



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

We are the pioneers

The Annual Report 2014

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

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بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

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The Bank Branches

Network of Bank Branches in Khartoum State

Khartoum Branches

		Direct Telephone	Network Telephone +249 183 741326
1	Faihaa	+249 183 773566	145
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 Street	+249 183 781962	735
10	Almanshia	+249 183 349254	769
11	Alriyadh Branch & Electronic Branch	+249 183 741326	781
12	Al Amarat	+249 183 741326	514

Khartoum North Branches

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

Omdurman Branches

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



Network of Bank Branches in Federal States

		Direct Telephone	Network Telephone +249 183 741326
24	Port Sudan	+249 311 824651	863
25	Algadarif	+249 441 843503	860
26	Kassala	+249 411 822050	862
27	Kosti	+249 571 822711	866
28	Wad Madani	+249 511 843151	869
29	Atbara	+249 211 822367	868
30	Shendi	+249 183 741326	833
31	Alobeid	+249 611 823125	865
32	Alfashir	+249 731 842238	861
33	Nyala	+249 711 832013	867
34	Sinja	+249 183 741326	845

Cash Offices

1	Dama Dama	+249 311 824651	823
2	Alabidiya	+249 211 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, AlMahdawi	+249 183 741326	798
9	Al-Thawra - Soug Sabreen	+249 183 741326	799
10	Al-Hag Yousif	+249 183 741326	793
11	Eastern Giraif	+249 183 741326	794
12	Al Bayneia Services Complex	+249 183 741326	772
13	Civil Registry Office	+249 183 741326	735
14	General Administration of Evidence	+249 183 741326	771
15	General Directorate of Investigations	+249 183 741326	773
16	Customs -Garry Free Zone	+249 183 741326	776
17	Customs Dry Port - Atbara	+249 183 741326	868
18	Jabal Al-Awliaa	+249 183 741326	745
19	Abu Sied	+249 183 741326	766
20	Aljabalain	+249 183 741326	842
21	Souq Omdurman	+249 183 741326	775



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

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Locations of ATMs

No	Location	No	Location
1.	Khartoum - Al Faihaa Branch	35.	Khartoum - Central Medical Supplies Public Corporation
2.	Khartoum - Al Faihaa Commercial Center 1	36.	Khartoum - General Administration of Customs (HQ) 1
3.	Khartoum - Al Faihaa Commercial Center 2	37.	Khartoum - General Administration of Customs (HQ) 2
4.	Khartoum - Al Faihaa Commercial Center 3	38.	Khartoum - Alshajara
5.	Khartoum - Al Faihaa Commercial Center 4	39.	Khartoum - EL-Kalakla Allafa 1
6.	Khartoum - Al Faihaa Commercial Center 5	40.	Khartoum - EL-Kalakla Allafa 2
7.	Khartoum - University of Khartoum Branch 1	41.	Khartoum - Jabal Al Awliyaa Street
8.	Khartoum - University of Khartoum Branch 2	42.	Khartoum - Alkhabier Mosque - Arkaweit
9.	Khartoum - University of Khartoum Branch 3	43.	Khartoum - Sudan Air Buildings
10.	Khartoum - University of Khartoum Branch 4	44.	Khartoum - Alriyadh - Abdalla El-tayeb Street
11.	Khartoum - Head Office of the joint forces	45.	Khartoum - The National Ribat University
12.	Khartoum - Alsaggana Branch	46.	Khartoum - Khartoum Airport Customs Station
13.	Khartoum - Al Manshia Branch	47.	Khartoum - Rama Pharmacy - Assahafa Zalat
14.	Khartoum - Alzobair Basha Street Branch	48.	Khartoum - Nile Petroleum Station - Gabra
15.	Khartoum - Alsouq Alshaabi Branch	49.	Khartoum - Bahrain International Hotel
16.	Khartoum - Alriyadh Branch 1	50.	Khartoum - Palace St. - U of K - Faculty of Pharmacy
17.	Khartoum - Alriyadh Branch 2	51.	Africa street - Canar Building
18.	Khartoum - Alriyadh Branch 3	52.	Khartoum - Bridge Manshia St. - A Bridge Entrance Manshia 1
19.	Khartoum - Alriyadh Branch 4	53.	Khartoum - Bridge Manshia St. - A Bridge Entrance Manshia 2
20.	Khartoum - New Industrial Area Branch	54.	Khartoum - Dental Educational Hospital
21.	Khartoum - Central Station Branch	55.	Khartoum - Best Care Hospital- Allamab
22.	Khartoum - AlSouq Almahali Branch	56.	Khartoum - Royal Care Hospital
23.	Khartoum - Alamarat Branch	57.	Khartoum - Makah Hospital - Riyadh
24.	Khartoum - Street 60	58.	Khartoum - Obaid Khtem Street - Albalabil Station
25.	Khartoum - Burri - Omak Street	59.	Khartoum - National Pension Fund - Al Muqran
26.	Street 25 - U of S	60.	Khartoum - Pension Fund Khartoum State
27.	Khartoum - Almashtal Street - Queens	61.	Khartoum - Nile Street - Ministry of Education
28.	Khartoum - Burri Exhibition Street	62.	Khartoum - Nile Street - Ministry of Interior Affairs
29.	Khartoum - Mohammed Najeeb Street - Khartoum 2 -Ishraqah Altijani Yusuf Bashir Garden	63.	Khartoum - Nile Street - Ministry of Energy and Mining
30.	Khartoum - Ministry of Finanace - Khalifa Street	64.	Khartoum - Ministry of Health
31.	Khartoum - Assahafa zalat St.	65.	Khartoum -Taxation chamber - Gamhouriya Street
32.	Khartoum - Nile Street	66.	Khartoum - Riyadh - Almashtal St. - Al Anfal Shopping Centre
33.	Khartoum - General Adminisration of Electricity 1	67.	Khartoum - Pension Fund
34.	Khartoum - General Adminisration of Electricity 2	68.	Khartoum - Al Kalakla East
		69.	Khartoum - Wad Medani Street Cash Office

Locations of ATMs

No	Location	No	Location
70.	Khartoum North - Garri Free Zone Branch	103.	Omdurman - Customs Police
71.	Khartoum North - Saad Gishra Branch	104.	Omdurman - Al Azhari Street
72.	Khartoum North - Helat Koko Branch	105.	Omdurman - Radio and Television National Corporation
73.	Khartoum North - Industrial Area Branch	106.	Omdurman - Umbadda - Wad Elbashier Street
74.	Khartoum North - Shambat South - North Sudatel	107.	Omdurman - Souq Khalifa - Althawra 17
75.	Khartoum North - University of Khartoum - College of Agriculture and Veterinary Medicine	108.	Omdurman - Youth and Children's Palace
76.	Khartoum North - Caforey	109.	Omdurman - Mohammed Saeed Pharmacy - 1 - Siraj Station
77.	Khartoum North - CNPC Petroleum - Caforey	110.	Omdurman - Mohammed Saeed Pharmacy - 2 - Siraj Station
78.	Khartoum North - Mirghania Pharmacy	111.	Omdurman - Alarda Street - The National Pension Fund
79.	Khartoum North - Almaoona Street - Almoassa Station	112.	Omdurman - Cross Wad Oro Street with the Gate
80.	Khartoum North - AL-zaeem AL-Azhari Street Cross with Almughtarbeen Street	113.	Omdurman - Shuhada St. Cross with Al Doma St. - Wad Nobawi
81.	Khartoum North - Almaoona street - Samsung Center	114.	Omdurman - U of K - Faculty of Education - Alwadi Street
82.	Khartoum North - Sudan University for Science and Technology - College of Veterinary	115.	Omdurman - Nile Street - Nile City - Al Shati mosque
83.	Khartoum North - Al-Engaz Street - 1	116.	Omdurman - Alwadi Street Cash Office - Althawra
84.	Khartoum North - Al-Engaz Street - 2	117.	Omdurman - Althawra Cash Office - Souq Sabreen
85.	Khartoum North - Al Halfaya - Al Zahraa Complex	118.	Port Sudan - University of Red Sea
86.	Khartoum North - University of Bahry - Al Kadaro	119.	Port Sudan - General Administration of Customs - 1
87.	Khartoum North - Al Faihaa - Al walee Street	120.	Port Sudan - General Administration of Customs - 2
88.	Khartoum North - Al Haj Yusuf - Souq 6	121.	Port Sudan - Port Sudan Branch
89.	Khartoum North - Al Haj Yusuf - Street 1	122.	Wad Madani - Wad Madani Branch
90.	Khartoum North - Aljayf East Cash Office	123.	Wad Madani - Customs Police
91.	Khartoum North - East of the Nile Hospital	124.	Kosti - Kosti Branch
92.	Omdurman - Almawrada Branch	125.	Kosti - Hospital
93.	Omdurman - Islamic University Althawra Branch	126.	Alobeid - Alobeid Branch
94.	Omdurman - Islamic University Alarda Branch	127.	Alobeid - Shaykan Locality
95.	Omdurman - Alsouq Alshaabi Branch	128.	Kassala - Kassala Branch
96.	Omdurman - Central Station Branch	129.	Algadarif - Algadarif Branch
97.	Omdurman - Souq Libya Branch	130.	Atbara - Atbara Branch
98.	Omdurman - Islamic University Abusied Branch 1	131.	Alfashir - Alfashir Branch
99.	Omdurman - Islamic University Abusied Branch 2	132.	Nyala - Nyala Branch
100.	Omdurman - Alarbaeen Street - Passport Office Entrance	133.	Nyala - Courts Complex
101.	Omdurman - Faculty of Education South - U of K	134.	Shendi - Shendi Branch
102.	Omdurman - Althawra - Al Romee Station	135.	Shendi
		136.	Sinja - Sinja Branch



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

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Correspondents



Wide Network of Correspondents Around the World

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 the welfare of employees and owners' equity.



بنك فيصل الإسلامي السوداني

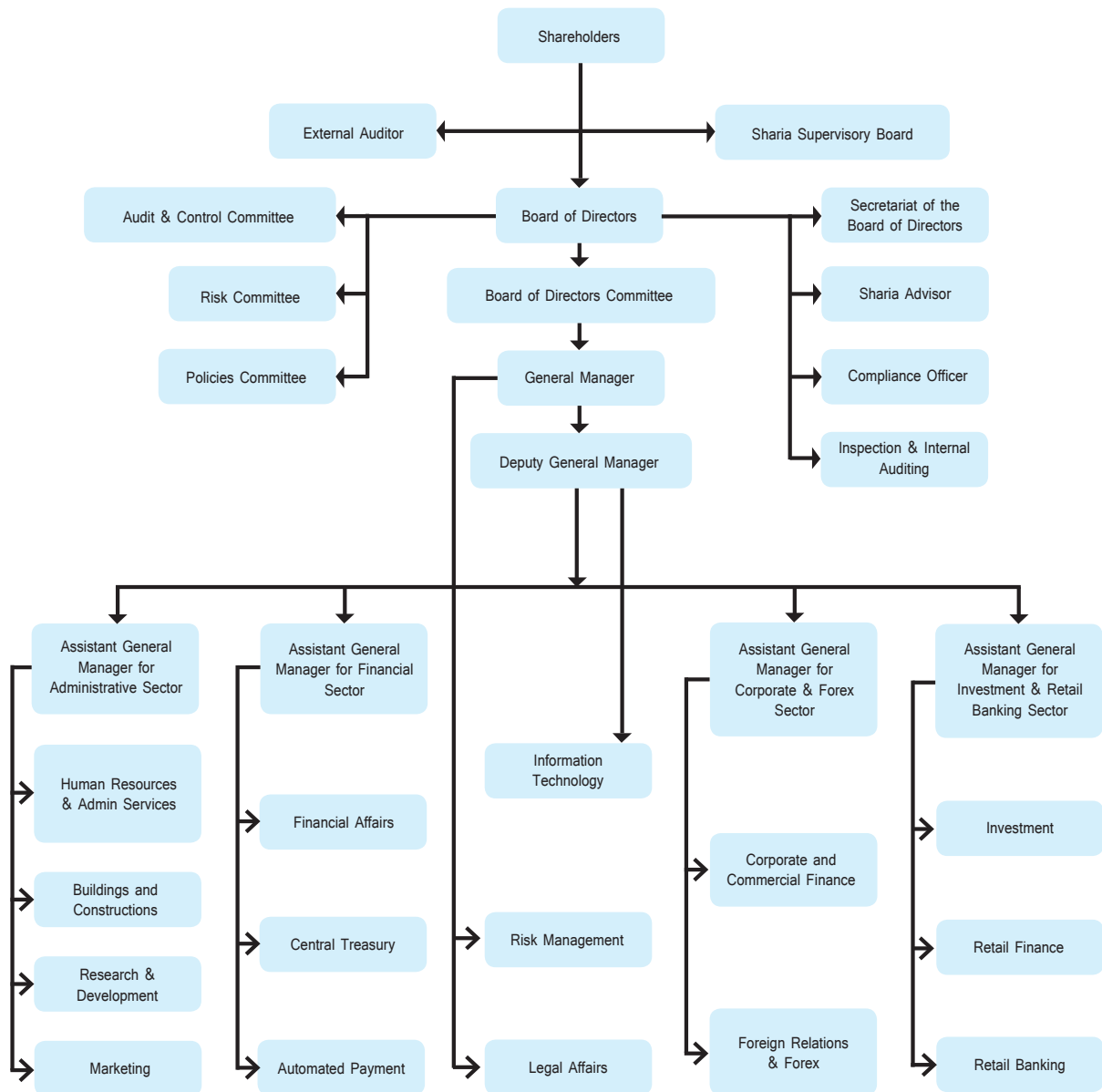
FAISAL ISLAMIC BANK (SUDAN)

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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.

- 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



Establishment :

- Faisal 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 limited Company. According to the Co. Ordinance 1925.
- The bank commenced operations in May 1978.

The Bank Capital :

- | | |
|----------------------|--------------------|
| • Authorized capital | 1,000 Millions SDG |
| • Paid-up capital | 510 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.

Statement	2014	2013	2012	2011	2010	2009	2008
Branches	34	32	31	31	31	29	28
ATMs	137	118	112	91	80	72	64
Employees	1,238	1,063	942	904	886	805	789
Percentage of profits distribution to Shareholders	38.7%	46.1%	67.0%	73.0%	55.1%	45.5%	40.0%
Distribution rate for the owners of deposits	12.0%	12.0%	11.5%	10.0%	10.0%	10.0%	10.0%
Growth rate of Assets	24.0%	25.7%	46.2%	25.0%	40.1%	57.0%	50.0%
Growth rate of Deposits	28.0%	22.3%	48.6%	24.0%	40.0%	60.6%	54.1%
Growth rate of Income	28.0%	37.0%	28.0%	40.0%	48.6%	57.0%	49.0%
Return on Assets	3.0%	3.2%	4.0%	4.0%	3.1%	3.0%	3.1%
Return on Equity	35.0%	38.0%	33.0%	39.0%	35.8%	42.7%	37.0%

Head-quarter Address:

El-Faihaa 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 / +249 183 741327

SWIFT: FISBSDKH

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 Call Center : 6161

Subsidiaries :

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

CSR Institutions :

- Al Faisal Cultural Center (FCC).

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.

Al Bagkir Yousif Mudawi



Mr.

Mustafa Abu-Baker Mohamed Azzam



Mr.

Ali Abdalla Yagoub



Dr.

Ahmed Ibrahim Hamad Al-Turabi



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

Dr. 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**



Dr. Jamal Ibrahim Mohamed

**Assistant General Manager for
Investment & Retail Banking Sector**



Mr. El-Bagir Ahmed Al-Nori

**Assistant General Manager for
Corporate & Forex Sector**



Mr. Ali Ibrahim Osman

**Assistant General Manager for
Financial Sector**



Administrations Managers

Mr. Basheir Ali Abdel Karim

Retail Finance

Mr. El-Sheikh Idris Mohamed

Human Resources & Admin Services

Eng. Gaafar Omer Ahmed

Information Technology

Mr. Ali Yousuf Babiker

Buildings and Constructions

Mr. Omer Babiker El-Mekki

Legal Affairs

Mr. Jamal Abdulgabar Ahmed

Investment

Mr. Al Tayeb Mahmoud Ali

Corporate and Commercial Finance

Mr. Mohamed Eltahir Eltayeb

Research & Development

Mr. Khogali Ahmed Khogali

Foreign Relations & Forex

Mr. Ahmed Alhag Dahab

The Central Treasury



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

We are the pioneers

Executive Management

Mr. Muzamel Abdelrahman Abubaker

Financial Affairs

Mr. Mohamed Omer Hamed

Retail Banking

Mr. Khalid Mohamed Zain

Marketing

Mr. Al Sayed Ahmed Hasan

Risk Management

Mr. Abdu Adam Ibrahim

Automated Payment

Chairman:

1 - Prof. Yousuf Al-Khalifa Abu-Baker

Vice Chairman:

2 - Prof. Khalifa Babiker Al Hassan

Members:

3 - Prof. Al Siddig Mohamed Al-Amin Al-Darir

4 - Prof. Mohamed Al-Fateh Hamed

5 - Dr. Abdel Rahman Al-Siddig Dafa Alla

6 - Mr. Ali Abdulbasit Ahmed Al-Haj

Sharia Advisor:

Mr. Hassan Gaafar Alhafian



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

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Auditors & Compliance Officer

Auditors:

Al Mamoon Hamid & Co.

Manager of Internal Audit Department:

Mr. Mohamed El-Sheikh El-Bakheit

Compliance Officer:

Dr. Ahmed El Siddig Gibreel

At the 36th Meeting of the Annual General Assembly of Shareholders, held on the 19th of March, 2015

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 36th 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 ended at 31st of December 2014. 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 :

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 2.6% of the international GDP in 2014 compared to 2.5% in 2013.

At the local level, the GDP showed a rate of growth of 4.4% in 2014 compared with 3.6% in 2013 which had been affected by the decline of Oil exports after the secession of South Sudan.

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, complying 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 15.9% on 31st December 2014, 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 435 million Sudanese pounds by 31st December 2014.
- 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 prescribed policies 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:

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.

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.

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 attracted more customers.

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 .

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.

As a result of these achievements and, in accordance with the professionally 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 2014, 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 8,682.6 million pounds compared to 7,028.8 million pounds in 2013, with an increase of 1,653.8 million pounds i.e. (24% 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 distributed to the shareholders. The outstanding contribution of technological improvement in the process of resource mobilization is another positive factor.

2. Owners' Equity:

The total owners' equity rose by 19% to 698.5 million pounds in 2014 compared to 587.9 million pounds in 2013. This is due to the growth of capital by 24.3% in 2014 and to the reserves and the proportions of retained and capitalized profit.

3. Deposits:

Total bank deposits amounted to 7,743.8 million pounds in 2014 compared to 6,053.4 million pounds in 2013. 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 resources.

4. Investments and Finance:

The size of bank portfolio increased by 42% to 4,960.3 million SDG in 2014 compared to 3,494.5 in 2013. Despite the increased volume of investment and finance, the bank managed to keep the ratio of bad debts in both domestic and foreign finance, at 1.19% in 2014 compared to 1.67% in 2013 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 14% to 594.5 million pounds in 2014 compared to 520.5million pounds in 2013, including revenues from Investment which amounted to 284.5 million pounds.

2. General and Administrative Expenses:

General and Administrative Expenses were 335.5 million pounds compared to 253.4 million pounds in 2013, i.e. an increased ratio of 32%, which is due to continued improvement of salaries of employees and increase of Administrative expenses.

3. Investment Deposits:

Investment Deposits increased by 30%. As the profit shares of the holders of investments deposits amounted to 454.6 million pounds of the total profits. This reflects the increase in volume of investments deposits, it also reflects the rise of return on deposits to 12% in 2014 and 2013.

Address by the Chairman of the Board of Directors

4. Net Profits:

Net profits after Zakat and taxes amounted to 188.2 million pounds compared to 176.6 million pounds in 2013 i.e. an increase of 7%.

The bank complied with the recommendation of your esteemed assembly, for studying ways and means whereby shareholders with modest amounts of share can benefit 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 extended 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 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]

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

Mohamed Al-Faisal Al-Saud

Chairman



Resolutions of the Thirty Sixth Meeting of Shareholders Held on the 19th March 2015

A) The general assembly of shareholders approved, at their ordinary annual meeting no. 36, which was held on 19th of March 2015, 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 2014.

B) The recommendations of the Board of Directors to distribute profits of the financial year ended 31st December 2014, amounting to (168,241,636) (one hundred and sixty eight Million two hundred and forty-one thousand, six hundred thirty six Sudanese pounds) this represents (38.68%) of the paid-up capital for the year ended 31st December 2014 as follows:-

- To Capitalize the sum of (75,000,000) Sudanese pounds (seventy-five million Sudanese pounds), in the form of bonus shares to shareholders amounting to (17.24%) to raise the paid-up capital from (435 million) Sudanese pounds to (510 million) Sudanese pounds.
- To distribute, in cash, the sum of (92,000,000) (ninety two million Sudanese pounds) representing percentage (21.15%) of the paid-up capital as at the 31st December 2014, for shareholders.
- To retain (1,241,636) representing (0.29%) of the paid-up capital in 31st December 2014 as retained profits.

C) 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 2015 and determine their fees.

First: World Economy:

1. Preliminary reports of the global economy during the year 2014 show a growth rate of global GDP by 2.6% compared to 2.5% in the year 2013 and it is expected to continue this increase up to 3% in 2015. 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 4.4% in 2014 compared to 4.7% in 2013 and is expected to reach 4.8% in 2015. While the rate of growth of economies in developed countries was 1.8% for 2014 compared to a growth rate of 1.3% in the year 2013, and it is expected to reach 3% in 2015. 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 2013, with slow rise from 202 million persons to 207 million persons.
3. Oil prices were \$96 per barrel in 2014 compared to \$105 per barrel in 2013.
4. Gold prices decreased to \$1,266 in 2014 compared to \$1,413 in 2013.

Second: Domestic Economy:

1. The growth rate of GDP rose in 2014 to 4.4% compared to 3.6% in 2013. 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 2014 increased to 36.9% compared to 36.5% in 2013. The rate of inflation was 25.6% in Nov 2014 and rose to 46.8% in the same year.
3. The public revenues and grants of the state amounted to 51 billion pounds in 2014 compared to 34.3 billion pounds in 2013, with an increase of 49%. The public expenditure during the year 2014 was 49.8 billion pounds compared to 36.2 billion pounds for the year 2013, showing an increase of 38%, accordingly the budget surplus increased to (1.2) billion pounds compared to a deficit of (1.9) billion pounds in the year 2013.
4. The exchange rate of the Sudanese pound against convertible currencies was 5.97 in December 2014, where as the rate of exchange was 5.69 pounds in December 2013.
5. The total money supply was 77.7 billion pounds in December 2014, while it was 66.4 billion pounds in December 2013, recording an increase of 17%, This was due to an increase of demand deposits by 20 % and quasi-money by 13% and the currency in the hands with the public by 22%.
6. The banks total assets rose to 92.3 billion pounds in December 2014 compared to 77.5 billion pounds by the end of 2013, showing percentage increase of 19%. Total finance by the banking system was 44.3 billion pounds in December 2014 compared to 37.6 billion pounds in December 2013, showing an increase of 18% and the ratio of total finance to total deposits was 82% compared to 84% in 2013.
7. Total deposits of the banking system in local currency were 40.2 billion pounds in December 2014 compared to



32.3 billion pounds in 2013, reflecting an increase of 25%. Foreign currency deposits increased to \$2.3 billion in December of 2014 compared to \$2.2 billion in 2013, a increase of 5%.

8. The country's exports were \$4.3 billion in 2014, and the imports were \$9.2 billion. The deficit in the balance of trade was \$(4.9) billion.

Third: Awards and Classifications earned by the Bank:

In spite of the domestic and global changes, the bank remains pioneer in all aspects of banking industry which was reflected in the form of advanced achievements and accreditations that the bank had been awarded within the Arabic and Islamic banking industry in all domestic, regional and global contexts, for example:

1. Faisal Islamic Bank Sudan (FIBS) has been awarded three ISO certificates of conformity (ISO 14001) (ISO 9001) as well as the Occupational Health and Safety Management System (OHSAS 18001) granted by International companies accredited by Germany's National Accreditation Body (DAKKS) and the United Kingdom Accreditation Service (UKAS) and QA technic. Thus, Faisal Islamic Bank Sudan (FIBS) is the only institution in Sudan winning these certificates.
2. Faisal Islamic Bank (Sudan) had been named as Best Bank and Best Islamic Financial Institution in Sudan, in 2013 & 2014 respectively, in the context of Global Finance Annual Awards.
3. The bank had been classified as Best Corporate Bank in Africa, 2014, by CPI Financial in the context of Islamic Business & Finance annual awards, with participation of more than 150 financial and banking institutions from all over the world.
4. The bank had been awarded the accreditation of "Committed to Excellence" by the European Foundation for Quality Management (EFQM), recognition for the adoption of EFQM organizational excellence approaches by the senior management of the bank.

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 2014 the bank opened Alamaraat branch and Sinja branch.

Fourth: The Bank's Financial Indicators for the year 2014:

A) Financial Position Statement:

1. Consolidated Balance Sheet:

The Bank's Consolidated Balance Sheet rose to a total of 8,682.6 million pounds, compared to 7,028.8 million pounds in 2013, i.e. an increase of 1,653.8 million pounds (24% increase). This is due to a considerable increase in bank deposits, which reached 28% and the growth of owners' equity at a rate of 19%.

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 21% and total bank investments grew at a rate of 29%. 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 to 435 million pounds, in 2014 compared with 350 million pounds in 2013 with an increase of 24%, which is more than meeting the requirements of the Central Bank of Sudan.
- Total reserves of the bank reached 95.3 million pounds, compared to 76.4 million pounds in 2013.
- Total Owners' equity increased to 698.5 million pounds, against 587.8 million pounds in 2013. (An increase of 110.7 million pounds i.e. 19% 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 7,743.8 million pounds compared to 6,053.4 million pounds in 2013 i.e. an increase of 1,690.4 million pounds (28% 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 6,399.7 million pounds compared to 4,713 million pounds in 2013, i.e. an increase of 1,686.8 million pounds (36% increase).
- Deposits in foreign currencies increased to 1,344.1 million pounds against 1,340.5 million pounds in 2013, i.e. an increase of 3.6 million pounds.

4. The Investments:

Short-term Investments:

Short-term investments (Deferred sales and other forms of investments) showed a total of 3,935.5 million pounds compared to 3,246.1 million pounds in 2013, i.e. an increase of 689.4 million pounds (21% 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 688.8 million pounds, compared to 320.1 million pounds in 2013, i.e. a increase of 368.7 million pounds (115%).

Long-term Investments:

Total long-term investments abroad amounted to 15.8 million pounds. The investment in subsidiaries and sister companies amounted to 99.7 million pounds compared to 98.5 million pounds in 2013, with an increase of 1%.

5. Net Fixed Assets :

Net fixed assets was 413.5 million pounds, compared to 299.8 million pounds in 2013, i.e. an increase of 113.7 million pounds (38% 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 136 in 2014.

B) Income Statement:

- Income from deferred sales and other modes of finance rose to 739.1 million pounds compared to 575.3 million pounds in 2013, i.e. an increase of 163.8 million pounds 28% 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.
- The return on investment deposits rose to 454.6 million pounds compared to 350.4 million pounds in 2013, i.e. an increased ratio of 30%, this was due to higher investment profits. It also reflects the rise of return on deposits to 12% in 2014 and 2013.
- The share of the Bank, as a "Mudarib" - and Funds owner was 284.5 million pounds, compared to 225 million pounds in 2013, i.e. a increase of (27%).
- Revenues from banking Services declined to 235.5 million pounds compared to 242.5 million pounds in 2013, i.e. an decrease rate of -3% as a result of decrease in return of hard currencies.
- The bank revenues rose to 594.5 million pounds compared to 520.5 million pounds in 2013, i.e. an increase of 74 million pounds 14% increase. And this increase is largely attributed to the rise in return on investment.
- General and Administrative Expenses were 335.5 million pounds compared to 253.4 million pounds in 2013, i.e. an increased ratio of 32%, which is due to continued improvement of salaries of employees and increase of Administrative expenses.
- Profits after Zakat and taxes rose to 188.2 million pounds compared to 176.6 million pounds in 2013, showing an increase of 7%.
- The operational cost ratio for the year 2014 was 32% compared to 29% for the year 2013.

The following tables show the most important indicators of the bank performance in 2014:

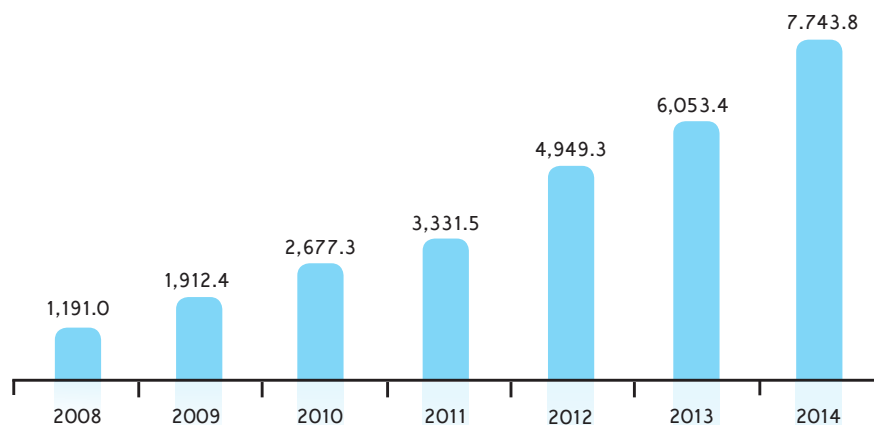
Statement	2014	2013	Increase %
Total Assets	8,682.6	7,028.8	24%
Investments	4,867.6	4,692.7	4%
Total Deposits	7,743.8	6,053.2	28%
Owners' Equity	698.5	587.9	19%

Statement	2014	2013	Increase %
Return on banking Services	235.5	242.5	(3%)
Return on bank Investment	284.5	225	26%
Other returns	28.2	23.1	22%
General and administrative expenses	335.5	253.4	32%
Profit before zakat and taxes	227.9	222.2	3%



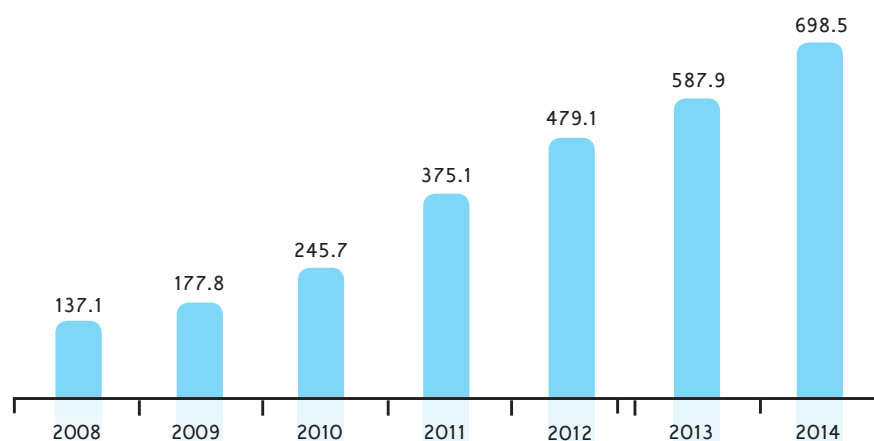
Deposits

Million SDG



Owners' Equity

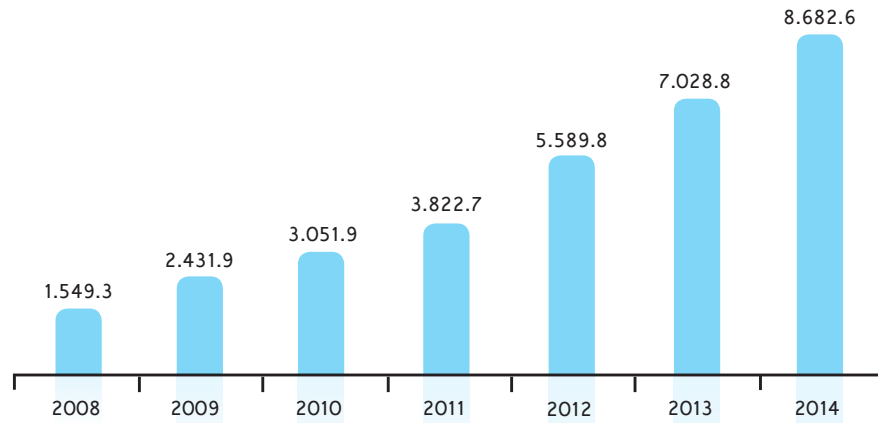
Million SDG





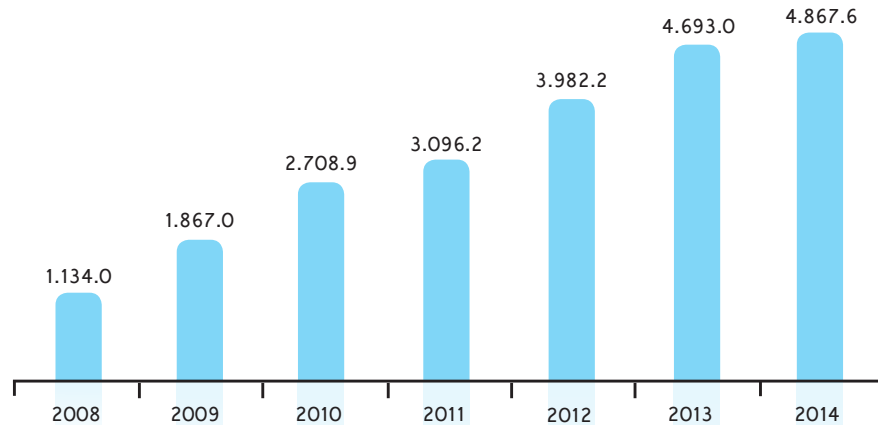
Assets

Million SDG



Investment

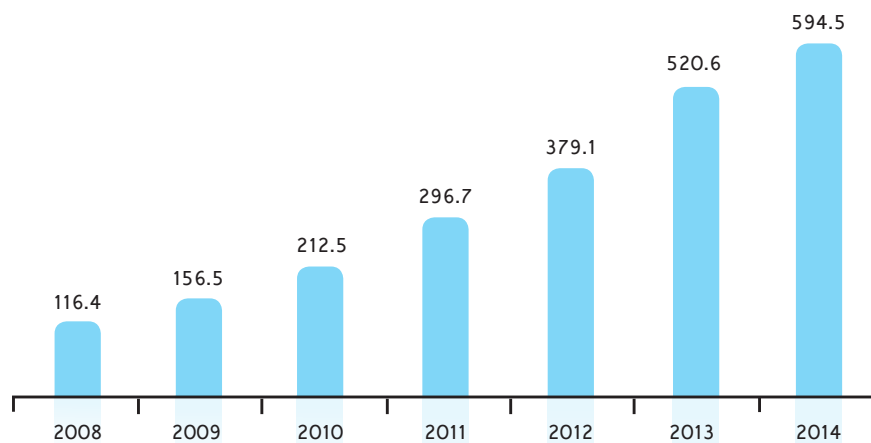
Million SDG



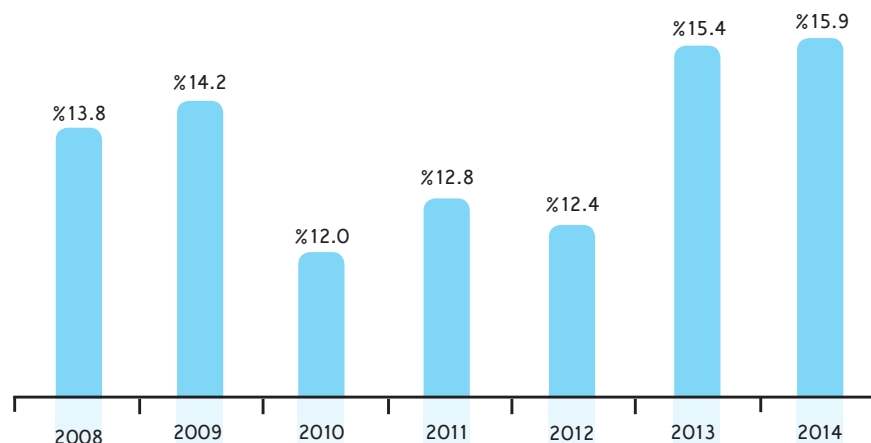


Income

Million SDG



Capital Adequacy



Revenues

(Millions SDG)

Statement	2014	2013	2012	2011	2010	2009	2008
Returns on deferred sales and investments	284.5	225	268.8	204.2	103.2	99.7	60.9
Return on direct investments	46.4	30	16.3	11	6.7	0	0.4
Returns on banking Services	235.5	242.4	81.3	72.7	93.3	48.7	49.6
Other returns	28.2	23.1	12.7	8.8	9.3	8.1	5.5
Total Returns	594.5	520.5	379.1	296.7	212.5	156.5	116.4

Assets

(Millions SDG)

Statement	2014	2013	2012	2011	2010	2009	2008
Cash and Cash Equivalent	2,049.2	1,696.1	1,110.7	333.8	238.2	380	268.3
Current Assets	6,219.9	5,032.9	4,270.6	3,337.3	2,708.9	1,978.4	1,216.3
Fixed Assets	413.5	299.8	208.5	151.6	104.8	73.5	64.7
Total Assets	8,682.6	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9	1,549.3

Liabilities

(Millions SDG)

Statement	2014	2013	2012	2011	2010	2009	2008
Current Deposits	2,853.0	2,104.0	1,849.5	1,300.2	1,009.1	805.2	513.9
Investment Deposits	4,890.8	3,949.4	3,099.8	2,031.3	1,668.3	1,107.2	619.9
Other Liabilities	240.3	387.5	161.3	116.0	128.0	328.1	287.1
Sub Total	7,984.1	6,440.9	5,110.6	3,447.5	2,805.6	2,240.5	1,420.9
Owners' Equity							
Paid-up Capital	435	350	280	200	140	110	80
Reserves	95.3	76.4	58.8	43.2	28.5	17.8	12.1
Retained Profits	168.2	161.5	140.3	131.9	77.1	50	45
Sub Total	698.5	587.9	479.1	375.1	245.7	177.7	137.1
Total Liabilities	8,682.6	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9	1,549.3



Faisal Islamic Bank (Sudan) Sharia Supervisory Board



بنك فيصل الإسلامي السوداني
لجنة الرقابة الشرعية

Ref: 15/2/2014
Date: 27 Rabi Al-Thani 1436 A.H.

المراجع: فاضل بن عبد الرحمن
التاريخ: 27 ربيع الثاني 1436 هـ
الموافق: 15/2/2014 م

Report of Shari'a Supervisory Board Faisal Islamic Bank (Sudan) for the period: 29th Safar, 1435 AH to 09th Rabie Alawal 1436 AH 1st January 2014 to 31st December 2014

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 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 (AAOIFI) - Bahrain, the Shari'a Supervisory Board submits the following report to the shareholders annual meeting :

- The board convened (18) meetings where it issued (10) of shari'a opinions (fatwa) and directives in response to various references made to it by the bank staff, documented in the records.
- The board revised all contracts signed by the bank and submitted to the board.
- The board looked into subjects submitted by some of the departments of the bank and issued the relevant directives.
- The board convened a meeting in February 2015 , where it reviewed external auditors report, income statement, cash flows and change in owners equity statement for the year 2014.
- The board reports with pleasure that:
 - All contracts and operations conducted during the year ended December 31, 2014 AD , were in compliance with islamic jurisprudence.
 - Distribution of profits and charging losses to investment accounts is in conformity with the basis approved by the board in accordance with Islamic jurisprudence.
 - Zakat is computed in accordance with the provisions of Islamic jurisprudence.
- The board thanks all bank management staff for their cooperation which helped the board carrying out its assignment and thanks Allah for enabling us to participate in this great islamic work and pray to Allah to lead all, on the right path for progress and success.

1) Professor / Yousuf Al-Khalifa Abu-Baker

Chairman

2) Professor / Khalifa Babikir El-Hassan

Vice Chairman

3) Proferssor / Al-Siddig Mohamed Al-Amin Al-Dareer

Member

4) Professor / Mohamed Al-Fatih Hamid

Member

5) Dr. Abdel Rahman Al-Siddig Dafa'alla

Member

6) Mr. Ali Abdel Basit Ahmed Al-Haj

Member



Elmamoun Hamid & Co.
Certified Accountants & Consultants



المأمون حامد وشركاه
محاسبون قانونيون ومستشارون

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 flows as at 31st December 2014, 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 (AAOIFI). 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. All financial statements for the year ended 31st December 2013 had been audited by another auditor who issued a report dated February 20, 2014.

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 31st December 2014 in accordance with accounting standards of the Accounting and Auditing Organization For Islamic Financial Institutions - Bahrain (AAOIFI), and are in compliance with the requirements of Central Bank of Sudan relating to the preparation of these financial statements.

El-Mamoun Hamid Abd El-Rahman
Certified Public Accountants

Khartoum, 08 February, 2015



Statement of Financial Position

As at December 31, 2014

	Notes	December 31, 2014 (SDG)	December 31, 2013 (SDG)
Assets			
Cash and Cash Equivalents	5	1,718,001,865	1,439,899,512
Central Bank of Sudan - statutory cash reserve	6	331,222,564	256,262,049
Sales receivables	7	1,976,088,358	1,917,154,970
Other investments	8	44,207,733	83,862,759
Investments in securities	9	688,801,841	320,112,094
Mudaraba	10	246,113,665	330,488,865
Musharaka	11	304,155,832	305,411,687
Mugawala	12	1,314,092,668	587,535,504
Finance portfolios	13	50,803,981	21,743,156
Investments in subsidiaries	14	115,451,659	114,250,052
Other assets	15	1,480,116,103	1,352,229,794
Fixed assets	16	413,545,726	299,838,311
Total Assets		8,682,601,995	7,028,788,752

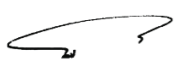
Liabilities, unrestricted investment accounts and owners' equity

Liabilities

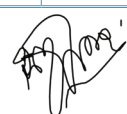
Current and saving accounts	17	2,636,679,078	1,904,313,064
Credit balances	18	333,132,271	476,637,535
Other liabilities	19	123,467,501	110,533,143
Total liabilities		3,093,278,850	2,491,483,742
Equity of unrestricted investment account holders	20	4,890,778,704	3,949,421,078
Total liabilities & unrestricted investment accounts		7,984,057,553	6,440,904,820

Owners' equity

Paid up capital	21	435,000,000	350,000,000
Reserves	22	95,302,806	76,445,923
Retained Earnings		168,241,636	161,438,009
Total owners' equity		698,544,442	587,883,932
Total liabilities, unrestricted investment accounts and owners' equity		8,682,601,995	7,028,788,752
Contra accounts	23	2,327,537,856	1,758,479,797


Dr. Ali Omer Ibrahim Farah
General Manager


Dr. Osman El-Hadi Ibrahim
Member of the Board of
Directors


Mr. Al Bagkir Yousif Mudawi
Member of the Board of
Directors

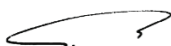
Income Statement for the Year ended December 31, 2014

Income

	Notes	December 31, 2014 (SDG)	December 31, 2013 (SDG)
Income from deferred sales	24	587,772,691	408,336,928
Income from other investments	25	151,271,153	167,012,654
		739,043,844	575,349,582
Less: return on unrestricted investment accounts (12%)	26/20	(454,626,569)	(350,376,685)
Net income from deferred sales and investments		284,417,274	224,972,896
Income from banking services	27	235,505,460	242,469,541
Bank's income from its own investments	28	46,413,852	29,958,903
Income from differences of exchange		40,666	-
Other income	29	28,155,890	23,131,930
Total Bank's Revenue		594,533,142	520,533,269

Expenses

Staff cost	30	174,746,148	125,964,908
General and administrative expenses	31	160,770,374	127,480,084
Depreciation	16	30,131,129	22,865,910
Provision for Investment and Finance Risk	32	984,424	22,000,000
Total Expenses		366,632,074	298,310,902
Income before tax and zakat		227,901,068	222,222,369
Zakat for the year	43	(9,825,571)	-
Business profits tax for the year	44	(29,913,312)	(45,626,444)
Net profit		188,162,185	176,595,925


Dr. Ali Omer Ibrahim Farah
General Manager


Dr. Osman El-Hadi Ibrahim
Member of the Board of
Directors


Mr. Al Bagkir Yousif Mudawi
Member of the Board of
Directors

Statement of Cash Flows for the Year ended December 31, 2014

بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

We are the pioneers



Cash flows from operating Activities

Net income for the year
Reconcile net income to net increase in cash generated from operations
Depreciation of fixed assets
Provision for finance and investment risks
Zakat for the year
Business profits tax for the year
Net income from Operating activities

December 31, 2014 (SDG)	December 31, 2013 (SDG)
188,162,185	176,595,925
30,132,708	22,865,910
984,424	22,000,000
9,825,571	-
(29,913,312)	(45,626,444)
259,018,200	267,088,279

Cash flows from investment activities

Purchase of fixed assets
Investments in securities held to maturity
Mudaraba and deposits at other banks
Net sales receivables
Musharaka
Mugawala
Other investments
Long-term investments
Finance portfolios
Net income from investment activities

(143,840,123)	(150,788,093)
(368,689,747)	197,762,504
84,375,200	91,250,335
(59,917,812)	(435,883,007)
1,255,855	(121,811,914)
(726,557,165)	(45,939,768)
39,655,026	(386,262,876)
(1,201,607)	(39,002,390)
(29,060,825)	29,566,768
(1,203,981,198)	(861,108,441)

Cash Flows From Financing Activities

Share of unrestricted investment account holders
Current accounts
Capital Increase
Reserves
Dividends
Other receivables
Central Bank of Sudan' Statutory cash reserve
Other liabilities
Credit balances
Net income From Financing Activities
Net increase in cash
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year

941,357,625	849,578,663
732,366,015	282,146,561
85,000,000	70,000,000
18,856,884	17,659,594
(181,358,559)	(118,928,122)
(127,886,309)	(73,831,619)
(74,960,516)	24,070,210
(26,804,525)	(3,773,323)
(143,505,265)	156,666,881
1,223,065,351	71,863,621
278,102,354	(522,156,541)
1,439,899,512	830,330,828
1,718,001,865	1,439,899,511

Dr. Ali Omer Ibrahim Farah
General Manager

Dr. Osman El-Hadi Ibrahim
Member of the Board of
Directors

Mr. Al Bagkir Yousif Mudawi
Member of the Board of
Directors



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

We are the pioneers

Statement of Changes in Owners' Equity for the Year ended December 31, 2014

(SDG)

Description	Paid-up Capital	Surplus re-evaluation of fixed assets	Reserve of differences of valuing exchange rate	General reserve	Statutory reserve	Retained earnings	Total
Balance as at January 1, 2014	350,000,000	6,111,669	-	9,226,398	61,107,855	161,438,009	587,883,931
Net income for the Year	-	-	-	-	-	188,162,185	188,162,185
Transfer to reserves	-	-	40,666	-	18,816,219	(18,856,885)	-
Capitalized profits	85,000,000	-	-	-	-	(85,000,000)	-
Previous Years	-	-	-	-	-	(2,501,674)	(2,501,674)
Cash dividends	-	-	-	-	-	(75,000,000)	(75,000,000)
Balance as at December 31, 2014	435,000,000	6,111,669	40,666	9,226,398	79,924,074	168,241,636	698,544,442
Balance as at January 1, 2013	280,000,000	6,111,669	-	9,226,398	43,448,263	140,336,302	479,122,632
Net income for the year	-	-	-	-	-	176,595,925	176,595,925
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	61,107,856	161,438,008	587,883,931

Notes to the Financial Statements for the Year ended December 31, 2014

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. Its head office is located at Al-Faihaa Building – Ali Abdulatif Street – Khartoum.

The total number of employees at the end of 2014 was 1238 (2013:1063). It has 34 branches as at 31 December 2014 (2013: 32), 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), in consistence with 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 2014. 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:

1) Murabaha and Mugawla

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

2) 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.

3) Musharaka

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

4) 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.

5) Investments Income

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

F) 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.

G) 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).

H) Liabilities

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.

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

(1) Sales receivable: Sales receivable are measured at their 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.

(7) Zakah and Tax treatment

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

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

K) Return on unrestricted investment account holders

The return on unrestricted investment accounts is calculated on a yearly basis. The bank allows the owners of investments deposits accounts to withdraw funds from their investment accounts before the agreed period with a condition of losing 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 accounts 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.

L) 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'a. Accordingly, all income generated from any activities not compatible with the provisions of Islamic Shari'a is credited to a charity account where the bank uses these funds for various social, charity and donations activities.

M) Subsidiaries' financial statements

In accordance with the Central Bank of Sudan requirements, Subsidiaries' financial statements had been prepared separately for each.

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.

5- Cash and cash equivalents

Treasury Cash (Local)
Treasury Cash (Foreign)
Central Bank of Sudan - local current account
Central Bank of Sudan - foreign current account
Cash - Foreign correspondents

December 31, 2014 (SDG)	December 31, 2013 (SDG)
61,088,031	60,638,462
2,862,015	733,994
13,111,899	1,772,678
1,342,079,674	1,067,246,623
298,860,247	309,507,756
1,718,001,865	1,439,899,512

6- Central Bank of Sudan - Statutory cash reserve

Local currency
Foreign currency

269,513,694	193,465,575
61,708,870	62,796,474
331,222,564	256,262,049

7- Sales receivables

Murabaha
Deferred profits
Financing risk provision
Net Sales receivables

2,640,055,881	2,592,557,216
(609,679,661)	(609,864,813)
(54,287,862)	(65,537,433)
1,976,088,358	1,917,154,970

8- Other investments

Instalment Sales
Letters of credit (defaulted)
Documents under settlement
Investment risk provision
Other investments (net)

732,843	732,843
53,468,074	25,860,737
26,884,896	83,084,855
(36,878,079)	(25,815,676)
44,207,733	83,862,759

9- Investments in securities

Shahama
Shasha Securities
Governmental Securities
Stocks *
Liquidity Management Inter-banks Fund

301,169,721	36,727,174
288,982,000	280,225,000
4,990,200	-
3,159,920	3,159,920
90,500,000	-
688,801,841	320,112,094

* Represents investments in Sudatel, Al Shamal Islamic Bank, and other companies' shares.

Notes to the Financial Statements

10- Mudaraba

Related Companies
Deposits at local banks

December 31, 2014 (SDG)	December 31, 2013 (SDG)
75,070,471	22,742,570
171,043,194	307,746,295
246,113,665	330,488,865

11- Musharaka

Musharaka
Financing risk provision
Musharaka (net)

306,254,022	306,338,286
(2,098,191)	(926,599)
304,155,832	305,411,687

12- Mugawala

Mugawala
Deferred profits
Mugawala (net)

1,780,822,503	832,358,798
(466,729,834)	(244,823,294)
1,314,092,668	587,535,504

13- Finance portfolios

Affordable housing financing portfolio
Al Aman portfolio
Workers' food portfolio
Housing & Reconstruction Fund (Kasala) portfolio
Purchase of lands (Gezira Scheme) portfolio
Portfolio of Sudan Academy for Banking and Financial Sciences
Financing and rehabilitation of irrigation network (Gezira Scheme) portfolio
Housing & Reconstruction Fund (Kasala) portfolio (the second phase)
Financing cotton cultivation (season 2013-2014) portfolio
River Nile public housing portfolio
Housing & Reconstruction Red Sea State portfolio
Financing purchase of Arabic gum portfolio

4,507,872	4,713,875
820,110	2,000,000
1,000,000	1,000,000
1,549,999	1,750,000
1,469,371	1,679,281
600,000	600,000
2,473,334	3,500,000
1,883,295	2,000,000
1,500,000	1,500,000
4,000,000	2,000,000
30,000,000	-
1,000,000	1,000,000
50,803,981	21,743,156

14- Capital contributions in companies

Investments in subsidiaries (note 14/1)
Investments in sister & other companies (note 14/2)
Companies abroad (note 14/3)

97,495,000	97,495,000
2,193,265	991,658
15,763,394	15,763,394
115,451, 659	114,250,052

14/1 Investments in subsidiaries

Islamic Company for Trade and Services
Islamic Insurance Company (Sudan)
Al-Faisal for financial transactions Company
Al-Faisal Real Estate Company

December 31, 2014 (SDG)	December 31, 2013 (SDG)
25,000,000	25,000,000
24,995,000	24,995,000
22,500,000	22,500,000
25,000,000	25,000,000
97,495,000	97,495,000

14/3 Companies abroad

Advisory Group \$ (220.000)
Faisal Islamic Bank of Egypt \$ (4.159.010)

367,400	367,400
15,395,994	15,395,994
15,763,394	15,763,394

15- Other Assets

Profits for investment deposits (paid in advance)
Prepaid taxes
Prepaid rents
Murabaha & Mugawala payments under implementation
Debts under settlement
Prepaid expenses
Staff loans
Accrued income
Indebtedness of service leavers
Indebtedness of staff service leavers provision
Mobile phones recharge (Zain sd)
External ATM Dispute
Cheques due
National switch centre's claims

61,692,963	27,332,915
5,358,345	-
1,925,078	2,889,576
803,394,820	901,629,626
3,350,106	3,755,218
934,397	483,768
127,929,856	110,542,010
451,208,497	304,061,100
1,119,255	278,617
(1,119,255)	-
691,190	-
-	163,530
2,479,170	1,093,435
21,151,681	-
1,480,116,103	1,352,229,794



(SDG)

16 - Fixed Assets

Statement	The comprehensive bank- ing system	Motor vehicles motor and cycle	Decoration of buildings	Furniture and equipment	Information technology equipment	Construction	Freehold land and buildings	Total
Cost at:								
January 1, 2014	4,732,061	33,658,892	17,249,738	35,803,967	81,373,469	75,433,077	134,397,421	382,648,625
Additions	616,657	19,763,797	7,905,721	16,619,409	13,807,865	66,405,574	29,401,083	154,520,106
Disposals	-	594,850	-	783,197	979,349	4,323,229	6,848,434	13,529,059
December 31, 2014	5,348,718	52,827,839	25,155,459	51,640,178	94,201,985	137,515,422	156,950,070	523,639,672
Depreciation in:								
January 1, 2014	3,698,086	13,757,117	6,420,049	12,972,200	38,220,012	-	7,742,851	82,810,315
For the year	504,039	6,531,119	3,181,037	4,411,367	13,241,610	-	2,261,957	30,131,129
Disposals	-	542,975	-	500,014	353,760	-	1,450,749	2,847,498
December 31, 2014	4,202,125	19,745,261	9,601,086	16,883,553	51,107,862	-	8,554,059	110,093,945
Book Value in:								
December 31, 2014	1,146,593	33,082,578	15,554,373	34,756,625	43,094,123	137,515,422	148,396,011	413,545,726
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

17- Current and savings accounts

Current deposits (local)
Current deposits (foreign)
Savings deposits (local)
Savings deposits (foreign)

December 31, 2014 (SDG)	December 31, 2013 (SDG)
2,045,049,468	1,472,006,780
102,636,392	89,541,362
482,616,999	341,845,148
6,376,219	919,774
2,636,679,078	1,904,313,064

18- Credit balances

Margins of letters of credit
Margins of letters of guarantee
Payment orders (Local)
Payment orders (Foreign)
Creditors
Transfers, for people who do not have accounts
Dividends of Previous Years
Accrued Expenses
Increase in the Treasury
Stamps
For demand deposits
Pending customers' payments
National Switch Commission
Pafalo Bank Agency covers
Payables under liquidation
Import of medicines account (SDG)
National Switch claims (EBS)
Zain mobile Company Card Stock
External ATMs Dispute
Unpaid transfers
Settlement of depositing cash via ATMs
Other

204,737,868	190,526,018
11,624,384	9,161,249
65,510,560	50,206,128
517,761	624,723
2,656,239	13,176,895
2,703,022	2,356,461
528,001	6,367,775
1,301,581	1,230,634
19,768	18,768
-	79,002
4,637,431	3,834,491
37,729,196	198,840,409
8,032	7,222
31,191	31,191
27,051	27,051
952,233	-
-	72,519
-	14,442
35,475	-
17,928	17,928
89,020	-
5,530	44,629
333,132,271	476,637,535

19- Other liabilities

Additional Provisions
Zakat provision
Performance of Board of directors
Added value tax provision
Staff bonus
Tax Provision

December 31, 2014 (SDG)	December 31, 2013 (SDG)
8,175,647	7,331,941
9,825,571	10,529,210
13,794,769	13,111,091
70,125	-
44,065,786	34,000,000
47,535,603	45,560,901
123,467,501	110,533,143

20- Equity of unrestricted investment accounts holders

Investment deposits - local currency
Investment deposits - foreign currency
Unrestricted investment accounts owners' return

3,476,567,487	2,606,030,500
959,584,647	993,013,893
454,626,569	350,376,685
4,890,778,704	3,949,421,078

21- Capital

Authorized capital *
Capital paid-up **

1,000,000,000	1,000,000,000
435,000,000	350,000,000

* The authorized capital of one billion Sudanese pounds is divided into one billion shares; the value per share is one Sudanese pound, since 2013.

** The paid up capital was increased at the beginning of 2014 and 2013 by 85 million and 70 million (SDG) respectively based on Capitalization of retained profits, after the completion of legal and regulatory measures.

22- Reserves

Statutory reserve (22/1)
Revaluation reserve (22/2)
General reserve (22/3)
Differences of valuing exchange rate reserve

79,924,074	61,107,855
6,111,669	6,111,669
9,226,398	9,226,398
40,666	-
95,302,806	76,445,923

22/1 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.

22/2 Real Estate revaluation reserve

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

22/3 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.

23- Contra accounts

Obligations of documentary credits
Bills for collection - Investment
Returned Bills - Investment
Credit Obligations of fund of finance and goods
Obligations of guarantees
Bad debts – written off

December 31, 2014 (SDG)	December 31, 2013 (SDG)
519,190,533	630,709,350
1,622,286,425	974,900,641
64,366,366	9,610,339
26,707,602	27,398,737
82,869,097	101,965,944
12,117,833	13,894,786
2,327,537,856	1,758,479,797

24- Income from deferred sales

Murabaha

587,772,691	408,336,928
587,772,691	408,336,928

25- Income from different investments

Securities
Musharaka
Mugawala
Mudaraba
Rental Income
Other Portfolios
Return of Foreign investment funds (Head quarter)

93,298,639	65,500,000
35,149,311	10,419,841
21,603,702	74,664,903
-	15,257,804
19,259	2,585
1,193,186	1,154,313
7,055	13,208
151,271,153	167,012,654

26- Return of unrestricted investment accounts holders

Return on unrestricted investment account owners' before the bank's share as rabulmal and mudarib - in local currency
Bank's share as rabulmal and mudarib - in local currency
Return on unrestricted investment account owners' in local currency
Return on unrestricted investment account owners' before the bank's share as rabulmal and mudarib - in foreign currency
Bank's share as rabulmal and mudarib - in foreign currency
Return on unrestricted investment account owners' in foreign currency
Return on unrestricted investment account owners' in foreign & local currency

479,821,066	354,883,097
(95,964,213)	(70,976,619)
383,856,853	283,906,478
88,462,145	82,613,836
(17,692,429)	(16,143,628)
70,769,716	66,470,208
454,626,569	350,376,686

Notes to the Financial Statements



We are the pioneers

27- Income from banking services

Letters of credit
Documentary Collections
Foreign Transfers
Letters of Guarantee
Return on foreign currency

December 31, 2014 (SDG)	December 31, 2013 (SDG)
193,755,609	194,570,527
14,280,011	10,330,505
19,748,877	16,209,199
5,542,550	4,070,499
2,178,412	17,288,811
235,505,460	242,469,541

28- Income of Bank's self investments

Subsidiaries (28/1)
Other companies (28/2)

45,197,103	29,938,934
1,216,749	19,969
46,413,852	29,958,903

28/1 Subsidiaries

Al-Faisal Real Estate Company
Al-Faisal for financial transactions Company
Faisal Islamic Bank (Egypt)
Islamic Company for Trade and Services
Islamic Insurance Company (Sudan)

12,000,000	9,961,756
18,000,000	5,600,000
4,944,745	4,200,758
4,017,133	5,000,000
6,235,225	5,176,420
45,197,103	29,938,934

28/2 Other companies

Grain Mills - Atbara
Islamic Development Company
Electronic Banking Services Company (EBS)

1,142,675	-
46,740	-
27,334	19,969
1,216,749	19,969

29- Other income

Rental from owned real estate
Capital income *
Different returns
* Represents Capital gain from sales of fixed assets (buildings, cars, and furniture)

15,350,037	12,956,337
8,418,878	6,557,267
4,386,975	3,618,326
28,155,890	23,131,930

30- Staff Cost

Salaries and wages
Overtime - Wages
Travelling Tickets
Staff Uniform
Eids bonus
Medical Insurance
Marriage grants and social allowances
Post-service benefits
Performance Bonus

47,560,263	32,918,332
4,801,634	2,423,218
23,601,469	17,777,691
18,746,490	13,097,882
13,851,512	10,352,830
9,733,579	7,499,146
380,312	153,067
12,005,103	7,742,742
44,065,786	34,000,000
174,746,148	125,964,908

31- General and Administrative Expenses

Rents
Electricity & water
Board of directors expenses
Maintenance & repairs of vehicles
Security
Maintenance
Post , Telegraph and Telephone
Subscriptions
Stationery & printings
Workers uniform
Gasoline for generator
Meals subsidies
Insurance
Government's dues and fees
ATM expenses
Banks' charges
Expenses of Cash transite and sorting
Expenses of the central archive
Computer
Advertising
Audit Fees
Annual general meeting expenses
Travel and accommodation of the internal auditor
Hospitality expenses
Sharia'h Supervisory Board Remuneration
Bank's contribution to the Banking Deposits Security Fund
Forgers' debts written off
Capital increase expenses
Donations
Motor cycles Operating and Repair expenses
Court Fees
Cleaning expenses
Tax Losses and Value Added Tax
Clearing and Treasury Operating expenses
Faisal Cultural Center expenses
Contributions and expenses of the banking network
Expenses to recover doubtful debts
Training
Travel leave and perdiems
Doubtful debts provision - Service Leavers
Fines of Central Bank of Sudan
Other
Additional provision

December 31, 2014 (SDG)	December 31, 2013 (SDG)
13,172,799	10,128,882
2,219,004	1,973,357
16,236,571	14,702,153
3,490,224	2,422,524
1,900,819	1,432,925
2,095,345	1,844,078
466,354	436,960
1,052,110	1,105,828
1,239,560	935,199
3,338,112	2,703,624
329,755	176,462
1,908,503	1,393,714
5,792,153	3,178,830
692,409	581,755
14,482,952	10,023,096
344,003	296,064
1,721,691	1,024,255
546,870	423,369
4,575,051	4,141,940
13,610,136	10,430,098
412,500	375,000
713,976	527,818
358,728	265,496
773,853	501,584
200,000	158,585
12,473,520	8,785,230
-	1,602,570
2,318,604	-
6,175,297	7,022,071
33,497	22,208
543,157	790,906
1,289,670	1,097,018
3,972,717	2,401,069
2,121,652	1,562,097
9,536,031	4,221,618
3,963,110	2,328,574
-	3,008,682
16,097,204	9,202,278
9,436,029	5,829,975
1,119,255	-
-	10,550
17,155	-
-	8,411,646
160,770,374	127,480,084



32- Investment and Financing Risk Provision

(SDG)

Statement	Murabaha	Musharaka	Mugawala	Investment funds and financing portfolio	Other investments	Total
2014						
Balance as at 1 January 2014	65,537,433	926,599	-	-	25,815,676	92,279,708
Charged during the year 2014	-	984,424	-	-	-	984,424
Charged during the year (2014 provisions)	-	187,168	-	-	-	187,168
Recovered during the year	(11,249,571)	-	-	-	11,062,403	(187,168)
	54,287,862	2,098,191	-	-	36,878,079	93,264,132
2013						
Balance at the beginning of the year 2013	49,148,874	926,599	-	-	27,197,061	77,272,534
charged during the year	16,187,683	-	-	-	(1,430,504)	14,757,179
Recovered during the year	(200,876)	-	-	-	(49,119)	(249,995)
	65,537,433	926,599	-	-	25,815,676	92,279,708
	9	10	11	13	12	

Provisions for the year were classified as follows:-

Statement	2014 (SDG)	2013 (SDG)
Classified	42,345,158	52,939,901
un-classified	50,918,974	39,339,807
Total	93,264,132	92,279,708

33- Investment Concentration by Economic Sector

The total outstanding balance of total finance for the year ended in December 2014 is 5,493,315,265 (SDG)

(December 2013: 4,376,763,081 SDG).

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

Sector	2014	2013
Agricultural	3%	2%
Export	7%	7%
Industrial	16%	20%
Transportation	4%	6%
Trade	7%	5%
Real estate	18%	13%
Micro Finance and social development finance *	32%	36%
Other Sectors	13%	11%
Total	100%	100%

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

34- Social responsibility

The Bank is supporting various segments of society, such as universities, through donations, which was about 6.1 million pounds in 2014. And the Bank usually trains employees inside and outside Sudan during the year, where training expenses amounted to about 16 million Sudanese pounds in 2014. The Bank also receives and disbursement for free salaries and wages of a number of government units through ATMs. Alfaisal Cultural Centre is established at a cost of about four million pounds, in addition to operating expenses, which amounted to about 9.5 million pounds.

35- Related parties' transactions

These operations represent transactions with related parties, i.e. shareholders, members 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 yearend were as follows:

2014

(SDG)

Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2014
Murabaha	-	-	-
Musharka	-	-	-
Mudaraba	-	-	-
Loans	3,656,918	-	3,656,918
Current & Investment accounts	31,622,035	-	31,622,035
Contra Accounts:			
Letters of credit			
Letters of guarantee			

2013

(SDG)

Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2014
Murabaha	-	-	-
Musharka	-	-	-
Mugawala	-	-	-
Loans	4,459,360	-	4,459,360
Current & Investment accounts			
Contra Accounts:			
Letters of credit			
Letters of guarantee			

36- Credit risk

Credit risk occurs 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 33.



37- Liquidity risk

Liquidity risk is the risk occurs 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, the bank 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 2014

Assets	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Assets:					
Cash and cash equivalents	63,950,045	-	-	-	63,950,045
Cash reserve at the Central Bank of Sudan	1,355,191,573	-	-	331,222,564	1,686,414,138
Correspondents	298,860,247	-	-	-	298,860,247
Deposits at other banks	171,043,194	-	-	-	171,043,194
Mudarabat	75,070,471	-	-	-	75,070,471
Investments in securities to maturity	391,529,521	-	-	297,272,320	688,801,841
Sales receivables	298,094,094	259,287,171	398,741,801	1,019,965,293	1,976,088,359
Musharaka	99,611,000	46,358,000	158,186,831	-	304,155,831
Mugawalat	220,735,698	33,514,156	69,519,237	990,323,578	1,314,092,669
Other Investments	44,207,733	-	-	-	44,207,733
Investment Funds and Portfolios	-	-	-	50,803,981	50,803,981
Other Assets	1,480,116,103	-	-	-	1,480,116,103
Investments in subsidiaries	-	-	-	99,688,265	99,688,265
Investments abroad	-	-	-	15,763,394	15,763,394
Net Fixed Assets	-	-	-	413,545,726	413,545,726
Total assets	4,498,409,679	339,159,327	626,447,869	3,218,585,122	8,682,601,995
Owner's equity and liabilities:					
Owner's equity	-	-	-	698,544,442	698,544,442
Current accounts	2,636,679,078	-	-	-	2,636,679,078
Other liabilities	123,467,501	-	-	-	123,467,501
Payables	36,644,550	63,295,131	93,277,036	139,915,556	333,132,271
Un-restricted investments account	489,077,870	733,616,806	1,467,233,611	2,200,850,417	4,890,778,703
Total liabilities and shareholders' equity	3,285,868,999	796,911,937	1,560,510,647	3,039,310,414	8,682,601,995

For the year 2013

Assets	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Assets:					
Cash and cash equivalents	1,439,899,512	-	-	-	1,439,899,512
Cash reserve at the Central Bank of Sudan	-	-	-	256,262,049	256,262,049
Mudaraba	330,488,865	-	-	-	330,488,865
Investments in securities to maturity	176,061,652	83,229,144	57,620,177	3,201,121	320,112,094
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
Mugawala	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 subsidiaries	-	-	-	98,486,658	98,486,658
Investments abroad	-	-	-	15,763,394	15,763,394
Other Investments	83,862,759	-	-	-	83,862,759
Other Assets	1,352,229,794	-	-	-	1,352,229,794
Fixed assets (net)	-	-	-	299,838,311	299,838,311
Total Assets	3,756,785,335	456,159,291	951,861,214	1,863,982,911	7,028,788,751
Owners' Equity and Liabilities					
Owners' 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	476,637,532
Un-restricted investments accounts equity	394,942,108	592,413,162	1,184,826,324	1,777,239,486	3,949,421,080
Total liabilities and shareholders' equity	2,462,218,443	682,974,293	1,318,284,834	2,565,311,182	7,028,788,751

38- 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.

39- 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.

40- Profit margin risk

As Islamic financial institution the Bank exposures to fluctuations of its assets' income compared 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 margin risk.



41- Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument fluctuates due to changes in foreign exchange rates.

Foreign 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	2014 (US Dollar)	2013 (US Dollar)
Assets	345,187,411	336,208,690
Liabilities	344,043,268	333,800,902
Net Foreign Currency Position	1,144,143	2,407,787

42- Capital adequacy

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

Statement	2014 (SDG)	2013 (SDG)
Core capital	456,859	346,410
Total risk weighted assets (on and off - balance sheet)	2,877,312	2,249,214
The bank's capital adequacy ratio	15.88%	15.40%
Minimum capital adequacy ratio required	12.00%	12.00%

43- Zakat

The bank paid its zakat up to 2013 and allocated provision for 2014 zakat.

44- Business profit tax

The bank paid its business profit tax up to 2013 and allocated provision for 2014 business profit tax.

45- Comparative figures

Some comparative figures of the year 2013 were reclassified to conform with current year's classification. This classification had no impact on net profit, owners' equity or cash flows.

46- Approval of financial statements

The financial statements were approved by the board of directors committee at its meeting held on February 07, 2015, and the meeting of the board of directors which held on March 19, 2015.