

**ASSOCIATION OF NATIONAL  
DEVELOPMENT FINANCE  
INSTITUTIONS IN MEMBER  
COUNTRIES OF THE ISLAMIC  
DEVELOPMENT BANK, ADFIMI  
FINANCIAL STATEMENTS FOR  
THE YEAR ENDED  
31 DECEMBER 2018 TOGETHER  
WITH INDEPENDENT AUDITOR'S  
REPORT**

## INDEPENDENT AUDITORS' REPORT

To the Management Committee of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank, ADFIMI

### 1) *Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ADFIMI as of December 31, 2018, and its financial performance for the year then ended in accordance with Turkish Generally Accepted Accounting Principles (Turkish GAAP).

We have audited the financial statements of ADFIMI, which comprise the statement of financial position as of December 31, 2018, and the statement of comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### 2) *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of ADFIMI within the meaning of Code of Ethics for independent auditors and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

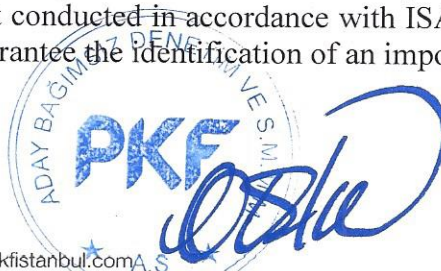
### 3) *Responsibilities of Management Committee for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial in accordance with Turkish Generally Accepted Accounting Principles (Turkish GAAP), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 4) *Independent Auditor's Responsibilities for the Audit of the Financial Statements*

Responsibilities of independent auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, free of fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance yielded through an audit conducted in accordance with ISAs is a high level of assurance, it doesn't always guarantee the identification of an important error.



Misstatements can arise from fraud or error. They are considered important if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on ADFIMI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ADFIMI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause ADFIMI to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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The engagement partner responsible for the audit resulting in this independent auditor's report is Barış Özkurt.

Istanbul, 4 February 2019

Aday Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
(A Member Firm of PKF International)



Barış ÖZKURT  
Partner

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**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE  
INSTITUTIONS IN MEMBER COUNTRIES OF THE ISLAMIC  
DEVELOPMENT BANK, ADFIMI  
BALANCE SHEETS AS OF DECEMBER 31, 2018 AND 2017  
(Amounts expressed in Turkish Lira (TL))**

<b>ASSETS</b>	<b>Notes</b>	<b>Audited 31.12.2018</b>	<b>Audited 31.12.2017</b>
<b>Current Assets</b>			
Liquid Assets	3	597.129	457.424
<b>Total Current Assets</b>		<b>597.129</b>	<b>457.424</b>
<b>Non-Current Assets</b>			
Tangible and Intangible Assets	5	127.136	117.499
<b>Total Non-Current Assets</b>		<b>127.136</b>	<b>117.499</b>
<b>Total Assets</b>		<b>724.266</b>	<b>574.923</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Financial Liabilities	5	1.645	3.797
Trade Payables	6	1.723	-
<b>Total Short-Term Liabilities</b>		<b>3.368</b>	<b>3.797</b>
<b>Equity</b>			
Retained Earnings		571.127	522.667
Net Income/ (Losses) for the period		149.771	48.459
<b>Total Equity</b>		<b>720.898</b>	<b>571.126</b>
<b>Total Equity and Liabilities</b>		<b>724.266</b>	<b>574.923</b>

*The footnotes constitute the complementary part of the financial statements.*



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE  
INSTITUTIONS IN MEMBER COUNTRIES OF THE ISLAMIC  
DEVELOPMENT BANK, ADFIMI  
INCOME STATEMENTS AS OF DECEMBER 31, 2018 AND 2017**

	Notes	Audited 1 January – 31 December 2018	Audited 1 January - 31 December 2017
Revenues	8	1.246.494	993.087
<b>Gross Profit / (Loss)</b>		<b>1.246.494</b>	<b>993.087</b>
General administrative expenses	9	(1.362.527)	(981.298)
Other Operating Income and Profits	10	246.580	52.620
Other Operating Expense and Losses	11	(10.497)	(26.073)
<b>Net Operating Profit/(Loss)</b>		<b>120.050</b>	<b>38.336</b>
Extraordinary Income and Profits	12	29.721	37.686
Extraordinary Expense and Losses	13	-	(27.563)
<b>Net Profit/(Loss)</b>		<b>149.771</b>	<b>48.459</b>

*The footnotes constitute the complementary part of the financial statements.*



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, ADFIMI  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

**1. GENERAL INFORMATION:**

Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank, ADFIMI, presently serves 42 members in 17 countries. Its activities essentially aim at the human development dimension of Development Finance Institutions (DFIs). In this context, ADFIMI organizes seminars, workshops, forums and conferences for high level managers of DFIs.

ADFIMI's contact information is given below:

Address :Rüstem Paşa Mah. Saka Mehmet Sokak No: 33-39 Kat:2  
Eminönü/İstanbul/Turkey

Telephone : +90 212 526 51 26 and +90 212 526 51 27

As of 31.12.2018, members of ADFIMI are listed below:

	COMPANY NAME	COUNTRY
1.	ATABANK JSC	Azerbaijan
2.	SAUDI - BANGLADESH INDUSTRIAL AND AGRICULTURAL INVESTMENT CO. LTD. (SABINCO LTD.)	Bangladesh
3.	BANGLADESH DEVELOPMENT BANK LTD.	Bangladesh
4.	SOCIETE NATIONALE D'INVESTISSEMENT	Cameroun
5.	PT. SARANA MULTI INFRASTRUKTUR (PERSERO)	Indonesia
6.	BANK OF INDUSTRY & MINE	Iran
7.	BANK KESHAVARZI	Iran
8.	SAMANBANK CORPORATION	Iran
9.	JORDAN ISLAMIC BANK	Jordan
10.	AGRAIAN CREDIT CORPORATION JSC (ACC)	Kazakhstan
11.	SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD	Malaysia
12.	BANK PEMBANGUNAN MALAYSIA BERHAD	Malaysia
13.	AGROBANK (BANK PERTANIAN)	Malaysia
14.	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	Malaysia
15.	TEKUN NASIONAL	Malaysia
16.	OMAN DEVELOPMENT BANK	Oman
17.	PAK OMAN INVESTMENT	Pakistan
18.	PAKLIBYA HOLDING COMPANY	Pakistan
19.	QATAR DEVELOPMENT BANK	Qatar
20.	SOMALI DEVELOPMENT BANK	Somalia
21.	EL-NILEIN INDUSTRIAL DEVELOPMENT BANK	Sudan
22.	FINANCIAL INVESTMENT BANK OF SUDAN	Sudan
23.	WORKERS NATIONAL BANK	Sudan
24.	AL SHAMAL ISLAMIC BANK	Sudan





**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, ADFIMI  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
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	<b>COMPANY NAME</b>	<b>COUNTRY</b>
25.	TADAMON ISLAMIC BANK	Sudan
26.	SAUDI SUDANESE BANK	Sudan
27.	OMDURMAN NATIONAL BANK	Sudan
28.	TÜRKİYE SİNAİ KALKINMA BANKASI (TSKB)	Turkey
29.	TÜRKİYE KALKINMA BANKASI (TKB)	Turkey
30.	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (TÜRK EXİMBANK A.Ş.)	Turkey
31.	TÜRKİYE VAKIFLAR BANKASI T.A.O.	Turkey
32.	TÜRKİYE HALK BANKASI A.Ş.	Turkey
33.	ZİRAAT KATILIM BANKASI A.Ş.	Turkey
34.	KUZEY KIBRIS TÜRK CUMHURİYETİ KALKINMA BANKASI	North Cyprus
35.	UGANDA DEVELOPMENT BANK LTD.	Uganda
36.	TROPICAL BANK LTD.	Uganda
37.	COOPERATIVE & AGRICULTURAL CREDIT BANK (CACBANK)	Yemen
38.	ISLAMIC DEVELOPMENT BANK	ISDB
39.	AFRICAN SOLIDARITY FUND	FSA
40.	ZARAI TARAQIATI BANK LIMITED	Pakistan
41.	İŞ LEASİNG A.Ş.	Turkey
42.	BANGLADESH SMALL INDUSTRIES AND COMMERCE BANK LIMITED (BASIC BANK LTD.)	Bangladesh

**2. PROCEDURAL EXAMINATION:**

ADFIMI's legal books notarial attestation information for 2018 is presented below.

Legal Books	Notary	Attestation Date	Attestation Date
General journal	İstanbul 23rd Notary	19.12.2017	5622
General ledger	İstanbul 23rd Notary	19.12.2017	5623
Inventory register	İstanbul 23rd Notary	19.12.2017	5624

*Basis of Presentation*

ADFIMI keeps accounting records and prepares its statutory financial statements in accordance with the principles and obligations of Turkish Commercial Code (the "TCC"), Uniform Accounting Policy of Tax Legislation.

*Basis of Measurement*

The attached financial statements are prepared on historical costs.



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

**3. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents comprise from cash and bank accounts and details are below:

	<b>31 December 2018</b>	<b>31 December 2017</b>
TL	4.631	933
USD	3.312	3.916
EUR	-	-
<b>Cash on Hand</b>	<b>7.943</b>	<b>4.849</b>
TL	1.934	1.169
USD	290.641	262.366
EUR	6.173	-
<b>Banks –Demand Deposits</b>	<b>298.748</b>	<b>263.535</b>
USD	265.543	189.040
EUR	24.895	-
<b>Banks –Time Deposits</b>	<b>290.438</b>	<b>189.040</b>
<b>Total</b>	<b>597.129</b>	<b>457.424</b>

Foreign currency in the bank is converted into "foreign exchange buying rate"; Foreign currency located in the cash valued at the "effective buying rate". The details of foreign currency that are in cash and banks are presented below.

	<b>Foreign Currency Amount 31 December 2018</b>	<b>Foreign Currency Amount 31 December 2017</b>
US dollars in the cash	630	1.039
Demand deposit in US dollars	55.246	69.558
Time deposit in US dollars	50.475	50.118
Demand deposit in EUR	1.024	-
Time deposit in EUR	4.130	-

**4. RELATED PARTIES :**

Parties are considered related with one party either through ownership, contractual rights family relationship or otherwise, has the ability to directly or indirectly control or significantly influence the other party. For the purpose of these financial statements, the personnel of the Association are referred to as related parties.

As of December 31, 2018 there were no outstanding balances with the related parties (December 31, 2017: none).



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

**5. FIXED ASSETS:**

Fixed assets in the course of continuing the operations of ADFIMI, are carried at cost. Fixed assets comprised of motor vehicles, fixtures and furniture and software licenses and not depreciated.

The movements of fixed assets is presented below.

<b>Fixed Assets</b>	<b>31.12.2017</b>	<b>Entries</b>	<b>Disposals</b>	<b>31.12.2018</b>
Motor Vehicles:	85.000	-	-	85.000
Fixtures and Furniture	32.499	9.637	-	42.136
<b>Total</b>	<b>117.499</b>	<b>9.637</b>	<b>-</b>	<b>127.136</b>

<b>Fixed Assets</b>	<b>31.12.2016</b>	<b>Entries</b>	<b>Disposals</b>	<b>31.12.2017</b>
Motor Vehicles:	85.000	--	--	85.000
Fixtures and Furniture	26.771	8.059	(2.331)	32.499
Software licenses	3.410	--	(3.410)	--
Rights	854	--	(854)	--
<b>Total</b>	<b>116.035</b>	<b>8.059</b>	<b>(6.595)</b>	<b>117.499</b>

**6. TRADE PAYABLES:**

As of 31 December 2018 and 2017, trade payables are presented below:

	<b>31 December 2018</b>	<b>31 December 2017</b>
Beyaz Bilgisayar Ltd. Şti.	1.723	-
<b>Total</b>	<b>1.723</b>	<b>-</b>

**7. FINANCIAL LIABILITIES**

As of December 31, 2018, ADFIMI has credit card debt amounting to TL 1.645 (December 31, 2017: 3.797 TL).

**8. REVENUES:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized on accrual basis.



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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**NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

Revenue comprise of membership fees, grants, contribution amounts for contribution to seminars, workshops and forums which ADFIMI organizes.

The details of the revenues are below.

	<b>1 January – 31 December 2018</b>	<b>1 January – 31 December 2017</b>
Membership Fees		
- Membership fees for 2017	-	611.584
- Membership fees for 2018	563.876	257.839
- Membership fees for 2019	318.341	-
Revenue from Seminars	17.366	33.473
Donations	346.911	90.191
<b>Total</b>	<b>1.246.494</b>	<b>993.087</b>

**9. GENERAL ADMINISTRATIVE EXPENSES:**

The details of general administrative expenses are given below.

	<b>1 January – 31 December 2018</b>	<b>1 January – 31 December 2017</b>
Payroll Expenses (including social security premiums, benefits and housing allowances)	620.947	482.487
Seminar and Workshop Expenses	553.078	296.155
Auditing and Accounting Expenses	48.787	39.887
Office Expenses and Other Sundry Expenses	35.524	27.607
Promotion Expenses	22.088	26.768
General Assembly and Management Com.	20.650	46.641
Vehicle Expenses	18.850	11.799
Health Insurance and Expenses	12.367	25.367
Communication Expenses	8.718	7.001
Insurance Expenses	7.359	5.510
Stationary Expenses	5.739	5.523
Computer Expenses	5.184	2.903
Bank and Notary Expenses	3.236	3.650
<b>Total</b>	<b>1.362.527</b>	<b>981.298</b>



ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

**10. OTHER OPERATING INCOMES AND PROFITS**

The details of other operating incomes and profits are below.

	1 January – 31 December 2018	1 January – 31 December 2017
Foreign Exchange Income	236.214	43.594
Proceeds From Banks	10.366	9.026
<b>Total</b>	<b>246.580</b>	<b>52.620</b>

Transactions in foreign currencies are converted into Turkish Lira (TL) at the rates of exchange valid at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate valid on the balance sheet date. Gains and losses arising on settlement and conversion of foreign currency items are included in the statements of income.

The closing TL/US Dollar exchange rates for the periods are as follows:

	<u>Rates</u>
Year ended at 31 December 2018	5,2609
Year ended at 31 December 2017	3,7719

**11. OTHER OPERATING EXPENSES AND LOSSES**

The details of other operating expenses and losses are below.

	1 January – 31 December 2018	1 January – 31 December 2017
Foreign Exchange Expenses	10.497	26.073
<b>Total</b>	<b>10.497</b>	<b>26.073</b>

**12. EXTRAORDINARY INCOMES AND PROFITS:**

The details of extraordinary incomes and profits are below.

	1 January – 31 December 2018	1 January – 31 December 2017
Vehicle Insurance Damage Income	336	21.268
Travel Ticket Return Income	28.961	12.254
Other	424	4.164
<b>Total</b>	<b>29.721</b>	<b>37.686</b>



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, ADFIMI  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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**13. EXTRAORDINARY EXPENSES AND LOSSES:**

The detail of extraordinary expenses and losses are below.

	<b>1 January – 31 December 2018</b>	<b>1 January – 31 December 2017</b>
Vehicle Damage Expenses	--	21.269
Fixed Assets That Lost Their Useful Life	--	5.863
Other	--	431
<b>Total</b>	<b>--</b>	<b>27.563</b>

**14. SEVERANCE PAY**

ADFIMI does not reserve for employee termination benefits.

**15. LAWSUIT AND EXECUTION PROSECUTION**

ADFIMI does not have any lawsuits or enforcement action in favor or against it.

**16. CORPORATE TAX**

ADFIMI is exempt from corporate tax.

