

*Azerbaijan Bank Training Centre*

**Annual Report**

**2008**

**Knowledge Path to Successful Business**

**Eldar Ismayilov**

**Chairman of the ABTC Supervisory Board,  
President of Azerbaijan Banks' Association**



**Dear Readers,**

The Azerbaijan Banks Association achieves the task of human resources development for banking & financial sector and professional growth of bankers of our country via subsidiary institution – the Azerbaijan Bank Training Centre. Joint activity in this field remained successful in 2008.

Since 2000 the Centre has supported reforms in banking sector which is advanced field of county's economy and made a sound contribution into improvement of corporate governance in banks and development of professional staff by providing training and consultancy services.

Just like previous years, last year the Centre developed new training & consultancy products, delivered 116 training courses attended by 1,847 trainees.

2008 was especially remarkable for ABTC, because the Centre obtained accreditation with “European Foundation Certificate in Banking” program which is certified by European Bank Training Network (EBTN) and the exclusive in Europe. The implementation of this program in 2009 shall open opportunities for Azerbaijan bankers to get certificate recognized by European bank community.

Last year ABTC developed and launched a new long term training program on “International Financial Reporting Standards”. Chief accountants of many banks successfully attended those courses and obtained certificates. I believe that taking into consideration bank management specifics in the period of global crisis, the Centre will continue development of middle- and long term training programs this year too.

This year the Azerbaijan bank community shall celebrate 10<sup>th</sup> anniversary of ABTC. I would like to emphasize that since the period of establishment the Azerbaijan Bank Training Centre succeeded to create a team of top level professional experts. I'm sure that ABTC shall keep these and all other achievements in future, and continue to contribute into development of banking sector in our country.

## **The HISTORY of ABTC**

The Azerbaijan Bank Training Centre, being a subsidiary of the Azerbaijan Banks' Association, was established with support of EU TACIS program and started its activity in February 2000.

Over the last 9 years ABTC successfully completed 2 phases of its development and recently entered the third phase. In the first phase, 2000-2003, ABTC was established as an institution and entered training and consultancy services market.

During the second phase, 2004-2006, ABTC strengthened its market position by providing training and consultancy services in commercial banking and started to provide training on business management to businesses and consultancy services to state institutions.

In 2008, the second year of third phase of strategic development for 2007-2009, ABTC has been accredited with "European Foundation Certificate in Banking" which is the unique banking accreditation program in Europe, developed and launched long term training courses on "International Financial Reporting Standards", and continued to provide long term training courses on "General Banking" and "Certified International Professional Accountant" (CIPA) programs in addition to short term professional training courses and consultancy services.

Within the reported period ABTC has succeeded to keep the leading position of a biggest training institution in Azerbaijan providing 116 training courses on commercial banking and business management to 1847 trainees.

From first day of its activity, ABTC started to establish international relationships and continues to participate in projects financed by the World Bank, International Finance Corporation (IFC), United States Agency for International Development (USAID), Japan International Cooperation Agency (JICA), German Technical Assistance Agency (GTZ), German Bank for Development (KfW), BP Oil Company. Last year the Centre won the tender for services in a project funded by Islamic Development Bank (IDB) and established cooperation with this esteemed institution.

Since the second year of the activity ABTC operates on the basis of self-sustainability principles, therefore last year income increased 44% against 2007 and made AZN 603000, a maximum value for last 9 years.

Today ABTC is member of European Association of Adult Learning, European Bank Training Network, and Azerbaijan Entrepreneurs' Confederation.

***Vision***

*The vision of ABTC, commercial banking being its priority field, is to be the leading agency in Azerbaijan providing high quality training and consultancy services in the field of business management, having an international recognition and accreditation.*

In order to achieve the goals stipulated in the vision statement, within the “SME Support through Financial Sector Development” project, implemented by ACDI/VOCA and funded by United States Agency for International Development (USAID) in 2008 ABTC obtained accreditation with the “European Foundation Certificate in Banking” (EFCB) program by the European Bank Training Network (EBTN).

***Mission***

*ABTC mission is to offer businessmen in Azerbaijan constant high quality training and professional consultancy services by bringing advanced international know-how to Azerbaijan and implementing them, value adding by means of localizing to local market conditions.*

From its establishment, ABTC has been loyal to their mission to bring advanced practices to Azerbaijan and adapt them to local conditions on a consistent basis. For this purpose, ABTC often invites experts from various countries and sends local experts to abroad for study tours, in order to assist in development of management skills aligned with the economic history, national mentality and traditions of Azerbaijan.

**Javanshir Abdullayev**  
**Director of the Azerbaijan Bank Training Centre**



***Dear founder and business partners,***

I am, hereby, pleased to give you a brief report on the activity of the Azerbaijan Bank Training Centre in 2008, as I do every year.

Following the mission to provide high quality training and consultancy services to our business partners by bringing advanced international know-how in commercial banking and business management to Azerbaijan and adapting it to local conditions, in 2008 ABTC succeeded again in its activity.

Last year was a successful year for ABTC, in terms of expanding our circle of business partners, launching new services and expanding international cooperation.

In accordance with strategy for 2007-2009, ABTC continued development of long term training programs and in 2008 developed and offered to the market training program on “International Financial Reporting Standards”, and completed major part of training materials on “European Foundation Certificate in Banking” program.

Within the reported period ABTC implemented various consultancy projects including improvement of organizational structure and HR management at Turanbank, improvement of HR management systems at Azerbaijan Investment Company and Azerbaijan International Mining Company, matching core software structure to account chart by the Central Bank of Azerbaijan for FINCA Azerbaijan non-bank credit institution, improvement of financial management at Veyseloglu Ltd., competence testing for personnel of Bank Standard, Azerbaijan Industrial Bank, Turanbank and Amrahbank.

In 2008, ABTC developed 5 new training products and delivered 116 courses to 1,847 participants making increase of 5% and 16% accordingly in comparison with 2007.

I want to assure you once again that we will do our best to be a reliable partner and meet all your business development needs by focusing on the variety and quality of professional training and consultancy services that we provide to you.

## **OUR TEAM**

The leading position of ABTC in the training market today is based on its highly professional team of experts. To improve the quality of training and to provide more efficient risk management within our courses, and taking into consideration that the majority of ABTC experts hold top management positions in the banks and other institutions, the ABTC team of experts is divided in 3 groups. The first group combines back-stop experts who are full-time ABTC managers. Each of our managers is in charge for a group of training topics, as well as providing consulting services. The second group, the master trainers develop the training materials under direct supervision of ABTC managers. Training courses are delivered by the managers, master experts and teaching experts who belong to third group.

As increase in quantity and quality of experts always remains a priority concern, therefore ABTC regularly invites experienced experts from developed countries and send local experts for study tour abroad. As a result of these efforts, the number of experts in the team increased beyond 70.

## PRODUCTS and SERVICES

The principal reason for ABTC's leadership position in the training and consultancy sector in the last 9 years has been its pro-active mode, whereby the Centre identified market needs and offered services even before our partners asked for them.

Today, ABTC is proud to say that as many as 139 training topics and 13 consultancy modules are provided to its business partners.

During the reporting period, the following training and consulting services were offered by ABTC to its business partners:

### A. Training areas

- Standard open & in-house training courses on Commercial Banking
- Standard open, standard in-house and tailor-made in-house training courses on Business Management

### B. Consultancy services

- Strategic Planning
- Organizational Structure and Organization of Processes
- Financial Management
- IT
- Risk Management
- Human Resource Management, etc.

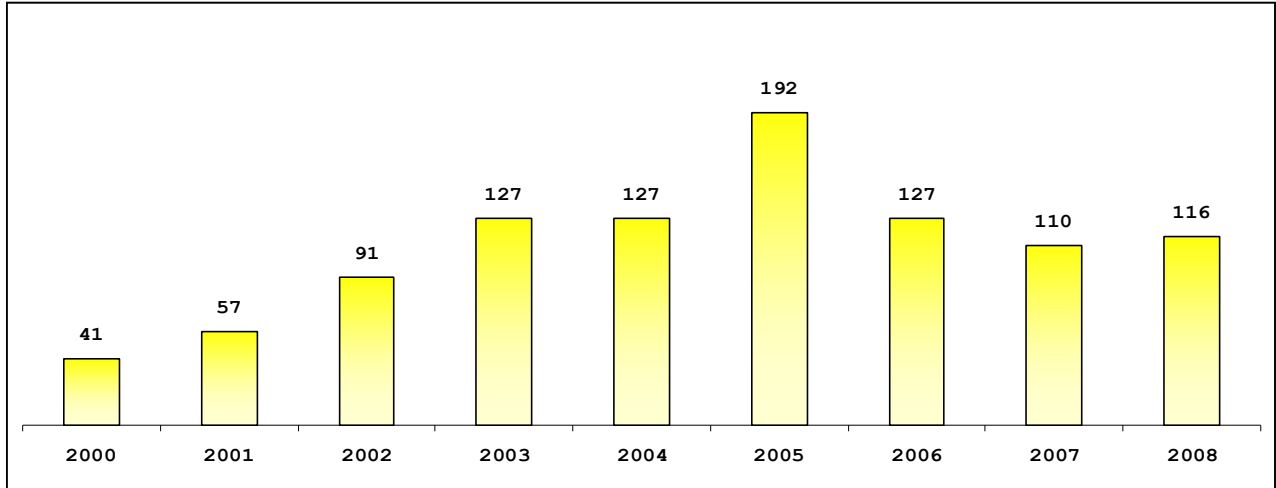
Training courses and consulting services offered by ABTC use advanced Western techniques, and are within the time frames, terms and price scales acceptable to its partners.

## TRAINING ACTIVITY

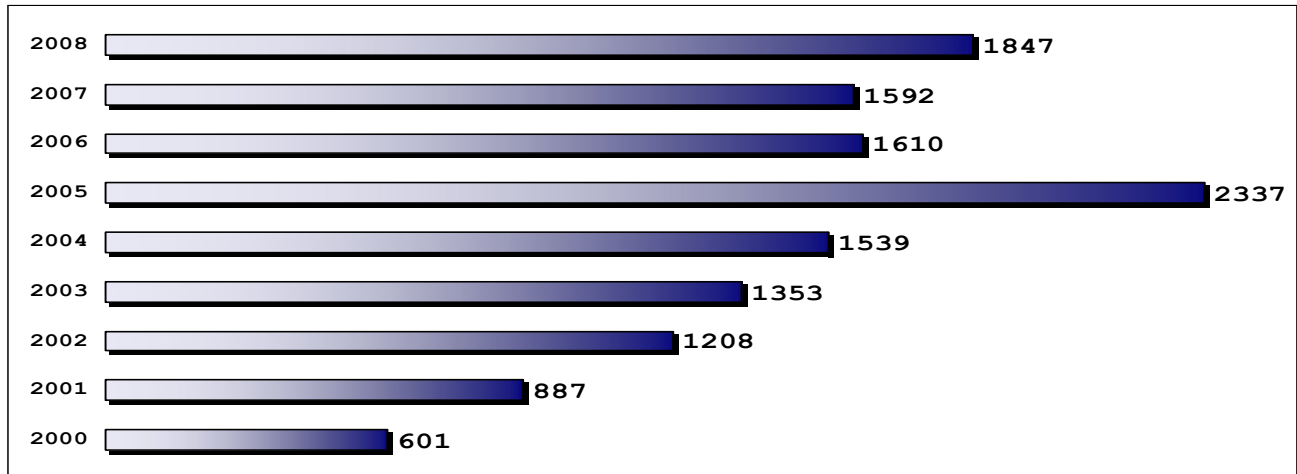
Over the last 9 years, ABTC has offered 986 training courses, including 116 courses delivered in 2008. These courses have been attended by 12,974 and 1,847 participants, respectively from more than 300 banks and companies.

The average course attendance increased from 14 in 2007 to 16 in 2008. Training courses delivered last year are distributed as follows: 63% were commercial banking courses, the remaining 37% were business management and in-house corporate courses.

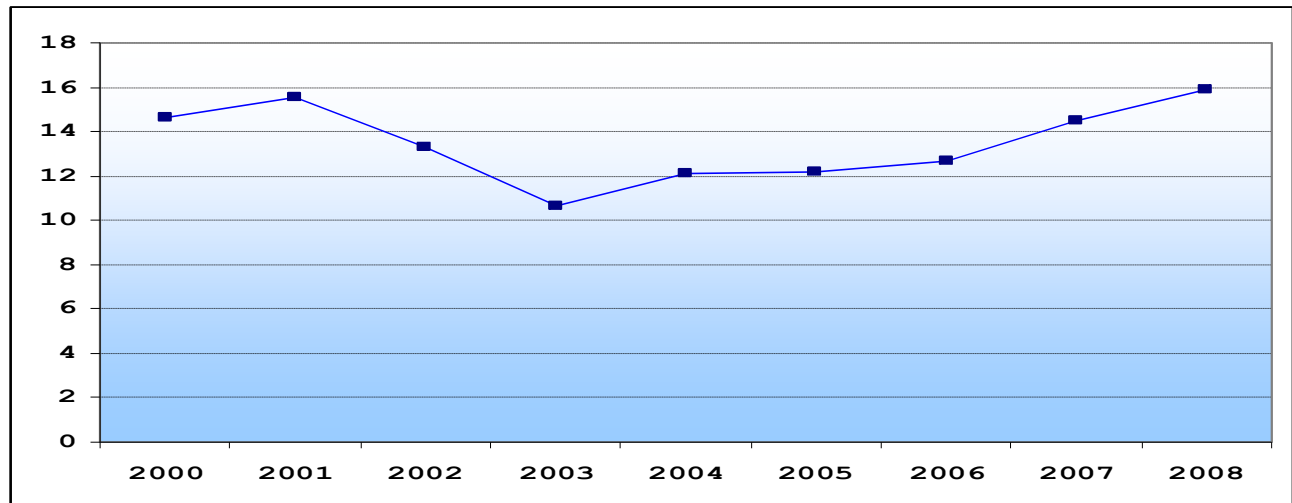
### Number of courses



### Number of Trainees



### Number of average trainees



## CONSULTANCY SERVICES

ABTC launched its consultancy service in late 2001 and in the last 8 years has implemented over 50 consultancy projects (25 testing projects).

Consulting services provided during this report period are as follows:

- “Consultancy Services on Improvement of Corporate Governance Systems at Amrahbank”. The project is on-going.
- “Consultancy Services on Development of Strategic Plan at Technikabank”. The project completed.
- “Consultancy Services on Improvement of Some Aspects of Corporate Governance at Turanbank”. The project completed.
- Personnel Competence Testing Projects for Bank Standard, Azerbaijan Industrial Bank, Turanbank and Amrahbank. The project completed.
- “Consultancy Services on Improvement of Financial Management at Veyseloglu Ltd.”. The project is on-going.
- “Consultancy Services to the Ganjabank Joint-Stock Company on Improvement of Corporate Governance.” The project is on-going.
- “Consultancy services on matching of core software to accounts chart by Central Bank of Azerbaijan for FINCA Azerbaijan non-bank credit institution”. The project completed.

## INTERNATIONAL COOPERATION

From the beginning, an effective policy of international cooperation has been one of the main reasons for ABTC's success.

Over the last 9 years, ABTC was involved in 25 international projects, including 9 where it was the primary beneficiary and 16 others where it was an implementing partner.

During the reported period, ABTC cooperated on 1 project as the beneficiary and 2 projects as implementing partner.

### **ABTC as the beneficiary in 2008**

*“Institutional Development of the Azerbaijan Bank Training Center” project under the “SME Support through Financial Sector Development Project” framework funded by the United States Agency for International Development (USAID) and implemented by the American organization, ACDI/VOCA. The project completed.*

### **ABTC as the implementing partner in 2008**

a). *“Consultancy Services on Assessment of Leasing Market of Azerbaijan and Business Plan Development for a New Leasing Company” project funded by the Islamic Development Bank (IDB). The project completed.*

b). *“Azerbaijan Credit Guarantee Fund” project funded by the German Development Bank (KfW) and implemented by German Saving Banks Foundation. The project is on-going.*

ABTC main priority is the development of international cooperation with mission to continue to bring both advanced bank & business management and training know-how to Azerbaijan in next years.

## **OBJECTIVES for 2009**

In accordance with the 2007-2009 strategic development plan, the following objectives are envisaged for 2009:

- Start training courses and examinations on “European Foundation Certificate in Banking” program.
- Start/continue implementation of the CIPA (Certified International Professional Accountant) program both levels.
- Start implementation of “Risk Management” long-term training program.
- Improve the quality control system for ABTC services.

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