



بنك فيصل الإسلامي السوداني

FAISAL ISLAMIC BANK (SUDAN)

نحن الرواد

The Annual Report 2017

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



1- The Bank Branches	4
2- Locations of ATMs	6
3- Correspondents	8
4- Our Vision, Our Mission & The Ten Values	9
5- Incorporation & Activities	10
6- Basic Information and Financial Ratios	11
7- The Board of Directors	12
8- Executive Management	17
9- Shari'a Supervisory Board & Shari'a Advisor	18
10- Auditors, Consultants & Compliance Officer	19
11- Address by the Chairman of the Board of Directors	20
12- Resolutions of the General Assembly	24
13- Executive Management Report	26
14- Report of The Shari'a Supervisory Board	35
15- Auditors Report	36
16- Statement of Financial Position	39
17- Income Statement	40
18- Statement of Cash Flows	41
19- Statement of Changes in Owners' Equity	42
20- Notes to the Financial Statements	43

The Bank Branches



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

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
40	Sennar	856
41	Al-Nuhoud	878



The Bank Branches

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
25	Yastabshiroon	581
26	Indudstrial Area - Tunnel Street	586
27	Algahli - Khartoum	587
28	Alaadani - Omdurman	583
29	Medical Specialization	591
30	City Plaza	703
31	Khartoum International Fair Street	598
32	Alhalfaya	787
33	Alsalamaa	498
34	Weeta-Al-Inghaz Street	580

Service Windows

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	National Microfinance Foundation	522
7	Microfinance industries - Khartoum North	729
8	Souq Omdurman	744
9	Nile Petroleum Company - Qarri	705
10	Qarri Customs	705
11	The National Ribat University	742
12	Giad Company	502

Locations of ATMs

1. Ali Abdul Latif Street - Al Fayhaa Commercial Center
2. University Street - Khartoum University Branch
3. Al-Sajana Street - Al-Sajana Branch
4. Street 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 Street – Department of Central Detective and 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 Street - 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 Street - 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 Street (Bashir Al Nafidi) Al Fardous near Nabatah Petroleum 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 Street - 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
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
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 Street 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 Street
100. Al Thawra - Al - Wadi Street - Al -Wadi Exchange Office
101. Al Shinqiti Al Thawra – Al Shanqiti Street - Sabreen Exchange Office
102. Al-Arbaeen Street - Al-Arbaeen Pharmacy Al-Jawzat Station
103. Al Molazmin - next to the Traffic Licensing Office - Al Molazmin
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. Kasala 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 Jaily 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
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
151. Ministry of Foreign Affairs
152. Al Obeid Branch (2)
153. Shinde Station Bahari
154. Yestabshiroon Exchange Office
155. Medical Specializations Office
156. Airport Exchange Office
157. AlDoha hospital
158. Algahli Exchange Office
159. Alkhood Exchange Office
160. Alhalfaya Wireless Exchange Office
161. Waita Exchange Office
162. Bahari Judiciary
163. Al fayhaa
164. Al fayhaa
165. Al fayhaa
166. Al fayhaa
167. Alfayhaa 6th Floor
168. Alklakla Branch (2)
169. Alshagara Exchange Office
170. Burri Almaarad Exchange Office
171. City Plaza Exchange Office
172. El Halfaya Exchange Office
173. Kosti - University of Imam ElMahdi
174. Port Sudan Branch (1)
175. Port Sudan Branc
176. 60 Branch
177. Sooor Factory - Hassa Hissa
178. Judiciary Presidency -Khartoum
179. Alsalama Exchange Office
180. Omdurman Judiciary
181. Sennar Branch
182. Civil Registration Omdurman
183. Ministry of Justice
184. Atbara Branch
185. Nile Valley University - Atbara
186. Oil pipelines company – Atbara

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

Our Vision

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

Our Mission

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

The Ten Values

- 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 | 2,000 Millions SDG |
| • Paid-up capital | 1,000 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	2017	2016	2015	2014	2013	2012	2011	2010
Branches	41	37	35	34	32	31	31	31
ATMs	184	148	143	136	118	112	91	80
Employees	1,567	1,464	1,288	1,249	1,063	942	904	886
Percentage of profits distribution to Shareholders	72%	36%	39.5%	38.7%	46.1%	67.0%	73.0%	55.1%
Distribution rate for the holders of deposits accounts	12.0%	12.0%	12.0%	12.0%	12.0%	11.5%	10.0%	10.0%
Growth rate of Assets	75%	25.9%	43.0%	24.0%	25.7%	46.2%	25.0%	40.1%
Growth rate of Deposits	77%	25.5%	46.0%	28.0%	22.3%	48.6%	24.0%	40.0%
Growth rate of Income	76%	22.3%	21.0%	28.0%	37.0%	28.0%	40.0%	48.6%
Return on Assets	2%	1.5%	1.8%	3.0%	3.2%	4.0%	4.0%	3.1%
Return on Equity	39.7%	23.8%	26.8%	35.0%	38.0%	33.0%	39.0%	35.8%

Headquarters Address:

El-Faihaa Commercial Centre - Ali Abdellatif Street
Khartoum- Sudan, P.O.Box: 10143 Khartoum
Fax: +249 183 771714 / +249 183 780193
Tel: +249 156 558787 / +249 183 741326 / +249 183 741327
SWIFT: FISBSDKH



www.fibsudan.com



fibsudan@fibsudan.com



fibsudan1



fibsudan



fibsudan



Call Center: **6161**

Subsidiaries:

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



Prof. Abdul Aziz Al-Fadda



Mr. Osama Abdallah Abdul
Kareem El-Khuraijy



Mr. Mohamed Abdul Gadder
Mohamed Noor El-Sheikh Yagoub



Mr. Mustafa Abu Bakr
Mohammed Azzam



Mr. Manar El-Din El-Noor
Abdallah Zarroug



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



Mr. Yousef Mohamed
Karrar El-Tom



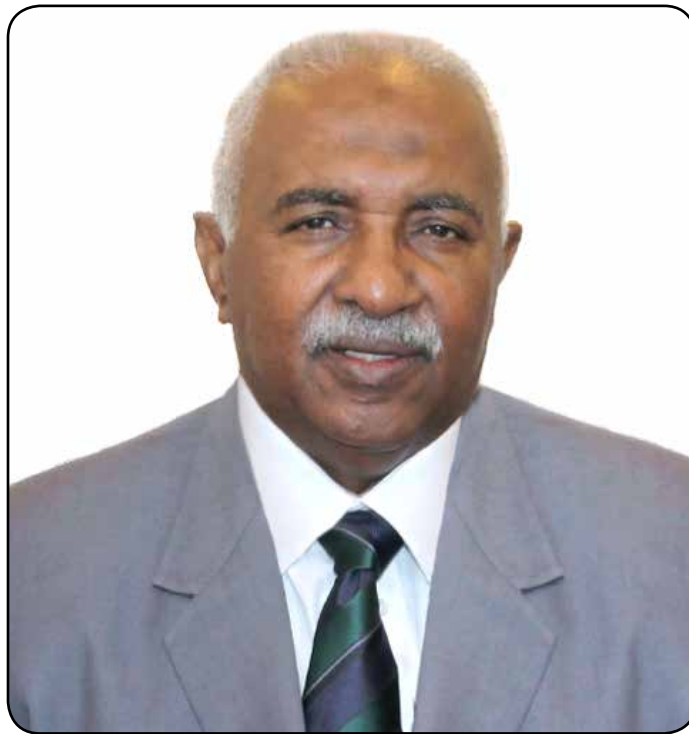
Secretary of the Board of Directors
Mr. Sharhabeil Ali Al Tayeb

The Board of Directors and General Manager 2017

NO.	Name	Job
1.	His Royal Highness Prince. Amro Mohamed Al Faisal Al-Saud	Chairman of the Board of Directors
2.	Her Royal Highness Princess. Reem Mohamed Al Faisal Al- Saud	Member of the Board of Directors
3.	Dr. Abdul Aziz Abdullah Suleiman Al-Fadda	Member of the Board of Directors
4.	Mr. Abdul Hamid Mohamed Abu Musa	Member of the Board of Directors
5.	Mr. Mostafa Abu Bakr Mohamed Azzam	Member of the Board of Directors
6.	Mr. Al Bagkir Yousif Mudawi	Member of the Board of Directors
7.	Mr. Mohamed Hassan Nair	Member of the Board of Directors
8.	Mr. Jaafer Ibrahim Mohamed Abdalla	Member of the Board of Directors
9.	Eng. Al-Faki Mohammed Jiballah Mohammed Saleh	Member of the Board of Directors
10.	Dr. Abdulrahman Ibrahim Al-Khalifa	Member of the Board of Directors
Mr. El Bagir Ahmed Al Noury		General Manager



General Manager
Mr. Moawia Ahmed Elamin



Deputy General Manager
Mr. Ali Ibrahim Osman



Chairman:

1. Prof. Yusuf Al-Khalifa Abu Bakr

Vice Chairman:

2. Prof. Khalifa Babeker Al-Hassan

Members:

3. Dr. Abdulrahman Al-Siddiq Daffa' Allah

4. Prof. Mohamed Elfatih Hamid

5. Mr. Ali Abdul Basset Ahmed Al-Haj

Acting Shari'a Supervisor:

6. Mr. Ahmed Al Haj Dahab



External Auditor:

Abdulaziz Ahmed For Accounting Auditing &
Financial Consultancies

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 39th Meeting of the Annual General Assembly of Shareholders,
held on the 22nd of March, 2018**

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 39th 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 2017. 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:

Preliminary data indicate Achieving global economic growth rate of 3.9% as of the year 2017 compared to 3.1% growth rate as of the year 2016 and is expected to attain 3.9% in the following two years 2018 and 2019, and the growth rate in developing countries witnessed a rise compared to developed economies, where the economies' growth rate in developing countries increased by 4.7% in the year 2017 compared to 4.1% in 2016 and it is expected that the percentage would reach up to 4.9% in the year 2018, while a recorded growth rate of economies in developed countries increased by 3.3% for the year 2017 Compared with the growth rate 1.6% in the year 2016, stability is expect for the rate of growth of economies in developed countries by 3.2 % in the year 2018, as for the euro zone economies began to rise by the ratio of 2.4% for the year 2017 compared to 1.7% in the year 2016, furthermore it is expected to fall back reaching up to 2.2% in the year 2018.

Still Unemployment rates is the main concern for many developed and developing countries, although Economic remedies for all countries affected by the recent global financial crisis took place aiming to reduce unemployment rates where the number of unemployed reached 201 Million people worldwide 2017 compared to 198 Million people worldwide 2016 according to the ILO (International Labor Organization) report.

Oil prices declined to \$52.51 dollars per barrel in 2017 compared to the price \$40.68 in the year 2016. Gold ounce price went up to \$1.275 in the year 2017 compared to \$1.250 for the year 2016 increasing by 2%.

At the local level, the GDP showed a growth rate of 5.7% in 2017 compared to 5.2% in 2016; 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. 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.



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:

- a) Capital Adequacy ratio reached 14% on 31st December 2017, which exceeded the capital adequacy ratio set by the Central Bank of Sudan at 12%. This indicates the Bank's strong financial status.
- b) In response to the requirements of the Central Bank of Sudan, the Bank fulfilled a restructuring program, by increasing its capital, to 700 million Sudanese pounds by 31st December 2017.
- c) In compliance with the requirements of the Central Bank of Sudan, and coping with international developments in the sphere of risk management, the Bank established a special department for risk management and took appropriate measures to ensure applying of the best tools, compatible with the directives of Central Bank of Sudan. 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.
- d) 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 2017, 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 27,428.3 million pounds in 2017 compared to 15,676.5 million pounds in 2016, with an increase of 11,751.7 million pounds 75% 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 46% to 1,409.8 million pounds in 2017 compared to 964.1 million pounds in 2016. 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 25,197.3 million pounds in 2017 compared to 14,253.8 million pounds in 2016 77% increase, that's due to the effective and efficient efforts for mobilization of resource.

4. Investments and Finance:

The size of the Bank portfolio increased by 88.7%, 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 0.34% in 2017 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 76% to 1,541.6 million pounds in 2017 compared to 877.2 million pounds in 2016..

2. General and Administrative Expenses:

The total of General and Administrative Expenses was 715.5 million pounds in 2017 compared to 514.9 million pounds in 2016 an increase ratio of 39%, which is due to continued improvement of salaries of employees and increase of Administrative expenses.

3. Investment Deposits:

Investment Deposits increased by 17.3% where the profit shares of the holders of investments deposits amounted to 762.9 million pounds in 2017 compared to 650.2 million pounds in 2016. This reflects the increase in volume of investments deposits; it also reflects the rise of return on deposits to 12% in the years 2014, 2015, 2016 and 2017.

4. Net Profits:

Net profits after Zakat and taxes amounted to 559.7 million pounds in 2017 compared to 228.1 million pounds in 2016 an increase of 145%.

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**

A) Passed a Public association For shareholders in the Bank at no. (39) dated 22/March/2018 Board report and the report of the supervisory body and the external auditor's report and final accounts and audited financial statements, which Include the balance sheet and statement of income and expenditure and cash flows and changes in property rights WA list of allocations and reserves and the Board of Directors and staff incentive bonus for the fiscal year ending March 31 December 2017.

B) Passed a Public association For shareholders in the Bank at no. (39) dated 22/ March/2018 Board recommend dividend financial year ending on 31 December 2017 and \$ (503,891,182) SDG by (71.98%) Of bank capital paid as follows :-

1. The distribution amount (200,000,000) (200 million) SDG represent (28.57%) of bank capital paid on 31 December /2017 distributed in cash to shareholders by each shareholder shares.

2. The amount of capitalization (300,000,000) (three hundred million) SDG accounted (42.85%) of bank capital paid by giving shares Value-driven distributed to shareholders by each shareholder's shares , to increase bank capital paid (700,000,000) SDG (1.000.000.000) SDG. And authorize the Board of Directors to handle fractures that result from the distribution of shares by each shareholder's shares by selling the output of collecting fractions in the secondary market through Khartoum stock market and adding the nominal value of the shares that will be sold to supplement capital to (1,000) SDG for capital and add the difference between the nominal value and the market value of the shares sold to shareholder dividends .

3. Keep the amount (3,891,184) to retain (3,891,184) SDG as retained profits accounted (0.55%) Of capital dividend .

4. Pursuant to article (63) of the Statute of the Bank commissioned the General Assembly of shareholders at the Bank's meeting number (39) dated 22/March/2018m Board of Directors for the appointment of the external auditor of the Bank for the year 2018 And select fees

5. Pursuant to article by but do (4- b) The Bank's Statute, the General Assembly approved the Bank's shareholders at no. (39) dated 22/March/2018 on the recommendation of the Governing Council to increase the authorized capital of (1,000 million) (a thousand million) Sudanese Pounds to 2,000 (million) (two thousand million) SDG.



1. The General Assembly for the shareholders of Faisal Islamic Bank decided in its Extraordinary Meeting to accept the resignation that submitted by the current Board of Directors and to enabling the General Assembly to elect a new Board of Directors for the new period (2018-2021).

2. The General Assembly of Shareholders decided at its Extraordinary Meeting to appoint a committee to supervise the elections of the New Board of Directors for the period (2018 - 2021) of the following:

- | | |
|---|-----------------------|
| 1. The shareholder Mr. Mohamed Hussein Mohamed Noor | Chairman |
| 2. The representative of the Central Bank of Sudan | Member |
| 3. Two representatives of the Khartoum Stock Exchange | 2 Members |
| 4. Two representatives of the Commercial Registrar | 2 Members |
| 5. The representative of the Bank Deposit Security Fund | Member |
| 6. The representative of the External Auditor Office | Member |
| 7. The Legal Department Director | Member |
| 8. The Secretary of the Board of Directors | Member and Rapporteur |

3. In accordance with the Article No (38) statute of the Bank and Article No (40 -a) of the Banking Business Act of 2004, the General Assembly of Shareholders elected the following shareholders as members of the Board of Directors for the new period (2018 - 2021); among 24 candidates for board of directors, the eight candidates who received the highest votes were:

- | | |
|--|----------|
| 1. His Royal Highness Prince. Amro Mohamed Al-Faisal Al-Saud | Chairman |
| 2. Mr. Mohamed Abdul Gadder Mohamed Noor El-Sheikh Yagoub | Member |
| 3. Mr. Yousef Mohamed Karrar El-Tom | Member |
| 4. Dr. Abdul Aziz Abdullah Suleiman Al-Fadda | Member |
| 5. Dr. Manar El-Din El-Noor Abdallah Zarroug | Member |
| 6. Mr. Abdul Hamid Mohamed Abu Musa | Member |
| 7. Mr. Osama Abdallah Abdul Kareem El-Khuraijy | Member |
| 8. Mr. Mostafa Abu Bakr Mohamed Azzam | Member |



I : Global developments:

1. Preliminary data indicate Achieving global economic growth rate of 3.9 % as of the year 2017 compared to 3.1% growth rate as of the year 2016 and is expected to attain 3.9% in the following two years 2018 and 2019, and the growth rate in developing countries witnessed a rise compared to developed economies, where the economies' growth rate in developing countries increased by 4.7 % in the year 2017 compared to 4.1% in 2016 and it is expected that the percentage would reach up to 4.9% in the year 2018, while a recorded growth rate of economies in developed countries increased by 2.3 % for the year 2017 Compared with the growth rate 1.6% in the year 2016, stability is expect for the rate of growth of economies in developed countries by 3.2 % % In the year 2018, as for the euro zone economies began to rise by the ratio of 2.4 % for the year 2017 compared to 1.7% in the year 2016, furthermore it is expected to fall back reaching up to 2.2 % in the year 2018.
2. Still Unemployment rates is the main concern for many developed and developing countries, although Economic remedies for all countries affected by the recent global financial crisis took place aiming to reduce unemployment rates where the number of unemployed reached 201 Million people worldwide 2017 compared to 198 Million people worldwide 2016 according to the ILO (International Labor Organization) report.
3. Oil prices declined to \$52.51 dollars per barrel in 2017 compared to the price \$40.68 in the year 2016.
4. Gold ounce price went up to \$1.275 in the year 2017 compared to \$1.250 for the year 2016 increasing by 2%.

II : Economic developments in the Sudan

1. Initial reports indicate that the total growth rate of GDP in the year 2017 was 5.7 % compared to 5.2 % in the year 2016 resulting from the growth in the productive sectors, although oil exports revenue is decreasing and slowing flow of aid and grants.
2. The average inflation rate for the year 2017 was 32.6 % compared to 17.8% in the year 2016.
3. Initial reports indicate that General State revenues and grants in the year 2017 amounted 77.1 Billion Pounds versus 57.9 Billion Pounds in the year 2016 increased by 33.2% , and general expenditure during the year 2017 85.9 Billion Pounds versus 62.2 Billion Pounds for the year 2016 with an increase rate amounted to 38.1% , and therefore the Budget deficit totaled (14.1) Billion Pounds compared to (10.9) billion Pounds in the year 2016.



4. On the other hand the exchange rate for Sudanese pound to convertible currencies in December 2017 was 8.9120 Pounds to the US dollar, compared to \$ 6.1815 Pounds to the US dollar in December 2016.
5. Money supply amounted to 203.4 Billion Pounds in December 2017 versus 120.8 Billion Pounds by the end of the year 2016 with an increase of 82.6 Billion Pounds, increasing by 68%, this increase is attributable to the increase in demand deposits by 78% and the public currency by 59% and cash equivalent by 69%.
6. The total assets of the Sudanese Banks as for December 2017 \$211. 2 Billion Pounds against 132. 7 Billion Pounds by the end of the year 2016 increasing by 78. 5 Billion Pounds which 59% increase, where the total banks financing in December 2017 \$102.9 Billion Pounds versus 67.7 Billion Pounds as of 2016 increasing by 52%, and the proportion of funding to Bank deposits fell to 74% in December 2017 compared 85% as of December 2016.
7. Total deposits in local currency were 116. 9 Billion Pounds versus 65. 7 Billion Pounds for the year 2016 with an increase reaching 51.2 Billion Pounds 78% in terms of percentage. While foreign currency deposits reached 2.3 Billion US dollars at the end of the 2016 and 2017 respectively.
8. Total State exports amounted 4.1 Billion US dollars while State imports totaled \$9.2 Billion in the year 2017, Consequently, the trade deficit reached (5.1) Billion US dollars.
9. Impacted by US sanctions, Sudanese economy in General and the banking sector in particular, those sanctions were represented in stopping exterior deals with Sudanese banks, which has had a negative impact on foreign exchange flows and flow of business transactions with foreign institutions and markets by the end of the year 2017 the economic sanctions were lifted from the Sudan therefore expectations of opening lines of external financing through reporters and encouraging the movement of Sudanese exports and ease the flow of cash and transfers between Sudan and the rest of the world .

III : Awards and Classifications received by the Bank during the year 2017:

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 has been awarded the certificate of conformity to the risk management system that is compatible with the international standard ISO 31000 and upgraded the quality systems ISO 9001 for quality management ISO 14001 for Environmental management system for the updated version 2015 and occupational safety and

health system OHSAS 18001 for the year 2017. Note that these certificates accredited by the German accreditation and specifications organization DAKKS and the British accreditation and specifications organization UKAS.

2. Faisal Islamic Bank have been selected as the best Islamic financial institution in Africa for the year 2017, within the context of the annual prizes (Islamic Business & Finance) granted by the institution of CPI Financial through a Competition between more than 150 Financial and banking Foundation around the world.

Geographical Spread:

In accordance with The Central Bank of Sudan policy which encourages the banks geographic expansion, the Bank continued to increase its branches network. The total number of branches reached 39. In addition to opening 13 exchange offices, the total number of exchange offices has reached 38, having 10 service windows, 165 points of sale and 184 ATMs.

IV Financial Indicators of The Bank's Performance for the year 2017:

Financial Position Statement:

1. Consolidated Balance Sheet :

The Bank's Consolidated Balance Sheet rose to a total of 27,428.3 million pounds in 2017 compared to 15,676.5 million pounds in 2016, .e. an increase of 11,751.7 million pounds (75% increase). This is due to a considerable increase in the Bank deposits, which reached 77% and the growth of owners' equity at a rate of 46%.

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 53% and total Bank investments grew at a rate of 85%.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:

(1) The Bank paid-up capital increased to 700 million pounds in 2017 compared with 600 million pounds in 2016 with an increase of 17%, which is more than the minimum required by Central Bank of Sudan. which demonstrates how keen contributors to strengthen the Bank's financial position, knowing that he was raising capital authorized since the year 2014 from 500 million to one billion Sudanese Pounds.

(2) Total reserves of the Bank reached 205.9 million pounds in 2017, compared to 149.9 million pounds in 2016 with an increase of 37%. This is due to the increase of statutory reserve and fair value reserve.

(3) Total Owners' equity increased to 1,409.8 million pounds in 2017, against 964.1 million pounds in 2016. (An increase of 445.7 million pounds i.e. 46%). The increase is due to retained profits, and to the increase of paid-up capital, and reserves.

3. Bank Deposits:

1. The Bank's total deposits amounted to 25,197.3 million pounds in 2017 compared to 14,253.8 million pounds in 2016. an increase of 10,943.5 million pounds 77%. 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.

2. Local currency deposits showed a total of 22,166.2 million pounds in 2017 compared to 12,056.0 million pounds in 2016 . an increase of 10,110.1 million pounds 84%.

3. Deposits in foreign currencies increased to 3,031.1 million pounds in 2017 against 2,197.8 million pounds in 2016 . an increase of 336.6 million pounds 28%.

4. Investments :

1. Short Term Investments:

Short term investments reached (Accounts receivable deferred transactions and investments of other formulas) 14,891.2 Million Pounds compared to 8,851.9 Million Pounds in 2016 increased by 6, 039.4 Million Pounds with a 68% increase, the increase is due to the volume of resources invested in good products with distinct clients and sufficient guarantees.

2. Investments in Securities:

Total investment in securities 2,458.7 Million Pounds compared to 685.8 Million Pounds in 2016 the increase reached 1,772.9 Million Pounds, by 259%.

3. Invest in Financial Portfolios:

4. Total investment in funding portfolios reached 66. 6 Million Pounds compared to 62.3 Million Pounds in 2016 increasing by of 4.3 Million Pounds a 7% increase.

5. Long Term Investments:

The volume of Long-term Investments increased to 171.9 Million Pounds compared to 156.9 Million Pounds in the year 2016, with a 10% increase.

6. Net Fixed Assets:

Net value of fixed assets amounted 1,182.3 Million Pounds compared to 854.2 Million Pounds in 2016 with an increase of 328 Million Pounds by 38% due to expenditure in rehabilitation of the HQ and branches, renewal of furniture and automotives as well as conformity to Sudan Central Bank policies that encourage the geographical spread of banks where the bank established new branches and new Exchange offices in addition to the development of banking technology by increasing the number of ATMs to hit at the end of the year 2017 to 184 ATM to provide banking services in accordance with the most updated technical banking mechanism.

(2) Income statement:

- Deferred sales income rose and other investment formulas to 1,894.1 Million Pounds compared to 1,185.5 Million Pounds in the year 2016, an increase of 708.6 million Pounds by 60 % due to the increase in income from accounts receivable deferred sales by 63% and other formulas portfolio by 40% resulted from the bank entering productive and economic sectors with high profitability.
- The absolute investment depositors shares increased to 762.9 Million Pounds compared to 650.2 Million Pounds in 2016, with 17.3% increase, this increase is due to improvements in Return on investment where profits were distributed by 12% for deposits' owners for the years 2014, 2015, 2016 and 2017 respectively.
- The Bank's share as a Modarib and equity owner increased to 1,131.2 Million Pounds compared to 535.3 Million Pounds in 2016 with a percentage of 111%.
- Bank earnings from retail banking reached 318.5 Million Pounds compared to 276.3 Million Pounds in a year 2016 boosted by 15 % as a result of the increase in revenue from credits, documentary collections, foreign transfers and foreign currency deals.
- The Bank's total income rose to 1,541.6 Million Pounds compared to 877.2 Million Pounds in the year 2016, with an increase 664.4 Million Pounds 76% by percentage, this is due to the increase in

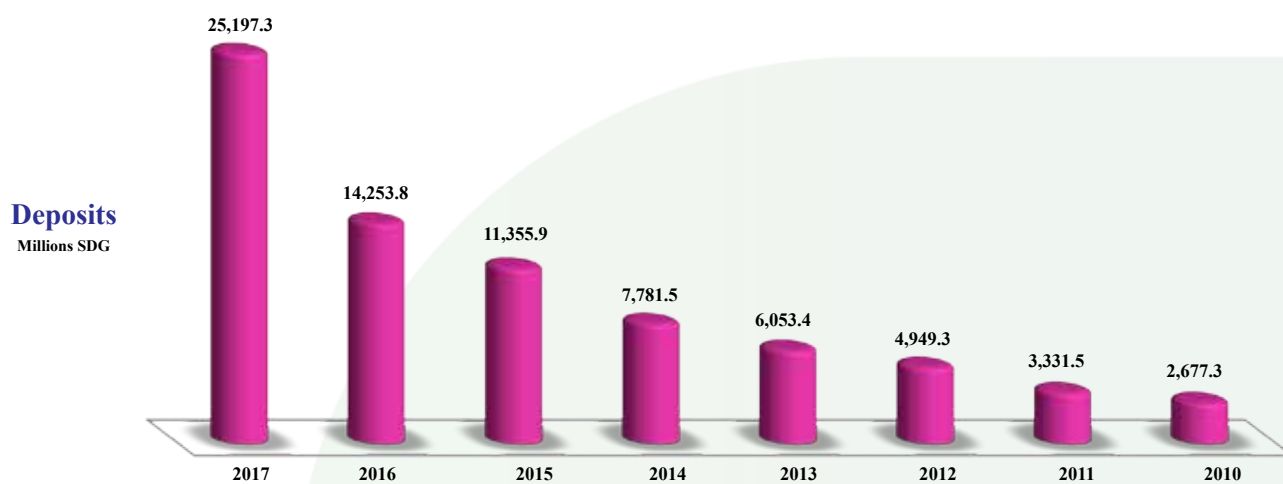
banking revenue and the return on investment and other income.

- General and administrative bank expenses amounted to 715.5 Million Pounds compared to 514.9 Million Pounds in 2016; with an increase of 39% this increase is attributable to the improvement in employees' salaries in addition to the increase in administrative expenses.
 - Profits rose after Zakat and Taxes to 559.7 Million Pounds compared to 228.1 Million Pounds in the year 2016, with an increase 331.6 Million Pounds by 145%.
- Operational cost rate 31% For General 2017 compared to operational cost rate 33.5% for the year 2016

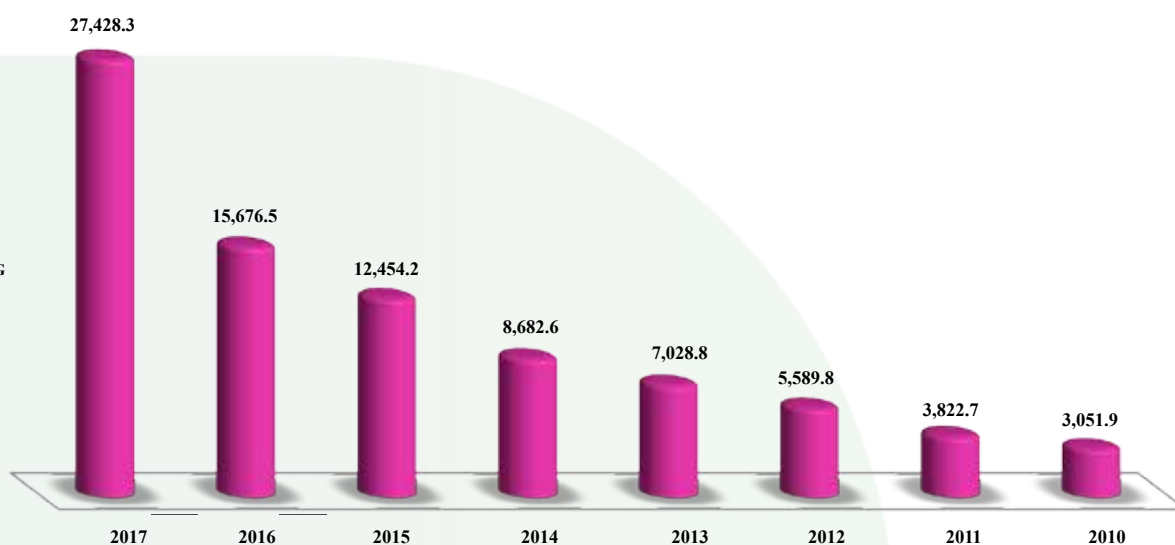
The following tables show the most important indicators of the Bank performance in 2017:

Description	2017	2016	Difference
Total Assets	27,428.30	15,677.00	75.00%
Investments	20,324.1	9,981.00	78.7%
Total Deposits	25,197.30	14,254.00	76.8%
Owners' Equity	1,409.80	964.1	46.2%
Operational Cost Ratio	31.0%	33.5%	(2.5%)

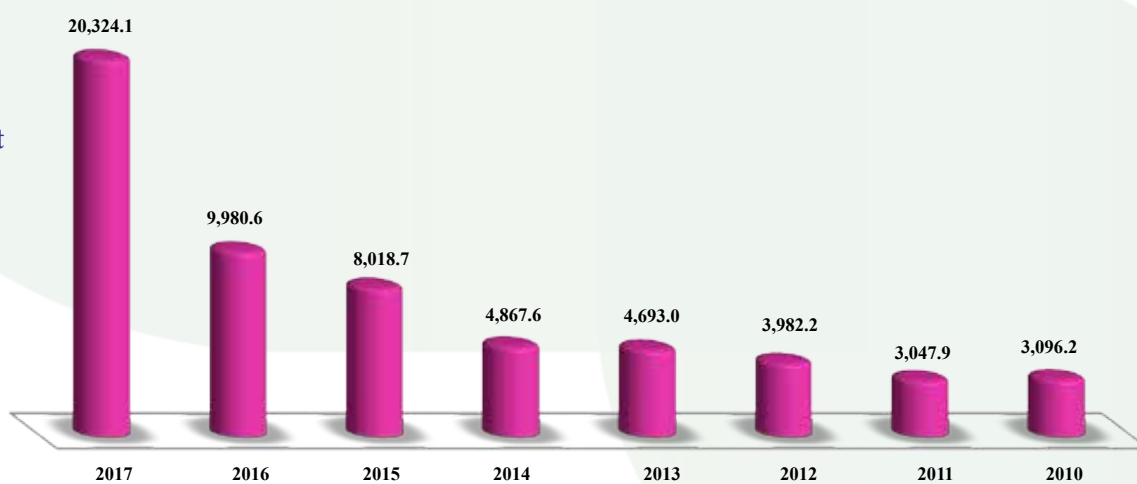
Description	2017	2016	Difference
Return on Banking Services	318	276	15.2 %
Return on Bank Investment	1131.2	535	111.4%
Other returns	92	66	39.4%
Total Expenses	842	590	42.70%
Profit before Zakat and taxes	699	287	143.6%



Assets Millions SDG

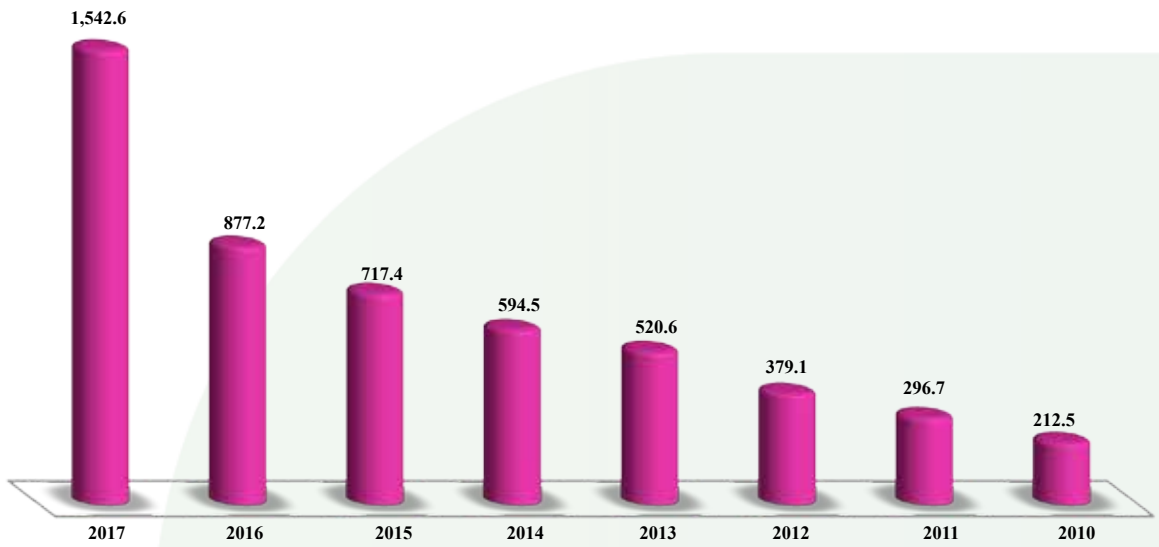


Investment Millions SDG





Income
Millions SDG



Capital Adequacy



Revenues

(Millions SDG)

Description	2017	2016	2015	2014	2013	2012	2011	2010
Returns on deferred sales & investments	1131.2	535.3	449	284.5	225	268.8	204.2	103.2
Return on direct investments	60	38.8	21.4	46.4	36.5	16.3	11	6.7
Returns on Banking Services	318	276.3	163	235.5	242.5	81.3	72.7	93.3
Other returns	92	26.8	84	28.1	16.6	12.7	8.8	9.3
Total Returns	1,541.6	877.2	717.4	594.5	520.6	379.1	296.7	212.5

Assets

(Millions SDG)

Description	2017	2016	2015	2014	2013	2012	2011	2010
Cash and Cash Equivalent	4,931.30	3,222.90	2,841.00	2,049.20	1,696.20	1,110.70	333.8	238.2
Current Assets	21,303.30	11,596.30	9,008.90	6,219.90	5,032.80	4,270.60	3,337.30	3,064.00
Fixed Assets	1,182.30	854.2	602.2	413.5	299.8	208.5	151.6	104.8
Intangible Assets (Net)	11.4	3.1	2.1	0	0	0	0	0
Total Assets	27,428.30	15,676.50	12,454.20	8,682.60	7,028.80	5,589.80	3,822.70	3,407.00

Liabilities

(Millions SDG)

Description	2017	2016	2015	2014	2013	2012	2011	2010
Current Deposits	12,861.70	5,141.50	3,857.10	2,853.00	1,761.20	1,849.50	1,300.20	1,009.10
Investment Deposits	12,335.60	9,112.30	7,498.90	4,890.80	3,949.40	3,099.80	2,031.30	1,668.20
Other Liabilities	821.2	458.6	266.4	202.6	342.8	130.4	92.5	484
Sub Total	26,018.50	14,712.40	11,622.40	7,946.40	6,053.40	5,079.70	3,424.00	3,161.30

Owners' Equity

Description	2017	2016	2015	2014	2013	2012	2011	2010
Paid-up Capital	700	600	510	435	350	280	200	140
Reserves	205.9	149.9	120.2	78.4	76.4	43.3	28.5	28.5
Retained Profits	503.9	214.2	201.6	185.1	161.4	186.7	170.2	77.2
Sub Total	1409.8	964.1	831.8	698.5	587.8	510	398.7	245.7
Total Liabilities	27,428.30	15,676.50	12,454.20	8,682.60	7,028.80	5,589.80	3,822.70	3,407.00



Faisal Islamic Bank (Sudan)
Sharia Supervisory Board



بنك فيصل الإسلامي السوداني
لجنة الرقابة الشرعية

Ref.: 2018/2/11

Date: 25 Jamadi Al Awal 1439 A.H.

المرجع/ب ف أس/هر ش /
٢٥ جمادى الأولى ١٤٣٩ هـ
التاريخ: ٢٦ فبراير ٢٠١٨ م
الموافق:

**Report of Shari'a Supervisory Board Faisal Islamic Bank (Sudan)
For the period from 1st January 2017 to 31st December 2017
3rd Rabie Al Thani 1438 AH to 13th Rabie Al Thani 1439 AH**

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:

The board convened (23) 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.

The Board held a course to train the Bank's employees at Islamic Banking.

The Board revised all contracts signed by the Bank and submitted to the board.

The Board looked into subjects submitted by some of the departments of the Bank and issued the relevant directives.

The Board convened a meeting in February 2017, where it reviewed external auditors report, income statement, cash flows and change in owners' equity statement for the year 2017, and found nothing that inconsistent with Islamic principles.

The Board reports with pleasure that:

A) All contracts and operations conducted during the year ended December 31, 2017 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.

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



Abdulaziz Ahmed for Accounting ,
Auditing & Financial Consultancies



عبد العزيز أحمد للمحاسبة
والمراجعة والاستشارات المالية

We have reviewed the financial statements of Faisal Islamic Bank of Sudan (the Bank) which include the financial position as at 31 December 2017, the income statement, the changes in equity statement and the cash flow statement for the ended year and the notes on the financial statements which include Important accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are presented fairly, in all material respects, the financial position of the Bank as of the 31st of December 2017 its financial performance and its cash flow for the ended year are in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions And the International Financial Reporting Standards (IFRS) in matters that are not covered by the Authority's (AAOIFI) standards and are consistent with applicable Sudanese laws and regulations regarding the preparation and presentation of financial statements.

Basis of opinion:

We conducted our audit in accordance with the International Standards on Auditing and Auditing Standards issued by the Authority (AAOIFI). Our responsibilities in accordance with these standards are described in greater detail in the auditor's review of the financial statements presented in this report. We are independent of the Bank and have fulfilled our ethical responsibilities in accordance with the ethics of professional accountants issued by the International Ethics Standards Board of Accountants and the Ethics Charter issued by the Board.

We believe that the audit evidence we have obtained is sufficient and appropriate to form the basis of our opinion on these financial statements.

Key audit issues:

In our opinion, the key audit matters are those that are most important in our review of the financial statements for the current year. These have been reviewed in the context of our review of the financial statements as a whole and in our professional opinion.

The following are details of the key audit matters that we have identified and how we have addressed each of these matters in the context of its audit procedures without giving a separate opinion on any of these matters:

1. Impairment of financing assets:

The financing assets amounted to 15 billion SDG representing 55% of the total assets of the Bank as of 31 December 2017. Therefore, the provision for impairment was 172 million SDG. Impairment for financing from valuation aspects that are estimated and considering the applied conditions by the Bank's management and the Central Bank of Sudan in determining the provision for impairment and uncertainties relating to the estimates. Our executed audit procedures in this area included within others, the following:

The Bank's financing risk provision Policy is subject to the requirements of the Central Bank of Sudan, which is demanding to make a provision of 1% for good financing (unclassified), and to make provisions with varying amounts of finance exceeding the repayment period of more than one month.

Our executed audit procedures in this area included within others, the following:

- We used our knowledge to assess the credit environment and examine the potential impact on the Bank's financing portfolio so as to focus on key risks.

- For the corporate portfolio:

- Our audit procedures included understanding and evaluating controls on granting, recording and following up financing to customers.

- We have reviewed the key controls for impairment and the ongoing reassessment of the Bank's management of the impairment policy to suit the risk of the financing portfolio.

- We conducted an assessment of a sample of existing and non-performing financing operations in line with Central Bank of Sudan publications regarding the classification of financing, the type of collateral and the proportion of the calculation of impairment in the value of financing.

- For retail finance portfolio allocation:

- Our review of the provision for impairment was made over the period in which the customer exceeded the maturity date for each individual customer. Our review also included an understanding of the basis on which the management relied to determine whether the financing was impaired and the reasonableness of these bases in accordance with the publications of the Central Bank of Sudan Financing, type of guarantee and percentage of the calculation of the decrease in the value of financing.



Abdulaziz Ahmed for Accounting ,
Auditing & Financial Consultancies



عبد العزيز أحمد للمحاسبة
والمراجعة والاستشارات المالية

in line with Central Bank of Sudan publications regarding the classification of financing, the type of collateral and the proportion of the calculation of impairment in the value of financing.

• For retail finance portfolio allocation:

- Our review of the provision for impairment was made over the period in which the customer exceeded the maturity date for each individual customer. Our review also included an understanding of the basis on which the management relied to determine whether the financing was impaired and the reasonableness of these bases in accordance with the publications of the Central Bank of Sudan Financing, type of guarantee and percentage of the calculation of the decrease in the value of financing.

Other Issues:

The financial statements of the Bank for the year ended 31 December 2016 have been reviewed by an independent auditor on 31 January 2018 for an unqualified opinion on those financial statements.

Other information included in the Bank's Annual Report 2017:

Other information consists of information included in the Bank's annual report for 2017, other than the financial statements and the auditors' report. The Department is responsible for the other information mentioned in its annual report. The annual report is expected to be available to us after the date of the audit report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance. In our review of the financial statements, it is our responsibility to read the other information described above. In doing so, we consider whether the information is not materially consistent with the financial statements or information obtained during the audit, Contain substantial distortion.

When we read the other information and find that there is a fundamental distortion of it, we have to inform the regulators.

The responsibility of the management and those responsible for governance on the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Accounting Standards issued by the Authority in addition to the International Financial Reporting Standards (IFRSs) which are not covered by the standards of the Authority. It is also responsible for the internal control systems required to prepare financial statements that are free from material misstatement, The error.

In preparing these financial statements, management is responsible for assessing the Bank's ability to continue operating in accordance with the principle of continuity and disclosure, where appropriate, of matters related to the principle of accounting continuity unless management intends to liquidate the bank or discontinue its activity or in the absence of a realistic alternative On the contrary.

Auditor's Responsibility for Reviewing the Financial Statements:

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that contains our opinion. Reasonable assurance represents a high degree of assurance but does not guarantee that the audit process carried out in accordance with International Standards on Auditing, together with the Audit Standards issued by the Commission, will always result in the discovery of material distortions, if any. Substantial distortions may arise from fraud or error and are material if they are reasonably expected to be incurred individually or collectively on the economic decisions of the users and are made on the basis of these financial statements. As part of the audit conducted in accordance with the International Auditing Standards and the Auditing Standards issued by the Authority, we conducted professional judgment and maintained

Abdulaziz Ahmed for Accounting ,
Auditing & Financial Consultanciesعبد العزيز أحمد للمحاسبة
والمراجعة والاستشارات المالية

professional skepticism during the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and implementation of appropriate audit procedures to address those risks, and obtain adequate appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misrepresentation resulting from fraud is greater than the risk of not detecting a material misstatement arising from the error, as fraud may involve collusion, fraud, deliberate omission, misrepresentation, or overriding internal control.
- Understand the internal control systems relevant to the audit process in order to design audit procedures that are appropriate to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control systems.
- Assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- To conclude the appropriateness of the management's use of the accounting continuity. Based on the audit evidence we obtained, to determine whether there is a material uncertainty, we must draw attention in our report to the relevant disclosures in the financial statements or amend our opinion if the explanations are insufficient. Our conclusion is based on the audit evidence we have obtained up to the date of our report. However, future events or circumstances may result in a discontinuation of activity in accordance with the principle of continuity.
- Decide whether the preparation and presentation of the financial statements of the Bank have been made in all material respects, in accordance with the principles and principles of Islamic Sharia.
- Evaluate the general presentation, structure and content of the financial statements including clarifications, and whether the financial statements reflect the underlying transactions and events in a manner that would achieve fair presentation.
- Obtain adequate and appropriate audit evidence about the financial information and business activities within the Group to give an opinion on the financial statements. We are responsible for providing direction and supervision of the Bank's audit process and we are fully responsible for the audit opinion.

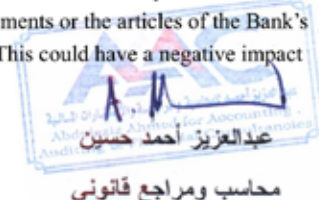
We communicate with regulators on, inter alia, the planned scope, timing and critical audit results, including any significant deficiencies in the internal controls discovered during the audit.

We also provide those responsible for governance with a statement of our commitment to the relevant ethical requirements of independence, and also to inform them of all relationships and other matters that we reasonably believe may affect our independence as well as relevant measures, where appropriate.

Through the things that are reported to those responsible for governance, we identify those things that are most important in reviewing the financial statements for the current year, and therefore are considered the main audit matters. We declare these things in our report unless the law or regulations prohibit public disclosure or when we decide, in very rare exceptions, not to disclose any of these things in our report because it is likely that the negative effects of the public interest for disclosure.

Report on other legal and regulatory requirements:

We have obtained all the clarifications and information that we considered necessary for audit purposes. The Bank maintains regular accounting records and its financial statements are consistent with those records. We are not aware of any violations of the provisions of the Companies Law of 2015, the Banking Regulatory Act of 2004 and the requirements of the Central Bank of Sudan relating to the preparation and presentation of the financial statements or the articles of the Bank's Articles of Association and its amendments during the year ended 31 December 2017. This could have a negative impact on The activity of the bank or its financial position.



محاسب ومراجع قاتوني



Statement of Financial Position
as at December 31, 2017

	Notes	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Assets			
Cash and Cash Equivalents	(6)	3,443,339,875	2,668,420,528
Central Bank of Sudan - statutory cash reserve	(7)	1,487,974,645	554,495,421
Sales receivables	(8)	13,974,777,499	8,332,287,462
Other investments	(9)	6,851,850	5,074,668
Investments in securities	(10)	2,458,709,512	685,783,383
Mudaraba	(11)	261,671,406	50,259,740
Musharaka	(12)	647,992,412	464,240,157
Finance portfolios	(13)	66,557,390	62,271,674
Investments in subsidiaries	(14)	171,918,833	156,918,833
Other assets	(15)	3,714,821,049	1,839,496,022
Net Fixed Assets	(16)	1,182,254,042	854,195,743
Net Intangible Assets	(17)	11,400,178	3,086,490
Total Assets		27,428,268,691	15,676,530,121
Liabilities & unrestricted investment accounts and owners' equity			
Liabilities			
Current and savings accounts	(18)	12,252,010,116	4,832,915,480
Credit balances	(19)	129,352,153	33,900,000
Other liabilities	(20)	1,003,500,471	593,709,386
Provisions	(21)	298,047,205	139,571,962
Total Liabilities		13,682,909,945	5,600,096,828
Equity of unrestricted investment accounts holders	(22)	12,335,579,674	9,112,323,085
Total liabilities & unrestricted investment accounts		26,018,489,619	14,712,419,913
Owners' equity			
Paid up capital	(23)	700,000,000	600,000,000
Reserves	(24)	205,887,890	149,913,068
Retained Earnings		503,891,182	214,197,140
Total owners' equity		1,409,779,072	964,110,208
Total liabilities, unrestricted investment accounts and owners' equity		27,428,268,691	15,676,530,121
Contra accounts	(25)	3,962,045,376	2,248,274,834

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

Mr. Mohamed Hassan Nair
Member of The Board of Directors

Mr. El Bagir Ahmed Elnouri
General Manager

The attached notes (1 - 48) form and integral part of these financial statements

Income Statement for the Year ended December 31, 2017



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

Income

Income from deferred sales	(26)
Income from other investments	(27)
Less: return on unrestricted investment accounts	(28)
Net income from deferred sales and investments	
Income from Banking services	(29)
Bank's income from its own investments	(30)
Income (Loss) from foreign currencies revaluation	
Other income	(31)
Total Bank's Revenue	

Expenses

Staff cost	(32)
General and administrative expenses	(33)
Depreciation	(16)
Fines by Central Bank of Sudan	
Provision for Investment and Finance Risk	(34)

Total Expenses

Income before tax and zakat	
Zakat for the year	(46)
Business profits tax for the year	(47)
Net Income	

Dividend per share

Notes	December 31, 2017 (SDG)	December 31, 2016 (SDG)
	1,661,937,055	1,019,831,612
	232,158,869	165,677,754
	1,894,095,924	1,185,509,366
	(762,861,769)	(650,198,639)
	1,131,234,155	535,310,727
	318,476,300	276,337,810
	60,046,869	38,763,099
	-	(8,323)
	31,867,204	26,822,813
	1,541,624,528	877,226,126
	403,800,805	284,259,079
	311,666,651	230,643,112
	76,619,130	50,201,785
	102,698	613,944
	50,301,000	24,427,555
	842,490,284	590,145,475
	699,134,244	287,080,651
	(21,639,800)	(7,999,483)
	(117,825,580)	(50,975,207)
	559,668,864	228,105,961
	0.86	0.40

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

Mr. Mohamed Hassan Nair
Member of The Board of Directors

Mr. El Bagir Ahmed Elnouri
General Manager

The attached notes (1 - 48) form and integral part of these financial statements



Statement of Cash Flows for the Year ended December 31, 2017

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

Losses excluding fixed assets

Net income from Operating activities

Notes

December 31, 2017 (SDG)	December 31, 2016 (SDG)
559,668,864	228,105,961
76,619,130	50,201,785
1,475,788	777,472
50,301,000	24,427,555
762,861,769	116,342,510
21,639,800	7,999,483
117,825,580	50,975,207
(4,513,274)	(440,177)
2,372,019	-
1,588,250,676	478,389,796

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)

(440,686,433)	(306,792,100)
(12,161,495)	(1,804,832)
40,522,278	3,113,351
(1,772,926,129)	125,610,113
(211,411,666)	34,111,220
(5,692,791,037)	(1,990,141,827)
(183,752,255)	(140,756,671)
(1,777,182)	57,110,892
(15,000,000)	(13,623,050)
(4,285,716)	(2,651,477)
(8,294,269,635)	(2,235,824,382)

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

Net increase in cash

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Notes

December 31, 2017 (SDG)	December 31, 2016 (SDG)
2,460,394,820	1,497,099,113
7,419,094,636	1,246,050,862
100,000,000	90,000,000
55,974,822	29,883,433
(114,000,000)	(102,731,566)
(100,000,000)	(90,000,000)
(55,974,821)	(22,977,900)
(1,875,325,027)	(679,503,924)
(933,479,224)	(155,426,965)
19,009,863	(29,568,364)
95,452,153	33,900,000
409,791,085	167,258,451
7,480,938,306	1,983,983,141
774,919,348	226,548,555
2,668,420,528	2,441,871,973
3,443,339,875	2,668,420,528

(6)

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

Mr. Mohamed Hassan Nair
Member of The Board of Directors

Mr. El Bagir Ahmed Elnouri
General Manager

The attached notes (1 - 48) form and integral part of these financial statements

Statement of Changes in Owners' Equity for the Year ended December 31, 2017



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

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, 2017	600,000,000	6,111,669	9,568,292	9,731	9,226,398	124,996,978	214,197,140	964,110,208
Net income for the Year	-	-	-	-	-	-	559,668,864	559,668,864
Transferred to reserves	-	-	-	7,935	-	55,966,886	(55,974,821)	-
Capitalized profits	100,000,000	-	-	-	-	-	(100,000,000)	-
Cash dividends	-	-	-	-	-	-	(114,000,000)	(114,000,000)
Balance as at December 31, 2017	700,000,000	6,111,669	9,568,292	17,666	9,226,398	180,963,865	503,891,182	1,409,779,072
Balance as at January 1, 2016	510,000,000	6,111,669	2,662,759.00	18,055	9,226,398	102,186,382	201,625,017	831,830,280
Net income for the year	-	-	-	-	-	-	228,105,961	228,105,961
Transferred to reserves	-	-	6,905,533	(8,324)	-	22,810,596	(22,802,272)	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	124,996,978	214,197,140	964,110,208
Notes	(23)	(24)	(24)	(24)	(24)	(24)	(24)	

The attached notes (1 - 48) form and integral part of these financial statements



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 2017 was 1,544 (2016: 1,449). At 31 December 2017 the Bank has 39 branches, 38 cash offices, number of ATMs machines was 184 in 2017 (2016:148), 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.

Notes to the Financial Statements for the Year ended December 31, 2017

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. 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 Sharia’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, 2017

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, 2017 (SDG)	December 31, 2016 (SDG)
	190,376,076	77,175,644
	11,707,863	4,548,852
	-	48,138,222
	2,463,252,256	2,442,308,299
	778,003,680	96,249,511
	3,443,339,875	2,668,420,528

7- Central Bank of Sudan - Statutory cash reserve:

Local currency
Foreign currency

December 31, 2017 (SDG)	December 31, 2016 (SDG)
1,314,162,590	462,830,921
173,812,055	91,664,500
1,487,974,645	554,495,421

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, 2017 (SDG)	December 31, 2016 (SDG)
	8,853,197,572	5,108,742,841
	(1,651,661,758)	(739,899,223)
	732,844	732,842
(34)	(79,398,983)	(65,648,052)
	10,131,270,422	5,644,187,898
	5,696,426	3,553,317
	(3,215,685,802)	(1,584,850,830)
(34)	(69,373,220)	(34,531,331)
	13,974,777,499	8,332,287,462

9- Other investments:

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

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
	1,575,757	269,115
	13,383,066	13,258,875
	5,312,597	4,856,812
(34)	(13,419,571)	(13,310,134)
	6,851,850	5,074,668

10- Investments in securities:

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

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
10/ 1	2,235,914,369	452,988,240
10/ 2	196,225,165	206,225,165
10/ 3	20,037,930	20,037,930
10/ 4	6,531,046	6,531,046
10/ 5	1,002	1,002
	2,458,709,512	685,783,383

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017

Securities held at cost:

10.1 Shahama Securities :

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 Securiess 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 Securities:

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 2017 (SDG)	31 December 2016 (SDG)
Sudan Telecom	0.19%	5,726,230	5,726,230

Shares available for sale (self-investments):

National Petroleum Company	2.62%	663,571	663,571
Al Shamal Islamic Bank	0.08%	139,279	139,279
Nile Bank for Development and Trade	0.00%	1,966	1,966
Total shares available for sale		804,816	804,816
Total equity investment		6,531,046	6,531,046

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, 2017

11- Mudaraba:

Companies

local Banks

Provision of Finance Risk

Notes	December 31, 2017 (SDG)	December 31, 2016 (SDG)
	34,526,935	23,000,000
	27,489,740	27,489,740
(34)	(345,269)	(230,000)
	261,671,406	50,259,740

12- Musharaka:

Companies

Individuals

Provision of Finance Risk

Musharaka (net)

December 31, 2017 (SDG)	December 31, 2016 (SDG)
647,212,536	458,249,661
10,000,000	14,549,800
(9,220,124)	(8,559,304)
647,992,412	464,240,157

13- Finance Portfolios:

Affordable Housing Financing 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 and construction fund portfolio Kassala 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

Microfinance guarantee agency

Provision of Finance Risk

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
	4,026,398	4,123,414
	1,000,000	1,000,000
	1,066,665	1,216,665
	839,641	1,049,551
	600,000	600,000
	651,645	651,645
	1,349,795	1,533,186
	-	1,500,000
	10,500,000	5,000,000
(13/ 1)	36,494,253	36,726,220
	10,000,000	9,500,000
	658,000	-
(34)	(629,007)	(629,007)
	66,557,390	62,271,674

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

14/ 1

14/ 2

14/ 3

December 31, 2017 (SDG)	December 31, 2016 (SDG)
112,495,000	97,495,000
2,207,023	2,207,023
57,216,810	57,216,810
171,918,833	156,918,833

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017

14/1 Investments in subsidiaries

	Ownership Percentage	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Islamic Company for Trade and Services	99.992%	40,000,000	25,000,000
Islamic Insurance Company (Sudan)	100%	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
		112,495,000	97,495,000

14/2 Local Companies

	Percentage of Contribution	December 31, 2017 (SDG)	December 31, 2016 (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)	9.70%	714,000	714,000
		2,207,023	2,207,023

14/3 Contributions to companies available for sale abroad

		December 31, 2017 (SDG)	December 31, 2016 (SDG)
Faisal Islamic Bank of Egypt	2.19%	57,216,810	57,216,810
		57,216,810	57,216,810

15- Other Assets:

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Profits for investment deposits (paid in advance)	276,883,644	173,821,101
Prepaid rents	20,694,398	10,722,727
Murabaha Assets	1,586,254,514	605,577,031
Murabaha Assets	754,528,284	395,219,101
Faisal's company for financial transactions cash purchase of securities	123,691,676	-
Land acquired in settlement of debt	119,660,878	119,520,028
Securities which the Bank repay the liabilities	19,000,000	-
Prepaid expenses	8,675,447	4,231,953
Debts under settlement	1,895,175	21,490,828
Staff loans	252,119,929	223,726,321
Accrued income	396,749,778	232,800,745
Indebtedness of Service Leavers	6,702,598	6,204,906
Medicines Import Account	13,081,201	3,666,187
Mobile phones recharge (Zain SD)	6,489,147	1,028,355
Cheques Due	-	149,049
Magnetized Cheques Value	1,572,700	43,623
Electricity of SEDC	680,806	27,466
National Switch Claims	1,625,691	99,154
Electronic Clearance fees	-	724
An incentive to attract the remittances of Sudanese abroad	-	23,229,392
Central Bank of Sudan window	60,065,557	17,937,331
Advance payments for the implementation of projects	64,237,331	-
Rental of premises owed	212,295	-
	3,714,021,049	1,839,496,022

The attached notes (1 - 48) form and integral part of these financial statements



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, 2017	69,502,842	70,719,744	92,855,516	155,265,300	406,223,409	249,651,530	1,044,218,341
Additions	97,439,273	39,507,962	53,925,563	51,307,807	97,607,716	100,898,112	440,686,433
Disposals	(8,264,441)	-	(37,090)	-	(128,800)	(34,230,420)	(42,660,751)
December 31, 2017	158,677,674	110,227,706	146,743,990	206,573,107	503,702,325	316,319,222	1,442,244,023
Depreciation in:							
January 1, 2016	37,131,831	22,234,198	30,017,264	85,171,637	15,467,668	-	190,022,598
For the Year	17,733,372	13,571,059	11,981,829	27,137,880	6,194,990	-	76,619,130
Disposals	(6,619,588)	-	(32,159)	-	-	-	(6,651,747)
December 31, 2017	48,245,615	35,805,257	41,966,934	112,309,517	21,662,658	-	259,989,981
Book Value in:							
December 31, 2017	110,432,059	74,422,449	104,777,056	94,263,590	482,039,667	316,319,222	1,182,254,042
December 31, 2016	32,371,011	48,485,546	62,838,252	70,093,663	390,755,741	249,651,530	854,195,743

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

17- Intangible Assets

Cost in December 31,	
Extras General for the year	
General exclusions for the year	
Cost as of December 31	
Depreciation accumulated as of January 1	
Extinction of Year	
Extinction of Disposals	
Depreciation accumulated as of December 31	

Notes

December 31, 2017 (SDG)	December 31, 2016 (SDG)
8,677,138	5,348,718
12,161,495	3,328,420
(3,162,692)	-
17,675,941	8,677,138
5,590,648	4,813,176
1,475,788	777,472
(790,673)	-
6,275,763	5,590,648
11,400,178	3,086,490

18- Current and savings accounts:

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
7,308,579,760	3,532,200,648
883,005,177	195,310,924
2,534,204,268	1,094,953,141
14,134,652	10,258,095
1,512,086,259	192,672
12,252,010,116	4,832,915,480

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
Purchased by the Central Bank's earnings
National Switch Claims (EBS)
External ATMs Dispute
Unpaid transfers
Exchange
Income prohibited by Islamic law

(20/ 1)

December 31, 2017 (SDG)	December 31, 2016 (SDG)
457,216,863	215,184,583
11,040,424	11,894,566
251,874,348	147,906,517
2,089,374	328,048
25,061,659	38,395,139
39,096,674	4,709,543
26,982,492	20,362,349
58,353	58,353
5,029,705	4,096,867
12,091,946	47,556,776
260,355	-
31,191	31,191
27,051	27,051
190,779	-
-	32,160,432
40,464	45,573
17,928	17,928
55,372,652	-
734,675	624,177

The attached notes (1 - 48) form and integral part of these financial statements



Notes to the Financial Statements for the Year ended December 31, 2017

20- Other Liabilities (Followed):

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	
Zain Mobile Company Scratch Cards	
Electricity Sales Proceeds	
Bank Cards Issuance Fee	
Clients' Cheque sent to Printing	
Incentive to attract Sudanese transfers abroad and the rest of the vendors	
Clearance Fees	
Private Switch Claims, Settlements and Transactions	
Recharge Cards Sales (Sudani)	

Notes	December 31, 2017 (SDG)	December 31, 2016 (SDG)
	-	280
	9,000	1,301,446
	30,915,322	21,463,752
	19,000,000	47,508,789
	(100)	140
	89,511	6,109
	3,465	25,345
	86	4,432
	44,732	-
	1,194,093	-
	2,118	-
	(112)	-
	46,328,960	-
	3,751	-
	18,692,612	-
	100	-
	1,003,500,471	593,709,386

20.1) The profits resulting from operations prohibited by the Islamic Shari'a during the year amounted to 110,498 (SDG), while last year it was 624,177 (SDG), and was not disbursed during the year.

21- Provisions:

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
21,639,800	7,999,483
34,877,309	17,674,617
102,000	85,000
103,000,000	56,736,562
138,428,096	57,076,300
298,047,205	139,571,962

22- Equity of unrestricted investment accounts holders:

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
9,965,091,143	6,752,842,166
1,607,626,762	1,709,282,280
11,572,717,905	8,462,124,446
762,861,769	650,198,639
12,335,579,674	9,112,323,085

23- Capital:

Authorized Capital *
Paid-up Capital **

December 31, 2017 (SDG)	December 31, 2016 (SDG)
1,000,000,000	1,000,000,000
700,000,000	600,000,000

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017

23,1) Authorized capital:

The Authorized capital is one billion Sudanese Pounds divided by one billion shares worth one Sudanese Pounds per share.

23,2) Paid-up capital:

The General Assembly Meeting on 22 March 2017 affirmed capital increase by capitalization of part of earnings by 100 million Sudanese Pounds (2016:90 million Sudanese Pounds) on the recommendation of the Board of Directors and the approval of the Central Bank of Sudan, accordingly the related Legal and statutory procedures have been completed.

23/3 Capital structure:

Mohamed Al-Faisal Al-Saud
Mustafa Abu Bakr Azam
Faisal company financial investments
Hosbetalia global company
Global Warm Seas Company
Amro Mohamed Al Faisal
Reem Mohamed Al Faisal
Maha Mohamed Al Faisal
Al Nur Abdullah Zarrouk
Others

December 31, 2017	December 31, 2016
0%	15.5%
15.5%	15.5%
13%	13%
10.34%	10.34%
7.95%	7.95%
6.82%	2.96%
7.75%	0%
7.75%	0%
7.92%	7.92%
22.97%	26.83%
100%	100%

24- Reserves:

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

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
24 / 1	180,963,865	124,996,978
24 / 2	6,111,669	6,111,669
24 / 3	9,226,398	9,226,398
24 / 4	17,666	9,731
24 / 5	9,568,292	9,568,292
	205,887,890	149,913,068

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, 2017

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
9,536,135	9,536,135
(48,935)	(48,935)
(2,155)	(2,155)
83,247	83,247
9,568,292	9,568,292

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, 2017 (SDG)	December 31, 2016 (SDG)
490,546,760	165,576,505
3,270,901,120	1,935,751,115
34,921,386	3,695,319
115,958,216	94,625,751
31,127,384	31,127,384
18,590,511	17,498,760
3,962,045,376	2,248,274,834

26- Income from deferred sales:

Murabaha
Mugawala
Istisna'a

December 31, 2017 (SDG)	December 31, 2016 (SDG)
1,268,707,457	971,093,318
391,828,141	48,489,365
1,401,457	248,929
1,661,937,055	1,019,831,612

27- Income from other investments:

Securities
Musharaka
Mudaraba
Ijara
Other Portfolios

December 31, 2017 (SDG)	December 31, 2016 (SDG)
189,114,548	103,511,265
34,064,253	58,711,423
7,141,791	550,145
212,020	41,774
1,626,257	2,863,147
232,158,869	165,677,754

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, 2017 (SDG)	December 31, 2016 (SDG)
867,146,735	728,104,726
(173,429,347)	(145,620,945)
693,717,388	582,483,781
86,430,476	84,643,572
(17,286,095)	(16,928,714)
69,144,381	67,714,858
762,861,769	650,198,639

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

29- Income from Banking services:

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

Notes

December 31, 2017 (SDG)	December 31, 2016 (SDG)
253,916,891	234,342,015
34,699,905	22,437,675
17,590,851	13,115,291
10,054,798	6,164,250
2,213,855	278,579
318,476,300	276,337,810

30- Income of Bank's self-investments:

Subsidiaries
Other companies

(30/ 1)

(30/ 2)

December 31, 2017 (SDG)	December 31, 2016 (SDG)
37,734,000	24,249,486
22,312,869	14,513,613
60,046,869	38,763,099

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, 2017 (SDG)	December 31, 2016 (SDG)
15,000,000	6,500,000
6,000,000	4,500,000
6,600,000	5,400,000
10,134,000	7,849,486
37,734,000	24,249,486

30/2 Other companies:

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
9,679,660	-
-	16,425
12,633,209	14,497,188
22,312,869	14,513,613

31- Other income:

Rental from owned realestate
Sales of Fixed Assets
Retrieval of dedicated financing risks
Miscellaneous income

December 31, 2017 (SDG)	December 31, 2016 (SDG)
26,970,696	22,061,563
4,513,274	440,178
269,097	165,851
114,137	4,155,221
31,867,204	26,822,813

32- Staff Cost:

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

December 31, 2017 (SDG)	December 31, 2016 (SDG)
108,889,787	77,393,971
12,500,095	8,144,030
49,670,412	40,972,766
44,754,518	29,707,297
3,345,420	6,016,129
29,946,085	23,802,671
23,466,895	18,739,425
1,559,430	-
1,262,478	755,668
25,405,685	21,990,560
103,000,000	56,736,562
403,800,805	284,259,079

The attached notes (1 - 48) form and integral part of these financial statements



Notes to the Financial Statements for the Year ended December 31, 2017

33- General and Administrative Expenses:

	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Rents	36,026,758	25,229,563
Electricity & water	6,454,007	3,311,049
Board of directors expenses	3,995,306	3,505,906
Maintenance & repairs of vehicles	7,223,197	5,909,453
Security	7,890,937	4,433,632
Maintenance	7,981,496	5,720,529
Post , Telegraph and Telephone	924,476	549,537
Subscriptions	1,311,415	1,668,691
Stationery & printings	3,650,651	2,854,434
Gasoline for generator	983,342	756,464
Meals subsidies	7,433,061	4,820,309
Insurance	13,328,402	8,044,937
Government's dues and fees	1,840,591	1,088,800
ATM expenses	18,472,030	13,152,379
Banks' charges	11,133,417	20,558,620
Expenses of Cash transite and sorting	4,107,387	3,120,715
Expenses of the central archive	145,949	898,708
Computer	7,326,801	7,640,128
Advertising	31,680,074	23,207,016
Audit Fees	600,000	500,000
Annual general meeting expenses	704,868	583,624
Travel and accommodation of the internal auditor	504,056	518,267
Hospitality expenses	1,648,639	1,051,936
Sharia'h Supervisory Board Remuneration	257,000	250,000
Bank's contribution to the Banking Deposits Security Fund	33,329,306	20,010,322
Board of Directors' Remuneration	34,877,309	17,674,617
Donations	7,000,000	6,870,204
Motor cycles Operating and Repair expenses	23,455	30,523
Court Fees	333,804	427,288
Cleaning expenses	2,987,360	1,816,160
Clearing and Treasury Operating expenses	5,761,782	3,656,499
Faisal Cultural Center expenses	4,318,400	3,473,247
Contributions and expenses of the banking network	7,863,824	5,295,163
Training	17,595,040	15,866,825
Travel leave and perdiums	17,243,740	14,653,927
Mortization of intangible assets	1,475,788	777,473
Consultations	2,489,833	631,167
Electronic registration and collection expenses	641,150	-
VAT	102,000	85,000
	311,666,651	230,643,112

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements
for the Year ended December 31, 2017



بنك فيصل الإسلامي السوداني
FAISAL ISLAMIC BANK (SUDAN)

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
2017						
Balance as at 1 January 2017	65,648,052	8,559,304	34,531,332	629,007	13,540,134	122,907,829
Charged during the year 2017	14,573,585	660,821	34,841,888	-	224,706	50,301,000
Recovered during the year	269,097	-	-	-	-	269,097
Debits written-off	(1,091,751)	-	-	-	-	(1,091,751)
	79,398,983	9,220,124	69,373,220	629,007	13,764,840	172,386,175
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	-	6,975,629	16,822,919	26,783	602,224	24,427,555
Recovered during the year	165,851	-	-	-	-	165,851
Debits written-off	-	-	-	-	-	-
	65,648,052	8,559,304	34,531,332	629,007	13,540,134	122,907,829
Note	8	12	8	13	9/11	

The attached notes (1 - 48) form and integral part of these financial statements



Notes to the Financial Statements for the Year ended December 31, 2017

Provisions for the year were classified as follows:

Description	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Classified	23,761,108	33,700,554
un-classified	148,625,067	89,207,275
Total	172,386,175	122,907,829

35- Dividend per Share:

Description	December 31, 2017 (SDG)	December 31, 2016 (SDG)
Net profit of the year	559,668,864	228,105,961
The average number of shares	650,000,000	570,410,959
Dividend per Share	0.86	0.4

36- Investment Concentration by Economic Sector:

The total outstanding balance of total finance for the year ended in December 2017 is 22,626,114,671 (SDG) (December 2016: 12,240,971,518 SDG). The distribution of total finance for the different sectors of the economy was as follows:

Sector	2017	2016
Agricultural	3%	3%
Export	2%	4%
Industrial	10%	13%
Transportation	4%	5%
Trade	10%	6%
Realestate	6%	6%
Micro Finance and social development finance *	53%	57%
Other Sectors	12%	6%
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, through various donations to mosques, universities, hospitals and individuals which amounted to about 7 million Pounds (2016:6.9 million Pounds), which the Bank contributed \$3 million Pounds in buying equipment for Soba hospital perspectives section. The Bank during the year have trained employees in and out of Sudan, where some training expenses amounted to 17.5 million Sudanese Pounds (2016:16 Pounds). The Bank is also free receipt and disbursement of salaries and wages of a number of units through ATMs. The Bank continued in its role of community by allocating for Al Faisal Cultural Center an amount of about 4.3 million Pounds as operational expenses (2016:3.5 Pounds).

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017

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:

2017			
Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2017
	SDG	SDG	SDG
Murabaha	-	-	-
Musharka	15,123,750	-	15,123,750
Mudaraba	-	-	-
Loans	-	1,354,782	1,354,782
Current & Investment accounts	35,907,672	-	35,907,672
Contra Account	-	-	-
Letters of credit	-	-	-
Letters of guarantee	-	-	-

2016			
Financial Position Items	Principal shareholders & board of directors and their companies	Top Management	Total at December 31, 2017
	SDG	SDG	SDG
Murabaha	2,061,147	-	2,061,147
Mugawla	-	-	-
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	-	-	-

The attached notes (1 - 48) 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 2017					
Description	Within 3 Months	3 to 6 Months	6 to 12 Months	Over one year	Total
Assets:					
Cash and cash equivalents	202,083,940	-	-	-	202,083,940
Cash reserve at the Central Bank of Sudan	2,463,252,256	-	-	1,487,974,645	3,951,226,901
Correspondents	778,003,680	-	-	-	778,003,680
Mudarabat	227,489,740	4,000,000	30,181,666	-	261,671,406
Investments in securities (Shahama)	727,919,673	830,727,907	521,101,849	378,960,083	2,458,709,512
Sales receivables	676,793,000	2,392,241,000	2,320,996,000	8,584,747,499	13,974,777,499
Musharaka	145,354,464	193,718,515	195,314,291	113,605,142	647,992,412
Other Investments	6,851,850	-	-	-	6,851,850
Investment Funds and Portfolios	-	-	-	66,557,390	66,557,390
Other Assets	3,714,821,049	-	-	-	3,714,821,049
Investments in subsidiaries	-	-	-	171,918,833	171,918,833
Net Fixed Assets	-	-	-	1,182,254,042	1,182,254,042
Net intangible assets	-	-	-	11,400,178	11,400,178
Total assets	8,942,569,652	3,420,687,422	3,067,593,806	11,997,417,812	27,428,268,692
Owners Equity and liabilities:					
Owners equity	-	-	-	1409779072	1409779072
Credit balance of the Central Bank of Sudan	129352153	-	-	-	129352153
Current accounts	12,252,010,116	-	-	-	12,252,010,116
Provisions	298,047,205	-	-	-	298,047,205
Other liabilities	162,612,324	621,817,365	126,399,626	92,671,156	1,003,500,471
Un-restricted investments accounts	1,061,196,769	642,169,635	741,615,636	9,890,597,634	12,335,579,674
Total liabilities and shareholders' equity	13,903,218,567	1,263,987,000	868,015,262	11,393,047,862	27,428,268,691

The attached notes (1 - 48) form and integral part of these financial statements

Notes to the Financial Statements for the Year ended December 31, 2017

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	-	-	-	964,110,208	964,110,208
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	139,571,962	-	-	-	139,571,962
Other liabilities	55,489,857	149,743,279	148,092,141	240,384,109	593,709,386
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	5,976,287,156	1,521,358,066	2,891,321,716	5,287,563,182	15,676,530,121

The attached notes (1 - 48) form and integral part of these financial statements



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	2017 USD	2016 USD
Assets	523,757,472	409,506,356
Liabilities	523,714,137	409,464,252
Net Foreign Currency Position	43,335	42,104

Notes to the Financial Statements for the Year ended December 31, 2017

45-Capital adequacy

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

Description	2017 (000)SDG	2016 (000)SDG
Core capital	769,345	650,077
Total risk weighted assets (on and off - balance sheet)	5,436,537	4,451,522
The Bank's capital adequacy ratio	0.14	0.15
Minimum capital adequacy ratio required	0.12	0.12

46- Zakat

The Bank paid all its Zakat the year 2016 and allocated provision for the year 2017, the Bank considers that the final estimate will not differ substantially with the calculated provision.

47- Business profit tax

The Bank paid a part of the business profits tax until the year 2016 and the respective provision for the year 2017, the Bank considers that the final estimate will not vary substantially with the calculated provision for this year.

48- Comparative figures

Some comparative figures have been reclassified for 2016 to match the current year's presentation. This classification did not affect net profit or cash flow or property rights.