

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

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS**

| | | |
|---------------------|---|---|
| Association's Title | : | Association of Development Finance Institutions in the Member Countries of Islamic Development Bank (ADFIMI) |
| Activities | : | ADFIMI organizes seminars, workshops and conferences for high level managers of Development Finance Institutions' |
| Address | : | Saka Mehmet Sokak No:33-39 Kat:2 Sultanhamam – Eminönü İstanbul |
| Telephone Number | : | +90 212 526 51 26-27 |
| Audit Period | : | January 1 – December 31, 2009 |

| | | |
|------------------|---|--|
| Audit Company | : | Kadioğlu Yeminli Mali Müşavirlik ve Uluslararası Denetim Limited Şirketi Member firm of Integra International |
| Address | : | Mecidiye Mahallesi Cevatpaşa Sokak No:12 Koşuyolu 34710 İstanbul |
| Telephone Number | : | +90 216 546 11 46 (pbx) |
| Fax | : | +90 216 546 09 26 |
| E-Mail | : | info@kadiogludenetim.com |



KADIOĞLU
YEMİNLİ MALİ MÜŞAVİRLİK
"Member of Integra International"

To
Association of Development Finance
Institutions in the Member Countries
of Islamic Development Bank
(ADFIMI)
Saka Mehmet Sokak No: 33-39 Kat:2
Sultanhamam-Eminönü
İstanbul/TURKEY

Dear Sir/Madam,

We have been appointed by General Assembly of ADFIMI to audit the accompanying financial statements, balance sheet and income statement, of ADFIMI as of December 31,2009. We confirm that we belong to an internationally recognized supervisory body for statutory auditing. We have conducted out our audit in accordance with international auditing standards applicable to agreed-upon procedures engagements.

We hereby certify that the association's accounts (income and expenditure) are faithful, reliable and supported by the appropriate supporting documents.

In our opinion, based on our audit, the financial statements referred to in the first paragraph above, present fairly, in all material respects, the financial position of **Association of Development Finance Institutions in the Member Countries of Islamic Development Bank as of December 31, 2009**

Kadioğlu Yeminli Mali Müşavirlik ve
Uluslararası Denetim Limited Şirketi

Member firm of Integra International
April 15, 2010

ADFIMI
BALANCE SHEET AS OF DECEMBER 31, 2009 AND 2008
(CURRENCY –TURKISH LIRA (TL))

| | December 31, 2009 | December 31, 2008 |
|-------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 69,836.70 | 46,164.26 |
| Receivables from related parties | 1,505.70 | 453.69 |
| Total Current Assets | 71,342.40 | 46,617.95 |
| Non-Current Assets | | |
| Fixed Assets | 89,429.84 | 51,961.71 |
| Total Non-Current Assets | 89,429.84 | 51,961.71 |
| Total assets | 160,772.24 | 98,579.66 |
| LIABILITIES AND EQUITY | | |
| Equity | | |
| Retained earnings | 98,579.66 | 82,843.46 |
| Net income for the period | 62,192.58 | 15,736.20 |
| Total Equity | 160,772.24 | 98,579.66 |
| Total Equity and Liabilities | 160,772.24 | 98,579.66 |

KADIOĞLU Y.M.M ve
ULUSLARARASI DENETİM LTD. ŞTİ.
Mecidiye Mah. Cevatpaşa Sok. No/12
Koşuyolu/Kadıköy/İSTANBUL
Tel:(0216)5461146
Kadıköy V.D 4860043770

The accompanying policies and explanatory notes form an integral part of the financial statements.

ADFIMI
INCOME STATEMENT
FOR THE PERIODS ENDED DECEMBER 31, 2009 AND 2008
(CURRENCY – TURKISH LIRA (TL))

| | December 31, 2009 | December 31, 2008 |
|-----------------------------------|----------------------|----------------------|
| Revenues | 546,417.96 | 459,182.59 |
| Gross Profit | 546,417.96 | 459,182.59 |
| General administrative expenses | (491,984.00) | (472,615.65) |
| Other operating income | 17,587.17 | 36,910.85 |
| Other operating expenses | (21,195.87) | (7,741.59) |
| Profit from operations | 50,825.26 | 15,736.20 |
| Financial expenses | - | - |
| Extraordinary incomes and profits | 11,367.32 | - |
| Net income / (loss) | 62,192.58 | 15,736.20 |

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Tel: (0216) 5461146
Kadıköy M.D. 4860/45770

The accompanying policies and explanatory notes form an integral part of the financial statements.

CORPORATE INFORMATION:

ADFIMI, Association of National Development Finance Institutions in Member Countries of Islamic Development Bank, presently serves 54 members in 15 countries. Its activities essentially aim at the human development dimension of Development Finance Institutions (DFIs). In this context, ADFIMI organizes seminars, workshops and conferences for high level managers of DFIs.

SCOPE OF OUR AUDIT:

We have performed the following procedures and report to you the factual findings resulting from our work:

- Review the expenses of “ADFIMI” incurred from 1 January 2009 until 31 December 2009 (the Period)
- Review the income of “ADFIMI” derived from 1 January 2009 until 31 December 2009
- Examine and confirm the bank accounts for the period
- Review the assets and liabilities of ADFIMI as of December 31, 2009.

THE PROCEDURE EXAMINATIONS:

The Association’s legal books certified by İstanbul 23th Notary Office in Sirkeci stated as below:

| Legal Book | Certification Date | Certification Number |
|----------------|--------------------|----------------------|
| Journal | December 26, 2008 | 07386 |
| Ledger | December 26, 2008 | 07387 |
| Inventory Book | December 26, 2008 | 07385 |

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents comprise cash at bank and on hand.

| | December 31, 2009 | December 31, 2008 |
|-------------------------------|----------------------|----------------------|
| Cash on Hand | 1,160.13 | 462.50 |
| TL | 145.69 | 462.50 |
| USD | 1,014.44 | - |
| Banks –Demand Deposits | 45,628.10 | 45,701.76 |
| TL | 8,101.77 | 480.19 |
| USD | 37,451.39 | 36,991.07 |
| EUR | 74.94 | 8,230.50 |
| Banks –Time Deposits | 23,048.47 | - |
| USD | 23,048.47 | - |
| Total | 69,836.70 | 46,164.26 |

ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009
(Currency - In Turkish Lira (TL))

The bank accounts comprised of USD 40,180.55 and EUR 34.68 as of December 31, 2009. (December 31, 2008: USD 24,460.14 and EUR 3,844.59) All the bank statements for the above mentioned accounts audited.

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.

Balances outstanding and the most significant of these transactions are as follows :

| Short-Term Receivables from Related Parties | December 31, 2009 | December 31, 2008 |
|--|----------------------|----------------------|
| Personnel Advances | | |
| - M. Behzat Ekinici | 1,505.70 | - |
| - Nuri Birttek | - | 453.69 |
| Total | 1,505.70 | 453.69 |

FIXED ASSETS:

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

The ownership of the fixed assets audited by purchase tests and physical observation.

| Fixed Assets | December 31, 2008 | Entries | Disposals | December 31, 2009 |
|------------------------|----------------------|------------------|------------------|----------------------|
| Motor Vehicles: | 14,772.68 | 45,000.00 | 14,772.68 | 45,000.00 |
| Fixtures and Furniture | 37,189.03 | 7,240.81 | | 44,429.84 |
| Total | 51,961.71 | 52,240.81 | 14,772.68 | 89,429.84 |

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 to seminars and workshops, which ADFIMI organizes.

KADIKÖY Y.M.M. VE
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Tel: (0216) 546 1145
Kadıköy V.D. 4860045770

ADFIMI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009
(Currency - In Turkish Lira (TL))

| | December 31, 2009 | December 31, 2008 |
|-------------------------------|----------------------|----------------------|
| Revenues | | |
| Membership Fees | | |
| - Membership fees for 2009 | 395,038.78 | 39,166.82 |
| - Membership fees for 2008 | - | 306,771.32 |
| - Membership fees for 2007 | - | 11,478.34 |
| - Membership fees for 2010 | 52,783.06 | - |
| Revenue from Seminars | 42,167.09 | 41,712.47 |
| Revenue from Workshops | 55,269.10 | 60,053.64 |
| Other Revenues | 1,159.93 | |
| Total | 546,417.96 | 459,182.59 |

Delayed membership fees to be collected in the future; USD 66,000 (December 31, 2008: USD 28,900)

GENERAL ADMINISTRATIVE EXPENSES:

| | December 31, 2009 | December 31, 2008 |
|--|----------------------|----------------------|
| Payroll Expenses (including Social security premiums, benefits and housing allowances) | 191,042.47 | 171,876.70 |
| Seminar and Workshop Expenses | 180,943.13 | 183,250.56 |
| Promotion Expenses | 31,123.39 | 22,538.40 |
| Health Insurance and Expenses | 11,272.04 | 9,643.76 |
| Vehicle Expenses | 14,620.39 | 18,757.99 |
| Communication Expenses | 10,530.90 | 11,819.36 |
| General Assembly and Management Committee Expenses | 13,511.07 | 15,174.26 |
| Stationary Expenses | 2,259.46 | 2,684.16 |
| Auditing and Accounting Expenses | 16,528.30 | 16,072.49 |
| Computer Expenses | 4,389.41 | 4,564.45 |
| Insurance Expenses | 2,065.39 | 1,962.12 |
| Bank and Notary Expenses | 802.37 | 737.44 |
| Office Expenses and Other Sundry Expenses | 12,895.68 | 13,533.96 |
| Total | 491,984.00 | 472,615.65 |

Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

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OTHER OPERATING INCOME:

Other operating income consists of interest income and foreign exchange gains amounting TL 2,102.77 and TL 15,484.40 respectively. (December 31, 2008; income and foreign exchange gains amounting TL 1,987.64 and TL 34,923.21 respectively)

OTHER OPERATING EXPENSES:

Other operating expenses consist of foreign exchange losses amounting TL 21,195.87. Opening exchange rates of USD and Euro 1.5123 and 2.1408 have increased to 1.5057 and 2.1603 respectively, as of December 31, 2009. 1 Euro was equal to USD 1.4156 at the beginning of the period and increased to 1.4347 at the end of the period. (December 31, 2008; foreign exchange losses amounting TL 7,741.59)

EXTRAORDINARY INCOMES AND PROFITS:

Extraordinary income consists of profit for the sale of the motor vehicle amounting TL 11,367.32. (December 31, 2008: None)