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(33) Banque Intercontinentale Arabe

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75008 Paris
Swift Code: BIARFRPPA

(34) Byblos Bank Europe S.A.

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Suite 5, First Floor.
Berkeley Square House.
London, W1J 6BS, UK
Swift Code: BYBBGB2LXXX

(35) British Arab Commercial Bank

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8 - 10 Mansion House Place
London EC4N 8BJ - UK
Swift Code: BACMGB2LA

(36) Bank Of Beirut (UK) LTD

London - England
17 A Curzon Street, London W1J 5HS, U.K.
Swift Code: BRBAGB2L

(37) CIMB Bank Beruad Kuala Lumpur

Kuala Lumpur - Malaysia
6 Jalan Tun Perak
P.O. Box: 10753 50050
Swift Code: CIBBMYKLAXXX

(38) Korea Exchange Bank

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P.O. Box: 2924, Seoul 100 - 793, Korea
Swift Code: KOEXKRSE

(39) Bank of China

Beijing - China
410 Fucheng Memnei Cajie
Swift Code: BKCHCNB



- (24) **UBAE Arab Italian Bank S.P.A. Roma**
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VIA Quintino Sella 2 CAP00187
Swift Code: UBAIITRRA
- (25) **Uni Credito Itaciano S.P.A.**
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Piazza Cordusio 20123 Milano - Italia
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- (26) **BCP Banque De Commerce Et De Placements NTS**
Geneva - Swezerland
1,Rue De la Fontaine, Case Postale 3069,
P.O. Box: 133 CH - 1211 Geneva 1
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- (27) **Unicredit Bank Austria**
Vienna – Austria
1030 Vienna, Vordero Zollamtsstrasse/3
Swift Code: BKAUATWW2XXX
- (28) **Byblos Bank Europe S.A.**
Brussels – Belgium
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B 1000 - Brussels
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- (29) **The Royal Bank of Scotland (RBS)**
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P.O. Box: 12925 1100AX
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- (30) **Commerz Bank**
Frankfurt - Germany
Financial Institution
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- (31) **Union Des Banque Arab ET Francaise (UBAF)**
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(17) Union Bank For Saving

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Shaker Bin Zayed Street - Shemeisani
P.O. Box: 35104 – Code: 11180 Jordan
Swift Code: UBSIJOAX

(18) Bank Of Beirut S.A.L.

Beirut - Lebanon
P.O. Box: 11-7354 Bank Of Beirut S.A.L.
Building Foch St. Beirut Central District
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(19) Byblos Bank Beirut

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P.O. Bank 11.5605 Byblos Tower
Building, Elias Serkis Avenue
Achratia, Beirut, Lebanon
Swift Code: BYBALBBX

(20) Banque Libano Francaise SAL

Beirut – Lebanon
Beirut Liberty Plaza
BLDG, Roma Street, Hamra
Beirut, P.O. Box: 11-808 Hamra
Swift Code: BLFSLBBX

(21) Fransa Bank SAL

Beirut – Lebanon
Riad El Solh 1107 2803
P.O. Box: 11-0393 Beirut
Swift Code: FSABLBBXXX

(22) First International Merchant Bank

Malta
7th Floor The Plaza Commercial Center
Bisazza Street Sliema
SLM. 15 Malta
Swift Code: FIMBMTM3

(23) Al Baraka Turk Participation Bank

Istanbul - Turkey
Buyukdere Cad. No. 78
34394 Mecidiyekoy, Istanbul, Turkey
Swift Code: BTFHTRIS



(9) ALUBAF Arab International Bank

Manama – Bahrain
P.O. Box: 11529, Manama
Swift Code: ALUBBHBMXXX

(10) Ithmar Bank

Manama – Bahrain
Seef Tower, Alseef District
P.O. Box: 3005, Manama
Swift Code: FIBHBHBM

(11) Arab Bank For Investment And Foreign Trade Abu Dhabi

Abu Dhabi – U.A.E.
P.O. Box: 46733 Arbift Building
H.E. Hamdan St. Tousit Club Area
Abu Dhabi, U.A.E. (ARABFT)
Swift Code: ABINAEAA

(12) Abu Dhabi Islamic Bank

Abu Dhabi – U.A.E.
P.O. Box:313 Tel: (972) 343000
Fax: (9712) 342222
Swift Code: ABDIAEAD

(13) Mashreq Bank PSC

Dubai – U.A.E.
Head Office – Tel: 04-2229131
P.O. Box: 1250, Dubai – U.A.E.
Swift Code: BOMLAEAD

(14) United Arab Bank

Sharjah – U.A.E.
P.O. Box: 3562
Tel: 325000 Fax: 331468
Swift Code: UARBAEAA

(15) Bank Muscat

Muscat – Oman
S.A.O.G.
P.O. Box: 134 Postal Code:112 RUEI
Swift Code: BMUSOMR

(16) The Housing Bank For Trade & Finance

Amman - Jordan
P.O. Box: 7693 Amman
Swift Code: HBHOJOA

List of Foreign Correspondents

(1) Commercial International Bank (Egypt)

Cairo - Egypt
Nile Tower Building 21/23
Chares De Gauls Geza
P.O. Box: 2430 Cairo
Swift Code: CIBEEGCX

(2) Arab Banking Corporation

Cairo - Egypt
ABC Bank, 1, El Salih Ayoub St, Zamalek
P.O. Box 64 Zamalek, Cairo A.R.E. (11211)
Swift Code: EAABEGCXXXX

(3) Alrajhi Banking And Investment Corporation

Riyadh – The Kingdom of Saudi Arabia
P.O. Box: 28 – Postal Code 11411
Swift Code: RJHISARIA

(4) National Commercial Bank

Jeddah – The Kingdom of Saudi Arabia
P.O. Box: 3555 Jeddah
Swift Code: NCBKSAJE

(5) Qatar Islamic Bank

Doha – Qatar
P.O. Box: 559
Swift Code: QISBQAQA

(6) Arab Banking Corporation ABC

Manama – Bahrain
ABC Tower, Diplomatic Area
P.O. Box: 5698 Manama Bahrain
Swift Code: ABCOBHBM

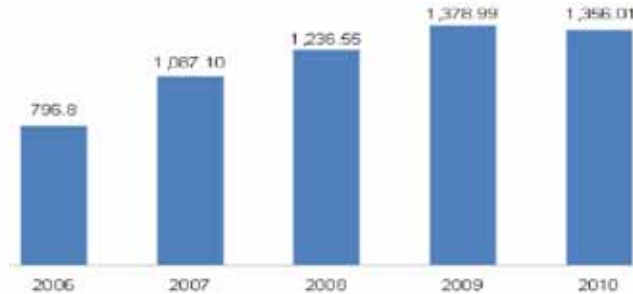
(7) Arab Investment Co.

Manama – Bahrain
P.O. Box: 5559
Swift Code: TAIQBHBM

(8) Albaraka Islamic Bank

Manama – Bahrain
P.O. Box: 1882, Manama
Swift Code: ABIBBHBMXXX

The paid up capital jumped from 50.67 million SDG in 2006 to 100.11 million SDG in 2010 with 49.44 million SDG increase i.e. 98%.



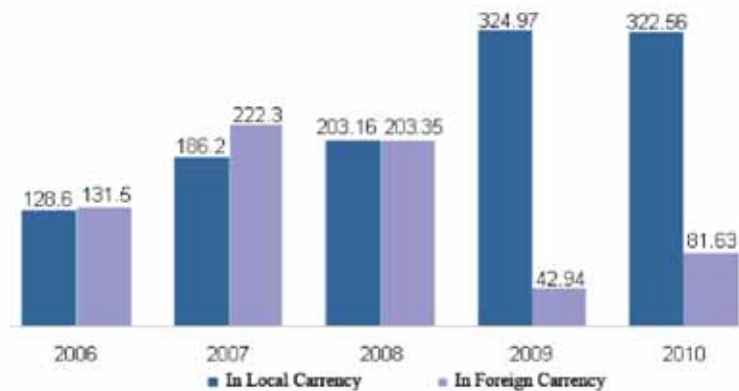
First up capital 2006- 2010 (million SDG)

Thirdly: Income Statement

Analysis of 2010 income statement in comparison to 2009 statement reflects the following:

(1) The return of investments and deferred payments (after subtracting returns of investment accounts) was 58.27 million SDG in 2009 against 58.53 million SDG in 2010 with 0.26 million SDG increase 0.5%. The income from deferred payments and investment (after subtracting investment returns) was 55% out of the total income. The return of banking services dropped from 45.35 million SDG in 2009 against 37.75 million SDG in 2010 with 7.60 million SDG decrease i.e. 17%.

Total income (before subtracting investment accounts returns) increased from 119.3 million SDG in 2009 to 121.61 million SDG in 2010 with 2.31 million SDG increase i.e. 2%.

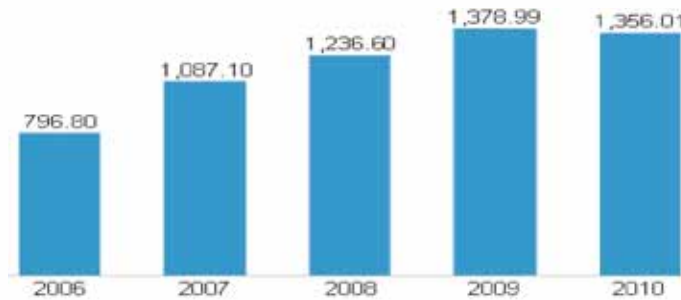


Income and expenditure 2006-2010 (million SDG)

(2) The total public and administrative expenditure including incentives, depreciations, amortization and investment and financing incentives was 71.41 million SDG in 2009 compared with 73.12 million SDG in 2010 with 1.71 million increases i.e. 22.4%.

(3) The net income after subtracting taxes and Zakat was 22.44 million SDG in 2010 compared with 23.94 million SDG in 2009 with 1.50 million SDG decrease i.e. 6%.

(4) The net income (after subtracting taxes and Zakat) percentage to paid up capital was 22% in 2010 compared to 24% for the year 2009.

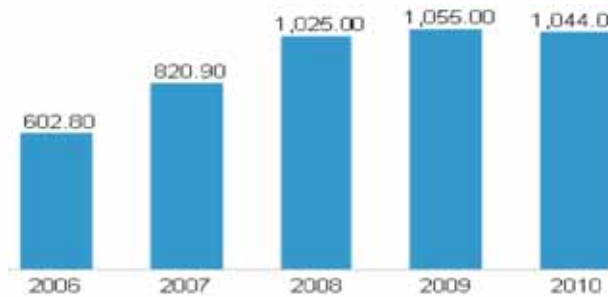


Total liabilities 2006-2010 (million SDG)

At the same time the total liabilities excluding the rights of investment accounts clients were 1.047.22 million SDG in 2010 against 1.084.8 million SDG in 2009 with 37,3 million SDG decrease i.e. 3.4% decrease.

Deposits

Total deposits (local, foreign and margins of LCs and LGs) and rights of investment excluding returns on them amounted to 1.20 million SDG in 2010 against 1.150 million SDG in 2009 with 30 million SDG i.e. 2.6% decrease. At the same time current deposits consisting of current accounts, investment accounts and saving accounts in local and foreign currencies amounted to 1044 million SDG against 1055 million SDG in 2009 with a decrease of 11 million SDG i.e. 1%.

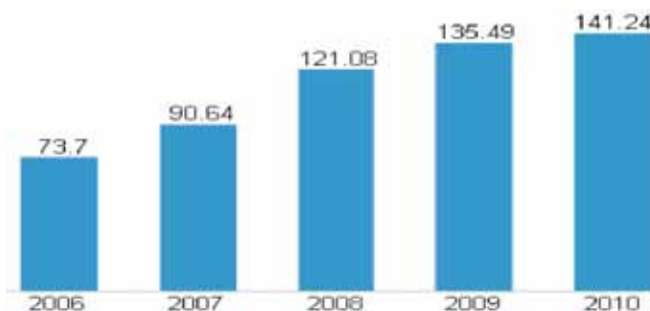


Development of Deposits 2006-2010 (million SDG)

Shareholders' Equity and Paid up capital

The total equity consisting of paid up capital, different reserves (losses) and accumulated profits amounted to 141.24 million SDG against 135.49 million SDG with an increase of 5.75 million SDG i.e. 4% increase.

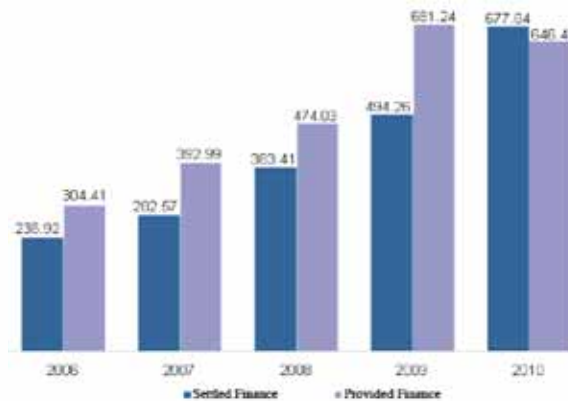
During the last 5 years the equity shares increased from 73.7 million SDG in 2006 to 141.24 million SDG in 2010 with an increase of 67.54 million SDG i.e. 92% increase.



Equity shares 2006- 2010 (million SDG)

Foreign Currency Financing

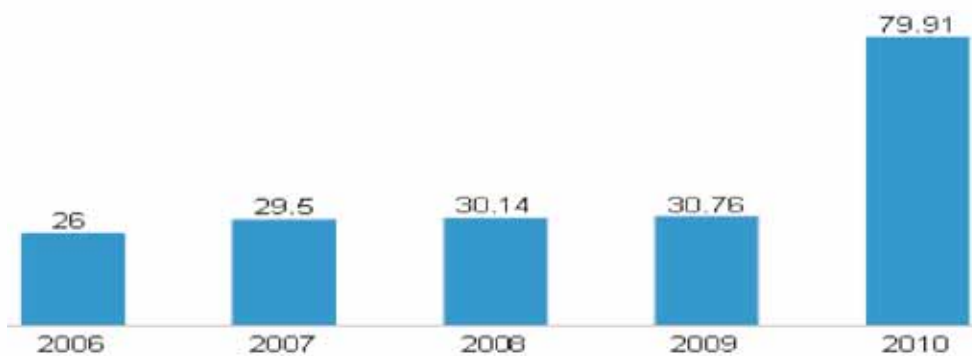
Outstanding foreign currency financing in 2010 amounted to 17.94 million dollars compared with 37.5 million dollars in 2009 with an increase of 19.56 million dollars. In spite of that the foreign currency financing achieved 6.46 million SDG profits compared with 5.68 million SDG in 2009, with 0.78 million SDG increase i.e. 14%.



Total finance in foreign currency from 2006 to 2010 (million US\$)

Fixed Assets

The historical cost value of fixed assets, after additions and discard, amounted to 56.50 million SDG in 2009 and 110.51 million SDG in 2010 with an increase of 54.01% i.e. 96%. After subtracting depreciation the net book value increased from 30.76 million SDG in 2009 to 79.91 million SDG in 2010 with 49.15 million SDG increase i.e. 160%. The total net book value of lands and buildings was 68.08 million SDG. It represented 85% of the total net book value of the fixed assets as in 30/12/2010.



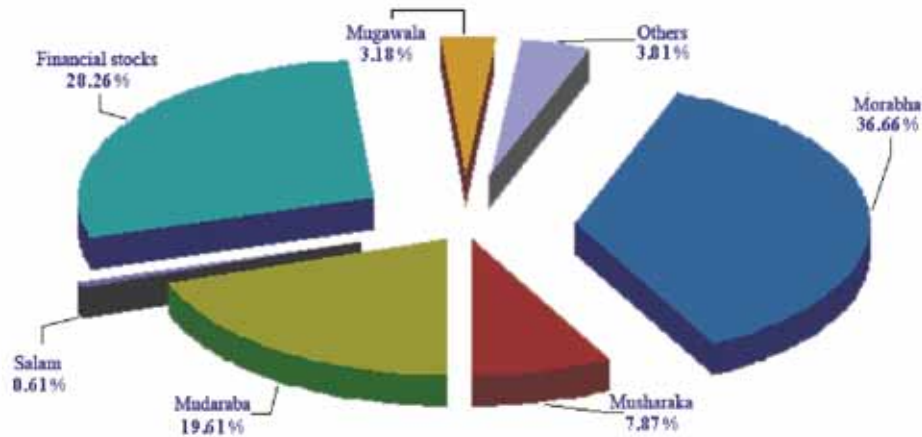
Fixed Asset 2006-2010 (Million SDG)

Second

Liabilities and Shareholders Equity

Liabilities

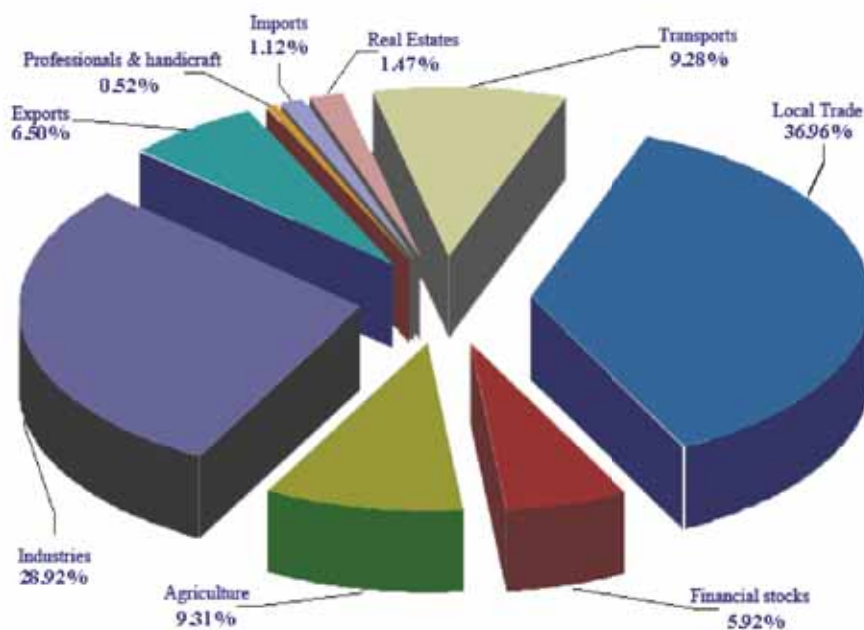
Total liabilities consisting of different deposits including rights of investment accounts clients, creditors, other liabilities and equity shares amounted to 1356.01 million SDG in 2010 against 1378.99 million SDG in 2009 with 23 million SDG increase i.e. 1.7% decrease.



Percentage of Finance Modes to total finance during the year 2010

Finance according to Economic Sectors

The bank administration put into consideration when providing finances to distribute it among different economic sectors according to the policy of the Bank of Sudan and the targets of the national economy. The Diagram explains the distribution of finance provided to the different economic sectors in 2010. Which shows the following: 9.81% was provided for the agricultural sectors 28.41% for the industrial sector, 0.52% for the professionals and handicraft sector, 1.12% for imports sector, 1.47% for the real estate sector. Local trade received the biggest share of finance 36.96% while the financial stocks received 5.92%, 4.79% was the share of transport sector while exports sector received 9.28% of the provided finance



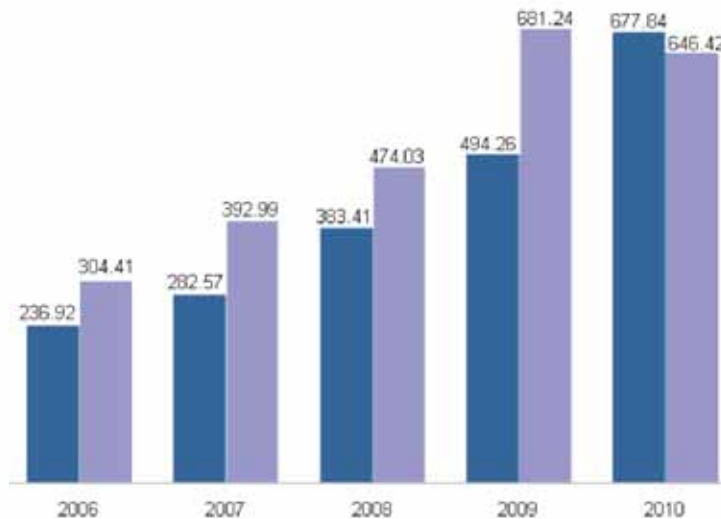
Finance according to sectors (year 2010)

Finance

The volume of local and foreign currency finance offered in 2010 was 689 million SDG compared with 698.19 million SDG in 2009 with 9 decreases i.e. 1% on 31/12/2010 :

(A) Finance in local Currency

The volume of fiancé as outstanding balance on 31/12/2010 amounted to 646.42 million SDG compared with 681.24 million pounds on 31/12/2009. With 34.82 million SDG decrease i.e. 2%. The balance of settled fiancé on 31/12/2010 was 677.84 million SDG compared with 494.26 million SDG on 31/12/2009 with an increase of 183.58 million SDG i.e. 37%. This clearly reflects efficiency in follow-up and collection accompanied by obtaining adequate collaterals for finance operations



Total Finance offered in local currency from 2006 to 2010 (million SDG)

Below are the modes of finance practiced by the bank during the year 2010, according to the statement of finance as on 31/12/2010.

Murabaha: It was 36.62% out of the total finance in 2010 compared with 53.24% in 2009

Musharaka: It was 7.86% out of the total finance in 2010 compared with 45.6% in 2009.

Mudarab: It was 19.59% of the total finance in 201 compared with 45.6% in 2009.

Salam: It was 0.61% out of the total finance in 2010 compared with 0.25% in 2009

Securities: it was 28.33% out of the total finance in 2010 compared with 25.83% in 2009.

Mugawala: It was 3.18% out of the total finance in 2010 compared with 3.91% in 2009.

Others: It was 3.81% out of the total finance in 2010 compared with 0.00% in 2009.

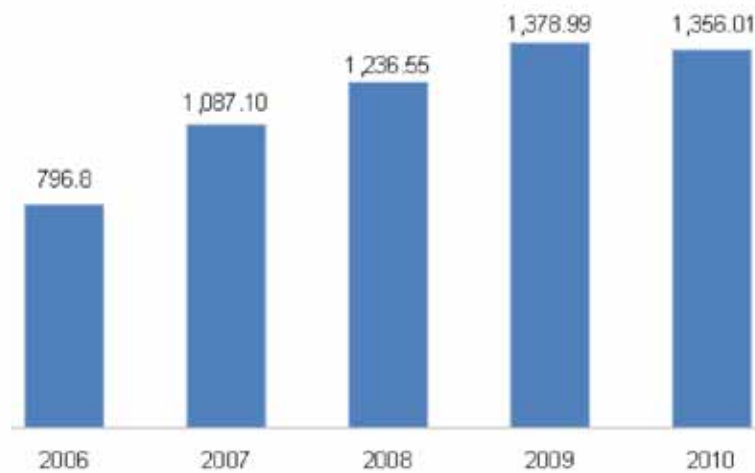
Performance Report and Financial Review for the year 2010

First: Balance Sheet

Assets

The total assets of the bank were 1356.01 million SDG in 2010 against 1378.99 million SDG in 2009 with a decrease of 23 million SDG i.e. 1.7%.

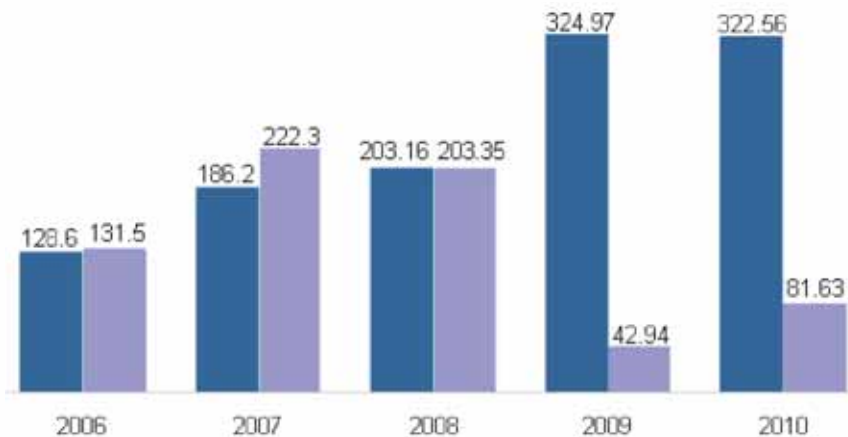
The current assets in 2010 were 1,276.07 million SDG while the current liabilities at the same time amounted to 1,219.77 SDG i.e. the rate of circulation was (1:1,05). This indicates that the bank enjoys a good financial position and is able to meet its obligations at any time. This also indicates an optimum utilization of available resources.



Development of Assets from 2006 to 2010 (million SDG)

Cash and Cash Equivalent

Cash and cash equivalent amounted to 404.20 million SDG in 2010 compared with 389.72 million SDG in 2009 with 14.48 million SDG increase i.e. 3.7% compared with the previous year we find that cash and cash equivalent decreased from 324.97 million SDG in 2009 to 322.56 million SDG in 2010. The decrease was 2.41 million SDG i.e. 0.7%. At the same time the equivalent of the foreign currency balance (cash in banks and with foreign correspondents + foreign currency reserves in Central Bank of Sudan) in Sudanese Pounds increased from 42.94 million SDG in 2009 to 81.63 million SDG in 2010 with an increase of 15.34 million DG i.e. 23%.



Components of Cash and Cash equivalent 2006-2010 (million SDG)

(36) Profit rate risk

The profit rate risk refers to the risk due to change of profit rates, which might affect the future earnings of the Bank. Exposure to profit rate risk is managed by the Bank through diversification of assets portfolio and by matching the maturities of assets and liabilities.

In line with the policy approved by the Board of Directors, the assets and liabilities committee performs regular review of the assets and liabilities in order to ensure that the maturity gap between assets and liabilities is maintained at minimum levels and also to ensure that financing and investments are made for quality assets at higher rate of return.

(37) Currency risk

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

Currency risk is managed on the basis of limits determined by the Bank's Board of Directors. These limits are monitored continuously to ensure that the net exposure is kept on an acceptable level.

Assets and liabilities in foreign currency are mainly denominated in US Dollars and other Foreign currencies.

	2010 SDG	2009 SDG
Assets	294,793,000	197,312,000
Liabilities	363,207,000	330,368,573

(38) Capital adequacy

The Bank monitors the adequacy of its capital using the ratios established by Central Bank of Sudan.

	SDG
Core capital	32,954,000
Total risk weighted assets	390,029,000
The Bank's capital adequacy ratio	-
Minimum capital adequacy ratio required	-

(33) Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

The maturity profile of the Bank's assets and liabilities is as follows:

Assets	Within 3 months	3 to 6 months	6 to 12 months	Over 1 year	Over 1 year	Total
	SDG	SDG	SDG	SDG	SDG	SDG
Cash and cash equivalents	302,515,797	-	-	-	-	302,515,797
Central Bank of Sudan - Statutory cash reserve	-	-	-	-	101,680,614	101,680,614
Sales receivable	74,730,060	58,655,020	55,272,439	-	133,054,650	321,712,169
Investments in securities	69,161,000	40,000,000	15,000,000	-	58,957,500	183,118,500
Available for sale investments	-	-	-	-	26,747,762	26,747,762
Investments in Subsidiaries	-	-	-	-	6,969,200	6,969,200
Mudaraba	-	15,000,000	15,000,000	-	99,329,400	129,329,400
Musharaka	-	7,785,895	29,871,744	-	17,236,569	54,894,208
Other assets	11,718,667	-	30,465,249	-	106,945,071	149,128,987
Fixed assets	-	-	-	-	79,912,446	79,912,446
Total Assets	458,125,523	121,440,915	145,609,432	-	630,833,212	1,356,009,083
Shareholders equity and Liabilities						
Shareholders equity	-	-	-	-	141,241,680	141,241,680
Current accounts	439,507,863	57,683,502	145,153,499	-	233,745,204	876,090,068
Other liabilities	8,466,322	62,792,860	-	-	70,067,466	141,326,648
Provisions	4,486,955	-	-	-	25,319,979	29,806,934
Equity of un-restricted investments account	-	-	-	-	167,543,752	167,543,752
Total liabilities and shareholders equity	452,461,140	120,476,362	145,153,499	-	637,918,081	1,356,009,083

(34) Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

(35) Shares prices risk

Shares prices risk is a risk that the value of the shares will fluctuate as a result of changes in the market prices of the shares. The Board of Directors of the Bank sets limits on the amounts and types of shares to be acquired for investments purposes. The investments committee of the Bank regularly monitors these limits.

(30) Concentration of investments – Economic sector

The Total Investments for the period amounting to SDG 475,345,943 and it was distributed according to economic sectors as follows:

Agriculture	6%
Manufacturing	33%
Exports	12%
Transportation and Storage	7%
Vocational and Technical	2%
Mining	0%
Commercial	21%
Import	2%
Real State	4%
Other segments	13%
Total	100%

(31) Related party transactions

These represent transactions with related parties, i.e. shareholders, board of directors and senior management of the Bank, and companies of which they are principal shareholders. These transactions are conducted in an arm length basis.

Balances with related parties included in the balance sheet are as follows:

	Major Shareholders & Board of directors & related companies SDG	Top mamangement of the bank SDG	Total as of 31 December 2010 SDG
Balance sheet items:			
Murabaha	2,709,831	-	2,709,831
Mugaolat	2,575,333	-	2,575,333
Mudaraba	2,000,000	-	2,000,000
Income statement Items:			
Murabha income	113,778	-	113,778
Mugaolata income	75,392	-	75,392
Mudaraba income	810,897	-	810,897
Top management compensation:			
Remuneration	1,180,000	-	1,180,000

(32) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank attempts to control credit risk by monitoring credit exposures continuously.

The Bank seeks to manage its credit risk exposure through the diversification of financing and investment activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or business. The Bank also takes collateral when appropriate.

(27) Prior Year Adjustments

	2010 SDG	2009 SDG
Personal income tax difference	(294,514)	-
Golden Steel Co.	(146,813)	-
Government stamp	(15,000)	-
Gum Arabic inventory losses	(303,468)	-
Al Sabigoon Musharka	(45,000)	-
Port Sudan Cotton Co. Gomhoria Branch	(244,498)	-
Accrued expenses	5,109	(8,649)
Shares	-	(1,476,129)
Claims	-	(39,537)
Business profit tax provision	-	612,934
Foreign banks interest	-	(352,663)
Debts written off	(883,430)	35,299
Disposals of Furniture	-	5,171
Correspondence outstanding written off	(6,520,680)	-
End of service deficit	(20,000,000)	-
Impairment of Investments (Note 27/1)	(35,590,703)	-
Share Capital increase expenses- previous years	(467,122)	-
Micro finance Consultancy	(65,550)	-
Debit balances written off	(184,096)	-
Amortization of leased lands	(309,877)	-
	(65,065,641)	(1,223,574)

(27/1) Impairment of Investments

	2010 SDG	2009 SDG
Gulf Mills	32,430,703	-
Kenana Friesland	2,660,000	-
Transworld	500,000	-
	35,590,703	-

(28) Earning Per Shares

	2010 SDG	2009 SDG
Net profit for the year	22,443,673	23,937,489
Number of shares	66,737,380	66,737,380
Earning Per Share	0.34	0.36

(29) Contra accounts

Contra accounts not included in the financial statements of the Bank are as follows:

	2010 SDG	2009 SDG
Checks under collection	398,508,477	397,881,727
Letters of credit	220,257,753	191,462,244
Letters of guarantee	28,501,460	32,611,524
Documents proceeds	109,218,819	87,908,314
Branches facilities from foreign banks	9,600,808	15,263,885
Bad debts	6,516,102	6,521,602
Restricted investments	5,686,174	15,217,206
	778,289,593	746,866,502



(25) General and administration expenses

	2010 SDG	2009 SDG
Printing & stationery	1,190,446	1,297,304
Gurantee Fund	1,734,622	1,913,842
Rent	2,040,746	1,608,367
Electricity & water	1,132,707	1,109,534
Board of Directors remuneration	1,180,000	1,250,000
Advertising	1,029,088	1,130,219
Communication	1,158,605	1,151,600
Insurance	708,020	657,559
Cash handling	317,667	318,180
Bank charges	1,151,619	2,212,784
Central Bank Penalties	24,000	0
Repair and Maintenance	762,461	545,655
Fuel and lubricants	430,942	483,105
Security services	723,938	586,304
Hospitality	320,045	342,048
Donations and gifts	331,891	249,868
Transportation	186,266	248,628
ATM Expenses	785,689	568,820
Subscriptions	439,625	401,547
Cleaning expenses	299,948	188,340
Board of Directors> expenses	94,700	88,610
Sharia Supervisory Board>s expenses	38,400	33,600
Government fees	108,187	152,753
Legal consultancy fees	123,256	121,213
General Annual meeting expenses	137,777	181,202
Postage	40,595	40,114
Audit fees	175,000	110,000
Miscellaneous	126,160	75,436
Hotel charges	65,245	89,993
Newspapers and magazines	40,089	34,703
Registration	52,087	58,659
Disposal of electrical materials	33,026	53,109
	16,982,849	17,303,096

(26) Depreciation and Amortization

	2010 SDG	2009 SDG
Fixed Assets Depreciation	5,226,632	4,520,404
Rehibition expenses amortization	881,010	768,389
Receivables amortization	8,427,806	7,975,806
	14,535,447	13,264,599



(21) Income from investments

	2010 SDG	2009 SDG
Profit from Securities	31,436,527	36,066,360
Musharaka	4,105,569	2,675,564
Income from portfolio investment	6,876,766	6,424,586
Mudaraba - Financial institutions	2,696,354	175,614
Income from foreign banks	42,238	29,700
	45,157,454	45,371,824

(22) Income from banking services

	2010 SDG	2009 SDG
Letters of credit	10,036,912	12,979,951
Documents under collections	2,870,385	3,752,955
Commission on checks collections and transfers	5,956,660	5,847,962
Foreign transfers	1,406,054	1,394,481
Letters of Guarantee	1,260,324	1,400,253
Export	326,139	402,911
Income from Nile card	279,313	257,838
Book keeping	2,318,529	2,706,109
Foreign exchange	2,751,024	5,079,560
Trading in currencies	6,176,440	5,801,128
Communication commission	486,738	693,196
Income from investments	3,878,228	5,034,077
	37,746,745	45,350,421

(23) Other Income

	2010 SDG	2009 SDG
Fees and other commissions	1,760,831	1,365,834
Insurance commission	183,246	145,706
Gain on sale of fixed assets	257,916	598
Income received*	8,330,000	0
	10,531,994	1,512,138

* Surplus of share premium received by Gulf Mills Co. Returned to the shareholders recently.

(24) Staff cost

	2010 SDG	2009 SDG
Salaries	10,285,961	9,049,926
Staff bonus	5,465,921	6,102,098
Eids bonus	3,382,829	3,036,003
Vacation	5,245,237	4,545,743
Uniform	3,249,180	2,808,385
End of service benefits	2,966,740	1,523,317
Training	538,274	580,499
Social Insurance	1,644,050	1,465,444
Health Insurance	1,172,345	949,214
Overtime	603,378	623,040
Tickets	391,756	401,054
Travel and business trips	121,134	163,218
Staff Tax	1,142,984	1,038,609
	36,209,789	32,286,550

(18) Capital

	2010 SDG	2009 SDG
Authorized capital	300,000,000	300,000,000
Paid up capital	100,106,070	100,106,070

The authorized share capital of the Bank comprises 200,000,000 shares of nominal value of SDG 1.5 each.

Proposed dividend:

The Board of Directors on April 4, 2011 proposed 10% of paid up capital as dividend which is subject to approval of Shareholders' annual meeting and Central bank of Sudan.

(19) Reserve

	2010 SDG	2009 SDG
Special Reserve	10,265,351	10,265,351
Fixed assets revaluation Reserve *	54,067,148	5,688,877
Statutory Reserve	12,914,454	10,670,087
General Reserve	7,448,704	7,448,704
	84,695,657	34,073,019

* Fixed assets revaluation Reserve.

(20) Income from Deferred sales

	2010 SDG	2009 SDG
Murabaha income	25,876,822	25,251,676
Muqawala income	1,531,380	1,320,958
Salam income	273,150	329,338
Direct investment	443,156	159,124
Deferred payment sales income	54,625	0
	28,179,132	27,061,096

As required by the Central Bank of Sudan, the gains of the foreign exchange from investments are excluded from income statements and included in the equity as Foreign exchange investments reserve.

During the year the bank revalued the lands and buildings by a specialized firm resulted in a surplus of SDG 48.3 million.

(14) Current accounts

	2010 SDG	2009 SDG
Local currency	614,105,703	659,792,328
Foreign currency	180,546,163	167,628,775
Saving Accounts	81,438,202	68,856,273
	876,090,068	896,277,376

(15) Other liabilities

	2010 SDG	2009 SDG
Cash margin against letters of credit	62,792,860	69,859,998
Cash margin against letters of guarantee	5,573,873	11,157,841
Notes payable	38,615,303	39,109,891
Accrued charges	10,184,104	22,364,973
Other credit balances	7,962,047	12,130,405
Export accounts	10,355,844	3,567,149
Dividends payable	2,997,319	2,332,183
Transfers under clearance	2,477,450	847,311
Foreign banks interest *	137,076	582,536
Staff deposits	230,773	230,773
Restricted Mudaraba deposit - Central bank	0	9,534,477
Unclaimed dividends	0	9,788,149
	141,326,649	181,505,686

* Foreign banks interest: These are interest received due to transactions with foreign banks which will be treated in accordance with instructions of Sharia Supervisory Board.

(16) Provisions

	2010 SDG	2009 SDG
Zakah provision	2,203,038	3,243,832
End of service benefits	25,319,979	1,009,953
Business profit tax provision*	323,355	339,855
Provision for deposits Guarantee	1,960,562	2,189,977
	29,806,934	6,783,617

* There is no business profit tax provision for this year as the exempted profit from Shahama amounting to SDG 31,436,527 is greater than net profit.

(17) Equity of unrestricted investment account holders

	2010 SDG	2009 SDG
Unrestricted investment account holders balance	154,717,301	146,643,536
Unrestricted investment account holders return for the year	14,811,226	14,164,487
Profits paid during the year	(1,758,835)	(1,596,817)
Holders share in Fund grantee provision	(225,940)	(274,644)
	167,543,752	158,936,562

(13) Fixed Assets

Cost	Motor Vehicles	Furniture & Fittings	Equipment & Generators	Office Equipment	Lands	Buildings	Total
	SDG	SDG	SDG	SDG	SDG	SDG	SDG
January 1, 2010	6,138,259	12,850,727	6,676,599	9,755,217	3,955,692	17,118,982	56,495,476
Additions	1,289,695	800,927	462,548	468,067	552,039	2,749,259	6,322,535
Revaluation additions	0	0	0	0	34,616,710	13,761,561	48,378,271
Disposals	(511,245)	(46,836)	(119,812)	(4,150)	0	0	(682,043)
As of December 31, 2010	6,916,709	13,604,818	7,019,335	10,219,134	39,124,441	33,629,802	110,514,239
Depreciation							
January 1, 2010	3,958,963	9,062,842	4,360,526	4,781,829	309,877	3,571,996	26,046,033
Charge for the year	1,017,466	1,274,755	664,424	1,481,757	324,632	463,598	5,226,632
Disposals	(508,570)	(42,412)	(115,740)	(4,150)	0	0	(670,872)
As of December 31, 2010	4,467,859	10,295,185	4,909,210	6,259,436	634,509	4,035,594	30,601,793
Net Carrying Values							
As of December 31, 2010	2,448,850	3,309,633	2,110,125	3,959,698	38,489,932	29,594,208	79,912,446
As of December 31, 2009	2,179,296	3,787,885	2,316,073	4,973,388	3,955,692	13,546,986	30,759,320

Included in lands a leased land amounting to SDG 10,821,051 is amortized over 30 years.

(12) Other Assets

	2010 SDG	2009 SDG
Receivables under collection (note 12/1)	46,553,601	53,350,941
Revaluation of assets and liabilities (note 12/2)	28,309,064	28,309,067
Accrued revenue	8,766,850	10,903,316
Staff loans	18,092,510	12,664,105
Other Debit Balances	8,330,000	0
Legal claims	3,055,837	4,046,378
Prepaid expenses	2,624,238	2,319,691
Inventory - printing	467,719	624,309
Rehabilitation expenses	2,882,063	3,399,806
Capital work in progress	1,403,847	3,135,605
Inventory - Goods	15,005,290	3,557,450
Direct Investment	3,388,667	1,208,048
Loans without profits	1,500,000	0
Others	1,312,223	0
Exchange revenue for Central bank of Sudan (note 12/3)	8,646,508	0
Provision for doubtful debts	(1,209,430)	0
	149,128,987	123,518,716

(12-1) Receivables under collection

Representing long outstanding receivable since 2003, and the Central bank approved to be amortized over 10 years starting from 2008 by charging the income statement SDG 6.5 million annually.

(12-2) Revaluation of Assets and Liabilities

Representing foreign exchange losses arising from revaluation of assets and liabilities of the bank from foreign currencies to local currency which related to year 2009, the management agreed with Central bank to amortize these losses over 6 years starting from 2011 by charging the income statement SDG 4.7 million annually.

(12-3) Exchange revenue for Central bank of Sudan

These are purchasing foreign currencies transactions from bank's customers for Central bank of Sudan. And due to these transactions receivables from Central Bank raised in local currency and liabilities for Bank of Sudan in foreign currencies, and this balance is the net result between the receivable and liability as follows:

	SDG
Receivable from Central Bank (Local currency)	47,499,781
Liability for Central Bank (Foreign currencies)	38,853,273

(7/4) Ijarah certificates (Shama)

Shama certificates are Khartoum Refinery bonds which are quoted and listed in Khartoum stock exchange with an average return of 14% distributed every 3 months and the maturity of these bonds are 7 years started from October 2010.

(8) Available for Sale Investments

	2010 SDG	2009 SDG
Gulf Mills Co. *	24,154,632	56,585,334
Kenana Dairy Factory	0	2,660,000
Financial Investment Bank	2,117,016	1,960,200
Transworld Petroleum	0	500,000
National Agency for Export Development	250,000	250,000
Electronic Banking Services	126,114	106,310
Rayaam Printing and Publishing Co.	100,000	100,000
	26,747,762	62,161,844

*An impairment loss was recognized as a result of the measurement of the bank's investment in Gulf Mills Co. (refer to note 27).

(9) Investments in Subsidiaries

	2010 SDG	2009 SDG
Sudanese Investments and Projects Co.	3,999,200	3,999,200
Al Faransi Financial Services Co.	2,970,000	1,980,000
	6,969,200	5,979,200

(10) Mudaraba Investments

	2010 SDG	2009 SDG
Mudaraba with financial institutions	60,000,000	1,540,000
Investment Funds	71,605,455	99,346,735
	131,605,455	100,886,735
Less: provision for finance losses (note 6/1/1)	(2,276,055)	0
	129,329,400	100,886,735

(11) Musharaka Investments

	2010 SDG	2009 SDG
Musharaka with domestic customers	55,593,919	45,180,373
Less : provision for finance losses (note 6/1/1)	(699,711)	(359,372)
	54,894,208	44,821,001

(6/1) Provisions for finance losses & doubtful debts

	2010 SDG	2009 SDG
General provision:		
Balance at beginning of the year	3,299,773	3,672,652
Provision for the year	796,456	(372,919)
Balance at end of the year	4,096,198	3,299,733
Specific provision:		
Balance at beginning of the year	16,309,050	7,383,560
Provision for the year	4,598,838	8,925,490
Balance at end of the year	25,004,086	16,309,050
Total Provision (General +Specific)	5,395,303	19,608,783
Total Provision expensed (General +Specific) for the year	5,395,303	8,552,571

(7) Investments in securities held to maturity

	2010 SDG	2009 SDG
Shahama securities (Note 7/1)	124,161,000	233,282,000
Shihab securities (Note 7/2)	2,000,000	2,000,000
Government's Bonds (Note 7/3)	47,522,000	49,097,000
Shama (Note 7/4)	9,435,500	0
	183,118,500	284,379,000

(7/1) Shahama certificates

These are government certificates issued by Ministry of Finance on behalf of Government of Sudan and are distributed by Sudan Financial Services Company. Shahama certificates are issued based on Musharaka contract. The average annual return on these certificates is ranging from 12% to 15%.

(7/2) Ijarah certificates (Shihab)

These certificates are issued by Sudan Financial Services Company to invest in Central Bank's building. The relationship between Sudan Financial Services Company and the investors is based on agency agreement. The average annual return on these certificates is ranging from 10% to 12%.

(7/3) Government's Bonds

These bonds are issued by the Ministry of Finance and are distributed through Sudan Financial Services Company. The maturity of these bonds is from 2 to 6 years, these bonds are ijarah contracts invested in assets management. The profits distributed every 3 months and these bonds are quoted and listed in Khartoum stock exchange.

(2) Significant accounting policies (continued)

xii- Impairment and uncollectibility of financial assets:

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, an impairment loss is recognised in the consolidated statement of income.

xiii- Liabilities:

Liabilities are recognized for amounts to be paid in the future for materials and services received, whether billed by the supplier or not. These are carried at cost, which is the fair value of the consideration to be paid in the future for amounts payable.

(3) Shari' a Supervisory Board (SSB)

The Bank's business activities are subject to supervision of Shari' a Supervisory Board. The Shari' a Supervisory Board has been appointed by the shareholders. The Shari' a Supervisory Board has the power to directly review and supervise the activities of the Bank.

(4) Cash and cash equivalents

	2010 SDG	2009 SDG
Cash in hand and in ATM	44,127,562	51,851,909
Balances with Central Bank of Sudan	203,729,609	238,626,278
Checks under Collection	0	254,411
Cash with foreign correspondent banks	54,658,625	25,295,475
	302,515,797	316,028,073

(5) Central Bank of Sudan - Statutory cash reserve

	2010 SDG	2009 SDG
Local currency	74,705,130	56,039,691
Foreign currency	26,975,484	17,648,235
	101,680,614	73,687,926

(6) Sales receivables

	2010 SDG	2009 SDG
Murabaha	292,468,038	311,285,389
Salam	3,920,215	1,989,685
Mugawla	28,999,172	36,916,567
Micro Finance	217,736	0
Deferred payment sales	4,561,514	1,087,649
Shipping Documents	42,423,639	37,686,916
	372,590,314	388,966,206
Less: Deferred profits	(28,849,825)	(32,949,992)
	343,740,489	356,016,214
Less: provision for doubtful debts (note 6/1)	(22,028,320)	(19,249,411)
Sales receivables (net)	321,712,169	336,766,803

(2) Significant accounting policies (continued)

vii- Provisions:

Provisions are recognized when the Bank has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can reliably be measured.

viii- Employees end of service benefits:

End of service benefits payable to employees at the end of their services are provided for in accordance with Sudanese labour law.

ix- Measurement of investments & finance at the end of the period:

a. Sales receivable:

Sales receivable are initially recorded at cost, at the end of the financial period sales receivables are measured at their face value or net realizable value, whichever is less.

b. Mudaraba:

Mudaraba is measured by the amount paid or the amount placed under the disposition of the Mudarib less the portion of the Mudaraba capital recovered from the Mudarib (if any).

c. Musharaka:

Musharaka is recorded at cost less any impairment loss in the statement of financial position.

d. Available for sale investments:

Available for sale investments which are shown in the balance sheet at fair value and any difference is carried to the revaluation reserve as part of equity. Where fair value cannot be reliably measured, those investments are carried at cost.

x- Zakah and Tax treatment:

The Bank is subject to the Zakah and Tax according to regulations prescribed by Zakah and Tax authorities.

The Bank is subject to Business Profit Tax after excluding profits from investments in Shahama's bonds.

xi- Return on unrestricted investment account holders:

The Return on unrestricted investment accounts is calculated on a yearly basis. The Bank allows the investment account holders to withdraw funds from their investment accounts before maturity with a condition that they forfeit any accrued profits, and in the case of Mudaraba transactions with specified period of investment, the Bank as Mudarib, retains the right to hold the Mudaraba instrument to its maturity.

Profits are allocated between the unrestricted investment account holders and the Bank's share holders according to the contribution of each of the two parties. Those profit added to their accounts after the approval of Shari' a Supervisory Board and the regulatory authorities.

(2) Significant accounting policies (continued)

iii- Foreign Currencies:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date. Monetary assets and liabilities at balance sheet date, denominated in foreign currencies, are translated at the exchange rates prevailing at the balance sheet date. Foreign Currency differences related to normal bank transactions in investments denominated in foreign currencies, whether gains or losses, are treated as revaluation differences. Other realized and unrealized gains or losses on foreign exchange are credited or charged to the income statement.

a. Murabaha and Istisnaa:

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

b. Mudaraba Financing:

Mudaraba financing is recognized in the Income Statement at the time of liquidation or to extent of profits being distributed or at declaration date or when such profits can reasonably be estimated.

c. Musharaka and Salam Financing:

The profits from Musharaka and Salam transactions are recognized at the time of the liquidation.

d. Income from banking services:

Income from banking services is recognized at the time the related services are provided and the amount of revenue can be measured reliably

h. Dividends income and Profit from Securities:

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

v- Provision for doubtful debts:

The provision for doubtful debt is based on the assessment of collectability of each debt and in accordance with the directives of the Central Bank of Sudan and the Bank's policy.

vi- Cash and cash equivalents:

For the purpose of preparation of the statement of cash flows, cash and cash equivalents consist of cash with banks (current accounts) and balances with Central Bank of Sudan and cash in hand.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

(1) Incorporation and activities

Sudanese French Bank (the Bank) was established in 1978 and started its banking activities in January 1979, In 1981 the name of the bank was changed to Sudanese International Bank; in 1993 the name was changed to Sudanese French Bank as a public listed limited liability company under Companies Act, 1925 with registration certificate No. 1152. The Bank is providing commercial, financial, investments, development projects financing and banking services according to Islamic rules and principles.

The Bank is providing its services from the head office which is located at Qaser Street and through its branches located in Khartoum and other states.

i- Basis of preparation:

1. The financial statements are prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as required by the Central Bank of Sudan and Shari'a Supervisory Board (SSB) requirements.
2. The financial statements have been presented in Sudanese pounds (SDG), the functional currency.
3. The financial statements are prepared on the historical cost concept except for the re-measurement at fair value of securities classified as available for sale.
4. The Bank uses the accrual basis in recording its assets, liabilities, revenues and expenses.
5. The accounting policies for the current year are consistent with pervious year.

ii- Fixed assets:

Fixed assets are stated at cost less accumulated depreciation and any impairment in value.

Depreciation of fixed assets is calculated on a straight line basis over their estimated useful lives, as follows:

Motor vehicles	15%
Machinery and equipment	10%
Furniture	10%
Buildings	25%
IT equipment	20%

The carrying amounts of the Bank's fixed assets are reviewed at each balance sheet date to determine whether there is any indication or objective evidence of impairment. If any increase in the recoverable values the new values will be booked and difference between the carrying values and the new recoverable values will be charged to equity to decrease the revaluation reserve.

The leased hold land amortized over period of 30 years which is the contract duration.



Statement of Changes In Equity
Year Ended December 31, 2010

	Paid up Capital SDG	Retained Earnings SDG	Statutory Reserve SDG	General Reserve SDG	Special Reserve SDG	Revaluation Reserve SDG	Proposed Dividends SDG	Total SDG
Balance at January 1, 2009	87,507,043	1,897,168	8,276,338	7,448,704	5,688,877	10,265,351	-	121,083,481
Net income for the Year	-	23,937,489	-	-	-	-	-	23,937,489
Proposed bonus share	11,122,897	(11,122,897)	-	-	-	-	-	0
Dividends paid	-	(9,788,149)	-	-	-	-	-	(9,788,149)
Increase in Capital Reserves	1,476,130	0	-	-	-	-	-	1,476,130
Prior year adjustments	-	(2,393,749)	2,393,749	-	-	-	-	0
	-	(1,223,574)	-	-	-	-	-	(1,223,574)
Balance at December 31, 2009	100,106,070	1,306,288	10,670,087	7,448,704	5,688,877	10,265,351	-	135,485,377
Prior year adjustments	-	(65,065,641)	-	-	-	-	-	(65,065,641)
Net income for the year	-	22,443,673	-	-	-	-	-	22,443,673
Proposed dividends	-	(10,010,607)	-	-	-	-	10,010,607	0
Reserves	-	(2,244,367)	2,244,367	-	48,378,271	48,378,271	-	48,378,271
Balance as at December 31, 2010	100,106,070	(53,570,654)	12,914,454	7,448,704	34,067,148	10,265,351	10,010,607	141,241,680


Osman Salman M. Nour
Chairman

Osman Hamad M. Khair
Director

Mahgoub Hassan Shabo
General Manager

Statement of Cash Flows
Year Ended December 31, 2010

	Note	2010 SDG	2009 SDG
Operating activities			
Net income for the year		22,443,673	23,937,489
Adjustment for:			
Depreciation of fixed assets		5,536,509	4,520,404
Depreciation of fixed assets (Disposal)		(670,872)	-
Provision		-	6,783,617
		27,309,310	35,241,510
Changes in operating assets, liabilities and unrestricted investment accounts			
Central Bank of Sudan - Statutory cash reserve		(27,992,688)	27,320,872
Sales receivables		15,054,635	25,618,044
Investments		97,168,710	(114,181,873)
Other assets		(25,610,271)	(31,419,482)
Current accounts		(20,187,308)	81,682,922
Provision		23,023,317	-
Equity of unrestricted investment account holders		8,607,190	37,885,971
Other liabilities		(40,179,038)	1,688,391
Prior year Expenses		(65,065,641)	(1,223,574)
Cash used in operations		(35,181,094)	27,371,271
Net cash from (used in) operating activities		(7,871,784)	62,612,781
Investing activities			
Purchases of fixed assets		(6,322,535)	(5,160,501)
Disposal of Fixed Assets		682,043	23,330
Net cash from (used in) investing activities		(5,640,492)	(5,137,171)
Financing activities			
Share Capital		-	12,599,027
Reserves		-	2,393,749
Dividends		-	(23,304,796)
Net cash from financing activities		-	(8,312,020)
Increase / (Decrease) in cash and cash equivalents for the year		(13,512,276)	49,163,590
Cash and cash equivalents at the beginning of the year		316,028,073	266,864,483
Cash and cash equivalents at the end of the year		302,515,797	316,028,073



Osman Salman M. Nour
Chairman



Osman Hamad M. Khair
Director



Mahgoub Hassan Shabo
General Manager



Income Statement
Year Ended December 31, 2010

	Note	2010 SDG	2009 SDG
Income			
Income from deferred sales	20	28,179,132	27,061,096
Income from investments	21	45,157,454	45,371,824
Total income from finance and investments		73,336,587	72,432,920
Less: Return on unrestricted investment accounts		(14,811,226)	(14,164,487)
Bank's share in income from investments (as Mudarib and fund owner)		58,525,361	58,268,433
Income from banking services	22	37,746,745	45,350,421
Other income	23	10,531,994	1,512,138
Total Bank's income		106,804,099	105,130,992
Expenses			
Staff cost	24	(36,209,789)	(32,286,550)
General and administration expenses	25	(16,982,849)	(17,303,096)
Depreciation and Amortization	26	(14,535,447)	(13,264,599)
Investment and Finance Provisions	6/1	(5,395,303)	(8,552,571)
Total Expenses		(73,123,388)	(71,406,816)
(Loss) from foreign currency revaluation		(9,034,000)	(6,203,000)
Net income before zakah and tax		24,646,711	27,521,176
Zakah provision		(2,203,038)	(3,243,832)
Tax provision		-	(339,855)
Net income for the year		22,443,673	23,937,489
Earnings per share	28	0.34	0.36

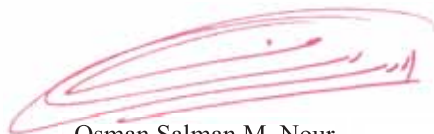
Osman Salman M. Nour
Chairman

Osman Hamad M. Khair
Director

Mahgoub Hassan Shabo
General Manager

Statement of Financial Position
At December 31, 2010

	Note	2010 SDG	2009 SDG
Assets			
Cash and cash equivalents	4	302,515,797	316,028,073
Central Bank of Sudan - Statutory cash reserve	5	101,680,614	73,687,926
Sales receivables	6	321,712,169	336,766,803
Investments in securities held to maturity	7	183,118,500	284,379,000
Available for sales investments	8	26,747,762	62,161,844
Investments in subsidiaries	9	6,969,200	5,979,200
Mudaraba investments	10	129,329,400	100,886,735
Musharaka investments	11	54,894,208	44,821,001
Other Assets	12	149,128,987	123,518,716
Fixed assets	13	79,912,446	30,759,320
Total Assets		1,356,009,083	1,378,988,618
Liabilities, Unrestricted Investment Accounts and Shareholders' Equity			
Liabilities			
Current Accounts	14	876,090,068	896,277,376
Other Liabilities	15	141,326,649	181,505,686
Provisions	16	29,806,934	6,783,617
Total Liabilities		1,047,223,651	1,084,566,679
Equity of unrestricted investment account holders	17	167,543,752	158,936,562
Shareholders' Equity			
Paid up capital	18	100,106,070	100,106,070
Reserves	19	84,695,657	34,073,019
Retained earnings		(53,570,654)	1,306,288
Proposed dividends	18	10,010,607	-
Total Shareholders' Equity		141,241,680	135,485,377
Total Liabilities, Unrestricted Investment Accounts and Shareholders' Equity		1,356,009,083	1,378,988,618



Osman Salman M. Nour
Chairman



Osman Hamad M. Khair
Director



Mahgoub Hassan Shabo
General Manager



البنك السوداني الفرنسي
SUDANESE FRENCH BANK

التقرير السنوي 2010

MUBARAK

For Accounting, Auditing & Financial Consultancy
Certified Public Accountants

Independent Firm, Correspondent of
ERNST & YOUNG

مبارك

للمحاسبة والمراجعة والإستشارات المالية
محاسبون قانونيون
مكتب مستقل، مراسلون
إرنست ويونغ

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUDANESE FRENCH BANK

We have audited the accompanying financial statements of Sudanese French Bank, which comprise the financial position as at 31 December 2010 and the income statement, cash flows statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Accounting Standards issued by The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Audit Standards Issued by (AAOIFI). 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards of The Accounting and Auditing Organization for Islamic Financial Institutions.

Mubarak Ali Ibrahim – Partner

April 3, 2011



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تلفون : 00249183779392 – فاكس : 00249183787665
مبنى الهيئة العربية للاستثمار والإتماء الزراعي – الطابق الثالث – شارع البلدية – الخرطوم
ص.ب 6556 – السودان
بريد إلكتروني : info@maafc.com

**May Mercy of God and His Mercy be upon you
Resolutions of the Regular General Assembly NO 42**

Resolution (1)

Approval of the Board of Directors report and adoption of the financial situation statement, distribution of profits accounts and the reports of the certified auditor and Islamic Sharia Control Commission for the year ending on 31/12/2010.

Resolution (2)

Approval of the recommendation of the Board of Directors, to distribute profits at the ratio of 10% of the nominal value of the share.

Resolution (3)

Approval of the recommendation of the Board of Directors, to pay their remunerations for the year 2010.

Resolution (4)

Appointment of Messrs Mubrak accounts, auditing and financial consultation, to audit the bank accounts for the year 2011, and to delegate the Board of Directors to fix and pay their remunerations.

Resolutions (5)

Appointment of Islamic Sharia Control Commission and delegate the Board of Directors to fix their remunerations for 2010.



إسماعيل عبد الله محمد صالح

**Ismail Abdullahi Mohamed Salih
Secretary of Normal 42nd General Assembly**



Now on behalf of the Board of Directors I will deliver to you our recommendations to approve and adopt them according to the rules and regulations:

1. Approve the report of the Board of Directors for the year 2010.
2. Approve the report of the certified auditor for the year 2010 (After it is delivered)
3. Approve of Islamic Sharia Control Commission report (after it is delivered).
4. Adopt the final accounts and the income statement including the account of profits distributions.
5. Approve the 10% distribution of the nominal price of shares as profits in cash.
6. Approve the remunerations of the members of the Board of Directors for the year 2010.
7. Appointment of Messrs Mubarak Accounts , Auditing and Financial Consultations to audit the bank accounts for the year 2011 and authorize the board to fix their remunerations.
8. Elect the Islamic Sharia Control Commission for 2011.

Honorable Brothers and Sisters ..

Supported by God and inspired by responsibility this is what we were able to achieve. We hope that our effort will be accepted by you with the blessing of God. If this happened it will give us a push. Shouldering responsibility is a test in front of God, you and history.

On your behalf I thank everyone who shared with us this responsibility and work.

Greetings and gratitude to the Central Bank of Sudan, its previous Governor Dr. Sabir Mohamed Hassan, and to its Governor Dr. Mohamed Kheir Al Zubair, his assistant brother Badr El Din Mohamoud and to their colleagues the assistant governors and directors for supporting the bank.

Many thanks to the brothers and colleagues members of the administrative committee for their sustainable efforts and the members of revision and regulations committee and the Islamic Sahira Control Commission for their efforts and support.

Gratitude to the Board Secretariat for their sincere help which resulted in the excellent performance of the Board and its committees.

Thanks and gratitude to H.E. the Wali, police and local council of Khartoum and others whom we did not mentioned for their support and efforts to make this meeting take place.

“Our Lord ! Cause not our hearts to stray after Thou has guided us, and bestow upon us mercy from Thy Presence, Lo! Thou, only Thou art the Bestower”

- Improve banking industry tools by improving banking technology.
- Support administrative, technical, legal and accounts procedures to reflect the real status of the bank in a transparent and clear way and in full cooperation with internal auditors, the auditing and control committee and with certified auditors from outside the bank.
- Complete all the administrative organizational set up of the bank according to the directives of the Central Bank to activate the role of boards of directors.
- Intensify work with correspondents to increase and avail more foreign currency in this situation of economic lockade imposed on Sudan.
- Permanent and continuous efforts to lower expenditure and support income without affecting the routine, work, to achieve the usual domestic ad international running cost rate.

Honorable Audience ..

The certified auditor forwarded his report for the year 2010 which is included in the administration address. He highlighted in his report the negative aspects in the flow of work. This requires intensified meetings of the Board in the next period to correct the negative aspects as we are going to face a very important era after the separation of the South.

This era we should face with a firm and strong will and a belief that the banking system has a key role to play in supporting the economic activities.

This cannot be achieved without correcting the negative aspects mentioned by the auditor through the bank tools represented in its existing committees I would like here to appreciate the role of these committees in supporting the board and the flow up of daily work starting from the administrative committee, revision and regulations committee, which evaluate the risks, and ending with Sharia Control Commission and its important role.

It worths mentioning that there were some violations in 2010 and the bank took all the administrative and legal steps towards them.

Brothers and Sisters ..

I am going to make a short summary of the figures in front of you concerning the financial statement list and its attachments on 31/12/2010.

Item	2010 million SDG	2009 million SDG	%
Total Assets	1.3.56	1.378	-2%
Total Cash & Cash equivalent	404	391	+3.3%
Total Finance (Local + Foreign)	646	698	-7%
Savings (Local +foreign+ margins)	1113	1136	-2%
Shareholders equity +paid up Capital	141	135	+4%
Total income including unrestricted investment Acc.	121	119	+ 2%
Total liabilities including (appreciation + bad debts)	73	71	+ 3%
Total income after Zakat	22	24	-8%
Ratio of income to paid up capital	22%	24%	

We believe that what was achieved was below our expectations due to the factors I mentioned before.



Chairman's Report

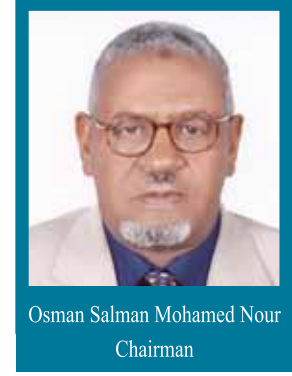
In the Name of Allah, the Beneficent, the Merciful

“And the King said: Lo! I saw in a dream seven fat kina which seven lean were eating, and seven green ears of corn and other (seven) dry. O notables! Expound for my vision, if you can interpret dreams”.

Joseph (43)

Honorable Brothers and Sisters ..

On behalf of the French Bank Board of Directors I would like to welcome you in your home after accepting our invitation to attend the 42nd general assembly to listen, discuss and make your suggestions which will be the guidelines for the board of directors to develop and improve performance towards the better and the best.



Osman Salman Mohamed Nour
Chairman

Honorable Shareholders ..

Today I will address you in a casual and untraditional way because we are surrounded by many burdens caused by successive variables which affect banking performance and banking industry in all its aspects domestically, regionally and internationally. We will make this in concrete points which we can handle easily with transparency and explicitness.

First: The International financial crises is still extending its shadows on domestic banking and restricting its activities from taking off to wider horizons in the presence of unfair economic blockade and the expansion of banking base within the country.

Second: A drop in cash flows and retreat in export operations which represent the cover-stone in banking activities.

Third: To revise many financial burdens which the bank administration and the external auditor considered extinguishing them necessary as these debts are outstanding the bank since the year 2003 and caused continuous gaps which the bank was able to overcome because it is strong enough.

Fourth: To support the bank abilities its fixed assets were re-evaluated, after the approval of the Central Bank, and added to the owners' equity which was affected by the previously mentioned extinguishing specially the item of after services benefits of employees which was not practiced, beside the difference in the value of assets for sale (Gulf Flour Mills) which the bank could not sell at a reasonable price.

In such a situation, the only available option was to depend- after God Almighty- on our own resources; develop them to achieve the maximum satisfactory return we can. Our maneuvering should be organized and well planned and it can be summarized in the following:

- To maintain the position of the bank in the circle of banking activities which is getting wider and wider by the emergence of foreign well-based banks we should upgrade our performance and creative competition.
- To depend more and more on local financing with special concentration on commercial, industrial and agricultural activities in the fields of cement- corn, sugar , gold exports
- Horizontal integration of the bank- supporting its branches, attract customers, improving performance and efficiency of clients' services- give special consideration to marketing strategy.
- Adopt small scale finance as it's is a strategy of the state to fight unemployment and support small scale projects.



Departments Managers

Adil Salih Bilal	Internal Auditor Dept.
Suad Yousif Zimrawy	Human Resources Dept.
Mohamed Batran Hamad	Computer & Information Technology Dept.
Sief Eldin Elfakki Mohammed	Legal Dept.
Abdulrahman Abdulla Abdulrahman	Administration Affaires Dept.
Mohamed Nory Mohamed	Foreign Relations Dept.
Alawia Mohamed Ahmed Suliman	Investment and Finance Dept.
Mohy Eldin Abd Elaziz Makki	Compliance Officer
Nayra Abd Alla Sharfi	Marketing & Research Dept.
Osman Ahmed Osman Elhassan	Financial Affairs Dept.
Mutwakel Yousif Mustafa	Risk Management Dept.
Faissal Abd Elhay Mohammed	Engineering Dept.
Adeeba Ibrahim Bushara Elsaid	Electronic Services Unit
Gamal Saad Hassan Hamada	Reconciliation Unit
Abd Elmonaim Osman Elbashir Ahmed	Central Operations Unit
Ahmed Abdulla Abdulrahman	Executive Office



Executive Management :



Mahgoub Hassn Shabo
General Manager



Kamal Abdul Gadir Saeed
Depty General Manager

Assistant General Manager :



Farah Haj Nur Tahir
Assist. G. M. For Investment, Marketing
& Research



Abd Ulmonaim Elhaj Mohammed
Assist. G. M. For Administration Affaires



Tag Elsir Hamid Abdul kareem
Assist. G. M. For Financial Affaires

Board of Directors

Mr. Osman Salman Mohamed Nour	Chairman
Mr. Abdul A'l Al Dawi Abdul A'l	Member
Mr. Hussein Fadul Ali	Member
Mr. Osman Hamad Mohamed Kheir	Member
Mr. Fuad Yousif Shaker	Member
Mr. Roger Farid Dagher	Member
Dr. Mustafa Abass Mustafa	Member
Mr. Hazem Abdul Gader Ahmed Babiker	Member
Mr. Sandel Hassan Bambo Da'ood	Member
Mr. Salah Eldin Ali Abu Elnagga	Member
Mr. Mahgoub Hassan Shabo (G. M.)	Member
Mr. Ismail Abdullah Mohamed Saleh	Board Secretary
Dr. Tag Alsir Ibrahiem Alshoush	Legal Adviser

Shariaa Supervisory Board

Mr. El Tayib El Faki Musa	Chairman
Mr. Al Bagir Yousif Mudawi	Member
Dr. Mohammed Ali Yousif Ahmed	Member
Dr. Yousif Alkbashi Idreis Soliman	Member and Shariaa Control Officer

Certified Accountants

Mubark for Accounting Auditing & Financial Consultancy – Khartoum
Tel : 83779392 - Fax : 83787665
P.O. Box 6556 - Khartoum – Sudan
E-mail : mubarak.ibrahim@maafc.com - info@maafc.com

The Bank's Shareholding in Companies and Corporations

Since its incorporation in 1978 the bank continued to share in the capitals of companies and corporations to help development projects to succeed and reflect the national role of the bank. These companies are considered an investment channel for the bank resources to achieve a reasonable return. Within this context the bank shared in some effective projects on the Sudanese economy like:

(1) The Sudanese Investment and Projects Co. Ltd (SIPCO).

This company works in diversified fields of investment and importing strategic goods and exporting Sudanese crops with high efficiency. SIPCO is a shareholder in:

1. Alfaransi Silos Company Ltd. With 99% shareholding. It is one of the pioneer companies in grain storage with a long experience in sifting, cleaning and fumigating crops. The company owns modern silos in Gadarif the construction of which costed US\$ 7,000,000. Its storage capacity is 50 tons of crops and oil seeds.
2. Alnafiza Integrated Services Company Ltd; with 47% shareholding. Motivated by Bank of Sudan's plan increase electronic payment facilities, the Sudanese Investment and Projects Co. Ltd, the Jordanian International Electronic Top- Up Company (Jordanian) and others established Alnafiza Integrated Services Company Ltd. Which is based on an electronic net to distribute pre-and post paid services using points of sales (POS) technology. The company offers its services through windows working round the clock all the year to sell telecommunication and electricity cards besides others services.
3. Juba Insurance Company.
4. Sudanese Rural Development Company.
5. The Arab Financial Services Company (Bahrain).

(2) Alfaransi Financial Services Company Ltd.

The bank coped with investment development in financial stocks by establishing this company to be the assisting arm of the bank and its clients in the field of investment in stocks. The company is a licensed agent in Khartoum Stock Exchange.

The bank is also a shareholder in the following companies:

- Financial Investment Bank
- Gulf National Flour Mills
- Kenana Friesland Dairy Company
- Al Rai Alam Printing and Publishing Company
- Electronic Banking Services Company
- National Agency for Insurance and Finance of Exports

Bank Branch

Capital Branch

Branch	P.O. Box	Area Code	Tel. No.	Fax No.
Main Branch-Khartoum	2775	+249-1	83785250 - 83776542	83779300
Algamhouria	1950	+249-1	83781735 -83778600	83773696
Khartoum(2)	6640	+249-1	83472833 - 83461107	83471627
Alsaggana	87	+249-1	83462545 - 83463905	83460589
Khartoum North	1591	+249-1	85339907 -85339908	85339910
Omdurman	1055	+249-1	87568729 - 87555068	87554643
Souk Libya	45	+249-1	87609203 - 87609201	87609202
Alsouk Almahali	12606	+249-1	83438840-83414580	83438838
AlRiyadh Khartoum	-	+249-1	83520022-83520025	83520024
Garden City	-	+249-1	83270935	83270962
Almamora	-	+249-1	83525284	83525283

States Branch

Branch	P.O. Box	Area Code	Tel. No.	Fax No.
Port Sudan	871	+249-311	820945 - 824440	826280
Qadariff	191	+249-441	843303 - 833069	843352
New Halfa	134	+249-421	822153 - 822383	822522
Madani	305	+249-511	842307 - 843076	843725
Sinnar	122	+249-561	823203 -822280	823116
Rabak	108	+249-572	825070	825145
Almanagil	12	+249-517	872112 - 879999	873200
Hasahissa	86	+249-541	832165	831050
Aldamazin	45	+249-551	822094 - 822394	822394
Obeid	432	+249-611	824333 - 823246	822670
Nyala	456	+249-711	832305 - 833280	832889
Atbra	-	+249-211	832910	832913

About the Bank

After the nationalization of foreign banks in Sudan in the early 70's, some businessmen joined by the Bank of Sudan (Central Bank of Sudan) initiated the idea of establishing a new bank. Later, a number of local and foreign corporations, in addition to, the public were attracted to invest in the new Sudanese Investment Bank which started its operations in January 1979 with a 7.5 million Sudanese Pounds capital. By 1993 the bank adopted its ongoing name of Sudanese French Bank. Growing steadily and achieving remarkable success. In voyage towards entering the international markets, the bank ended the year 2010 with nominal capital to 300 million SDG and a paid up capital of 100.11 million SDG (45 million Dollars).

Bank's Strategy

- Aware of our responsibility to contribute to the social and economic development especially by supporting the infrastructure and service sector.
- Abided by Sharia law in our undertaking and transactions.
- Committed to the profession code of conduct and ethics.
- Mindful of the role of qualified, skilled, trained workforce and technology as the underpinnings for success.
- We offer full fledged quality banking services to position the bank as the best choice for local and international customers, attract local and foreign currencies savings and provide finance in compliance with Islamic rules in our strive to enhance the owners' equity and gain customers satisfaction.

Services

- Deposit taker of all currencies.
- Financing individuals, companies and finance portfolios.
- Finance of Foreign Trade operations.
- Management of time deposits and placements.
- Trade, export and import banking operations (L/C's, L/G's, transfers, etc...)
- VIP private banking.
- Electronic banking service provider (ATM, POS, etc...)

Paid Up Capital As At 31/12/2010
Nominal Capital is 300 Million SDG

Paid Up Capital:

100,106,070 Shares at a value of 66,737,380 Share

Head Office

Al Qasr Street – Khartoum
P.O. Box: 2775 Khartoum – Sudan

Telephone: (+249) 1 83771730 – 83776542 – 83787868

Fax: (+249) 1 83790391 – 83774832 – 83771740

Web Site:

www.sfbank.net

E-Mail: info@sfbank.net

Swift code: SUFRDKH

Member of	Sudanese Bank's Association
Member of	Union of Arab Banks
Member of	Bank Deposits Guarantee Fund
Member of	Arab Trade Financing Program
Member (Observer) of	Islamic Financial Services Board – Malaysia



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أعوذ بالله من الشيطان الرجيم

قال تعالى:

﴿ وَقُلْ أَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ
وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ إِلَىٰ عَالَمِ الْغَيْبِ وَالشَّهَادَةِ
فَيُنَبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ ﴾

صدق الله العظيم
سورة التوبة ﴿ ١٠٥ ﴾