

Dear Members

Assalamu Alaikum

ADFIMI organized five seminars in the first quarter of 2010. Due to limitations of space we are only reporting on the first four. The seminar on Appraisal of Investment Projects was conducted in the French language in Lome for the first time, thanks to our hosts, Development Bank of Togo, and its distinguished CEO Br. Darou Salim. We are also grateful to IDB for financing the meeting.

Our thanks and appreciation also go to other co-sponsors; Industrial Development and Workers Bank of Egypt, Omdurman National Bank, Sudan, North Cyprus Development Bank, and Agrobank of Malaysia.

The most important event in the second quarter will be the 26th General Assembly to take place in Baku, Azerbaijan, on 21 June 2010.

I look forward to seeing you all in Baku.

Best Regards.

Nuri Birtek

Secretay General

- » Seminar on “Appraisal of Investment Projects”, Lome, Togo
- » News from members
- » Seminar on “Investment Analysis and Associated Financial Modelling”, Cairo
- » News from IDB
- » Seminar on “Advanced Financial Analysis and Financial Modelling”, Khartoum
- » Seminar on “Client Relationship Management Skills”, Lefkoşa, North Cyprus



Br. Mehmet Emin Özcan
ADFIMI Chairman

Member of the Executive Board
Agricultural Bank of Turkey

Role of the IMF and the Global Economic Crises

The role of the IMF has changed significantly since its foundation in 1944 when the delegates from 44 nations gathered in Bretton Woods to discuss the postwar recovery and create a set of international institutions to resolve economic issues such as protectionist trade policies and unstable exchange rates. From 1946 to 1973, the main purpose of the IMF was to manage the fixed system of international exchange rates agreed on at the Bretton Woods. As the World has changed and as more states joined the IMF, its assignments have increased. Today IMF's responsibilities can be grouped into three areas: surveillance, lending, and technical assistance to the member countries. In the context of these three, IMF monitors economic and financial developments and provides policy advice to member countries; provides financial resources under specified conditions to assist a country experiencing balance of payment difficulties; and helps on designing or improving the quality and effectiveness of domestic policy-making.

After the World has abandoned the Dollar Standard Regime, the IMF's duty in the world economy has shifted to monitoring and contributing to the global economic stability and the economic development in the member countries. It offered the countries experiencing local economic crises, such as Thailand, Turkey, Indonesia, Argentina, Brazil and Russia to decrease the level of the budget deficit and increase interest rates to encourage the foreign investors to invest in their countries. This monetary policy

has resulted in an economic growth at a lower rate than the IMF expected and even sometimes in a recession on the verge of a stagflation. Although these countries have followed the stand-by agreements with the financial support from the Fund, the IMF blamed them for not being able to succeed followed by new stand-by agreements which has created more mess.

Another issue for the IMF is the criticism of rich western countries' dominant role on the Fund where developed country governments, which represent 15% of the world population, have 60% of the votes in the IMF. The global economic crisis mean loss of homes and some income in the developed countries; however, the crisis caused loss of lives in less developed countries beside an unbearable amount of economic problems. Although the IMF has promised to give more rights to the less developed countries and balance in votes between developed and less developed countries, there is not any satisfactory information on how to implement such a change in a position where the US has a veto right and European Countries do not seem to like losing their dominance.

The IMF's argument against these criticisms is basically to say what policies work and what does not work from the economic point of view; therefore it seems that the source of the problem is irresponsible behaviour of developed countries and the Fund has not much to do if the situation does not change.

Subsequently, the answers to the questions of what would be the position of the IMF and how the IMF could contribute to the economic development all around the World are ambiguous. Another important question, would the monetary policies proposed by the IMF from a theoretical point of view to the countries experiencing crises be able to overcome the market crises? Whereas many promises are given by the developed countries and the Fund, no one has answers other than watch and learn strategy.

Bank Respublika size faydali

According to the operating results of January-December 2009, the assets of Bank Respublika totaled AZN 347.9 million, which is 10.3% less than figures from the beginning of 2009. Assets reduced due to the decreasing balance of credit portfolio (AZN 196.6 million) as a result of the Bank's conservative crediting and risk management policy. Credit portfolio now forms 56.5% of the Bank's assets.



**Oman
Development
Bank**

Oman Development Bank's new branch opened at Musannah where the branch will serve its facilities and services to local investors in all economic sectors such as agriculture, fisheries and livestock, workshops, industry, tourism and education in its region.



The international rating agency Fitch has changed the forecast for «AGBank» rating from negative to to stable. This forecast reflects potential of repayment of possible risks taking into account the quality of actives of the Bank.



The turnovers of Unibank in the retail money transfer market reached AZN 25.5 mn in 2009 representing an increase by 27.5% from 2008. 45,603 transfers without ac-

counting opening channelled through the branches and outlets in Unibank last year; the USD equivalent of 5.26 mn of inbound transfers and 26.45 mn of outgoing transfers went through the transfer systems supported by the Bank. The average monthly turnovers and the related profits of Unibank rose by 67% and 1.6 times respectively.

The deposits Unibank acquired in 2009 amounted to AZN 137,931 mn representing an increase by AZN 14.26 mn or 11.53% from 2008. The retail deposits including the balance in the settlement and current customer accounts reached the historic maximum of AZN 94,526 mn (\$117.72 mn) at the end of 2009, which represents the annual increase by AZN 13.51 mn or 16.68%. The term retail deposits excluding the current accounts equalled AZN 77,466 mn or almost \$96.5 mn on 30 December 2009.

The international rating agency Fitch Ratings increased the individual rating of Unibank Commercial Bank from «E» to «D/E» level. Fitch Ratings reaffirmed the former ratings of Unibank, as follows: the issuer's default rating (IDR) as equaling «B - » (B minus) with the stable outlook, the short-term rating as equaling «B» and the support rating being «5».



Vakifbank's 56th Annual General Assembly during which it was decided to distribute 9,81 % of distributable profits, took place in Ankara.

Vakifbank signed a mandate letter in order to grant a new syndication facility which will be coordinated by WestLB AG which is a bank operating in over eleven countries in Europe, in The Americas, in Asia, Australia and South Africa, including significant investment banking operations in New York, London, Luxembourg, Tokyo and Hong Kong.



Societe Nationale d'Investissement du Cameroun (SNI) has started the Young Professionals Program which aims at identifying highly qualified young

graduates fresh from national and foreign colleges and universities wishing to work with National Investment Corporation and take up the challenges inherent to the economic, industrial and financial development of Cameroon.



Malaysian Government is considering to implement and develop the factory scheme of the SME Bank Malaysia upon an application by the bank where the amount of resource allocation is not disclosed in the process of discussions of 10th Malaysian Plan.



A deposit campaign "Simpan... Dapat Kereta!" as a part of Agrobank continuous efforts in playing its role to support saving among Malaysian was launched by the Second Minister of Finance, Y.B. Dato' Seri Ahmad Husni Mohamad Handzlah. The campaign offers attractive prizes and winners will randomly be chosen by computer system based on draw which will be held after every quarter.



Halkbank's total assets went up by 18.7% in 2009 while total operating revenues and net operating income exhibited a rise by 44% and 59% respectively.

About ADFIMI and Membership

Established in 1986, ADFIMI (Association of Development Finance Institutes in Member Countries of Islamic Development Bank) is an international association serving 54 members in 15 countries with headquarters in Istanbul. The main field of activity of ADFIMI is capacity building of its member institutions and providing networking among its members. In this context, ADFIMI organizes seminar / workshops / conferences for its members in various cities in its region (like Istanbul, Antalya, Karachi, Kuala Lumpur, Amman, Hammamet, Cairo, Beirut, Khartoum, Girne, Prishtina, Damascus, Sarajevo, Islamabad, Kampala, and Tunis). In its 24 year of existence, ADFIMI has trained over 2000 executives and directors from development finance institutions.

Membership entitles development finance institution to send their executive to ADFIMI ordinary training programmes held in major cities listed above free of charge. Subscription fees are based on total assets. Further information can be obtained from the web site at www.adfimi.org or directly from the Secretariat; adfimi@adfimi.org; 0090 212 526 51 26

IDB-ADFIMI- FAPBEF-UEMOA
 JOINT SEMINAR ON
**APPRAISAL of
 INVESTMENT
 PROJECTS**

HOTEL IBIS LOME-TOGO
 11-12 JANUARY 2010

Conducted in the french language, 36 participants from 7 different African countries attended the seminar with the financial support of the IDB and in cooperation with FAPBEF (La Fédération des Associations Professionnelles des Banques et Etablissements Financiers de l'UEMOA) in Lome, Togo. Br. Faik Başar, IfA Consulting Corporation, Turkey, lectured on the cost of financial resources, computing cost of capital in a company, investment projects, measuring financial efficiency, time value of money and management of investment projects. The participants also had a tour to the Lake Togo followed by a gala dinner.





ADFIMI-IDWBE
JOINT SEMINAR
ON

INVESTMENT ANALYSIS & ASSOCIATED FINANCIAL MODELLING

CAIRO, 25–28 JANUARY 2010

Jointly organized by ADFIMI and the Industrial Development and Workers Bank (IDWBE) of Egypt the seminar was attended by 21 participants from 6 countries. Brother Mohsen Mohamed Rashad, General Manager, Head of Financial Institutions and Correspondent Banking Relations, Head Office of Arab African International Bank, Egypt, lectured on investment analysis including discounted cash flows, bonds and equity valuation, net present value and decision making, internal rate of return, risk/return trade off, type of capital pricing models and portfolio management and related risks followed by practice sessions. During the visits to City Star Shopping Centre, Sultan Hassan Mosque, and the pyramids area, participants had the opportunity to see the modern, historical and cultural sides of Egypt.



ADFIMI SEMINAR ON ADVANCED FINANCIAL ANALYSIS & VALUATION MODELLING

HARTOUM, SUDAN, 08-10 FEBRUARY 2010

17 Sudanese participants attended the seminar which started with inauguration speeches by Br. Nuri Birtek, Secretary General of ADFIMI; Br. Abdelrahman Hassan Abdelrahman Hashim, General Manager of Omdurman National Bank; and Br. Magzoub Geli Mohamed, Secretary General, Sudan Banks' Union. Conducting the seminar Br. Nazmul Haque, Director and Head of Investment, Infrastructure Development Company Limited (IDCOL), Bangladesh, lectured on the concept of value creation, fundamental financial statement analysis, valuation from discounted cash flow projections and related basic financial model construction. The sample solutions were exhibited for the benefit of participants.



ADFIMI visited member and non-member institutions in Sudan.

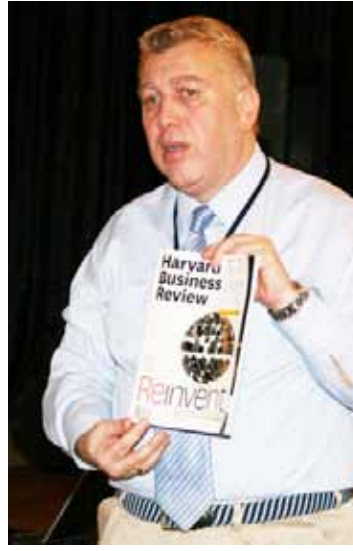




ADFIMI SEMINAR ON Client Relationship Management Skills: Leading your organization for Customer Focus

Lefkosa, North Cyprus
01-03 March 2010,

ADFIMI seminar on “Client Relationship Management Skills: Leading your organization for Customer Focus” was held jointly with the Development Bank of North Cyprus. There were 30 participants from 7 countries. Dr. Ferhan Benli, CFO of Kiler Group of Turkey managed the programme. There was a rich social program which included visits to historical sites and a gala dinner with local folklor dances.



IDB NEWS



The President of the Islamic Development Bank (IDB) met with the President of Turkmenistan and the President of the Islamic Republic of Iran to discuss ways and means of scaling up cooperation between Central Asian countries and the Bank's Group.

At the meeting, which taken place at the headquarters of IDB the Gulf Cooperation Council's members states approved to finance projects worth a total of USD 164 million for the reconstruction of the Gaza Strip.

The IDB, on behalf of all member countries of the group, expressed heartfelt condolences to the U.N. Secretary General as well as to the victims of the Haitian earthquake. The IDB approved a grant of USD 5 million from the "Waqf Fund" resources for the reconstruction of schools and educational facilities in the aftermath of the earthquake in Haiti.

The Board of Executive Directors of the IDB held its 265th session in Rabat, Morocco during which the IDB President had approved USD 196.4 million for new development projects.

The "Cross Border Finance Deal of the Year" was awarded to IDB by the Islamic Finance News for IDB's Singapore Dollar 200 Million Sukuk.

The IDB Group and the International Fund for Agricultural Development signed a groundbreaking agreement of USD 1.5 billion for supporting the world's poorest people in common member countries.

The IDB and the Sudanese Chamber of Endowments signed a financing agreement which totaled USD 15 million for the development of a plot of land located in Jeddah, Saudi Arabia.

The IDB and Al Majzoub Organization for the Service of the Holy Quran in Khartoum signed an agreement which totaled USD 7.5 million for the development of an endowment plot in the Sudanese capital, Khartoum.

The Board of Executive Directors of the IDB had concluded its 266th session during which USD 333.9 million was approved for financing new development projects.

A loan of USD 124 million to the Kingdom of Bahrain was approved by the Board of Executive Directors of the IDB to finance an Electricity Transmission Development Project. The project is the second phase of a program for reinforcing the 66 KV and the 220 KV electricity transmission networks in Bahrain.

The IDB announced the winners of the IDB Prizes for Science & Technology. Isfahan Science & Technology Town- Iran, H.E.J. Research Institute Of Chemistry-Pakistan, and Faculty Of Engineering, Islamic University Of Gaza – Palestine for their contributions to the social and economic development in their regions.

The IDB approved USD120 million loan to participate in the Islamic financing facility for Jubail Refinery and Petrochemical Project, considered to be one of the most strategic projects for Saudi Arabia.



ADFIMI visited the Social Fund in Egypt.

APPOINTMENTS

ADFIMI congratulates:

Br. **Süleyman Kalkan** on his appointment as the CEO of Vakifbank, Turkey;

Br. **Adnan Oğuz Dinçer** on his appointment as the General Manager of İş Leasing Turkey;

Br. **Gabriel Otuda Etou** on his appointment as the Chief Executive Officer of Uganda Development Bank;

Br. **Zainal Mat Aini** on his appointment as the head of Human Resources Department of Agrobank Malaysia,

and wishes every success in their new positions.

Upcoming Events

- ADFIMI Seminar on Treasury Operations and Risk Management, Legacy Ottoman Hotel, İstanbul, 19 - 21 April 2010.
- ADFIMI-IRTI-BIM Joint Seminar on "SME Finance during Financial Crises", Evin Hotel, Tehran, Iran, 24-26 May 2010
- ADFIMI Azerigazbank Joint Seminar on Corporate Project Finance, Baku, Azerbaijan, 16 -18 June 2010
- ADFIMI's 26th Annual Meeting of the General Assembly (GA), Baku, Azerbaijan, 21 June 2010
- IDB-ADFIMI CEO Seminar on "New Trends in Agricultural Finance", Baku, Azerbaijan, 22 June 2010.