

Dear Members

Assalamu Alaikum

In this issue we report on three seminars held in Malaysia, a country which we all admire and appreciate for its successful development achievements, a second home to many of us. We appreciate the generous hospitality rendered by Agrobank and its MD, Br. Datuk Ahmad bin Said. One wanders sometimes whether the magical motto "Malaysia Boleh" could be emulated in wider contexts.

In addition, we have for the first time organized a seminar in Sarajevo, where the legendary leader of our times Aliya İzzetbegovich rests in his overly modest grave.

Best regards and best wishes for a happy 1341 and 2010.

Nuri Birtek

Secretary General

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Br. Mehmet Emin Özcan
ADFIMI Chairman
Member of the Executive Board
Agricultural Bank of Turkey

Climate Change Debate

Summitry, solving international diplomatic disputes through summits, is claimed to have started by Versailles Summit in 1919. Not all summits achieve their objectives, however, something that is not usually conceded by the “developed countries” who are the major actors in decision making at such summits, since they have to foot the bill of the outcome. At the Copenhagen Summit this seems to be the case once again.

Global warming is widely accepted to be the result of CO₂ emissions which in turn is caused by increasing concentrations of greenhouse gases emitted from human activity such as fossil fuel burning and deforestation. Most of the emissions are from the developed countries.¹ Global warming is measured with the increase in the average temperature of Earth’s near-surface air and oceans which is an average of temperature differences between earth surface and atmosphere; land and ocean; and surface and ocean. It is claimed that global surface temperature has increased by 0.74 °C since the mid-20th century. However, there is no consensus on what temperature increase constitutes a danger.

Scientists say that an increase in global temperature will cause sea levels to rise and will change the amount and pattern of precipitation, which may cause the expansion of subtropical deserts. Warming is expected to be strongest in the Arctic. Other likely effects include changes in the frequency and intensity of extreme weather events and agricultural yields, species extinctions, water scar-

city, adverse health effects and deaths from heat exposure. Global warming is also expected to result in economic upheavals such as income inequalities between and within countries and very volatile prices causing fast shifts among different markets.

The UN Climate summit recently held in Copenhagen had initially aimed at limiting temperature rises to 1.5°C and cut CO₂ emissions by 80% by 2050. Instead, after lengthy discussions, the summit only agreed to keep temperature rises below 2°C, but did not contain commitments for reduced CO₂ emissions that would be necessary to achieve this aim. One part of the agreement pledges USD 30 billion to the developing world over the next three years, rising to USD 100 billion per year by 2020, to help poor countries adapt to climate change after long discussions on the climate cash. But USD 100 billion is only half the amount poor countries need and one of the most developed countries, Canada, refuses to contribute to this fund. Besides the main decisions, the agreement also set up a forestry deal which is hoped would significantly reduce deforestation in return for cash.

Two major CO₂ emitters, China and India have merely promised to cut their amount of CO₂ emitted for each dollar of economic activity-carbon intensity, however, they refuse to commit to any absolute reduction targets with any good reason. On the other hand, U.S. has refused to increase its cuts by pointing out to the political situation in Washington.

A real deal would have been so important for the world, the critics said; but the leaders of the developed countries have failed to take necessary measures during the summit due to their worries for not being able to impose the pledges they had to make to their countries. This summit has arisen the thoughts that the industrial development will continue serving the developed countries while less developed countries and the environment suffers from the pollution and the climate change causing losses in the agricultural production.

In conclusion, the most recent summit has shown that the solving international disputes through summits may not work if the citizens of the countries refuse to refrain from biased use of the resources and do not support a fairer world.

¹ http://www.nationmaster.com/graph/env_co2_emi-environment-co2-emissions



Vakifbank’s Board of Directors, in line with the bank’s international expansion strategy amongst the potential countries screened, gave a preliminary approval for exploring the opportunities in establishing a banking operation in Syria.

Fitch Ratings upgraded Vakifbank’s Long Term Foreign Currency IDR “two notches” to “BB+” from “BB-” and Long Term Local Currency IDR to “BB+ from BB”. Long term IDRs were removed from Rating Watch Positive and assigned a Stable Outlook.



An Energy Loan agreement of € 150 Million from European Investment Bank to Development Bank of Turkey (Kalkınma) was signed.

Kalkınma also signed an energy-efficiency-oriented loan agreement of USD 41 million with Karabük Iron - Steel Industry and Trade Inc. (Kardemir).

TSKB Industrial Development Bank of Turkey

Within the framework of bilateral cooperation between France and Turkey, Industrial Development Bank of Turkey (TSKB) secured a line of credit of € 50 million, from the French Development Agency (AFD). This line of credit aims at making long term financial resources available to foster the development of renewable energy and energy efficiency projects in Turkey in order to reduce greenhouse gas emissions.

TSKB provided 47 million USD credit for the 49.8 MW Hydroelectric Power Plant which will be built in Erzincan by Unit, a company that has been in the energy industry in Turkey, Eastern and Southeastern Europe for a long time.

After the first environmental portal “cevreciyiz.com” as a part of the social responsibility project launched in 2007 under the motto “Environment is Our Priority”, TSKB launched “cevreciyiz.TV”, Turkey’s most comprehensive environmental video portal.

The agreement of the € 150 million loan procured by TSKB, Turkey’s first carbon neutral bank holding an ISO 14001 Certificate, from the European Investment Bank under the guarantee of the Turkish Undersecretariat of Treasury was signed.

Fitch Ratings upgraded TSKB ratings to ‘BB+’ from ‘BB’ and assigned Stable Outlook while the Republic of Turkey’s Long-term foreign currency issuer default ratings (IDR) was upgraded to ‘BB+’ from ‘BB-’ and the Long-term local currency IDR upgraded to ‘BB+’ from ‘BB’.

TSKB provided a total of 847 millions Euros financing for three Hydroelectric Power Plants to be realized by MEM Enerji Elektrik Üretim A.Ş, subsidiary of Akenerji Elektrik Üretim A.Ş. Total investment value of power plants is € 120 millions.

BANK RAKYAT بيڤڤت رايڤت

RAM Ratings Malaysia has reaffirmed Bank Kerjasama Rakyat Malaysia Berhad (BRM)’s long- and short-term financial institution ratings at AA3 and P1, respectively; the long-term rating has a stable outlook.

BRM introduced new Islamic concept of credit line called Ar-Rahnu as an alternative and easier source of credit, with gold as collateral in exchange for cash. It ensures privacy for the customer as against the conventional pawnshop, which handles the business openly. According to Mohamad Sabri Nor, General Manager of Rakyat Management Services, Ar-Rahnu system would provide for transparency, privacy and security. BRM will open branches throughout the country called Ar-Rahnu X-Change Branches.

unibank

The retail deposit portfolio of Unibank Commercial Bank OJSC rose by more than a quarter in the second half of the year and equaled AZN 79 million at the end of November 2009. The new retail deposits put in Unibank in June-November 2009 equaled approximately AZN 15 million and this is one of the highest retail deposit acquisition indicators in the local banking system.

AtaBank

Atabank has started Phone Banking service where its customers are enabled to access to their accounts and carry out transactions.

Bank Respublika

size faydali

According to the operating results, as of December 1, 2009, Bank Respublika’s assets reached AZN 368,900,000. The balance of credit portfolio was AZN 226.3 million during the reported period.

Bank Respublika and the European Bank for Reconstruction and Development (EBRD) signed an agreement on allocation of a USD 6 million credit to Bank Respublika. The credit line was provided for micro and small enterprise lending.

Bank Pembangunan

Malaysian Rating Corporation Berhad (MARC) assigned a financial institution rating of ‘AAA’ on Bank Pembangunan Malaysia Bhd (BPMB) with a stable outlook.



Omdurman National Bank

The delegation of a 20 workers from Omdurman National Bank performed the Hajj while the Bank covered all the expenses, including financial and administrative one, relevant to the delegation travel, stay and return from the Muslim Holy lands.

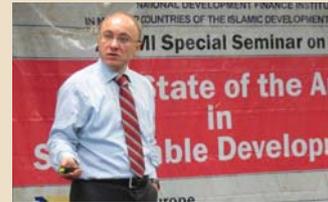


ADFIMI Seminar on
The State of Art in Sustainable Development held in Hotel Europe Sarajevo, Bosnia and Herzegovina, 26-27 OCTOBER 2009



The seminar was managed by Brother Dr. Bülent Ulaşan, Economist, Research and Monetary Policy Department, Central Bank of the Republic of Turkey. Brother Dr. Ulaşan lecture began with the definition of the sustainable development which was followed by the presentation of the theoretical growth models and statistics exhibiting the economic development and its effects all around the world before the final discussion on the question “Is sustainable growth possible?”.

Social programme included visits to Bashcarshiya in Sarajevo and to the famous Mostar Bridge.



aktif bank

The Cooperation Agreement between Aktif Bank and The Islamic Corporation for Insurance of Investments and Export Credits (ICIEC) has been signed and with this agreement, Aktif Bank aims to increase foreign trade and investments with the use of ICIEC’s products by exporters, investors and banks in Turkey.

Strategic cooperation agreement was also signed between The International Islamic Trade Finance Corporation (ITFC) and Aktif Bank which is aiming widespread and effective use of foreign trade and structured finance products and services in Turkey and the neighbouring countries to improve trade which are offered in 56 member countries.

HALKBANK

Üreten Türkiye'nin Bankası

Halkbank obtained 40 million TL (26.3 million USD) fund from the Development Bank of Turkey to meet the needs of tourism enterprises in Istanbul. The loan agreement was signed on December 31, 2009 and this loan will be granted for the purpose of modernization, renovation, class raising and energy efficiency investments of small and medium sized tourism enterprises operating in different towns of Istanbul and also for the purpose of financing their working capital needs.

Halkbank sustained its loan growth in the first nine months of 2009, following proactive strategies to offset the ongoing global financial crisis. Halkbank enlarged its assets to 57.2 billion TL by the end of September 2009, from 51.1 billion TL at year-end 2008.



Zarei Taraqiati Bank

The Zarei Taraqiati Bank Ltd.(ZTBL) initiated “Benazir Credit Programme” for lending to women. by establishing a separate credit to women unit for this purpose. The Benazir Credit Programme aims at increasing access of credit to women to undertake income generating activities and self employment opportunities in rural and urban areas.

ZTBL’s profit of Rs. 2 billion marked another landmark achievement and this initiated the bank to raise its assets by constructing its own buildings.

9760 farmers placed their orders for purchasing tractors on subsidized rates under the Benazir Tractor Scheme (BTS) initiated by the government through the ZTBL for the development of agriculture sector in the country.

For the agricultural uplift and alleviate rural poverty, ZTBL has all been set to mechanize the farms for increasing crop productivity through various initiatives for the small farmers with its expanded credit plan of Rs.76 billion for 2010.

ZTBL launched first ever “Model Village Programme” of the bank at Chak No.32, JB-Faisalabad which is a great landmark in the bank history as well great boost to rural development in the field of social, agriculture sector of the country. Bank will provide credit as well as technical assistance to the farmers coupled with all the banking facilities at the doorstep of the villages.



ADFIMI-
AGROBANK
Joint Seminar
on “Training of
Trainers” held
in Maytower
Hotel, Kuala
Lumpur, Malaysia
from 16 to 20
NOVEMBER
2009

Sister Rita Krishnan, Principal Trainer & Consultant, Impian Helang (M) Sdn Bhd, Malaysia (Left most sitting row), managed the seminar where 11 participants from four countries attended the seminar. Sister Krishnan made a presentation on training methods during which she used an interactive teaching technich encouring participants to be actively involved.

After every session, participants enjoyed the visits to varying places in and around Kuala Lumpur including China Town shopping center, Utama Shopping Center, Kuala Lumpur Tower, Bukit Bintang Area, Twin Towers. The seminar was concluded by a gala dinner in Maytower Hotel – attended by the chairman of ADFIMI Advisory Board, Tan Sri Dato’ Seri Dr. Hj Zainul Ariff Hj. Hussain.





ADFIMI-AGROBANK Joint Seminar High Impact Leadership

Maytower Hotel Kuala Lumpur
07-09 December 2009

The seminar to which 8 overseas and 7 local participants attended was managed by Brother Heera Singh, Principal Consultant, HEERA Training & Management Consultancy, Malaysia. He lectured on volatile business environment, essential points in being a leader, motivation at work and how to lead effectively in an interactive classroom environment where attendants participated discussions and other activities.

Participants have had the opportunity to visit the shopping centers and some other spectacular places in Kuala Lumpur. The seminar has ended with a closing ceremony and a dinner at the terraces of Agrobank Head Office.



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



The 17 participants, 8 of whom were from ADFIMI Malaysian Member Institutions, have attended the seminar which was managed by Brother Dr. Murat Yülek, General Manager, PGlobal, Turkey. Dr. Yülek introduced valuation terms, its basics, and different techniques used in valuation and then made presentations on the valuation of a company during his two-day program.

ADFIMI Special Seminar on “Corporate Valuation (Firm Valuation Techniques)” Maytower Hotel Kl,

10-11 December 2009



Adfimi visits member and non-member institutions in Malaysia





IDB News

Dr. Ngozi Okonjo-Iweala, Managing Director of the World Bank, paid a visit to the IDB Headquarters

during which cooperation on areas of mutual interest, especially the impact of global financial crisis on low-

income countries between two international organization have been discussed. He also delivered a keynote address on the post crisis world to a group of participants inclusive of high level officials as well as local business leaders, bankers, academicians and representatives from media organizations.

The IDB announced a \$1 billion agreement to fund agricultural development in poor countries that belong to the IDB and the Food and Agriculture Organization of the United Nations on the eve of World Summit on Food Security on 16-18 November 2009.

The IDB and the International Fund for Agricultural Development have reached a groundbreaking US\$1.5 billion framework co-financing agreement that will strengthen their 30-year collaboration in supporting the world's poorest people in common member countries.

Seven Multilateral Development Banks including the IDB issued a joint statement outlining a broad package of measures that each would implement in order to reduce an anticipated and alarming rise in the number of road fatalities and casualties in developing countries.

The IDB hosted a reception in honour of the representatives of media institutions in muslim countries during which the IDB President Brother Mohamad Ali introduced a new Adahi project (www.adahi.org) designed to make it easy for pilgrims to perform the ritual and make the meat available to its rightful beneficiaries among the poor in Makkah and then provide the surplus to (24) countries for distribution to people eligible to receive it. He also gave information on the IDB finance and other relevant issues.

Fitch Ratings, one of the most important rating agencies in the world, has reaffirmed IDB's "AAA" long term and F1+ short term foreign currency issuer rating with a "stable" outlook. Fitch Ratings stated that the IDB's rating reflects the strong support it receives from its member countries, its established track record in terms of asset quality and its high level of capitalisation.

The IDB and the Islamic Republic of Mauritania signed an agreement during the visit of the Vice President of IDB, Birama Sidibe to the Mauritania. As a result, IDB shall provide an amount of US\$ 108 million to participate in the Modernization and Development Program for the Mauritanian Industrial and Mining Corporation (SNIM).

The IDB approved new finances totaling US\$ (504) million for development projects and technical assistance in favor of Benin, Kyrgyzstan, Sudan, Tajikistan, Tunisia, Lebanon, Nigeria, Uganda, Bangladesh, Iran and Uzbekistan. A Technical Assistance Grant was also approved for the Regional Program for Infrastructure Development in Africa (PIDA).

IDB Board of Executive Directors endorsed a Medium Term Program for 1431-1433H (2010-2012G) during its 263rd meeting in Jeddah, and the funds for the said period would reach to 11.5 billion Dollars.



OBITUARY

Adnan Büyükdeniz, General Manager of Albaraka Türk Participation Bank, passed away after losing a long battle with severe illness. May Allah bless him, grant patience and endurance to his family members and close friends.

Upcoming Events

- Appraisal of Investment Projects (in French) Lome TOGO 11-12 January
- Credit Analysis & Associated Financial Modelling Cairo Egypt 25-28 January
- Advanced Financial Analysis & Valuation Modelling Khartoum Sudan 15 - 17 February
- "Client Relationship Management Skills: Leading your organization for customer focus" North Cyprus 1-3 March
- Microfinance KL, Malaysia 29 - 31 March
- Treasury Operations & Risk Management, Istanbul 19 - 21 April
- Corporate Project Financing Baku-Azerbaijan 14-16 June