



*Five year strategic plan for
Savings & Social Development
Bank*

(2012 -2016)

Vision:

The leading financial institution in Sudan, in providing microfinance services and motivating savings culture.

Mission:

Delivers diversified financial services to the small producers across the Sudanese rural and urban community at a high quality and efficiency, aimed at alleviating poverty and unemployment and realizing financial sustainability.

Strategic goals

1- Expansion in the micro and small finance sector through application of basics and standards of the best practices, in order to contribute in the poverty alleviation.

2- Motivation of saving behavior and making it attractive among the micro and small finance customers as well as the community in general.

3- Mobilization and utilization of financial resources effectively, in order to maximize financial and social returns.

4- Optimum utilization of human resources via activation of the available technical and communicational means.

Foreword

In fact, there are many internal and external economic, social and political factors that negatively or positively affect the total performance of the Bank, thus we will outline the most significant of which as the following :

1- Foreign factors:

a- Topped by the international financial crisis that hit a number of countries across the globe.

b- The regional political changes and their reflections on the regional and international economic arena.

c- Adoption of microfinance by a considerable number of countries in the world as an important tool for alleviating poverty, combating unemployment and contributing in the economic productivity.

d- The American economic ban on Sudan and its impacts on the international trade ties and local economy.

2- Internal factors:

a- Secession of South Sudan from the North constitutes an outstanding change that would cause a lot of economic and social effects.

b- The Government has adopted a Third- Year Relief Plan to counteract secession's impacts , the matter which may lead to the adoption of a package of policies aiming at supporting agriculture, developing animal and fishery resources and gold , in order to compensate the loss of exporting oil.

c- The Government focused on alleviating poverty and combating unemployment amid vulnerable segments in the society, via adopting a package of policies and procedures including the microfinance as one of the concerned mechanisms.

d- The Central Bank of Sudan should encourage banks and local banks to play an effective role in spreading microfinance and developing its mechanisms to cope with community needs.

e- Bank of Sudan is seeking to convert Savings and Social Development Bank into one of the most important microfinance strongholds in Sudan.

f - Amid these current and expected economic changes, it is necessary to lay down a flexible medium range strategy (Five – year) to realize a financial sustainability for the Bank.

Introduction

The Savings and Social Development Bank's(SSDB) Five- year Strategy (2012-2016), comes within the framework of disclosing its commitment towards maintaining a pioneering role in the domain of microfinance . It is considered as one of the most important mechanisms of the Government in alleviating poverty and boosting economic growth .

The plan is based on the owners' tendency towards making a gradual conversion in the Savings and Social Development Bank's structure so as to enable it to play an effective role in the microfinance industry in Sudan whose initiation is expected to begin in the commencement of the year 2012 which coincided with the launching of the aforesaid Five – Year Plan . This comes as a result of studies & researches carried out by a number of consultative bodies assigned by the Central Bank of Sudan , in order to assess and lay down a plan for restructuring among of which is UNICONZ company. Although the general rates of growth in the SSDB 's different activities which included in the schedule 5 as well as in the committee of experts plan (**appointed by the SSDB's board of directors**) are approximate , the Five-year Strategy plan has adopted the budget of year 2012 as a base which exceeded all SSDB 's rates in the previous years .

The general scope of the plan comprises of the following :

Firstly: References

Secondly : Axes of plan : Include the following :

- 1- Axis of resources : Includes attraction of financial and human resources .
- 2- Axis of operational budget .
- 3- Axis of capital or construction budget .
- 4- Axis of savings attraction .
- 5- Axis of development of microfinance sector

All this will be detailed in the forthcoming pages.

Firstly : References:

The strategy plan based on the following references:

- 1- The evaluation report for the SSDB's performance over the period 2007-2010 prepared by UNICONS Consultancy Ltd.

2- The operational plan for developing microfinance sector over the period 2012-2016 prepared by UNICONS Consultancy Ltd.

3- The operational plan reviewing committee's report over the period 2012-2016 prepared by UNICONS Consultancy Ltd.

4- The tripartite Government relief program over the period 2012-2014.

5-Central Bank of Sudan policies for the year 2012.

6- Board of directors and executive committee resolutions for the period 2011-2012.

7- The SSDB budget for the year 2012 being adopted as a base for the Five- year Plan.

8- Analysis of the SSDB performance over the period 2008-2011 as clarified in the following schedule No (1):

Schedule No (1)

Growth rates average for SSDB activities over the period 2008-2011

| Statement | 2008 | 2009 | growth rate % | 2010 | growth rate % | 2011 | growth rate % | growth rate average |
|---------------------------|--------------|--------------|----------------------|-------------|----------------------|--------------|----------------------|----------------------------|
| Total assets | 462226 | 522848 | 13 | 521182 | 0 | 794354 | 52 | 22 |
| Deposits (local +foreign) | 294112 | 316202 | 8 | 338124 | 7 | 546495 | 62 | 25 |
| Capital | 58.7 | 58.7 | 0 | 58.7 | 0 | 93.7 | 60 | 20 |
| Finance portfolio | 222682 | 262001 | 18 | 324319 | 24 | 497714 | 53 | 32 |
| Revenues | 43340 | 51733 | 19 | 54861 | 6 | 69450 | 27 | 17 |
| Expenses | 31649 | 39994 | 26 | 46390 | 16 | 55393 | 19 | 21 |
| Profits | 11691 | 11739 | 0 | 8471 | 28- | 14057 | 66 | 13 |
| Manpower | 735 | 806 | 10 | 833 | 3 | 929 | 12 | 8 |
| Evaluation of SSDB | 2.4 | 2.1 | - | 2.1 | - | 1.7 | - | 2 |

Secondly: Axes of Plan:

1/2 Axis of resources:

The SSDB's resources comprise of capital, reserves and deposits from the public, private and public sector and margins ,in addition to the

foreign resources that come from different quarters to be employed in the small and microfinance activities .

We find that there are many points of strength contributing in augmenting the SSDB revenues as the following:

1- The accumulated experience of SSDB in providing finance through two outlets , outlet of the small and micro finance and outlet of the commercial finance; all of which would prepare the SSDB to operate according to a dual structure which aims at developing commercial finance and funding small projects.

2- Diversification of banking activities delivered by the SSDB which include banking services and financing services across different economic sectors, in addition to the small and micro finance services including collection of savings.

3- Continuous development in the banking technology.

4- Continuous training towards employees' skills building.

5- 90% of the SSDB clients belong to the small and microfinance category.

6- Existence of work directories in the SSDB.

According to the aforesaid points of strength which may generate a package of resources to the SSDB (schedule No.5), we can identify the following strategic goals aiming at employing and utilizing resources :

1- Boosting the SSDB to occupy the top position in the small and micro finance market in Sudan via launching a funding portfolio through which all the best practices of the small and microfinance could be implemented

2- Realization of an accumulative funding portfolio for small projects within the limit of 200,000 clients for both small and microfinance clients by the end of year 2016.

3- Maintains a sound financial position for the SSDB and guarantees its continuation as a banking institution that depends on its own resources.

4- Accesses urban and rural markets and targets productive sectors.

5- Direction of 80% of the finance portfolio towards small , micro , tiny and social oriented finance.

6- Direction of 20% of the finance portfolio towards commercial finance, in order to retain good clients who could contribute in providing resources for the small and microfinance ,in order to enhance profits and guarantee continuation.

Resources could be divided into two types :

a- Financial resources

b- Human resources

2/1/a Axis of financial resources

2/1/a/1 Axis of human resources

1/ Equity rights:

a/ Capital : The capital growth rate didn't respond to the requirements of budgeting plans over the five years ago and didn't also witness any increment except by the end of 2011 which scored a growth rate of 60% (SDG 35 million) . In order, to maintain reasonable capital adequacy ratios and provide resources for budgets aiming at augmenting the financial position of the SSDB, the plan is seeking to raise the capital by the end of year 2012 into SDG 120 million (or an annual growth rate at 35% approximately).

b/ Reserves : They have been calculated from the attained profits at an annual increasing rate within the plan period respectively : 10%,20%,30%,40%,50% 0.

Schedule (2): Highlights equity rights over five years.

Equity rights over five years 2012-2016

(Amounts in SDG millions)

Schedule No.(2)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------|-------|-------|-------|-------|-------|
| Capital | 120 | 162 | 218 | 295 | 400 |
| Reserves | 23.3 | 34.7 | 56.7 | 93.7 | 154.6 |
| Total | 143.3 | 196.7 | 274.7 | 388.7 | 554.6 |

2/ Deposits:

In order to evaluate deposits over the period 2012-2016 , it's necessary to be informed with the following :

a/ Deposits in the banking system :

The coming schedule No.(3) highlights deposits average growth in the banking system over the period 2008-2011.

Deposits in the banking system

(Amounts in SDG millions)

Schedule No. (A/3)

| Date | Deposits on demand | Deposits growth rate |
|-----------|--------------------|----------------------|
| 2008 | 6862 | - |
| 2009 | 8040 | % 17 |
| 2010 | 9795 | % 22 |
| June 2011 | 11484 | % 17 |

(Source : Bank OF Sudan Newsletter- June 2011)

Representation of SSDB's Deposits in the banking system over the period (2008-2010)

(Amounts in SDG millions)

Schedule(b/3)

| Date | SSDB's deposits | Growth | Deposits in the | Growth | Percentage of |
|------|-----------------|--------|-----------------|--------|---------------|
|------|-----------------|--------|-----------------|--------|---------------|

| | | rate % | banking system | rate% | representation |
|-------|-----|--------|----------------|-------|----------------|
| 2008 | 294 | 0 | 6862 | 0 | %4.28 |
| 2009 | 316 | %7 | 8040 | %17 | %4 |
| 2010 | 338 | %7 | 9795 | 22 | %3.5 |
| Total | 948 | | 24697 | | %3.8 |

b/ Cash out side the banking system:

The coming schedule No.(4) will reveal the cash out side the banking system:

Cash volume out side the banking system

(Amounts in SDG millions)

Schedule No.(4)

| Date | Cash in foreign currency | Cash in local currency | Cash on demand | Total of cash | |
|---------------|--------------------------|------------------------|----------------|--------------------------------|-------------------------|
| | | | | <i>Inside banking_ system_</i> | Outside banking_ system |
| December 2008 | 2940 | 6355 | 6862 | <i>16157</i> | 6774 |
| December 2009 | 3410 | 8797 | 8040 | 20247 | 8066 |
| December 2010 | 4934 | 10588 | 9795 | 25317 | 10078 |
| June 2011 | 5567 | 11449 | 11484 | 28500 | 10511 |

(Source: Central Bank of Sudan Newsletter- June 2011)

Within the schedule (1), (2),(3) and(4) ,the plan has adopted the following deposits growth rates :

1 / Saving deposits- at growth rate 30%.

2/ Current deposits – at growth rate 30% .

In line with what have been above - mentioned, the rate of growth of deposits over the forthcoming five years will be according to the following schedule (5):

Proposal of deposits over the period 2012-2016

(Amounts in SDG millions)

Schedule No. (5)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|------|
|------|------|------|------|------|------|

| | | | | | |
|---------------------|-----|-----|------|------|------|
| Current deposits | 517 | 672 | 874 | 1136 | 1477 |
| Saving deposits | 192 | 250 | 325 | 423 | 549 |
| Investment deposits | 25 | 33 | 43 | 55 | 72 |
| Total | 734 | 955 | 1242 | 1614 | 2098 |

3/ Foreign resources from other sources :

They are resources being attracted from foreign quarters (Bank of Sudan and others) and oriented towards the small and micro finance.

In spite of significance of the growth of such resources which aiming at expanding the umbrella of micro finance, it is not necessary that such growth rate percentage should be increased year after year due to the following reasons:

- 1/ The cost of finance from foreign resources is comparatively very high
- 2/ The SSDB's share from the profits is very low if compared with the earning from its internal resources.

The forthcoming schedule (6) shows attraction of foreign resources from other sources over the five years as following:

Resources from foreign sources:

(Amounts in SDG millions)

Schedule No. (6)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------|------|------|------|------|------|
| Foreign resources | 50 | 90 | 120 | 140 | 150 |

4/Total resources :

The total prospective resources will be elaborated in the following schedule:

Total attracted resources over the period 2012-2016

(Amounts in SDG millions)

Schedule No. (7)

| year | 2012 | 2013 | 2014 | 2015 | 2016) |
|-----------------------|------|------|------|------|-------|
| All types of deposits | 734 | 955 | 1242 | 1614 | 2098 |
| Foreign resources | 50 | 90 | 120 | 140 | 150 |
| Total | 784 | 1045 | 1362 | 1754 | 2248 |

2/a/b : Utilization and employment:

To realize operational objectives in the domain of small and micro-finance's progressive expansion - year after year, the coming means should be provided:

a/ Micro-finance :

1- Setting-up outlets to execute small and microfinance inside dual branches (branches with two windows- commercial& social ones), in addition to the specialized branches, sub-branches and units.

2- Recruitment and transferring number of employees into credit officer's not less than 600 ones by the end of 2016.

3- Activation of the role of a credit officer as a direct official in executing and following- up small and microfinance operations.

4- Gradual implementation of the best practices standards in executing small and microfinance's transactions by the year 2016.

5-The portfolio average at risk should not exceed 3%.

6- Continuous development in the small and microfinance techniques.

b/ Commercial finance :

1- Attraction of good customers and delivering finance to their prospective projects.

2- Establishing feasible investment portfolio in the partnership with other banks.

3- Investing in various stocks.

4- Up-grading employee's skills in indirect finance and foreign operations.

The finance portfolio composes of the following:

a/ 65% from deposits.

b/ Utilization of foreign resources that obtained from other sources at the rate of 100% .

With reference to the schedule No. (7) Being showed above, the total resources available for employment in accordance with

Schedule No. (8) Are as following:

Available resources for employment over the period 2012-2016

(Amounts in SDG millions)

Schedule No. (8)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------------------|------|------|------|------|------|
| available resources for employment | 527 | 711 | 927 | 1189 | 1514 |

2/1/C - Human resources:

The SSDB 's trend is heading to expansion in the small and microfinance 's umbrella, so the expected charts are as following :

1- General organizational structure of SSDB (model No. 1):

Two new posts were being created in the aforesaid structure ; the first one , comes under the title of deputy general manager for microfinance ; to which two departments are annexed . The second one ,comes under the title of deputy general manager for commercial investment and services; to which all sectors and other six departments in the SSDB are attached , on condition that the rest of all technical and supportive departments should be annexed to the general manager .

2- Dual branch structure (two outlets) (model 2)

It's a branch where finance is provided through two outlets (microfinance out let -commercial outlet) , beside other units

subordinate to the branch. The outlet size depends on the volume of demand on microfinance in the concerned area. In addition, The SSDB performs all banking and commercial operations amid selective clients.

3- Microfinance branch (model 3):

It is a specialized branch in the field of micro and tiny finance and often accepts savings deposits. Such branches are concentrated on the populated cities such as Khartoum and Medani . They act as model branches or centers for training of credit officers.

4- Sub-branches:

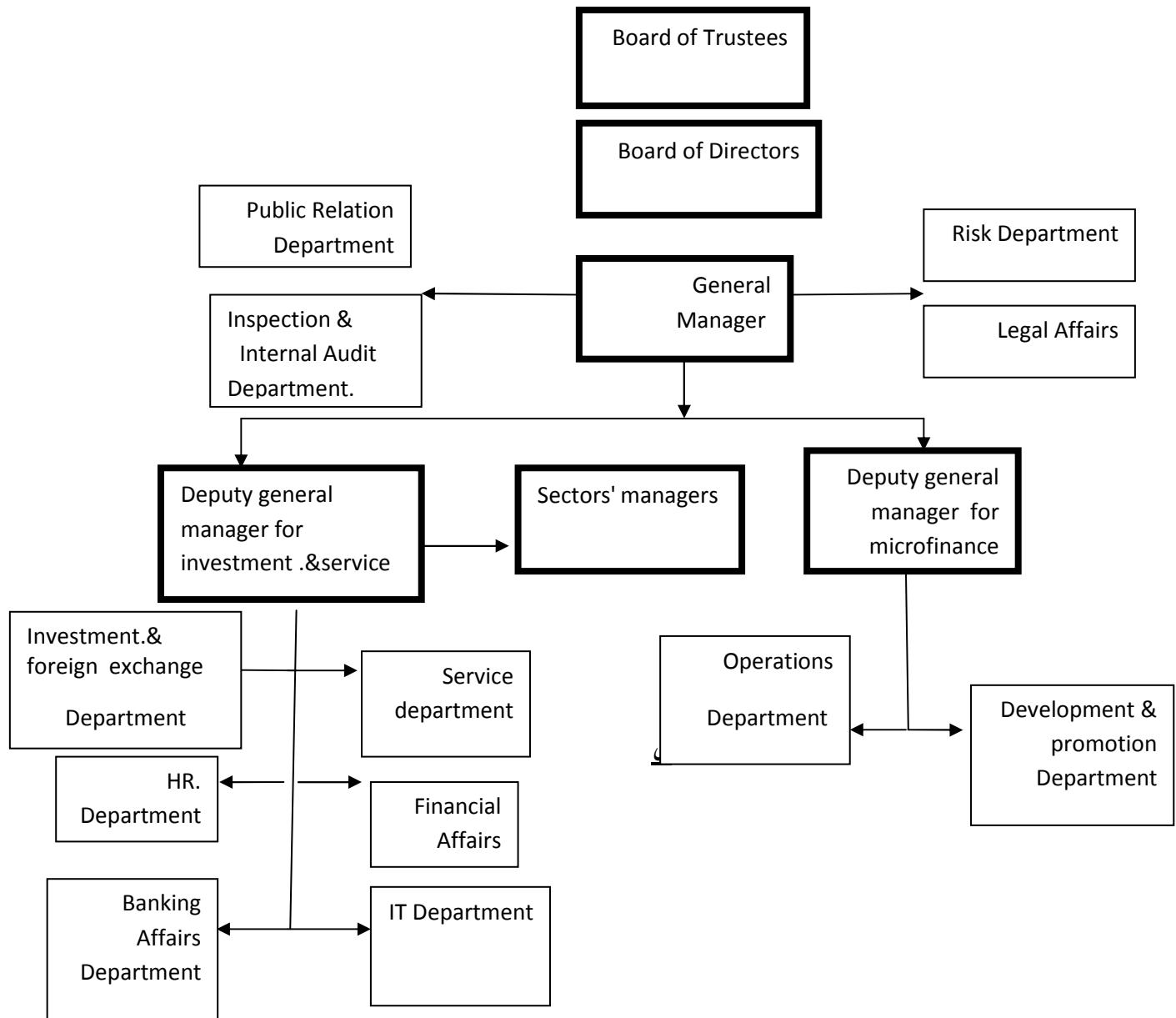
They always annex to the dual branches and perform all banking ,micro and tiny finance in the adjacent areas to their sites. The branch often assigns a number of employees in a sub- branch . The sub-branch accounts are often added to the branch's daily closing balance at the end of a day .

5- Microfinance units(model 4):

They often annexed to the branches and perform micro and tiny finance as well as attracting savings , on condition that their resources should be received from the branches they annexed to. These units should be distributed through out markets and residential locations , in order to expand the SSDB's outreach . In addition , the number of employees shouldn't exceed (8) per each unit , if it does , they should be divided into two units.

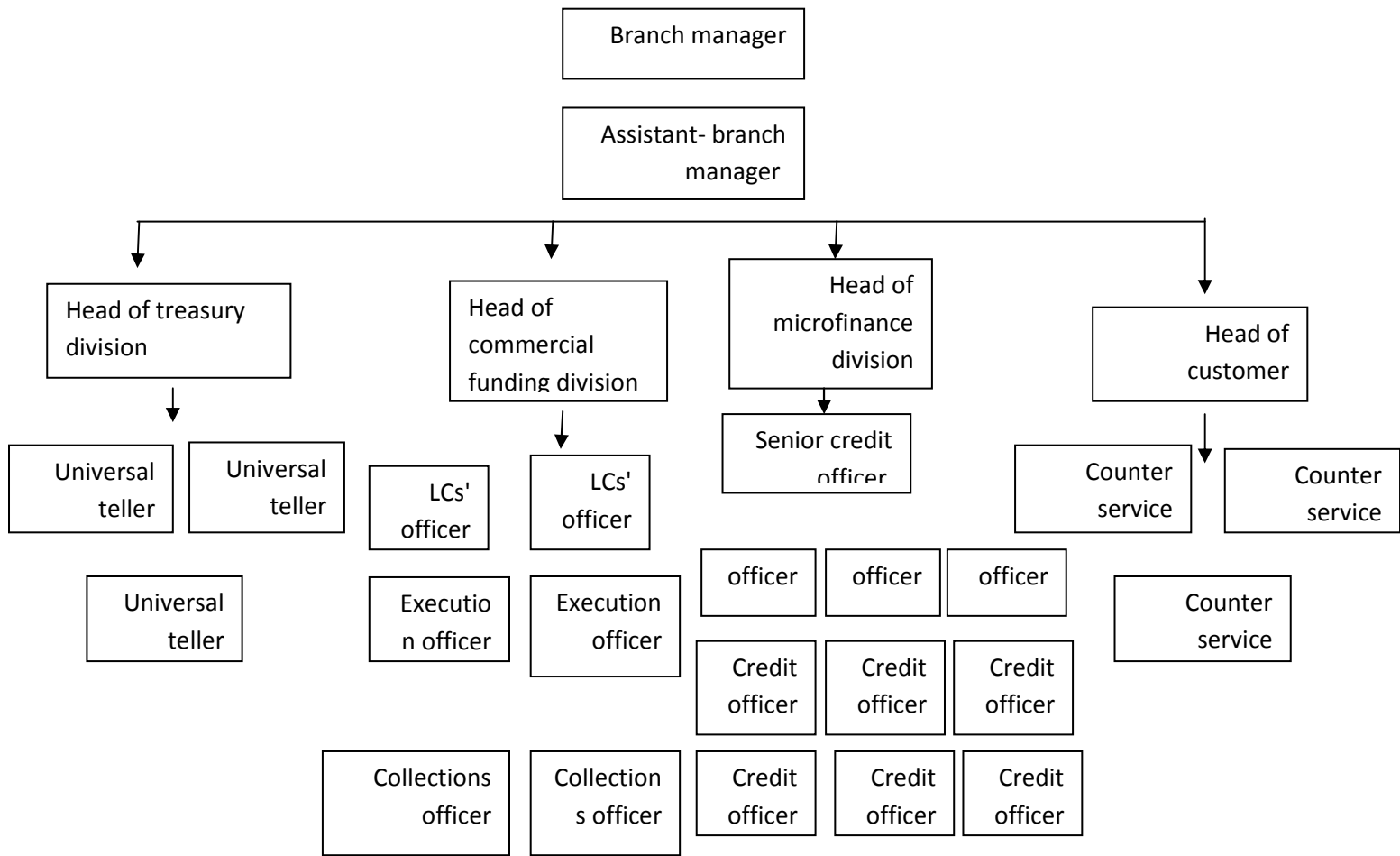
Model No.(1)

Proposed organizational structure for SSDB



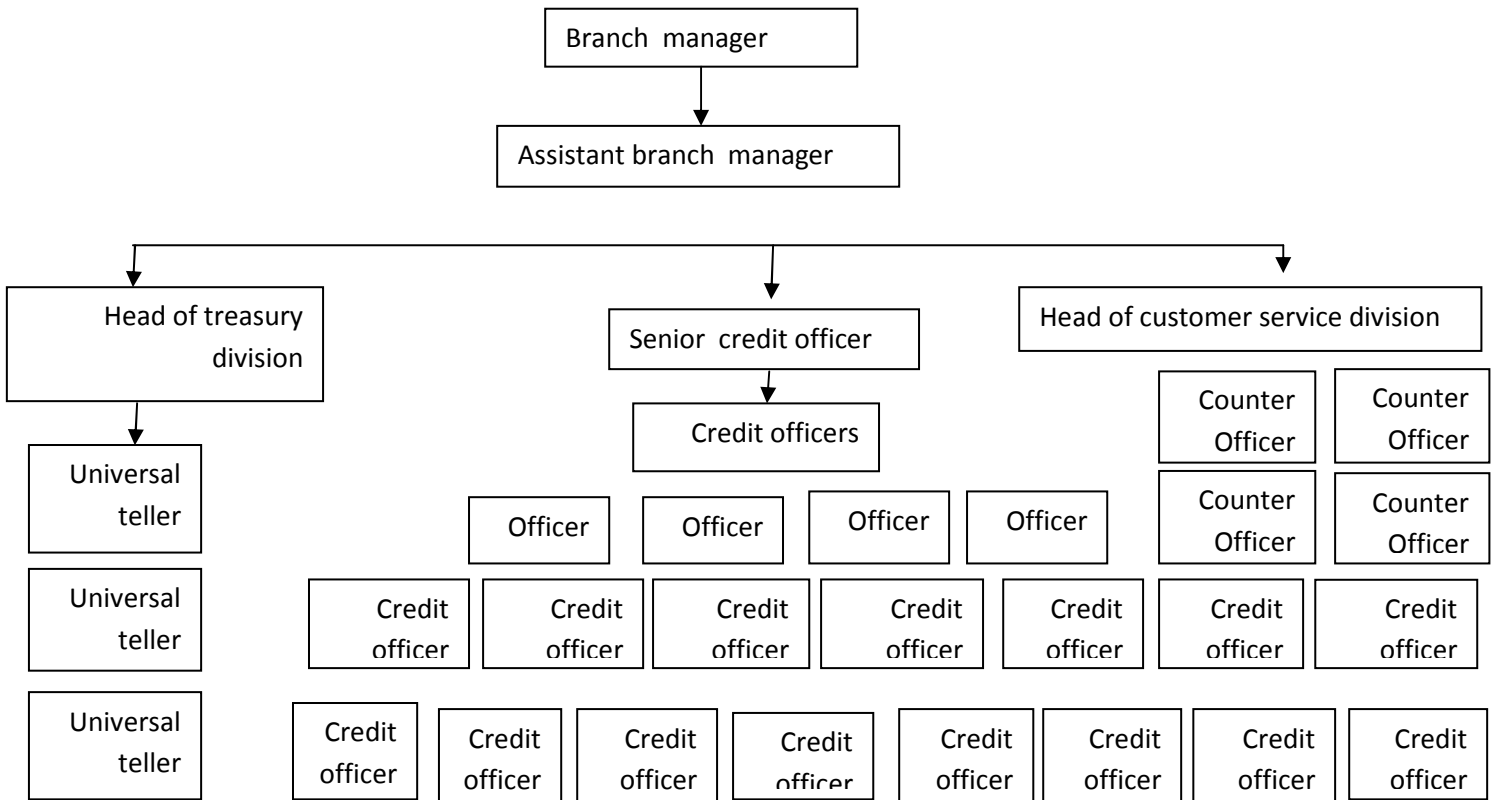
Model No. (2)

Structure of dual branch



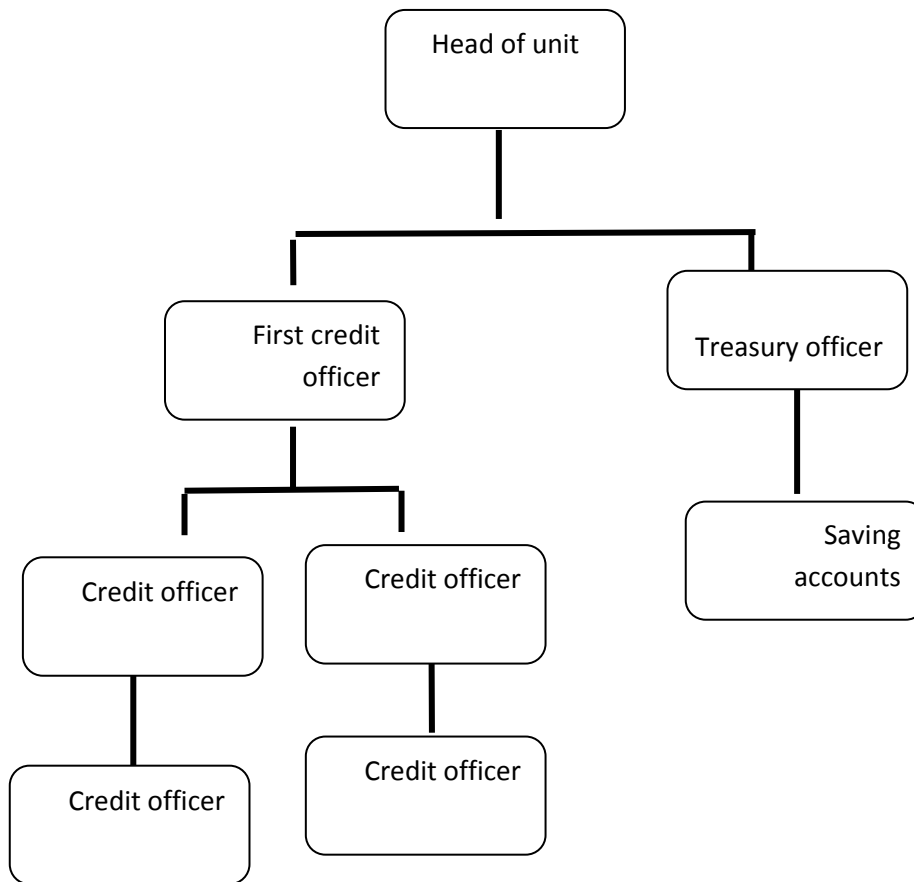
Model (3)

Microfinance's branch structure



Model No.(4)

Structure according to units



Axis of operational budget:

It Composes of revenues and expenses items as the following :

a. Calculation of funding revenues (micro and commercial funding) is based at the profit margin basis 15%.

b. Expectation of foreign currency growth at rates of 20% in the year 2013, 36% in the year 2014 and 30% for both year 2015 and 2016.

c. Expectation of banking services growth at a rate of 20% in the year 2013 and 30% for other forthcoming three years respectively.

Thus, the total revenues will be according to the coming schedule No. (9):

Total expected revenues over the period 2012-2016

(Amounts in SDG millions)

Schedule No. (9)

| item | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------------|-------|-------|-------|-------|------|
| Funding & investment revenues | 79.1 | 107 | 139 | 178 | 227 |
| Capital contributions revenues | 0.6 | 0.7 | 0.8 | 2.5 | 3 |
| Foreign exchange revenues | 10 | 12 | 14.4 | 17.3 | 20.8 |
| Banking services revenues | 16.4 | 20 | 26 | 33.8 | 44 |
| others | 2.5 | 3 | 3.6 | 6 | 8 |
| total | 108.6 | 142.7 | 185.8 | 241.8 | 310 |

2/2/2 Expenses:

With reference to the schedule No.(1), it is very clear that the average growth of expenses over the period 2008-2011 was about 21% but

changes in the Sudanese economy, economic relief program .rate of inflation and price hike in the first three years, would negatively affect expenses . Thus, we expect improvement in the economic situation and price stability within the year 2015 and 2016 according to the schedule No. (10):

*Increase salaries by 25%

* Increase administrative expenses as the following:

- %40 & 28% for year 2014.

-%18 for year 2015 .

-%20 For year 2016.

* Increase provisions by 20% .

Total of expenses over the period 2012-2016

(Amounts in SDG millions)

Schedule No. (10)

| item | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------------|------|------|------|------|------|
| salaries | 37.4 | 46.7 | 58 | 72 | 91 |
| Administrative & public expenses | 19 | 26.6 | 34 | 40 | 48 |
| provisions | 8.7 | 10 | 12 | 14 | 16 |
| total | 65.1 | 83.3 | 104 | 126 | 155 |

2/2/3 Net profit & cost rate:

Within the balancing between revenues and expenses, the net income and cost rate over five years will be identified as in the following.

Net profit and cost rate over the period 2012-2016

(Amounts in SDG millions)

schedule No. (11)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------|-------|-------|-------|-------|------|
| revenues | 108,6 | 142.7 | 185.8 | 241.7 | 310 |
| expenses | 65.1 | 83.3 | 104 | 126 | 155 |
| Net profit | 43.5 | 59.4 | 81.8 | 115.8 | 155 |
| cost | 60% | %58 | 55.9% | 52% | %50 |

Axis of outreach and construction budget:

2/3/a Current position of the SSDB outreach:

The forthcoming schedule shows the current outreach of the SSDB which covers (15) States except the Central and East Darfur States in which the Bank will open two branches in Zalingei and Ed daein in the near future.

The current position of the SSDB outreach

Schedule No. (12):

| state | Number of municipalities in the state | Number of SSDB's branches in the state | Number of municipalities where SSDB is not exist | Number of branches & sub-branches in the state |
|----------------|---------------------------------------|--|--|--|
| Al- Shamalia | 8 | 1 | 7 | 1 |
| River Nile | 7 | 3 | 4 | 3 |
| Khartoum | 7 | 3 | 4 | 9 |
| Red Sea | 8 | 1 | 7 | 1 |
| Kassala | 9 | 1 | 8 | 1 |
| Gedarif | 12 | 3 | 9 | 4 |
| Gezira | 7 | 5 | 2 | 10 |
| Sinnar | 7 | 3 | 4 | 3 |
| White Nile | 8 | 2 | 4 | 2 |
| Blue Nile | 6 | 1 | 5 | 1 |
| North-Kordofan | 13 | 2 | 11 | 2 |
| South-Kordofan | 14 | 2 | 12 | 2 |
| North-Darfur | 13 | 2 | 11 | 3 |
| South- Darfur | 12 | 1 | 11 | 1 |
| West-Darfur | 12 | 1 | 11 | 1 |
| Total | 143 | 31 | 112 | 44 |

2/3/b **Outreach over the period (2012-2016):**

The SSDB long- term strategy aimed at outreaching through out Sudan municipalities , in order to deliver financing to the intended segments via traditional means (geographical outreach), however , the provisional goal of the Five year Plan 2012- 2016 is to outreach across 50% of the above mentioned municipalities.

b/1 Geographical outreach:

Real existence of the SSDB should be reflected in terms of buildings and permanent work force through the following :

a/ Branches . b/ Sub-branches . c/ Banking outlets (units)

Schedule No.(13) clarifies geographical outreach over five years:

Geographical outreach Plan over the period 2012-2016

Schedule No. (13)

| statement | 2012 | 2013 | 2014 | 2015 | 2016 | total |
|-----------------|------|------|------|------|------|-------|
| branches | 2 | 2 | 2 | 4 | 4 | 14 |
| Sub-branches | - | 2 | 2 | 2 | 2 | 8 |
| Outlets (units) | - | 4 | 4 | 4 | 4 | 16 |
| total | 2 | 8 | 8 | 10 | 10 | 38 |

b/2 Using technology to extend outreach :

The banking arena witnessed an outstanding banking technology expansion and development over the last five years via the outreach of electronic banks. Therefore , the Bank can benefit from this technology by extending its outreach to considerable sectors in the community.

2/3/c Construction cost:

The capital will be utilized to meet the outreach requirements through purchasing assets and constructing (14) branches,(8) sub-branches and (16) outlets (units) included in the Plan with the total estimated cost of SDG 38 millions over five years which will be elaborated in the schedule (14) according to the following facts:

1/Approval of annual increase in the material cost at 15% per annum .

2/ Establishments(facilities) cost is adopted as the following :

A) The branch construction cost is estimated at SDG 1084 in the base yea 2012.

b) The sub-branch construction cost is estimated at SDG 450 in the base year 2013

c) The outlet construction cost is estimated at SDG 250 in the base year 2013.

Cost of geographical outreach over the period 2012-216

(amount in SDG thousands)

Schedule No. (14)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|-------|-------|--------|-------|--------|
| branches | 2,168 | 4,986 | 5,734 | 6,594 | 7,583 |
| Sub-branches | - | 900 | 1,035 | 1,960 | 1,944 |
| Units (outlets) | - | 1000 | 1,150 | 1,323 | 1,522 |
| Total cost for year | 2,168 | 6,886 | 7,919 | 9,877 | 11,049 |
| <i>Total cost</i> | | | 37,899 | | |

2/4 saving deposits attraction axis:

The Sudanese Saving Bank was characterized with its diversified mechanisms in attracting saving deposits such as night safes, evening work (shift) ,mobile units ,post stamps, saving certificate, family balance sheet books, saving associations in addition to the current

deposits attracting products which represent in the following :

1/ Saving accounts.

2/ Unrestricted investment accounts.

New deposits attracting products represent in the following :

1/ Investment saving deposits.

2/ Electronic deposits

Firstly: saving investment deposits:

Represent the return on investment (profits), they are part of the significant factors that encourage customers to keep their deposits inside the banking system, so the new products rely on the restricted investment deposits that employed in a quick and profitable activities where the customer receives a lion share from the profit .So the products represent in the following:

1/ saving investment deposits under the name of (your child future):

These type of deposits targets new couples and parents who like to secure their children future as well as saving schooling fees.

2/ saving investment deposits under the name (get an asset which you need):

These types of deposits targets individuals and groups who save, in order to obtain assets such as cars or houses etc. via the bank finance.

3/ saving investment deposits for microfinance clients:

These type of deposits targets microfinance clients in the Bank, aims at encouraging them to hold a volunteering saving investment

accounts that provide them with returns over the period of repayment.

4/Takaful Haj deposit:

They are deposits where their owners need to perform Haj in a takaful way (an integrative way), the Bank shall invest such deposits and grant depositors the lion share of returns on the investment.

5/ Al-Hassala (saving box):

Aims at encouraging saving investment among student's categories at different education levels as well as apprentices in the industrial areas and markets.

Secondly: Electronic deposits:

After launching the electronic portfolio service by the Central Bank of Sudan and the National Swift, the SSDB has agreed to participate in the concerned service and seeks to attract public savings by electronic cards through a large traders and agent's network that coping with the Government trend to collect dues, fees and customs by electronic means.

Volume of expected deposits over years of the plan:

Savings deposits represent 27% of the SSDB's total deposits. Since the outstanding objective of the SSDB is to mobilize and invest small savings, it seeks to maintain procedures that stimulate savings across community sectors, Universities, households as individuals or groups. In addition, it links savings to financing, especially when providing funding to associations and organizations; moreover, it seeks to establish investment funds, in order to invest savers money through designing more attractive and profitable products for microfinance clients.

The following schedule clarifies development of the saving deposits volume over the period 2012-2016:

Augmentation of saving deposits

Schedule No. (15)

| objective | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------|--|---|------|------|
| Multiplying saving deposits and relying on them as a significant resource | 192 | 250 | 325 | 423 | 549 |
| Designation of new five saving products | | Five productions as the follow : 1- future of your child 2- obtain the origin 3- microfinance's customer deposits 4- investment deposits 5- Hajj takaful deposi | A product is the Hassala (saving box) amid students and apprentices | | |

5/2 Axis of development of microfinance sector:

This axis aims at empowering SSDB to play its pioneering role in alleviating poverty as a leading institution in the microfinance and delivering financial services to the poor in urban, semi urban and rural areas. It is worth mentioning that the said services are not confined only to the credit, but include savings, insurance and other financial transactions. The above mentioned services should be delivered at a reasonable pricing that covers the cost, realizes sustainability and continuation in offering services to the concerned categories.

By analyzing the current situation of microfinance, it becomes clear that the Bank delivers microfinance to clients in the states amid a limitation in the outreach , really we do not mean a horizontal outreach, but vertical one (increase and diversity of clients in one branch).

1/ Financing:

SSDB provided funding services to approximately 30000 clients via the outstanding portfolio at the end of year 2011 for individual financings . In addition to the saving services for approximately

188000 savers. The concerned figures above mentioned allowed the SSDB to top microfinance market in Sudan compared with other banks and microfinance institutions operating in the country . On the other hand , the SSDB contribution in the microfinance field is deemed limited if compared with the increasing demand in the microfinance market which it managed to cover only 3% of it (a study of development of microfinance sector – UNICONS Consultancy Ltd. year 2006) . The Plan will focus on employees and credit officers capacity building, in order to enable them to deliver services to the under served markets by designing products that attract clients as well as introducing new funding systems and procedures helping in presenting and widening the scope of service, especially in rural areas. Hence the vertical and horizontal outreach will be achieved.

Number of credit officers and productive families over five years

Schedule No. (16)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| No. of credit officers | 120 | 240 | 360 | 480 | 600 |
| Productivity of a credit officers | 150-250 | 250-300 | 250-350 | 250-350 | 250-350 |
| Number of families accumulation | 40000 | 80000 | 120000 | 160000 | 200000 |

Usage of non-conventional guarantees:

SSDB has good experiments in the domain of diversifying, developing and creating non-conventional guarantees such as organizations, pensions, salaries, Omdas & sheikhs, Affidavit and funds guarantees i.e. The last one is often introduced by some endow mental quarters and international and regional organizations. The SSDB seeks to reduce usage of conventional guarantees, especially the third party guarantee (guarantor's cheque) which represents 64% of guarantees used in the microfinance. In addition to this, there will be a concentration on other means such as repayment cheques and bills of exchange that reduce the usage of conventional guarantees to 20% by the end of the Plan.

Usage of non- conventional guarantees

Schedule No. (17)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---|--|-------------|-------------|-------------|
| Reduction of non-conventional percentage | 64 | 50 | 40 | 30 | 20 |
| Insertion of other guarantees | Insertion of bills of exchange guarantees | Insertion of the following guarantees: 1- Insertion of repayment cheques 2- Savings seizure within the limit of 25% of the total amount of funding. 3- Guarantee of the comprehensive document for protecting microfinance. 4- Funds of the guarantee. | | | |

3/Coordination with microfinance intermediaries :

The microfinance's intermediary represents the third party between the Bank and intended beneficiaries, it involves in funding circulation and aims at contributing in delivering financing and increasing the outreach .Thus, intermediaries could be divided into two types in terms of registration and legal sphere as the following:

Type (1):

Represents the registered intermediaries according to the voluntary work law or cooperation law or societies and did not register in the Central Bank of Sudan and at the same time, comprise of the following:

Unions, societies, civil and grass-root organizations.

Type (2):

Includes companies and institutions of microfinance registered in the Central Bank of Sudan as (MFIs) that do not accept deposits. SSDB has played a big role in delivering microfinance through intermediaries of the type one- example: execution of the microfinance portfolio until the end of the year 2011which included **(212)** intermediaries. Recently, Sudan has witnessed development in the microfinance sector as well as authorization for a considerable number of (MFIs) that do not accept deposits and at the same time operate in the microfinance domain across a number of Sudan States a long with the SSDB's branches. In order, to realize harmonization and integration between the Bank and such institutions, the SSDB should deliver them funding through collective method which boosts the outreach and enables it to play the role of a pioneering institution in the field of microfinance in Sudan.

This Plan aims at reaching **(17)** intermediaries authorized by the Central Bank Of Sudan as well as(350) non- registered in the Central Bank Of Sudan by the end of year 2016.

Intermediaries of microfinance

Schedule No. (18)

| year | 2012 | 2013 | 2014 | 2015 | 2015 |
|--|------|------|------|------|------|
| MFIs registered in the Central Bank Of Sudan | 2 | 4 | 5 | 6 | 17 |
| Microfinance_intermediaries registered_according to other laws | 250 | 275 | 300 | 325 | 350 |

Diversification of microfinance modes:

Although The Bank used to apply murabaha, mugawala and bai salam modes to the investment activities when delivering finance, they may not comply with other activities , therefore other modes should be activated such as Ijara for non- vehicles and salam for non-crops, so as to create resilience for all microfinance activities.

Diversification of funding modes

Schedule No. (19)

| year | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------|-------|----------|------|------|
| Reduction of percentage funding by murabaha of | 90 | 75 | 60 | 50 | 45 |
| Activation of other modes | ijara | salam | mudaraba | | |