



Bank Deposit Security Fund

BDSF

ANNUAL REPORT 2010



Bank Deposit Security Fund (**BDSF**)

ANNUAL REPORT 2010

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Chairman's Message

As-Salamu' Alaikum

This is the third annual report of the Bank Deposit Security Fund. I say the «third» although BDSF is now above fourteen years old. But the present annual report which includes the performance for the year 2010, comes this year much earlier, after having presented the final accounts being accredited by the Auditor General much a bit earlier as well, as the first public institution this year to submit its business results to the competent authorities, a fact which is witnessed by the Auditor General.



The subsequent financial crises within the past years, which resulted in the failure of a great number of banks in many parts of the world, have assured the great role expected to be played by the deposit insurance institutions. Accordingly, many countries around the world were firmly convinced and have established such institutions, while many others are still considering the idea. Although our banks were not affected by the downfall waves that struck the banks all over the world, Praise Be to Allah Almighty, BDSF has never stopped developing its human and financial abilities to be ready for any emergency that might occur. The BDSF investments are restricted to Government bonds and securities like Shahama and Shama which are yielding a secured and reasonable margin. Accordingly, there was a reasonable growth in the resources. This enabled BDSF to amend the maximum limit from SDG 3000 to SDG10, 000 for both current and savings deposits and from SDG4000 to SDG10,000 for investment deposits. Although the recent maximum limit is less than our ambitions but the jump was great and satisfactory, and we will act to increase it from time to time according to growth of our resources.

The BDSF total resources have risen from SDG206.923.164 in the year 2009 to SDG267.189.823 in 2010, which indicates that BDSF actively and steadily acts to reach the targeted size of resources that will enable it easily meet its liabilities toward any banking failure that may occur under any ordinary economic and financial circumstances.

As to the public awareness, the BDSF endeavored to make the public aware of its objectives which are, protecting the depositors by insuring their deposits and enhancing the stability of the financial and banking system in full co-ordination with the Central Bank.

BDSF activities have been extended to include the foreign links, where Sudan has become a member of the International Association of Deposit Insurers (IADI) headquartered in Basel, Switzerland. It has participated in the general conference held in Oct 2010 in Japan as well as the its accompanying show, and this represented an opportunity for BDSF to establish good relationships with the Deposit Insurance Institutions in many countries. Being a member in IADI automatically secured the BDSF a membership in regional deposit organizations such as The Middle East and North Africa Region (MENA) and Deposit Organization for Islamic Countries. Thus, BDSF could exchange experience with other countries, especially that BDSF is the only institution throughout the whole world that has the experience of a full-fledged Islamic system.

Domestically, BDSF played its significant protective role in coordination with CBOS through a joint committee to study the financial positions of the banks , reporting to the Board of Directors of BDSF.

We assure, once more, the great anticipated role of BDSF regarding the banking and financial stability. We, in the Board of Directors, promise to be helpful and supportive to the Fund management so that it can completely play its roles towards the banks and in particular to those experiencing some problems in their financial positions, targeting the safety and stability of the banking and financial system in Sudan.

Finally, I have to extend my thanks to BDSF management and staff on the considerable effort they have exerted within the year 2010, until they have submitted the final accounts in no time, and issued this report in such an early time .I also hope that the public and stake-holders will benefit from this report .

God bless,,,,,,,,,

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Dr. Sabir Mohammed Hassan,
Chairman, BDSF

Message of the General Manager

As-Salamu' Alaikum

The international economy is witnessing nowadays many problems whether at the level of the developed or developing countries. One of the most serious problems is the continuous deficit in the balance of payment, budget deficit, the rising rate of inflation and unemployment. The commercial transactions are no longer benefiting the developing countries in addition to the problem of foreign debts and the cute changes in the value of currencies.

No doubt that the financial crises that began from U.S.A have struck most of the economies in the world. With this we have to remember that the financial system is very sensitive and is the most vulnerable to the crises.

In this atmosphere which is full of problems, we can recognize the very important role of the deposit insurance. An effective deposit insurance system can be considered as one of the most effective factors to challenge the problems facing the financial institutions which accept deposits generally and the commercial banks specially. The BDSF of Sudan is considered as one of the basic players of the financial safety-net, including of course the Ministry of Finance, the Central Bank and the commercial banks.

Accordingly, the Board of directors directed the management of BDSF to evaluate the present system to find out weaknesses to avoid and the strengths to depend upon. The management is also directed to develop the organization chart so as to suit the changing economic environment. The result of the evaluation is the five-years plan to achieve certain objectives during the following years.

It is very important to mention here, the effective role played by the financial and monetary authorities to protect the banks and to avoid any negative effects due to the financial crises. The Central Bank is helping the problematic banks in various ways. At the same time BDSF is playing a parallel role in full co-ordination with the Central Bank, and needless to mention that this role will continue in future.

Now, we are presenting this report within the time specified by the Board of directors. This definitely represents the activities carried out by the previous management and the staff who left for us a solid base to build on. We hereby present our greetings to the board members for their continuous and prosperous co-operation. Our greetings also to the Sudanese Banks Union and together we will continue protecting the depositors and enhancing the stability of the financial and banking system.

We are also keen to play a major role in our relation with the regional and international organizations.

Dr. Abdel Gadir M. Ahmed,
General Manager, BDSF



Board of Directors

1	Mr. Dr. Sabir Mohammed Hassan	Governor, CBOS	Chairman
2	Mr. Dr. Eltayeb Mustafa Abu-Ganya	Undersecretary, MFNE	Member
3	Mr. Suleiman Hashim Mohd. Tom	GM. Farmer,s Commercial Bank	Member
4	Mr. Abdalla Nugdalla Ahmeidi	GM. Tadamon Islamic Bank	Member
5	Mr. Dr. Mohamed E. Mohd. Saleem	GM, Export Development Bank	Member
6	Mr. Mohamed Ahmed B. Badawi	GM, Banking Supervision Dept, CBOS	Member
7	Mr. Dr. Abdalla Elsheikh Sidahmed	Economic Expert	Member
8	Miss. Sabah Ahmed Mohamed Yassin	Economic Expert	Member
9	Mr. Dr. Abdel Gadir Mohammed Ahmed	GM, BDSF	Member and Rapporteur
10	Mr. Magdi Hassan Allah-Jabu		Secretary



Executive Management

Mr. Dr. Abdel Gadir Mohammed Ahmed,	General Manager
Mr. Yassin Saad E. Hamad,	Director, Financial and Account Dept.
Mr. Ibrahim Ali Eisa Eltahir,	Director, Research & Investment Dept.
Mr. AbdelRazig Omer Ahmed,	Director, Administrative & Service Dept.

BDSF EXTERNAL RELATIONS





BDSF External Relations

International Association of Deposit Insurers (IADI)

The International Association of deposit Insurers (IADI) was established in May 2002 under Swiss law, a nonprofit organization that aims to contribute the promotion and development of effective deposit insurance systems through the development of manuals and strengthening international cooperation .And the basic principles has been developed for the benefit of countries that want to adopt or re-drafting of the Deposit Insurance and through the participation of members of their expertise through participation in conferences and international forums organized by the Association.

Core Principles for effective deposit insurance systems:

The Basel Committee's Core Principles for Effective Banking Supervision (October 2006) acknowledge that a carefully designed system of deposit insurance can contribute to public confidence in the financial system and thus limit contagion from banks in distress, but do not currently provide guidance for effective deposit insurance systems .

The International Association of Deposit Insurers (IADI) developed a set of Core Principles for Effective Deposit Insurance Systems in February 2008. The IADI Core Principles are designed to enhance the effectiveness of deposit insurance systems and are based on IADI research and guidance papers. In developing its Core Principles, the IADI drew heavily on the practical experience of its members.

The Core Principles are reflective of, and designed to be adaptable to, a broad range of country circumstances, settings and structures. The Core Principles are intended as a voluntary framework for effective deposit insurance practices; national authorities are free to put in place supplementary measures that they deem necessary to achieve effective deposit insurance in their jurisdictions. The Core Principles are not designed to cover all the needs and circumstances of every banking system. Instead, specific country circumstances should be more appropriately considered in the context of existing laws and powers to fulfil the public policy objectives and mandate of the deposit insurance system. And the Core principles of effective deposit insurance systems as developed by the (IADI) were formulated in the eighteen principle :

- **Principle 1 – Public policy objectives:** The first step in adopting a deposit insurance system or reforming an existing system is to specify appropriate public policy objectives that it is expected to achieve. These objectives should be formally specified and well integrated into the design of the deposit insurance system. The principal objectives for deposit insurance systems are to contribute to the stability of the financial system and protect depositors.
- **Principle 2 – Mitigating moral hazard:** Moral hazard should be mitigated by ensuring that the deposit insurance system contains appropriate design features and through other elements of the financial system safety net (see Preconditions paragraph 16).

BDSF External Relations

- **Principle 3 – Mandate:** It is critical that the mandate selected for a deposit insurer be clear and formally specified and that there be consistency between the stated public policy objectives and the powers and responsibilities given to the deposit insurer.
- **Principle 4 – Powers:** A deposit insurer should have all powers necessary to fulfill its mandate and these powers should be formally specified. All deposit insurers require the power to finance reimbursements, enter into contracts, set internal operating budgets and procedures, and access timely and accurate information to ensure that they can meet their obligations to depositors promptly.
- **Principle 5 – Governance:** The deposit insurer should be operationally independent, transparent, accountable and insulated from undue political and industry influence. Relationships with other safety-net participants and cross-border issues
- **Principle 6 – Relationships with other safety-net participants:** A framework should be in place for the close coordination and information sharing, on a routine basis as well as in relation to particular banks, among the deposit insurer and other financial system safety-net participants. Such information should be accurate and timely (subject to confidentiality when required). Information-sharing and coordination arrangements should be formalised.
- **Principle 7 – Cross-border issues:** Provided confidentiality is ensured, all relevant information should be exchanged between deposit insurers in different jurisdictions and possibly between deposit insurers and other foreign safety-net participants when appropriate. In circumstances where more than one deposit insurer will be responsible for coverage, it is important to determine which deposit insurer or insurers will be responsible for the reimbursement process. The deposit insurance already provided by the home country system should be recognized in the determination of levies and premiums.
- **Principle 8 – Compulsory membership:** Membership in the deposit insurance system should be compulsory for all financial institutions accepting deposits from those deemed most in need of protection (eg retail and small business depositors) to avoid adverse selection.
- **Principle 9 – Coverage:** Policymakers should define clearly in law, prudential regulations or by-laws what an insurable deposit is. The level of coverage should be limited but credible and be capable of being quickly determined. It should cover adequately the large majority of depositors to meet the public policy objectives of the system and be internally consistent with other deposit insurance system design features.
- **Principle 10 – Transitioning from a blanket guarantee to a limited coverage deposit insurance system:** When a country decides to transition from a blanket guarantee to a limited coverage deposit insurance system, or to change a given blanket guarantee, the transition should be as rapid as a country's circumstances permit. Blanket guarantees can have a number of adverse effects if retained too long, notably moral hazard. Policymakers should pay particular attention to public attitudes and expectations during the transition period.



BDSF External Relations

- **Principle 11 – Funding:** A deposit insurance system should have available all funding mechanisms necessary to ensure the prompt reimbursement of depositors' claims including a means of obtaining supplementary back-up funding for liquidity purposes when required. Primary responsibility for paying the cost of deposit insurance should be borne by banks since they and their clients directly benefit from having an effective deposit insurance system.
For deposit insurance systems (whether ex-ante, ex-post or hybrid) utilising risk-adjusted differential premium systems, the criteria used in the risk-adjusted differential premium system should be transparent to all participants. As well, all necessary resources should be in place to administer the risk-adjusted differential premium system appropriately.
- **Principle 12 – Public awareness:** In order for a deposit insurance system to be effective it is essential that the public be informed on an ongoing basis about the benefits and limitations of the deposit insurance system.
- **Principle 13 – Legal protection:** The deposit insurer and individuals working for the deposit insurer should be protected against lawsuits for their decisions and actions taken in "good faith" while discharging their mandates. However, individuals must be required to follow appropriate conflict-of-interest rules and codes of conduct to ensure they remain accountable. Legal protection should be defined in legislation and administrative procedures, and under appropriate circumstances, cover legal costs for those indemnified.
- **Principle 14 – Dealing with parties at fault in a bank failure:** A deposit insurer, or other relevant authority, should be provided with the power to seek legal redress against those parties at fault in a bank failure.
- **Principle 15 – Early detection and timely intervention and resolution:** The deposit insurer should be part of a framework within the financial system safety net that provides for the early detection and timely intervention and resolution of troubled banks. The determination and recognition of when a bank is or is expected to be in serious financial difficulty should be made early and on the basis of well defined criteria by safety-net participants with the operational independence and power to act.
- **Principle 16 – Effective resolution processes:** Effective failure-resolution processes should: facilitate the ability of the deposit insurer to meet its obligations including reimbursement of depositors promptly and accurately and on an equitable basis; minimise resolution costs and disruption of markets; maximize recoveries on assets; and, reinforce discipline through legal actions in cases of negligence or other wrongdoings. In addition, the deposit insurer or other relevant financial system safety-net participant should have the authority to establish a flexible mechanism to help preserve critical banking functions by facilitating the acquisition by an appropriate body of the assets and the assumption of the liabilities of a failed bank (eg providing depositors with continuous access to their funds and maintaining clearing and settlement activities).

BDSF External Relations

- **Principle 17 – Reimbursing depositors:** The deposit insurance system should give depositors prompt access to their insured funds. Therefore, the deposit insurer should be notified or informed sufficiently in advance of the conditions under which a reimbursement may be required and be provided with access to depositor information in advance. Depositors should have a legal right to reimbursement up to the coverage limit and should know when and under what conditions the deposit insurer will start the payment process, the time frame over which payments will take place, whether any advance or interim payments will be made as well as the applicable coverage limits.
- **Principle 18 – Recoveries:** The deposit insurer should share in the proceeds of recoveries from the estate of the failed bank. The management of the assets of the failed bank and the recovery process (by the deposit insurer or other party carrying out this role) should be guided by commercial considerations and their economic merits.

Safety net:

Safety net is usually include prudent control instructions, the function of lender of last resort (these are the functions of the central bank), and deposits insurance. And supports the distribution of powers and responsibilities between the players of safety net on banking policy of the adopted by the state and circumstances, and whether this net is weak structures, they may increase the risks particular(Moral Hazard) . In addition to treatment moral hazard by providing that certain features in the system of deposit insurance may reduce this risk, also provide other properties in the players of safety net through the creation and promotion of appropriate incentives through the presence of management banking rational, and sound management of the risks of banks, and discipline of an active market And provide regulatory frameworks and strict legal (including reducing the risk of loss to treatment troubled banks in a timely manner). And there may be some discrepancies between these players, but they are more effective if they worked in a manner compatible with each other.

BDSF relations with Regional and International Deposit Insurance Corporations (DICs):

BDSF has joined the IADI membership in 2005, and automatically became a member in MENA and a founder member in the Islamic Deposit Insurance (IADI), and BDSF is very punctual in participating in the meetings, conferences and studies conducted by them to benefit from the appropriate systems, training and experience exchange.

BDSF is looking forward to play a pioneer and leading role within the coming five years in these unions and associations. IADI has once explained that Sudan is the first country to establish a deposit insurance system based on the Islamic Method. Therefore, the Sudanese case has been highlighted in the field of deposit insurance system, in comparison with the Malaysian case that applies a dual system to insurance both Islamic and traditional deposits.



BDSF External Relations

Therefore, BDSF acts actively and with high competence and efficiency in all fields and gives much concern to take part in the executive managements of such unions and associations, particularly IADI and MENA. As well, BDSF endeavors to develop distinguished relations with deposit insurance corporations for information sharing. It also acts to receive and hold conferences that may reflect the Sudanese trial in the field of the Islamic banking business.

List of Some Countries having Deposit Insurance Corporations and are members in IADI:

Albania	Germany
Azerbaijan	USA
Australia	Nicaragua
Quebec	Uruguay
Ecuador	Venezuela
Bangladesh	Colombia
Morocco	Peru
Sudan	France
Poland	Brazil
Poland	China
Salvador	Indonesia
Bulgaria	Lebanon
Canada	Romania
Russia	Mexico
Bosnia	Italy
India	Jamaica
Tanzania	Jordan
Trinidad	Kazakhstan
Japan	Malaysia
Vietnam	Hungary
Thailand	Nigeria
Zimbabwe	Philippines
Kenya	Turkey
Argentina	Singapore
Sweden	Swiss

**FINANCIAL STATEMENTS
AND AUDITOR-GENERAL'S REPORT**

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ANNUAL REPORT 2010





Financial Statements and Auditor-General's Report

Republic of Sudan
National Audit Chamber
Khartoum
Dept of Corporations and Companies

Date: 03.02.2011 i.e. 30 Safar 1432H.

Dear General Manager, BDSF.

Dear Sir;

Subject: Audit Report for BDSF Financial Statements for the year 2010

It gives me pleasure to attach herewith a copy of the audit report of for the BDSF financial statements for the above mentioned financial year:

1. Professional Report
2. Financial Statements
 - a. Financial Position Statement
 - b. Income Statement
 - c. Cash Flow Statement
 - d. Statement of Changes in EquityBeside the explanations which are considered an integral part of the financial statements.
3. Administrative Report

We look forward to your guidance to study the observations contained in the report and send us the reply thereto within one month from the date of this report, according to the provisions of section (16) of the National Audit Chamber Act, 2007.

Thank you

Siddig Ali Ibrahim El-Tireifi,
For/ Auditor-General

Financial Statements and Auditor-General's Report

Republic of Sudan
National Audit Chamber
Khartoum
Dept of Corporations and Companies

Date: 06.Feb.2011 i.e. 03 Rabie I, 1432H.

Audit Report

For BDSF Shareholders

We have audited the attached financial statements of BDSF which comprise the statement of financial position as on December 31, 2010, and the statement of revenue and expenses, statement of changes in equity and statement of cash flows for the year ending on this date, as well as a summary of the significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards issued by Accounting and Audit Authority for Financial and Islamic Corporations, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as well as those issued by Accounting and Audit Authority for Financial and Islamic Corporations. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Financial Statements and Auditor-General's Report

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of BDSF as on December 31, 2010, and of its financial performance and its cash flows for the year ending on that date, and in accordance with the standards issued by Accounting and Audit Authority for Financial and Islamic Corporations, as well as the BDSF Act, laws and regulations.

El-Tahir Abdel-Qayyum Ibrahim,
Auditor-General
Republic of the Sudan
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Financial Statements and Auditor-General's Report

Bank Deposit Security Fund (BDSF) Statement of the Financial Position as on Dec 31, 2010

Particulars	Explanatory No.	SDG	
		2010	2009
<u>Assets</u>			
Cash and the like	{3}	6.071.890	5.208.033
Investments	{4}	261.117.912	201.715.131
Other Assets	{5}	21.123.722	15.321.718
Immovable Assets (Net value)	{6}	3.551.170	3.861.348
TOTAL Assets		<u>291.864.715</u>	<u>226.106.230</u>
<u>Non-current Claims</u>			
Retirement Benefit Commitment		1.665.978	1.382.205
Total of non-current Claims		1.665.978	1.382.205
<u>Current Claims</u>			
Receivables	{7}	14.000	559.700
Due expenses	{8}	961.037	811.772
Total of Claims		<u>2.641.015</u>	<u>2.753.677</u>
<u>Equities</u>			
Banks Subscriptions	{9}	1.150.000	1.1500.000
Takaful Portfolios (Premiums)	{10}	209.317.462	162.915.035
Reevaluation Reserves	{11}	2.428.548	2.318.879
Accumulated surplus	{12}	76.327.690	56.968.639
Total of Equities		<u>289.223.700</u>	<u>223.352.553</u>
Total Equities and Claims		<u>291.864.715</u>	<u>226.106.230</u>

Signed by:

- Yassin S. El-Tireifi, Manager, Financial and Accounts Dept.
- Dr. Abdel-Gadir M. Ahmed, GM.
- Dr. Sabir M. El-Hassan, Chairman.

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Financial Statements and Auditor-General's Report

**Bank Deposit Security Fund (BDSF)
Income Statement for the year ending on Dec 31, 2010**

Particulars	Explanatory No.	SDG	
		2010	2009
<u>Revenues</u>			
Investment Income	{13}	26.065.995	24.192.252
Other revenues		19.233	0
TOTAL of Revenues		<u>26.085.228</u>	<u>24.192.252</u>
<u>Deduct: Expenses:</u>			
Chapter I: Human Recourses Cost	{14}	(4.596.509)	(3.160.465)
Chapter II: Administrative & General Expenses	{15}	(1.166.688)	(944.774)
<u>Total Expense</u>		<u>(5.763.197)</u>	<u>(4.105.239)</u>
Total Surplus		20.322.031	20.087.013
Deduct: Allotment of Annual increment		(950.000)	(800.000)
Year Surplus		<u>19.372.031</u>	<u>19.287.013</u>

Signed by:

- Yassin S. El-Tireifi, Manager, Financial and Accounts Dept.
- Dr. Abdel-Gadir M. Ahmed, GM.
- Dr. Sabir M. El-Hassan, Chairman.

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Financial Statements and Auditor-General's Report

Bank Deposit Security Fund (BDSF) Statement of the Changes in Equity for the year ending on Dec 31, 2010

Particulars	SDG					
	Incorp. Contrib	Premiums	Accumulated Surplus	Investment Reevaluation Reserve	Building Reevaluation Reserve	TOTAL
<u>Balance as on 31.12.2008</u>	1.000.000	126.304.082	37.589.953	52.640		165.036.675
Incorporation Contribution	60.000					60.000
Premiums		36.619.953				36.610.953
Settlements of previous years			91.673			91.673
Investment Reevaluation Reserve				16.240		16.240
Building Reevaluation Reserve					2.249.999	2.249.999
Year surplus			19.287.013			19.287.013
<u>Balance as on 31.12.2009</u>	1.150.000	162.915.035	56.968.639	68.880	2.249.999	223.352.553
Premiums		46.402.427				46.402.427
Settlements of previous years			(12.980)			(12.980)
Investment Reevaluation Reserve				109.669		109.669
Year Surplus			19.372.013			19.372.013
<u>Balance as on 31.12.2010</u>	1.150.000	209.317.462	76.327.690	178.549	2.249.999	289.223.700

Signed by:

- Yassin S. El-Tireifi, Manager, Financial and Accounts Dept.
- Dr. Abdel-Gadir M. Ahmed, GM.
- Dr. Sabir M. El-Hassan, Chairman.

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Financial Statements and Auditor-General's Report

Bank Deposit Security Fund (BDSF)
Cash Flows for the years ending on Dec 31, 2010 and 31.12.2009:

Particulars	SDG	
	2010	2009
Cash flows from Operating Activities :		
Surplus	19.372.031	19.372.031
Adjustments by:		
General Depreciation	380.232	231.206
Settlement of Previous Years	(12.980)	91.673
Dropping of Immovable Assets	416.443	-
Addition of Immovable Assets	(360.059)	(328.004)
Accumulated depreciation of dropped Immovable Assets	(126.438)	-
Paid allotments and entitlements	(811.564)	(814.429)
Deducted allotments	960.829	810.000
Retirement Benefit	283.773	145.679
Cash flows from operating Activities	<u>20.102.267</u>	<u>19.423.138</u>
<u>Cash flows from Investment:</u>		
Increase in Investment size	(59.293.433)	(50.839.338)
<u>Net cash flows from investment</u>	<u>(59.293.433)</u>	<u>(50.839.338)</u>
<u>Cash flows from Financing</u>		
Increase in incorporation contribution	-	60.000
Increase in premiums	46.402.427	36.610.953
Decrease in receivables	(545.700)	(35.738)
Increase in other assets	5.802.004	(3.920.919)
<u>Net cash flows from financing</u>	<u>40.054.723</u>	<u>32.714.296</u>
<u>Change in cash balances</u>	<u>863.858</u>	<u>1.298.215</u>
<u>Cash Balances at the beginning of Year</u>	<u>5.208.033</u>	<u>3.909.818</u>
<u>Cash Balances at the end of Year</u>	<u>6.071.891</u>	<u>5.208.033</u>

Signed by:

- Yassin S. El-Tireifi, Manager, Financial and Accounts Dept.
- Dr. Abdel-Gadir M. Ahmed, GM.
- Dr. Sabir M. El-Hassan, Chairman.

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Economic Indicators



Economic Indicators

Table No. (10)

BDSF Resources and the Insured Deposits

1999 - 2010 (SDG millions)

Year	Recourses (A)	Guaranteed Deposits (B)	Percentage of Total Resources to guaranteed Deposits (A) / (B) %
1999	3	729	0.41
2000	4	1112	0.36
2001	8	1455	0.55
2002	14	1951	0.72
2003	22	2517	0.87
2004	31	3342	0.93
2005	43	5753	0.75
2006	68	7900	0.86
2007	115	9239	1.24
2008	165	12210	1.35
2009	207	16273	1.27
2010	267	19648	1.36

* Source : BDSF

Economic Indicators

Table No. (11)

**This Table shows the uniform Budget for all banks working in Sudan
2009 - 2010 (SDG Millions)**

Particulars	31.12.09	31.12.10	Change Rate %
Assets:			
Local cash	766.2	829.3	8.2
Balances at CBOS	4,983.6	5,001.4	0.4
Other banks	1,120.1	1,446.0	29.1
Correspondents abroad	2,221.2	3,494.1	57.3
Total financing	21,757.6	21,185.7	16.6
Other Accounts	5,818.2	11,151.2	18.5
TOTAL ASSETS	36,666.9	43,107.7	17.6
Liabilities:			
Deposits :	20,848.0	25,874.4	24.1
Public	18,526.9	23,069.2	24.5
Government	986.6	1,339.5	35.8
Public Enterprises	1,334.5	1,456.7	9.8
Banks:	3,534.2	3,048.8	(13.7)
CBOS	1,657.3	901.6	(45.6)
Other banks	824.3	895.4	8.6
Correspondents abroad	1,052.6	1,251.8	18.9
Capital and Reserves	6,678.0	7,477.9	12.0
Other Accounts	5,606.7	6,706.6	19.6
TOTAL LIABILITIES	36,666.9	4,310.7	17.6

* Source : BDSF

Table No. (12)

**Bank Uniform Budget Most Important Items
(SDG Millions)**

Item	2009	2010	Change in Sums	Change Rate %
Banks' Capital and Reserves	6,678.0	7,477.9	799.9	12
Deposits	20,848.0	25,874.4	5,026.4	24
Assets	36,666.9	43,107.7	6,440.8	18
Financing	18,163.5	21,185.7	3,022.2	17

Source : BDSF



Economic Indicators

Table No. (13-A)

Deposits in Local Currency (2009 - 2010)

(SDG Millions)

Years	Dec 2009		Dec 2010		Change	
	Current Deposits	Savings, Investment and Other Deposits	Current Deposits	Savings, Investment and Other Deposits	Current Deposits	Savings, Investment and Other Deposits
Federal and State Govts.	504.3	291.9	697.9	404.4	38.4	38.5
Public Enterprises	499.2	713.0	584.7	754.3	171	5.8
Private Sector *	7,131.2	8,157.2	8,446.5	9,897.4	18.4	21.3
TOTAL	8,134.7	9,162.1	9,729.1	11,785.2	19.6	20.7
Gross TOTAL	17,296.7		20,785.2		20.2	

* Including deposits of the public, companies and financial institutions.

* Source : Central Bank of Sudan.

Table No. (13-B)

Deposits in Foreign Currency (2009 - 2010)

(SDG Millions)

Years	Dec 2009		Dec 2010		Change	
	Current Deposits	Savings, Investment and Other Deposits	Current Deposits	Savings, Investment and Other Deposits	Current Deposits	Savings, Investment and Other Deposits
Federal and State Govts.	133.4	57.1	125.7	111.5	(5.8)	95.3
Public Enterprises	65.0	57.2	60.2	66.6	(7.4)	16.4
Private Sector *	1,386.6	1,851.9	1,601.4	3,123.8	15.5	68.7
TOTAL	1,585.0	1,966.2	1,787.3	3,301.9	12.8	67.9
Gross TOTAL	3,551.2		5,089.2		43.3	

* Including deposits of the public, companies and financial institutions.

* Source: Central Bank of Sudan.

Economic Indicators

Table No. (14)

Main Economic and Financial Indicators (2001 - 2010)

(SDG Millions)

Indicators	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Annual growth rate for the GNP %	6.1	6.5	6	9.1	8.3	10	10.5	6	6.1	5.2
Annual Average of Inflation Rate %	4.9	8.3	7.4	8.8	8.4	7.2	8.1	14.3	11.2	12.9
Petroleum Export \$(million)	1377	1511	2048	3100	4187	5087	8419	11094	7131	9,905
Other Exports \$(million)	322	438	495	677	637	569	461	576	703	691
Imports \$(million)	2025	2153	2536	3586	5946	7105	7722	8229	8528	8,839
Direct Investment \$(million)	574	713	1349	1511	2305	3534	2426	2511	2881	2,894
Banks' Capitals & Reserves (SDG million) End of Dec	476	737	1103	1437	2336	3891	4607	5249	6678	7,478
Total Deposits (SDG million) end of Dec	2742	3631	4730	6467	10088	12309	13934	16509	20848	25,874
Total Bank Assets (SDG million) end of Dec	4554	6112	7896	10435	16980	23144	26198	30650	36667	43,108
Banks Capital & Reserves Rate to Assets (%)	10.5	12.1	14	13.8	13.8	16.8	17.6	17.1	18.2	17.4

* Source: Central Bank of Sudan.



Economic Indicators

Table (15)

Inflation Rates during 2010

Month	Jan.	Feb.	March	April	May	June	July	August	Sep.	Oct.	Nov.	Dec.
Inflation Rate	14.7	14.3	14.8	15.1	10.2	15.6	13	10.3	9.2	9.7	9.8	15.4

Diagram No. (10)

Evolution of the Inflation Rate during the year 2009

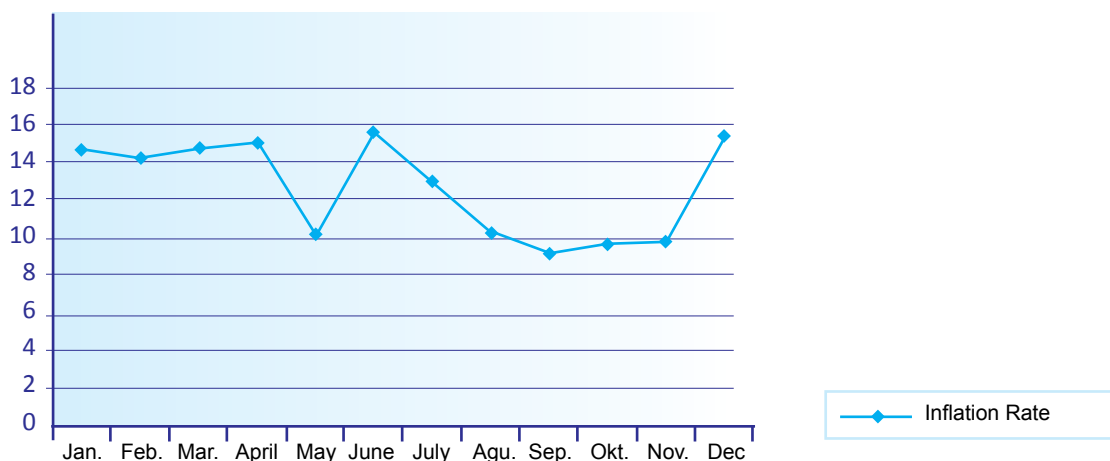


Diagram No. (11)

Annual Average of Inflation Rate (%)



Economic Indicators

Table No. (16)

Real Gross National Product (GNP) according to Economic Activities (SDG Millions)

Sector	2009			2010		
	Value	Growth Rate (%)	Contribution (%)	Value	Growth Rate (%)	Contribution (%)
Agriculture, Forests & Animal & Fish Resources	8.6	6.7	30.8	9.2	6.7	31.9
Petroleum	2.3	2.8	8.3	2.2	(5.1)	2.0
Mining and Quarries	0.1	9.3	0.2	0.1	9.3	0.2
Transformational & Manual Industry	3.0	7.9	10.7	3.2	8.0	11.8
Electricity & Water	0.7	9.1	2.4	0.7	9.1	2.7
Building & Construction	0.9	10.2	3.2	1.0	10.2	3.6
Trade, Hotels and Restaurants	2.2	6.7	7.8	2.3	6.7	8.5
Transportation	2.7	6.7	9.6	2.9	7.7	10.6
Financing, Insurance, Real Estates & Other Services	3.3	4.4	11.7	3.4	5.5	12.6
Community & Other Social Services	0.3	6.0	1.2	0.4	6.0	1.3
Financial Institutions	(0.4)	6.0	(1.6)	(0.4)	6.0	(1.6)
Governmental Services	3.8	3.1	13.5	3.8	1.6	14.1
Private Services Non-Profitable for Families	0.2	1.3	0.7	0.2	1.3	1.5
Fees and Charges on Imports	0.4	6.0	1.5	0.4	1.6	1.5
GNP at stable prices	28.0	5.9	100.0	29.4	5.2	100.0
Reduced GNP	4,853.5				5,611.0	
GNP at current prices	135,659.0				164,978.7	

* Source: Central Bank of Suda

Economic Indicators

Diagram No. (12)

Evolution of the annual growth rate of GDP



Table No. (17)

Balance of Payment for the years 2009 and 2010 (USD\$ Millions)

Items	2009	2010
A. Current Account (1+ 2)	(2,817.5)	(750.4)
1. Trade Balance FOB*	(694.3)	3,036.3
2. Services, Income and Transfer Account	(2,123.2)	(3,786.8)
B. Financial and Capital Account	4,663.3	2,346.1
Deficit, Surplus in Current Account Financial and Capital Account (A+B)	1,845.8	1,597.7
C. Mistakes and Omissions	(2,347.7)	(1,649.9)
D. Reserve Assets from convertible currencies	502.0	(54.2)

* preliminary data .

* Source: Central Bank of Sudan