

**ASSOCIATION OF NATIONAL  
DEVELOPMENT FINANCE  
INSTITUTIONS IN MEMBER  
COUNTRIES OF THE ISLAMIC  
DEVELOPMENT BANK, ADFIMI  
FINANCIAL STATEMENTS FOR  
THE YEAR ENDED  
31 DECEMBER 2019 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, 2019, 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, 2019, 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.

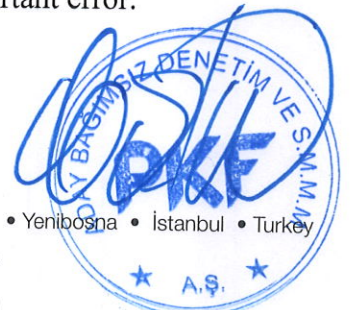
### 3) *Responsibilities of Management Committee for the Financial Statements*

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, 5 February 2020

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, 2019 AND 2018**  
*(Amounts expressed in Turkish Lira (TL))*

<b>ASSETS</b>	<b>Notes</b>	<b>Audited 31.12.2019</b>	<b>Audited 31.12.2018</b>
<b>Current Assets</b>			
Liquid Assets	3	216.617	597.129
<b>Total Current Assets</b>		<b>216.617</b>	<b>597.129</b>
<b>Non-Current Assets</b>			
Tangible and Intangible Assets	5	129.127	127.136
<b>Total Non-Current Assets</b>		<b>129.127</b>	<b>127.136</b>
<b>Total Assets</b>		<b>345.744</b>	<b>724.266</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Financial Liabilities	5	1.252	1.645
Trade Payables	6	-	1.723
<b>Total Short-Term Liabilities</b>		<b>1.252</b>	<b>3.368</b>
<b>Equity</b>			
Retained Earnings		720.898	571.127
Net Income/ (Losses) for the period		(376.407)	149.771
<b>Total Equity</b>		<b>344.491</b>	<b>720.898</b>
<b>Total Equity and Liabilities</b>		<b>345.744</b>	<b>724.266</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, 2019 AND 2018**

	Notes	Audited 1 January – 31 December 2019	Audited 1 January - 31 December 2018
Revenues	8	805.727	1.246.494
<b>Gross Profit / (Loss)</b>		<b>805.727</b>	<b>1.246.494</b>
General administrative expenses	9	(1.250.297)	(1.362.527)
Other Operating Income and Profits	10	71.534	246.580
Other Operating Expense and Losses	11	(14.106)	(10.497)
<b>Net Operating Profit/(Loss)</b>		<b>(387.143)</b>	<b>120.050</b>
Extraordinary Income and Profits	12	11.798	29.721
Extraordinary Expense and Losses	13	(1.062)	-
<b>Net Profit/(Loss)</b>		<b>(376.407)</b>	<b>149.771</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, 2019**  
(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 39 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 31.12.2019, 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.	BANGLADESH SMALL INDUSTRIES AND COMMERCE BANK LIMITED (BASIC BANK LTD.)	Bangladesh
5.	SOCIETE NATIONALE D'INVESTISSEMENT	Cameroun
6.	PT. SARANA MULTI INFRASTRUKTUR (PERSERO)	Indonesia
7.	BANK OF INDUSTRY & MINE	Iran
8.	BANK KESHAVARZI	Iran
9.	SAMANBANK CORPORATION	Iran
10.	JORDAN ISLAMIC BANK	Jordan
11.	AGRARIAN CREDIT CORPORATION JSC (ACC)	Kazakhstan
12.	BANK PEMBANGUNAN MALAYSIA BERHAD	Malaysia
13.	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	Malaysia
14.	OMAN DEVELOPMENT BANK	Oman
15.	PAK OMAN INVESTMENT	Pakistan
16.	PAKLIBYA HOLDING COMPANY	Pakistan
17.	ZARAI TARAQIATI BANK LIMITED	Pakistan
18.	QATAR DEVELOPMENT BANK	Qatar
19.	SOMALI DEVELOPMENT BANK	Somalia
20.	EL-NILEIN INDUSTRIAL DEVELOPMENT BANK	Sudan
21.	FINANCIAL INVESTMENT BANK OF SUDAN	Sudan
22.	WORKERS NATIONAL BANK	Sudan
23.	BALAD BANK	Sudan





**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	<b>COMPANY NAME</b>	<b>COUNTRY</b>
24.	TADAMON ISLAMIC BANK	Sudan
25.	SAUDI SUDANESE BANK	Sudan
26.	OMDURMAN NATIONAL BANK	Sudan
27.	TÜRKİYE SİNAİ KALKINMA BANKASI (TSKB)	Turkey
28.	TÜRKİYE KALKINMA VE YATIRIM BANKASI (TKYB)	Turkey
29.	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (TÜRK EXİMBANK A.Ş.)	Turkey
30.	TÜRKİYE VAKIFLAR BANKASI T.A.O.	Turkey
31.	TÜRKİYE HALK BANKASI A.Ş.	Turkey
32.	ZİRAAT KATILIM BANKASI A.Ş.	Turkey
33.	T. EMLAK KATILIM BANKASI A.Ş.	Turkey
34.	İŞ LEASİNG A.Ş.	Turkey
35.	KUZEY KIBRIS TÜRK CUMHURİYETİ KALKINMA BANKASI	North Cyprus
36.	UGANDA DEVELOPMENT BANK LTD.	Uganda
37.	TROPICAL BANK LTD.	Uganda
38.	COOPERATIVE & AGRICULTURAL CREDIT BANK (CACBANK)	Yemen
39.	ISLAMIC DEVELOPMENT BANK	IDB

**2. PROCEDURAL EXAMINATION:**

ADFIMI's legal books notarial attestation information for 2019 is presented below.

Legal Books	Notary	Attestation Date	Attestation Date
General journal	İstanbul 23rd Notary	06.12.2018	4065
General ledger	İstanbul 23rd Notary	06.12.2018	4066
Inventory register	İstanbul 23rd Notary	06.12.2018	4067

*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, 2019**  
(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:

	31 December 2019	31 December 2018
TL	1.332	4.631
USD	3.546	3.312
EUR	-	-
<b>Cash on Hand</b>	<b>4.879</b>	<b>7.943</b>
TL	3.013	1.934
USD	297	290.641
EUR	72.076	6.173
<b>Banks –Demand Deposits</b>	<b>75.385</b>	<b>298.748</b>
USD	136.353	265.543
EUR	-	24.895
<b>Banks –Time Deposits</b>	<b>136.353</b>	<b>290.438</b>
<b>Total</b>	<b>216.617</b>	<b>597.129</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.

	Foreign Currency Amount 31 December 2019	Foreign Currency Amount 31 December 2018
US dollars in the cash	597	630
Demand deposit in US dollars	50	55.246
Time deposit in US dollars	22.954	50.475
Demand deposit in EUR	10.837	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, 2019 there were no outstanding balances with the related parties (December 31, 2018: none).



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, ADFIMI  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019**  
(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>31.12.2018</b>	<b>Entries</b>	<b>Disposals</b>	<b>31.12.2019</b>
Motor Vehicles:	85.000	-	-	85.000
Fixtures and Furniture	42.136	3.088	(1.097)	44.127
<b>Total</b>	<b>127.136</b>	<b>3.088</b>	<b>(1.097)</b>	<b>129.127</b>

<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>

**6. TRADE PAYABLES:**

As of 31 December 2019 and 2018, trade payables are presented below:

	<b>31 December 2019</b>	<b>31 December 2018</b>
Beyaz Bilgisayar Ltd. Şti.	-	1.723
<b>Total</b>	<b>-</b>	<b>1.723</b>

**7. FINANCIAL LIABILITIES**

As of December 31, 2019, ADFIMI has credit card debt amounting to TL 1.252 (December 31, 2018: 1.645 TL).



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

**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.

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.

	1 January – 31 December 2019	1 January – 31 December 2018
Membership Fees		
- Membership fees for 2018	-	563.876
- Membership fees for 2019	655.718	318.341
- Membership fees for 2020	83.297	-
Revenue from Seminars	14.250	17.366
Donations	52.462	346.911
<b>Total</b>	<b>805.727</b>	<b>1.246.494</b>

**9. GENERAL ADMINISTRATIVE EXPENSES:**

The details of general administrative expenses are given below.

	1 January – 31 December 2019	1 January – 31 December 2018
Payroll Expenses (including social security premiums, benefits and housing allowances)	769.730	620.947
Seminar and Workshop Expenses	280.551	553.078
Auditing and Accounting Expenses	61.488	48.787
Office Expenses and Other Sundry Expenses	34.551	35.524
Promotion Expenses	20.321	22.088
General Assembly and Management Com.	21.584	20.650
Vehicle Expenses	19.909	18.850
Health Insurance and Expenses	12.915	12.367
Communication Expenses	6.881	8.718
Insurance Expenses	8.277	7.359
Stationary Expenses	5.474	5.739
Computer Expenses	5.226	5.184
Bank and Notary Expenses	3.390	3.236
<b>Total</b>	<b>1.250.297</b>	<b>1.362.527</b>



**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN  
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**NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019**  
(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.

	<b>1 January – 31 December 2019</b>	<b>1 January – 31 December 2018</b>
Foreign Exchange Income	63.425	236.214
Proceeds From Banks	8.109	10.366
<b>Total</b>	<b>71.534</b>	<b>246.580</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><b>Rates</b></u>
Year ended at 31 December 2019	5,9402
Year ended at 31 December 2018	5,2609

**11. OTHER OPERATING EXPENSES AND LOSSES**

The details of other operating expenses and losses are below.

	<b>1 January – 31 December 2019</b>	<b>1 January – 31 December 2018</b>
Foreign Exchange Expenses	14.106	10.497
<b>Total</b>	<b>14.106</b>	<b>10.497</b>

**12. EXTRAORDINARY INCOMES AND PROFITS:**

The details of extraordinary incomes and profits are below.

	<b>1 January – 31 December 2019</b>	<b>1 January – 31 December 2018</b>
Vehicle Insurance Damage Income	-	336
Travel Ticket Return Income	7.406	28.961
Other	4.392	424
<b>Total</b>	<b>11.798</b>	<b>29.721</b>



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MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, ADFIMI  
NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019**  
(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 2019</b>	<b>1 January – 31 December 2018</b>
Scrap Fixtures Sales Loss	1.062	--
<b>Total</b>	<b>1.062</b>	<b>--</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.

