



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

نحن الرواد

The Annual Report 2016

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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Branches of Khartoum State

Telephone number:
+249 183 741326

Ext.

Khartoum Branches

1	Al Fayhaa	228
2	Algomhouriya	741
3	Khartoum University	742
4	Al Souq Al Arabi	760
5	Al Sajjana	745
6	Al Souq Al Shaabi	744
7	Industrial Zone	716
8	Al Souq Al Mahali	746
9	Al-Zubair Basha Street	735
10	Al Mansheya	522
11	Riyadh Branch & Automated Branch	781
12	Al Amarat	511
13	Alkalakla	541
14	Parliament Street	567

Khartoum North Branches

15	Saad Qishra	754
16	Hillat Koko	756
17	Industrial Zone	729
18	Free Zone - Qarri	705
19	Souq Bahri	558
20	Al Ingaz Railway	537

Omdurman Branches

21	Central Station	747
22	Al Souq Al Shaabi	752
23	Souq Libya	753
24	Omdurman Islamic University - Al Thawra	749
25	Omdurman Islamic University - Al Arda	725
26	Omdurman Islamic University - Abu Sie'd	748
27	Al Mawrda	739

Branches in other states

Telephone number:
+249 183 741326

28	Port Sudan	863
29	Gedaref	860
30	Kassala	862
31	Kosty	866
32	Wad Madani	869
33	Atbara	868
34	Shendi	833
35	Al Obeid	865
36	El Fasher	811
37	Nyala	867
38	Sinja	844
39	Al-Hasahisa	853

The Bank Branches



Telephone number:
+249 183 741326

Ext.

1	Al Obeidiya	832
2	Al-Greif East	795
3	Haj Yousif Street 1	797
4	Al-Thawra Al Wadi Street	798
5	Al-Thawra Al Nnus Street	796
6	Al-Thawra Al-Shanqiti Street	799
7	Rabak	843
8	Haj Yousif Souq Six	553
9	Abu Sie'd	766
10	Jabal Awlia	525
11	Al Mughtrebrin	527
12	Shambat	523
13	Abu Hamama	534
14	Soba East	539
15	Al Shajara	547
16	Sixty Street	551
17	Al kalakla East	549
18	African International University	546
19	Khartoum Airport	563
20	Jabra	565
21	Al Mohandessin	569
22	Alla Silki Omdurman	572
23	Industrial Zone Madani	850
24	Industrial Zone Al Obeid	852

Service Windows

Telephone number:
+249 183 741326

Ext.

1	Department of Interrelationships	772
2	Civil Status Department - Civil Registry	780
3	General Directorate of Criminal Evidence	771
4	General Directorate of Criminal Investigation	773
5	General Directorate of Passports and Emigrants	527
6	GIAD Company	502



Khartoum State:

Khartoum:

1. Ali Abdul Latif Street - Al Fayhaa Commercial Center
2. University St. - Khartoum University Branch
3. Al-Sajana Street - Al-Sajana Branch
4. S. 25 - Sudan University of Science and Technology West Compound
5. Mansheya Bridge St.
6. Al gaba Street - Industrial Zone Branch
7. Street 25 - National Pension Fund HQ
8. Al Mashtal Street
9. Mansheya Bridge St.
10. Borri Al Maa'rd St.-Department of Central Detective & Criminal Evidence
11. Obaid Khatem Street – Al Khabir Islamic Complex
12. Al Gomhouria Street - National Electricity Authority HQ
13. Africa Street - Airport Customs
14. Khalifa Street - Ministry of Finance and National Economy
15. Al Qasr Street - University of Khartoum Faculty of Pharmacy
16. Al Hurriya Street Horse Racing – Al Shaabi Market Branch
17. Al Sayed Abdel Rahman Street - Bahrain Hotel
18. Nile Street - Ministry of Interior Affairs
19. Al Hurriya St. - General Organization for Medical Supplies
20. Nile Street - Ministry of Energy
21. University Street - National Electricity Authority HQ
22. Obaid Khatem Street - HQ of Sudan Airways
23. Al - Sahafa Zalat Street - Higher Police Academy
24. Police College Street - Ribat National University
25. Makkah Hospital Street - Makkah Eye Hospital
26. Al-Mak Nemer Street - Educational Dental Hospital
27. University Street - Khartoum University Branch
28. University St.-Ministry of Education - Medical Teacher Center
29. Al Tayyar Jamil Street - Sudanese Customs Police HQ
30. Jabra Street - Nile petrol station next to Bilal Mosque
31. Africa Street - Kanar Communications Company
32. Al Tayyar Jamil Street - Sudanese Customs Police HQ
33. Al Zubair Basha Street - Zubair Basha Branch
34. Parliament Street - Branch Central Station Khartoum
35. University Street - Khartoum University Branch
36. University Street - Khartoum University Branch
37. Omak Street - Borri – Imtidad Nasser - Omak Station
38. Jabal Awlia Street - Central Reserve Training Center
39. Al-Mansheya Street - Royal Care Hospital
40. Al Hurriya Street - National Pension Fund HQ
41. Ali Abdul Latif Street - Al Fayhaa Commercial Center
42. Ali Abdul Latif Street - Al Fayhaa Commercial Center
43. Mohamed Salah El Din Street - Mansheya Branch
44. Al - Sahafa Zalat Street - Rama Pharmacy - Station 7
45. Al-Kalakla Branch - Jabal Awlia Street
46. Al Siteen St. (Bashir Al Nafidi) Al Fardous near Nabatah P. Station
47. Jabal Awlia Street - Al Shagara - Ammunition Factory
48. Jabal Awlia Street - Al Lamab - Best Care Hospital
49. Abdullah Al Tayeb Street - Riyadh
50. Nile Street - Armed Forces' Radio stations
51. Riyadh - Riyadh Branch - Al Mashtal Street
52. Riyadh - Riyadh Branch - Al Mashtal Street
53. Riyadh - Riyadh Branch - Al Mashtal Street
54. Riyadh - Riyadh Branch - Al Mashtal Street
55. Arquet University of Sudan International - Balabil Station
56. Federal Ministry of Health - Nile Street
57. General Tax Office - Al Gomhouria Street
58. Mohamed Nageeb Street – Al Amarat Branch
59. General Command of the Armed Forces Command St. - HQ of the Joint Forces
60. Al Mahali Market
61. Al Mansheya - Anfal Commercial Center
62. Riyadh - Police Pensions Buildings
63. Al Kalakla East
64. AL Fardos - GIAD AUTOMOBILE COMPANY
65. Jabal Awlia - Jabal Awlia Exchange Office
66. Al Gomhouria Street Branch
67. Al Gomhouria Street Branch
68. Al Gomhouria Street Branch
69. Al Gomhouria Street Branch
70. University of Khartoum Street
71. Abohamama Exchange Office - Al Sajana Street
72. General Tax Office - Al Gomhouria Street
73. Khartoum Arabi Market- Tax Buildings
74. Khartoum - Al Gomhouria Street - HQ of the Judiciary
75. Khartoum - Jabra Exchange Office - Jabra Street
76. Khartoum - Al Ghaba Street - Khartoum New Industrial Zone Branch
77. Jabra Street - Anfal Commercial Center

Omdurman:

78. Al-Anagreb Street - Central Station Branch
79. Al - Thawra Street - Islamic University Branch
80. Al-Arda Street - National Pension Fund
81. Al-Futaihab Street - Mohammed Saeed Pharmacy

Locations of ATMs

82. Al Mawrda Street - Youth and Children Palace
83. Al Hilal Stadium Street - Omdurman Islamic University
84. Al-Wadi Street – Al Thawra-College of Education University of Khartoum
85. Faculty of Education, University of Khartoum
86. Radio Street - National Authority for Radio and Television
87. Industries Street – Al Shaabi Market Branch
88. Al-Mawrda Street - Al-Mawrda branch near Hawsh Al-Khalifa
89. Al-Zaeem Al-Azhari Street – Al Shohada Entrance
90. Nile Street - Nile City
91. Al-Futaihab Street - Mohammed Saeed Pharmacy
92. Al - Salha Street - Islamic University Branch
93. Al - Salha Street - Islamic University Branch
94. Al Shinqiti Street - Al Thawra Khalifa Station
95. Industries Street - Customs Police Omdurman Warehouses
96. Al Thawra - Roumi Station
97. The intersection of Wad Aro St. with Al Bawaba - next to Sheikh Al-Sharif Mosque
98. Street of Libya market - Umbada 7th, intersection of Wad Al Bashir
99. Wadnobawi - the intersection of Al Shuhada Street with Al-Domah St.
100. Al Thawra - Al - Wadi St. - Al -Wadi Exchange Office
101. Al Shinqiti Al Thawra – Al Shanqiti St. - Sabreen Exchange Office
102. Al-Arbaeen Street - Al-Arbaeen Pharmacy Al-Jawzat Station
103. Al Molazmin - next to the Traffic Licensing Office - Al Molazmin

Khartoum North:

104. Al - Maouna Street - Al Muassasah - Bahri
105. Kassala Street, Sudan University of Science and Technology, Faculty of Veterinary Medicine
106. Shambat Street - University of Khartoum Faculty of Agriculture and Veterinary Medicine
107. South Shambat Street
108. Shambat - Al Mirghaniya Street
109. Al Jaily Street - Free Zone Qarry Branch
110. Al Ingaz Street - Al Mughtribin
111. Kassala Street – XNTX Petrol Station Cafoury
112. Kassala Street – HQ of Military Manufacturing Corporation - Cafoury
113. Al Zaeem Al Azhari Street
114. Industries Street - Industrial Zone Branch Bahri
115. Al Wali Street - Haj Yousuf Al Fayhaa
116. Al Jaili Street - Al Halfaya - KILO Station
117. Hilat Koko Branch - Hilat Koko Market - Kassala Street
118. Al Sha'biya Turn - Al Maouna Street
119. Al Kadaro - HQ of the University of Bahri
120. Al Haj Yousif Al Wihda - Al Wihda Market 6

121. Al Haj Yousif Street 1 - Al Haj Yousif Street 1 Exchange Office
122. Al Greif East – Al Grief East Exchange Office
123. Al Huda City - East Nile Specialized Hospital
124. Soba East Exchange Office – Al Elalfon Street
125. Al-Inghaz Street Exchange Office
126. Al Maouna Street - Bahri Branch

Other States

127. Al - Hasahisa Branch
128. Madani Branch
129. Customs Police (Anti - smuggling) - Madani
130. Madani Street - Giad Industrial City
131. Gedaref Branch
132. Kassala Branch
133. Red Sea University
134. Sudanese Customs Police - Port Sudan
135. Medical Center - Customs HQ - Port Sudan
136. Port Sudan Branch
137. Kosti Branch
138. Military Hospital - Kosti
139. Rabak Exchange Office - Rabak Market
140. Sinja Branch
141. Atbara Branch
142. Shendi Branch
143. General Command of the Third Division "Infantry" - Shendi
144. HQ of the Judicial Department of South Darfur - Nyala
145. Nyala Branch
146. Al Fasher Branch
147. Airport Street - Al Fasher
148. Shikan Locality - Al Obeid
149. Al Obeid Branch
150. Industrial Zone Exchange Office - Al Obeid

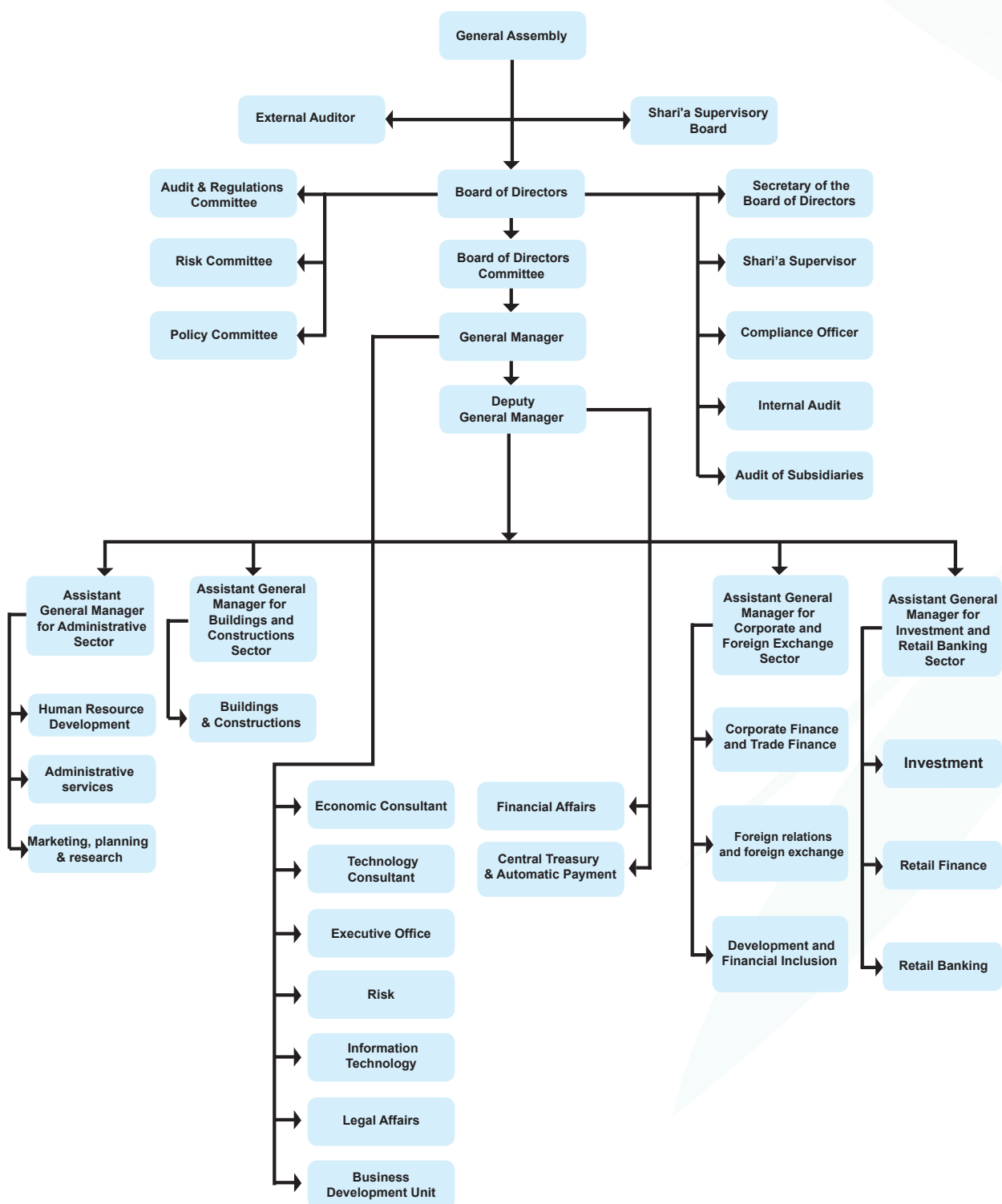


- 1- A.B.C. EGYPT
- 2- FAISAL ISLAMIC BANK OF EGYPT
- 3- ABUDHABI ISLAMIC BANK
- 4- ALNILIEN ABU DHABI
- 5- ITHMAR BANK OF BAHRAIN
- 6- ALBARAKA ISLAMIC BANK-MANAMA
- 7- BMI BANK BSC MANAMA BH
- 8- ALUBAF ARAB INTERNATIONAL BANK BAHRAIN
- 9- BANK OF MUSCAT
- 10- BANK OF BEIRUT
- 11- NORTH AFRICA COMMERCIAL BANK BEIRUT
- 12- QATAR NATIONAL BANK
- 13- KOREA EXCHANGE BANK SEOUL BR
- 14- KUWAIT FINANCE HOUSE
- 15- COMMERCIAL BANK OF ETHIOPIA
- 16- NATIONAL COMMERCIAL BANK -JEDDAH
- 17- BANK ALBILAD
- 18- RIYADH BANK
- 19- SABA.I. BANK
- 20- BANKA UBAE SPA ROMA
- 21- AKTIF BANK- ISTANBUL

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.

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.
- Pioneership.
- Excellence.
- Professionalism.
- Teamwork.
- Continuous Improvement.
- Transparency.
- Customer Satisfaction.
- Cooperation with partners.
- Partnership with the community.



Establishment:

- Faisal Islamic Bank (Sudan) 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 | 700 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	2016	2015	2014	2013	2012	2011	2010	2009
Branches	37	35	34	32	31	31	31	29
ATMs	148	143	136	118	112	91	80	72
Employees	1,464	1,288	1,249	1,063	942	904	886	805
Percentage of profits distribution to Shareholders	36%	39.5%	38.7%	46.1%	67.0%	73.0%	55.1%	45.5%
Distribution rate for the holders of deposits accounts	12.0%	12.0%	12.0%	12.0%	11.5%	10.0%	10.0%	10.0%
Growth rate of Assets	25.9%	43.0%	24.0%	25.7%	46.2%	25.0%	40.1%	57.0%
Growth rate of Deposits	25.5%	46.0%	28.0%	22.3%	48.6%	24.0%	40.0%	60.6%
Growth rate of Income	22.3%	21.0%	28.0%	37.0%	28.0%	40.0%	48.6%	57.0%
Return on Assets	1.5%	1.8%	3.0%	3.2%	4.0%	4.0%	3.1%	3.0%
Return on Equity	23.8%	26.8%	35.0%	38.0%	33.0%	39.0%	35.8%	42.7%

Headquarters Address:

El-Faihaa Commercial Centre - Ali Abdellatif Street
Khartoum- Sudan, P.O.Box: 10143 Khartoum
Fax: +249 183 771714 / +249 183 780193
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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 Centre (FCC).

Chairman of the Board of Directors

**His Royal Highness
Prince / Amro Mohamed Al Faisal Al-Saud**



The Board of Directors



Her Royal Highness Princess
Reem Mohamed Al Faisal
Al Saud



Prof. Abdul Aziz Al-Fadda



Mr. Al Bagkir Yousif
Mudawi



Mr. Mustafa Abu Bakr
Mohammed Azzam



Mr. Abdul Hameed
Mohammed Abu Musa
(as a representative of Faisal
Islamic Bank of Egypt)



Mr. Mohamed Hassan Nair



The Board of Directors



Mr. Jaafer Ibrahim
Mohamed Abdalla



Eng. Al-Faki Mohammed
Jiballah Mohammed Saleh



Dr. Abdulrahman Ibrahim
Al-Khalifa



Secretary of the Board of Directors
Mr. Sharhabeil Ali Al Tayeb

General Manager
Mr. El Bagir Ahmed Al Noury





Deputy General Manager
Mr. Ali Ibrahim Osman

Assistants General Manager



Mr. Basheir Ali Abdel Karim
Assistant General Manager for
Administrative Sector



Mr. Fouad Awad alKareem Ibrahim
Assistant General Manager for
Corporate & Foreign Exchange Sector



Mr. Saeed Dirar Abdalla
Assistant General Manager for
Investment & Retail Banking Sector



Mr. Ali Yousif Babikir
Assistant General Manager for
Buildings & Constructions Sector

No. Administrations

- 1 Administrative Services
- 2 Legal Affairs
- 3 Audit of Subsidiaries
- 4 Human Resource Development
- 5 Information Technology
- 6 Marketing, Planning and Research
- 7 Central Treasury and Automatic Payment
- 8 Development and Financial Inclusion
- 9 Foreign Relations and Foreign Exchange
- 10 Risk
- 11 Financial Affairs
- 12 Investment
- 13 Buildings and Constructions
- 14 Business Development Unit
- 15 Corporate Finance and Trade Finance
- 16 Retail Finance
- 17 Retail Banking
- 18 Executive Office

Directors of Administrations

- Mr. Al Sheikh Idris Mohamed Abdel-Qader
- Mr. Omar Babikir Al-Makki
- Mr. Kamal Abdel Rahman Hassan
- Mr. Ahmed El Tahir Mohammed Ahmed
- Eng. Haitham Mohammed Saleh
- Mr. Mustafa Ali Hassan Ali
- Mr. Mohamed Suleiman Hamid
- Eng. Mohamed Salah Hussein
- Mr. Khogali Ahmed Khogali
- Mr. El Sayed Ahmed Hassan Abdul Rahim
- Mr. Muzamil Abdul-Rahman Abu Bakr
- Mr. Gamal Abdel-Jabbar Ahmed
- Mr. Jubara Abdelgadir Mohyeldin
- Mr. Mohammed El Tahir Al Tayeb
- Mr. El Tayeb Mahmoud Ali
- Mr. Mukhles Mohamed Khair Mohammed
- Mr. Aamer Abdeen Abdel Rahim Ali
- Mr. Yousef Idris Mohammed Malik



Chairman:

1. Prof. Yusuf Al-Khalifa Abu Bakr

Vice Chairman:

2. Prof. Khalifa Babeker Al-Hassan

Members:

3. Dr. Abdulrahman Al-Siddiq Dafaa' Allah
4. Prof. Mohamed Elfatih Hamid
5. Mr. Ali Abdul Basset Ahmed Al-Haj

Acting Shari'a Supervisor:

6. Mr. Osman Fadlallah Osman

External Auditor:

Al-Mamoun Hamed & Co.

Economic Consultant:

Dr. Saber Mohamed El-Hassan

Technology Consultant:

Eng. Jafar Omar Ahmed

Director of Internal Audit Administration:

Mr. Mohammed Al-Sheikh Al-Bakhit
(Assistant General Manager)

Compliance Officer:

Dr. Ahmed Al-Siddiq Jibril
(Assistant General Manager)



**at the 38th Meeting of the Annual General Assembly of Shareholders,
held on the 23rd of March, 2017**

In the Name of God, the Merciful the Compassionate

Our Honourable Shareholders...

With the grace of God, and thanks to your support, we are holding, today, our 38th 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 on 31st December 2016. The Bank performance during the year has been substantially enhanced by achieving outstanding results in the area of banking technology together with high rate of profits. 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 that the Bank has a 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 economies in developing countries have recently experienced stability in growth rate compared to the developed countries, with growth rate of 4.1% in 2015 and 2016 which is expected to rise to 4.5% in 2017, whereas in developed countries, economies' growth rate decreased to 1.6% in 2016 compared to 2.1% in 2015.

The increasing unemployment rates are still a source of concern to both developing and developed countries, where the number of the unemployed across the globe was 198 million in 2016.

The global Oil prices dropped from \$52 per barrel in 2015 to \$43 per barrel in 2016.

Gold price per ounce decreased from \$1.219 in 2015 to \$1.069 in 2016.

At the local level, the GDP showed a growth rate of 4.9% in 2016 compared to 4.1% in 2015; this rise in GDP was attained despite the decline of the oil exports as a result of secession of South Sudan, and also despite the low rates of flow of grants and international assistants, and the boycott and economic sanctions imposed on Sudan. This increase is mostly pushed by the growth of productive sectors and gold exports which contributed strongly to fill a considered gap of the exports revenues.

At the Bank level, the outstanding technological innovations introduced by your Bank are 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 fulfilment 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:

- Capital Adequacy ratio reached 14.6% on 31st December 2016, which exceeded the capital adequacy ratio set by the Central Bank of Sudan at 12%. This indicates the Bank's strong financial status.
- In response to the requirements of the Central Bank of Sudan, the Bank fulfilled a restructuring program, by increasing its capital, to 600 million Sudanese pounds by 31st December 2016.
- 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. Furthermore, the Bank abided by all prescribed policies of the Central Bank; consequently, the Bank has been favored with the praise of the Central Bank.
- The Bank 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.

e) 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.

f) 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 two fully automated branches (Al Riyadh E-branch – EL Jomhoriya “Khartoum” E-branch) which also attracted more customers.

g) The introduction of such advanced banking technology won the appreciation of official banking authorities and the Bank has been nominated as the pioneering Bank in the field of banking technology in Sudan.

h) 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 from the part of staff.

i) 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 2016, 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 15,676.5 million pounds in 2016 compared to 12,454.2 million pounds in 2015, with an increase of 3,222.3 million pounds i.e. 26% increase. This considerable growth of the Bank resources is due to high rate of return awarded to 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 16% to 965.9 million pounds in 2016 compared to 831.8 million pounds in 2015. This is due to the growth of capital and the reserves and the proportions of retained and capitalized profits.

3. Deposits:

Total Bank deposits amounted to 14,253.8 million pounds in 2016 compared to 11,355.9 million pounds in 2015 26% increase, 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 the Bank portfolio increased by 39.3%, 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 1.1% in 2016 whereas the acceptable norm in the Banking industry set by the Central Bank of Sudan 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 the 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 22% to 877.2 million pounds in 2016 compared to 717.4 million pounds in 2015.



2. General and Administrative Expenses:

The total of General and Administrative Expenses was 512.3 million pounds in 2016 compared to 399.3 million pounds in 2015 i.e. an increase ratio of 28%, which is due to continued improvement of salaries of employees and increase of Administrative expenses.

3. Investment Deposits:

Investment Deposits increased by 21.8% where the profit shares of the holders of investments deposits amounted to 650.2 million pounds in 2016 compared to 533.9 million pounds in 2015. This reflects the increase in volume of investments deposits; it also reflects the rise of return on deposits to 12% in the years 2016, 2015, 2014 and 2013.

4. Net Profits:

Net profits after Zakat and taxes amounted to 229.9 million pounds in 2016 compared to 222.6 million pounds in 2015 i.e. an increase of 3%.

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 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 thanks 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.

Amro Mohamed Al-Faisal Al-Saud
Chairman

Resolutions of the Thirty Eighth Meeting of Shareholders Held on the 23rd March 2017

A) The general assembly of shareholders approved, at their ordinary annual meeting no. 38, which was held on 23rd March 2017, 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 2016.

B) The recommendations of the Board of Directors to distribute profits of the financial year ended 31st December 2016 amounting to (215,777,790) Two hundred and fifteen Million seven hundred and seventy-seven thousand and seven hundred ninety Sudanese pounds) this represents 35,96% of the paid-up capital for the year ended 31st December 2016 as follows:-

1. To Capitalize the sum of (100,000,000) Sudanese pounds (one hundred million Sudanese pounds), in the form of bonus shares to shareholders amounting to (16.66%) to raise the paid-up capital from (600 million) Sudanese pounds to (700 million) Sudanese pounds.

To distribute, in cash, the sum of (115,000,000) (One hundred and fifteen million Sudanese pounds) representing percentage (19,17%) of the paid-up capital as at the 31st December 2016, for shareholders.

2. To retain (777,790) seven hundred and seventy-seven thousand, and seven hundred ninety Sudanese pounds 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 (Sudan) authorized the Board of Directors for the appointment of the external auditors of Bank for the year 2017 and determine their fees.

D) The General Assembly of Shareholders approved at its meeting No (38) held on Thursday 23/3/2017 the recommendation of the Board Committee to appoint the Supervisory Committee for the elections of the Board of Directors for the new session as follows:

- | | |
|--|----------------------------|
| 1. Shareholder Dr. Salahuddin Ahmed Omar Kembal | as president |
| 2. The Representative of the Central Bank of Sudan | as a member |
| 3. The Representative of the Khartoum Stock Exchange | as a member |
| 4. Mr. Yasser Abdel-Samad, External Auditor's Office | as a member |
| 5. Mr. / Director of Legal Administration | as a member |
| 6. Mr. / Secretary of the Board of Directors | as a member and Rapporteur |

E) The General Assembly of the Bank, in its meeting No. 38 which was held on Thursday, 23 March 2017, elected the Board of Directors of the Bank for the new session (2017-2020) from the list of candidates for membership of the Board of Directors approved by the Central Bank of Sudan. The



Resolutions of the Thirty Eighth Meeting of Shareholders Held on the 23rd March 2017

General Assembly elected the following members of the Board of Directors:

1. His Royal Highness Prince Amro Mohamed Al Faisal Al Saud
 2. Her Royal Highness Princess Reem Mohamed Al Faisal Al Saud
 3. Prof. Abdul Aziz Al-Fadda
 4. Mr. Mustafa Abu Bakr Mohammed Azzam
 5. Mr. Abdul Hameed Mohammed Abu Musa
 6. Mr. Mohamed Hassan Nair
 7. Eng. Al-Faki Mohammed Jiballah Mohammed Saleh
 8. Dr. Abdulrahman Ibrahim Al-Khalifa
 9. Mr. Al Bagkir Yousif Mudawi
 10. Mr. Jaafer Ibrahim Mohammed Abdalla
- As a banking expert
As a banking expert

First: World Economy:

1. Preliminary reports of the global economy during the year 2016 show a growth rate of 3.1% compared to 3.2% in the year 2015 and it is expected to continue this increase up to 3.4% in 2017.
2. The economies in developing countries have recently experienced stability in growth rate compared to the developed countries, with growth rate of 4.1% in 2015 and 2016 which is expected to rise to 4.5% in 2017, whereas in developed countries, economies' growth rate decreased to 1.6% in 2016 compared to 2.1% in 2015. The increasing unemployment rate is still a source of concern to both developing and developed countries, where the number of the unemployed across the globe was 198 million in 2016 according to the International Labour Organisation.
3. The global Oil prices dropped from \$52 per barrel in 2015 to \$43 per barrel in 2016.
4. Gold price per ounce decreased from \$1.219 in 2015 to \$1.069 in 2016.

Second: Domestic Economy:

1. At the local level, the GDP showed a growth rate of 4.9% in 2016 compared to 4.1% in 2015; the rise in GDP was attained despite the decline of the oil exports as a result of secession of South Sudan, and also despite the low flow rates of grants and international assistants and the ongoing boycott and economic sanctions imposed on Sudan. This increase is mostly pushed by the growth of productive sectors and gold exports which contributed strongly to fill a considered gap of the exports revenues.
2. The rate of inflation in 2016 increased to 17.6% compared to 16.9% in 2015.
3. The public revenues and grants of the state amounted to 55.1 billion pounds in 2016 compared to 54.5 billion pounds in 2015, with an increase of 1%. The public expenditure during the year 2016 was 62.4 billion pounds compared to 61.5 billion pounds for the year 2015, showing an increase of 2%, accordingly the budget deficit was (7.3) billion pounds compared to (6.9) billion pounds in the year 2015.
4. The exchange rate of the Sudanese pound against convertible currencies was 6.1815 Pounds in December 2016; compared to 6.0107 pounds in December 2015.
5. The total money supply was 120.8 billion pounds in December 2016, compared to 93.6 billion pounds in December 2015, recording an increase of 29%, this was due to an increase of demand deposits by 32% and quasi-money by 19% and the currency in the hands with the public by 41%.
6. The Sudanese banks total assets rose to 132.7 billion pounds in December 2016 compared to 108.9 billion pounds by the end of 2015, showing percentage increase of 22%. Total finance by the banking system was 67.7 billion pounds in December 2016 compared to 53.5 billion pounds in December 2015, showing an increase of 27% and the ratio of total finance to total deposits was 85% in 2016 compared to 84% in 2015.
7. Total amount of deposits of the banking system in local currency was 65.7 billion pounds in December 2016 compared to 50.3 billion pounds in 2015, reflecting an increase of 31%. Foreign currency deposits increased to \$2.3 billion in December 2016 compared to \$2.2 billion in 2015, showing an increase of 5%.
8. The country's exports volume was \$3.1 billion in 2016, and the imports volume was \$8.3 billion. The deficit in the balance of trade was \$(5.2) billion.
9. US economic sanctions have affected the Sudanese economy, in general, and the banking sector in particular. These effects have resulted in the ban of external transactions with the banking system in Sudan, which has had a negative impact on foreign exchange flows and trade transactions with foreign corporations and markets.
10. In early 2017, the US administration issued a decree canceling Executive Orders No. 13067 of November 1997 and Executive Order No. 13412 of October 2006, under which economic sanctions were imposed on Sudan. It is expected that the removal of these sanctions will have a good impact on the Sudanese economy and the banking system in particular in terms of opening opportunities for external financing through correspondents, encouraging the movement of Sudanese exports to other countries and ease of movement of cash flows and financial transfers between Sudan and the rest of the world.



Third: Awards and Classifications received by the Bank:

Despite 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. The Bank had been named as Best Corporate Bank in Africa in the years 2014, 2015, 2016 respectively 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.
3. The Bank had been awarded the accreditation of "Committed to Excellence" by the European Foundation for Quality Management (EFQM), in recognition of the adoption of EFQM organizational excellence approaches by the senior management of the Bank.
4. The World Union of Arab Bankers has honoured the Bank by the award of 'Excellence Banking in Sudan - 2016'.

Geographical Expansion:

In accordance with The Central Bank of Sudan policy which encourages the banks geographic expansion, the Bank continued to increase its branches network. In 2016 the bank opened one branch: Bahri Market branch increasing the number of branches to 39. Also, with the opening of seven exchange offices, the total number of exchange offices has reached 27, in addition to the 10 service windows, 133 points of sale and 148 ATMs.

Fourth: The Bank's Financial Indicators for the year 2016:

A) Financial Position Statement:

1. Consolidated Balance Sheet:

The Bank's Consolidated Balance Sheet rose to a total of 15,676.5 million pounds in 2016 compared to 12,454.2 million pounds in 2015, i.e. an increase of 3,222.3 million pounds (26% increase). This is due to a considerable increase in the Bank deposits, which reached 26% and the growth of owners' equity at a rate of 16%.

The higher rate of profits of deposits accounts, and 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 13% and total Bank investments grew at a rate of 24%. 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 600 million pounds in 2016 compared with 510 million pounds in 2015 with an increase of 18%, which is more than the minimum required by Central Bank of Sudan.

Total reserves of the Bank reached 150.1 million pounds in 2016, compared to 120.2 million pounds in 2015 with an increase of 25%. This is due to the increase of statutory reserve and fair value reserve.

Total Owners' equity increased to 965.9 million pounds in 2016, against 831.8 million pounds in 2015. (An increase of 134.0 million pounds i.e. 16%). 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 14,253.8 million pounds in 2016 compared to 11,355.9 million pounds in 2015 i.e. an increase of 2,898 million pounds 26%. 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 12,056.0 million pounds in 2016 compared to 9,494.8 million pounds in 2015, i.e. an increase of 2,561.2 million pounds 27%.
- Deposits in foreign currencies increased to 2,197.8 million pounds in 2016 against 1,861.1 million pounds in 2015, i.e. an increase of 336.6 million pounds 18%.

4. The Investments:

Short-term Investments:

Short-term investments (Deferred sales and other forms of investments) showed a total of 8,851.9 million pounds in 2016 compared to 6,836.6 million pounds in 2015, i.e. an increase of 2,015.3 million pounds 29%. 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 685.8 million pounds in 2016, compared to 811.4 million pounds in 2015, i.e. a decrease of (125.6) million pounds (15%).

Investments in Finance portfolios:

Investments in Finance portfolios amounted to 62.3 million pounds in 2016, compared to 59.6 million pounds in 2015, i.e. increase of 2.7 million pounds 4%.

Long-term Investments:

Total long-term investments amounted to 156.9 million pounds in 2016, compared to 143.3 million pounds in 2015, showing an increase of 10%.

5. Net Fixed Assets:

Net fixed assets amounted to 854.2 million pounds in 2016, compared to 600.3 million pounds in 2015, i.e. an increase of 254 million pounds 42%. This is due to the expansion of expenditure in rehabilitation and modernization of the Head Office and branches of the Bank and Banking technology.

B) Income Statement:

Income from deferred sales and other modes of finance rose to 1,185.5 million pounds in 2016 compared to 982.8 million pounds in 2015, i.e. an increase of 202.7 million pounds 21% increase. This is due to the increase and improvement of productivity, and investing in good quality of products.

The return on investment deposits rose to 650.2 million pounds in 2016 compared to 533.9 million pounds in 2015, i.e. an increased ratio of 21.8%, this was due to higher investment profits. It also reflects the rise of return on deposits to 12% in 2016, 2015, 2014 and 2013 respectively.

The share of the Bank, as a "Mudarib" and Funds owner was 535.3 million pounds in 2016, compared to 449 million pounds in 2015, i.e. a increase of 19%.

Revenues from banking Services declined to 276.3 million pounds in 2016 compared to 163 million pounds in 2015, i.e. recording an increase of 70% as a result of increase in return of documentary credits.

The Bank revenues rose to 877.2 million pounds in 2016 compared to 717.4 million pounds in 2015, i.e. an increase of 22%. And this increase is largely attributed to the rise in return on investment.

Total of General and Administrative Expenses was 512.3 million pounds in 2016 compared to 399.3 million pounds in 2015, i.e. an increase ratio of 28%, which is due to continued improvement of salaries of employees

and increase of Administrative expenses.

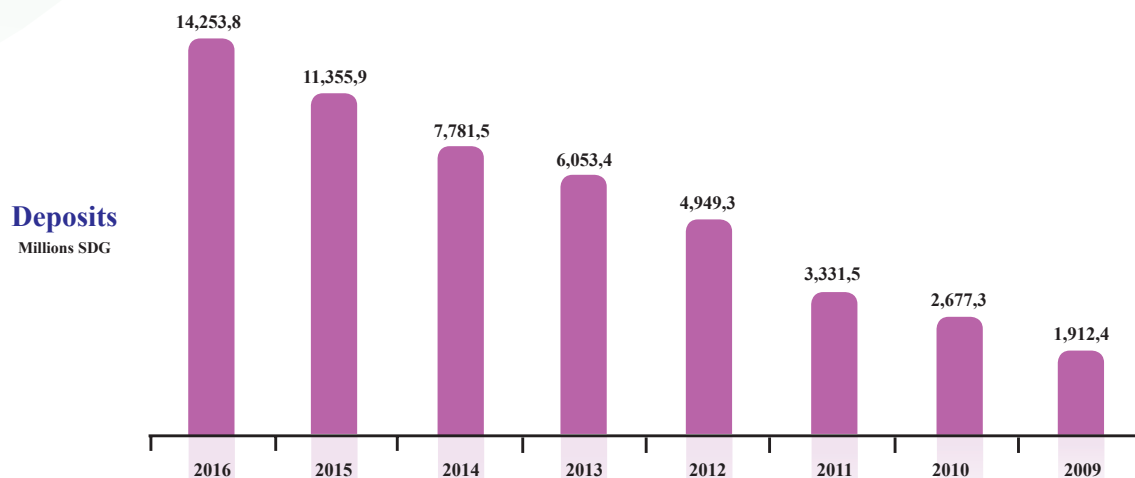
Profits after Zakat and taxes rose to 229.9 million pounds in 2016 compared to 222.6 million pounds in 2015, showing an increase of 3%.

The operational cost ratio was 33.5% in 2016 compared to 31.9% in 2015.

The following tables show the most important indicators of the Bank performance in 2016:

Description	2016	2015	Difference
Total Assets	15,677.0	12,454.0	25.9%
Investments	9,981.0	8,019.0	24.5%
Total Deposits	14,254.0	11,356.0	25.5%
Owners' Equity	966.0	832.0	16.1%
Operational Cost Ratio	33.5%	31.9%	1.6%

Description	2016	2015	Difference
Return on Banking Services	276	163	69.3%
Return on Bank Investment	535	449	19.2%
Other returns	66	105	(37.1%)
Total Expenses	587	452	29.9%
Profit before Zakat and taxes	290	265	9.4%





Income Millions SDG



Capital Adequacy



Revenues

(Millions SDG)

Description	2016	2015	2014	2013	2012	2011	2010	2009
Returns on deferred sales & investments	535.3	449.0	284.5	225	268.8	204.2	103.2	99.7
Return on direct investments	38.8	21.4	46.4	30	16.3	11	6.7	0
Returns on Banking Services	276.3	163	235.5	242.4	81.3	72.7	93.3	48.7
Other returns	26.8	84	28.1	23.1	12.7	8.8	9.3	8.1
Total Returns	877.2	717.4	594.5	520.5	379.1	296.7	212.5	156.5

Assets

(Millions SDG)

Description	2016	2015	2014	2013	2012	2011	2010	2009
Cash and Cash Equivalent	3,222.9	2,841.1	2,049.2	1,696.1	1,110.7	333.8	238.2	380
Current Assets	11,596.3	9,008.9	6,219.9	5,032.9	4,270.6	3,337.3	2,708.9	1,978.4
Fixed Assets	854.2	602.3	413.5	299.8	208.5	151.6	104.8	73.5
Intangible Assets (Net)	3.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	15,676.5	12,454.2	8,682.6	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9

Liabilities

(Millions SDG)

Description	2016	2015	2014	2013	2012	2011	2010	2009
Current Deposits	5,141.4	3,857.1	2,853.0	2,104.0	1,849.5	1,300.2	1,009.1	805.2
Investment Deposits	9,112.3	7,498.9	4,890.8	3,949.4	3,099.8	2,031.3	1,668.3	1,107.2
Other Liabilities	457.0	266.4	240.3	387.5	161.3	116.0	128.0	328.1
Sub Total	14,710.7	11,622.4	7,984.1	6,440.9	5,110.6	3,447.5	2,805.6	2,240.5

Owners' Equity

Paid-up Capital	600	510	435	350	280	200	140	110
Reserves	150.1	120.2	95.3	76.4	58.8	43.2	28.5	17.8
Retained Profits	215.8	201.6	186.2	161.5	140.3	131.9	77.1	50
Sub Total	965.9	831.8	698.5	587.9	479.1	375.1	245.7	177.8
Total Liabilities	15,677.0	12,454.2	8,682.6	7,028.8	5,589.8	3,822.7	3,051.9	2,431.9

Faisal Islamic Bank (Sudan) Sharia Supervisory Board



بنك فيصل الإسلامي السوداني لجنة الرقابة الشرعية

Ref.:

المرجع: ب ف أ س / هر ش /

Date:

التاريخ: ٨ جمادى الأولى ١٤٣٨ هـ

الموافق: ٥ فبراير ٢٠١٧ م

Report of Shari'a Supervisory Board Faisal Islamic Bank (Sudan)
For the period from 21st Rabie Alawal 1437 AH to 2^{ed} Rabie Alawal 1438 AH
1st January 2016 to 31st December 2016

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 Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain, the Shari'a Supervisory Board submits the following report to the shareholders annual meeting:

- 1- The board convened (25) meetings where it issued a number of shari'a opinions (fatwa) and directives in response to various references made to it by the Bank staff, documented in the records.
- 2- The Board held a course to train the Bank's employees at Islamic Banking.
- 3- The Board revised all contracts signed by the Bank and submitted to the board.
- 4- The Board looked into subjects submitted by some of the departments of the Bank and issued the relevant directives.
- 5- The Board convened a meeting in February 2017, where it reviewed external auditors report, income statement, cash flows and change in owners' equity statement for the year 2016, and found nothing that inconsistent with Islamic principles.
- 6- The Board reports with pleasure that:
 - A) All contracts and operations conducted during the year ended December 31, 2016 AD, were in compliance with Islamic jurisprudence.
 - B) Distribution of profits and charging losses to investment accounts is in conformity with the basis approved by the Board in accordance with Islamic jurisprudence.
 - C) Zakat is computed in accordance with the provisions of Islamic jurisprudence.
- 7- 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 us 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) Professor / Mohamed Al-Fatih Hamid | Member |
| 4) Dr. Abdel Rahman Al-Siddig Dafa' Alla | Member |
| 5) Mr. Ali Abdel Basit Ahmed Al-Haj | Member |



Handwritten signature of the Chairman, Professor Yousuf Al-Khalifa Abu-Baker.

ص.ب: ١٠١٤٣
تلغرافياً (بنكسلامي) الخرطوم

تلكس: ٢٢٥١٩ FIBS SD
SD ٢٢١٦٣ الخرطوم

تلفونات: ٧٧٢١٠٦ أمين الهيئة

Elmamoun Hamid & Co.
Certified Accountants & Consultants



المأمون حامد وشركاه
محاسبون قانونيون و مستشارون

We have audited the attached financial statements of Faisal Islamic Bank - Sudan, which comprise the statement of financial position, the statements of income, changes in equity and cash flows as on 31st December 2016, 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 issued by 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.

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 that the financial statements are free from material misstatement.

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 misstatement 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, its financial performance and its cash flows for the year ended 31st December 2016 in accordance with accounting standards issued by the Accounting and Auditing Organization For Islamic Financial Institutions (AAOIFI), and are in compliance with the applicable laws and the requirements of Central Bank of Sudan relating to the preparation of these financial statements.

January 31, 2017



Elmamoun Hamid & Co
Certified Accountants & Consultants

Alnilain Towers, Tower No. (85) , 9th Floor, Khartoum (2) Khartoum , Sudan ابراج النيلين ، برج (85) الطابق (9) ، شقه (904) ، الخرطوم (2) ، الخرطوم السودان

P.o. Box : 106 , Postal code :11111 11111 رمزي بريدي ص . ب 106

E-mail: mamoun.cpa@gmail.com

Statement of Financial Position as at December 31, 2016

	Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Assets			
Cash and Cash Equivalents	(6)	2,668,420,528	2,441,871,973
Central Bank of Sudan - statutory cash reserve	(7)	554,495,421	399,068,456
Sales receivables	(8)	8,332,287,462	6,366,573,190
Other investments	(9)	5,074,668	62,185,560
Investments in securities	(10)	685,783,383	811,393,496
Mudaraba	(11)	50,259,740	84,370,960
Musharaka	(12)	464,240,157	323,483,486
Finance portfolios	(13)	62,271,674	59,620,197
Investments in subsidiaries	(14)	156,918,833	143,295,783
Other assets	(15)	1,839,496,022	1,159,992,098
Net Fixed Assets	(16)	854,195,743	600,278,600
Net Intangible Assets	(17)	3,086,490	2,059,130
Total Assets		15,676,530,121	12,454,192,929
Liabilities & unrestricted investment accounts and owners' equity			
Liabilities			
Current and savings accounts	(18)	4,832,915,480	3,586,864,618
Credit balances	(19)	33,900,000	-
Other liabilities	(20)	593,709,386	426,450,935
Provisions	(21)	137,815,684	110,165,634
Total Liabilities		5,598,340,550	4,123,481,187
Equity of unrestricted investment accounts holders	(22)	9,112,323,085	7,498,881,462
Total liabilities & unrestricted investment accounts		14,710,663,635	11,622,362,649
Owners' equity			
Paid up capital	(23)	600,000,000	510,000,000
Reserves	(24)	150,088,696	120,205,263
Retained Earnings		215,777,790	201,625,017
Total owners' equity		965,866,486	831,830,280
Total liabilities, unrestricted investment accounts and owners' equity		15,676,530,121	12,454,192,929
Contra accounts	(25)	2,248,274,834	2,068,275,105



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



Dr. Osman El Hadi Ibrahim
Member of The Board of Directors



Mr. El Bagir Ahmed Elnouri
General Manager

The attached notes (1 - 49) form and integral part of these financial statements



Income Statement for the Year ended December 31, 2016

	Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Income			
Income from deferred sales	(26)	971,093,318	798,160,486
Income from other investments	(27)	214,416,048	184,694,800
		1,185,509,366	982,855,286
Less: return on unrestricted investment accounts	(28)	(650,198,639)	(533,856,129)
Net income from deferred sales and investments		535,310,727	448,999,157
Income from Banking services	(29)	276,337,810	163,013,658
Bank's income from its own investments	(30)	38,763,099	21,434,646
Income (Loss) from foreign currencies revaluation		(8,324)	(22,612)
Other income	(31)	26,822,813	84,008,424
Total Bank's Revenue		877,226,126	717,433,273
Expenses			
Staff cost	(32)	284,259,079	225,910,664
General and administrative expenses	(33)	228,006,623	173,323,092
Depreciation	(16)	50,201,785	39,357,081
Fines by Central Bank of Sudan		613,944	-
Provision for Investment and Finance Risk	(34)	24,427,555	14,000,000
Total Expenses		587,508,986	452,590,837
Income before tax and zakat		289,717,140	264,842,437
Zakat for the year	(46)	(8,067,478)	(7,520,914)
Business profits tax for the year	(47)	(51,787,423)	(34,698,444)
Net Income		229,862,239	222,623,079
Dividend per share			
	(35)	0.40	0.46

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

Dr. Osman El Hadi Ibrahim
Member of The Board of Directors

Mr. El Bagir Ahmed Elnouri
General Manager

Statement of Cash Flows for the Year ended December 31, 2016

Cash flows from operating Activities:

Net income for the year

Reconciliation of net income to net increase in cash generated from operation

Depreciation of fixed assets

Amortization of intangible assets

Provision for finance and investment risks

Equity of investment accounts holders

Zakat for the year

Business profits tax for the year

Income of Fixed Assets Sales

Net income from Operating activities

Notes

December 31, 2016 (SDG)	December 31, 2015 (SDG)
229,862,239	222,623,079
(16)	
50,201,785	39,357,081
777,473	611,051
24,427,555	14,000,000
116,342,510	79,229,560
8,067,478	7,520,914
51,787,423	34,698,444
(440,178)	63,568,093
481,026,285	461,608,222

Cash flows from investment activities:

Purchase of fixed assets

Purchase of intangible assets

Cash received from sale of fixed assets

Purchase of securities

Mudaraba and deposits at other Banks

Increase in sales receivables

Increase in Musharaka

Increase in other investments

Increase in capital contributions

Increase in finance portfolios & Investment funds

Net income from investment activities

(16)

(306,792,100)	(290,804,642)
(1,804,832)	(1,523,588)
3,113,351	-
125,610,113	(122,241,520)
34,111,220	161,512,706
(1,990,141,827)	(3,107,367,735)
(140,756,671)	(19,327,655)
57,110,892	(170,031)
(13,623,050)	(28,194,259)
(2,651,477)	(9,418,439)
(2,235,824,382)	(3,417,535,163)

Cash Flows From Financing Activities

Net increase in equity of unrestricted investment account holders

Net increase in current accounts

Capital Increase

Net increase in reserves

Dividends

Dividends (Free Shares)

Transferred to Statutory Reserve

Increase in other assets

Increase in Central Bank of Sudan' Statutory cash reserve

Increase in provisions

Increase in credit balances

Increase in other liabilities

Net income From Financing Activities

1,497,099,113	2,528,873,198
1,246,050,862	950,185,540
90,000,000	75,000,000
29,883,433	24,902,457
(102,731,566)	(92,000,000)
(90,000,000)	(75,000,000)
(22,977,900)	(22,239,697)
(679,503,924)	320,124,005
(155,426,965)	(67,845,892)
(32,204,853)	(55,521,226)
33,900,000	-
167,258,451	93,318,663
1,981,346,652	3,679,797,050

Net increase in cash

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

(6)

226,548,555	723,870,108
2,441,871,973	1,718,001,865
2,668,420,528	2,441,871,973



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



Dr. Osman El Hadi Ibrahim
Member of The Board of Directors



Mr. El Bagir Ahmed Elnouri
General Manager

The attached notes (1 - 49) form and integral part of these financial statements



Statement of Changes in Owners' Equity for the Year ended December 31, 2016

Description	Paid-up Capital	Surplus of fixed assets revaluation	Fair Value Reserve	Foreign Currencies Revaluation Reserve	General reserve	Statutory reserve	Retained earnings	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Balance as at January 1, 2016	510,000,000	6,111,669	2,662,759	18,055	9,226,398	102,186,382	201,625,017	831,830,280
Net income for the Year	-	-	-	-	-	-	229,862,239	229,862,239
Transferred to reserves	-	-	6,905,533	(8,324)	-	22,986,224	(22,977,900)	6,905,533
Capitalized profits	90,000,000	-	-	-	-	-	(90,000,000)	-
Previous Years	-	-	-	-	-	-	(731,566)	(731,566)
Cash dividends	-	-	-	-	-	-	(102,000,000)	(102,000,000)
Balance as at December 31, 2016	600,000,000	6,111,669	9,568,292	9,731	9,226,398	125,172,606	215,777,790	965,866,486
Balance as at January 1, 2015	435,000,000	6,111,669	-	40,666	9,226,398	79,924,074	168,241,635	698,544,442
Net income for the year	-	-	-	-	-	-	222,623,079	222,623,079
Transferred to reserves	-	-	2,662,759	(22,611)	-	22,262,308	(22,239,697)	2,662,759
Capitalized profits	75,000,000	-	-	-	-	-	(75,000,000)	-
Cash dividends	-	-	-	-	-	-	(92,000,000)	(92,000,000)
Balance as at December 31, 2015	510,000,000	6,111,669	2,662,759	18,055	9,226,398	102,186,382	201,625,017	831,830,280
Notes	(23)	(24)	(24)	(24)	(24)	(24)		

Notes to the Financial Statements for the Year ended December 31, 2016



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 2016 was 1,464 (2015: 1,288). At 31 December 2016 the Bank has 35 branches, 21 cash offices, number of ATMs machines was 148 in 2016 (2015:143), all operating in Sudan.

2- Basis of financial statements preparation

2.1. 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.

2.2 The functional currency is Sudanese Pound; financial statements have been presented in Sudanese Pounds (SDG).

2.3 The financial statement were prepared in compliance with the historical cost concept as amended.

2.4 The Bank uses the accrual basis in recording its assets, liabilities, revenues and expenses.

2.5 The preparation of these financial statements requires management to make judgments, assumptions and estimates that affect the values of assets, liabilities, income and expenses on the financial statements.

The significant accounting judgments, assumptions and estimates that affect the application of accounting policies are as follows:

2.5.1 Impairment losses on financing portfolios:

The Bank reviews its finance portfolios monthly to determine whether there is impairment in value requires a new provision for impairment. The management has to make a number of judgments about the amount and timing of future cash flows for the purpose of determining the level of provisions required. These judgments are based on assumptions and numerical factors based on varying degrees of judgment.

The Bank's management regularly reviews the mechanisms and assumptions used in estimating the amount and timing of future cash flows in order to reduce the difference between the estimated losses and the actual losses.

2.5.2 Impairment of securities available for sale:

The Bank makes judgments to consider whether there is a decline in the value of sukuk investments at fair value through equity. The estimates include the determination of whether there is a significant and continual decline in the fair value below its cost. To make these judgments, the Bank evaluates other factors, including normal fluctuations in sukuk prices, the strength of the entity in which it is invested, market performance, economic sector and cash flows.



2.5.3 Fair value of shares and sukuk not traded in an active market:

The valuation of investments in sukuk that are not traded in an active market is based on the use of valuation techniques in the form of business transactions or the fair value of similar instruments or expected cash flows deducted at current rates applicable to instruments with similar terms, characteristics and risks.

Estimation of cash flows from unquoted equity investments requires significant estimates and some of these investments can not be reliably estimated. As a result, these investments at the end of the financial period are carried at cost less impairment provision, if any.

3. Accounting Policies

(3.1) 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:

Core Banking System	10%
Motor vehicles	15%
Decoration	15%
Furniture and fixtures	10%
Computer	30%
Buildings	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.

(3.2) 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.

(3.3) 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 2016. 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 operations are treated in the income statement.

(3.4) Revenue Recognition:

3.4.1) Murabaha and Mugawla

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

3.4.2) 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.

3.4.3) Musharaka

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

3.4.4) Income from contributions to bank-managed finance portfolios is recognized in accordance with the Mudaraba contract on an accrual basis.

3.4.5) Profit from investment deposits is recognized in accordance with the Mudaraba contract with banks and financial institutions on an accrual basis.

3.4.6) Income from investment in sukuk and financial securities held at cost is recognized on an accrual basis.

3.4.7) The Bank sets its share in the profits of the companies, in which it has invested, including subsidiaries that have not consolidated their financial statements when announced.

3.4.8) 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.

(3.5) 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.

(3.6) 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).

(3.7) 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.

(3.8) Measurement of investments & finance at the end of the year

(3.8.1) 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.

(3.8.2) 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.

(3.8.3) Musharaka: Musharaka is measured by the historical cost less provision for finance losses (if any), at the end of the year.

(3.8.4) 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.

(3.8.5) 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.

(3.8.6) Investments held to maturity: Investments 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 provision for impairment in value if any.

(3.8.7) Investments in banks and financial institutions:

Investment accounts at banks and financial institutions are recorded on a Mudaraba basis at cost less any provision for impairment if any.

(3.9) Provision for employees' end of service benefits:

Employees' end of service benefits are calculated in accordance with the provisions of the Sudanese Labour Law and the Bank's internal human resources policy. The Bank deposits such funds in a savings deposit account.

(3.10) Zakah and Tax treatment

The Bank is subject to the Zakat and Tax regulations prescribed by the Sudanese authorities and Shari'a supervisory board by 2,579 from the Zakat Base. In terms of tax, the Bank is subject to a profit tax of 30% (2015: 30%) of the tax base.

(3.11) 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. However, in case of Mudaraba for a fixed period, the Bank (as Mudarib) has a right to enforce Mudaraba deposit until the end of agreed period.

Profits of unrestricted investment accounts holders and owners' equity are distributed on share basis. The profits of holders of unrestricted investment accounts are credited to their accounts after the approval of Shari'ah Supervisory Board and the regulators. Revenues are shared by unrestricted accounts holders except for return on Banking services and other revenues. Direct investment expenses are charged to the return on investment before dividends. Administrative expenses are charged to the Bank.

(3.12) 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.

4- 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.

5- 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 for the Year ended December 31, 2016

6- 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

Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
	77,175,645	94,320,516
	4,548,852	3,411,442
	48,138,222	8,331,650
	2,442,308,299	2,126,094,472
	96,249,510	209,713,893
	2,668,420,528	2,441,871,973

7- Central Bank of Sudan - Statutory cash reserve:

Local currency
Foreign currency

December 31, 2016 (SDG)	December 31, 2015 (SDG)
462,830,921	352,855,409
91,664,500	46,213,047
554,495,421	399,068,456

8- Sales receivables:

Murabaha
Deferred profits
Sales Receivables
Financing risk provision Murabaha
Mugawala Governmental institutions
Istisna'a
Deferred profits Mugawala & Istisna'a
Financing risk provision Mugawala
Net Sales receivables

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
	5,108,742,841	4,719,951,980
	(739,899,223)	(677,407,545)
	732,842	732,842
(34)	(65,648,052)	(65,482,201)
	5,644,187,898	3,018,692,931
	3,553,317	-
	(1,584,850,830)	(612,206,404)
(34)	(34,531,331)	(17,708,413)
	8,332,287,462	6,366,573,190

9- Other investments:

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

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
	269,114	266,533
	13,258,875	45,403,202
	4,856,812	29,223,735
(34)	(13,310,134)	(12,707,910)
	5,074,668	62,185,560

10- Investments in securities:

Shahama
Shasha Securities
Governmental Securities
Shares
Liquidity Management Inter-Banks Fund

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
10/ 1	452,988,240	556,620,347
10/ 2	206,225,165	219,099,000
10/ 3	20,037,930	32,164,094
10/ 4	6,531,046	3,510,055
10/ 5	1,002	-
	685,783,383	811,393,496



Securities held at cost:

10.1 Shahama Certificates:

Shahama are certificates issued by the Ministry of Finance according to the Musharaka contract. They are traded on the Khartoum Stock Exchange. They have achieved an investment return of at least 14% since their issuance in 1999. The certificates that were liquidated during this year achieved profits ranging from 17% to 19%.

10.2 Sukuk Certificates of Ijara of Assets of the Sudanese Electricity Distribution Company (Shasha):

These certificates were owned in December 2012 and March 2013 as a repayment of certain bad debts guaranteed by the Ministry of Finance. These certificates represent an investment as a Mudaraba in a fund managed by Sudan Financial Services Company Limited. The Fund's contributions are allocated to the purchase of the assets of the Electricity Distribution Company, which will be leased to the Ministry of Finance with a four-year operating lease, at the end of which the Fund's assets will be liquidated at market prices prevailing at the date of liquidation. The return on investment is expected to be within 5% per annum.

10.3 Government Investment Certificates:

Which is issued by the Sudan Financial Services Company on the basis of the restricted Mudaraba contract in favor of the Ministry of Finance and National Economy. It is invested in the assets of an institution on the lease contract. The profits are distributed every 3 months and are traded in Khartoum Stock Exchange .

10.4 Investment in shares:

It consists of the shares of the following companies:

Shares held for trading (joint investment):

	31 December 2016 (SDG)	31 December 2015 (SDG)
Sudatel Telecom	5,726,230	2,918,359

Shares available for sale (self-investments):

	31 December 2016 (SDG)	31 December 2015 (SDG)
National Petroleum Company	663,571	399,360
Al Shamal Islamic Bank	139,279	188,215
Nile Bank for Development and Trade	1,966	4,120
Total shares available for sale	804,816	591,695
Total equity investment	6,531,046	3,510,054

10.5 Liquidity Management Fund:

It is a fund aimed at managing the liquidity among banks, to which all banks operating in Sudan contribute, and it is managed by the Financial Investment Bank with a capital of 750 million SDG divided into 750,000 instrument with a nominal value of the instrument of one thousand SDG. These instruments are not listed on the Khartoum Stock Exchange. The purpose of the Fund is to cover the current open accounts of banks in local currency at the Central Bank of Sudan under specific regulations. Instruments are assessed on a daily basis by the Fund and the dividend is distributed semi-annually.

Notes to the Financial Statements for the Year ended December 31, 2016

11- Mudaraba:

Companies
local Banks
Provision of Finance Risk

Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
	23,000,000	41,714,327
	27,489,740	42,886,633
(34)	(230,000)	(230,000)
	50,259,740	84,370,960

12- Musharaka:

Companies
Individuals
Provision of Finance Risk
Musharaka (net)

December 31, 2016 (SDG)	December 31, 2015 (SDG)
458,249,661	325,067,161
14,549,800	-
(8,559,304)	(1,583,675)
464,240,157	323,483,486

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 (Kassala) portfolio (the second phase)
Financing cotton cultivation (season 2013/2014-) portfolio
River Nile Public Housing Portfolio
Housing & Reconstruction Red Sea State portfolio
Financing and manufacturing of vegetable oils Portfolio
Provision of Finance Risk

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
	4,123,414	4,325,784
	-	248,296
	1,000,000	1,000,000
	1,216,665	1,366,666
	1,049,551	1,259,461
	600,000	600,000
	651,645	1,960,000
	1,533,186	1,699,905
	1,500,000	1,500,000
	5,000,000	9,500,000
(13/ 1)	36,726,220	36,762,309
	9,500,000	-
(34)	(629,007)	(602,224)
	62,271,674	59,620,197

13.1) Represents the Bank's contribution to this portfolio managed by the Bank on behalf of the participating banks.

14- Capital contributions in companies:

Investments in subsidiaries
Investments in sister & other companies
Companies abroad

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
14/ 1	97,495,000	97,495,000
14/ 2	2,207,023	2,207,023
14/ 3	57,216,810	43,593,760
	156,918,833	143,295,783

Notes to the Financial Statements for the Year ended December 31, 2016

14/1 Investments in subsidiaries

	Ownership Percentage	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Islamic Company for Trade and Services	99.992%	25,000,000	25,000,000
Islamic Insurance Company (Sudan)	99.98%	24,995,000	24,995,000
Al-Faisal for financial transactions Company	90%	22,500,000	22,500,000
Al-Faisal Real Estate Company	99.72%	25,000,000	25,000,000
		97,495,000	97,495,000

14/2 Local Companies

	Percentage of Contribution	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Grain Mills - Atbara	5.56%	1,391,110	1,391,110
Electronic Banking Services Company (EBS)	1%	101,913	101,913
Financial and Banking Systems Company (FBS)	9.7%	714,000	714,000
		2,207,023	2,207,023

14/3 Contributions to companies available for sale abroad

		December 31, 2016 (SDG)	December 31, 2015 (SDG)
Advisory Group*		-	1,408,000
Provision for Investment Impairment		-	(1,408,000)
Faisal Islamic Bank of Egypt	2.19%	57,216,810	43,593,760
		57,216,810	43,593,760

* The Board of Directors of the Bank, at its meeting No. 199 held on 13 November 2016, approved the write-off of the Bank's investment in the Advisory Group.

15- Other Assets:

	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Profits for investment deposits (paid in advance)	173,821,101	52,067,707
Prepaid taxes	-	3,597,350
Prepaid rents	10,722,727	5,785,632
Murabaha Assets	605,577,031	324,122,367
Mugawalat Assets	395,219,101	365,132,929
Land acquired in settlement of debt	119,520,028	119,520,028
Prepaid expenses	4,231,953	1,379,459
Debts under settlement	21,490,828	-
Staff loans	223,726,321	167,801,595
Accrued income	232,800,745	114,519,762
Indebtedness of Service Leavers	6,204,906	2,045,408
Medicines Import Account	3,666,187	722,241
Mobile phones recharge (Zain sd)	1,028,355	1,681,395
Cheques due	149,049	1,068,431
Magnetized Cheques Value	43,623	201,148
Electricity of SEDC	27,466	346,646
National Switch Claims	99,154	-
Electronic Clearance fees	724	-
An incentive to attract the remittances of Sudanese abroad	23,229,392	-
Central Bank of Sudan Window	17,937,331	-
	1,839,496,022	1,159,992,098

The attached notes (1 - 49) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2016

16- Fixed Assets

Description	Motor Vehicles and Motor Cycle	Decoration of buildings	Furniture and equipment	Information technology equipment	Freehold land and buildings	Constructions	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG
Cost in:							
January 1, 2016	63,924,814	37,001,432	65,494,911	120,721,575	317,860,753	135,637,433	740,640,918
Additions	6,073,128	18,100,442	30,070,294	34,553,614	19,357,552	198,637,071	306,792,100
Re-classification	-	15,617,870	-	-	69,005,104	(84,622,974)	-
Disposals	(495,100)	-	(2,709,689)	(9,889)	-	-	(3,214,678)
December 31, 2016	69,502,842	70,719,744	92,855,516	155,265,300	406,223,409	249,651,530	1,044,218,341
Depreciation in:							
January 1, 2016	27,273,287	14,262,853	22,664,593	64,474,104	11,687,481	-	140,362,318
For the Year	9,969,942	6,856,080	7,782,037	20,698,274	4,895,452	-	50,201,785
Re-classification	-	1,115,265	-	-	(1,115,265)	-	-
Disposals	(111,398)	-	(429,366)	(742)	-	-	(541,505)
December 31, 2016	37,131,831	22,234,198	30,017,264	85,171,636	15,467,668	-	190,022,598
Book Value in:							
December 31, 2016	32,371,011	48,485,546	62,838,252	70,093,664	390,755,741	249,651,530	854,195,743
December 31, 2015	36,651,527	22,738,579	42,830,318	56,247,471	306,173,272	135,637,433	600,278,600

17- Intangible Assets

Cost in December 31,
Depreciation in December 31,

December 31, 2016 (SDG)	December 31, 2015 (SDG)
8,677,138	6,872,306
(5,590,648)	(4,813,176)
3,086,490	2,059,130

18- Current and savings accounts:

Current deposits (local)
Current deposits (foreign)
Savings deposits (local)
Savings deposits (foreign)
Other Deposits

3,532,200,648	2,651,167,882
195,310,924	120,876,045
1,094,953,141	805,201,188
10,258,095	8,349,924
192,672	1,269,579
4,832,915,480	3,586,864,618

19- Credit balance for Central Bank of Sudan:

It's a short term free-interest loan from Central Bank of Sudan.

20- Other Liabilities:

Margins of letters of credit
Margins of letters of guarantee
Payment orders (Local)
Payment orders (Foreign)
Creditors
Transfers, for Individuals with no accounts
Accrued Expenses
Increase in the Treasury
For-demand deposits
Pending customers' payments
National Switch Commissions
Pafalo Bank Agency covers
Payables under liquidation
National Switch Claims (EBS)
External ATMs Dispute
Unpaid transfers
Constructions Payables under Settlement
Income prohibited by Islamic law
Paid Tax
Government Employees Salaries
Central Bank of Sudan Window
Free-interest loan (Liquidity Fund)
Fees of credit query
Settlement of cash supplies through ATM
MTN balance cards
Stamp
Service sales balance (electricity and communications)

December 31, 2016 (SDG)	December 31, 2015 (SDG)
215,184,583	184,129,013
11,894,566	16,601,074
147,906,517	104,762,283
328,048	3,098,175
38,395,139	661,709
4,709,543	2,932,955
20,362,349	1,004,152
58,353	57,353
4,096,867	22,271,674
47,556,776	69,465,025
-	2,896
31,191	31,191
27,051	27,051
32,160,432	7,514,950
45,573	16,183
17,928	17,928
-	12,991,585
624,177	560,877
280	111,543
1,301,446	-
21,463,752	-
47,508,789	-
140	-
6,109	-
25,345	-
4,432	-
-	193,319
593,709,386	426,450,935

20.1 The profits resulting from operations prohibited by the Islamic Shari'a during the year amounted to 63,300 Sudanese pounds, while last year it was 560,877 pounds, and was not disbursed during the year.

The attached notes (1 - 49) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2016

21- Provisions:

Zakat provision
Board of directors Remunerations provision
Provision for VAT
Staff Bonus Provision
Tax Provision

December 31, 2016 (SDG)	December 31, 2015 (SDG)
8,067,478	7,520,914
15,038,128	16,275,513
85,000	70,763
56,736,562	51,600,000
57,888,516	34,698,444
137,815,684	110,165,634

22- Equity of unrestricted investment accounts holders:

Investment deposits - local currency
Investment deposits - foreign currency
Return of unrestricted investment accounts owners

December 31, 2016 (SDG)	December 31, 2015 (SDG)
6,752,842,166	5,470,899,835
1,709,282,280	1,494,125,498
8,462,124,446	6,965,025,333
650,198,639	533,856,129
9,112,323,085	7,498,881,462

23- Capital:

Authorized Capital *
Paid-up Capital **

Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
23 / 1	1,000,000,000	1,000,000,000
23 / 2	600,000,000	510,000,000

23.1 The authorized capital of one billion sudanese pound is divided into one billion shares; the value per share is one sudanese pound .
23.2 The paid up capital was increased at the beginning of 2016 and 2015 by 90 million and 75 million (SDG) respectively based on capitalization of retained profits, after the completion of legal and regulatory measures.

24- Reserves:

Statutory reserve
Revaluation reserve
General reserve
Reserve of Foreign Currencies Revaluation
Fair Value Reserve

Notes	December 31, 2016 (SDG)	December 31, 2015 (SDG)
24 / 1	125,172,606	102,186,382
24 / 2	6,111,669	6,111,669
24 / 3	9,226,398	9,226,398
24 / 4	9,731	18,055
24 / 5	9,568,292	2,662,759
	150,088,696	120,205,263

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 should be transferred to a statutory reserve. The Bank may resolve to discontinue such annual transfers when the reserve equals to 100% of the paid up 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.

24/4 Reserve of foreign currencies revaluation

In accordance with the requirements of the Central Bank of Sudan, revaluation of returns of foreign currencies should be deducted from retained profits and disclosed separately under the name of Foreign Currencies Revaluation Reserve in the Statement of Financial Position and Statement of Changes in Equity.

24.5 Fair value reserve:

It is the change in the fair value of available for sale equity investments:



Notes to the Financial Statements for the Year ended December 31, 2016

Faisal Islamic Bank of Egypt
Al Shamal Islamic Bank
Nile Bank for Development and Trade
National Petroleum Company
Total

December 31, 2016 (SDG)	December 31, 2015 (SDG)
9,536,135	2,662,759
(48,935)	-
(2,155)	-
83,247	-
9,568,292	2,662,759

25- Contra accounts:

Obligations of documentary credits
Bills for collection - Investment
Returned Bills - Investment
Obligations of guarantees
Obligations of the Red Sea Housing Portfolio run by the Bank
Bad debts - written off

December 31, 2016 (SDG)	December 31, 2015 (SDG)
165,576,505	250,700,842
1,935,751,115	1,632,721,387
3,695,319	4,712,948
94,625,751	131,004,088
31,127,384	34,800,000
17,498,760	14,335,840
2,248,274,834	2,068,275,105

26- Income from deferred sales:

December 31, 2016 (SDG)	December 31, 2015 (SDG)
971,093,318	798,160,486
971,093,318	798,160,486

27- Income from different investments:

Securities
Musharaka
Mugawala
Mudaraba
Ijara
Other Portfolios
Investment Deposits abroad
Istisna'a

December 31, 2016 (SDG)	December 31, 2015 (SDG)
103,511,265	115,900,057
58,711,423	14,917,375
48,489,365	52,712,148
550,145	3,427
41,774	42,417
2,863,147	1,118,849
-	527
248,929	-
214,416,048	184,694,800

28- 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' in foreign currency
Bank's share as rabulmal and mudarib - in foreign currency
Return on unrestricted investment account owners' in foreign currency

December 31, 2016 (SDG)	December 31, 2015 (SDG)
728,104,726	600,241,394
(145,620,945)	(120,048,279)
582,483,781	480,193,115
84,643,572	67,078,767
(16,928,714)	(13,415,753)
67,714,858	53,663,014
650,198,639	533,856,129

Notes to the Financial Statements for the Year ended December 31, 2016

29- Income from Banking services:

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

December 31, 2016 (SDG)	December 31, 2015 (SDG)
234,342,015	114,598,690
22,437,675	22,861,321
13,115,291	16,009,620
6,164,250	8,312,958
278,579	1,231,069
276,337,810	163,013,658

30- Income of Bank's self-investments:

Subsidiaries
Other companies

Note	December 31, 2016 (SDG)	December 31, 2015 (SDG)
(30/ 1)	24,249,486	17,603,471
(30/ 2)	14,513,613	3,831,175
	38,763,099	21,434,646

30/1 Subsidiaries:

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

December 31, 2016 (SDG)	December 31, 2015 (SDG)
6,500,000	4,500,000
4,500,000	4,500,000
5,400,000	2,500,000
7,849,486	6,103,471
24,249,486	17,603,471

30/2 Other companies:

Electronic Banking Services Company (EBS)
Faisal Islamic Bank of Egypt

December 31, 2016 (SDG)	December 31, 2015 (SDG)
16,425	31,175
14,497,188	3,800,000
14,513,613	3,831,175

31- Other income:

Rental from owned realestate
Sales of Fixed Assets
Different returns

December 31, 2016 (SDG)	December 31, 2015 (SDG)
22,227,414	16,673,704
440,178	63,568,093
4,155,221	3,766,627
26,822,813	84,008,424

32- Staff Cost:

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

December 31, 2016 (SDG)	December 31, 2015 (SDG)
77,393,971	61,182,190
8,144,030	9,141,496
40,972,766	30,065,954
29,707,297	22,617,262
6,016,129	4,177,442
23,802,672	17,242,184
18,739,425	15,466,773
755,667	477,492
21,990,560	13,939,871
56,736,562	51,600,000
284,259,079	225,910,664

The attached notes (1 - 49) form and integral part of these financial statements



Notes to the Financial Statements for the Year ended December 31, 2016

33- General and Administrative Expenses:

Rents
Electricity & water
Board of directors expenses
Maintenance & repairs of vehicles
Security
Maintenance
Post , Telegraph and Telephone
Subscriptions
Stationery & printings
Gasoline for generator
Meals subsidies
Insurance
Government's dues and fees
ATM expenses
Banks' charges
Expenses of Cash transit and sorting
Expenses of the central archive
Computer
Advertising
Audit Fees
Annual general meeting expenses
Travel and accommodation of the internal auditor
Staff Surety Expenses
Hospitality expenses
Sharia'h Supervisory Board Remuneration
Bank's contribution to the Banking Deposits Security Fund
Board of Directors' Remuneration
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
Training
Travel leave and perdiums
Depreciation of Investment provision
Other
Mortization of intangible assets
Consultations
VAT

December 31, 2016 (SDG)	December 31, 2015 (SDG)
25,229,563	16,784,707
3,311,049	2,439,444
3,505,906	2,840,575
5,909,453	3,874,582
4,433,632	2,746,082
5,720,529	3,425,002
549,537	475,441
1,668,691	876,971
2,854,434	1,242,623
756,464	450,131
4,820,309	2,702,919
8,044,937	5,607,362
1,088,800	814,775
13,152,379	15,481,650
20,558,620	226,181
3,120,715	2,496,310
898,708	683,063
7,640,128	6,573,912
23,207,016	15,462,015
500,000	500,000
583,624	816,831
518,267	437,243
-	3,350,106
1,051,936	880,327
250,000	210,000
20,010,322	13,445,519
15,038,128	16,275,513
6,870,204	6,957,862
30,523	24,365
427,288	1,362,514
1,816,160	1,575,900
-	183,749
3,656,499	2,533,715
3,473,247	5,626,278
5,295,163	4,442,689
15,866,825	17,357,638
14,653,927	9,677,188
-	1,408,000
-	5,850
777,473	611,051
631,167	366,249
85,000	70,760
228,006,623	173,323,092

34- Provision of Investment and Financing Risk:

Description	Murabaha	Musharaka	Mugawala	Investment funds and financing portfolio	Other investments	Total
	SDG	SDG	SDG	SDG	SDG	SDG
2016						
Balance as at 1 January 2016	65,482,201	1,583,675	17,708,413	602,224	12,937,910	98,314,423
Charged during the year 2016	-	6,975,629	16,822,919	26,783	602,224	24,427,555
Recovered during the year	165,851	-	-	-	-	165,851
Debts written-off	-	-	-	-	-	-
	65,648,052	8,559,304	34,531,332	629,007	13,540,134	122,907,829
2015						
Balance as at 1 January 2015	54,287,862	2,098,191	17,708,413	602,224	18,567,442	93,264,132
charged during the year	14,000,000	-	-	-	-	14,000,000
Recovered during the year	296,010	-	-	-	-	296,010
Debts written-off	(3,101,671)	(514,516)	-	-	(5,629,532)	(9,245,719)
	65,482,201	1,583,675	17,708,413	602,224	12,937,910	98,314,423
Note	8	12	8	14	11	



Notes to the Financial Statements for the Year ended December 31, 2016

Provisions for the year were classified as follows:

Description	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Classified	33,700,554	29,824,752
un-classified	89,207,275	68,489,671
Total	122,907,829	98,314,423

35- Dividend per Share:

Description	December 31, 2016 (SDG)	December 31, 2015 (SDG)
Net profit of the year	229,862,239	222,623,079
The average number of shares	570,410,959	485,342,466
Dividend per Share	0.40	0.46

36- Investment Concentration by Economic Sector:

The total outstanding balance of total finance for the year ended in December 2016 is 12,240,971,518 (SDG) (December 2015: 7,058,999,528 SDG). The distribution of total finance for the different sectors of the economy was as follows:

Sector	2016	2015
Agricultural	3%	3%
Export	4%	6%
Industrial	13%	15%
Transportation	5%	6%
Trade	6%	6%
Realestate	6%	8%
Micro Finance and social development finance *	57%	47%
Other Sectors	6%	9%
Total	100%	100%

*Social development 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 about 6.9 million pounds in 2016 (7 million: 2015), from which the Bank donated 3 million Sudanese pounds to purchase equipments for the Endoscopy Department at Soba University Hospital. The Bank also trains its employees inside and outside Sudan during the year, where training expenses amounted to about 16 million Sudanese pounds in 2016 (17 million: 2015). The Bank also receives and disburses for free salaries and wages of a number of government units through ATMs. The Bank also established Al-Faisal Cultural Centre for which the Bank allocated a sum of 3.5 million Sudanese pounds as operating expenses (5,6 million: 2015).

The attached notes (1 - 49) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2016

38- 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 end of the year were as follows:

2016			
Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2016
	SDG	SDG	SDG
Murabaha	2,061,147	-	2,061,147
Musharka	-	-	-
Mudaraba	-	-	-
Loans	-	4,988,070	4,988,070
Current & Investment accounts	89,865,221	-	89,865,221
Contra Account	-	-	-
Letters of credit	-	-	-
Letters of guarantee	-	-	-

2015			
Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2015
	SDG	SDG	SDG
Murabaha	8,244,628	-	8,244,628
Mugawla	-	-	-
Mudaraba	-	-	-
Loans	-	6,301,853	6,301,853
Current & Investment accounts	46,725,085	-	46,725,085
Contra Account	-	-	-
Letters of credit	-	-	-
Letters of guarantee	-	-	-

The attached notes (1 - 49) form and integral part of these financial statements



39- Credit risk:

Analysis of investments concentration by economic sector is provided in note 35.

40- 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, which was as follows:

For the year 2016					
Description	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Assets:					
Cash and cash equivalents	129,862,718	-	-	-	129,862,718
Cash reserve at the Central Bank of Sudan	2,442,308,299	-	-	554,495,421	2,996,803,720
Correspondents	96,249,510	-	-	-	96,249,510
Mudarabat	3,000,000	-	-	47,259,740	50,259,740
Investments in securities (Shahama)	310,024,011	264,722,539	59,129,222	51,907,611	685,783,383
Sales receivables	2,185,224,131	493,824,847	1,116,334,075	4,536,904,408	8,332,287,462
Musharaka	99,416,400	193,718,515	57,500,100	113,605,142	464,240,157
Other Investments	5,074,668	-	-	-	5,074,668
Investment Funds and Portfolios	-	-	-	62,271,674	62,271,674
Other Assets	1,839,496,022	-	-	-	1,839,496,022
Investments in subsidiaries	-	-	-	156,918,833	156,918,833
Net Fixed Assets	-	-	-	854,195,743	854,195,743
Net intangible assets	-	-	-	3,086,490	3,086,490
Total assets	7,110,655,759	952,265,901	1,232,963,397	6,380,645,064	15,676,530,121
Owners Equity and liabilities:					
Owners equity	-	-	-	965,866,486	965,866,486
Credit balance of the Central Bank of Sudan	33,900,000	-	-	-	33,900,000
Current accounts	4,832,915,480	-	-	-	4,832,915,480
Provisions	137,815,684	-	-	-	137,815,684
Other liabilities	89,389,857	149,743,279	148,092,141	240,384,109	627,609,386
Un-restricted investments accounts	914,409,858	1,371,614,787	2,743,229,575	4,083,068,865	9,112,323,086
Total liabilities and shareholders' equity	5,974,530,878	1,521,358,066	2,891,321,716	5,289,319,460	15,676,530,121

Notes to the Financial Statements for the Year ended December 31, 2016

For the year 2015					
Description	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Assets:					
Cash and cash equivalents	97,740,534	-	-	-	97,740,534
Cash reserve at the Central Bank of Sudan	2,133,319,621	-	-	399,068,456	2,532,388,077
Correspondents	210,811,818	-	-	-	210,811,818
Mudarabat	42,886,633	380,729	3,000,000	38,103,600	84,370,962
Investments in securities	150,757,140	105,543,224	313,000,547	242,092,583	811,393,494
Sales receivables	1,735,390,397	613,832,575	1,169,754,297	2,847,595,921	6,366,573,190
Musharaka	83,015,215	14,528,145	151,082,531	74,857,595	323,483,486
Mugawalat	-	-	-	-	-
Other investments	62,185,560	-	-	-	62,185,560
Investment Funds and Portfolios	-	-	-	59,620,197	59,620,197
Other Assets	1,159,992,098	-	-	-	1,159,992,098
Investment in other companies	-	-	-	143,295,783	143,295,783
Net Fixed Assets	-	-	-	600,278,600	600,278,600
Net intangible assets	-	-	-	2,059,130	2,059,130
Total assets	5,676,099,016	734,284,673	1,636,837,375	4,406,971,865	12,454,192,929
Owners Equity and liabilities:					
Owners' equity	-	-	-	831,830,280	831,830,280
Current accounts	3,586,864,618	-	-	-	3,586,864,618
Other liabilities	110,165,634	-	-	-	110,165,634
Payables	62,450,223	98,945,076	148,417,614	116,638,021	426,450,934
Un-restricted investments accounts	752,503,074	1,128,754,611	2,257,509,223	3,360,114,554	7,498,881,463
Total liabilities and shareholders' equity	4,511,983,549	1,227,699,687	2,405,926,837	4,308,582,855	12,454,192,929



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 margin risk

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

44- 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:

Description	2016 USD	2015 USD
Assets	409,506,356	410,736,052
Liabilities	409,464,252	410,688,700
Net Foreign Currency Position	42,104	47,352

45-Capital adequacy

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

Description	2016 SDG	2015 SDG
Core capital	650,077	539,661
Total risk weighted assets (on and off - balance sheet)	4,451,522	3,123,342
The Bank's capital adequacy ratio	14.60%	17.28%
Minimum capital adequacy ratio required	12.00%	12.00%

46- Zakat

The Bank paid its zakat up to 2015 and allocated provision for 2016 zakat.

47- Business profit tax

The Bank paid its business profit tax up to 2015 and allocated provision for 2016.

48- Comparative figures

Some comparative figures of the year 2015 were reclassified to conform with current year's classification. This classification had no impact on net profit, owners' equity or cash flows.

49- Approval of financial statements

The financial statements were approved by the Board of Directors committee at its meeting held on January 31, 2017, In accordance with its authorization by the Board of Directors to approve the issuance of the audited financial statements and to sign them each year