

**ASSOCIATION OF NATIONAL  
DEVELOPMENT FINANCE INSTITUTIONS IN  
MEMBER COUNTRIES OF THE ISLAMIC  
DEVELOPMENT BANK (ADFIMI)**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2020 TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

Aksis Uluslararası Bağımsız Denetim Anonim Şirketi  
23 February 2021

This report includes 2 pages of independent auditors' report and  
10 pages of financial statements together with their explanatory  
notes

**ASSOCIATION OF NATIONAL  
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**INDEPENDENT AUDITOR'S REPORT**



**To the Management Committee of The Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)**

**A) Audit of the Financial Statements**

**1) Opinion**

We have audited the financial statements of ADFIMI, which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

**In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ADFIMI as at December 31, 2020, and its financial performance for the year then ended in accordance with Turkish Generally Accepted Accounting Principles (Turkish GAAP).**

**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 the ADFIMI in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements issued by Public Oversight Accounting and Auditing Standards Authority (the “POA”), Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3) Other Issues**

ADFIMI's financial statements for the year ended 31 December 2019 were audited by another independent auditing firm and an unqualified opinion was expressed on these financial statements on 5 February 2020.

**4) Responsibilities of Management Committee for the Financial Statements**

ADFIMI 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.

In preparing the financial statements, Management Committee is responsible for assessing the ADFIMI’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union’s or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ADFIMI’s financial reporting process.





### 5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material 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 independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 the effectiveness of 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 ADFIMI 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.

We communicate with ADFIMI Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The name of the audit partner who supervised and concluded this audit is Nail ÇAMCI.

  
Nail ÇAMCI SMMM  
Partner

23 February 2021

İstanbul, Turkey

Aksis Uluslararası Bağımsız Denetim A.Ş.



**Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank (ADFIMI)**

**Statement of Financial Position**

As at 31 December 2020

Monetary Unit: Turkish Lira ("TL")

<b>ASSETS</b>	<i>Notes</i>	<b>Audited 31 December 2020</b>	<b>Audited 31 December 2019</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	3	1.051.768	216.617
<b>Total Current Assets</b>		<b>1.051.768</b>	<b>216.617</b>
<b>Non-Current Assets</b>			
Property and Equipment	5	52.191	129.127
<b>Total Non-Current Assets</b>		<b>52.191</b>	<b>129.127</b>
<b>Total Assets</b>		<b>1.103.959</b>	<b>345.744</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
Financial Liabilities	6	--	1.252
<b>Total Short-Term Liabilities</b>		<b>--</b>	<b>1.252</b>
<b>Equity</b>			
Retained Earnings		344.491	720.898
Net Income / (Loss) for the Period		759.468	(376.407)
<b>Total Equity</b>		<b>1.103.959</b>	<b>344.491</b>
<b>Total Equity and Liabilities</b>		<b>1.103.959</b>	<b>345.744</b>

The accompanying notes form an integral part of these financial statements.

**Association of National Development Finance Institutions in Member  
Countries of The Islamic Development Bank (ADFIMI)**

**Statement of Profit or Loss**

**For the Year Ended 31 December 2020**

*Monetary Unit: Turkish Lira ("TL")*

	<i>Notes</i>	<b>Audited 2020</b>	<b>Audited 2019</b>
Revenue	7	1.503.918	805.727
<b>Gross Profit</b>		<b>1.503.918</b>	<b>805.727</b>
General Administrative Expenses(-)	8	(920.653)	(1.250.297)
Other Operating Income	9	130.255	71.534
Other Operating Expenses (-)	10	(52)	(14.106)
<b>Net Operating Profit</b>		<b>713.468</b>	<b>(387.143)</b>
Extraordinary Income and Profit	11	46.000	11.798
Extraordinary Expense and Losses(-)		--	(1.062)
<b>Net Profit / (Loss)</b>		<b>759.468</b>	<b>(376.407)</b>

The accompanying notes form an integral part of these financial statements

**Association of National Development Finance Institutions in Member  
Countries of The Islamic Development Bank (ADFIMI)**

Notes to the Financial Statements

As at for the Year Ended 31 December 2020

*Monetary Unit: Turkish Lira (“TL”)*

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## Notes to the Financial Statements

As at for the Year Ended 31 December 2020

Monetary Unit: Turkish Lira ("TL")

### 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 development of human resources 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:

Rüstem Paşa Mah, Saka Mehmet Sok. No:13 Kat:2 Fatih/İstanbul/Turkey

As of 31 December 2020, members of ADFIMI are listed below:

MEMBER NAME	COUNTRY
ATABANK JSC	Azerbaijan
SAUDI - BANGLADESH INDUSTRIAL AND AGRICULTURAL INVESTMENT CO. LTD. (SABINCO LTD.)	Bangladesh
BANGLADESH DEVELOPMENT BANK LTD.	Bangladesh
BANGLADESH SMALL INDUSTRIES AND COMMERCE BANK LIMITED (BASIC BANK LTD.)	Bangladesh
SOCIETE NATIONALE D'INVESTISSEMENT	Cameroun
PT. SARANA MULTI INFRASTRUKTUR (PERSERO)	Indonesia
BANK OF INDUSTRY & MINE	Iran
BANK KESHAVARZI	Iran
SAMAN BANK CORPORATION	Iran
JORDAN ISLAMIC BANK	Jordan
AGRARIAN CREDIT CORPORATION JSC (ACC)	Kazakhstan
BANK PEMBANGUNAN MALAYSIA BERI-UAD	Malaysia
BANK KERJASAMA RAKYAT MALAYSIA BERHAD	Malaysia
BANK PERTANIAN MALAYSIA (AGROBANK)	Malaysia
OMAN DEVELOPMENT BANK	Oman
PAK OMAN INVESTMENT COMPANY LIMITED.	Pakistan
PAK.LIBYA HOLDING COMPANY LIMITES.	Pakistan
ZARAI TARAQIATI BANK LIMITED	Pakistan
QATAR DEVELOPMENT BANK	Qatar
SOMALI DEVELOPMENT BANK	Somalia
EL-NILEIN INDUSTRIAL DEVELOPMENT BANK	Sudan
FINANCIAL INVESTMENT BANK OF SUDAN	Sudan
WORKERS NATIONAL BANK	Sudan
BALAD BANK	Sudan
TADAMON ISLAMIC BANK	Sudan
SAUDI SUDANESE BANK	Sudan
OMDURMAN NATIONAL BANK	Sudan
TURKIYE SINAI KALKINMA BANKASI (TSKB)	Turkey
TURKIYE KALKINMA VE YATIRIM BANKASI (TKYB)	Turkey
TURKIYE IHRACAT KREDI BANKASI A.Ş. (TURK EXIMBANK A.Ş.)	Turkey



Notes to the Financial Statements  
As at for the Year Ended 31 December 2020  
Monetary Unit: Turkish Lira ("TL")

1 **General Information (continued)**

MEMBER NAME	COUNTRY
TURKIYE VAKIFLAR BANKASI T.A.O.	Turkey
TURKIYE HALK BANKASI A.Ş.	Turkey
ZIRAAT KATILIM BANKASI A.Ş.	Turkey
TURKIYE EMLAK KATILIM BANKASI A.Ş.	Turkey
IS LEASING A.Ş.	Turkey
KUZZEY KIBRIS TURK CUMHURİYETİ KALKINMA BANKASI	North Cyprus
UGANDA DEVELOPMENT BANK LIMITED.	Uganda
TROPICAL BANK LIMITED.	Uganda
COOPERATIVE & AGRICULTURAL CREDIT BANK (CACBANK)	Yemen
ISLAMIC DEVELOPMENT BANK	IDB

2 **Procedural Examination**

ADFIMI's legal books notarial attestation information for 2020 is presented below:

Legal Books	Notary	Attestation Date	Attestation Number
General Journal	İstanbul 23 <sup>rd</sup> Notary	17.12.2019	2509
General Ledger	İstanbul 23 <sup>rd</sup> Notary	17.12.2019	2510
Inventory Register	İstanbul 23 <sup>rd</sup> Notary	17.12.2019	2511

2.1 **Basis of Presentation**

**Basis of Preparation of Financial Statements**

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.

**Functional and Presentation Currency**

The financial statements are presented in ("TL"), which is Union's functional currency.

**Comparative Information**

ADFIMI's financial statements are prepared including comparative information in order to enable readers to understand the trends in the financial position and performance of the Company. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior year financial information are disclosed in the notes to the financial statements to be in line with the current year presentation.

Notes to the Financial Statements  
As at for the Year Ended 31 December 2020  
Monetary Unit: Turkish Lira ("TL")

**3 Cash and Cash Equivalents**

As of 31 December 2020 and 31 December 2019, cash and cash equivalents are as follows:

	31 December 2020	31 December 2019
<b>Cash</b>		
-Turkish Lira	2.685	1.332
-Usd	--	3.546
<b>Banks-Demand Deposits</b>		
-Turkish Lira	32.903	3.013
-Usd	873.838	297
-Euro	142.342	72.076
<b>Banks-Time Deposits</b>		
-Usd	--	136.353
<b>Total</b>	<b>1.051.768</b>	<b>216.617</b>

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

	Foreign Currency Amount 31 December 2020	Foreign Currency Amount 31 December 2019
Us Dollars in the cash	--	597
Demand deposit in Us Dollars	119.043	50
Time deposit in US Dollars	--	22.954
Demand deposit in EUR	15.802	10.837

**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, 2020 there were no outstanding balances with the related parties.

(December 31, 2019: none).

Notes to the Financial Statements  
As at for the Year Ended 31 December 2020  
Monetary Unit: Turkish Lira ("TL")

**5 Property and Equipment**

Fixed assets of ADFIMI, are carried at historical cost. Fixed assets comprise of motor vehicles, fixtures and furniture and not depreciated.

Movement of fixed assets for the year ended 31 December 2020 and 2019 are as follows:

	Motor Vehicles	Fixtures and Furniture	Total
<b>Cost</b>			
Balance at 1 January 2020	85.000	44.127	129.127
Additions	46.000	8.064	54.064
Disposals	(131.000)	--	(131.000)
<b>Balance at 31 December 2020</b>	<b>--</b>	<b>52.191</b>	<b>52.191</b>
<b>Cost</b>			
Balance at 1 January 2019	85.000	42.136	127.136
Additions	--	3.088	3.088
Disposals	--	(1.097)	(1.097)
<b>Balance at 31 December 2019</b>	<b>85.000</b>	<b>44.127</b>	<b>129.127</b>

**6 Financial Liabilities**

As of December 31, 2020, ADFIMI doesn't have any credit card debt.

(December 31, 2019: 1.252 TL).

Notes to the Financial Statements  
As at for the Year Ended 31 December 2020  
Monetary Unit: Turkish Lira ("TL")

**7 Revenue**

Revenue is recognized, when it is probable that the economic benefits will flow to ADFIMI and the revenue can be reliably measured.

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

Revenues for the period ended 31 December 2020 and 2019 are as follows

Revenue	2020	2019
Membership Fees		
<i>Membership fees for 2018</i>	81.093	--
<i>Membership fees for 2019</i>	181.295	655.718
<i>Membership fees for 2020</i>	1.241.530	83.297
Income from Seminars	--	14.250
Donations	--	52.462
<b>Total</b>	<b>1.503.918</b>	<b>805.727</b>

**8 General Administrative Expenses**

General and administrative expenses for the period ended 31 December 2020 and 2019 are as follows:

	2020	2019
Payroll Expenses (including social security premiums, benefits and housing allowances)	641.433	769.730
Seminar and Workshop Expenses	77.729	280.551
Office Expenses and Other Sundry Expenses	60.539	34.551
Auditing and Accounting Expenses	57.605	61.488
Health Insurance and Expenses	33.281	12.915
Vehicle Expenses	26.609	19.909
Insurance Expenses	6.144	8.277
Stationary Expenses	5.731	5.474
Communication Expenses	5.340	6.881
IT Expenses	3.463	5.226
General Assembly and Management Com. Expenses	1.483	21.584
Bank and Transfer Expenses	1.296	3.390
Promotion Expenses	--	20.321
<b>Total</b>	<b>920.653</b>	<b>1.250.297</b>

Notes to the Financial Statements  
As at for the Year Ended 31 December 2020  
Monetary Unit: Turkish Lira ("TL")

9 **Other Operating Income**

Other income and profits for the period ended 31 December 2020 and 2019 are as follows:

<b>Income</b>	<b>2020</b>	<b>2019</b>
Foreign Exchange Gain	128.004	63.425
Proceeds from Banks	2.251	8.109
<b>Total</b>	<b>130.255</b>	<b>71.534</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:

	<b><u>Rates</u></b>
Year ended at 31 December 2020	7,3405
Year ended at 31 December 2019	5,9402

10 **Other Operating Expenses**

Other expenses and losses for the period ended 31 December 2020 and 2019 are as follows:

<b>Expenses</b>	<b>2020</b>	<b>2019</b>
Foreign Exchange Loss	52	14.106
<b>Total</b>	<b>52</b>	<b>14.106</b>

11 **Extraordinary Incomes and Profits**

Extraordinary incomes and profits for the period ended 31 December 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
Profit on sale of property and equipment	46.000	11.798
<b>Total</b>	<b>46.000</b>	<b>11.798</b>

**12 Severance Pay**

ADFIMI does not reserve for employee termination benefits.

**13 Lawsuit and Execution Prosecution**

ADFIMI has 2 lawsuits filed in favor and 2 against in 2020.

The nature of the lawsuits filed against consist of employee receivables. The lawsuits filed by ADFIMI are lawsuits and complaints related to the lawsuits filed against.

**14 Corporate Tax**

ADFIMI is exempt from corporate tax.