



**Annual  
Report**

**2009**

**Financial Investment Bank**

( Member of Banking Deposits Security Fund )

Winner of International Quality Certificate ISO(9001: 2000)





# Financial Investment Bank

( Member of Banking Deposits Security Fund )  
Winner of International Quality Certificate ISO(9001:2000)

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## **Our Mission**

Is the provision of investment, banking and financial advisory services with high quality, confidentiality and reasonable cost. This is all with view of enhancing customer, staff and shareholders satisfaction within the approved legal framework.

## **Our Vision**

To be comprehensive investment provider, locally and regionally, through the provision of financial services, investment products, banking and advisory services to investors in public and private sectors, with high quality and at competitive charges in accordance with set regulations and in compliance with shari'a rules and principles.



**Contents**

Financial Investment Bank (FIBA).....	03
Correspondents Banks .....	07
Shareholders .....	08
Board of Directors .....	09
Executive Management .....	11
Economic Environment .....	12
Report of the Board of Directors .....	14
FIBA Financial Highlights .....	18
Shari’a Supervisory Board Report .....	21
External Auditor Report .....	22
Financial Statements.....	23

## Financial Investment Bank

The Financial Investment Bank (FIBA) was established in the year 1997 as the pioneer Sudanese Investment Bank, dealing in a number of investment products including Stocks, Structured Securities, Funds, Real State and Investment Portfolios. FIBA launched its operations in July 1998 and in February 1999 it was listed in Khartoum Stock Exchange.

### Shareholders Capital:

Authorized Capital: SDG 100,000,000 (Hundred Million Sudanese Pounds)

Paid up Capital: SDG 82.993.740 ( eighty two million, nine hundred ninety three thousands and seven hundred forty Sudanese Pounds)

Share par value: SDG 1.00 (One Sudanese Pound)

### Address :

Financial Investment Bank, El Manar Tower, El Sayed Abdul rahman Street,

P.O.Box: 12046 Khartoum – Sudan

Tel : + 249 183 730300

Fax : + 249 183 730304

SWIFT : FITBSDKH

Website : [www.fibaonline.com](http://www.fibaonline.com)

Email : [info@fibaonline.com](mailto:info@fibaonline.com)



## Our Objectives

- 1- Enhancement of KSE activities and dealings in Stocks & other tradeable securities.
- 2- Augmentation of financial resources of public and private sector companies through promotion & acceleration of public offerings and issuing of financing securities.
- 3- Arrangement of finance to help new investment opportunities for individual and corporate investors through establishment of investment portfolios and mutual funds in different economic activities.
- 4- Provision of restructuring services for public and private sector companies and state-owned corporations via acquisition, merger and privatization.
- 5- Provision of corporate banking services to highly selected corporations and companies.
- 6- Dissemination of investment values and saving awareness among citizens.
- 7- Cooperation with concerned parties to improve the general investment environment in Sudan and encourage inflow of foreign capital.

## **Our Products**

- 1- Investment Mutual Funds & portfolios.
- 2- Trading in securities.
- 3- Public offerings and private placements.
- 4- Underwriting in public offerings for new as well as going concern companies.
- 5- Financial engineering services to private and public sectors.
- 6- Corporate Banking Services.
- 7- Restructuring and privatization services.
- 8- Financial advisory and consulting (FIBA Consulting).

**Correspondent Banks:**

The Arab Investment Company  
Bahrain  
P.O.Box: 5559 Manama  
Tel.: +973 175 88888  
Fax: +973 175 88885  
SWIFT: TAIQBHBM

National Commercial Bank  
Saudi Arabia  
P.O.Box: 3555 Jeddah  
Tel.: +966-2-6493333  
Fax: +966-2-6426637  
SWIFT: NCBKSAJE

Abu Dhabi Islamic Bank  
UAE  
P.O.Box: 313 Abu Dhabi  
Tel.: +971-2-6100600  
Fax: +971-2-6654340  
SWIFT: ABDIAEAD

Qatar Islamic Bank  
Qatar  
P.O.Box: 955 Doha  
Tel.: +974- 4409409  
Fax: +974- 4412700  
SWIFT: QISBQAQA

The Housing Bank for Trade  
and Finance  
P.O.Box: 7693 Amman (11118)  
Tel.: +962-6-5607315  
Fax: +962-6-5678121  
SWIFT: HBHOJOAX

Alubaf Arab International Bank  
Bahrain P.O.Box 11529  
Tel.: +973 17 517722  
Fax: +973 17 540094  
SWIFT: ALUBBHBM

Intercontinental Arab Bank  
France – Paris  
Tel.: +33-153766262  
Fax: +33-142890959  
SWIFT: BIARFRPP

Jordan Islamic Bank for Finance  
And Investment  
Jordan  
P.O.Box: 926225 Amman (11190)  
Tel.: +962-6-5666325  
Fax: +962-6-5666326  
SWIFT: JIBAJOAM

## Shareholders

- The Arab Investment Company	- KSA	17.64 %
- Hosbico Company	- UAE	15.23 %
- Captain Elnour Zaroug	- Sudan	10.78 %
- Warm Seas Holding Company	- Sudan	10.23 %
- Warm Seas International Company	- Sudan	10.23 %
- Northern Hemisphere Company	- Liberia	9.99 %
- Central Bank of Sudan	- Sudan	8.82 %
- Tadamon Islamic International Bank	- Yemen	5.73 %
- Sudanese French Bank	- Sudan	3.31 %
- Industrial Development Bank	- Sudan	2.20 %
- Others		5.84 %



## Board of Directors

1– Dr. Salih H. Alhumaidan	Chairman
2– Mr. Faraj Mohammed Sultan	Vice Chairman
3– Mr. Nabil Abdal Latief Al Sahaf	Member
4– Eng. Isam Eldien Alnour Abdalla Zaroug	Member
5– Mr. Manar Eldien Alnour Abdalla Zaroug	Member
6– Mr. Osman Alsaied Ahmed	Member
7– Mr. Mohamed Alfatih zein El Abedien	Member
8– Mr . Ali Al Hassan Omer	Member

### **Shari'a Supervisory Board:**

- |                                       |          |
|---------------------------------------|----------|
| – Professor Mohamed Sir El khatim     | Chairman |
| – Professor Alsidieg Alamien Aldarier | Member   |
| – Mr. Ibrahim Ahmed Alshiekh Mohamed  | Member   |

### **Auditor**

Adar & Company

### **Legal Advisor**

Ahmed Algasim Mustafa

### **Board Secretary**

Mr. Khidir Nur Eldien Khidir

## Executive Management:

1- Mr. Ahmed Albadawi Abd Alazeem	General Manager
2- Dr. Taha Eltayeb Ahmed	First Deputy General Manager
3- Mr. Adil Abdelhamied Alhakiem	Second Deputy General Manager
4- Mr. Alhadi Mohamed Ahmed Muhi Edien	Manager, Corporate Banking Dept.
5- Mess. Fathia Osman Salih	Manager, Administrative Affairs & Human Resources Dept.
6- Mr. Abdalla Hassan Abubakr	Manager, Computer Dept.
7- Dr. Fathelrahman Ali M. Salih	Manager, Portfolio & Mutual Funds Dept.
8- Mr. Sidieg Hassab Al Rasoul Elshiekh	Manager, Internal Auditing Dept.
9- Mr. Abubakr Ali Alyas	Manager, Risk Management Dept.
10- Mess. Amira Elamin Mustafa	Manager, legal Dept.
11- Mr. Abdalla Omer Al Sidieg	Head of Accounting Sec.
12- Mr. Abdelmonim Ali Elzakey	Head of Marketing Sec.

## Economic Environment

### (1) Global Scene:

After a deep recession, global economy recently started to recover, and economic growth turned positive with the wide ranging public intervention to support demand and decrease uncertainty and systematic risks facing financial markets.

The recovery has been slow as financial systems remain weak, and the need for rebuilding of savings and struggling with high unemployment continued.

The key policy requirements have emphasized restoration of the financial sector and the maintenance of prudent macroeconomic policies until recovery is in firm footing.

Global economy started to recover pulled by the strong performance of the Asian economies and modest growth fostered by the strong public intervention in developed economies. In contrast, emerging and developing economies are generally further ahead on the road to recovery.

Central Banks reacted quickly with large slashes in interest rates, non-conventional measures of liquidity injection and sustained credit. Government supported banks with guarantees and capital injections. These measures greatly improved the global financial conditions.

Projections indicate that global economic activity will expand by 3% in 2010 after a contraction of 1% in 2009. Developed economies are projected to expand sluggishly by 1.25% in 2010 – after a contraction of 3.5% in 2009. Emerging and developing economies are forecasted to expand by 5% in 2010 compared to 13.4% growth in 2009.

### (2) Domestic Scene:

Sudan economy has been negatively impacted by the global financial crisis by sharply reducing oil revenues. Growth of GDP declined from 14% in 2009, to 6.8% in 2008. Inflation rate declined from 14% in 2008 to 9% in 2009 due to:

- Lower world commodity prices.
- Adjustment in fiscal and monetary policies.

The exchange rate witnessed a faster depreciation of 8% against the US Dollar in 2009, compared to 4% depreciation against US Dollar in 2008. The managed float exchange rate system continued in 2009. Sales of foreign exchange focused on serving market needs. The Central Bank of Sudan intervention was kept to minimum.

## Economic Environment

Foreign exchange reserves after peaking at US\$ 2 billion in August 2008, declined to US\$ 1 billion by the end of the year, and deteriorated further to US \$ 300 million in 2009.

The central government operation in 2009 has also been affected. The government revenue declined from SDG 21.8 billion in 2008 to SDG 14.7 billion in 2009. Total expenditure declined from SDG 23.2 billion in 2008 to SDG 19.5 million in 2009 realizing an overall deficit of -4.8 billion.

Foreign trade is also impacted. Total exports declined from US\$ 12394 million in 2008 to US\$ 5939 million in 2009. Imports also declined from US\$ 9097 million in 2008 to US\$ 6616 million in 2009.

The Sudan debt service capacity was constrained by revenue short falls, associated with lower oil prices, the burden of implementing the various peace agreements and the need to address critical poverty and reconstruction requirements. The 2008 stock of public guaranteed debt was estimated at US \$ 34 billion, increased to US\$ 37 billion by the end of the 2009.

Despite the global financial crisis, the financial sector indicators showed some improvement in 2008 and 2009. Gross non performing facilities dropped to 22% in 2008, and 23% in 2009 from 26% in 2007.

The sharp drop in world oil prices in 2009 has complicated macroeconomic management. Oil revenue accounts for about 90 % of export earnings and more than 60% of government revenue.

Moreover, foreign direct investment which has been an important source of growth is likely to drop with the slowdown in global economic activity and financing is also expected to be lower due to economic and financial problems in lender countries.

In such circumstances the government proceeded to significant macro economic adjustment in order to arrest a sharply deteriorating situation. The emphasis will be in:

- Sustaining economic growth.
- Maintaining macro economic stability.
- And rebuilding of foreign exchange resources.

## Report Of The Board Of Directors

*Praise be to ALLAH, the GOD of all worlds Blesses and Peace be upon the most honorable messenger our prophet Mohamed and to his family and companions.*

Dear Brothers and Sisters,  
Honourable Shareholders,

Al Salam Alaikoum Wa Rahmat Allah Wa Brakatu,

I am very pleased, personally and on behalf of the board of directors, the executive management and the staff, to put forward to your kind attention the bank annual report for the year ending 31/12/2009 and the financial results of the bank together with a brief note on domestic and global economic conditions that directly and indirectly affected the national economy, and the bank performance. I am also presenting a review of the bank remarkable achievements and the board of directors recommendations.

Global economy during 2009 witnessed a positive economic growth following a deep financial crisis. This improvement is attributed to the extra ordinary measures adopted by governments in the developed and emerging economies to address the aftermath of the financial crisis

Under these extraordinary circumstances the Sudan economy achieved a good growth rate of 6.1%, a declined inflation rate of 11.2% but a noticeable depreciation of the exchange rate of the Sudanese pound in the year 2009 compared to 2008. Under the sluggish growth of global financial markets the Khartoum Stock Exchange witnessed an important improvement compared to financial markets in other Arab countries.

**Dear shareholders,**

Notwithstanding the negative effects of the global financial crisis on the bank as an integral part of the national economy, our bank achieved satisfactory results under the prevalent conditions.

The audited financial statements, the external auditors report and the Sharia supervisory board report for the year ending 31/12/2009, presented to you show that the Bank, although influenced by the surrounding economic events and crisis, has steadily moved forward towards advancement and growth, hence converting standing challenges into promising investment opportunities.



## Report Of The Board Of Directors

The financial statements enclosed show the following:

- Total assets increased from SDG 255,793,000 in the year 2008 to SDG 434,706,000 in 2009 with an increase of SDG 178,913,000 at a growth rate of 70%. This increase is attributed to the sizable growth of internal and external resources that reflect the wide expansion of the various activities of the bank.
- Shareholders equity grew from SDG 105,659,000 in the year 2008 to SDG 117,787,000 in 2009, representing an increase of 11.5% as a result of the increment in paid up capital, reserves and profits, and as a clear indication of the continuous safeguarding and promotion of owners equity. The volume of investment in securities and restricted investments grew from SDG 183,360,000 in the year 2008 to SDG 238,512,000 in 2009, at a 30% growth rate, a clear sign of the bank ability to reinvest profits and resources with high efficiency.
- The bank total income increased from SDG 28,784,000 in the year 2008 to SDG 30,038,000 in 2009 at a rate of 4.4%.
- Income from Financial Investment activities represented 85% of total income. This fact reflects management emphasis on the main business line of FIBA and its transactions in Khartoum Stock Exchange.
- Income from Banking Services and Financing represented 15% of total bank income.
- The ratio of total expenses to total income was 34% in the year 2009, which slightly increased compared to a ratio of 33% in 2008, indicating efficient performance that positively reflected on the bank financial indicators of profits and efficient resource utilization. The Central Bank of Sudan standard ratio is set at 55%.
- The performance of Mudaraba profit sharing accounts improved as the result of the enormous increase in these mobilized profit sharing deposits from SDG 53,247,000 in the year 2008 to SDG 85,166,000 in 2009 at a growth rate of 60%. This remarkable result is due to the efforts exerted to diversify the bank activities within local and foreign business communities.
- The realized net profit after zakat and tax amounted to SDG 17,804,000 in the year 2009 compared to SDG 16,711,000 in 2008, an increase of 7%. The Board of Directors recommended the distribution of dividends equivalent to 18% of the nominal value of the share, of which 10% will be cash dividends and 8% bonus dividends.
- In the fourth quarter of 2009, and in accordance with the Central Bank of Sudan preventive control indicators the bank has been rated «satisfactory» same as the previous rating, a fact that implies the stability of the bank financial and operational environment.

## Report Of The Board Of Directors

### Dear Shareholders,

During the past year the bank concentrated its attention on the main domain of financial investment through issuance, promotion, sale, purchase and finance of securities at the stock exchange. The contribution of this activity constituted 87% of the bank total income, maintaining its pioneering role in the activities of Khartoum Stock Exchange, in both primary and secondary markets.

In the field of investment funds activity, two investment funds with a total capital of SDG 35.4 Million were liquidated and three investment funds with a total capital of SDG 56.9 Million were established. The number of investment funds totaled seven by the end of year 2009 with a total capital of SDG 127.2 Million.

In the area of information technology 80% of the software applications within various departments has been completed. In addition to renovation and modernization, the bank management has started updating of the bank website to reflect the integrated image of the financial investment in Sudan with emphasis on the bank activities.

To achieve the objective of dissemination of investment knowledge and saving awareness the bank continued participation in seminars, meetings and exhibitions set up in Sudan. The bank also devoted special attention to human resources technical and professional training inside and outside Sudan to refine skills and capabilities of human resources as the most important factor of success.

To contribute to the enhancement of investment and new product development, the bank participated as shareholder in Arab IJARA Company with US \$ 1.5 million. The Arab IJARA Company is a public company financed jointly by Sudanese and GCC financial institutions.

In pursuit of the bank strategy and development plan of the construction of the bank head office premises also due to start in Khartoum West District. The engineering designs have been completed and the multi-storey building is expected to be completed in 18 months, after starting date. FIBA permanent premises will positively affect the working environment during the coming years.

### Dear Shareholders,

As we Look forward to more progress and advancement, allow me to present to you, the recommendations of the Board of Directors for your deliberations and approval:

- 1- Endorsement of the external auditors report, the Sharia supervisory board report and approval of the final accounts for the year ending 31/12/2009.
- 2- Approval of distribution of dividends equivalent to 18% of par value, of which 10% as cash dividends and 8% in the form of bonus shares.
- 3- Approval of a remuneration to the members of Board of Directors of 5% of net profit for the year 2009.



## Report Of The Board Of Directors

- 4- Approval of the pay of «Sharia» Supervisory Board fees for 2009.
- 5- Authorization of the board of directors to appoint the external auditor and fix his fees.
- 6- Amendment of the Memorandum of Association to comply with the directives of Central Bank of Sudan .

### Dear Brothers & Sisters,

The bank achievements during 2009, despite the global financial crisis and its repercussions, were remarkable which is due to the staff persistence and board of directors endeavours, and shareholders support.

In conclusion, I would like to express my appreciation and gratitude for your continuing support of the bank activities and the bank management which expedited the bank progress and development.

I wish also to extend my sincere thanks to Ministry of Finance and National Economy, Central Bank of Sudan, Khartoum Stock Exchange, Sudan Financial Services Company, Commercial Registrar, Sharia Supervisory Board, External Auditor, Board Members, General Manager, and the Bank Staff for their endeavors, Co-operation and dedication, hoping that our bank will persistently grow from strength to further strength and prosperity.

Dr. Salih Al-Himaidan  
Chairman

## The Bank Financial Performance for the Year 2009

### Assets

Total Assets amounted to SDG 434.705.623.04 at the end of the year 2009 in comparison to SDG 255.793.309.05 at the end of the year 2008. This reflects a growth of 70%.

Table (1) Trend in Growth of Total Assets

Items (SDG)	2005	2006	2007	2008	2009
Current Assets	358638820.52	226438942.78	190864983.5	249374828.12	428561385.77
Fixed Assets	3279738.36	3799270.45	3914470.11	6418480.93	6144237.27
Total Assets	361918558.88	230238213.23	194779453.61	255793309.05	434705623.04

### Liabilities & Funds Under Management

Total liabilities, Mutual Funds Accounts & profit sharing Accounts amounted to SDG 316 .918.126.72 at the end of the year 2009 compared to SDG 150134471 .8 at the end of the year 2008.

Table (2) Trend in Growth of Liabilities & Funds Under Management

Items (SDG)	2005	2006	2007	2008	2009
Mutual Funds Accounts	19494369.5	25660764.79	9678948.17	26872032.51	52508473.67
Provisions	5478829.6	6998235.23	5748495.81	5616533.87	5238709.34
Others	239624814.06	50919891.14	51817836.37	64398836.99	174005019.69
Total Liabilities	264598013.16	83578891.16	67245280.35	96887403.37	231752202.70
Profit sharing Accounts	33055577.18	65331730.18	32017136.21	53247068.43	85165924.02
Total liabilities & profit sharing Accounts	297653590.34	148910621.34	99262416.55	150134471.8	316918126.72



## The Bank Financial Performance for the Year 2009

### Shareholders' Equity

Total shareholders' equity reached SDG 117.787.496.32 at the end of the year 2009 compared to SDG 105.658.837.25 at the end of the year 2008, due to noticeable increase in the level of equity reserves.

Table (3) Trends in growth of Shareholders Equity

Items (SDG)	2005	2006	2007	2008	2009
Paid up capital	63509195	63509195	69860029	76846055	82993740.00
Reserves	168716.81	4504785.48	9550719.39	14014989.46	16685561.43
Retained profits	587056.73	13313611.41	16106288.67	14797792.79	16084073.37
The fair value reserve for Investments	-	-	-	-	2024121.52
Total shareholders' equity	64264968.54	81327591.89	95517037.06	105658837.25	117787496.32

### Revenues

Total revenues for the year 2009 amounted to SDG 30.037.710.55 compared to SDG 28.783.949.52 for the year 2008. This is a growth of 4.36%.

(Table 4) Trends in growth of Revenues Items

Items (SDG)	2005	2006	2007	2008	2009
Revenue from Investment Activities	21097684.25	26336569.46	30817795.96	26948804.58	29114767.47
Revenue from Banking Activities	1796144.43	3340781.14	1960812.71	1778391.67	878666.68
Revenues from Other Activities	2893.01	11728.95	54806.81	56753.27	44276.40
Total Revenues	22869891.69	29689079.55	32833415.48	28783949.52	30037710.55

### Expenses

Total expenses amounted to SDG 10.323.207.73 for the year 2009 compared to SDG 9.552.852.66 for the year 2008 representing an increase of 8%.

Table (5) Trend in Increase/Decrease of expenses

Items (SDG)	2005	2006	2007	2008	2009
Total Expenses	6650935.07	8063310.07	10038861.61	9552852.66	10323207.73

## The Bank Financial Performance for the Year 2009

### Profits before Zakat & Tax

Total profits before Zakat & Tax for the year 2009 amounted to SDG 19.714.502.82 compared to SDG 19.231.096.86 for the year 2008.

Table (6) Trend of Growth of Profits before Zakat & Tax

Items (SDG)	2005	2006	2007	2008	2009
Profits before Zakat&Tax	16218956.62	21625769.48	22794553.87	19231096.86	19714502.82

### Net Profits & Dividends

Dividends equivalent to 18 % of paid-up capital were recommended for the year 2009, 10% in cash and 8% in the form of bonus shares.

(Table 7) Net Profits & Dividends Distribution

Year	Net profits	Dividends	Dividends Distribution Ratio (of paid up capital)
2005	shares	12'755'857.9	40% *
2006	16'779'602.55	12'701'839	(20%) 10% in cash & 10% Bonus shares
2007	20'203'015.56	13'972'005.80	(20%) 10% in cash & 10% Bonus shares
2008	16.710.955.41	13.832.289.9	(18%) 10% in cash & 8% Bonus shares
2009	17.803.813.15	14939057.20	(18%) 10% in cash & 8% Bonus shares

\*Previous years Legal reserves & retained profits distributed from Previous years.

### Key Financial ratios:

Table (8) below shows key financial ratios for last three financial periods. The ratios indicate some healthy signs in the progress of the bank, including adequate ratio of equity to total assets, very low deployment of funds in fixed assets, very low expense/revenue ratio and as a result the bank achieved very high profit margin on its revenue (59%).

Table (8) Trends in Key Financial Ratios

Item	2009	2008	2007
Fixed Assets/ Total Assets	1.4%	2.5%	2%
Owners' equity / Total Assets	27%	41%	49%
Net profits/ Total Revenues	59%	58%	61%
Net profits/ Owners' Equity	15%	16%	21%
Expenses/ Revenues	34%	33%	30%
Paid up capital / Authorized Capital	82.99%	76.84%	69.86%

## Shari'a Supervisory Board Report

For the period 1/1/2009 to 31/12/2009

Corresponding to the 4th Muharam 1430 to 14th Muharam 1431

In compliance with the financial institutions governance standard No (1) related to Shari'a Supervisory Board, issued by the Accounting and Auditing organization for Islamic Financial Institutions (Bahrain), we hereby submit to the shareholders 12th ordinary general meeting this report:

- The Board examined the bank investment financing and sale contracts used during 2009 and advised the management on various Sharia issues aiming at full compliance with the rules and principles.
  - The Board inspected the statement of financial position, the income statement, the accompanying disclosure notes and the external auditor report for the year ending 31/12/2009, and discussed with management various issues relating thereto.
  - The responsibility of the ascertainment of adherence to Islamic Shari'a rules falls upon management. The board responsibility is to express an independent opinion based on the examination of the bank operations for compliance with Sharia rules and principles.
  - The Board supervised the bank operations conducted during the year 2009 and would like to report that:
    - The contacts and operations concluded by the bank during the year ending 31/12/2009 were carried out in accordance with Islamic Shari'a rules and principles.
    - The distribution of profits to the investment accounts holders was consistent with the basis approved by the board according to Islamic Shari'a principles
    - Zakat assessment was accounted for in compliance with Islamic Shari'a rules.
- No income/fees contravening with Shari'a rules were reported in the income statement at the end of 2009.

### Shari'a Supervisory Board

Professor Alsidieg Alamien Aldarier

Professor Mohamed Sir El khatim

Mr. Ibrahim Ahmed Alshaikh Mohamed

## Auditors' Report

To the Shareholders, Financial Investment Bank

We audited the financial statements of the Financial Investment Bank for the year 2009 as shown in this report. These statements were prepared in accordance with the standards promulgated by the Accounting and Auditing Organization for Islamic Financial Institutions (AAIFI) which embraces the historic cost principle and the principles of Shari'a Law.

### Management and Auditors Responsibility

The Financial Investment Bank management is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of the financial statements and report to you.

### Bases of Opinion

We conducted our audit in accordance with the accepted auditing standards Which included examination, on test basis, of the evidence relevant to the amounts and disclosures in financial statements. Our task also included assessment of the significant estimates and judgments of management in preparation of the financial statements inclusive of the accounting policies appropriate to the Bank's operations, consistently applied and adequately disclosed.

We planned and performed our audit in order to obtain all the information and clarification we considered necessary to provide sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements caused by fraud, irregularity or error.

### Auditor Opinion

In our opinion the statement of financial position gives fair view of the financial position of the Bank as at Other 31/12/2009, and the income statement for the year then ended was properly prepared to reflect the income and expenses in an accurate manner.

Adar and Company  
Auditors & Certified Accountants

## Statement of Financial Position as at 31.12.2009

Assets	Note	31.12.2009 SDG	31.12.2008 SDG
Cash and Cash Equivalents	3	176127186.47	50916687.62
Sales Receivables	4	620906.28	231753.47
Short term Investments	5	4568511.02	4658433.27
Other financing Investments		0.00	3608887.81
Investment Securities	6	187727148.78	142507625.20
Restricted Investments	7	50785330.85	40852384.95
Receivables (others)	8	3628949.34	5585011.66
Long Term Investments	9	4341570.00	412500.00
Other Assets	10	688108.89	490950.36
Pre-operating Expenses	11	73674.14	110593.78
Fixed Assets	12	6144237.27	6418480.93
<b>Total Assets</b>	<b>13</b>	<b>434705623.04</b>	<b>255793309.05</b>
<b>Liabilities</b>			
Portfolios and Funds Accounts	14	52508473.67	26872032.51
Foreign Export A/Cs		33557.16	50238.97
Payables & Certified Cheques	15	3996298.86	475547.25
Creditors	16	80140978.43	31291282.45
Proposed Dividends	17	15910385.82	18958375.41
Contribution in Financial Offering	18	15015600.00	5003000.00
Other Liabilities	19	58908199.42	8620392.91
Provisions	20	5238709.34	5616533.87
<b>Total Liabilities</b>		<b>231752202.70</b>	<b>96887403.37</b>
<b>Profit Sharing Investment Accounts:</b>			
Profit Sharing Accounts	21	81504434.99	50898637.42
Profit Share	22	3056881.30	2348431.01
Investment Fair value reserve	28	604607.73	0.00
<b>Total Liabilities &amp; Profit Sharing Accounts</b>		<b>85165924.02</b>	<b>53247068.43</b>
<b>Owners Equity</b>			
Paid up Capital	23	82993740.00	76846055.00
Reserves	24	16685561.43	14014989.46
Retained Profit	25	16084073.37	14797792.79
Investment Fair value reserve	28	2024121.52	0.00
<b>Total Owners Equity</b>		<b>117787496.32</b>	<b>105658837.25</b>
<b>Total Liabilities &amp; Owners Equity</b>	<b>13</b>	<b>434705623.04</b>	<b>255793309.05</b>
<b>Off Balance Sheet Accounts</b>			
Letters of credit & Letters of guarantee obligations	26	4708976.08	2836020.11
Mutual Funds		906225496.46	609940719.34
		910934472.54	612776739.45

## Income Statement for the Year 2009

Incom:	Note	31.12.2009 SDG	31.12.2008 SDG
Deferred Sales		152098.21	117388.71
Musharaka Financing		253672.20	280096.39
Mudaraba Financing		552566.92	63123.29
Investment in Securities:			
Dividends	27	14858300.36	11818067.19
Capital Gains		594966.42	514448.41
Investment Deposits Profits		8307.55	230196.04
Foreign Currency		549946.37	1129897.38
Unrealized losses due to revaluation of investment	28	(0.00)	(2915314.13)
<b>Total Income</b>		<b>16969858.03</b>	<b>11237903.28</b>
Less: profit sharing accounts revenues before bank's share as mudharib		3821101.62	2472033.01
Bank's share as mudharib		(764220.32)	(123602.00)
Profit sharing accounts net revenue		3056881.30	2348431.01
Bank's share as mudharib & Rab mal		13912976.73	8889472.27
Bank's share from its investment			
Dealing commission		2388174.03	2260347.00
Restructuring fee		22572.00	20251.50
Income from trading in securities		3843063.23	3779355.72
Mudharib (funds & portfolios) fee		7767610.25	11999378.09
Banking services fee	29	878666.68	1778391.67
Foreign currency revaluation gains/ (losses)		1180371.23	0.00
Other Income		44276.40	56753.27
<b>Total income</b>		<b>30037710.55</b>	<b>28783949.52</b>
Expenses:			
General & administrative expenses	30	7176541.84	7083005.92
Central Bank of Sudan fines		20000.00	0.00
Depreciation of fixed assets		767023.35	509927.10
Amortization, pre-operating expenses		36919.64	36919.64
Capital loss (sale of fixed assets)		10758.59	0.00
Provision for decline in value of securities.		310552.36	0.00
Provision for Bad and doubtful debts		2000411.95	1923000.00
<b>Total Expenses</b>		<b>10323207.73</b>	<b>9552852.66</b>
Income before Zakat & Tax		19714502.82	19231096.86
Provision for Zakat		(847127.49)	(1076083)
Provision for Tax		(1063562.18)	(1453853)
<b>Income after Zakat &amp; Tax</b>		<b>17803813.15</b>	<b>16701160.86</b>
Capital gain on sale of fixed Assets.	31	0.00	9794.55
<b>Net income before dividends</b>		<b>17803813.15</b>	<b>16710955.41</b>

## Cash Flow Statement for the Year 2009

Cash Flows from Operations	31.12.2009 SDG	31.12.2009 SDG
Net profit		17803813.15
Net revenue settlements with net cash		
Cash Intflow/Outflow from Operations:		
Depreciation of Fixed Assets	768023.35	
Amortization of pre-operating Expenses	36919.64	
Provision for doubtful debts	310552.36	
Provision for Zakat	847127.49	
Provision for Tax	1063562.18	
Other Provisions	3277918.67	
Paid Zakat	(1076083.00)	
Paid Tax	(1453853.00)	
Provision paid during 2009	(13915449.97)	
Profit sharing accounts profit	(2472033.01)	
(Loss) Fixed Assets Purchasing	10758.59	
Fixed Assets Purchasing	(514140.23)	
Fixed Assets Selling	172195.23	
Capital gain Tax	0.00	
Net cash flows from operations		(12944500.70)
Cash Flows from Investment Activities:		
Decrease in deferred sales receivables	357806.44	
Increase in securities & other investments	(52511171.03)	
Increase in contributions capitalist	(3929070.00)	
Net cash flow from investment		(56082434.59)
<b>Cash Flows from Financing Activities :</b>		
Increase in profit sharing accounts	30605797.57	
Increase in portfolios & funds accounts	25619759.39	
Increase in reserves	2628607.73	
Increase in creditors	48899695.99	
Decrease in other liabilities	50287806.50	
Decrease in debtors	1956062.32	
Increase in other assets	(197158.53)	
Increase in capital Account	6147685.00	
Increase in bills payable cheques & distributables	10485365.02	176433620.99
Increase (Decrease) in cash & cash equivalent		125210498.85
Cash & cash equivalent ,beginning of the year		50916687.62
Cash & cash equivalent ,end of the year		176127186.47

## Changes in Owners Equity for the Year 2009

Item	Paid up capital	Reserves			Retained Profit	Total
		Legal (SDG)	General (SDG)	Fair value for investments	SDG	SDG
Balance as at 01/01/2009	76846055.00	13423393.39	591596.07	0.00	14797792.79	105658837.25
Issue of Shares	6147685.00	0.00	0.00	0.00	0.00	6147685.00
Dividends during the year 2008	0.00	0.00	0.00	0.00	(13846960.60)	(13846960.60)
Year's Profit 2009	0.00	0.00	0.00	0.00	15133241.18	17803813.15
Fair value reserve for investments	0.00	0.00	0.00	2024121.52	0.00	2024121.52
Settlements during the year 2009	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31/12/2009	82993740.00	16093965.36	591596.07	2024121.52	16084073.37	117.787.496.32



**Statement of Changes in Restricted Investment as at 31.12.2009**

Item	Multi invest-ment fund	Khartoum Investment	fourth Suda-nese Shares Fund	Second AI-Shamel Fund	Al Iamar AI Agary Fund	Investment in securities fund	Alwatan Group First Fund	Funds Total	Malaria Port-folio	Private Port-folio	Funds private Portfolio>> Total
Investment at the Launch date period	10000000.00	21110600.00	16172140.00	20000000.00	25000000.00	8088120.00	26888130.00	127258990.00	1437500.00	776374806.00	905071296.00
Number of units at Launch date	10000000.00	21110600.00	16172140.00	20000000.00	25000000.00	8088120.00	26888130.00	127258990.00	1437500.00	-	-
Unit value	10	10	10	10	10	10	10	-	10	-	-
On Launch date	10	10	10	10	10	10	10	-	10	-	-
Debtors	0	(8471)	(740)	0	(4988330)	0	(1681)	(4999222)	(1310)	0.00	(5000532.04)
Current ac-count balance	(262319.33)	(34199.64)	(1193526.27)	(7627997.72)	(81097.73)	(144401.13)	(863931.28)	(10427473.10)	(49.59)	(41313692.75)	(51741214.94)
Profits( losses) investment	(210405.30)	237223.07	568330.53	(20331.61)	(1140665.14)	377951.57	1259437.80	1070541.82	82658.64	0.00	1154200.46
Investment at the end of the period	(9527275.37)	(21305152.97)	(15546204.58)	(12151670.67)	(18789907.49)	(6321670.44)	(27261955.24)	(112903836.76)	(1518799.47)	(735061113.25)	(849483749.48)
Number of units at the end of the period	10000000.00	21110600.00	16172140.00	20000000.00	25000000.00	8088120.00	26888130.00	-	1437500.00	-	-
Book value per unit	9.79	10.11	10.35	9.99	9.54	10.47	10.47	-	10.58	-	-
Market value per unit	10.10	10.40	10.25	10.00	10.50	10.25	10.30	-	-	-	-
											<b>906225496.46</b>

## Notes to Financial Statement as at 31.12.2009

### Note (1): Incorporation and Establishment:

The Financial Investment Bank – a public joint stock company was Incorporated with an authorized capital of SDG 10 million. The Bank commenced operations in 22/7/1998 and its issued and fully paid capital amounts to SDG 9.35 million, representing 94% of authorized capital. The Bank started trading in securities at Khartoum Stock Exchange in 5/7/1998.

In the year 2001 authorized capital was increased to SDG 50 million and as a result paid up capital increased to SDG 45 million.

In 2006 authorized capital was again raised to become SDG 100 million and as a result paid up capital on 31/12/2009 amounted to SDG 82.993.740.

The Bank has officially been recognized as the government coordinator for exploring sources of finance for development of the private sector with regional and international financial institutions for development of the private sector. The mission of the Bank consist of:

- 1– Enhancing the role of Khartoum Stock Exchange through its enhancement of securities listing and trading activities.
- 2– Structuring promoting and distributing of Investment Funds and Portfolios for its own account and cooperation with other institutions.
- 3– Promoting the role of Managing Investment Funds and Portfolios for government and corporate bodies.
- 4– Providing of financial advisory services and restructuring of companies through Merger/Acquisition and privatization.
- 5– Performance of foreign exchange transactions in accordance with laws and regulations, dissemination of investment information and encouragement of investment in securities.
- 6– Privatization of public sector companies and corporations and offering them for investors inside and outside Sudan and contribution to rehabilitation , expansion and consolidation programs of going concerns in private and public sectors.

### Note (2): Important Accounting policies:

1– The financial statements were prepared in accordance with standards issued by the Accounting and Auditing Organization for Islamic financial Institutions (Bahrain), and the directives of Central Bank of Sudan, following historical cost convention and accrual accounting principle.

2– Securities portfolios classified as available for sale are stated at cost and the portfolio component valued at market value at the end of the financial period (Average of opening and closing price). Losses are taken to the profit – and loss account as unrealized losses on revaluation of investments Surplus in market value will be recorded as reserve to fair value of investments to reduce unrealized losses account.

3– Pre–operating expenses are amortized over 10 years.

4– Revenue Recognition:

a) Cash profits on securities are recognized on declaration of distribution. When securities are sold profits / losses are recognized at the time of sale.

## Notes to Financial Statement as at 31.12.2009

b) Commissions on sale / purchase of shares are recognized on transaction data at Khartoum Stock Exchange.

c) Income from Investment deposits, Murabaha and Musharaka transactions is recognized on accrual basis.

### 5- Fixed assets;

Fixed assets are stated at historical cost and depreciated following straight line method at the following annual rates:

- Electrical Equipment	10 %
- Communications Equipments	10 %
- Means of transport	15 %
- Office Furniture	10 %
- Computers	20 %

Additions are depreciated at the rate of 50% per annum .

### 6- Foreign Currency Transactions:

Transactions in foreign currencies are translated to Sudanese Pound (SDG) at the foreign exchange rates prevailing on Transaction dates. And the FX gains and losses are debited/credited to the income statement in the current period.

Assets and liabilities in foreign currency are expressed in SDG at the average exchange rates for the year at the Balance Sheet date (2.248) Currency discrepancies are Stated as general reserve. Currencies other than US dollar are translated first into US dollar, then to SDG.

### 7- Profit Distribution Policy:

a) Profit sharing account are charged with direct investment operations expenses.

b) Continuous investment deposits are accounted for as 100% invested for profit distribution purposes.

c) Investment deposits participate in profit/loss of investment operations. The Bank investment portfolio, foreign currency revenue and investment deposits with other banks.

d) Investment account holders don't participate in investment Funds management revenue, banking services revenue, restructuring revenue and commission on sale and purchase of stocks as these activities are not part of the Mudaraba pool.

e) Modaraba Profits are distributed as follows :

80% for investors as Rabul Maal

20% for the Bank As mudarib

f) Minimum deposit = SDG 3000 or equivalent in foreign currencies .

- Local currency deposits profit rate = 7%

- Foreign currency deposits profit rate = 7%

g) Board of Directors remuneration represents 5 % of distributable income.

h) Provision for non performing finance (NPF) is calculated according to Central Bank of Sudan guidance as per the circulars released.

i) Income or gain obtained from sources or means prohibited by Islamic Shari'a are allocated to charity donations ( except mosques ). No such gains were reported in 2009.

## Notes to Financial Statement as at 31.12.2009

Items	31.12.2009 SDG	31.12.2008 SDG
<b>3- Cash and Cash Equivalent</b>		
Cash in hand – Local Currency	2369744.97	2059300.32
Cash in hand – Foreign Currency	81704.58	319281.80
Cash with Bank of Sudan– Local Currency	116557149.35	35249831.45
Cash with Bank of Sudan– Foreign Currency	55441.06	1809236.04
Balance with Correspondents	57063146.51	11479038.01
	176127186.47	50916687.62
<b>4- Deferred Sales Receivable</b>		
Murabaha	957871.35	1315677.79
Provision for doubtful debts	(336965.07)	(1083924.32)
	620906.28	231753.47
<b>5- Short Term Investment</b>		
Time deposit at Arab Investment company Bahrain	0.00	0.00
Musharaka & Other Modes	4901250.00	4800000.00
Provision for doubtful debts	(332738.98)	(141566.73)
	4568511.02	4658433.27
Other finance:		
Sitar L/C	395759.07	3608887.81
Almamlaka, Altaaleem, Famwel L/C	470580.29	0.00
(-) Nonperforming provision 100 %	(866339.36)	0.00
	0.00	360.8887.81
<b>6- Securities</b>		
Shares, Animal Resources Bank	40127.76	40127.76
Shares, Sudanese Development Company	714962.59	745386.53
Shares, El Shamal Islamic Bank	48252.60	53614.00
Shares, Tadamon Islamic Bank	609779.22	6776.00
Shares, Gum Arabic Company	63464.00	74152.80
Shares Sudatel Company	34260098.25	38118429.80
Shares, Tagseed Company	253000.00	253000.00
Shares, Sudanese Free Zones & Markets Company	179856.00	164868.00
Shares, El Salam Bank	384826.00	808134.60
Shares, Bank of Khartoum	496028.25	754930.80
Shares, Faisal Islamic Bank	448413.75	2946.00
Shares, Farmers commercial Bank	24357.90	30157.40
Shares, United Capital Bank	85522.80	85108.98
Shehama	96983869.41	75845163.28
Government investment sukuk	53134590.25	25524829.25
	187727148.78	142507625.20



Notes to Financial Statement as at 31.12.2009

Items	31.12.2009 SDG	31.12.2008 SDG
<b>7- Restricted Investments</b>		
Sukuk Bank of Khartoum investment igara fund	20005123.50	9733380.60
Sukuk , ( second Al shamel Fund)	1000000.00	0.00
Sukuk , (Global investment Fund)	0.00	768933.75
Sukuk , Industrial Finance Fund	4011200.00	4211655.00
Sukuk , securities investment Fund	1991113.75	1739031.00
Sukuk , (Khartoum Investment Fund)	1195147.20	1206639.00
Sukuk , (Malaria Portfolio)	400000.00	400000.00
Sukuk , Saria Rwsidential project	3092500.00	3092500.00
Sukuk , Al lamar Al Agary Fund	7188573.00	7175448.00
Sukuk , AL Shamel	0.00	6176497.60
Sukuk , Al witan group investment fund	3402975.80	1500000.00
Sukuk , Diversifiedinvstmnt fund	498697.60	848240.00
Al watan group investment portfolio.	8000000.00	4000000.00
	50785330.85	40852384.95
<b>8- Receivables</b>		
Prepaid Expenses	25000.00	30311.01
Unrealized Payments	94515.07	0.00
Express mail Stock	1449.00	2139.00
Staff Loans	3401178.41	3258670.41
Shares, Lybian Company Portfolio	0.00	81125.74
Board of Directors Expenses	79175.00	82925.00
Unrealized Receipts	3866.36	0.00
Letter of Guarantee (Bank Agency)	7812.50	7812.50
Mutual Funds Expenses	15953.00	14428.00
Al name fund settlement.	0.00	2107600.00
	3628949.34	5585011.66
<b>9 -Equity Participations</b>		
Shares, National Roads & Bridges	187500.00	187500.00
Real Estate Company	479370.00	225000.00
Ejara Arab company shares	3674700.00	0.00
	4341570.00	412500.00
<b>10 -Other Assets</b>		
Stationary	0.00	11972.55
Cash margin with Correspondents	688108.89	478977.81
	688108.89	490950.36
<b>11 -Foundation Expenses</b>		
Preoperating Expenses	369196.36	369196.36
Amortization	(295522.22)	(258602.58)
	73674.14	110593.78
<b>12 -Net Fixed assets</b>		
Net assets (Detailed attached)	6144237.27	6418480.93

## Notes to Financial Statement as at 31.12.2009

**Fixed Assets**

Items	Depre- ciation Rate %	COST					DEPRECIATION					Net Book Value as at 31/12/2008 SDG	
		1/1/2009	Additions	Disburse- ments	31/12/2009	1/1/2009	Years Deprecia- tion	On Addi- tions	Total year Deprecia- tion	On Disburse- ments	31.12.2009		Total De- preciation
		SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG		SDG
Computers	20	3142507.00	279207.84	142750.90	3272361.94	686943.26	628501.40	27920.78	656422.18	134387.83	522034.35	1208977.61	2063384.33
Telecom- munication Equipment	10	32120.88	-	1045.00	31075.88	23589.94	3212.09	-	3212.09	679.25	2532.84	26122.78	4953.10
Office Furniture	10	402594.97	6565.50	27783.50	381376.97	186825.98	40259.50	328.28	40587.77	22887.00	17700.77	204526.75	176850.22
Electric Equipment	10	188923.79	2973.75	615.83	191281.71	102120.11	18892.38	148.69	19041.07	482.21	18558.86	120678.97	70602.74
vehicles	15	390527.01	-	-	390527.01	204431.93	48760.24	-	48760.24	-	48760.24	253192.17	137334.84
Lands	0	2637627.50	-	-	2637627.50	-	-	-	-	-	-	-	2637627.50
Tower Project	2.5	661841.00	225393.55	-	887234.55	-	-	-	-	-	-	-	887234.55
Archive	10	175000.00	-	-	175000.00	-	-	-	-	-	-	8,750.00	175000.00
Total		7631142.15	514140.64	172195.23	7966485.56	1203911.22	739625.60	28397.75	768023.35	158436.29	609587.06	1822248.28	6144237.28
Item	Rate of Amorti- zation	Cost			Amortization			Net Book Value as at 31/12/2008					
		01.01.2009	Additions	Disburse- ment	31.12.2009	01.01.2009	Year Amor- tization		On Dis- bursement	Total Amortiza- tion	31/12/2009	Acc.DD	
Pre-op- erating Expenses	10%	369196.36	-	-	369195.36	258.60	36919.64	-	36919.64	-	36919.64	37178.24	332018.12
Total Amount	-	8000338.51	514140.64	172195.23	8335681.92	1204169.82	776545.24	28397.75	804942.99	158436.29	646506.70	1859426.52	6476255.40

## Notes to Financial Statement as at 31.12.2009

### Note (13):

#### Assets, Liabilities and owners equity :

Total assets increased from SDG 255.793.000 at 31/12/2008 to SDG 434.706.000 at 31/12/2009 at rate of increase of 70%.

This increase was due to increase in cash & cash equivalents, sales receivables, securities portfolio, capital participations, margins discounted by the correspondents, accrued revenues and prepaid expenses.

Some asset items decreased, but the overall result was an increase in total assets.

Liabilities increased from SDG 96.887.000 in 2008 to SDG 231.752.000 at 31/12/2009 at rate of increase of 138 % due to increase in (Funds and portfolio accounts, creditors and subscriptions in local currency issuances). Some liability items decreased but the overall result was an increase in total liabilities.

Owner's equity increased from SDG 105.659.000 in 2008 to SDG 117.787.496.32 at the end of 2009 at rate of increase of 12 % due to increase in capital, reserves and the year profit.

## Notes to Financial Statement as at 31.12.2009

Items	31.12.2009 SDG	31.12.2008 SDG
<b>14- Mutual Funds &amp; Portfolios A/Cs</b>		
First Sudanese Shares Fund	0.00	7402.33
First Sudatel Fund	0.00	1917.70
Second Sudatel Fund	0.00	643.93
Export Finance Fund	0.00	118.52
El Inama Fund	0.00	241422.73
Fourth Shares Fund	1193526.27	209435.95
Industrial Finance Fund	0.00	99090.32
Khartoum Investment Fund	34199.64	469565.64
Mutual Investment Fund	0.00	3245.20
Investment portfolio	767258.73	2871910.18
Second diversified investment fund.	262319.33	3238866.44
Alwatan group first investment fund	883931.28	4664411.76
Sudanese securities.	144401.13	76976.27
Special investment fund	41331692.75	14907545.57
Malaria portfolio.	49.09	10059.75
Shamal second Fund	7827997.72	40808.68
Al lamar Fund	81097.73	28611.54
	52508473.67	26872032.51
<b>15- Bills Payable and Certified Cheques</b>		
Bills Payable Dollar	0.00	9259.61
Bills Payable and certified cheques	3996298.86	466287.64
	3996298.86	475547.25
<b>16- Creditors</b>		
Bank share in deposit insurance fund.	168000.00	153085.33
Staff Medical & Charity Funds	86038.75	87229.97
Sundry Creditors	78243457.72	29874982.93
Profile company.	290938.89	652155.00
Fabio company.	0.00	175000.00
Accrued Charges	267704.41	196117.92
Private portfolios under settlements	900043.90	0.00
Khartoum stock exchange investment fund.	143113.85	32642.01
Investment funds transaction account.	0.00	76920.00
Accrued profit shares.	3801.82	4678.91
Other Creditors	37879.09	38470.38
	80140978.43	31291282.45

## Notes to Financial Statement as at 31.12.2009

	31.12.2009 SDG	31.12.2008 SDG
<b>17 –Dividends Distribution</b>		
Shihama	15837985.80	18901026.55
Sudatel	72400.02	57348.86
	15910385.82	18958375.41
<b>18 –Contribution in Public Offerings</b>		
Elnamaa second fund	15015600.00	0.00
AL watan group first investment fund subscription.	0.00	4003000.00
Diversified investment fund subscription.	0.00	1000000.00
	15015600.00	5003000.00
<b>19– Other Liabilities</b>		
Public Offerings (PLSc)	0.00	0.00
Creditors –Foreign Currency	57103538.88	7122789.47
Sedately Screw A/C	0.00	0.00
Sedate Dollar Fund Distribution A/C	69910.26	68138.33
Second Sedate Fund	20.01	19.44
Staff A/Cs	693841.23	732323.12
Cash Margin	1040889.05	697122.55
	58908199.42	8620392.91
<b>20– Provisions</b>		
Auditor fees provision	50000.00	40000.00
Staff bonus provision	990211.26	1117800.00
Zakat provision	847127.49	1076083.00
Tax provision	1063562.18	1453853.00
After Services benefits provision	1327607.72	1163082.37
Board of directors remuneration provision	938200.69	745200.00
Shari'a supervisory board fees provision	22000.00	20.000.00
Capital tax	0.00	515.50
	5238709.34	5616533.87
<b>21–Profit Sharing Accounts</b>		
Profits sharing accounts– local currency	80954937.70	49558292.07
Profits sharing accounts– foreign currency	549497.29	1340345.35
	81504434.99	50898637.42

## Notes to Financial Statement as at 31.12.2009

22-Profit Sharing Accounts Income	31.12.2009 SDG	31.12.2008 SDG
Profit sharing accounts income – local currency	3747226.11	2451267.01
(–) Bank’s share as Mudharib	(749445.22)	(122563.75)
Profit sharing accounts profit – local currency	2997780.89	2328703.26
Profit sharing accounts income – foreign currency	73875.51	20766.00
(–) Bank’s share as Mudharib	(14775.10)	(1038.25)
Profit sharing accounts profit – foreign currency	59100.41	19727.75
Total Profit Sharing Accounts Income	3056881.30	2348431.01
	82993740.00	76846055.00
<b>23- Capital</b>		
Authorized Capital		
Authorized capital SDG 10 Billion, divided into 100 Million shares, share par value SDG 100	100000000.00	100000000.00
Paid up capital :		
Public Sector	12224977.90	10127035.00
Private Companies	67017445.10	56467125.00
Individuals	3751317.00	10251895.00
	82993740.00	76846055.00
<b>24- Reserves</b>		
General reserve (FX discrepancies)	591596.07	591596.07
legal reserve	16093965.36	13423393.39
	16685561.43	14014989.46
<b>25- Retained Profits</b>		
Retained Profits (previous years)	950832.19	2264576.23
Current Year Profits	17803813.15	16710955.41
Transfer to legal reserve	(2670571.97)	(4177738.85)
	(16084073.37)	(14797792.79)
<b>26- L/Cs &amp; L/Gs Obligations</b>		
Against L/Gs obligations	1083549.99	817903.85
Against L/Gs obligations	152089.20	0.00
Against L/Gs obligations , acceptance	3473336.89	2018116.26
	4708976.08	2836020.11

Notes to Financial Statement as at 31.12.2009

27- Dividends (in cash)	31.12.2009 SDG	31.12.2008 SDG
Islamic Development Co	0.00	152119.68
Fourth Sudanese shines fund.	0.00	118670.95
Faisal Islamic Bank	143.11	0.00
Farmer Commercial Bank	3866.36	0.00
Shahama & Government Investment Certificates Profits	9034760.81	5013868.85
Sudatel Company Profits	1096740.00	3162191.95
Al Tadamon Bank Profits	1355.20	1315.80
Industrial Finance Fund Profits	7625.25	709576.18
Gum Arabic co profits.	0.00	30897.50
AL namaa fund profit loss account.	0.00	(652844.85)
Diversified Investments Fund Profits	594885.69	2419390.96
Khartoum Bank Profits	0.00	46086.71
Saria Complex portfolio profits	43703.60	0.00
Malaria Portfolio	40000.00	45240.00
Sudanese securities investment fund.	298123.01	160200.00
AL salam Bank dividends.	41629.44	39036.75
Bank of Khartoum gaga fund profits.	2447213.01	365703.90
AL witan group profit.	233345.60	206612.81
Alwatan investment portfolio	937462.38	0.00
Second diversified investment fund	73350.08	0.00
United Capital Bank profits	4096.82	0.00
	14858300.36	11818067.19

## Notes to Financial Statement as at 31.12.2009

28- Unrealized losses from revaluation of investments	31.12.2009 SDG	31.12.2008 SDG
Shares in quoted companies		
Sudanese funs zones and free duty markets co.	14988.00	
United capital Bank	413.82	15401.82
Funds Sukuk and Portfolio Investment		
Al lamar Fund	342313.00	
Bank of Khartoum Ejara fund	270462.49	
Alwatan Group investment Fund	96223.31	
Second diversified investment fund	4512.06	713510.86
Government Investment Skulk		
Third government investment securities.	468.33	
Sixth government investment securities	608532.00	
Eleventh government investment securities	67904.50	
Thirteenth government investment securities	1063.35	
forteenth government investment securities	124.50	678092.68
<u>Shehama Certificate</u>		
Issue oct 1.43	3048.50	
Issue oct 2.43	180697.00	
Issue oct 3.43	15112.50	
Issue April 41	485567.67	
Issue April 2.41	863636.40	
Issue July 1.42	1426147.62	
Issue July 2.42	714952.31	
Issue Jan 40	1255493.28	
Issue Jan 1.40	762918.68	
Issue Jan 2.40	310406.25	6017980.21
Total		7424985.57
<b>Un realized losses :</b>		
Shares in listed companies		
Al shamal Islamic Bank	5361.40	
Tadamon Bank.	33547.51	
Gum Arabic company.	14063.87	
Islamic development company.	30423.94	
Al Salam Bank Shares	423308.60	
Bank of Khartoum.	258902.55	
Sudatel Shares	3858331.55	
Faisal Islamic Bank.	52836.28	
Farmer commercial Bank	5799.50	4682575.20

Notes to Financial Statement as at 31.12.2009

Items	31.12.2009 SDG	31.12.2008 SDG
<u>Funds Sukuk and Portfolio Investment</u>		
Khartoum Investment Fund	11491.80	
Securities Investment Fund	36484.35	47976.15
<u>Government Investment Sukuk</u>		
Ninth government investment securities.	24751.25	
Fourth government investment securities.	9363.51	
Tenth government investment securities.	3476.50	
Twelfth government investment securities.	28113.71	65704.97
Total		4796256.32
Net reserve fair value investments		2628729.25
Profit sharing accounts		604607.73
Share of owners equity share		2024121.52
<b>29- Banking Services Income:</b>		
Commission on L/Cs	572650.47	1220410.78
Commission on remittance	242603.99	485709.77
Commission L/Gs	30249.12	32482.16
Other Commissions	33163.10	39788.96
	878666.68	1778391.67
<b>30- Administrative &amp; General Expenses</b>		
<u>Staff Expenses :</u>		
Salaries & Wages	1259741.96	1228477.47
Medical Allowance	450174.12	431198.73
Uniform Allowance	424025.31	418928.27
Leave & Tickets Expenses	1124274.41	1033317.81
Incentives	398436.08	399886.86
After Services Benefits	315333.34	409275.68
Social Insurance (Bank's Contribution)	190658.72	185164.57
Training Expenses	484542.50	383994.47
Staff Entertainment	44260.00	40000.00
Total Staff Expenses	4691446.44	4530243.86

Items	31.12.2009 SDG	31.12.2008 SDG
Administrative Expenses		
Travelling Allowances	104574.70	145301.57
Rent	398746.32	342687.90
Entertainment	95833.95	58173.97
Promotion & Advertisement	86750.60	93558.00
Hygiene & Health	39050.00	25691.40
Publicity	102460.93	139956.22
Repairs & Maintenance	26999.06	16532.26
Board of Directors Expenses	210375.89	169809.87
General Meeting Expenses	55078.00	44748.12
Subscription	437205.98	488551.64
Communication Expenses	159913.60	143699.23
Stationary Expenses	59897.72	63444.85
Computer Expenses	170218.84	124276.29
Vehicles Running Expenses	68225.61	79527.78
Electricity & Water Expenses	112952.14	97605.66
Journals & Periodicals	17454.06	11527.70
Miscellaneous	107260.24	91766.97
Insurance Expenses	32265.00	41808.00
Shari>a Supervisory Board Expenses	52250.88	44659.63
Donations	96269.88	99935.00
Legal Advisor Expenses	36812.00	36000.00
Guarding & Municipality Expenses	14500.00	13500.00
Focal gear plan expenses.	0.00	180000.00
Total Administrative Expenses	2485095.40	2552762.06
Total Administrative and General Expenses	7176541.84	7083005.92
<b>Note (31) : Capital gains due to disposal of fixed assets:</b>		
Profit from sale of Camry car	0.00	10979.05
Loss of lost Labtop	0.00	(669.00)
Net capital gains before Tax	0.00	10310.05
Tax 5 %	0.00	515.50
Net capital gains	0.00	9794.55