

VIII National Microfinance Conference «*Microfinance in Tajikistan: Financial Accessibility in Balance with Consumer Rights Protection*»

On September 26th, 2014, the Association of Microfinance Organizations of Tajikistan (AMFOT) German Society for International cooperation (GIZ) and Bank Eskhata with support of the National Bank of Tajikistan held the 5th National Microfinance Conference «*Microfinance in Tajikistan: Financial Accessibility in Balance with Consumer Rights Protection*».

Participated: ambassador, Deputy, NBT, bank chairmans (tsk, eskh), others...Over 270 representatives of the microfinance sector, public authorities and international organizations took part in the event.

The conference was aimed at identification and assessment of the relationship between professional standards and business ethics of financial institutions; competitive environment and accessibility to financial services; oversight and supervision of financial market regulators and consumers rights protection.

In process of this conference there was held the ceremony of signing the loan agreement between Bank Eskhata and the International Finance Corporation (IFC) for a subordinated loan in the amount of 10 million USD and 5 million USD of senior loan denominated in TJS. The funds raised will be used for the development of micro and small businesses. Some part of that will be issued for the development of products on energy efficiency and energy conservation, as well as gender equality. Also, during the conference, was signed the treaty of entering Bank Eskhata to the AMFOT.



Also, as part of the conference, took place MFI Customer's Fair, where MFI representatives together with their customers were able to demonstrate colorful arts and crafts and other products produced and grown by MFI clients.



Gathering together participants in the financial sector, international donors and investors, representatives of governmental agencies, the conference once again became the nexus for the exchange of information, practical experience and the beginning of cooperation for financial institutions.

Bank Eskhata was given the International Quality Certificate ISO 9001:2008



Bank Eskhata always strives to keep its pace with the times, introducing new types of banking services, using advanced methods and innovative management approaches aimed at quality of customer services at the international standards.

Another impulse for the bank has become the introduction of a quality management system in accordance with ISO 9001: 2008 standards, which influenced on the governance structure, improved work efficiency, enabled to provide services at the level of modern requirements for quality, changing the attitudes and mindset of the employees starting from the heads of divisions to all the employees.

As the Chairman of Bank Management Board Mr. Khurshed Nosirov pointed out, the main purpose of implementing a QMS in the bank was to improve the quality of services satisfying the needs and expectations of our customers, ensuring efficiency, competitiveness and continuous improvement of the Bank's activities, which guarantees all the stakeholders that the requirements on the quality will be met.

It should be noted that in the process of the QMS implementation the core processes of the bank were optimized, new policies and procedures had been developed and comprehensive training of bank employees was conducted. The QMS has been implemented in the Bank by internal resources of the bank without involvement of external consultants.

As a result, Bank Eskhata studied all the required stages of the audit, and it had successfully passed the certification and received the certificate of conformity to ISO 9001: 2008.

Currently Bank Eskhata is the first and the only bank among financial institutions of the Republic of Tajikistan which received the international certificate ISO 9001: 2008. This certificate helps the Bank to reach a new level of cooperation meeting international quality standards, and it testifies that the bank managed to reach the international level of quality management, which certainly needs constant and consistent improvement.

LLC MDO "MATIN": Successful five-year plan

MDO "MATIN" is a fast growing microfinance organization efficiently and effectively meet the needs of the population in the banking services, expressed in affordable microfinance services and related financial services.

MDO "MATIN" was founded in 2009 and over the past 5 years of productive work has strengthened its position in the microfinance market, diversified revenue base, increased customer base and continues to develop the formation of regional networks.

As the priorities of MDO "MATIN" has proposed a significant expansion of the field of action of the organization by larger coverage areas for the successful implementation of existing banking services, in particular small-scale lending, micro savings, remittances and services for banking payment cards.

Following the audit, conducted by an international audit company Grant Thornton has been identified a steady financial performance of the organization and a positive growth trend. Currently, a number of influential foreign financial institutions expressed their willingness to cooperate with the LLC MDO "MATIN" by its financing on a long term basis, which indicates the confidence in the successful functioning of the organization in the future.

In another five years of LLC MDO "MATIN" constantly will pay particular attention to the protection of consumers, support microfinance institutions to provide quality service to small business and to develop other aspects in the field of microfinance, aimed at improving the public welfare and strengthen their confidence in MFIs.

In the future, the organization will continue to strengthen positions in microfinance sector and intends to maintain its strong position in the leading five microfinance organizations to further develop the branch network, both in Northern and in the southern regions of the Republic of Tajikistan.

Show-concert for the 20th anniversary of Bank Eskhata

On September 20 in the stadium "20th Anniversary of the Independence of Tajikistan" in Khujand city, for the 20th anniversary of "Bank Eskhata" was held a grand show-concert with participation of Tajik pop stars such as Nigina Amonqulova, Jonibek Murodov, Noziyai Karomatullo, Bakha 84, Damirbek Olimov, Takhmina Niazova and the dance group "Padida".



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As honored guests at the event were the deputy Chairman of Sughd Region Mr. Anvar Yakubi and Khujand Mayor Mr. Rajabboi Ahmadzoda. In their speech the governmental officials highlighted successful and dynamically developing activities of Bank Eskhata as one of the most prestigious banks in Tajikistan congratulated the staff of the Bank on the Bank anniversary. Compliments were received by Chairman of the Bank Eskhata Management Board Mr. Khurshed Nosirov.

The show-concert was presented by Bank Eskhata to Sughd region people. The stadium which holds more than 25 thousand people was completely full.

The concert was finished by the festive bright colorful fireworks under corporate song of the Bank sang by Tahmina Niyazova. The staff of Bank Eskhata, holding hands of each other, in a loud voice, sang the song together with Tahmina, thereby strengthening the atmosphere of solidarity and unity.

Arvand has been awarded with “SMART Campaign” certificate!



Arvand has been officially awarded with the “SMART Campaign” certificate, having become the seventeenth company in the world, the first and single in Tajikistan, fully appropriate and performing 7 principles of client protection, 30 standards and 95 indicators at the ceremony, held within the conference of Microfinance Centre (Poland) in Istanbul (Turkey)!

«SMART Campaign» event - global efforts aimed at bringing together the leaders of microfinance to a common goal: to ensure the safety of microfinance clients, as the main driving force for the development of the industry.

Certificate «SMART Campaign» is a sign of quality in the microfinance sector, confirms the impeccable quality of customer service of Arvand, confirms full pricing transparency, providing a complete package of financial services to the needs of customers, the adequacy of procedures to avoid over indebtedness, respectful treatment with customers, especially when collecting debts, confidentiality of customer data and a reasonable mechanism for the consideration and resolution of complaints.

This award - is a service of the whole Arvand team who directed all their efforts, knowledge in the field of microfinance and achieved tremendous victory!

World-class training in Arvand.

Management seminars were held for credit managers and directors of branches on 6- 10 August 2014 and for managers on 9-11 September 2014 at the head office of the company. Training for managers was

conducted by world-class trainers from Consulting Company «Constanta» and trainings for directors and credit managers were led by trainer from «Governance and Management Consulting».



Trainings for directors and credit managers included a wide range of topics such as team building, time management, development of leadership and manager's skills, task-orientation and many other things that should help managers on the path of their professional and personal growth.

The training for managers through interactive teaching methods proposed some appropriate schemes of management and personnel control.

All the managers participated in the training workshops on "Manager's Tools", were awarded relevant certificates.

Bureau of Credit Histories Somonien the key of successful activity of financial institutions of Tajikistan.

At the beginning of the second half of 2014 in Tajikistan by local highly qualified specialists in the field of information technology with the support of the National Bank of Tajikistan and AMFOT was established the national Bureau of Credit Histories Somoniyon (BCIS). Significant day (July 25, 2014) in the history of Tajikistan was the handing license of the National Bank of Tajikistan LLC BCIS carry out activities to collect and provide information to customers of financial institutions.



System BCIS constructed in such a way that financial institutions have not experienced difficulties in providing and obtaining information. System is flexible and convenient for searching clients. For customer convenience, the BCIS's system allows adding and editing additional users of the financial institutions themselves and regularly monitor and get detailed reports. The next important point is the acceptability of services BCIS, as the organization is the owner of the software and each subsequent request will be 1,95 somoni. In addition, every month financial institutions will receive a free client list for each organization,

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who also served in other organizations. Credit history provided by BCIS will allow financial institutions to reduce the level of uncertainty when making credit decisions and to make better forecasts of the credit behavior and payment discipline of the borrower.

Currently BCIS signed contracts with several Commercial banks and more than 50 microfinance organizations.

Grant Thornton named Employer of the Year by International Accounting Bulletin.

Grant Thornton has been named global “Employer of the Year” by the International Accounting Bulletin.

Ed Nusbaum, global CEO, said, "We are honoured to receive this award which recognises the strength of our internal training programmes and the opportunities that we offer internationally through our global talent mobility programme. Supporting the growth and development of Grant Thornton employees across the global organisation is central to our ongoing growth and success. It is the 38,500 people who work for Grant Thornton that make it such a great place to work."

The 'Employer of the Year' award was judged by an independent panel and was based on Grant Thornton's "strong commitment to its employees, secondment programmes, and focus on quality." The judges cited "Grant Thornton's Advanced Manager Programme, the Leadership Foundation programme (which helps staff develop into better leaders), and the Grant Thornton global talent mobility programme, which has so far supported more than 320 secondments across the network."

International Accounting Bulletin is the only global magazine covering the professional services world. Focusing on business issues affecting firms, networks and associations, it is a trusted source for leading accounting news, as well as vital data and analysis provided by its survey features.

Earlier this month, Grant Thornton employees joined a three day online engagement event to connect, collaborate and share ideas. Discussions were led by global leaders, managing partners and external experts, and had more than 14,000 people (one in three of the global organisation) register to join the conversation. Almost double the participation from previous IBM Innovation Jam events elsewhere.

Regional meeting of AMFOT members in Sugd and Khatlon area.

Regional meeting were held at the beginning of the 2nd half of 2014 in Khatlon and Sugd regions. Meeting consisted from two parts. In the first part Ibragimova Gulnoz - Director of the Center of Training and Development of Microfinance of Tajikistan summarized results of activity CTMT for the first half and talked about the plans for the second half of the year. Then, Abdulloev Shukhrat - deputy chairman of AMFOT, raised questions about the Code of Ethics of AMFOT members and establishment of the Committee for the review of complaints by clients of AMFOT members. In order to protect the rights of MFI, as well as the establishment of an appropriate relationship with customers in

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accordance with the principles of SMART Campaign in January 2014 was approved the Code of business ethics MFIs AMFOT members. According to accepted international practice in advanced Associations created the Committee on complaints MFI clients, and AMFOT also established such a Committee. The Committee included a representative from NBT, two representatives from IFIs and two representatives of AMFOT. This structure was created in order to maintain the image of the microfinance sector and for the benefit of clients of MFIs AMFOT members.



The second part was devoted to the legal form to discuss legislative initiatives: on the draft Law "On Islamic banking" and on the draft Law "On the pledge of movable property". The Instructions of NBT (199, 176, 196,197,198) were discussed as well. In the end, an expert on taxation - Executive Director Grant Toronto - Mulloev B. held consultig tax MFIs and banks.

CTMT news.**Training on Lending Small and Medium Business.**

On July 17-19, 2014 by Center of Training and Development of Microfinancing of Tajikistan (CTMT)) in Khujand city was organized training on the theme "Crediting Small and Medium Business". The training was conducted by the trainer-consultant CTMT - Zarina Boboev, specialist of JSC "AccessBank Tajikistan".

The target audiences of the training were the managers and staff of small and medium crediting. The aim of the training was the development of skills in the analysis of credits to Small and Medium Businesses, providing practical experience in technology lending.

By the end of the training, participants learned to distinguish the features of crediting to small and medium businesses, to interpret financial statements and use it as a basis when making decisions, to manage the portfolio of loans to Small and medium-sized business to identify risks when working with large loans, to highlight the features of the Deposit, negotiate with clients Small and medium businesses. Upon completion of the training, all participants were given certificates.

**"A risk-based approach in the planning
of the annual plan of engagements"**

Center of Training and Development of Microfinancing of Tajikistan in conjunction with the auditing company Grant Thornton Tajikistan on August 6-7 conducted the training on the theme: "a Risk-based approach in planning for the annual plan audit engagements".

The training was aimed at officers and employees of the internal audit risk management divisions. Trainer - Mr. Vladislav Muradian, partner ZAO "Grant Thornton", presented the planning engagements, reporting to senior management and the board; the relationship between internal audit and the Audit Committee, management resources, policies and procedures; coordination of actions, a preliminary review of the audit object and risk assessment, the purpose, scope and content of audit assignments, resource allocation and control to perform auditing tasks, program implementation and engagement, gathering information and preparing reports and so on.

Finance Academy.

Project GIZ/AFC «Microfinancing and Financial Instruments» of the framework and financing for private sector development in Tajikistan in conjunction with the Center of Training and Development of Microfinance of Tajikistan (CTMT) organize Finance academy for representative of finance market, which took place from 26 of August till 30 of August.

The target group of the Finance Academy is the middle and upper-level management of financial institutions (banks and MFI). The programme is particularly interesting for bank managers, heads of Risk Management (RM) departments, managers of microfinance institutions and representatives of financial institutions and supervisors that want to know more about the best practices on **strategic banking and risk management**.

Experienced senior trainers and practitioners bring together academic, practical experience in both, the banking and microfinance sectors. Their worldwide experience combined with real-life examples from their on-going work will be a source of enrichment for interested participants.

In the framework of the financial Academy were conducted 2 workshops. Workshop 1: Operational Risk Management (ORM) – The Road Ahead with duration 2 days. This workshop introduced the participants to the international best practice in managing operational risks (OpRisk) in financial institutions. Workshop 2: Banking Simulation Game with duration 3 days. TOPSIM – Universal Banking is a challenging operational and strategic banking simulation with the emphasis on volume and interest based business, asset management, marketing in the banking industry and the employment of bank staff for various consumer groups. The comprehensive nature of this banking simulation offers valuable insights and practice oriented training for a wide target group – from senior managers of financial institutions to junior employees and even students of banking related subjects.

The total number of attendees were 16 experts from the following MFIs and Commercial banks.

The participants received an official certificate by the Academy of German Cooperatives (ADG).