capital, to 350 million Sudanese pounds by 31st December 2013.

c) In compliance with the requirements of the Central Bank of Sudan, and coping with international developments in the sphere of risk management, the bank established a special department for risk management and took appropriate measures to ensure applying of the best tools, compatible with the directives of Central Bank of Sudan. Further more the bank abided by all prescribe polices of the Central Bank, Consequently, the bank has been favored with the recommendations of the central bank.

Hence the bank gave special attention to the following:

1. The bank further, continued to intensify external relations with foreign banks and financial institutions, with the view to expand its financial facilities and further improve its cooperative relations.
2. The bank introduced modern technological means into the services extended to customers in all sectors, with strong adherents to high professional standards and highly advanced information technology.
3. Customers became more loyal to the bank in response to the promotional efficient services extended to them, supported by an advanced network, including ATM, phone banking, FMS, e-Banking, points of sale, mobile banking and online registration for universities students. The bank established a fully automated branch which also attracked more customers.

Address by the Chairman of the Board of Directors

4. The introduction of such advanced banking technology, won the appreciation of official banking authorities and the bank has been a credited for being the pioneering bank in the field of banking technology in Sudan .
5. The bank gave special attention to the training of staff members, both locally and abroad which largely contributed to higher levels of performance and rendering distinguished services. Better terms of service including higher remunerations were met with, satisfaction, high morale and enhanced sense of loyalty, on the part of staff.
6. As a result of these acheivements and, in accordance with the proffisionally drawn-up plans, the bank proceeded with mobilization of local and foreign resources with the view of investing them through reliable and proficiency and competent clients, secured by adequate guarantees. The banking investments operations were carried out with a high degree of competence. This is reflected in the bank's strong financial position, as shown in the income statement for 2013, which was certified by the external auditors of the bank.

A) The Bank Financial Statement:

1. Balance Sheet:

The bank balance sheet shows an increase to 7,028.8 million pounds compared to 5,589.8 million pounds in 2012, with an increase of 1,439 million pounds i.e. (26% increase). This considerable growth of the bank resources is due to high rate of return awarded of investment deposits as well as the high dividends giving the share holders. The outstanding contribution of technological improvement in the process of resource mobilization is another positive factor .

2. Deposits:

Total bank deposits amounted to 6,053.4 million pounds in 2013 compared to 4,949.3 million pounds in 2012. That's due to the effective and efficient efforts for mobilization of resource. Rehabilitation of branches, staff training programs, renewal of equipments, and the general improvement of working environment, also contributed to the enhancement of recources.

3. Owners' Equity:

The total owner equity rose by 23% to 587.9 million pounds in 2013 compaired to 479.1 million pounds in 2012. Tthis is due to the growth of capital by 25% in 2013 and to the reserves and the proporations of retained and capitalized profit.

4. Investments and Finance:

The size Bank portfolio increased by 18% to 4,693 million SDG in 2013 compared to 3,982 in 2012. Despite the increased volume of investment and finance, the bank managed to keep the ratio of bad debts in both domistic and foreign finance, at 1.67% in 2013 compared to 2.91% in 2012 where as the acceptable norm in the banking industry is 6%. This is due to tight control over approving investment operations and extended finance to reliable clients, in addition to the considerable efforts for follow up and recovery of funds carried out by special committee for this job.

B) Income Statement:

1. Revenues:

The bank's revenues increased by 37% to 520.5 million pounds in 2013 compared to 379.1 million pounds in 2012, including revenues from banking services which amounted to 242.4 million pounds.

2. Operational Cost Ratio:

The percentage of operational cost was 23.7% against 21.9% in 2012 which is the percentage of total expenses to total revenues, where as the required percentage by the central bank of Sudan is 55% .The low ratio of operational cost reflects the continuous improvement in the bank performance. (maximizing of profits and rationalization of expenses).

3. Investment Deposits:

Investment Deposits increased by 46%. As the profit shares of the holders of investments deposits amounted to 350 million pounds of the total profits. This reflect the incease in volume of investments deposits, it is also reflects the rise of return on deposits from 11.5% in 2012 to 12% in 2013.

4. Return on Capital:

The rate of return on the bank paid-up capital was 64% in 2013, compared to 66.7% in 2012. The rate of return attained is a positive indicator of the efficient management of the bank resources.

5. Net Profits:

Net profits after Zakat and taxes amounted to 223.7 million pounds compared to 186.7 million pounds in 2012 i.e. an increase of 20% Hence the Board of Directors recommended payments of profits to shareholders at a rate of 20% of the nominal value per share.

The bank complied with the recommendation of your esteemed assembly, for studying ways and means whereby shareholders with modest amounts of share can benifit from the facilities and services of the bank, especially in investment financing. The bank carried out a social survey of the shareholders in question and obtained the information required, which helped in the preparation and completion of a plan covering financing of certain projects. It is hoped that the implementation of the plan will effectively contribute to the support of shareholders under reference.

The bank also contributed to the relief of the poor and the needy among shareholders and other categories of society, through a program of social solidarity and humanitarian donations.

Financial support extended by the bank covered health services as well as a wide range of social and cultural institutions, including universities, educational projects, higher education institutions, mosques and Quranic schools and sports clubs.

Finally, and on behalf of your general assembly, the Board of Directors extend its thanks to the central Bank of Sudan for their continued support received through the directives issued, and for supporting our bank in the sphere of foreign trade which contributed significantly to the achievements of the bank.

We also thank the bank staff and the the Board committee for their efforts in supervising the executive management which helped to achieve these results.

Extended to your esteemed General Assembly for your guidance and wise counsel which helped the bank attain higher standards of performance and development.

We also thank the Bank's clients and correspondents for their confidence in our institution. With the help of God and his grace, we hope, the bank would attain further growth and development in the forthcoming years.

We pray for God's help and guidance

{Allah does not charge a soul except [with that within] its capacity. It will have [the consequence of] what [good] it has gained. And it will bear [the consequence of] what [evil] it has earned. Our lord, do not impose blame upon us if we have forgotten or earned. Our lord, and lay not upon us a burden like that which you laid upon those before us. Our lord, and burden us not with that which we have not ability to bear. And pardon us; and forgive us; and have mercy upon us. You are our protector, so give us victory over the disbelieving people {286}}

[Al-Baquara, 286]

Mohamed Al-Faisal Al-Saud

Chairman

* Translation of the meaning of the Quran , Translated by Saheeh International - Riyadh.

Resolutions of the Thirty Fifth Meeting of Shareholders Held on the 20th March 2014

A) The general assembly of shareholders approved, at their ordinary annual meeting no. 35, which was held on 20th of March 2014, the report of the Board of Directors, the report of the Shari'a Supervisory Board, the report of the External Auditor, the audited statements of the bank's financial status, the income and expenditure statement, the provisions and reserves, as well as the remuneration of the board of directors and employees for the year ended 31st December 2013.

B) The recommendations of the Board of Directors to distribute profits of the financial year ended 31st December 2013, amounting to (161,438,009) (one hundred and Sixty one Million Four hundred and thirty-eight thousand, nine Sudanese pounds) this represents (46.13 %) of the paid-up capital for the year ended 31th December 2013 as follows :

1. To distribute, in cash, the sum of (75,000,000) (seventy five million Sudanese pounds) representing percentage (21.43%) of the paid-up capital as at the 31st December 2013, for shareholders.
2. To Capitalize the sum of (85,000,000) Sudanese pounds (eighty-five million Sudanese pounds), in the form of bonus shares to shareholders amounting to (24.29%) to raise the paid-up capital from (350 million) Sudanese pounds to (435 million) Sudanese pounds.
3. Retained (1,438,009) representing (0.41%) of the paid-up capital in 31st December 2013 as Retained profits.

C) Approval the recommendation of the Board of Directors to increase the nominal capital of the bank to 1 billion pounds.

D) In accordance with Article 63 of the Statute of the Bank the General Assembly of the shareholders of Faisal Islamic Bank of Sudan, authorized the Board of Directors for the appointment of the external bank auditors for the year 2014 and determine their fees.

E) The assembly appointed a committee from the following members to overseeing the elections of the Board of Directors for the new session (2014-2017 AD):

1. Shareholder / professor / Ahmed Ibrahim Abusin	Chairman
2. Delegate of the Central Bank of Sudan	Member
3. Delegate of Khartoum Stock Exchange market	Member
4. External Auditor	Member
5. Director of the legal Administration	Member
6. Secretary of the Board of Directors	Member and Coordinator

F) The general assembly of shareholders elected the members of the Board of Directors for the new session (2014 - 2017 AD) as follows:

1. His Highness Prince / Dr. Mohammed Al-Faisal Al-Saud.
2. His Highness Prince/ Amr Mohammed Al-Faisal Al-Saud.
3. Mr. Ali Abdullah Yagoub.
4. Prof. Abdul Aziz Abdullah El-Feda.
5. Dr. Mohamed Fouad Alsaraf.
6. Dr. Osman ALHadi Ibrahim.
7. Mr. Mohammed Hassan Nair.
8. Mr. Mustafa Abu Bakr Mohammed Azam.

According to the publication of institutional control No. (18/2009) the selected board should propose to the Bank of Sudan two members as experts to complement the board membership to ten, namely: -

1. Mr. AL Bagkir Yousif Mudawi.
2. Dr. Ahmed Ibrahim Hamad Al-Turabi .

Consequently the Board of Dorectors raise the name of those two experts to the Bank of Sudan for approval.

G) In Accordance to the delegation by the general assembly the Board of Directors shall carry out the legal and administrative requirements to register the bank capital to 1 billion pounds with the relevant authorities.

Executive Management Report

1. World Economy:

1. Preliminary reports of the global economy during the year 2013 show a growth rate of global GDP by 2.8% compared to 2.5% in the year 2012 and it is expected to continue this increase up to 3.7% in 2014. Reports indicate the presence of a slight decline in the economies of developing countries compared to the economies of developed countries, where the rate of growth of economies in developing countries was 4.7% in 2013 compared to 4.9% in 2012 and is expected to reach 5.1% in 2014. While the rate of growth of economies in developed countries was 1.3% for 2013 compared to a growth rate of 1.4% in the year 2012, and is expected to reach 2.2% in 2014. This is due to the European debts crisis, which has had a clear impact of the declined growth of global economy as well as the unrest in the arab world in recent times.
2. Unemployment maintained its rates almost at the same level as at 2012, with slow rise from 200 million persons to 205 million persons.
3. Oil prices were $105 per barrel in 2013 compared to $106 per barrel in 2012. Noting that West Texas oil prices remained at a higher rate in the range of $105 to $110.
4. Gold prices decreased to $1,413 in 2013 compared to $1,720 in 2012.

2. Domestic Economy:

1. The growth rate of GDP rose in 2013 to 3.6% compared to 1.36% in 2012. The rise in GDP was attained inspite of the decline of the oil exports as a result of secession of South Sudan, and also inspite of the low flow rates of grants and international assistants, because of the USA boycott. The increase of the GDP was partially due to the rise of gold exports.
2. The rate of inflation in 2013 declined to 25% compared to 35.6% in 2012. The rate of inflation was 47.9% in March 2013 and dropped to 22.9% in the same year.
3. The public revenues and grants of the state amounted to 32.5 billion pounds in 2013 compared to 18.2 billion pounds in 2012, with an increase of 79%. The public expenditure during the year 2013 was 35 billion pounds compared to 29.3 billion pounds for the year 2012, showing an increase of 20%, accordingly the budget deficit decreased to (2.5) billion pounds compared to (11) billion pounds in the year 2012.
4. The exchange rate of the Sudanese pound against convertible currencies was 5.69 in December 2013, where as the rate of exchange was 4.4 pounds in December 2012.
5. The total money supply was 66.4 billion pounds in December 2013, while it was 58.7 billion pounds in December 2012, recording an increase of 13%, This was due to an increase of demand deposits by 16 % and quasi-money by 11% and the currency in the hands with the public by 14%.
6. The bank total assets rose to 77.5 billion pounds in December 2013 compared to 67 billion pounds by the end of 2012, showing percentage increase of 16%. Total finance by the banking system was 37.6 billion pounds in December 2013 compared to 30.5 billion pounds in December 2012. showing an increase of 23% and the ratio of total finance to tatal deposits was 84% compared to 76% in 2012.
7. Total deposits of the banking system in local currency were 32.3 billion pounds in December 2013 compared to 28.4 billion pounds in 2012, reflecting an increase of 14%. Foreign currency deposits decreased to $2.2 billion in December of 2013 compared to $2.6 billion in 2012, a decrease of 17%.
8. The country's exports were $7.1 billion in 2013, and the imports were $10 billion. The deficit in the balance of trade was $(1.7) billion.

3. Awards and Classifications earned by the Bank:

Despite the drastic economic changes in local and international economics, the bank attained outstanding results in all the services offered, and in acknowledgement of that, the bank obtained high rating awarded by differents local and international recognized organizations. To note a few:

- The Bank received on 12/10/2013 the Award of "Best Islamic financial institution in Sudan" for the year 2013 and that within the context of the annual awards granted by Global Finance Foundation (an American specialized firm in publishing and classification of financial institutions) and this classification came according to the result of the arbitration judging committee in the organization, which included in its membership a group of economists and financial consultants. The bank has earned the award according to several criteria including contribution to the growth of Islamic finance and successfully meeting the needs of customers for products compling with Islamic principles through modern and effective channels. The finding are clear acknowledgement of the effectiveness of the system adobted by the bank particularly in the area of rendering high quality services in a market where competition incentive.
- The Bank received on 12/12/2013 certificates corresponding to the three systems of ISO included, Quality Management System ISO 9001-2008, Quality Management System for Environment ISO 14001, Quality management system for social responsibility ISO 26000, and corresponding to the British system of occupational health and safety OHSAS 18001. The bank is considered the first institution in the country that obtained these four integrated ISO systems that are compatible with international standards, which reflect the highest levels of transparency in the management practice which guaranteed the adoption of these systems within the stipulations of the World Trade Organization (WTO).

These achievements and classifications are exclusive to the bank. The classification of Global Finance and ISO systems certificates, reflect the bank's ability to meet all the requirements of banking system, despite the strength of competition and challenges and it shows clearly the Bank's outstanding performance. They constitute a drive for the bank to maintain the high quality management system and the excellence in providing the services and keep the compatitive edge among commercial banks locally and internationally, and to achieve a strong presence in the future to meet the expectations of the shareholders, customers, the community and thus contributing in realizing the economic well-being of all sectors of society.

4. Acheivements in 2013:

1. Al-Faisal Cultural Center:

   The Bank opened Alfaisal Cultural Center in 2013 as part of fulfilling its obligations towards social responsibility. The center offers its services which including a modern library, an electronic library, a theater, class rooms, conference rooms, and kids corner ...etc.

2. E-Branch :

   The Bank has established and opened the first fully automated branch in Sudan in 2013 enabling customers to carry out all their banking services by themselves without seeking the bank staff help. The Branch is open 24 hour a day.

3. Geographical Expansion :

   In accordance with The Central Bank of Sudan policy, the Bank continued the expansion of its branches and exchange and cash offices. In 2013 the bank opened Alryiadh branch and Shendi branch. With a view to provide banking services to gold mining areas, whereas the Bank opened Alabidia cash office in River Nile State and Abu Dleeg cash office in Khartoum State.

5. The Bank's Financial Indicators for the year 2013:

A) Financial Position Statement:

1. Consolidated Balance Sheet :

The Bank's Consolidated Balance Sheet rose to a total of 7,028.8 million pounds, compared to 5,589.8 million pounds in 2012, i.e. an increase of 1,439 million pounds (26% increase). This is due to a considerable increase in Bank deposits, which reached 24% and the growth of owner's equity at a rate of 23%.

The improvement in the rate of profits for deposits accounts, and for shareholders, re-affirmed confidence in dealing with the Bank. The stability of Bank deposits facilitated a high degree of utilization of resources which helped to strike a balance between liquidity and profit maximization.

Hence the total volume of cash and cash equivalent showed a growth rate of 73% and total Bank investments grew at a rate of 18%.The outstanding technological development achieved by the Bank contributed to the improvement of resource allocation in items intended to attain the objectives of liquidity and profitability.

2. Owners' Equity :

- The Bank paid-up capital increased from 280 million pounds, in 2012 to 350 million pounds in 2013 with an increase of 25%, which is more than meeting the requirements of the Central Bank of Sudan.
- Total reserves of the Bank reached 76.4 million pounds, compared to 58.8 million pounds in 2012.
- Total Owners' equity increased to 587.9 million pounds, against 479.1 million pounds in 2012. (An increase of 108.8 million pounds i.e. 23% increase). The increase is due to retained profits, and to the increase of paid-up capital, and reserves.

3. Bank Deposits :

- The Bank's total deposits amounted to 6,053.4 million pounds compared to 4,949.3 million pounds in 2012 i.e. an increase of 1,104.1 million pounds (22% increase). The increase is due to the intensification of resource mobilization and the remarkable improvement of Bank services as a whole and to the impact of electronic services in particular, and the high return offer to investments deposit holders.
- Local currency deposits showed a total of 4,713 million pounds compared to 3,793.7 million pounds in 2012, i.e. an increase of 919.2 million pounds (24% increase).
- Deposits in foreign currencies increased to 1,340.4 million pounds against 1,155.6 million pounds in 2012, i.e. an increase of 184.8 million pounds (16% increase).

4. The Investments :

- **Short-term Investments:**

  Short-term investments (Deferred sales and other forms of investments) showed a total of 4,258.3 million pounds compared to 3,389 million pounds in 2012, i.e. an increase of 869 million pounds (26% increase). The increase is due to the growth of resources which have been invested in good products with reliable customers and covered by adequate guarantees.

- **Investments in stocks and securities:**

  Investments in stocks and securities amounted to 320.1 million pounds, compared to 517.9 million pounds in 2012, i.e. a decrease of 197.8 million pounds (38%). The decrease in securities was due to allocating more resources to development projects and microfinance.

- **Long-term Investments :**

  Total long-term investments abroad amounted to 15.8 million pounds .The investment in subsidiaries and sister companies amounted to 98.5 million pounds compaired to 59.5 million pounds in 2012, with an increase of 66%.

5. Net Fixed Assets :

Net fixed assets was 299.8 million pounds, compared to 208.5 million pounds in 2012, i.e. an increase of 91.3 million pounds (44% increase). This is due to the expansion of expenditure in rehabilitation and modernization of the Head Office and branches of the Bank and banking technology. The number of ATMs increased to 118 in 2013.

B) Income Statement :

1. Income from deferred sales and other modes of finance rose to 575.3 million pounds compared to 508.2 million pounds in 2012, i.e. an increase of 67.1 million pounds 13% increase. This is due to the increase and improvement of productivity as well as decreasing of operational cost and risk, and investing in good quality of products.
2. The return on investment deposits rose to 350 million pounds compared to 239.3 million pounds in 2012, i.e. an increased ratio of 46%, this was due to higher investment profits. The rate of return was 12% in 2013 compared to 11.5% in 2012.
3. The share of the Bank, as a "Mudarib" – and Funds owner was 225 million pounds, compared to 268.8 million pounds in 2012, i.e. a decrease of (16%).
4. Revenues from Banking Services rose to 242.4 million pounds compared to 81.3 million pounds in 2012, i.e. an increase rate of 198% as a result of the large increase in the volume of external transactions, and technological development in the provision of banking services.
5. The bank revenues rose to 520.5 million pounds compared to 379.1 million pounds in 2012, i.e. an increase of 141.4 million pounds 37% increase. And this increase is largly attributed to the rise in banking services revenues.
6. General and Administrative Expenses were 206.3 million pounds compared to 135.2 million pounds in 2012, i.e. an increased ratio of 53%, which is due to continued improvement of salaries of employees and increase of Administrative expenses.
7. Profits after Zakat and taxes rose to 223.7 million pounds compared to 186.7 million pounds in 2012, showing an increase of 37 million pounds, and an increased ratio of 20%.

The following tables show the most important indicators of the Bank peformance in 2013:

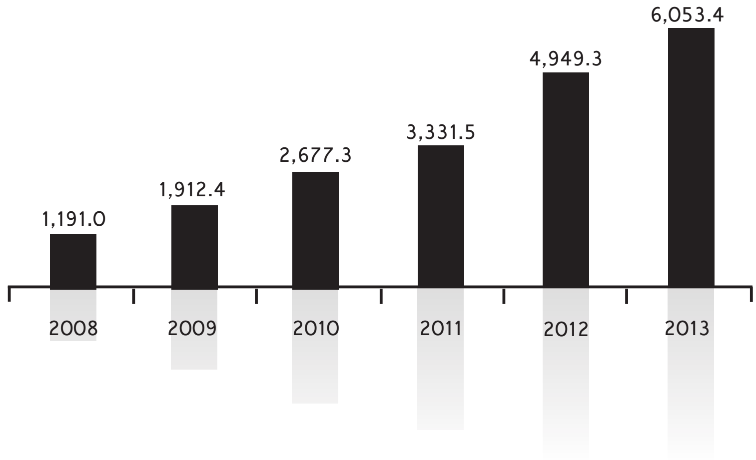
Statement	2013	2012	Increase %
Total Assets	7,028.8	5,589.8	25.7%
Investments	4,692.7	3,982.2	18%
Total Deposits	6,053.2	4,949.3	22.3%
Owners' Equity	587.9	479.1	22.7%
Operational Cost	23.7%	21.9%	

Statement	2013	2012	Increase %
Return on Banking Services	242.5	81.3	198.3%
Return on Bank Investment	225	268.8	-16.3%
Other returns	16.6	12.7	30.7%
General and administrative expenses	206.3	135.2	52.6%
Profit before zakat and taxes	269.3	198.3	35.8%

- Amounts in million sudanese pounds.

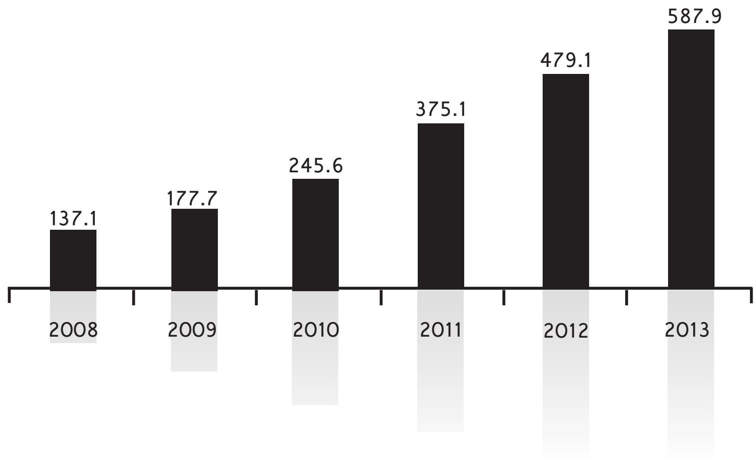
Deposits

Millions SDG



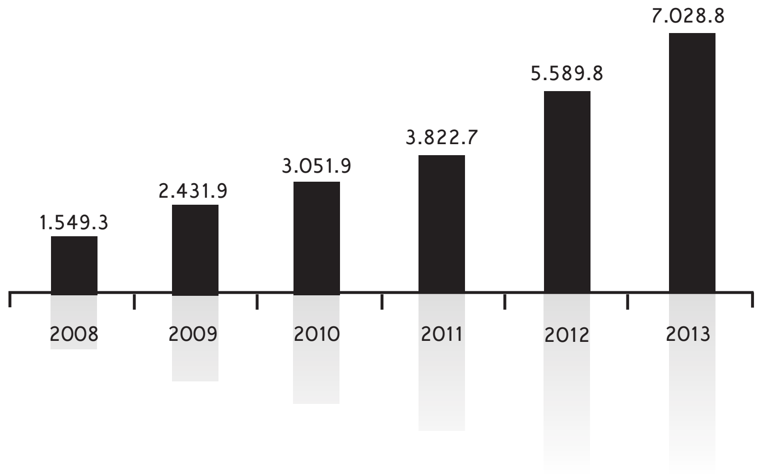
Owners' Equity

Millions SDG



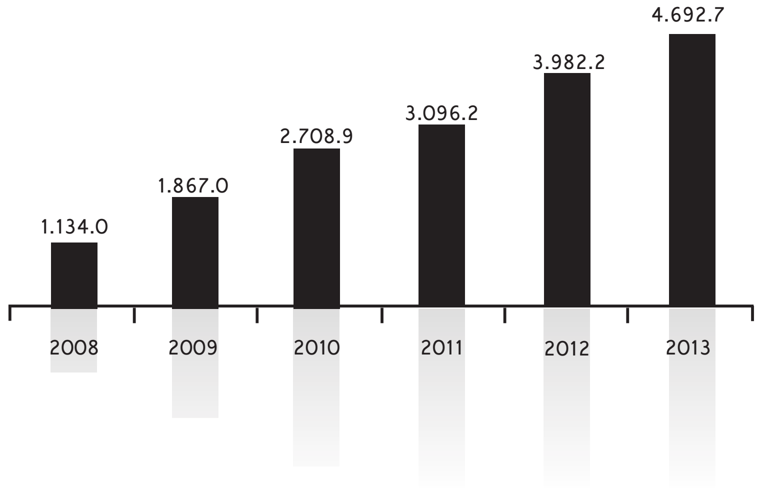
Assets

Millions SDG



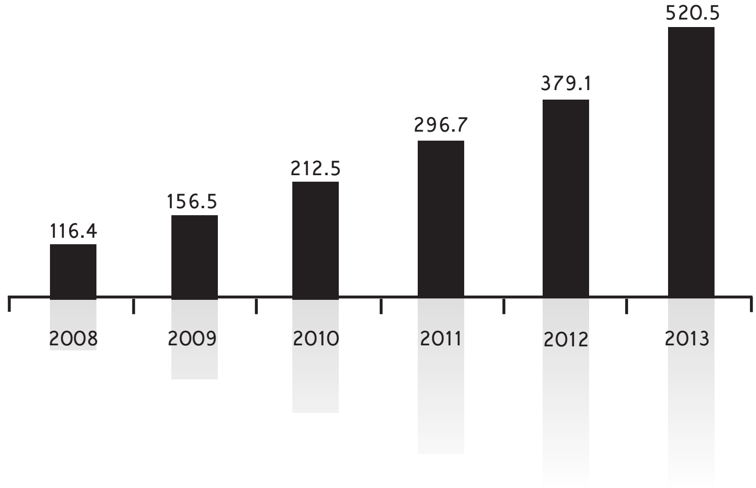
Investments

Millions SDG

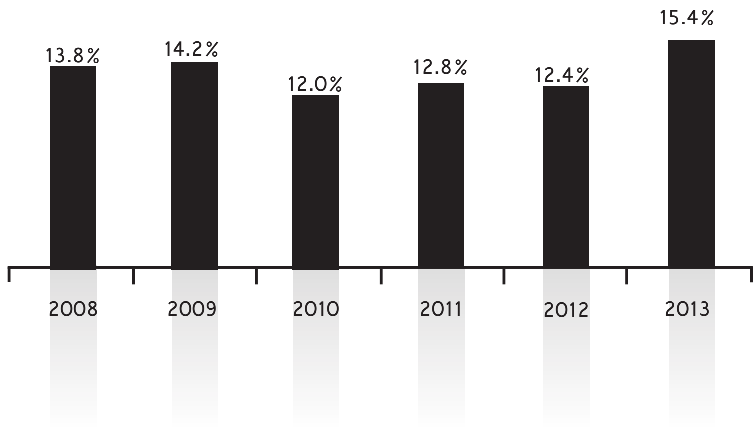


Income

Millions SDG



Capital Adequacy Ratio



Revenues

(Millions SDG)

Statement	2013	2012	2011	2010	2009	2008
Returns on deferred sales and investments	225	268.8	204.2	103.2	99.7	60.9
Return on direct investments	36.5	16.3	11	6.7	0	0.4
Returns on Banking Services	242.4	81.3	72.7	93.3	48.7	49.6
Other returns	16.6	12.7	8.8	9.3	8.1	5.5
Total Returns	520.5	379.1	296.7	212.5	156.5	116.4

Assets

(Millions SDG)

Statement	2013	2012	2011	2010	2009	2008
Cash and Cash Equivalent	1,696.1	1,110.7	333.8	238.2	380	268.3
Current Assets	5,032.9	4,270.6	3,337.3	2,708.9	1,978.4	1,216.3
Fixed Assets	299.8	208.5	151.6	104.8	73.5	64.7
Total Assets	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9	1,549.3

Liabilities

(Millions SDG)

Statement	2013	2012	2011	2010	2009	2008
Current Deposits	2,104.0	1,849.5	1,300.2	1,009.1	805.2	513.9
Investment Deposits	3,949.4	3,099.8	2,031.3	1,668.3	1,107.2	619.9
Other Liabilities	387.5	161.3	116.0	128.0	328.1	287.1
Sub Total	6,441.0	5,110.6	3,447.5	2,805.6	2,240.5	1,420.9
Owners' Equity						
Paid-up Capital	350	280	200	140	110	80
Reserves	76.4	58.8	43.2	28.5	17.8	12.1
Retained Profits	161.5	140.3	131.9	77.1	50.0	45
Sub Total	587.9	479.1	375.1	245.7	177.7	137.1
Total Liabilities	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9	1,549.3

بسم الله الرحمن الرحيم

Faisal Islamic Bank (Sudan)
Sharia Supervisory Board

بنك فيصل الإسلامي السوداني
هيئة الرقابة الشرعية

Ref:..............................
Date: 16/2/2014
16 Rabi Al-Thani 1435 A.H.

المرجع/ب ف أ س /هـ ر ش /
التاريخ: ١٦/٢/٢٠١٤م
١٦ ربيع الثاني ١٤٣٥هـ
الموافق:

Report of Shari'a Supervisory Board Faisal Islamic Bank of Sudan for the period: 18th Safar, 1434 AH to 27th Safar 1435 AH 1st January 2013 to 31th December 2013

In the Name of Allah, the most Beneficent, the compassionate . Praise be to Allah, prayer and peace be upon the Prophet Muhammad, and upon all other prophets.

In accordance with Article 73 (4) of the Memorandum of Association of Faisal Islamic Bank of Sudan , and in application to the regulatory standard No. (1) for Islamic Financial Institutions of the Organization for the Accounting and Auditing for Islamic Financial Institutions - Bahrain, the Shari'a Supervisory Board submits the following report to the shareholders annual meeting :

1. The board convened (23) meeting where it is issued (16) of shari'a opinions (fatwa) and directives in response to various references made to it by the bank staff, recorded in the minutes.
2. The board revised all contracts signed by the bank and submitted to the board.
3. The board looked into subjects submitted by some of the departments of the bank and issued the relevant directives.
4. The board convened a meeting in February 2014 , where it reviewed external auditors report, income statement, cash flow and change in owners equity statement for the year 2013.
5. The board report with pleasure that:
   A) All contracts and operations conducted during the year ended December 31, 2013 AD , were in compliance with islamic jurisprudence.
   B) Distribution of profits and charging losses to investment accounts is in confirmity with the bases approved by the board in accordance with islamic jurisprudence.
   C) Zakat is computed in accordance with the provisions of Islamic jurisprudence.

6. The board thanks all bank management staff for their cooperation which helped the board in carrying out its assignment and thanks Allah for enabling us to paraticipate in this great islamic deed and pray to Allah to lead all, on the right path for progress and success..

1) Professor / Yousuf Al-Khalifa Abu-Baker	Chairman
2) Proferssor / Al-Siddig Mohamed Al-Amin Al-Dareer	Member
3) Professor / Mohamed Al-Fatih Hamid	Member
4) Dr. Abdel Rahman Al-Siddig Dafa'alla	Member
5) Dr. Ibrahim Ahmed Osman	Member
6) Mr. Ali Abdel Basit Ahmed Al-Haj	Member

بنك فيصل الإسلامي السوداني
23 FEB 2014
هيئة الرقابة الشرعية

Mubarak El-Awad & Co.

Mubarak El-Awad & Co.
Chartered Certified Accountants &
Financial Consultants

We have audited the attached financial statements of Faisal Islamic Bank - Sudan, which comprise the statements of financial position , the statements of income, changes in equity and cash flowsas as at 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

Board of Directors Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards of the Accounting And Auditing Organization For Islamic Financial Institutions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material miss-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material miss-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank and its financial performance and its cash flows for the year ended 31 December 2013 in accordance with accounting standards of the Accounting and Auditing Organization For Islamic Financial Institutions - Bahrain , and are in compliance with the requirements of the Companies Act 1925.

Mubarak El-Awad Mohamed
Certified Accountant - Partner
Khartoum
20 February, 2014

مبارك العوض وشركاه
2 0 FEB 2014
محاسبون قانونيون

مبارك العوض محمد
محاسب قانوني - شريك
الخرطوم
20 فبراير 2014م

بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)
We are the pioneers

Statement of Financial Position
As at December 31, 2013

Assets	Notes	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Cash and cash equivalents	5	1,439,899,512	830,330,828
Central Bank of Sudan - statutary cash reserve	6	256,262,049	280,332,258
Sales receivables (net)	7	1,917,154,969	1,503,271,963
Musharaka financing	8	305,411,687	259,471,919
Mugawala and istisna	9	587,535,503	465,723,589
Investment funds and finance portfolios	10	21,743,156	51,309,924
Investments in securities held to maturity (shahama)	11	320,112,094	517,874,598
Mudaraba	12	330,488,865	421,739,200
Other Investments	13	984,759,542	598,496,666
Foreign investments	14	15,763,394	15,763,394
Other receivables	15	110,542,010	94,154,303
Other assets	16	340,791,001	283,347,089
Long term investments	17	98,486,658	59,484,268
Fixed assets (Net)	18	299,838,311	208,482,225
Total Assets		7,028,788,751	5,589,782,224
Liabilities, unrestricted investment accounts and owners' equity			
Liabilities			
Current and saving accounts	19	1,904,313,064	1,622,166,503
Credit balances	20	476,637,534	319,970,652
Other liabilities	21	110,533,143	68,680,022
Total liabilities		2,491,483,740	2,010,817,177
Equity of unrestricted investment account holders	22	3,949,421,079	3,099,842,416
Total liabilities & unrestricted investment accounts		6,440,904,819	5,110,659,593
Owners' equity			
Paid up capital	23	350,000,000	280,000,000
Reserves	24	76,445,923	58,786,329
Retained earnings		161,438,009	140,336,302
Total owners' equity		587,883,932	479,122,630
Total liabilities, unrestricted investment accounts and owners' equity		7,028,788,751	5,589,782,224
Contra accounts	25	1,758,479,797	2,334,682,262

Mr. Ali Omer Ibrahim Farah
General Manager

Mr. Ali Abdalla Yagoob
Member of the Board of Directors

A. Daffalla Alhag Yosif
Member of the Board of Directors

Income Statement for the Year ended December 31, 2013

	Notes	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Income			
Income form deferred sales	26	408,336,928	233,907,154
Income from other investements	27	167,012,654	274,243,075
		575,349,582	508,150,230
Less: return on unrestricted investment accounts(12%)	28/22	(350,376,685)	(239,306,404)
Net income from deferred sales and investments		224,972,896	268,843,825
Income from banking services	29	242,469,541	81,287,251
Bank's income form its own investments	30	36,516,171	16,339,511
Other income	31	16,574,663	12,666,828
Total Bank's Revenue		520,533,272	379,137,415
Expenses			
Staff cost	32	91,964,907	52,733,404
General and administration expenses	33	114,358,443	82,446,716
Depreciation	18	22,865,910	15,608,661
Central Bank fines		10,550	23,000
Post service benefits			2,000,000
Provision for finance and investment risks	34	22,000,000	28,000,000
Total Expenses		251,199,810	180,811,781
Income before tax and zakat		269,333,462	198,325,633
Business profits tax for the year	47	(45,626,444)	(11,586,522)
Net profit after tax and zakat		223,707,017	186,739,111

Mr. Ali Omer Ibrahim Farah
General Manager

Mr. Ali Abdalla Yagoob
Member of the Board of Directors

A. Daffalla Alhag Yosif
Member of the Board of Directors

FAISAL ISLAMIC BANK (SUDAN)
بنك فيصل الإسلامي السوداني
We are the pioneers

Statement of Cash Flows for the Year ended December 31, 2013

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Operating Activities		
Net income for the year	176,595,927	155,822,830
Reconcile net income to net increase in cash generated from operations		
Depreciation of fixed assets	22,865,910	15,608,661
Net income from Operating activities	199,461,837	171,431,491
Cash flows from investment activities		
Purchase of fixed assets	(150,788,093)	(72,518,626)
Net of deferred sales	(413,883,007)	(624,865,913)
Mugawala	(121,811,914)	(65,657,269)
Musharakat	(45,939,768)	(154,326,602)
Mudaraba	91,250,335	54,328,005
Other investments	(386,262,876)	(300,184,845)
Long-term investments	(39,002,390)	(11,000,000)
Investment funds and finance portfolios	29,566,768	11,539,076
Investments in securities held to maturity (Shahama)	197,762,504	252,537,070
	(839.108.441)	(910.149.104)
Cash Flow From Financing Activities		
Capital Increase	70,000,000	80,000,000
Reserves	17,659,594	15,582,282
Dividends	(118,928,122)	(147,419,689)
Current accounts	282,146,561	504,051,621
Other recievables	(16,387,706)	(54,108,960)
Other assets	(57,443,913)	(41,509,829)
Central Bank of Sudan, Statutary cash reserve	24.070.210	(159,602,872)
Share of unrestricted investment account holders	849,578,663	1,068,482,847
Other liabilities	41,853,121	28,615,547
Credit balances	156,666,882	61,912,866
	1.249.215.288	1.356.003.813
Net increase / decrease in cash	609,568,684	617,286,199
cash and cash equivalents at beinging of year	830,330,828	213,044,629
cash and cash equivalents at the end of year	1,439,899,512	830,330,828

Mr. Ali Omer Ibrahim Farah
General Manager

Mr. Ali Abdalla Yagoob
Member of the Board of Directors

A. Daffalla Alhag Yosif
Member of the Board of Directors

Statement of Changes in Owners' Equity for the year ended December 31, 2013

(SDG)

Description	Paid-up Capital	Surplus re-evaluation of fixed assets	General reserve	Statutory reserve	Retained earnings	Total
Balance as at January 1, 2013	280,000,000	6,111,669	9,226,398	43,448,263	140,336,302	479,122,630
Net income for the Year					176,595,927	176,595,927
Transfer to reserves				17,659,593	(17,659,593)	
Capitalized profits	70,000,000				(70,000,000)	
cash dividends					(67,834,626)	(67,834,626)
Balance as at December 31, 2013	350,000,000	6,111,669	9,226,398	61,107,855	161,438,009	587,883,932
Balance as at January 1, 2012	200,000,000	6,111,669	9,226,398	27,865,980	131,933,161	375,137,207
Net income for the year					155,822,830	155,822,830
Transfer to reserves				15,582,283	(15,582,283)	
Capitalized profits	80,000,000				(80,000,000)	
Distributions to shareholders					(51,837,406)	(51,837,406)
Balance as at December 31, 2012	280,000,000	6,111,669	9,226,398	43,448,263	140,336,302	479,122,630

Notes to the financial Statements for the year ended December 31, 2013

1- Incorporation and Activities

Faisal Islamic Bank - Sudan was established in Khartoum by Faisal Sudanese Islamic Bank Law for 1977 dated 4 April, 1977, as a public company with a limited liability in accordance with Companies Act 1925 with registration certificate No. 1408 / date 18 August 1977.

The bank is providing commercial banking services according to Islamic rules and principles. From its head office, which is located at Al-Faiha Building – Ali Abdulatif Street – Khartoum.

The total number of employees at end of 2013 was 1063 (2012:942). It has 32 branches as at 31 December 2013 (2012: 30), all operating in Sudan.

2- Accounting Policies

A) Basis of financial statements preparation

1. The financial statements are prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), As required by the Central Bank of Sudan and Shari'ah Supervisory Board (SSB) requirements.
2. The functional currency is Sudanese Pounds, financial statements have been presented in Sudanese Pounds (SDG).
3. The financial statement were prepared in compliance with the historical cost concept as amended, except for the revaluation of securities classified as held for trading , available for sale and real estates which are valued at fair value at the end of the year
4. The bank uses the historical cost concept, the accrual basis in recording its assets, liabilities, revenues and expenses.
5. The accounting policies used this year are consistent with those used last year.

B) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and any permanent impairment in value.

Depreciation of fixed assets is calculated on a straight line basis over their estimated useful lives based on Chamber of Taxation notes, as follows:

The overall banking system	10%
Motor vehicles	15%
Decoration	15%
Furniture and fixtures	10%
IT equipment	15%
Constructures	Zero
Building	2.5%

Additions and disposals during the year are depreciated at 50% of the standard rate irrespective of the date of purchase / disposal.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

C) Impairment and uncollectibility of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised in the income statement.

D) Foreign currencies

All transactions in foreign currencies are recorded using the exchange rate at the date in which they were incurred. Assets and liabilities which were recorded in foreign currency and are translated to Sudanese Pounds at the rate of exchange at the financial statements date which was, at end of 2013. Exchange differences resulting from the bank investment balances and transactions in foreign currencies have been recognised in the foreign exchange investments reserve. Transfers differences resulted from bank transactions and other operation are treated in the income statement.

E) Revenue recognition

i) Murabaha and Mugawla

The profits from Murabaha and mugawala transactions are recognized on a proportionate basis over the period of the credit.

ii) Mudaraba

Mudaraba profits / losses recognized in the income statement at the time of liquidation or to extent of profits being distributed or at declaration date or when such profits can reasonably be estimated.

iii) Musharaka

The profits / losses from Musharaka transactions are recognized at the time of the liquidation.

iv) Income of banking services

Income from banking services is recognized at the time the related services are provided and the amount of revenue can be measured reliably.

v) Investments Income

Dividend income and profit from bonds is recognized when declared or when such profits can reasonably be estimated.

vi) Cash and cash equivalents

For the purpose of preparation of the statement of cash flows, cash and cash equivalents consist of cash in hand.cash with banks (current accounts) and balances with Central Bank of Sudan (except cash reserve) .

vii) Provisions

Provisions are recognized when the bank has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

viii) Measurement of investments & finance at the end of the year

1. Sales receivable: Sales receivable are measured at thier cost, at the end of the financial period /or measured at their net realizable value, Whichever is less.
2. Mudaraba: Mudaraba is measured by the amount paid or the amount placed under the disposition of the Mudarib less the portion of the Mudaraba capital recovered from the Mudarib (if any), at the end of the year.
3. Musharaka: Musharaka is measured by the historical cost less provision for finance losses (if any).at the end of the year.
4. Available for Sale Investment: investments available for sale are measured at fair value which is the difference (surplus or deficits) between the book value and fair value recognised at the revaluation reserve until its nil then any deficit will be recognised at the income statement.
5. **Investments in securities and shares held for trading purposes** : Investments which are classified "for trading" are initially recognized at cost, including acquisition charges associated with the investments. At the end of the period, held for trading securities and shares are re-measured at fair value, unless fair value cannot be reliably determined in which case they are measured at cost less impairment. The gains or losses resulting from the re-measurement at fair value are reported as "re measurement gains or losses on investments" in the income statement.
6. Investments in securities held to maturity : Investments in securities held to maturity are initially recognized at cost, including acquisition charges associated with the investment. At the balance sheet date securities held to maturity are measured at cost less impairment in value if any.

viiii) Zakah and Tax treatment

The bank is subject to the Zakah and Tax regulations prescribed by the Sudanese authorities, Sharia'a supervisory board.

The bank is subject to Business Profit Tax after excluding non-taxable profits from investments such as Shahama's bonds.

x) Return on unrestricted investment account holders

- The return on unrestricted investment accounts is calculated on a yearly basis. The bank allows the owners of deposits investments account to withdraw funds from their investment accounts before the agreed period with a condition of loosing the right to profits. However, in case of mudaraba for a fixed period the bank (as mudarib) have a right not to allow them to withdraw funds from their investment accounts until the end of agreed period.
- Profits are allocated between the owners' of unrestricted investment account and the equity owners' according to the contribution of each of the two parties. The profits to owners' of unrestricted investment account are credited to their accounts after the approval of Shari'ah Supervisory Board and the regulators.

xi) Liabilities

Liabilities are recognised for amounts to be paid in the future for materials and services received, whether billed by the supplier or not. These are carried at cost, which is the fair value of the consideration to be paid in the future for amounts payable.

xii) Provision for doubtful debts

The provision for doubtful debt is based on the assessment of collectability of each debt and in accordance with the directives of the Central Bank of Sudan and the bank policy. All historical amortization has been settled.

xiii) Salam inventory

Salam inventory is assessed at the cost of market value or the intial cost , Whichever is less.

xiiii) Earnings prohibited by Shari'a

The bank is committed to avoid stating in income statement recognition of any income generated From any activities not compatible with the provisions of Islamic Shari'ah . Accordingly, all income generated From any activities not compatible with the provisions of Islamic Shari'ah is credited to a charity account where the bank uses these funds for various social, charity and donation activities.

3- Regulatory and supervisory body

The bank's activities are subject to the Central Bank of Sudan Law for 2002 and the banking regulations law for 2004. The Bank complies with the rules and circulars issued by the Central Bank of Sudan.

4- Shari'ah Supervisory Board (SSB)

The bank's business activities are subject to the supervision of the Shari'ah Supervisory Board, which has been appointed by the shareholders.The Shari'ah Supervisory Board has the power and authority to direct ,review and supervise the activities of the bank to ensure that they are in compliance with shari'ah rules and principles. This includes issuing an annual report to the shareholders.

Notes to the financial Statements

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
5- Cash and cash equivalents		
Treasury Cash (Local)	60,638,462	63,307,856
Treasury Cash (Foreign)	733,994	2,318,934
Central Bank of Sudan - local current account	1,772,678	76,715,427
Central Bank of Sudan - foreign current account	1,067,246,623	544,751,363
Cash - Foreign correspondents	309,507,756	143,237,248
	1,439,899,512	830,330,828
6- Central Bank of Sudan - Statutory cash reserve		
Local currency	193,465,575	216,913,537
Foreign currency	62,796,474	63,418,721
	256,262,049	280,332,258
7- Sales receivables (net)		
Murabaha	2,592,557,216	2,126,329,125
Deferred profits	(609,864,813)	(573,908,288)
financing risk provision	(65,537,433)	(49,148,874)
	1,917,154,969	1,503,271,963
8- Musharaka financing		
Musharaka	306,338,286	260,398,518
financing risk provision	(926,599)	(926,599)
	305,411,687	259,471,919
9- Mugawalat		
Mugawalat	832,358,798	579,391,293
Deferred profits	(244,823,294)	(113,667,704)
	587,535,503	465,723,589
10- Investment funds and financing portfolios		
Investment funds		28,120,000
Portfolios financing	21,743,156	23,189,924
	21,743,156	51,309,924

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
11- Investments in securities held to maturity		
Financial securities portfolio	320,112,094	517,874,598
	320,112,094	517,874,598
12- Mudaraba		
Mudaraba	22,742,570	1,472,205
Deposits with other banks	307,746,295	420,266,995
	330,488,865	421,739,200
13- Other investments		
Murabaha & Mugawala under implementation	901,629,626	514,719,718
Letters of credit (defaulted)	25,860,737	25,647,851
Documents under settlement	83,084,855	85,326,159
Financing risk provision	(25,815,676)	(27,197,061)
	984,759,542	598,496,667
14- Investments abroad		
Advisory Group $ (220.000)	367,400	367,400
Faisal Islamic Bank of Egypt $ (4.159.010)	15,395,994	15,395,994
	15,763,394	15,763,394
15- Accounts Receivable		
Exchange		5,811,101
Staff loans	110,542,010	88,343,203
	110,542,010	94,154,304
16- Other Assets		
Profits for investment deposits (paid in advance)	27,332,915	21,141,897
Prepaid rents	2,889,576	2,075,654
Accrued income	304,061,100	255,717,820
Payments under settlements	803,458	
Debts Under Settlement	2,951,760	2,816,611
Indebtedness of staff service leavers	278,617	
Mobile phones recharge		1,583
External ATM Dispute	163,530	
Prepaid expenses	483,768	584,760
Islamic Insurance Co. compensation cheques	838,797	
Rent cheques due - Faiha Centre	254,638	275,922
Postponed salas - Port Sudan branch	732,843	732,843
	340,791,001	283,347,090

17- Long-term investments

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
(17/1) Investments in subsidiaries companies	97,495,000	58,504,075
(17/2) Investments in other sister companies	991,658	980,193
	98,486,658	59,484,268

17/1 Investments in subsidiaries companies

Islamic Company for Trade and Services	25,000,000	18,000,000
Islamic Insurance Company (Sudan)	24,995,000	10,000,000
Al-Faisal for financial transactions company	22,500,000	22,500,000
Al-Faisal, Real Estate company	25,000,000	8,004,075
	97,495,000	58,504,075

17/2 Investments in sister companies

Grain Mills - Atbara	200,968	200,968
Electronic Banking Services Company (EBS)	76,690	65,225
Financial and Banking Systems Ltd. (FBS)	714,000	714,000
	991,658	980,193

18- Fixed Assets

(SDG)

Statement	The comperhensive banking system	Motor vehicles motor and cycle	Decoration of buildings	Furniture and equipment	Information tech-nology equipment	Construction	Freehold land and building	Total
Cost at :-								
Jaunary 1, 2013	3,915,739	20,245,519	12,827,895	22,060,763	59,665,584	62,858,525	90,435,060	272,009,084
Additions	816,323	15,458,203	4,421,843	13,811,203	22,462,803	45,142,827	48,674,891	150,788,093
Disposals	-	(2,044,830)	-	(68,000)	(754,917)	(32,568,275)	(4,712,530)	(40,148,552)
December 31, 2013	4,732,061	33,658,892	17,249,738	35,803,967	81,373,469	75,433,077	134,397,421	382,648,626
Depreciation at :-								
Jaunary 1, 2013	3,265,696	10,933,328	4,164,227	10,103,978	27,159,943	-	7,899,687	63,526,859
For the year	432,390	4,196,193	2,255,823	2,900,522	11,289,979	-	1,791,004	22,865,910
Disposals	-	(1,372,404)	-	(32,300)	(229,910)	-	(1,947,840)	(3,582,454)
December 31, 2013	3,698,086	13,757,117	6,420,049	12,972,200	38,220,012	-	7,742,851	82,810,315
Net book value at :-								
December 31, 2013	1,033,976	19,901,774	10,829,689	22,831,767	43,153,458	75,433,077	126,654,570	299,838,311
December 31, 2012	650,043	9,312,191	8,663,669	11,956,785	32,505,640	68,727,999	76,665,899	208,482,225

Notes to the financial Statements

19- Current and savings accounts

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Current deposits (local)	1,472,006,780	1,205,553,810
Current deposits (foreign)	89,541,362	133,042,427
Savings deposits (local)	341,845,148	282,918,799
Savings deposits (foreign)	919,774	651,468
	1,904,313,064	1,622,166,504

20- Credit balances

Margins of letters of credit	190,526,018	217,309,459
Margins of letters of guarantee	9,161,249	9,980,794
Payment orders (Local)	50,206,127	49,006,166
Payment orders (Foreign)	624,723	3,812,599
Creditors	13,176,895	3,069,948
Transfers, for people who do not have accounts	2,356,461	2,197,278
Dividends of Previous Years	6,367,775	5,124,528
Electronic clearing service charges	25,489	18,490
Accrued Expenses	1,230,634	1,704,830
Tax due	34	57,831
Increase in the Treasury	18,768	18,508
Stamps	79,002	0
For demand deposits	3,834,491	83,427
Pending customers' payments	198,840,409	24,730,735
Magnetic cheques	6,985	31,189
National Switch Commission	7,222	
Pafalo Bank Agency covers	31,191	31,191
Payable under liquidation	27,051	27,051
National Switch claims (EBS)	72,519	2,735,543
Electricity sales via Mobile phones	1,631	1,415
Zain mobile Company Card Stock	14,442	
Government Employees' Salaries	4,260	
Fees mortgage borrowings buildings	5,743	11,743
Unpaid transfers	17,928	17,928
Credit Fees Query	486	0
	476,637,534	319,970,652

21- Other liabilities

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Provision of post service benefits	-	16,600,000
Additional Provision	17,861,151	9,417,108
Reward of Board of directors	13,111,091	9,916,282
Employees bonus	34,000,000	21,000,000
Tax Provision	45,560,901	11,746,632
	110,533,143	68,680,022

* Provision for post services benefits had been stopped and the balances have been transferred in to investment deposits account for the benefit of employees and workers after their involvement in the social security fund, according to the decision of the Board of Directors.

22- Share of unrestricted investment deposits accounts owners'

Investment deposits - local currency	2,606,030,500	2,085,066,909
Investment deposits - foreign currency	993,013,893	775,469,103
Unrestricted investment accounts owners' return	350,376,685	239,306,404
	3,949,421,079	3,099,842,416

23- Capital

Authorized capital	500,000,000	500,000,000
Capital paid-up	350,000,000	280,000,000

* The authorized capital of 500 million Sudanese pounds is divided into 500 million shares, the value per share is one Sudanese pound.

** The paid up capital was increased at the beginning of 2013 by 70 million (SDG) and at the beginning of 2012 by 80 million (SDG) based on capitalization of profits.

24- Reserves

Statutory reserve	61,107,855	43,448,263
Revaluation reserve	6,111,669	6,111,669
General reserve	9,226,398	9,226,398
	76,445,923	58,786,330

24/1 Statutory Reserve

As required by the Banking Regulation Law of 2003 and the Central Bank of Sudan Circular dated 7 April 2007. 10% of net profit has been transferred to a statutory reserve. The bank may resolve to discontinue such annual transfers when the reserve equals to 100% of the paid up share capital.

24/2 Real Estate revaluation reserve

The lands held for investment purposes by the bank were revaluated by a licensed Sudanese Consultancy Firm.

24/3 General reserve

According to Article (61/B) of the Statute of the Bank, part of the bank's net profits is set aside from time to time as general reserve. The General Assembly may stop this reserve if it is equivalent to the paid-up capital.

25 - Contra accounts

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Obligations of documentary credits	630,709,350	1,661,529,626
Bills for collection - Investment	974,900,641	583,980,369
Returned Bills - Investment	9,610,339	8,678,068
Credit Obligations of fund of finance and goods	27,398,737	27,952,377
Obligations of guarantees	101,965,944	40,200,489
Bad dabts – written off	13,894,786	12,341,333
	1,758,479,797	2,334,682,262

26- Income from deferred sales

Murabaha	408,336,928	233,907,154
	408,336,928	233,907,154

27- Income from different investments

Securities	65,500,000	146,570,314
Musharaka	10,419,841	27,696,079
Mugawala	74,664,903	82,313,406
Mudaraba	15,257,804	16,601,693
Return of rents	2,585	-
Portfolios (various)	1,154,313	1,054,686
Return of Foreign investment funds (Head quarter)	13,208	6,897
	167,012,654	274,243,075

28- Return of of unrestricted investment accounts owners'

Return on unrestricted investment account owners' before the bank's share as rabulmal and mudarib - in local currency	354,883,097	262,749,777
Bank's share as rabulmal and mudarib - in local currency	70,976,619	52,549,955
Return on unrestricted investment account owners' in local currency	283,906,478	210,199,822
Return on unrestricted investment account owners' before the bank's share as rabulmal and mudarib - in foreign currency	82,613,836	36,383,229
Bank's share as rabulmal and mudarib - in foreign currency	16,143,628	7,276,646
Return on unrestricted investment account owners' in foreign currency	66,470,208	29,106,583
	350,376,685	239,306,404

29- Income from banking services

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Letters of credit	194,570,527	56,025,573
Documentary Collections	10,330,505	8,288,827
Foreign Transfers	16,209,199	9,987,220
Letters of Guarantee	4,070,499	3,060,431
Return on foreign currency	17,288,811	3,925,200
	242,469,541	81,287,251

30- Income of Bank's self investments

Profits from capital participations	36,516,171	16,339,511
	36,516,171	16,339,511

31- Other income

Rental from owned real estate	12,956,337	10,451,753
Different returns	3,618,326	2,215,074
	16,574,663	12,666,827

32- Employees Expenditure

Salaries and wages	32,918,332	19,439,586
Overtime - Wages	2,423,218	491,854
Travelling Tickets	17,777,691	10,733,643
Staff Uniform	13,097,882	8,060,189
Eids bonus	10,352,830	6,053,751
Medical Insurance	7,499,146	3,379,056
Marriage grants and social allowances	153,067	155,300
Banks' share in Social Security Fund	7,742,742	4,420,026
	91,964,907	52,733,405

33- General and Administrative Expenditure

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Rents	10,128,882	8,258,592
Electricity & water	1,973,357	1,778,775
Board of directors expenses	1,591,062	1,433,049
Maintenance & repairs of vehicles	2,422,524	1,645,001
Security	1,432,925	1,268,083
Maintenance	1,844,078	1,463,827
Post , Telegraph and Telephone	436,960	368,344
Subscriptions	1,105,828	418,088
Stationery & printings	935,199	751,068
Workers uniform	2,703,624	1,492,156
Gasoline for generator	176,462	147,085
Meals subsidies	1,393,714	919,990
Insurance	3,178,830	2,081,884
Government's dues and fees	581,755	499,819
ATM expenses	10,023,096	8,811,689
Banks' charges	296,064	234,587
Expenses of Cash transite and sorting	1,024,255	676,691
Expenses of the central archive	423,369	221,974
Computer	4,141,940	2,156,240
Advertising	10,430,098	7,003,712
Audit Fees	375,000	312,000
Annual general meeting expesnses	527,818	384,384
Travel and accommodation of the internal auditor	265,496	158,068
Hospitality expenses	501,584	335,849
Sharia'h Supervisory Board expenses	158,585	110,000
Bank's contribution to the Banking Deposits Security Fund	8,785,230	5,698,600
Forgers' debts written off	1,602,570	
Donnations	7,022,071	5,076,378
Motor cycles Operating and Repair expenses	22,208	13,090
Court fees	790,906	4,825,784
Cleaning expenses	1,097,018	788,896
Tax Losses and Value Added Tax	2,401,069	53,040
Clearing and Treasury Operating expenses	1,562,097	1,126,924
Faisal Cultural Center expenses	4,221,618	798,342
Contributions and expenses of the banking network	2,328,574	2,151,890
Expenses to recover doubtful debts	3,008,682	
Training	9,202,278	6,782,234
Travel leave and perdiums	5,829,975	2,783,473
Additional provisions	8,411,646	9,417,108
	114,358,443	82,446,716

34- Investment and Financing Risk Provision

(SDG)

Statement	Murabaha	Musharaka	Mugawala	Investment funds and financing portfolio	Other investments	Total
2013						
Balance as at 1 January 2013	49,148,874	926,599			27,197,061	77,272,534
Charged during the year 2013	(5,812,317)				(1,430,504)	(7,242,821)
Charged during the year	22,000,000					22,000,000
Recovered during the year	200,876				49,119	249,995
	65,537,433	926,599			25,815,676	92,279,708
2012						
Balance at the beginning of the year 2012	32,312,214	4,745,246	1,931,112	251,000	10,032,962	49,272,534
charged during the year	16,836,660	(3,818,647)	(1,931,112)	(251,000)	17,164,099	28,000,000
	49,148,874	926,599			27,197,061	77,272,534
	7	8	9	10	13	

Provisions for the year was classified as follows:-

	31/12/2013 SDG	31/12/2012 SDG
Classified	52,939,901	47,169,529
un-classified	39,339,807	30,103,005
Total	92,279,708	77,272,534

35- Earning per share

	December 31, 2013 (SDG)	December 31, 2012 (SDG)
Net profit for the year	176,595,927	155,822,830
Number of shares	350,000,000	350,000,000
Earnings per share	50.46%	44.52%

36- Concentration of investments per economic sector

The total outstanding balance of total finance for the year ended in December 2013 is 4,376,763,081 (SDG) (December 2012: 3,740,269,033 SDG).

The distribution of total finance for the different sectors of the economy was as follows:

Sector	2013	2012
Agriculture	2%	4%
Export	7%	7%
Industrial	20%	10%
Transportation	6%	5%
Trade	5%	4%
Realestate	13%	9%
Micro Finance and finance with a social dimension	36%	43%
Other Sectors	11%	18%
Total	100%	100%

Social dimension financing includes (universities, infrastructure, development, health, cooperative unions, hygiene projects and services).

37- Social responsibility

The Bank is supporting various segments of society, such as universities, through donations, which was 7 million pounds in 2013 (2012: 5 million pounds). And the Bank usually train employees inside and outside Sudan during the year, where training expenses amounted to about 9 million Sudanese pounds in 2013, compared to (6.8 million Sudanese pounds: 2012). The Bank also free receipt and disbursement of salaries and wages of a number of government units through ATMs. Alfaisal Cultural Center is established at a cost of about four million pounds, in addition to operating expenses, which amounted to about 4 million pounds (2012: approximately one million pounds).

38- Related party transactions

These represent transactions with related parties, i.e. shareholders, member of the Board of Directors and senior management staff of the Bank, and companies of which they are principal shareholders.

Significant balances with related parties included in the financial position and income statements as at the year end were as follows:

2013 (SDG)

	Principal shareholders & board of directors and their companies	TOP management	Total at December 31, 2013
Financial Position Items			
Murabaha	29,120		29,120
Musharka	15,152,587		15,152,587
Mudaraba	22,270,365		22,270,365
Investment accounts			
Current accounts			
Contra Accounts:			
Letters of credit			
Letters of guarantee			

2012 (SDG)

Financial position items	Principal shareholders & board of directors and their companies	TOP management	Total at December 31, 2012
Financial Position Items			
Murabaha	2.894.800		2.894.800
Musharka			
Mugawala			
Investment accounts			
Current accounts			
Contra Accounts:			
Letters of credit			
Letters of guarantee			

39- Credit risk

Credit risk occur when a party to a financial instrument failed to discharge an obligation and cause the other party to incur a financial loss. The bank attempts to control credit risk by monitoring credit exposures continuously.

The Bank seeks to manage its credit risk exposure through the diversification of financing and investment activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or business. It also takes appropriate guarantees.

Analysis of investments concentration by economic sector is provided in note 36.

40- Liquidity risk

Liquidity risk is the risk occur when the bank being unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up. To mitigate this risk, management has diversified funding sources and assets are managed with different levels of liquidity to, maintaining an adequate balance of cash, cash equivalents, and readily marketable securities.

The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Management monitors the maturity profile to ensure that adequate liquidity is maintained:

For the year 2013					
Assets	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Cash and cash equivalents	1,439,899,512				1,439,899,512
Cash reserve with the Central Bank of Sudan	256,262,049				256,262,049
Sales receivable	249,230,146	230,058,596	671,004,239	766,861,988	1,917,154,969
Musharaka	42,757,636	48,865,870	76,352,922	137,435,259	305,411,687
Mugawalat	82,254,970	94,005,681	146,883,876	264,390,977	587,535,503
Investment Funds and Portfolios				21,743,156	21,743,156
Investments in securities to maturity(Shahama)	176,061,652	83,229,144	57,620,177	3,201,121	320,112,094
Mudarabat	330,488,865				330,488,865
Other Investments	147,713,931	246,189,886	246,189,886	344,665,840	984,759,542
Investments abroad				15,763,394	15,763,394
Receivables	14,370,461	15,475,881	36,478,863	44,216,804	110,542,010
Other Assets	340,791,001				340,791,001
Long-term investments				98,486,658	98,486,658
Net Fixed Assets				299,838,311	299,838,311
Total assets	3,079,830,224	717,825,058	1,234,529,962	1,996,603,506	7,028,788,751
Owner's equity and liabilities					
Owner's equity				587,883,932	587,883,932
Current accounts	1,904,313,064				1,904,313,064
Other liabilities	110,533,143				110,533,143
Payables	52,430,129	90,561,131	133,458,510	200,187,764	476,637,534
Un-restricted investments account	394,942,108	592,413,162	1,184,826,324	1,777,239,486	3,949,421,079
Total liabilities and shareholders' equity	2,462,218,443	682,974,293	1,318,284,833	2,565,311,181	7,028,788,751

For the year 2012					
Assets	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Cash and cash equivalents	830,330,828				830,330,828
Cash reserve with the Central Bank of Sudan	280,332,258				280,332,258
Sales receivable	195,425,355	180,392,636	526,145,187	601,308,785	1,503,271,963
Investment Funds and Portifolios				51,309,924	51,309,924
Other Investments	89,995,331	149,992,218	209,989,105	148,520,013	598,496,666
Musharaka	36,326,070	41,515,507	64,867,980	116,762,363	259,471,920
Mugawala and Istisna	65,201,302	74,515,774	116,430,897	209,575,616	465,723,589
	14%	16%	25%	45%	100%
Investments in securities to maturity (Shahama)	283,713,566	135,114,303	92,183,339	6,863,390	517,874,598
Deposits by other banks	421,739,200				421,739,200
Investments abroad				15,763,394	15,763,394
Receivables	12,187,841	13,125,367	30,938,365	37,501,048	93,752,620
Other Assets	283,748,773				283,748,773
Long-term investments				59,484,268	59,484,268
Fixed assets				208,482,225	208,482,225
Total Assets	2,499,000,523	594,655,804	1,040,554,872	1,455,571,026	5,589,782,225
Owner's equity and liabilities					
Owner's equity				480,168,466	480,168,466
Current accounts	1,622,166,503				1,622,166,503
Other liabilities	30,480,780			37,254,286	67,735,066
Payables	35,185,675	60,775,257	89,563,536	134,345,304	319,869,772
Un-restricted investments accounts	309,984,242	464,976,362	929,952,725	1,394,929,087	3,099,842,416
	10%	15%	30%	45%	100%
Total liabilities and shareholders' equity	1,997,817,199	525,751,619	1,019,516,261	2,046,697,144	5,589,782,225

41- Market risk

Market risk arises from fluctuations of rates of returns on financial instruments and foreign currency exchange rates at international and local levels which may indirectly affect the value of the Bank's assets and stock prices. The Board of Directors has put limits on the value of the possible acceptable risk level which is continuously monitored by assets and liabilities committee.

42- Shares prices risk

Shares prices risk occur when the value of the shares fluctuate as a result of changes in the market prices of the shares. The board of directors sets limits on the amounts and types of shares to be acquired for investments purposes. The investments committee of the Bank regularly monitors these limits.

43- Profit rate risk

As Islamic financial institution the Bank exposures to fluctuations of its assets' income compare to the cost of liabilities. The Bank prove the income of some of its assets on time proportion basis , accordingly the Board of Directors sets certain limits on profit rate risk.

44- Currency risk

Currency risk is the risk that the value of a financial instrument fluctuate due to changes in foreign exchange rates. Currency risk is managed on the basis of limits determined by the bank's board of directors. These limits are monitored continuously to ensure that the net exposure is kept to an acceptable level.

Assets and liabilities in foreign currency are mainly denominated in US Dollars and other foreign currencies. The bank foreign currencies net position was as follows:

Statement	2013 (USD)	2012 (USD)
Assets	336,208,690	307,635,005
Liabilities	333,800,902	307,397,435
Net Foreign currency position	2,407,787	237,570

45- Capital adequacy

The bank monitors the risks of its assets in accordance with the requirements issued by Central Bank of Sudan.

Statement	2013 (SDG)	2012 (SDG)
Core capital	346,410	286,658
Total risk weighted assets (on and off – balance sheet)	2,249,214	2,310,570
The bank's capital adequacy ratio	15.40%	12.41%
Minimum capital adequacy ratio required	12.00%	12.00%

46- Zakat

The bank paid its zakat up to 2011 and allocate provissions for 2012, 2013 zakat.

47- Business profit tax

The bank obtained final tax clearance certificate up to 2012 and provided provisions for 2013.

48- Approval of financial statements

The financial statements were approved by the board of directors at its meeting held on January 16, 2014 and the meeting of the board of directors which held on February 20, 2014.