

MINUTES OF THE 69th BOARD OF DIRECTORS' MEETING

April 27, 2009

Shangri-La's Barr Al Jissah Resort & Spa
Muscat, Sultanate of Oman

Members Present

Mr. Fuimaono Falefa Lima, Development Bank of Samoa, Presiding Chair
Mr. Nihal Fonseka, DFCC Bank
Mr. Zaigham Mahmood Rizvi, House Building and Finance Corporation Ltd.
Mr. Son Koun Thor, Rural Development Bank
Mr. Deve Toganivalu, Fiji Development Bank
Mr. Mohammad Reza Pishrow, Bank of Industry and Mine
Datuk Wan Azhar bin Wan Ahmad, Credit Guarantee Corporation Malaysia Berhad
Mr. Oktay Küçükiremitçi, representing **Mr. Abdullah Celik**, Development Bank of Turkey
Mr. Vallobh Tejapaibul, representing **Mr. Soros Sakornvisava**, SME Development Bank of Thailand
Mr. Michel Bergeron, representing **Mr. Jean-Rene Halde**, Business Development Bank of Canada
Mr. Takeshi Kiriya, representing **Mr. Minuro Murofushi**, Development Bank of Japan, Inc.
Mr. Nguyen Dinh Duong representing **Mr. Doan Tien Dzung**, Bank for Investment and Development of Vietnam
Mr. Octavio B. Peralta, Secretary General, ADFIAP

Others Present

Mr. Hamed bin Salim Al-Harthy, Oman Development Bank
Mr. Mehmet Aydin, Development Bank of Turkey
Mr. Arash Onsori, Bank of Industry and Mine
Mr. Pio Molioo, Development Bank of Samoa
Mr. Isidro A. Sobrecarey, Deputy Secretary General, ADFIAP

Members Absent¹

Ambassador Jesus P. Tambunting, Planters Development Bank
Mr. Yogesh Agarwal, IDBI Bank Limited
Mr. Chen Yuan, China Development Bank
Mr. Krishna Prasad Acharya, Nepal Industrial Development Corporation
Mr. Nawang Gyetse, Bhutan Development Finance Corporation Ltd.
Mr. Zhanat Zhakanov, Development Bank of Kazakhstan
Mr. Randolph Koppa, Trade & Development Bank of Mongolia
Mr. Saidakmad B. Rahimov, National Bank of Uzbekistan

The Minutes

¹ Absent Board Members have sent their regret letters for not being able to attend or send a representative to the meeting.

The Board meeting consisted of two sessions. The first session began at 9:00 a.m. as part of the traditional Board retreat that started in Almaty in 2004 and afforded the Board to learn more about general Association issues and trends. Ms. Sheila Samonte Pesayco² made a presentation on branding for associations to the Board. She also presented the “IamADFIAP” campaign to rally members to the Association’s aspirations and advocacies under the “community” strategy.

After coffee break, ADFIAP Secretary General, Octavio B. Peralta, presented the 2nd 5-Year Strategic Plan of the Association themed, “ADFIAP as Community: Inclusive, Involved, Innovative” (details of the Plan is available at www.adfiap.org).

The second session which covered the operational aspects of the Association began at 2:00 p.m. after the permanent working committee meetings (please see separate minutes of the PWC meeting in [Annex 1](#)).

1. Call to Order and Brief Remarks by the Chairman

The Chairman called the meeting to order. He cited the relevance of the morning sessions and thanked Ms. Pesayco for her excellent presentation.

The Chairman then welcomed all the Board Members to the meeting. He thanked Oman Development Bank represented in the meeting by Mr. Hamed bin Salim Al-Harthy for hosting the 32nd ADFIAP Annual Meetings and the excellent arrangements for the delegates.

2. Approval of the Minutes of the 68th Board of Directors Meeting

The Chairman then put the minutes of the last meeting on the table and upon receiving the required motions, the Board approved the adoption of the minutes of the 68th Board meeting held on November 24, 2008 at the Hotel Istana, Kuala Lumpur, Malaysia.

3. Approval of the Secretary General’s Report

The Chairman then called upon the Secretary General to make his report covering the period from November 16, 2008 to April 15, 2009. The report consisted of three parts, i.e., routine, consent and strategic matters.

A. Routine Matters

Membership Matters – A comparison of the membership count, Annual Meetings attendance, country host program, database development and surveys conducted, as of November 15, 2008 and as of April 15, 2009 was presented – all indicating an increase in numbers. In terms of membership count, it increased from 100 members in 40 countries and territories to 103 and 41, respectively.

Programs – Details of capacity-building and training programs held and in the pipeline were presented and explained to the Board, as follows:

² Ms. Pesayco is President & Chief Operating Officer of Writers Edge, Inc., a Philippine-based communications management firm specializing in public relations, multimedia production and editorial services.

- New CSR project, the *ADFIAP Responsible Citizenship (ARC) Programme*
- The completed EU project on *Environmental Governance*
- Cooperation with ITC on *SME Finance Initiative* project
- Two programs under the *Social Banking/Microfinance Initiative* project
- One regional forum under the *Water Finance* project with USAID's ECO-Asia

Grants & Projects – Details of grant projects in the pipeline were presented and included the following:

- EU's Strategic Project Facility 2 (under evaluation)
- EU's SWITCH Project (under evaluation)
- EU's Lot 10 Project (shortlisted)

Finance & Relations

- ADFIAP Fund: The *Finance & Relations Committee* of the Board headed by Mr. Nihal Fonseka, General Manager & CEO of DFCC Bank Sri Lanka, has shelved the idea of the Fund, pending interest of and leadership by a member of ADFIAP.
- Partnerships & Speaking Invitations: The Board was informed of the development institutions around the world with which ADFIAP has maintained relationships and details of speaking invitations offered to ADFIAP as part of its '*mainstreaming*' initiative.

Business Cooperation

- The ADFIAP Factbook: The Board's *Business Cooperation Committee* chaired by Mr. Zaigham Mahmood Rizvi, Chairman of the House Building Finance Corporation (HBFC), has initiated an information gathering activity to compile concise but relevant data on member-institutions. An online version of this factbook can be found at the ADFIAP website at this link: <http://www.adfiap.org/members-factsheet.php>

Information Services – Details of the various publications and web-based resources of the Association were presented, among which are as follows:

- Web services:
 - ADFIAP website www.adfiap.org
 - SME Finance Initiative website www.smefi.com
 - Environmental Governance Standards website www.egs-asia.com
 - DFIs for Corporate Governance website www.governance-asia.com
 - Annual Meetings Website www.adfiap.org/32nd
- Publications:
 - Journal of Development Finance (1 issue)
 - Newsletter (2 issues)
 - Chief Executive Memogenda (4 issues)
 - Greenbank (2 issues)
 - Governance (1 issue)
 - SME Toolbox (1 issue)
 - ADFIAP Factbook (ongoing)
 - ADFIAP E-Library (now operational)

Secretariat Matters

The organization and performance measurement of the Secretariat was presented. (Note: Details of the key performance indicators and achieved results are shown in Annex 2.)

Business Units

The three business units' progress to date is as follows:

- Institute of Development Finance (IDF) – the professional training and career development center that offers credentialing programs for development bankers and those interested to enter the profession. It has now a full calendar of events and is self-sustaining. Regarding marketing of IDF program offerings, the Secretariat has recently completed a targeted database and is using a reliable and reasonably-priced Internet-based fax facility for this purpose.
- ADFIAP Consulting (AC) – aims to be a leading project adviser and manager, capacity-builder and advocate on sustainable development financing in Asia and the Pacific, using as its leverage the experience, expertise and network of the Association. The work plan for the unit has been prepared and is currently on stream, with a target launch set by July of this year. ADFIAP will be working with early-retired senior officers of the Development Bank of the Philippines who will help the Secretariat manage AC's operations as well as a pool of consultants from member-banks and other partners.
- ADFIAP Responsible Citizenship (ARC) Institute - the Association's outreach and CSR unit that will promote and propagate the ESG (environment, social and governance) ideals and principles of ADFIAP. As a first step, the Secretariat is currently consolidating all of its ESG resources and websites into one portal under the ARC Institute. A planned launching is set to be held in conjunction of a CIPE event in Jakarta this year.

Financial Highlights

- An interim financial report as of March 30, 2009, a financial highlights report and the audited annual financial report were presented to the Board, salient points are as follows:
 - Cash Position: US\$469,800.00
 - Cash Flow Balance: +US\$621,913.00
 - Membership Dues Collection
 - Total Annual Collectibles: US\$316,640 (100%)
 - Total Collection: US\$188,760 (60%)
 - Aging of Receivables: Balance US\$127,880 (40%)

B. Consent Matters

The following matters were approved by the Board:

(a) Membership of the following institutions:

- Palestine Mortgage & Housing Corporation (endorsed by Mr. Zaigham Mahmood Rizvi, Vice Chairman, ADFIAP)
- Johor Corporation (endorsed by the Secretariat)
- Global Coalition for Efficient Logistics Asia (endorsed by the Secretariat)

With these new members, the ADFIAP total membership is now 103 in 41 countries and territories.

(b) Transfer of Board seat from Bank Pembangunan Malaysia Berhad to Credit Guarantee Corporation Malaysia Berhad representing Malaysia to the Board

On this issue, the Board deliberated on and suggested to have a more formal way of future Board seat transfers that could be done through a focal institution in the country. In the case of Malaysia, ADFIM (the Association of DFIs in Malaysia) provided the venue for the formal turnover.

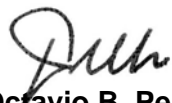
(c) Holding of the CEO Forum VI & 70th Board Meeting in Manila on October 28-29, 2009 to be hosted by Philippine-based members, notable the Development Bank of the Philippines, Land Bank of the Philippines, the Philippine Export Import Agency and Planters Development Bank.

C. Strategic Matters

The Board approved the Association's 2nd 5-Year Strategic Plan with the theme, "*ADFIAP as Community: Inclusive, Involved, Innovative*".

4. Concluding Remarks

The Chairman thanked the Board for their usual support and cooperation, the Secretariat for successfully implementing the aspirations and activities of the Association, and the Oman Development Bank for hosting the 32nd ADFIAP Annual Meetings and the 69th Board meeting in Muscat. Having completed the agenda, the Chairman called the meeting to an end at 4:30 p.m.


Octavio B. Peralta
Secretary General

Minutes of the 4th Permanent Working Committee Meetings

Barr Al Jissah Ballroom A
Shangri-La's Barr Al Jissah Resort & Spa, Muscat, Oman
April 27, 2009

Finance & Relations Committee

Rapporteur: Mr. Nihal Fonseka, DFCC Bank, Committee Chair

Members Attending:

Mr. Muhammad Reza Pishrow, Bank of Industry and Mine
Mr. Arash Onsori, Bank of Industry and Mine
Datuk Wan Azhar bin Wan Ahmad, Credit Guarantee Corporation Malaysia Berhad
Mr. Oktay Kucukiremitci, Development Bank of Turkey
Mr. Mehmet Aydin, Development Bank of Turkey
Mr. Deve Toganivalu, Fiji Development Bank

Recognizing that the financial condition of the Association is sound, the Committee focused its discussion mainly on membership, relationships and services:

1. On annual membership dues, there is need to study the sustainability of existing rates, perhaps considering to levy a “packaged” rate.
2. On membership recruitment, there is an opportunity for geographical expansion, e.g., tapping potential members from Africa.
3. On member relationship, consider having a “local chapter” and/or a “focused member” for multi-ADFIAP members in one country. There is also need to improve lateral communication and contact within the membership.
4. On member services, an information exchange on member experiences should be developed. Example is DFCC Bank’s experience on renewable energy.
5. On the planned “Iam ADFIAP” microsite, consider setting up a search engine and a blog site.

Business Cooperation Committee

Rapporteur: Mr. Zaigham Mahmood Rizvi, Committee Chair

Members Attending:

Mr. Nguyen Dinh Duong, Bank for Investment and Development of Vietnam
Mr. Michel Bergeron, Business Development Bank of Canada
Mr. Takeshi Kiriya, Development Bank of Japan, Inc.
Mr. Vallobh Tejapaibul, SME Development Bank of Thailand

1. Member-to-member contacts need to be strengthened via “second tier” relationships and use of new technologies
2. Need to focus on future challenges such as energy (e.g., solar), technology, co-financing, housing finance, infrastructure, etc.
3. Cooperation among members can be through technical-sharing rather than financing such as a “fund”. ADFIAP as focal point of information exchange.
4. To identify potential members which can be formally inaugurated during the annual meeting
5. Make surveys in priority areas such as technology support, needs and gap analysis, due diligence risk-sharing, etc.

Training Committee

Rapporteur: Mr. Isidro A. Sobrecarey, Deputy Secretary General

Members Attending:

Mr. Falefa Lima, General Manager, Development Bank of Samoa

Dr. Son Koun Thor, Chairman and CEO, Rural Development Bank of Cambodia

Mr. Pio Moolio, Board Director, Development Bank of Samoa

Mr. Hamed bin Salim Al Harthy, Asst. General Manager – Branches, Oman Development Bank

1. On timing of training events, consider schedules of members, e.g., budget “season”, Ramadan, etc. This info has already been obtained by ADFIAP-IDF through a survey conducted among members.
2. Optimize “south-south” knowledge-sharing through training-of-trainers, study tour programs, “twinning” (DFI-to-DFI link-up)
3. Revisit training need analysis, and consider training programs for different levels in member-institutions
4. To open training programs to non-members
5. Consider developing on-line training courses
6. On training costs, consider allocating part of ADFIAP surplus funds for members training, and request members to host training events.

ADFIAP
Performance Measurement
Results vs. Targets (January 1 to December 31, 2008)

K P I	Target (Whole Year)	Result (12 mos.)	Attainment
1. New Members	10	12	120% (42 other new prospective members invited)
2. Service fees ¹	US\$ 7,700	US\$130,509	1,694% service fees- more fee-based programs run till year end
3. Grant money	US\$ 40,000	US\$128,197	320% (from Eco Asia grant of US\$25,000 & ITC) plus US\$ 73,000 new CIPE grant in 2009.
4. Office rental ²	US\$ 7,000	US\$20,202	288% (from lease rental of 2/3 of the office space)
5. Savings	US\$ 6,600	US\$7,500	113% (savings from condominium dues, electricity & other utilities due to office lease)
6. Net Annual Cash Flow Balance	US\$ 66,000	US\$602,404 ³	912% in 12 mos.

¹ Training fees, sale of publications, sponsorship, etc.

² Lease of rentable office space in headquarters

³ Net of beginning cash balance