

Kuala Lumpur

About Jordan Islamic Bank

12



Tunis

**ADFIM-ADFIAP-
ADFIMI**
Joint
International
CEO Forum

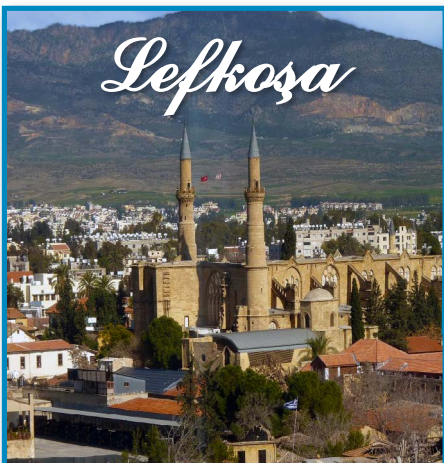
5

**Cautious
optimism for
2018**

3

**Risk
Management
in
Islamic
Banking**

8



Lefkosa

**Principles of
Islamic
Finance
& Banking**

10

Also :

- 65th ADFIMI MCM - 4
- WFDI BOG Meeting - 9
- 33rd Session, COMCEC - 10

Mr. Metin Özdemir
ADFIMI CHAIRMAN
General Manager of Ziraat
Participation Bank
Turkey

Mr. Dato' Razman Mohd. Noor
ADFIMI Vice Chairman
Acting Group Managing
Director of SME Bank
Malaysia

Mr. Quazi Shairul Hassan
Member,
Managing Director
Saudi-Bangladesh Industrial &
Agricultural Investment Co. Ltd.
Bangladesh

Dr. Morteza Shahidzadeh
Member
Chairman & Managing Director
Agriculture Bank of Iran
(Bank Keshavarzi)
Iran

Mr. Musa A. Shihadeh
Member
CEO & General Manager
Jordan Islamic Bank
Jordan

Mr. Shaharuddin bin Zainuddin
Member
President/ CEO
Bank Pembangunan Malaysia Berhad
Malaysia

Dr. Abdel Hameed Jameel
Member
CEO of Omdurman National Bank
Sudan

Mr. Suat İnce
Member
CEO,
Industrial Development Bank (TSKB)
Turkey

Mr. Ercan İbrahimoglu
Member
General Manager
Development Bank of Turkish Republic
of Northern Cyprus (TRNC)

Address : ADFIMI, Saka Mehmet
Sokak, No:13, Kat:2,
Sultanhamam, Eminönü,
34116, Istanbul, Turkey

Telephone : +90 (212) 526 51 26
+90 (212) 526 51 27

Fax : +90 (212) 526 51 28

Email : adfimi@adfimi.org
info@adfimi.org
adfimi@gmail.com

Web : www.adfimi.org

Dear Members.

Assalamu'alaikum warahmatullahi wabarakatuh

We report on a forum we jointly organised in Kuala Lumpur on "Sustaining Economic Growth with Social Consciences – Modalities of the New Era"; in Tunus on "Risk Management in Islamic Banking"; and in North Cyprus on "Principles of Islamic Finance and Banking".

65th MC was held in Kuala Lumpur and ADFIMI attended 33rd Session of COMCEC in Istanbul and WFDFI Board of Governors meeting in Washington DC.

We are grateful to Jordan Islamic Bank for a brief introduction to their esteemed bank.

Best regards.

Nuri Birtok

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, Astana, Asghabat, Beirut, Dakar, Sarajevo, Prishtina, Lome, Dushanbe, Damascus, Khartoum, Dhaka, Girne, İslamabad, Kuwait City, Antalya, Tirana, Kampala, Dubai, Almaty, Maldives, Tunis).

"A Forum for Development"

Dear Colleagues

Cautious Optimism for 2018

This is exactly how predictions for 2018 can best be described.

Since the 2008 global crisis, countries and regions have gone through very critical phases but signs since the second half of 2016 show that 2018 will probably be a good year. This is mainly due to improving growth in developed economies as well as to increase in global investment and trade.

OECD's Global Economic Outlook (Nov 2017) has reported the global economy strengthening but needing further policy action to catalyse the private sector for stronger and more inclusive growth. It predicted the global annual growth to reach 3.7 percent which would still be below the pre-crisis level.

The World Bank was more conservative in its estimates. For 2018 it predicted global growth to be 3.1 percent. Growth in advanced economies was estimated at 2.2 percent while in emerging market and developing economies (EMDE) it was projected at 4.5 percent. In other words prospects for 2018 look good despite some downward risks posed by banking sector in the Euro Zone and high levels of private sector debt in some emerging countries including China.

We can be almost certain that digitization, fintech and regtech will continue to rapidly grow in 2018. Massive investments are expected in digital transformations, artificial intelligence (AI), cloud technology and regulatory technology. While US is expected to continue its lead in those



developments, Asia, in particular China and India are expected to make great advances. ADFIMI will follow and inform its members on developments in these areas.

ADFIMI, in 2017 have successfully completed 8 events in 8 countries excluding two Management Committee Meetings and one General Assembly. I would like to appreciate and thank to those institutions that hosted or sponsored our events in 2017: Islamic Development Bank, Oman Development Bank, Zarai Taraqiati Bank (Pakistan), Uganda Development Bank, Association of Development Finance Institutions of Malaysia (ADFIM) and Development Bank of North Cyprus.

Wishing you all a happy 2018.

Metin Özdemir
ADFIMI CHAIRMAN
CEO of Ziraat Participation Bank

The 65TH ADFIMI MANAGEMENT COMMITTEE MEETING

**Kuala Lumpur, Malaysia on 24
October 2017 at 14:00 - 17:00**

The 65th Management Committee (MC) Meeting of ADFIMI was held in Kuala Lumpur, Malaysia on 24 October 2017. Mr. Metin Özdemir, CEO of Ziraat Participation Bank, chaired the meeting with eight MC members present, and one with proxy to the Chairman. Having the quorum, the meeting, besides routine, concluded with the following resolutions:

The MC discussed the possible subjects to be proposed to the IDB for the traditional CEO Seminar to be held at the 43rd Annual Meeting of the IDB Group to be held in Tunisia in 2018 and SG was unanimously authorised to negotiate the subject with IDB and organise the CEO Seminar.

MC unanimously agreed that in line with the decision of the 59th MCM concerning the organization of programs the secretariat will organize four regional programmes per annum. The secretariat, in view of the necessity of jointly organising some programmes with a local partner, will have the flexibility on deciding the timing and sequence of the regional programmes. Secretariat will also be given the option of organizing seminar/workshop/conference on specific subjects requested by the member institution which has the potential of covering its costs. The MC after having examined the application documents has unanimously accepted Agrarian Credit Corporation of Kazakhstan as an Ordinary Member in accordance with Article 4.2 (a) of the Constitution. Its membership will be effective on 01 January 2018 subject to the receipt of its subscription and one time membership fees by ADFIMI.

The MC had unanimously agreed to recommend to the 34th GA to earmark financing:

- i. for the preparation of working documents in order to secure outside funding for the formation of a continuous committee/working group on SMEs,
 - ii. for a study of the viability of forming an Islamic microfinance committee/working group in order to bring synergy/solidarity among them;
 - iii. for a mechanism to follow up developments in Fintech with special reference to development finance;
- in the revised Budget of 2018.

In view of his outstanding services in the field of development banking as well as outstanding services to ADFIMI, the MC has unanimously resolved to recommend the 34th GA to confer Honourary Membership on Datuk Mohd Radzif Mohd Yunus, former CEO and Managing Director of SME Development Bank Malaysia as well as former Vice Chairman of ADFIMI in accordance with articles 4.1.c and 4.2.b of the Constitution.



ADFIM-ADFIAP-ADFIMI Joint International CEO Forum on “Sustaining Economic Growth with Social Consciences – Modalities of the New Era”, InterContinental Hotel, Kuala Lumpur, Malaysia, 25 – 26 October 2017

ADFIMI organized an International CEO Forum on “Sustaining Economic Growth with Social Consciences – Modalities of the New Era” jointly with ADFIM (Association of Development Financial Institution of Malaysia) and ADFIAP (Association of Development Financing Institutions in Asia and the Pacific) in Kuala Lumpur, Malaysia on 25-26 October.

Honorable Dato’ Sri Mustapa bin Mohamed, Minister of International Trade and Industry of Malaysia inaugurated the meeting and delivered an inaugural address.

Officiating address was delivered by Mr. Metin Özdemir, Chairman of ADFIMI on behalf of ADFIMI.

Dr. Rami Ahmad, Special Envoy on the SDG’s and Senior Advisor to the President, Islamic Development Bank was

a speaker on behalf of ADFIMI in Session 1 “The Role of National Development Finance Institutions (NDFIs) and Islamic Finance in the Achievement of Sustainable Development Goals (SDGs)”

Mr. Quazi Shairul Hassan, Managing Director, The Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) chaired Session 2 themed “Developing Youth Entrepreneurship through Online Marketing Channels”

Mr. Mehmet Emin Özcan, CEO of Vakifbank Turkey chaired Session 4 “DFI Governance Models and Best Practices”. Ms. Patricia Ojangole, CEO of Uganda Development, was a speaker in the same session.

Mr. Suat İnce, CEO of Industrial Development Bank of



Turkey was the speaker in Session 5 on “SMEs’ Roles in Economic Growth”

There were around 250 participants to the Forum including high level executives, CEOs, Directors, policy makers and staff from the ministries.

National Development Finance Institutions (DFIs), play a crucial role in the development of a progressive and inclusive financial sector which entails preserving the core foundations of mandate given at all times; ensuring effective and efficient specialized financial services in their respective areas, and contributing towards economic growth and development of a country. In this regard, the Forum covered:

- a) how mandated role of DFIs could be enhanced not only to achieve economic growth but also to achieve strategic development and social goals of the nation and
- (b) how these DFIs have evolved over times to complement banking institutions which will continue to provide financial services to these sectors.



Y.B. Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry of Malaysia delivering his Keynote Address



Officiating Address
Mr. Metin Özdemir
Chairman of ADFIMI



Mr. Metin Özdemir, Chairman of ADFIMI presenting a memento to Y.B. Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry of Malaysia



Mr. Suat Ince, CEO of Industrial Development Bank of Turkey, speaking in Session 5 on “SMEs Roles in Economic Growth”



Mr. Metin Özdemir, Chairman of ADFIMI presenting a memento to Tan Sri Faizah Mohd Tahir, Chairman of SME Bank Group



Mr. Mehmet Emin Özcan, CEO of Vakıfbank Turkey, Moderating Session 4 on “DFI Governance Models and Best Practices”



Mr. Metin Özdemir, Chairman of ADFIMI presenting a memento to Dr. Rami Ahmad, Special Envoy on Sustainable Development Goals (SDGs) and Senior Advisor to the President, Islamic Development Bank

Upcoming Events

1. ADFIMI “Understanding FinTech in Islamic Finance Workshop” in İstanbul, Turkey on 20-21 February 2018.
2. ADFIMI – Global Green Growth Institute Joint Seminar in Abu Dhabi, UAE on 12-13 March 2018 (dates tentative, probable subject: Finance for Climate Action & Resilience: A Low Carbon Future).
3. ADFIMI 66th MCM, 01 April 2018, Tunis, Tunisia (date tentative).
4. ADFIMI 34th GA, 01 April 2018 Tunis, Tunisia (date tentative).
5. ADFIMI- IDB- Joint CEO Seminar on “Fintech for Sustainable Development”, 03 April 2018 (date tentative), Tunis, Tunisia.



Datuk Mohd Radzif Mohd Yunus, Former Group Managing Director, SME Bank, Malaysia. Moderating Session 1 on “The Role of NDFIs and Islamic Finance in the Achievement of SDGs”



Mr. Shahrudin bin Zainuddin, President and CEO, Bank Pembangunan Malaysia, speaking in Session 1 on “The Role of Islamic Finance in the Achievement of SDGs”



Dr. Rami Ahmad, Special Envoy on Sustainable Development Goals (SDGs) and Senior Advisor to the President, Islamic Development Bank, speaking in Session 1 on “The Role of Islamic Finance in the Achievement of SDGs”



Ms. Patricia Ojangole (Left most), CEO of UDBL, speaker in Session 4 on “DFI Governance Models and Best Practices”



Mr. Quazi Shairul Hassan, Managing Director, The Saudi-Bangladesh Industrial and Agricultural Investment Company Limited. Moderating Session 2 on “Developing Youth Entrepreneurship Through Online Marketing Channels”



Ind. Dev. Bank, Turkey



Dev. Bank of Turkey



Dev. Bank of TRCN

ADFIMI Congratulates:

☉ Dato’ Dr. Azmi Omar for being appointed as the President and CEO of International Centre for Education in Islamic Finance (INCEIF)



☉ Mr. Rouhollah Khodarahmi for being appointed as the Chairman & Managing Director of Agriculture Bank of Iran (Bank Keshavarzi)



☉ Dr. Morteza Shahidzadeh for being appointed as the Managing Director of National Development Fund of Iran





IRTI-ADFIMI Joint Seminar on “Risk Management in Islamic Banking” held at El Mouradi Africa Hotel Tunis, Tunisia on 14-15 November 2017



A two day IRTI-ADFIMI joint seminar was organised on “Risk Management in Islamic Banking” in Tunis, Tunisia on 14-15 November 2017. The objective of the seminar was to provide a platform for discussion on the cutting-edge processes related to evolving trends in market practices, practical supervisory issues.

The seminar was conducted in the French Language, since it was meant for the benefit of the African and Magreb Region, most of which are French-speaking countries. For the benefit of ADFIMI Members, as well as Anglophone participants from non-member institutions. French-English simultaneous translation was arranged by ADFIMI. Mr. Habib Haoula, Deputy Governor of Islamic Development Bank’s Regional Office invited 15 more participants from Tunisia and they were considered as participants from IRTI.

The total number of participants was 44, of which nine were from ADFIMI Member institutions .

The participants were from 14 countries (Tunisia, Turkey, Malaysia, Sudan, Iran, Niger, Palestine, Mauritania, Jordan, Egypt, Libya, Lebanon, Morocco and Algeria).

SG Nuri Birtek made his welcoming remarks and expressed his gratitude to IRTI for their support as well as to Mr. Wadi Mzid for accepting to be the workshop manager.

Mr. Habib Houala, Deputy Governor of IDB Regional Office, in his opening remarks, emphasized the importance of Risk Management in Islamic Finance, especially in the IDB Member Countries.

Mr. Mohamed Tawab, Learning Program Specialist, IRTI was the third speaker who thanked ADFIMI and Mr. Wadi Mzid, seminar manager for the cooperation in the organization of the seminar and the participants for their interest. He also described IRTI to the audience.

The seminar proceeded as scheduled and concluded with a certificate ceremony.





Mr. Habib Haoula, Deputy Governor of Islamic Development Bank's Regional Office



Mr. Mohamed Tawab, Learning Program Specialist, IRTI



Mr. Nuri Birtek, Secretary General, ADFIMI presenting a memento to Mr. Mohamed Tawab, Learning Program Specialist, IRTI



Mr. Nuri Birtek, Secretary General, ADFIMI presenting a memento to Mr. Wadi Mzid, Seminar Manager

World Federation of Development Financing Institutions (WDFDI) Board of Governors (BOG) Meeting was held on 12 October 2017 in Washington, D.C and was attended by Nuri Birtek, Secretary General, ADFIMI





ADFIMI – TRNC Development Bank- Ziraat Participation Bank Workshop on “Principles Islamic Finance and Banking” Hotel Merit Lefkoşa, Lefkoşa, TRNC, 13-14 December 2017

The workshop was organised jointly with Development Bank of Turkish Republic of Northern Cyprus (TRNC) and Ziraat Participation Bank in Lefkosa, Turkish Republic of Northern Cyprus on 13-14 December 2017. Mr. Mustafa Lakadamyalı, Undersecretary of ministry of Foreign Affairs, Mr. Emin Bilgen, Undersecretary of the Ministry of Economy and Energy of the TRNC, Mr. Ercin Tekpınar, Undersecretary of Labour and Social Affairs of TRNC and members of the Board of Directors of the TRNC Development Bank, as well as senior bureaucrats and managers participated in the workshop.

The two-day workshop had a total of 10 sessions and was delivered by seven experts namely;

- Mr. Mustafa Kürşat Çetin, Head of Department, Ziraat Participation Bank
- Mr. Temel Tayyar Yeşil, Deputy General Manager, Ziraat Participation Bank
- Mr. Abdurrahman Çetin, Participation Banking Practice, Head of Department, Banking Regulation and Supervision Agency (BDDK)
- Mr. Ali Çamlıoğlu, Expert, Islamic Development Bank Istanbul Office, Islamic Development Bank (ICD)

- Mr. Mehmet Tamirci, Head of Department, Department of Credit Evaluation II, Development Bank of Turkey
- Mr. Burak Saygılı, Administrator, Development Financing Institutions, Industrial Development Bank of Turkey
- Mr. Kadir Burak Oguz, Business Development Director, Industrial Development Bank of Turkey (TSKB) / Escarus

The workshop covered the following topics:

- Islamic Finance Overview,
- Islamic Finance and Banking Principles: Murabaha, Icara, Selam, Exception, Musharaka, Mudaraba and Muaraza
- Participation Banking Principles:
Types of Islamic Finance, Retail Banking, Corporate Banking, Takaful, Sukuk

There were a total of 45 participants to the workshop. The workshop was delivered in the Turkish Language and the attendees were the staff members of TRNC Development Bank as well as staff of other banks and academicians.



THIRTY-THIRD SESSION OF THE COMCEC

İstanbul, 20-23 November 2017



H.E. Recep Tayyip Erdoğan,
President of Turkey
Chairman of COMCEC, delivering his
Inaugural Address



Statement by
H.E. Dr. Bandar M. H. Hajjar,
President of Islamic Development Bank



Statement by H.E. Rifat Hisarcıkloğlu,
Vice President of the Islamic Chamber
of Commerce, Industry and Agriculture
(ICCIA) and President of the Union of
Chambers and Commodity Exchanges of
Turkey (TOBB)



Mr. Metin Özdemir, Chairman of ADFIMI,
CEO of Ziraat Participation Bank, being
received by
H.E. Recep Tayyip Erdoğan President of
Turkey during the 33rd Session of COMCEC

The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) is one of four standing committees of the Organisation of Islamic Cooperation (OIC). COMCEC serves as a multilateral economic and commercial cooperation forum in the Islamic world. The committee convenes annually at ministerial level in İstanbul under the Chairmanship of the President of the Republic of Turkey.

Thirty-Third Session of the COMCEC was held in İstanbul on 20-23 November 2017 and was attended by ADFIMI.



Jordan Islamic Bank

JIB at Glance

Jordan Islamic Bank is the first Islamic bank in Jordan and it is at the forefront of Islamic Banking in the region. JIB was established in 1978 as a Public Shareholding Limited Company and is listed in Amman Stock Exchange. JIB is regulated by Central Bank of Jordan .

For the past four decades , JIB was able to grow rapidly and enhance its position among Jordanian banks, As it presents banking and investment services to the clients in conformity with the Islamic Rules of Sharia' which has a special method of Islamic economy and adopts a vision of money function different from that of conventional banks.



JIB's CEO/ GM
Mr. Musa Abdulaziz
Shihadeh

JIB's Mission

Commitment to providing banking services based on compliance with the rules and principles of the glorious Islamic Sharia in all our activities to serve our community as a whole - JIB has Sharia' Supervisory Board (SSB)-.

Commitment to equally serve the interests of all related parties including shareholders, depositors, and staff.

Commitment to apply the latest innovative products in the banking technology to meet the expectations and needs of customers and to maintain a competitive edge.

JIB's pioneer journey over four decades

JIB's first branch commenced its business on 22/9/1979, with a paid up capital of about USD 2.8 million from its authorized capital that reached USD 5.6 million. In 2017, JIB's capital increased to USD 253.9 million.

Jordan Islamic Bank has Quality Policy to present, improve and generate services and products of high quality. JIB has diversified product mix between corporate & SMEs with increasing focus on retail to render all stakeholder to strengthen its partnership with JIB.

Moreover, JIB has wide geographical presence in all Jordanian cities and towns through 74 branches and 26 cash offices in different locations in the country, as well as through the Bonded office. JIB also presents services through 206 ATMs all over the country. The Bank's staff reached at 30/9/2017 about 2236 employees who have sufficient knowledge and experience to provide Islamic banking services.

Since its foundation, JIB obtained many international and local awards and certificates of appreciation for all JIB's fruitful business achievements which included JIB's commitment to adhering to laws and regulations with respect to AML/CTF .And also, for JIB's Social Responsibility which has always been the main driver of JIB vision and to keep adding value to the real economy of the community we operate in.

Concerning the JIB's financials, hereunder the important financial figures as of 30/9/2017:

Total Assets(USD - Mio)	5,892
Profit Before Tax (USD - Mio)	83.2
Profit After Tax (USD - Mio)	54.1
Revenues (USD - Mio)	229.2
Return on Average Assets (ROAA)	1.24%
Shareholders' Equity (Mio)	506.4
Return on Average Equity (ROAE)	14.6%
Clients' Deposits (USD -Mio)	5,225
Capital Adequacy Ratio (CAR)	21.1%
Non-Performing Finance Ratio (NPFs)	4.5%
Coverage Ratio	109.4%

These outstanding achievements in spite of the changing internal and external environment over four decades definitely requires a leading manager with an insightful and creative spirit . Since established ,JIB's CEO/ GM H.E Mr. Musa Abdulaziz Shihadeh has guided JIB to meet its vision , mission and to be a pioneer among Jordanian banks and Islamic banking industry worldwide .Jordan Islamic Bank is looking forward to have further progress and continue serving the interests of its stakeholders.

For any additional information please visit our website: www.jordanislamicbank.com