



ADFIMI - Development Bank of North Cyprus Joint Seminar on

FINANCIAL ANALYSIS and FORECASTING

Merit Hotel, Lefkoşa, North Cyprus / 12-14 January 2015

Dear Colleague,

Welcome to ADFIMI – Turkish Republic of North Cyprus (TRNC) Development Bank Joint Seminar on “Financial Analysis and Forecasting”.

ADFIMI

Established as an autonomous, independent and non-profit international organization, ADFIMI (Association of National Development Finance Institutions (DFIs) in Member Countries of the Islamic Development Bank (IDB)) started its operations in September 1987 at its headquarters in İstanbul, Turkey.

It presently has around 50 members from 19 countries. ADFIMI organizes various training programmes, seminars, workshops, and conferences in different cities (like İstanbul, Antalya, Karachi, Kuala Lumpur, Amman, Hammamet, Cairo, Beirut, Khartoum, Girne, Islamabad, Tehran, Kampala, Dhaka, Tunis, Lefkoşa, Dubai, Maldives, Lome, Quagadougou, Baku, Jeddah, Dakar, Ashghabat, Prishtina, Sarajevo, Tirana, Almaty) for the benefit of its members in order to achieve networking and capacity building of its member institutions.

ADFIMI also organizes a development forum annually during which it confers honorary membership of ADFIMI to personalities with internationally recognised track record in the development of their countries / regions. In this respect, Honourable Tun Mahathir, the fourth Prime Minister of Malaysia, H.E. Dr. Ahmed Muhammed Ali, the President of Islamic Development Bank Group, H.E. Ali Babacan, Deputy Prime Minister of Turkey and HE Sheikh Abdullah Saud Al-Thani, Governor of Qatar Central Bank have all been conferred the honorary membership of ADFIMI.

The Seminar

The seminar will provide an understanding of different structures and techniques that are required by financial

analyses through banking operations and financial statements. The participants will receive 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 will show the participants the close link between analyzing today and forecasting tomorrow. During the seminar, the differences among various bank types with regard to financial analyses will also be focused on.

My appreciation goes to our valuable resource person, Mr. Oğuz Kemal Bulut, who has managed several ADFIMI seminars previously and presently the managing partner of MGI (Midsnell Group International) Audit and Consultancy, a UK-based independent auditing company operating in more than 80 countries, and the official representative of MGI in Turkey.

I would like to thank Mr. Hüseyin Sayılı, Chairman of TRNC Development Bank and Ms. Fatma Kınış, General Manager of TRNC Development Bank for proposing to initiate this joint seminar to be organized in Lefkosa, North Cyprus. I am indebted to Ms. Emete İmge, Unit Supervisor, Press and Public Relations and ADFIMI Coordinator of TRNC Development Bank, for her efforts to make this seminar a reality.

I am grateful to all the participants for their interest in this seminar, and wish them all a beneficial seminar and an enjoyable stay in North Cyprus to those coming from other countries.

Best regards

Nuri Birtek
Secretary General

BIO DATA OF PROGRAMME MANAGER



Mr. Oğuz Kemal Bulut is presently the managing partner of MGI (Midsnell Group International) Audit and Consultancy, a UK-based independent auditing company operating more than 80 countries, and the official representative of MGI in Turkey. Mr. Bulut is a Certified Public Accountant (member of İstanbul Chamber of CPAs-Certified Public Accountants-) and

instructor at regular training courses in the Turkish Bankers' Association, T.C. Ziraat Bank, Halk Bank, Şekerbank, Garanti Bank, Akbank, Finansbank, Kuveyt Turk Bank and Fortisbank. He was also instructor in various ADFIMI seminars in Hammamet, Tunisia, Baku, Azerbaijan, Kuala Lumpur, Malaysia and İstanbul, Turkey.

Mr. Bulut received his Master of Science degree in Economics at University of Illinois at Urbana-Champaign, USA. He holds a Bachelor of Science degree in Economics and Finance from Ankara University.

His past career includes the posts of the President of Okan Investment Bank, a member of the team founding the Bank and the Executive Board Member of International Bank of Alma-Ata (IBA) owned by Okan Group in Kazakhstan; Senior Vice President of TAIB Investment Bank; Head of Department at General Directorate of Foreign Investment of Undersecretariat of Treasury (GDFI); Head of Department at Privatization Administration; Financial Analyst at the World Bank (for one year upon the completion of his MS in economics on government scholarship) and Sworn Banks Auditor of the Undersecretariat of Treasury.

Mr. Bulut is also General Secretary of Association of Asset Management Companies.

Mr. Bulut has been holding managing auditor title for thirteen years, rewarded by both the Capital Markets Board and the Banking Regulation and Supervision Agency, the government agencies, both require audits according to International Financial Reporting Standards.

He has managed several ADFIMI seminars previously.

SCHEDULE

Day 1 - 12.01.2015

08.30 – 09.00
Registration
09.00 – 09.30
Welcoming speeches
Session 1 09.30 – 11.00
The changing nature of banking Current banking structures and regulations A challenging and changing environment in the mid 2010s Discussing country perspectives
11.00 – 11.30
Networking Break
Session 2 11.00 – 13.00
Evaluating bank performance: Measuring return and risks Aspects of risks Controversial relation between risk and return in banking business Key return and risk measures for banks An example of evaluating a bank's performance Discussion topics
13.00 – 14.00
Lunch
Session 3 14.00 – 15.30
Bank sources of funds Calculating the cost of bank funds The cost of equity: Why is it so important? Effects of cost of bank funds at loan interest pricing Strategies for acquiring funds
15.30 – 16.00
Networking Break
Session 4 16.00 – 17.30
Introduction to bank capital Determining the appropriate amount of capital The capital adequacy ratio: Why is it very crucial in determining forecasting strategies in banking? Discussion topics

Day 2 - 13.01.2015

09.00 – 12.00
Social Programme
12.00 – 13.00
Lunch
Session 1 13.00 – 14.30
Forecasting and determining and a bank's reserve needs Meeting required reserves and managing money position Estimating and filling a bank's liquidity needs
Session 2 14.30 – 16.00
Managing the security portfolio International Accounting Standards 32 and 39: Concepts of the held for trading, available for sale and held to maturity Measuring returns and risk on securities Steps in managing a bank's security portfolio Discussion topics
16.00 – 16.30
Networking Break
Session 3 16.30 – 18.00
Managing the loan portfolio Loan organization structure Principles and procedures Controlling loan losses Legal and regulatory controls on lending
Session 4 18.00 – 19.00
Lending principles Four basic credit factors Credit investigation Working capital analysis and financial projections Other critical financial ratios in lending Discussion topics
20.00 – 21.30
Gala Dinner

Day 3 - 14.01.2015

Session 1 09.00 – 10.30
Key factors in determining the optimum level of loan portfolio Short-term loans Term loans Collaterals Rating and risk premiums Principles of project financing Instruments of development and investment banking lendings
10.30 – 11.00
Networking Break
Session 2 11.00 – 12.30
Integrative asset-liability management Managing interest sensitivity and margin Obtaining an adequate interest margin Managing foreign exchange sensitivity through balance sheet Determining the critical targets for short and long terms Determining the budget variables Obtaining proforma balance sheet and income statement Forecasting the year-end profit
12.30 – 13.00
Evaluation of the course Certificate Ceremony Closing remarks
13.00 – 17.00
Lunch & Social Programme

Background

Currently, banking business entails considerably different, even unique, approaches and applications in comparison with other sectors. In that sense, a notion of financial analyses through banking operations and financial statements can be very helpful to understand different structures and techniques that are required by bank financial analyses. In this seminar, all of the necessary analyses regarding the above context will be given to the participants 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. As can be anticipated, banking business also requires an accurate forecasting in terms of successful management. The seminar will show the participants the

close link between analyzing today and forecasting tomorrow. During the seminar, the differences among various bank types with regard to financial analysis will also be focused on.

What is the aim of the seminar?

Participants will be equipped to:

- Distinguish the main components of financial analysis in banking,
- Become aware of the impact of forecasting methods in bank management,
- Integrate a bank asset and liability structure,
- Maintain optimum balance sheet and income statement figures.

Who should attend the seminar?

This seminar is designed for analysts, loan officers, operation executives and reporting executives for MIS and regulatory bodies.

What benefits will the participants have by attending the seminar?

Participants will acquire an insight about the conventional and unconventional aspects of bank financial analysis by applying the techniques that will be shared in the seminar.

What are the pre-requisites for attending the seminar?

There are no pre-requisites for attending the seminar. However, having a basic bank financial statement and risk management background will be helpful for the participants.