



ADFIMI – SME Bank Joint International Development Forum, Malaysia

Conference on “Islamic Financial Assets: Sukuk”, Almaty, Kazakhstan

59th ADFIMI Management Committee Meeting, Kuala Lumpur

Seminar on “Credit Modelling and Validation”, Tirana, Albania

Seminar on “International Project Finance & Cash Flow Modelling”, Tehran

Seminar on “Financial Analysis & Forecasting”, Lefkoşa, North Cyprus

About HALKBANK

30th COMCEC Meeting

ADFIMI-SME BANK
INTERNATIONAL
DEVELOPMENT
FORUM 2014



**THE MANAGEMENT
COMMITTEE MEMBERS**

Br. Mehmet Emin Özcan

ADFIMI CHAIRMAN
Vice Chairman of Vakıfbank
Turkey

Br. Datuk Mohd Radzif Mohd Yunus

ADFIMI Vice Chairman
Managing Director of SME Bank
Malaysia

Br. Aliashraf Afkhami

Member
Chairman & Managing Director
Bank of Industry & Mine
Iran

Br. Musa Shiadeh

Member
CEO
Jordan Islamic Bank
Jordan

Br. Datuk Mustafha Abd Razak

Member
Managing Director
Bank Kerjasama Rakyat Malaysia
Berhad
Malaysia

Br. Ahsanullah Khan

Member
President/CEO, First Credit and
Investment Bank Ltd., Pakistan

Dr. Abdel Hameed Jameel

Member
General Manager
Workers National Bank
Sudan

Br. Süleyman Kalkan

Member
Vice Chairman
Türkiye Halk Bankası
Turkey

Br. Ahmet Buçukoğlu

Member
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Cover: HE Dato' Sri Mohd Najib Tun Haji
Abdul Razak, the Prime Minister of Malaysia
inaugurating ADFIMI – SME Bank Malaysia
Development Forum

Dear Members.

Assalamu Alaikum,

In this double issue we report on various ADFIMI events including the annual Development Forum held in KL jointly with SME Bank of Malaysia. This was the major event inaugurated by HE Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia. HE Sheikh Abdullah Saud Al-Thani, The Governor of The Central Bank of Qatar was conferred the ADFIMI Honourary Membership during the Forum.

We also report on four events held in Kazakhstan, Albania, Iran and North Cyprus. In addition you will find a report on the 30th COMCEC Meeting (Standing Committee for Economic and Commercial Cooperation of Organization of Economic Cooperation) held in İstanbul under the patronage of HE Recep Tayyip Erdoğan, The President of Turkey.

As requested by the Management Committee Members, ADFIMI continues to promote specific instruments/financing modes of its members in an attempt to share good practices and increase networking among members. In this issue we present the activities of Halkbank of Turkey, a founding member.

Members are encouraged to send the secretariat their exemplary and novel practices for publication. Text should not exceed 1000 words and any photos or graphic material should not be less than 300 dpi.

Best regards.

Nuri Birtek
Secretary General

About ADFIMI

Established in 1986, ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank, is an international non-profit association serving around 50 members in 19 countries with headquarters in İstanbul. The main objective of ADFIMI is to establish networking and solidarity among its members and capacity building of its member institutions. In this context, ADFIMI organizes seminars / workshops / conferences for its members in various cities in its region (like İstanbul, Karachi, Kuala Lumpur, Amman, Tehran, Baku, Cairo, Ouagadougou, Asghabat, Beirut, Dakar, Sarajevo, Prishtina, Lome, Dushanbe, Damascus, Khartoum, Dhaka, Girne, Islamabad, Kuwait City, Antalya, Tirana, Kampala, Dubai, Almaty, Maldives, Tunis).

ADFIMI aspires to be “a forum for development”.



Global Trends 2030

A recent report by US National Council, laid out dangers and opportunities for nations, economies, investors, political systems and leaders due to four “megatrends” that are transforming the world. Those major trends are the end of U.S. global dominance, the rising power of individuals against states, a rising middle class whose demands challenge governments, and shortages of water, food and energy. We are considered to be at a critical juncture in human history, which could lead to widely contrasting futures.

Leading the list of the “game-changers” is the “crisis-prone” global economy, which is vulnerable to international shocks and to disparities among national economies moving at significantly different speeds.

The future is “malleable,” if decision-makers, whether in government or outside, were to think and plan for the long term so that negative futures do not occur and positive ones have a better chance of unfolding.

While technological advances, migrations, wars and other factors drove change in the past, what sets the next quarter century apart is the way seven “tectonic shifts” are combining to drive change at an accelerating rate which are: the growth of the middle class, wider access to new technologies, shifting economic power, aging populations, urbanization, growing demand for food and water, and U.S. energy independence.

They have been taking place with great velocity which is a function of several mutually reinforcing dynamics, one is a “definitive shift of economic power to the East and South” as the U.S., European and Japanese share of global income is projected to fall from 56 percent today to well under half by 2030.

The international economy will remain prone to potential “black swans” such as the collapse of the euro and the European Union, a pandemic, a Chinese economic collapse, a nuclear war or a debilitating cyber attack.

Even in the absence of such events, a return to pre-2008 growth rates and previous patterns of rapid globalization looks increasingly unlikely, at least for the next decade,” in part because total non-financial debt across G-7 countries has doubled since 1980 to 300 percent of GDP.

The key question is whether divergent growth rates and increased volatility “will result in a global economic breakdown or whether the development of multiple growth centers will lead to resiliency.

Trends 2015

According to Daily Telegraph ‘For all the predictions, 2014 was yet another year we still managed to get most things we thought we knew about the world economy wrong’. Deflation was the world economy’s new bogeyman in 2014.

Deflationary forces will continue to be particularly acute in eurozone where inflation has fallen to record lows. Falling prices are most dangerous in highly-indebted countries as deflation increases the real value of debt burdens.

The collapse in oil prices was one of the factors that contributed to low inflation in 2014. Falling fuel prices will continue to act as a global tax cut for the world’s consumers and continue to throw a number of the world’s major producers into crisis.

Monetary policy activism was not just confined to interest rates. 2014 was the year the US ended its revolutionary asset-purchase programme of QE3. FED was followed by the Bank of Japan and the ECB (albeit after a long discussion).

But markets will remain expectant in 2015. Would Mr Draghi’s embarkation on QE stave off Europe’s disinflationary crisis? Would 2015 see the return of fears about the break-up of the single currency?

Greece is causing headaches for Europe’s policymakers once again. The new year could well see Greece being the first member state to leave the Euro.

M. Emin Özcan
Chairman



HE Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia inaugurating the Forum

ADFIMI – SME BANK JOINT INTERNATIONAL DEVELOPMENT FORUM, KL, MALAYSIA, 20-21 OCTOBER 2014

ADFIMI's annual development forum was held jointly with the SME Bank of Malaysia in Kuala Lumpur. Islamic Development Bank was the main co-sponsor followed by several local banks, among others Bank Rakyat, Tekun Nasional, Maybank Islamic Berhad. ADFIMI is grateful to all sponsors as well as to SME Bank Malaysia for jointly organizing the Forum.

Honourable Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia inaugurated the meeting with a keynote address. ADFIMI was honoured by his graceful presence.

Honourable Sheikh Abdullah Saud Al Thani, the Governor of Central Bank of Qatar was conferred Honourary Membership of ADFIMI during the meeting for his contribution to the development of Qatar. ADFIMI is grateful to see HE among its Honourary Members.

The Forum essentially dealt with several issues of current interest to SME financing. There were four moderators and 14 speakers from 11 countries. Around 240 participants on the first day and some 400 participants on the second day attended the Forum.



ADFIMI Chairman Br. M. Emin Özcan (on the left), presenting a memento to HE the Prime Minister of Malaysia



HE The Prime Minister of Malaysia presents ADFIMI Honourary Membership to HE Sheikh Abdullah Saud Al-Thani, Governor of Qatar Central Bank



HE Sheikh Abdullah Saud Al-Thani, Governor of Qatar Central Bank delivering his special address (Box 2)



H.E. Tan Sri, Nor Mohamed Yakcop, Deputy Chairman of Khazanah Nasional Berhad, Malaysia is giving special address



Datuk Dr. Mohd Daud Bakar, delivering dinner address

BOX 3

Excerpts from the address of HE Sheikh Abdullah Saud Al-Thani, The Governor of The Central Bank of Qatar

He thanked the invitation and for being given the opportunity to speak. 'My deepest gratitude goes to ADFIMI's esteemed Chairman, Mr. Mehmet Emin Özcan, for hosting us this morning and for the conferment of the honorary membership. I also want to thank Mr. Farid Masood for the kind words and the tribute.' he said. As well as to SME Bank Malaysia for jointly organizing the Forum

HE The Governor shared some insights from his region to demonstrate what is possible, and at the same time, to highlight the work that is still needed despite the extraordinary work being completed.

This would also show the importance of the role of ADFIMI, the IDB and its member institutions and how these institutions can and are filling an important gap that our nations are currently exhibiting.

The Arab world has had a long and rich history of entrepreneurship and that the Arab world has among the highest rates of entrepreneurship activity in the world. In some recent reports, the average Entrepreneurship activity in the Arab world was measured at 13%. This included extraordinary numbers from countries like Yemen at 24%, 17% in Algeria, 16% in Morocco and 15% for Lebanon.

For him the activity numbers were a very positive sign of what is possible in the Arab and Muslim World as it showed the spirit and energy that still existed. The high level of Arab entrepreneurship was mainly driven by necessity but these entrepreneurs were currently facing a lack of opportunity to grow the businesses beyond their own needs.

He urged Arabs and Muslims to sit together and come up with innovative solutions and recommendations that would improve this important segment in our economy. In countries where SMEs contribution was significant to GDP, entrepreneurship was driven by innovation and high value added entrepreneurship. This was facilitated by solid infrastructure and the availability of funding and credit. "With the Entrepreneurship rates and the energy we had, we could combine this with the success factors that other regions have".

'Where are we lacking and why are the people and the institutions in this room so important?' he asked. He invited the audience to face some important facts. One indicators in this respect was private sector credit as a % of GDP. There were large disparities, while in the Arab world, this ratio was below 60%, in the East and Pacific Asia, in the USA and in the EU, this ratio was well above 100% and for some nations it actually came close to 200%. He was happy to see that in Malaysia, the ratio was above 110%.

Another indicator was the share of SME loans to the total loans. In the Middle East, North Africa Region, it was at 8% with many countries well under 5%. Significantly lower than Middle and High-income level countries.

SME and Entrepreneur development was a critical part of the Financial Sector Strategy in Qatar which was aligned with the Qatar 2030 Vision of Qatar becoming a knowledge based economy. Qatar Development Bank played a key role in the achievement of this target.

He concluded by thanking ADFIMI General Assembly for conferring ADFIMI Honorary membership on him.



BOX 1 - THE SCHEDULE

Day 1: 20 October 2014

09.40 – 10.00

Welcoming Remarks by
Datuk Mohd Radzif Mohd Yunus, CEO of SME Development Bank Malaysia
and Deputy Chairman, ADFIMI
Mr. Mehmet Emin Özcan, Chairman ADFIMI and Vice Chairman of Vakıfbank
Turkey

10.00 – 11.15

Conferment of the ADFIMI Honorary Membership on HE Sheikh Abdullah
Saud Al-Thani, the Governor of Qatar Central Bank by Mr. Mehmet Emin
Özcan, ADFIMI Chairman

Tribute to HE the Governor by Mr. Farid A. Masood, The Director of Advisory
Services and Asset Management, ICD – IDB, Jeddah

Special Address by HE Sheikh Abdullah Saud Al-Thani
The Governor of Qatar Central Bank

11.30 – 13.00

PLENARY 1

Beyond Financing – A game Changer in Shaping and Sustaining High Growth
Entrepreneurs

MODERATOR

Datuk Mohd Radzif Mohd Yunus, Deputy Chairman, ADFIMI
Group Managing Director, Small and Medium Enterprise Development Bank,
Malaysia

SPEAKERS

Mr. Hussein AL-Mehdari , Executive Director, Cooperative and Agricultural Credit
Bank, Yemen

Mr. Turgut Boz , Senior Assistant General Manager & Deputy CEO, TEB SME
Banking Group

Prof Bustanul Arifin , Senior Economist, Indonesia

14.15 – 15.45

PLENARY 2

Innovation – The Value Creation Tool in a Changing Business Ecosystem

MODERATOR

Mr. Abdulaziz Al Khalifa, CEO, Qatar Development Bank

SPEAKERS

Dr. Abdulhasan Al-Dairi , Chairman, Bahrain SMEs Society

Mr. Raja Hassanien Javed , Small and Medium enterprises Development
Authority (SMEDA), Pakistan

Dr. Stephen Robert Isabalija [Click here for presentation](#), Vice Chancellor,
Victoria University, Uganda

16.00 – 17.30

PLENARY 3

Managing Risks – Alternative Models in a Collaborative Entrepreneurial
Environment

MODERATOR

Mr. Farid Masood, Director of Advisory Services and Asset Management, ICD –
IsDB, Jeddah

SPEAKERS

Mr. Aliashraf Afkhami, Chairman of the Board & Managing Director, Bank of
Industry & Mine, Iran

Mr. Md Khairuddin Hj. Arshad, Chief Risk Officer, Bank Kerjasama Rakyat,
Malaysia

Dr. Savaş Alpaya , General Director, Statistical Economic and Social Research and
Training Centre for Islamic Countries (SESRIC)

Dr. Muzaffer Hashim, CEO, Maybank Islamic & Head of Maybank Group
Islamic Banking

GALA DINNER

20.00 – 20.20

Special address by Datuk Dr. Mohd Daud Bakar

Chairman of the Shariah advisory Council of the Central
Bank of Malaysia and Founder & Group Chairman of
Amanie Advisors, Malaysia

20.20 – 22.00

Dinner and Cultural Shows

Day 2: 21 October 2014

09.00 – 09.30

Special Address by H.E. Tan Sri Nor Mohamed Yakcop
Deputy Chairman of Khazanah Nasional Berhad, Malaysia

10.00 – 11.00

Keynote Address by H.E. Dato' Sri Mohd. Najib Bin
Tun Haji Abdul Razak

Prime Minister of Malaysia

11.15 – 12.45

PLENARY 4

Cross Border Engagement – The Challenges of the
DFIs' and SMEs' Collaboration in Sustaining Growth

MODERATOR

Dr. Ibrahim Abdel Moneim Subahi

Board Member, Central Bank of Sudan

SPEAKERS

Dr. Murat Yalçıntaş

Istanbul Commerce University / Former President of
Istanbul Chamber of Commerce, Turkey

Assoc Prof. Mahmoud Sami Nabi Eng. Ph. D.

Head of the Economic Department, Tunisia Polytechnic
School, University of Carthage, Tunisia

Datuk Dr. Mohd Daud Bakar

Chairman of the Shariah advisory Council of the Central
Bank of Malaysia and Founder & Group Chairman of
Amanie Advisors, Malaysia

Prof. Sedat Çelikdoğan

OSTIM Industrial Model for Regional Development &
Clustering in Turkey

Prof. Ziya Burhanettin Güvenç

Rector of Çankaya University, Turkey

12.45 – 13.00

Closing Remarks, end of Conference

Presentations and video recordings during the Forum
 can be accessed from ADFIMI web page
www.adfimi.org.



Mr. Mehmet Emin Özcan, the Chairman of ADFIMI and Vice Chairman of Vakıfbank, Turkey welcoming participants



Datuk Mohd Radzif Mohd Yunus, Deputy Chairman, ADFIMI and CEO of SME Development Bank Malaysia, welcoming participants



Mr. Farid A. Masood, The Director of Advisory Services and Asset Management, ICD – IDB, Jeddah, paying tribute to HE Sheikh Abdullah Saud Al-Thani, Governor of Qatar Central Bank

The Forum began with a recitation from the Holy Quran which was followed by the welcome remarks of Datuk Mohd Radzif Mohd Yunus, Vice Chairman of ADFIMI and the CEO of SME Bank Malaysia and by Mr Mehmet Emin Özcan, the Chairman of ADFIMI and Vice Chairman of Vakıfbank, Turkey.

As it has now become a tradition, HE Sheikh Abdullah Saud Al-Thani, Governor of Qatar Central Bank was conferred ADFIMI Honourary Membership for his contribution to Qatar’s development. Mr. Farid A. Masood, Director, Head of Advisory Services and Asset Management, Islamic Corporation for the

Development of the Private Sector (ICD), Islamic Development Bank has paid tribute to HE the Governor’s achievements in Qatar’s development

He said that; *not long ago, Qatar was only a LNG producer, heavily relying on hydrocarbon revenues. Today, the country has turned into an important global financial investor, donor, with a solid economic diversification strategy in which the financial sector had a predominant role. Making the financial sector stronger and anticipating the transition from energy revenues to a real and financial economy has been one of the main pillars of the success of HE the Governor.*



ADFIMI Chairman M.Emin Özcan presenting ADFIMI Honourary membership to HE Sheikh Abdullah Saud Al-Thani, The Governor of Qatar Central Bank

In addition He has strongly contributed to making the QCB one of the most effective supervisory board of the ME, and of the World. Under his mandate as Governor, the QCB has brilliantly transformed the financial system into a private sector development enabler. In addition to supervising banks, it has been recently entrusted with the supervision of the insurance and reinsurance sector, institutions in the Qatar financial center and credit bureau.

HE also chaired various institutions as we knew: the Financial Markets Authority, the Financial Services Board, the Islamic Financial Services Board, and the Board of Directors of Qatar Development Bank (QDB).

In the ensuing session, HE Sheikh Abdullah Saud Al-Thani was presented his Honourary Membership Certificate by ADFIMI Chairman, Mr M.Emin Özcan; thereafter HE made a special address, excerpts of which is given in Box 2.

BOX 2

Excerpts from the address of HE Sheikh Abdullah Saud Al-Thani, The Governor of The Central Bank of Qatar

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‘‘Where are we lacking and why are the people and the institutions in this room so important?’’

he asked. He invited the audience to face some important facts. One indicators in this respect was private sector credit as a % of GDP. There were large disparities, while in the Arab world, this ratio was below 60%, in the East and Pacific Asia, in the USA and in the EU, this ratio was well above 100% and for some nations it actually came close to 200%. He was happy to see that in Malaysia, the ratio was above 110%.

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He concluded by thanking ADFIMI General Assembly for conferring ADFIMI Honourary membership on him.



Plenary 1 in procession



Plenary 2 in procession



Plenary 3 in procession



Plenary 4 in procession

After HE Sheikh Abdullah Saud Al-Thani's special address, the Forum continued with plenary sessions as planned.

The first day of the Forum ended with a Gala Dinner. Dinner was hosted by Bank Rakyat of Malaysia. There was a special address by Dr. Datuk Mohd Daud Bakar, Chairman of the Shariah Advisory Council of the Central Bank of Malaysia and Founder & Group Chairman of Amanie Advisors, Malaysia.

The second day began with a special address by HE Tan Sri Nor Mohamed Yacop, Deputy Chairman of Khazanah Nasional Berhad, Malaysia. This was followed by the inauguration ceremony which took place on the second day. This was due to a shift of initial dates from 21-22 October 2014 to 20-21 October 2014 as a result of losing sight of a national holiday (Deepavali

Festival) on 22 October 2014. As the time for HE the PM could not be changed, the inauguration ceremony had to be done on the second day. The Chief Guest of Honour was HE Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia who inaugurated the meeting with a keynote address, summary of which is given in Box 3 (p.5).

The Forum continued with the last session and ended with the lunch.





➤ Üreten Türkiye'nin Bankası

Halkbank was established in 1938 to provide stable economic development and to extend affordable loans to craftsmen, artisans and small-business owners. For the past 76 years, the bank has been offering banking products and services to artisans, craftsmen, small and medium-sized enterprises (SMEs) and other retail and corporate customers, with a mission of uninterrupted financial support for the real economy. Since its foundation, the bank has developed strong relations with major international banks and financial institutions, while emphasizing a corporate structure, transparency, ethics, and clear communications. It has also attained the status in international markets as one of Turkey's most preferred and trusted banks.

In 2007, 24.98 percent of Halkbank's shares were offered to the public for \$1.85 billion. This initial public offering (IPO) garnered \$12.9 billion in indications of interest (IOI) and reached eight times the value of its public offering. With this, Halkbank achieved the largest public offering to date in Turkey, and went on to win East Capital's annual Best IPO award.

In 2012, Halkbank's shares were offered to the public for a second time. The secondary offering was worth \$2.5 billion, making it the largest offering in the history of the Borsa Istanbul (BIST) and third largest offering in Europe. The public offering was completed with the smallest amount of discount in Turkish history. With this IPO, publicly-traded shares of the company rose to 48.86 percent.

The bank returned over 15 billion Turkish lira to the government budget through the sales of its shares, dividends, and corporate tax payments. Today, Halkbank is Turkey's sixth largest bank. As of year-end September 2014, the bank's total assets were 149.8 billion Turkish lira.

Halkbank grows and develops in all areas of banking through its profitability- and efficiency-oriented strategy, as well as its 76 years of experience. While continuing on its mission to diversify and increase support for both SMEs and the country's economy, it also meets international banking standards.

Continuously supporting the real economy

As a pioneer of SME banking in Turkey, Halkbank supports the growth of the real economy through its products. The bank fulfills SMEs' mid- and long-term investment and working capital loan needs by cooperating with international financial institutions, including the European Investment Bank (EIB), the World Bank, the French Agency for Development (AFD), and the Council of Europe Development Bank (CEB).

Halkbank recently signed the Protocol of Cooperation for SME Export Mobilization with the Turkish Exporters' Assembly

(TİM). It also continues to supply the export-backed Turkish lira and foreign currency cash and non-cash loan needs of SMEs through both its own sources as well as those of international financial institutions. The bank offers SME exporters affordable products to help with the management of foreign exchange risk. SMEs can therefore secure their foreign currency receivables and debts, providing protection from currency exchange risk in the fluctuating and risky market environment.

Halkbank supplements the financial products it offers SMEs with non-financial products. Through halkbankkobi.com.tr, SMEs that have received export loans as part of the protocol are provided with services such as free consulting, discounted foreign-language training, and discounted banking services.



Mr. Ali Fuat Taşkesenlioğlu, General Manager, Halkbank, Turkey



The Confédération Européenne de Volleyball Champions

The bank also extends loans for the financing of energy investments in order to lower energy costs in high energy consumption industries. With its Energy Efficiency Loan, it offers financing support of up to €2 million with a two-year waiver on principal repayment and a seven-year payment term. This may be used by companies towards any modernization- or capacity increase-oriented investments, in addition to investments aimed at lowering energy expenses. Halkbank also provides Renewable Energy Loans for investments for hydro-electric power stations, wind power stations, solar power stations and geothermal power stations.

Halkbank supports artisans and craftsmen with the Halk Artisan Support Package. In addition to extending loans with affordable terms (such as monthly or quarterly payment plans and up to 36-month terms) for the working capital and investment financing needs of craftsmen, the bank also offers a six-month no-payment period. The bank also extends Treasury-subsidized working capital and investment loans to craftsmen and artisans, with annual interest starting at 4 percent and with terms of up to five years.

Halkbank places great importance on the promotion of entrepreneurship and offers the Entrepreneurs Loan to help support new enterprises. Eligible for the loan are entrepreneurs who have started a business in the past 12 months, or those who do not own their own business but would like to. The loan is available in four different limit tiers, depending on the level of education and experience of entrepreneurs: “young,” “brave,” “experienced,” and “inventor.”

“Paraf invites you to a world full of privileges!”

In 2012, Halkbank carried its leadership in the SME banking industry into the field of retail banking with its Paraf credit card, which was launched with the slogan “Paraf invites you to a world full of privileges.” Aiming to offer services tailored to the preferences and needs of its customers, Halkbank has achieved many firsts in the credit card industry with Paraf. The Paraf brand’s product family includes the Classic, Gold, Platinum and Business credit cards, as well as Parafly and Parafly Platinum, which are designed for travel expenses.

Halkbank Sports Club

As part of its mission to promote sports, Halkbank has launched many projects, including the founding in 1983 of the Halkbank Sports Club, which aims to coach emerging volleyball players. Halkbank Sports Club is a symbol of the importance the bank places on sports in general and on volleyball in particular, and the club has contributed greatly to the advancement of volleyball in Turkey.

In 2013, Halkbank Volleyball Club made history by winning the CEV (Confédération Européenne de Volleyball) Volleyball Cup, becoming the first Turkish team to win the most prestigious cup in men’s volleyball. The team most recently placed second in Europe at the 2014 CEV Champions League, and in the 2013-2014 season, became champion at the Acıbadem Men’s Volleyball League, as well as winning the Super Cup and Teledünya Türkiye cups.



ADFIMI – FFSA JOINT CONFERENCE ISLAMIC FINANCIAL ASSETS: SUKUK

ALMATY, KAZAKHSTAN, 03 - 04 SEPTEMBER 2014



HE Kairat Kelimbetov, the Governor of the Central Bank of Kazakhstan



Mr. Hasan Demirhan, Director, Treasury Department, Islamic Development Bank



Mr. Rizwan Kanji, Partner King and Spalding LLP, Dubai and London



Ms. Zeynep Boğa, Senior Expert, Undersecretariat of Treasury, Turkey.



Mr. Muhammad Zahid Abdul Aziz from Muamalat Financial Consulting, Kuala Lumpur, Malaysia

ADFIMI Conference on Islamic Financial Assets: Sukuk' was organized jointly with Fund For Support of Agriculture of Kazakhstan (FFSA) on 04 September 2014 in Almaty.

The conference was incorporated into the Fourth Kazakhstan Islamic Finance Conference which began on 03 September 2014, a major sponsor of which was the Central Bank of Kazakhstan. ADFIMI was a partner in the event and was invited to speak in the first session on 'Concept of a regional Islamic Finance Hub in light of International Financial Centres'. HE Kairat Kelimbetov, the Governor of the Central Bank of Kazakhstan and Ms. Fiona Woolf, Lord Mayor of City of London were among the panellists. There were over 150 participants on the first day.



Mr. Narmukhan Sarybayev, Chairman & CEO, Fund for Financial Support for Agriculture of Kazakhstan



Ms. Fiona Woolf, Lord Mayor of City of London





Mr. Yerlan Bidaulet, IDB Board Member for Kazakhstan



Mr. Adlet Aliyev, Chief Dealer, Al - Hilal Bank



Mr. Timur Omarov, Engineer

The Conference on Sukuk was attended by 42 participants most of whom were from Kazakhstan. There were four resource persons:

1. Mr. Hasan Demirhan, Director, Treasury Department, Islamic Development Bank, talked on 'State of the Art in Sukuk: The experience of IDB as a development bank'
2. Mr. Rizwan Kanji, Partner King and Spalding LLP, Dubai and London talked about 'Legislative Aspects of sukuk'.
3. Ms. Zeynep Boğa, Senior Expert, Undersecretariat of Treasury, Rep of Turkey described 'Experience of Turkey' and
4. Mr. Muhammad Zahid Abdul Aziz from Muamalat Financial Consulting, Kuala Lumpur, Malaysia outlined the 'Experience of Malaysia'.

There was also a panel on 'Sukuk in Kazakhstan' moderated by Nuri Birtek with three panelists:

1. Mr. Yerlan Bidaulet, IDB Board Member for Kazakhstan,
2. Mr. Adlet Aliyev, Chief Dealer, Al - Hilal Bank
3. Mr. Timur Omarov, Engineer

59TH ADFIMI MANAGEMENT COMMITTEE MEETING KL, MALAYSIA, 21 OCTOBER 2014



Meeting began with recitation from the Holy Quran. Having achieved the quorum, the meeting was called to order by the Chairman Mr. M. Emin Özcan. There were five members present including the Chairman, the two member were represented by proxy.

Following decisions were made:

- Only four programmes will be organized per year on a regional basis and one programme on international basis;
- ADFIMI Secretariat will work with regional representatives (Africa and North Africa; Central Asia; South Asia; Middle East and South East Asia) in the organization of regional training programmes in 2015 pending the availability of funds;
- The SG will be fully authorized to select the subjects, the venue, the duration, the regional representative and all other parameters of these programmes.
- MC has unanimously agreed to authorise the SG to negotiate with the IDB the theme of the CEO Seminar to be held in Maputo, Mozambique during the IDB Group's 40th Annual Meeting
- The MC unanimously resolved to recommend the 31st GA to appoint the SG for the period 2016 - 2018 in accordance with Article 11.2.c of the Constitution.





ADFIMI SEMINAR ON CREDIT MODELLING AND VALIDATION TIRANA, ALBANIA, 10 - 11 NOVEMBER 2014

This ADFIMI Seminar was held for the first time in Tirana, the Capital city of Albania. Banka Kombetare Tregtare SH A (BKT) had kindly accepted to host the meeting.

The scope of the seminar was discussing eligibility criteria for different credit models regarding long term lending. The subject discussed from the perspectives of loan officers and SMEs together in order to understand better, how expectations are similar for both sides for long term lending. Another important issue targeted in the seminar was creating awareness on how technical viability, market conditions and competitiveness capacity are as important as “equal corporate governance” and “institutional risk perception”.



Mr. Seyhan Pencabligil, CEO of BKT, making welcoming remarks



Kaan Pekin, Deputy CEO of BKT



Dr. Oktay Küçükiremitçi, Director, Development Bank of Turkey



Mr. M. Serdar Kabuğuoğlu, Manager, Development Bank of Turkey



The seminar was highly interactive using lectures, action-oriented methodologies, structured learning exercises. Group workings were effective tools for sharing experiences and ice-breaking. Participants especially showed high interest to simulation game, prepared in the excel.

ADFIMI is indebted to Mr. Mehmet Usta, Chairman of BKT and Mr. Seyhan Pencablıgil, CEO of BKT for hosting this seminar, for providing logistical support and hosting a dinner.

Mr. Pencablıgil has also kindly made welcoming remarks at the opening.

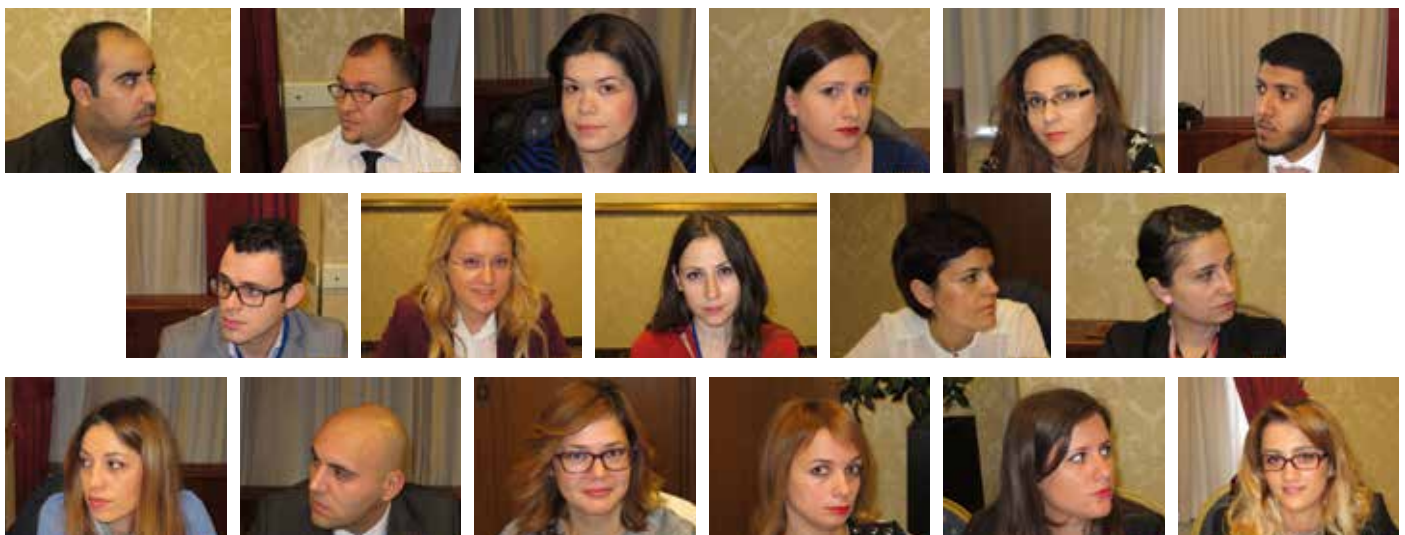
Overseas and local DFIs were presented by 18 of their loan / risk officers and managers (majority came from Albania) participated

almost in all discussions. The seminar was on an interactive basis and four working groups tackled several case studies.

The seminar was conducted by Mr. M. Serdar Kabukçuoğlu Manager, Business Development Department and Dr. Oktay Küçükkiremitçi, Director of Economic and Social Researches Department, both of Development Bank of Turkey.

The gala dinner was attended by Ms. Edita Katroshi (Kagjini), Assistant Manager, Financial Institutions Department on behalf of BKT and was also attended by nearly all participants:

Eventually the participants were presented with certificates when Mr. Kaan Pekin, Group Head, Treasury and Financial Institutions Group, kindly represented BKT.





ADFIMI - BIM JOINT SEMINAR ON INTERNATIONAL PROJECT FINANCE & CASH FLOW MODELLING

TEHRAN, IRAN, 17-18 DECEMBER 2014

The seminar began on time with a recitation from the Holy Quran. This was followed by Dr. Morteza Naderi's speech in which he welcomed the ADFIMI staff and the resource person as well as the participants on behalf of Mr. Aliashraf Afkhami, the CEO of BIM. Mr. Nuri Birtek, Secretary General of ADFIMI welcomed the participants and briefly described ADFIMI and its activities. Thereafter he thanked BIM and its CEO Mr. Aliashraf Afkhami for co-sponsoring the seminar. He also thanked Mr. Nazmul Haque for conducting the seminar and the participants for their interest in the seminar. The seminar thereafter proceeded in accordance with schedule.

The two-day "International Project Finance & Cash Flow Modeling" seminar provided participants with an opportunity to develop an in-depth understanding of the risk-return scenario of limited recourse financing from multiple perspectives.

Participants had hands on experience on how to analyze and evaluate project viability, manage and minimize projects risk, prepare basic documentation, and develop simple cash flow modeling.



Mr. Aliashraf Afkhami



Mr. Nazmul Haque

A total of 38 participants from different banks and financial institutions attended the seminar. In addition to relevant theories and practical exercises, the participants completed two quizzes based on the materials covered in the seminar. Moreover, in the last session, the participants were divided into groups where they applied the learning from the seminar in a real life project finance transaction.

There was a gala dinner hosted by Mr. Aliasraf Afkhami on 17 December 2014 held at the HQ of BIM attended by ADFIMI staff, the resource person, Mr Fahrettin Özdemirci, Member of

the Board of Ziraatbank of Turkey and Mr. Ali Fallahi PhD., IDB Field Representative in Iran. They had thus the opportunity to be briefed about BIM's operations and of meeting BIM Board Members during the dinner.

The seminar ended with the presentation of certificates when Mr. Abbas Memarnejhad, Member of the BIM Board of Directors was present.

On the side event Secretary General has had courtesy visits organized by BIM to Samanbank and Bank Pasargad.



Mr. Morteza Naderi, Director, Training and Research Division



Dr. Ali Fallahi, IDB Field Representative, Iran



Mr. Fahrettin Özdemirci, Board Member of Ziraatbank, Turkey





ADFIMI – TRNC DEVELOPMENT BANK JOINT SEMINAR ON FINANCIAL ANALYSIS AND FORECASTING MERIT LEFKOŞA HOTEL, LEFKOŞA, TRNC 12-14 JANUARY 2015

The seminar began with welcoming remarks made by Ms. Fatma Kınış, General Manager of Turkish Republic of North Cyprus (TRNC) Development Bank who welcomed all participants. She was followed by Mr. Hüseyin Sayılı, Chairman of TRNC Development Bank, who described TRNC Development Bank's activities in 2014. Mr. Nuri Birtek, Secretary General of ADFIMI welcomed the participants and briefly described ADFIMI and its activities. Thereafter he thanked TRNC Development Bank executives for co-sponsoring the seminar. He also thanked Mr. Oğuz Kemal Bulut for conducting the seminar and the participants for their interest in the seminar. Final welcoming remarks were made by HE Dr. Hüda Hüdaverdi, Undersecretary of Economy, Tourism, Culture, and Sport of TRNC. Dr. Hüdaverdi expressed his happiness for being at the opening of the international seminar and thanked to all participants coming from long distances as well as TRNC Development Bank and ADFIMI for organizing such an international event. The seminar thereafter proceeded in accordance with the schedule.

The two-and half-day “Financial Analysis and Forecasting” seminar provided an understanding of different structures and techniques that are required by financial analyses through banking operations and financial statements.



H.E. Hüda Hüdaverdi, Undersecretary of Prime Ministry inaugurating the Seminar



Mr. Oğuz Kemal Bulut



Welcoming remarks: Ms. Fatma Kınış, General Manager of TRNC Development Bank



Welcoming remarks: Mr. Hüseyin Sayılı, Chairman of TRNC Development Bank



Welcoming remarks: Mr. Nuri Birtek, Secretary General of ADFIMI



The participants received all the necessary analyses in this context in order to enable them to develop an understanding of the components of bank financial statements and key ratios that are used in bank analyses. The seminar has shown the participants the close link between analysing today and forecasting tomorrow. During the seminar, the differences among various bank types with regard to financial analyses were also focused on.

A total of 25 participants from 6 countries (TRNC, Azerbaijan, Bangladesh, Iraq, Sudan, and Turkey) attended the seminar.

There was a gala dinner hosted by the chairman of the board and the CEO of TRNC Development Bank on 13 January 2015 attended by ADFIMI staff, the resource person, and the participants of the seminar.

The seminar ended with the presentation of certificates in the presence of Ms. Fatma Kınış, General Manager of TRNC Development Bank, Mr. Hüseyin Sayılı, Chairman of TRNC Development Bank, Mr Nuri Birtek, SG of ADFIMI, and Mr. Oğuz Kemal Bulut the seminar manager.



Mr. Adil Abdelhameed Al Hakeem, Deputy General Manager, Financial Investment Bank Sudan



Dr. Rajaa Azeez Bandar, Expert, Central Bank of Iraq



Ms. Ibtisam Kadhim Hantoosh, Assistant Manager, Central Bank of Iraq



Mr. A K M Shafiqul Islam, Deputy General Manager, Bangladesh Development Bank Ltd



Mr. Abdalla Noureldin, Assistant General Manager, Al Shamel Islamic Bank Sudan



Mr. Kazım Uçar, Commercial Rating Systems & Analytic Dept., Vakıfbank Turkey



COMCEC MEETING

The Thirtieth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) was held on 25-28 November 2014 in Istanbul.

The Session was attended by 48 OIC Member and four observer states as well as by OIC General Secretariat and Standing Committees, and by several subsidiary, specialized and affiliated OIC institutions including ADFIMI. ADFIMI Chairman, Mr M.Emin Özcan, member of the MC, Dr.Abdelhameed Jameel and SG Nuri Birtek attended the meeting on behalf of ADFIMI. The Chairman Mr. Özcan was received by the President of COMCEC. HE Recep Tayyip Erdoğan, the President of Turkey.

Welcoming the delegates, H.E. ERDOĞAN underlined that the Islamic Countries have achieved significant progress in terms of trade as well as in development indicators in recent years. H.E. ERDOĞAN stated that over the last decade the share of the OIC Member Countries in the world trade has increased by about 50%. H.E. ERDOĞAN further mentioned that, during the same period, intra-OIC trade has also increased by 50%. While the above-mentioned figures undoubtedly showed a successful economic performance, some member countries were facing greatest humanitarian and political crisis of the recent history at the same time. President ERDOĞAN also highlighted the huge disparity among the member states in terms of per capita income, with a particular emphasis on the fact that the 21 OIC Member Countries were LDCs. H.E. ERDOĞAN also touched upon some major projects and endeavours under the COMCEC agenda, namely Trade Preferential System of the OIC Member States, Standards and Metrology Institute for the Islamic Countries (SMIIC), S&P OIC/COMCEC 50 Shariah Index, International Islamic Trade Finance Corporation (ITFC) and expressed his satisfaction with the progress achieved in these fields. President ERDOĞAN concluded his speech by thanking all the delegates and OIC Institutions for their contribution and support to COMCEC.

H.E. Dr. Ahmed Mohammed ALI, President of the Islamic Development Bank (IDB) Group also delivered a statement at the Opening Session and emphasized the support and contribution of IDB for enhancing cooperation among the OIC Member Countries.

On the occasion of the 30th Anniversary of the COMCEC, a special award ceremony was held at the end of the Opening Session. Gracing the Ceremony, H.E. Recep Tayyip ERDOĞAN conferred the "COMCEC 30th Anniversary Awards" in three categories. H.E. Ahmed Mohammed ALI was among the recipients of COMCEC 30th Anniversary Special Awards:

The Exchange of Views Session of the 30th Session of the COMCEC was held with the theme at "The Role of Public Private Partnerships for the Development of the Tourism Sector in the OIC Member States".

The special session on "Development Challenges of Islamic Countries and Post-2015 Development Agenda" was held on November 28th, 2014. The keynote speaker of the session was H.E. Prof. Dr. Numan KURTULMUŞ, Deputy Prime Minister of the Republic of Turkey..

The 18th International Business Forum (IBF) and 15th MUSIAD. International Fair were held on 24-29 November 2014. There were 10.000 business persons of which more than 7.000 were from overseas.



H.E. Recep Tayyip Erdoğan, the President of Turkey, and the President of COMCEC

UPCOMING EVENTS

ADFIMI – Workers' National Bank of Sudan Joint Seminar on "Financial Analysis and Forecasting", Khartoum, Sudan, 12-13 April 2015

40th IDB Group Annual Meeting, 07-11 June 2015, Maputo, Mozambique

ADFIMI's 60th Management Committee Meeting, 06 June 2015, Maputo, Mozambique

ADFIMI's 30th General Assembly, 07 June 2015, Maputo, Mozambique

ADFIMI – IDB Joint CEO Seminar, 08-09 June 2015, Maputo, Mozambique

(All Tentative Dates)

OBITUARY



ADFIMI regrets the sudden decease of Dr. Rommel Acevedo, the legendary Secretary General of ALIDE (la Asociación Latinoamericana de Instituciones Financieras para el Desarrollo), and former Secretary General of World Federation of Development Finance Institutions, WFDFI. We shall no doubt miss him dearly in view of the great contributions he has made to the work of ALIDE, to WFDFI and to development finance community at large.

He was 62 and survived by his wife and children.

NEW APPOINTMENTS

ADFIMI Congratulates Mr. Etibar Babashli for being appointed as the Chairman of Atabank, Azerbaijan