صندوق النقد العربي
ARAB MONETARY FUND

# ANNUAL REPORT 2023

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## Introduction

The annual report of the Arab Monetary Fund (AMF) is prepared as stipulated in Article 33 of AMF's Articles of Agreement. The report provides a summary of the AMF's activities and financial position for the year ended December 31st, 2023, including financial and technical support through lending, and technical assistance to its member countries. The AMF's activities also contribute to developing the financial sector In Arab countries. Additionally, the AMF builds and develops the capacity of Arab officials' authorities, including the Ministries of Finance, Planning, Economy, and Trade, in addition to the Central Banks & Arab monetary institutions, and the official Statistical Bureaus through the training courses, workshops, and seminars organised by AMF Training and Capacity Building Institute (TCBI).

The Report reviews research activities, including economic, and financial studies, reports, statistical bulletins, booklets, brochures, and manuals. The report also includes other activities and events organized by the Fund in the economic, financial, and statistical fields, intending to put forward proposals and recommendations to address the various challenges faced by Arab economies, and exchanging views and experiences on contemporary economic issues, thus contributing to supporting stability and economic development efforts in Arab countries. The report also sheds light on the initiatives adopted by the Fund in response to the technical support requirements of its member countries, and the development and modernisation of the infrastructure of financial and statistical systems in the Arab countries. The report also shows the developments of the investment activity carried out by the Fund, as specified in Article V of the Agreement establishing it, as well as a summary of its activity in the field of supporting and promoting Arab foreign trade.



**Fahad M. Alturki, PhD**
**Director General**
**Chairman of the Board of Executive Directors**

# Chairman's Statement

During 2023, the economies of the Arab region were significantly affected by regional and international developments, including tightening monetary policy to contain inflation and fluctuating commodity prices. By the end of the year, the war in Gaza and security developments in the Red Sea affected several Arab countries. It has also added dimension to uncertainty about the prospects for the economies of the region and the world. The vulnerability of Arab countries to these developments varied according to their financial situation and the extent of their direct exposure to the developments, as well as the reforms undertaken by Arab countries to diversify their economies and enhance their resilience to shocks.

Global economic growth for 2024 is projected to continue to slow, remaining at the same rate as in 2023 (3.2 %), which predicts that it will be difficult to reach, in the near term, the levels of economic growth that prevailed in the pre-pandemic period. This is while the global inflation rate is expected to slow to about 5.8% in 2024, down from 6.8% in 2023, against the backdrop of the easing of disruptions in supply chains, and the continued adoption of tight monetary policies by many countries to control inflation rates, especially considering the continuation of core inflation at relatively high levels. On the other hand, the growth of the Arab economies as a group is expected to reach about 3.3 % during 2024, and the inflation rate will decline significantly, to record 3.6 %, compared to a growth rate of 2.2 % and an inflation rate of 9.3 % during 2023.

It is worth noting that global and regional developments have been reflected in the increased risks facing many Arab countries, and the narrowness of the available fiscal space, highlighting the importance of adopting fiscal reforms that would expand the fiscal space, in a way that enhances their ability to maintain economic stability, face shocks and stimulate growth in the medium term, as well as the importance of Arab central banks reviewing the suitability of the monetary policy framework to structural changes in some countries, as well as reviewing their crisis management and governance system, and reassess these risks and their repercussions on the banking and financial sector, and take measures that would reduce the repercussions of these risks, whether at the level of banking supervision or the level of macroprudential policy.

The Arab Monetary Fund (AMF) continued to intensify its efforts to help Arab member countries face challenges by providing concessional financing to support economic reform programs, as well as providing advice in the adoption of policies supportive of stability and growth, in addition to continuing to support the development of the Arab financial sector to strengthen the infrastructure systems of the financial and banking sector, which represent a key pillar for achieving financial stability. The Fund also assists in supporting the efforts of Arab member countries in the areas of enhancing and developing the capabilities of human cadres through training and technical support programs.

During 2023, the Arab Monetary Fund continued to consolidate its approach that it has followed since its inception to be the closest partner to Arab countries in their interaction with economic developments through its various activities and programs, and the services it provides to its member countries that include funding, research activities, and capacity-building activities, in addition to the pivotal role it plays in coordinating policies and exchanging experiences among Arab countries, to support effectively their efforts to face challenges.



**Director General**
**Chairman of the Board of Executive Directors**

# About the AMF

## The Inception

The Arab countries established the Arab Monetary Fund (AMF) aiming at laying the monetary foundations for Arab economic integration and to advance economic development in all Arab countries. The AMF's Articles of Agreement was signed in Rabat, the capital of the Kingdom of Morocco, on April 27th, 1976. This Agreement was characterized by its comprehensive objectives and the flexible means with which it was entrusted to achieve such objectives. All members of the League of Arab Countries are members of the AMF. Abu Dhabi City, the capital of the UAE, is the permanent headquarter of the AMF.

## Mission

The establishment of the AMF crowned the efforts made by the Arab countries in monetary and financial cooperation since the middle of the forties, and the Arab region thus became the only region among all regional and economic blocks in the world to have a monetary fund of its own. The establishment of the AMF realized the dream to which decision-makers in the Arab countries had long aspired to find the mechanism that would promote monetary cooperation and integration between Arab countries, within the joint Arab action system, which seeks to strengthen economic cooperation and integration ties among the Arab countries, as a prelude to achieving the desired Arab unity at all levels.

The AMF also adopts a proactive systematic approach in providing support to its Member Countries, through investigating the repercussions of economic developments on the Arab economies, at the regional and global levels. Similarly, it sets appropriate alternatives to provide financial and technical support to help cope with such repercussions and to bring the Arab economies affected by those developments back on track for sustainable development. The AMF applies strategic plans to manage the crises to which the Arab region economies may be exposed and to address their repercussions.

The AMF pays great attention to achieving cooperation and exchanging of experiences in monetary and fiscal policies between Arab countries, and to coordinate their positions in international fora and meetings. It also seeks to strengthen coordination among Arab central banks and monetary authorities in various fields relevant to these banks' mandates, so they could exchange experience and expertise among them, and harmonize their positions towards regional and global developments related to the banking sector. These efforts are geared towards achieving monetary cooperation between Arab countries to reach a common vision for building monetary policies in the region.

Moreover, The AMF pays particular importance to the development of Arab financial markets, based on its conviction of the important role these markets play in mobilising and channelling financial resources to finance comprehensive and sustainable economic development plans, to contribute to creating productive job opportunities and to diversify and expand the economic base and productivity.

The AMF provides its Member Countries with technical assistance programs

connected to the development of policies and mechanisms, and the development of national cadres' capacities. It also strives to enrich the adopted initiatives at the regional level, to develop payment systems and modern financial technologies as well as capital markets, economic databases, and national accounts statistics, and to foster efforts aiming at improving financial inclusion and other activities related to the AMF.

## Objectives

Article IV of the AMF's Articles of Agreement identifies eight objectives for the AMF. Those include:

1. Correcting disequilibria in the balances of payments of AMF Member Countries.
2. The stability of exchange rates among Arab currencies, rendering them mutually convertible, and striving for the removal of restrictions on current payments between Member Countries
3. Establishing such policies and modes of Arab monetary cooperation. The aim is to achieve the rapidest pace of Arab economic integration and speed up economic development in Member Countries
4. Rendering advice, whenever called upon, regarding policies related to the investment of financial resources of Member Countries in foreign markets, to ensure the preservation of the real value of these resources and to promote their growth.
5. Studying ways to promote the use of the Arab Accounting Dinar (AAD) and paving the way for the creation of a unified Arab currency.
6. Promoting the development of Arab financial markets.
7. Coordinating the position of Member Countries in addressing international monetary and economic challenges to realise their common interests while, at the same time, contributing to the resolution of world monetary challenges.
8. Settling current payments between Member Countries to promote trade among them.

Furthermore, Article VIII of the AMF's Articles of Agreement stipulates that the AMF shall provide technical assistance and services in the financial and monetary domains to Member Countries pursuing economic agreements aimed at attaining monetary union between them, being a phase towards the realisation of the goal of the AMF, namely, Arab economic and monetary integration.

## Means and Resources

The Fund adopts several means to achieve its objectives, as set out in Article V of the Convention establishing it, including providing short- and medium-term facilities to Member Countries to help finance the total deficit in their balance of payments with the rest of the world, resulting from the exchange of goods and services, remittances and capital movements, and issuing guarantees in favour of Member Countries, to enhance their opportunities to benefit from other financial sources to finance the total deficit in their balance of payments and to mediate the issuance of loans in the Arab and international financial markets for the account of Member Countries and their guarantees.

These means also include the coordination of monetary policies in the Arab Member Countries and the strengthening of cooperation between monetary authorities

in these countries, as well as striving to liberalise and promote trade and ensure current payments and encourage capital flows between Member Countries.

Similarly, the AMF's Articles of Agreement provided that the AMF shall set, with the consent of the relevant member country or countries, all necessary arrangements for the management of any funds that a Member Country entrusts it with, in favour of other Arab or non-Arab parties, by the AMF's objectives.

Article VI of the Articles of Agreement stressed the need for cooperation among Member Countries, and between them and the AMF, to reduce restrictions on current payments, as well as restrictions on the capital movement and returns thereof while targeting the removal of all mentioned restrictions. It also underlined the need to achieve enough coordination between economic policies, particularly fiscal and monetary policies, to serve the Arab economic integration and to help create the conditions for a unified Arab currency.

As a confirmation of the flexibility given to the AMF in achieving its objectives, Article IX stipulates the possibility for the AMF, under a decision by the Board of Governors, to resort to any other means that help in achieving its objectives.

By the provisions of Article XI of the AMF's Articles of Agreement, the resources of the AMF shall consist of the paid-up capital, reserves, loans, and facilities obtained by the AMF, and any other resources approved by the Board of Governors.

## AMF's Governance Framework

The AMF's governance framework is based on a set of principles. The AMF places the task of adherence to them at the forefront of its priorities, which are summarised as follows:

**Protection of membership rights and equal treatment:** The governance framework of the AMF ensures the protection of the shareholders' rights, facilitates their practices in the said rights, and the equal treatment.

However, the framework does not allow for unilateral decisions to be taken on substantive matters, neither at the level of the Board of Executive Directors nor in the executive departments.

Indeed, the appointment of the members of the Board of Executive Directors is approved by the highest authority, the Board of Governors, and they are nominated among the citizens of member countries known for their expertise and efficiency.

The Board of Executive Directors acts by procedural rules governing the decision-making process. At the level of executive departments, the responsibilities and powers are regulated by policies and procedures in place, while the specialized committees examine matters of substance and receive recommendations thereon.

**Recognition of stakeholder rights:** It aims to protect the rights of stakeholders, including member countries as well as the AMF's employees and contractors.

**Disclosure and Transparency:** Since the Board of Governors is itself in charge of the

salaries and benefits granted to the Board members, and of disclosing the extent of their neutrality, knowing that the Board approves collectively the appointment of the members and determines the benefits granted to them.

**Accountability:** The principle of accountability, applied by the AMF at all levels: The applied governance framework reflects the keenness given by the AMF to defining the terms of reference across its supervisory, oversight, and executive bodies, their integration, and interaction, and to enhancing communication and coordination channels between them, in addition to expanding the scope of their participation in sharing opinions before taking decision.

**The governance bodies' structure consists of the Board of Governors and the Board of Executive Directors under which there are the Audit and Risk Committee, the system of organizational units for the executive management, which includes the executive departments and the administrative committee, as well as the internal audit office and the external auditors.**

**The Board of Governors**: It comprises governors of all Arab member countries and is considered the AMF's supreme authority for strategic direction, accountability, and performance assessment. The AMF's Articles of Agreement entrusted the Board of Governors with all management powers and authorised it to delegate to the Board of Executive Directors the exercise of any power except for exclusive powers[1]. The Board shall hold its meetings annually according to the procedural rules that govern the meetings and voting procedures. It shall annually elect a governor from among its members, as its chairman, on a rotational basis.

**Board of Executive Directors:** It consists of the Director General, Chairman of the Board and eight members appointed by the Board of Governors among the citizens of member countries for renewable three-year tenures on a part-time basis. The Board of Executive Directors oversees AMF operations. It is collectively entrusted with oversight of key policymaking, strategic plans, and action programs, performance, and accountability of executive management. It reports to the Board of Governors. The Board holds quarterly meetings to make decisions under relevant voting and decision-making procedures specified in AMF's Articles of Agreement.

**Audit and Risk Committee emanating from the Board of Executive Directors**: It comprises four members who are independent of the executive management of the AMF and elected by the Board of Executive Directors at the beginning of each session.

The Committee carries out its functions according to a charter governing its duties and aims to assist the Board in carrying out its supervisory role through monitoring the integrity of the financial statements, following up the implementation of risk management policies and internal control, assessing the effectiveness of the office of internal audit and discussing its reports, monitoring the independence of the external auditor and discussing his reports, receiving

[1] Exclusive powers of the Board of Governors as per the Articles of Agreement include the appointment of the Director General and Chairman of the Board of Executive Directors, members of the Board of Executive Directors, decisions on the remuneration of its members, admission of new members, suspension of membership increases of capital, distribution of income, appointment of external auditors, approval of final accounts and deciding on the interpretation and amendment of AMF Agreement.

irregularities notifications and submitting recommendations thereon.

**The organizational framework for executive management:** It consists of the Director-General Chairman of the Board of Executive Directors, the Counsellor, Chief Economist, and six specialized executive departments: The Economic Department, the Training and Capacity Building Institute, the Investment Department, the Finance Department, the Support Services Department, the Legal and Compliance Department, Strategy and Evaluation Unit, and Risk Management Unit.

In addition, the committees of the executive management, in their capacity as advisers, render advice on substantive matters. They are composed of competent and specialized senior staff in the AMF as follows:

The Loan Committee, the Investment Committee, the Administrative Committee, and the Risk Management Committee. These organizational units in the AMF operate within an interconnected and integrated system of internal control which includes regulations, policies, and rules, as well as working procedures regulating the AMF's activities and operations. This system does not allow for unilateral decisions to be taken in substantive matters.

**The Internal Audit Office (IAO):** It is a major component of the internal control system. The senior management ensures that it plays its role independently.

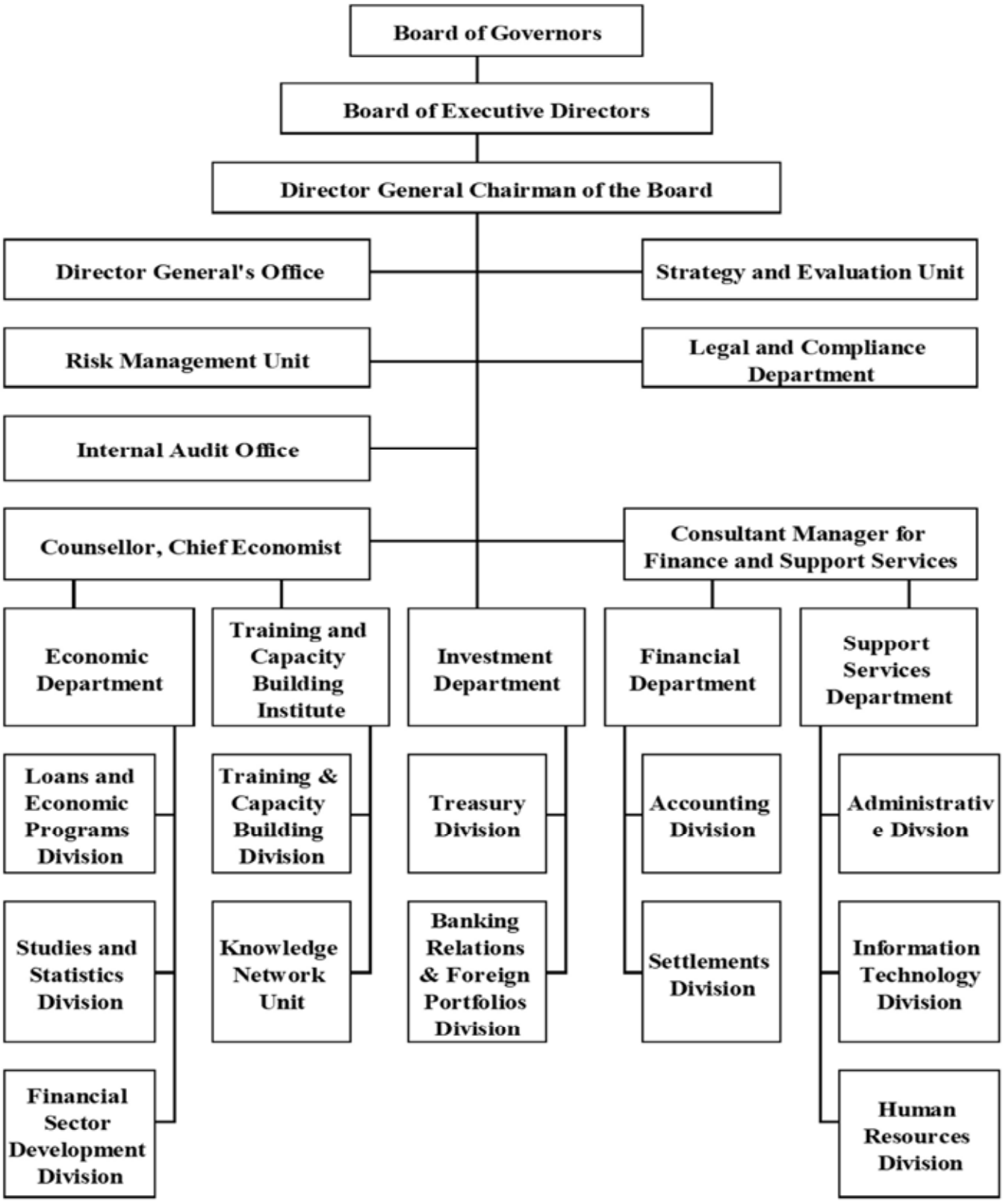
The functions of IAO include assessing the effectiveness of internal control systems, the activities related to risk management and governance according to an approved methodology and communicating directly with the Audit and Risk Committee under the Board of Executive Directors.

**External Audit**: It is another important link in the AMF's governance system. The Board of Governors is invested with exclusive powers to appoint external auditors. Under the AMF's Articles of Agreement, these powers cannot be delegated to another body of the AMF.

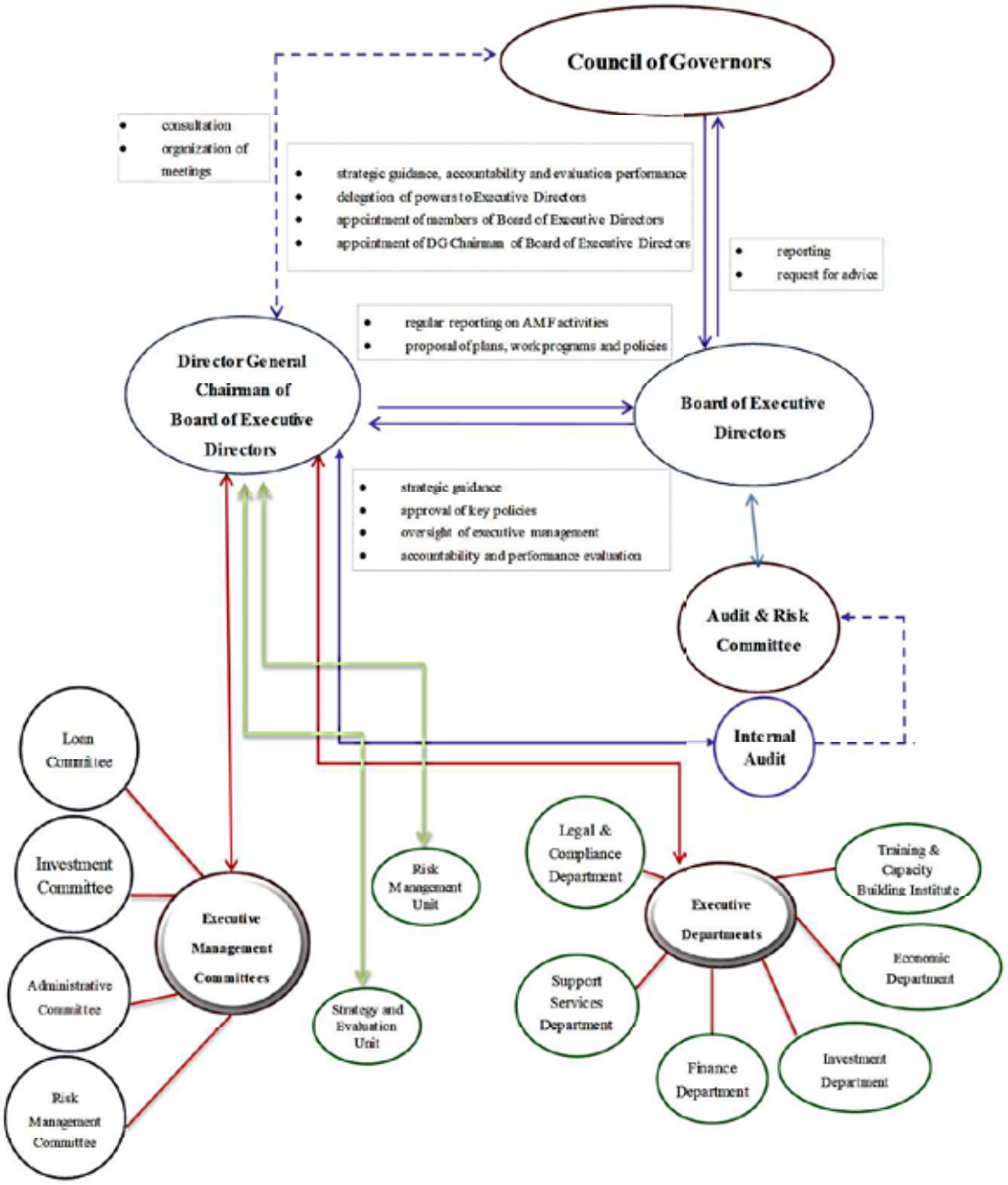
To strengthen the Fund's governance framework, the Risk Management Unit was established within the institutional structure, strengthen the governance system in the Fund includes three lines of defence in terms of risk management, represented by organizational units as the first line of defence, followed by the Risk Management Unit as the second line of defence, and the Internal Audit Office as the third line of defence.

The unit aims to consolidate the concept of "effective management" of the main risks associated with the Fund's activity, by focusing on institutional determinants of business delivery, ensuring collective performance, and emphasizing the proactive approach to risk management in the Fund.

## Arab Monetary Fund's Organizational Structure



## Chart (2): The AMF Governance Framework+




+ The scheme of the governance bodies in the Arab Monetary Fund does not constitute the organizational structure of the Fund, but rather reflects the components and institutional working relationships with its governance bodies.

## MF's Strategy Framework (2020 – 2025)

### Strategic Vision

**The Arab Monetary Fund to be "The closest partner to the Arab Countries in their interaction with developments to enhance the process of stability and economic, financial and monetary development".**

***To achieve this vision, the AMF's strategic dimension includes four five-year strategic plans, beginning with 2020 - 2025 strategy and ending with 2035 - 2040 strategy.***

## Strategy Features and General Framework

The 2040 vision emphasizes that the AMF is set to be "**The closest partner of the Arab countries in their interaction with developments to enhance the process of stability and economic, financial and monetary development**." This vision also frames the AMF's ongoing efforts to achieve its goals, which are embodied in its Article of Agreement, which is centred on "**laying the monetary foundations for Arab economic integration and advancing the economic development of all Arab countries**."

The Board of Governors has adopted **the 2040 vision and AMF's five-year strategic plan (2020-2025),** which reflects the hopes and aspirations of its member countries and includes plans for continuous development in its areas of work and activities to keep pace with changes in the international and regional arenas. The AMF's strategy also considers the results of the evaluation of achievements in its previous strategy (2015-2020), as well as its future potential role, given the different needs of the Arab member countries, amid increasing domestic, regional, and international challenges.

The AMF's strategic directions have considered ways to maximize the use of its comparative advantages, as it is the only regional monetary institution in the Arab region, and the importance of the role it plays as a centre for meeting and consultation for economic, financial and monetary policymakers, in addition to its role in providing aid and technical advice, supporting reforms with the Fund's lending resources, as well as the support it provides in the field of capacity building through specialized training programs provided by the Institute for Training and Capacity Building to the cadres of member countries.

Within the framework of its strategy for the period (2020-2025), the AMF also attaches great attention to exploiting all available opportunities to enhance communication channels with its member countries, develop and strengthen its capacities and initiatives to better respond to their growing needs, provide financial support, advice, and technical assistance in the areas of economic reform, as well as meet the growing and diverse needs in the field of training and capacity building in various economic, monetary, financial and statistical fields, in addition to developing its research and statistical activity to provide reliable economic data, and more comprehensive and in-depth analytical reports to support the efforts of policymakers and researchers.

## Strategic Objectives

**The objectives of the AMF's (2020 - 2025) strategy are: Developing lending to support efforts to redress economic and financial imbalances in the Arab countries, developing the financial sector through supporting its role as an engine of growth and development, strengthening the AMF's role as a consultative centre for economic, financial, and monetary policymakers, and the AMF's role as a centre of excellence for knowledge and capacity-building.**

## Means and Activities to Achieve Strategic Objectives

Within the framework of its strategy for the period 2020-2025, the Fund is keen to raise the efficiency of the use of available means, develop new means to reach the best-desired results and achieve the objectives of the strategy in a way that achieves the aspirations of member countries.

In this context, the means adopted by the Fund to achieve the first objective of developing lending activity include a set of lending windows to provide financial support to address the overall deficit in the balance of payments and support structural reforms in the government, financial and banking sectors.

As for the other means that the Fund relies on to achieve the second goal of the 2020-2025 strategy, which is to develop the financial sector, in a way that supports its role as a locomotive of growth and development, it includes carrying out many activities within the framework of the programs and initiatives it adopts to strengthen the financial, monetary and banking sectors in the Arab countries, and enhance access to finance and financial services, as these activities receive relative attention, against the background of their contribution to deepening the financial and banking sector, enhancing its role in supporting opportunities for inclusive and sustainable growth, and achieving economic stability. and financial.

Concerning the means to achieve the third objective of the strategy, which is to strengthen the role of the Fund as a centre for consultation for economic, financial and monetary policymakers, the Fund has worked to strengthen the frameworks of effective partnership with Arab countries for consultation and exchange of goods, and to coordinate their positions in dealing with regional and international issues, and to face the challenges facing their financial, banking and monetary systems.

In this regard, the AMF focused in 2023 on strengthening its role as a centre for dialogue and technical advice on fiscal policies in Arab countries, to support their efforts in the areas of developing public debt strategy management, strengthening public-private partnerships, reforming the support system and social safety nets, supporting tax reform, and enhancing the efficiency of public spending.

The Fund has also made unremitting efforts to strengthen partnerships with local, regional, and international financial and development institutions, and to activate cooperation frameworks in priority areas for policymakers in the Arab countries.

Concerning the means to achieve the fourth strategic objective of strengthening the

Fund's role as a center of excellence for knowledge and capacity building, this included several activities, the most important of which are: training activities to build and strengthen the capacities of Arab technical cadres, expanding the scope of events and increasing the number of beneficiaries of training programs through the expansion of training programs, in addition to research and statistical activities that support policymakers in the Arab countries, as well as building partnerships with several relevant regional and international institutions, developing the Fund's website and enriching its content. Digitalization and continuous updating and intensifying of the Fund's media activity to highlight the economic and financial reforms carried out by Arab countries.

The investment activity is also an important tool used by the AMF to support its Member Countries. The activity includes accepting deposits from Member Countries and Arab financial institutions, managing investment portfolios on their behalf, and providing investment technical assistance and advice.

The AMF in its capacity as **the Technical Secretariat for the Council of Governors of Arab Central Banks, and Monetary Authorities and the Council of Arab Finance Ministers**, is one of the means used to achieve its objectives of coordination between Member Countries in the monetary and financial fields and to coordinate Member Countries' positions in facing the international monetary and economic challenges, for their common interests.

The annual meetings of the two Councils represent an important framework for discussing several topics directly related to the objectives of the AMF, as well as the various current issues.

## Summary of AMF's Activities 2023

During 2023, Arab economies witnessed various challenges affected by local, regional and international economic developments. While these developments have strengthened the position of oil-producing countries, many Arab countries faced challenges related to the high level of indebtedness and the cost of financing, especially after several shocks they faced, including the repercussions of the Covid-19 pandemic, and the repercussions of developments in Eastern Europe, and in the region by the end of 2023.

To support the efforts of Arab member countries in addressing these challenges, the AMF has intensified its efforts and interventions to provide support to its member countries to the maximum possible capacity, in support of their recovery efforts to help return to normal growth paths and to address the effects of these challenges. In this context, the AMF continued to activate rapid lending procedures, through consultations to agree with the relevant authorities of requesting countries on reform programs supported by existing loans, or to withdraw payments from contracted loans.

In this regard, the AMF responded to all Arab countries' requests during 2023 to obtain financial facilities to support reform programs in the economic, monetary, and financial fields, and to confront the overall deficit in their balance of payments. Requests from Member States for facilities under the framework of supporting an enabling environment for small and medium enterprises and to address emergencies in the balance of payments, or those involving the withdrawal of existing loans payments were also responded to.

Through 2023, the AMF also intensified its activities aimed at strengthening the capacity of Arab countries to adopt fiscal policies aimed at achieving fiscal sustainability, including social protection mechanisms and programs for the benefit of the most vulnerable groups, enhancing growth potential through spending that supports structural reforms, and enhancing the sustainability of public resources in the medium term.

The Fund's activities were mainly aimed at assisting its member countries to implement reforms aimed at increasing economic diversification, deepening financial inclusion, and creating an enabling environment for SMEs to enable them to play a vital role in achieving inclusive and sustainable economic growth and creating productive jobs.

Also, the reforms, which were supported by the Fund's resources, included those aimed at raising the efficiency of public financial management, raising the efficiency of the preparation and implementation of the general budget, through the development and strengthening of tax administration, government procurement management, the social protection system, and public debt management, in addition to reforms aimed at supporting the ability of authorities in Arab member countries to contain risks to financial stability, including cybersecurity threats, and facing the challenges of the financial and banking sector, which is witnessing a major shift towards Digitalization, the expansion of the use of financial technologies and associated challenges.

As part of its **lending activities**, the AMF provided four loans in 2023 to the Arab Republic of Egypt, the Kingdom of Morocco (two loans) and the Hashemite Kingdom of Jordan, with a total value of about A.A.D. 277 million., equivalent to about 1.1 billion US dollars, to meet emergency financing needs and support economic and financial reform efforts in light of the current challenges.

The loans contracted during 2023 consist of two loans to the Kingdom of Morocco with a total value of A.A.D 110.626 million, represented by a compensatory loan of A.A.D 41.125 million, and a structural adjustment facility loan in the financial and banking sector, amounted A.A.D. 69.501 million, while the value of the loan provided to the Arab Republic of Egypt, within the framework of the structural adjustment facility in the financial and banking sector, amounted to A.A.D. 153.475 million, and an ordinary loan was provided to the Hashemite Kingdom of Jordan worth A.A.D. 12.790 million.

During 2023, payments were withdrawn from contracted loans, including the withdrawal of the second instalment of the loan provided to the country within the framework of the Conductive Environment Support Facility for Small and Medium Enterprises, amounting to 5.905 million A.A.D., and the withdrawal of the Republic of Tunisia the second instalment of the regular loan of 4.794 million A.A.D., after the Fund reviewed the progress of the implementation of the reform programs supported by the two loans.

Regarding the **technical assistance** provided by the Fund to its member countries during 2023, it covered areas related to its activities such as developing the infrastructure of the financial and banking sector and government bond markets, strengthening the capabilities of Arab countries to achieve financial inclusion within the framework of the Fund's financial inclusion initiative, and developing and strengthening capacities in the field of preparing economic statistics according to international statistical methodologies, within the framework of the Arab Statistics Initiative "Arabsat", and other related areas.

The technical assistance provided by the Fund to its member countries during 2023 included providing technical support to the Central Bank of Iraq in terms of following up on the construction and implementation of the national strategy for financial inclusion in Iraq and implementing the action plan provided by the Fund to the Iraqi side in cooperation with partner institutions in the initiative.

In 2023, the AMF also dispatched a joint technical advisory mission with the World Bank to support the Algerian authorities' efforts in digitizing financial payments and digital identity applications and supporting the digital financial transformation of banking institutions.

As for the **training and capacity building** activity carried out by the Fund through the Institute for Training and Capacity Building, the Institute continued its training activity in 2023 by activating the e-learning platform "Moodle" and developing and upgrading its various technical and logistical components. In 2023, 74 training courses were held, benefiting 2,248 trainees from Arab official cadres. Thus, the number of beneficiaries of the training courses provided by the Fund, since its inception, until the end of 2023, reached 17,808 trainees.

As for **Economic Studies and Research Activities,** the Fund published an extensive array of materials in 2023, including

reports, working papers, studies, bulletins, books, booklets, and guidelines. These publications addressed a diverse range of issues and topics, all to support decision-makers and economic policymakers across its member states. This effort aligns with the AMF's strategic objectives for the period of (2020-2025), demonstrating its commitment to addressing the evolving needs and interests of its member countries.

Concerning the Fund's **investment** activity, during 2023, it was characterized by a relatively high level of deposit balances accepted by Arab member countries to invest on their behalf.

The Fund also continued its approach in following a conservative investment policy and strategy, which contributed to protecting the invested capital and continuing to achieve stable positive returns at the macro level, while maintaining acceptable ratios of investment risks.

As part of its investment activity, the Fund continued to employ its resources, in addition to investing part of the funds of the Arab Trade Financing Program and the funds collected in the consolidated account of specialized Arab organizations, in addition to supervising the part managed by external parties, in accordance with the investment policy and strategy adopted to manage each of them.

With regards to the activities of ATFP, in which the AMF holds a controlling share, the value of applications received by the Program in 2023 amounted to approximately USD 696.5 million, as the Program agreed to finance them, and the value of withdrawals in the same year amounted to approximately USD 672.3 million.

Accordingly, the Program received applications from its inception approximately USD 21 billion, until the end of December 2023, to finance commercial deals worth approximately USD 27.8 billion. The program agreed to finance USD 20.6 billion. The value of withdrawals during the period amounted to approximately USD 19.9 billion.

## The AMF's Lending Activities

The AMF provides lending facilities to member countries in accordance with its Articles of Agreement, and the requirements of the "Lending Policy and for loans with different terms and concessions. The AMF's Articles of Agreement prioritizes lending as one of the means available to fulfil its objectives.

The AMF, through its lending activity, supports economic and structural reform programs in Arab countries in areas relevant to its functions and provides technical support for the design of these programs, appropriately and efficiently, to help establish macroeconomic stability and to address balance of payments imbalances, support efforts to implement the reforms required in several sectors to improve the efficiency of resource use and to promote opportunities for inclusive and sustainable economic growth.

The AMF's lending activity also contributes primarily to the achievement of its (2020 - 2025) strategy objectives by continuously harnessing and developing its potential to meet the changing and growing needs of its Member Countries.

## Types of loans and facilities

The loans and facilities provided by the AMF include two major groups. The first group contributes to addressing the imbalances in member countries' balance of payments, while the second group is provided to support reforms in specific sectors.

Loans and facilities offered by the AMF to address the Member Countries' imbalances in their balance of payments are; Automatic Loans, Ordinary Loans, Extended Loans, Compensation Loans, Oil Facility, and Short-Term Liquidity Facility.

The Second group of loans and facilities includes the Structural Adjustment Facility, Trade Reform Facility, and the SMEs Conducive Environment Support Facility. Appendix 1 details the terms and conditions of the facilities provided by the Fund to its member countries.

## New Loan Contracts & Commitments

In 2023, the AMF contracted four loans to its member countries to meet emergency financing needs and support economic and financial reform considering the current challenges. The total value of these loans amounted to 276.891 million A.A.D. They consisted of two loans to the Kingdom of Morocco. One is within the framework of the Structural Adjustment Facility in the financial & banking sector worth 69.501 million A.A.D., the second is a Compensatory Loan of 41.125 million A.A.D. They also included a loan to the Arab Republic of Egypt within the framework of the Structural Adjustment Facility in the financial & banking sector, worth 153.475 million A.A.D., and an Ordinary Loan to the Hashemite Kingdom of Jordan worth 12.790 million A.A.D.

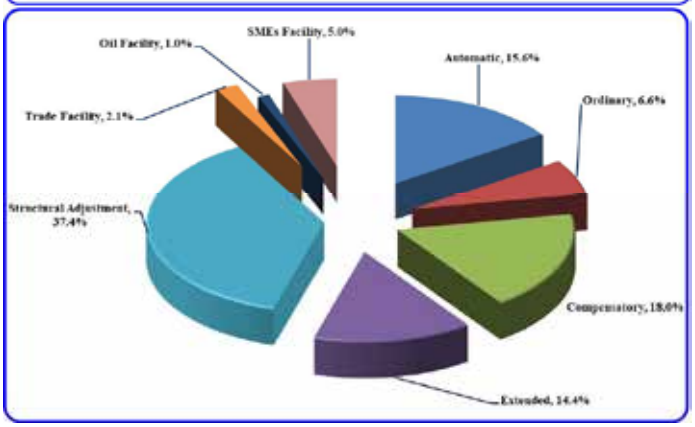
Adding the value of the new loans approved by the AMF to its member countries in 2023 to the balance of loans provided since the beginning of its lending activity in 1978, brings the total value of loans approved by the AMF to its member countries, until the

end of 2023, to about 3.1 billion A.A.D., equivalent to about 12.6 billion US dollars.

Fourteen Arab countries benefited from the 203 loans provided by the Fund during the period 1978-2023. Table (1), in Appendix (2), shows the details of these loans, by year and beneficiary countries.

Figure 3 shows the relative distribution of loans, by type, during the period 1978-2023. Table (2) in Appendix (2) shows the value and number of loans obtained by each Member Country distributed according to the type of loans provided.

**Chart (3): Distribution of loans types as percent of total loans (1978 - 2023)**




**Technical consultations with Member Countries on new loan applications, as well as following up on the execution of agreed reform programs supported by the existing loans.**

During 2023, the AMF held consultations with authorities in the Kingdom of Morocco, the Arab Republic of Egypt, the Hashemite Kingdom of Jordan, and the Republic of Tunisia on reform programs supported by the Fund's resources. The fund also conducted follow-up discussions on the implementation of existing programs, to assist borrowing member countries in strengthening the capacities of economic sectors, strengthening financial conditions, and increasing economic resilience, in the face of the repercussions resulting from the challenges posed by recent regional and global developments.

The support from AMF staff in included help designing reform programs, prioritizing actions to overcome unfavourable repercussions, setting a timeline for reform implementation, and implementation mechanisms.

- Regarding the **Kingdom of Morocco**, on March 17, 2023, an agreement was signed under which a loan under the Structural Adjustment Facility in the Financial and Banking Sector was provided to the Kingdom of Morocco in the amount of A.A.D. 69.501 million, (equivalent to 279 U.S. Dollar) representing about 169 % of the country's share in convertible currencies, in the Fund's paid-up capital. The first tranche of the loan (A.A.D. 36 million-about U.S.D. 144 million) was withdrawn on 13 April 2023. The loan supports a reform program based on five pillars: strengthening supervision in the financial and banking sector, promoting sustainable finance, enhancing financial inclusion, developing financial innovation, and developing the legal framework regulating the capital market.

As per the compensation loan agreement signed on January 11, 2023, between the Fund and the Kingdom of Morocco, the Fund extended an amount of A.A.D. 41.125 million, equivalent to about 165 million US dollars, and representing 100% of the s share in the Fund's paid capital in convertible currencies.

The loan aims to strengthen the balance of payments position, considering the increase in food imports due to the decline in Moroccan agricultural output and the rise in food prices in international markets.

- With regard to the **Arab Republic of Egypt**, a loan agreement signed on July 25, 2023, for A.A.D. 153.475 million, equivalent to approximately 618 million US dollars, and representing 175% of the s share in the Fund's paid capital in convertible currencies.

  The first tranche of approximately A.A.D. 92 million was transferred on 28 July 2023. The loan was provided within the framework of the Structural Adjustment Facility in the financial and banking sector, to support a reform program in the aforementioned sector, based on four pillars: enhancing the safety and efficiency of the payment systems infrastructure, enhancing financial inclusion and sustainability, developing and strengthening the supervisory framework in the financial and banking sector, expanding the scope of reliance on technologies in providing finance and financial services and enhancing the protection of financial services consumers.

- About the **Hashemite Kingdom of Jordan,** a loan agreement was signed on May 15, 2023, according to which the country obtained an Ordinary Loan of A.A.D. 12.790 million, representing 87% of the share paid in convertible currencies in the Fund's capital, equivalent to about 51 million US dollars. The first tranche of the loan amounting to approximately A.A.D. 7.674 million was transferred on May 24, 2023. The AMF provided the loan to support the Jordanian government's economic and financial reform program to promote macroeconomic stability and sustained economic growth. The program included the implementation of a package of measures during the program period, at the level of fiscal and monetary policies, to help enhance macroeconomic stability, in addition to measures to enhance the efficiency of public financial management, and the financial and banking sector to support macroeconomic policies.

  On January 11, 2023, the Fund approved the withdrawal by the **Hashemite Kingdom of Jordan** of the amount of 5.905 million A.A.D., the value of the second tranche of the loan provided to Jordan within the framework of the SMEs Enabling Environment Support Facility, based on the follow-up of the implementation of the reform program supported by the aforementioned loan.

  Regarding the **Republic of Tunisia,** the Fund held consultations with the Tunisian authorities as part of its follow-up to the implementation of the reform program supported by the Ordinary Loan, based on the results of the consultations. The Fund approved the withdrawal of the second tranche of the loan, amounting to A.A.D. 4.794 million on October 5, 2023.

## Withdrawal & Repayment of Loans

In 2023, the disbursed amount of contracted loans reached approximately A.A.D. 187.498 million, showing a significant increase from the A.A.D. 110.035 million recorded in 2022.

Furthermore, countries that had taken loans made repayments based on their scheduled timelines, totalling A.A.D. 153.839 million in 2023. These payments were towards settling parts of loans that had been previously issued. Consequently, by the end of 2023, the cumulative outstanding loan balance for these borrowing member countries stood at around A.A.D. 605.549 million. This figure considers an Expected Credit Loss of A.A.D. 6.650 million and compares to a slightly lower figure of A.A.D. 578.540 million at the end of 2022. Notably, the total of unutilized loan contracts increases significantly to approximately A.A.D. 123.141 by the close of 2023, up from A.A.D. 33.748 million at the end of the previous year.

Appendix No. (1) contains Table (3), which details the figures for both drawn and undrawn balances as well as loan commitments for Arab nations across 2022 and 2023. Additionally, Table (4) within the same appendix provides an extensive overview of these statistics spanning from 1978 through 2023.

## Arrears

A borrowing country is deemed to be in default on its loan obligations if it fails to make payments on its outstanding debt for more than twelve months.
By the end of December 2023, the financial records indicated four instances of payment delays by borrowing member countries. Consequently, the total overdue amount owed by these countries stood at A.A.D. 269.282 million. This sum comprises delayed loan repayments amounting to A.A.D. 179.667 million and accumulated interest charges of about A.A.D. 89.615 million.

**Regarding the specific cases of arrears:**

- **the Federal Republic of Somalia**, which began experiencing payment delays in 1984, had accrued arrears totalling A.A.D. 76.356 million by the end of December 2023.
- **Syrian Arab Republic,** saw its payment delays start in December 2011, with its arrears reaching A.A.D. 3.785 million by the same cut-off date.
- **the Republic of Yemen**, encountering delays since June 2016, had arrears of A.A.D. 76.738 million by the end of December 2023.
- **Republic of Sudan**, a country that began delaying its payments in April 2020 had accumulated arrears of A.A.D. 112.403 million by the end of December 2023.

## Technical Assistance Activities Provided by the AMF to the Member Countries

The Fund's activities within the framework of direct and indirect technical assistance to Arab member countries during 2023 were:

Providing technical support to the Central Bank of Iraq in following up the construction and implementation of the national strategy for financial inclusion in Iraq and implementing the action plan presented by the Fund to the Iraqi side in cooperation with partner institutions in the initiative.

A joint technical advisory mission with the World Bank to support the Algerian authorities' efforts in digitizing financial payments and digital identity applications, and supporting the digital financial transformation of banking institutions, within the framework of the Digital

Payment Systems Development Initiative, which is concerned with initiating issues of developing the supervisory and regulatory framework for digital financial services. The mission prepared an assessment of the current situation and provided a detailed plan for the required reforms. In this regard, the mission's work focused on assessing the status of electronic payments and digital banking and finance in Algeria and developing recommendations and an appropriate action plan.

## Research Activities and Publications

Research activity holds a paramount position within the Arab Monetary Fund (AMF), with a primary focus on the analysis of international and regional developments, alongside their direct and indirect effects on the economies of Arab nations. This initiative seeks to equip policymakers in member states with the necessary insights to navigate challenges arising from regional and global dynamics or to seize opportunities aimed at enhancing the welfare of Arab citizens.

The AMF's research endeavours encompass the publication of reports, economic studies, research papers, books, booklets, and statistical bulletins across economic, financial, monetary, and statistical domains. These publications play a crucial role in highlighting critical economic issues, setting priorities, elucidating challenges, and proposing actionable strategies for addressing them.

In the year 2023, the AMF furthered its commitment to this cause by releasing a comprehensive series of reports, statistical bulletins, working papers, policy papers, and booklets, thereby continuing to support its member states in achieving informed and strategic decision-making processes.

**Below are the AMF publications in 2023, available on its official website, (https://www.amf.org.ae/ar)**

**1. Economic studies and research:**

1. A study titled "**Using Behavioural Economics in Designing Economic Policies**" addressed the theoretical background of behavioural economics, its practical applications to support and facilitate the implementation of public policies, and how it can be used by Arab countries to stimulate economic policies. It also reviewed the method of engineering choices and designing behavioural policies in several areas, including increasing tax compliance, retirement programs, stimulating savings, and repaying distressed loans.

2. A study titled "**Economic Diversification in Arab Oil-Exporting Countries**" concluded that Arab oil-exporting countries have improved their level of economic diversification, with the share of the extractive industries sector in these countries declining from about 39.9 percent in 2005 to about 28.4 percent in 2021. The economic diversification index also improved in the Gulf Cooperation Council countries.

3. A study on "**Challenges facing the Agricultural Sector in Arab Countries**" discussed the disparity in the gap between basic food goods and raw agricultural materials in world regions and Arab countries.

4. A study titled "**Foreign Direct Investment Trends in Arab Countries in the Wake of the Covid-19 Pandemic**," addressed the challenges

faced by many countries, including some Arab countries, by the Covid-19 pandemic.

5. A study titled "**The Effect of Inflation Rates on Long-Run Economic Growth in Arab Countries**" (in English), aimed to analyse the impact of inflation rates on economic growth in the Arab countries during the period (1990 - 2020) using cross-sectional time series data.

6. A study titled "**Fiscal Sustainability: An Empirical Analysis for Arab Countries**" (in English), explored financial sustainability and the relationship between government revenues and government spending in selected Arab countries.

7. A study titled "**The GDP-CO2 Emissions Nexus in Arab countries**" (in English), which dealt with the Environmental Kuznets Curve (EKC) model by evaluating the relationship between real GDP per capita, renewable energy consumption, energy prices, and carbon dioxide emissions (CO2) in selected Arab countries.

8. A study titled "**Impacts of Financial Inclusion on Human Capital Development in the Arab Region**" (in English), examined the impact of financial inclusion on human capital development in 12 Arab economies during the period (2004-2019).

9. A study titled "**Liquidity Management in Islamic Banks**", addressed the most important challenges and strategies of liquidity management in Islamic financial institutions that follow a business model different from the traditional model, including meeting the requirements of the Basel Committee on Banking Supervision related to liquidity. It also reviews the relationship between the nature of banking business and liquidity risks and the risks that can arise from various factors such as market conditions, financing policies, and mismatch of assets and liabilities.

10. A study titled "**Analysing the Policy Trilemma's Options**" (in English), touched on some economic policy options and their effects on GDP in 17 Arab countries during the period (1970 - 2021).

11. A study titled "**Is Climate FinTech Effective in Mitigating Climate Change Risk? An Analysis of Linear and Non-Linear Causality Tests**" (in English), aimed to investigate the cause-and-effect relationship between the FinTech index and carbon dioxide emissions index globally.

12. A study titled "**Assessing the Association between the Global Carbon Futures Index and the Stock Markets' Returns and Volatility in Selected Arab Countries**," showed the impact of the Global Carbon Futures Index (GCFI) on the daily returns & volatility of stocks in several Arab countries (Bahrain, Saudi Arabia, UAE, and Qatar).

13. A study on "**Financial Soundness Indicators in Arab Countries**," highlighted the importance of such indicators as evaluation tools, in addition to reviewing the features of the financial and banking systems and their performance indicators, in some Arab countries.

14. A study titled "**Global Efforts to Fight the Consequences of Climate Change: The Role of Regional Financing Arrangements**" provided an overview

of the steps taken by regional financial arrangement institutions (RFAs) to integrate climate considerations into activities covering the areas of economic monitoring, lending, capacity building, and internal policies and procedures. The study also examined how regional institutions deal with policy developments related to climate change, and ways to stimulate collective thinking about them, to promote a more sustainable society in the future.

15. A study on "**Financial Interconnectedness in the GCC region: New Empirical Evidence**" (in English), examined the degree of interconnectedness of financial markets in the Gulf Cooperation Council countries.

16. A study on "**The Role of Artificial Intelligence and Machine Learning in Enhancing Credit Card Fraud Detection**," sheds light on the most important applications of artificial intelligence and machine learning, and their role in enhancing the detection of credit card fraud.

**B: Reports and Periodicals**

1. The forty-third issue of the **"Arab Joint Economic Report 2023",** discusses the economic and social developments in the Arab world, touching on the performance of the agriculture, industry, oil, and energy sectors. The report also sheds light on public finance developments and developments in monetary policy, banking, and the Arab financial market. In addition, it outlines developments in international and intraregional trade, the balance of payments, external public debt, and exchange rates. Furthermore, this year's thematic chapter covers "The Circular Carbon Economy in Arab Countries," followed by a review of Arab development aid. In the context of highlighting the importance of joint Arab economic cooperation, the report also devotes a chapter to "Arab Cooperation in Food Security." Finally, the report concludes with a chapter on the Palestinian economy.

2. The sixth issue of the **"Annual Report on Financial Stability in Arab Countries",** dealt with several economic and financial aspects of interest to Arab countries as part of their efforts to enhance financial stability. The report's chapters also address developments in modern financial technologies and their impact on financial stability in Arab countries, and the methodologies and purposes of financial stability indicators.

3. **The annual report on "Achievements of the Financial Inclusion Initiative for the Arab Region",** which reviewed the initiative's activities, according to the strategic priorities and programs of financial inclusion in the Arab region.

4. **The "Arab Economic Outlook" report,** which is issued semi-annually, includes forecasts for the economic performance of Arab countries at several levels: the international economic environment, economic growth, local price trends, monetary conditions, the public finance sector, the external sector, and the balance of payments.

5. The **"Competitiveness of Arab Economies" report,** which reviews the state of competitiveness in Arab countries, and sheds light on the economic measures and policies adopted by Arab countries to improve their levels of productivity and competitiveness.

6. Two issues of the **"Policy Brief"** research series, which covered the topics: "Global Economic Transformations and Monetary Policy Options," and "Energy Security and the Circular Carbon Economy as a Strategy to Promote Sustainability in Arab Countries." The Fund aims to issue this series to provide brief research publications that address the most prominent priorities and topics of interest to member states, accompanied by recommendations.

**C. Guidelines.**

Issuing a guideline on **" Implementing Amendments on Basel III Requirements,"** highlighting the amendments related to Basel III requirements aimed at enhancing the banking sector's resilience.

**D. Bulletins.**

1. **The Quarterly Bulletin of Arab Economic Statistics,"** monitoring the development of key economic variables, including the real sector, monetary sector, government finance sector, and external sector.

2. **"The Quarterly Bulletin on the Performance of Arab Financial Markets,"** which deals with the most prominent economic developments related to Arab financial markets, in addition to the changes in the legislative and institutional frameworks awareness of the market developments, and the development of foreign investors' dealings in these markets.

3. **"The Monthly Bulletin for Arab Financial Markets,"** aims to track the total monthly trading movement in these markets.

4. **"The Weekly Bulletin for Arab Financial Markets,".** Which is concerned with monitoring the most important developments in the Arab capital markets based on the Arab Monetary Fund's database of Arab capital markets, and on the data issued by Arab stock exchanges.

**E. A series of introductory booklets aiming to increase the economic and financial awareness of Arab youth and enable them to understand the basics of priority economic issues in Arab countries.**

The AMF issued 13 introductory booklets during 2023, which dealt with many topics, and economic and financial issues, including:

1. Combating corruption and mechanisms to reduce its effects.
2. Green and Sustainable Technologies.
3. Takaful Insurance.
4. Financial Crimes.
5. Islamic Finance.
6. Capital flows.
7. SME Capital Market.
8. Consumer Protection.
9. Sharing Economy.
10. Feasibility Study of Projects.
11. Stagflation.
12. Social responsibility.
13. Globalization and Economic Crises.

## Meetings, Conferences, Seminars and Workshops

The Fund pays tangible attention to activities aimed at strengthening channels of consultation with Arab authorities to discuss global and regional economic developments implications, and their repercussions on Arab economies, and the required holding of meetings, workshops, seminars and conferences with the participation of all concerned parties in Arab countries to transfer expertise and experiences between Arab countries, as well as the experiences of different countries in the world in the economic, monetary, financial, statistical and other fields of interest to decision-makers and policymakers in the Arab world.

In this context, during 2023, high-level dialogue meetings, workshops, conferences, and seminars were organized by the AMF to discuss ways to address the challenges resulting from global and regional developments in the Arab economic sectors.

The meetings, conferences and workshops organized by the Fund during 2023 were as follows:

- **High-level dialogue meetings and workshops, organized by the Fund to discuss the repercussions of regional and international developments on the financial and banking sector in the Arab countries, represented in:**

- **The eighteenth annual high-level meeting on "Financial Stability and Supervisory and Legislative Priorities",** during which several important topics were discussed, such as the current risks and trends in the banking sector in light of the unfavourable levels of inflation rates at the global level, including the policies of central banks that may help face regional and global economic developments on the one hand, and maintaining the integrity of the financial sector on the other hand. They also discussed the interaction between monetary policy and macroprudential policy, including ways to balance their objectives, which are to enhance financial stability and control inflation rates.

Discussions also dealt with the management of financial and banking crises, including the role of the deposit guarantee system in enhancing the customers' confidence towards the banking sector on the one hand, and on the other hand, reducing the possibility of bank default. They also discussed the expected role of central banks in reducing the costs resulting from the banking crisis in the event of its occurrence, and the need to review the roles of central banks, the deposit guarantee system, and the tools available for crisis management.

The meeting also discussed the lessons learned from the recent repercussions in US and European banks, and the possible aspects of banking supervision and financial stability. The impact of higher interest rates for monetary policy instruments on the market value of assets classified as high-quality assets within the capital adequacy and liquidity requirements was also discussed.

The meeting also discussed how to balance the opportunities and risks associated with the increasing reliance on modern financial technologies in the financial and banking sectors, and its implications for financial and monetary stability. The meeting also

discussed the role of credit information in reducing credit risk resulting from innovative financial products, and the role of regulatory requirements, stress tests and simulation exercises in reducing cyber risks.

- **A panel discussion on "Current Global Banking Developments",** aimed to promote dialogue and exchange of views related to the repercussions of banking developments in the United States of America and the European Union.

- **A workshop on "Requirements for Preparedness and Dealing with Mutual Assessment Outputs",** during which several important topics were discussed, including: "Requirements for Readiness for the Mutual Assessment of Money Laundering and Terrorist Financing Risk Assessments" and "Dealing with the Outputs of Mutual Assessment Processes Effectively". They also reviewed the practical experiences of several Arab countries that underwent the mutual evaluation process and the lessons learned from these experiences.

- **A workshop on "Effective Application of Open Banking and Financial Services Frameworks and Standards",** which discussed several important issues and topics, such as market drivers and key considerations for the adoption of open banking, and the main pillars for the successful implementation of the open banking and financial services system, in terms of how to design approaches and standards based on financial consumers, and identify the technical aspects of the entire system, especially in terms of data sharing. During the workshop, they also reviewed the risks associated with open banking and financial services, and ways to identify and mitigate them, in addition to discussing the governance frameworks of the open finance system, reviewing several international experiences of governance models, and shedding light on the models of leading countries in regulating and applying open banking services, as practical cases.

- **Conference on "Enhancing access to mortgage finance services for low-income groups: policies and challenges"**, organized in cooperation with the Central Bank of Tunisia. The conference discussed several important issues, including; global developments in the housing sector in the framework of efforts to achieve the Sustainable Development Goals, and reform policy options to support the demand and supply of affordable housing. They also addressed the requirements for developing affordable residential rental markets, aspects of strengthening the institutional and regulatory framework for mortgage tools and markets, capital market reforms to support real estate financing opportunities, in addition to environmental sustainability issues in affordable housing, challenges of accessing finance and financial services for low-income groups, and the role of private sector institutions in supporting affordable housing.

➢ **Meetings, conferences, and workshops focused on the repercussions of climate change on the financial sector and banking services, supporting the transition towards a green economy and developing green and sustainable financing tools:**

In line with the Fund's interest in climate change and green finance and its repercussions on the financial sector and banking services, the Fund organized several meetings, during 2023 conferences, and workshops, which shed light on these matters, including the following:

- **High-level meeting with Insurance Supervisory Authorities in the Arab States, during which discussions focused on the topic "Climate Change Implications for the Insurance Industry in the Arab Region:** Adaptation and Mitigation Strategies": The meeting discussed several important topics, including: "Requirements for enhancing the resilience of the insurance industry to face climate change in the Arab region", "Towards a sustainable insurance industry through effective climate change risk management", "Innovative strategies for climate risk management in the insurance sector", and "Leveraging modern technologies" and innovation to address climate change in the insurance industry", along with the topic "The role of insurance supervisory authorities in enhancing the response to climate change challenges".

- **High-level workshop on "The Role of Central Banks in Facing Climate Change",** in cooperation with the International Monetary Fund, and with the participation of the Financial Stability Board and several global central banks. The workshop was attended by Their Excellencies the Governors of Arab Central Banks and Monetary Authorities.

- **High-level workshop entitled "Climate Finance Issues to Support a Sustainable Transition",** in cooperation with the Arab Fund for Economic and Social Development, the International Monetary Fund, and the World Bank Group, within the framework of the annual meetings of Arab financial institutions. The workshop discussed the risks of climate change and the comprehensive approach required for governments and economies.

- **A conference on "Supporting the Transition to a Circular Carbon Economy to Achieve Sustainable Development"**, discussed several topics, including: "Energy Security and Sustainable Development", "The General Framework of the Circular Carbon Economy", "The Financial, Economic and Environmental Dimensions of the Circular Carbon Economy", and "The Role of Modern Technologies in the Transition to a Circular Economy", in addition to reviewing several Arab and international experiences in the field of circular carbon economy.

- **A high-level workshop on "Transformation towards a Circular Economy in the Arab Region",** which addressed the opportunities and ways to transition to a circular and sustainable economy in the Arab region, as well as reviewing the best national and international experiences and practices and identifying the challenges facing the transition towards a circular economy, and the most important potential solutions to overcome those challenges.

➢ **Meetings, Conferences, and Events in which the Fund participated to enhance cooperation frameworks with Arab, regional and international organizations:**

As part of its endeavours to strengthen its relationship with local, regional, and international financial organizations and institutions, the Fund accomplished during 2023 the following:

**A. Participation in AMF and World Bank meetings:**

The Fund participated in the Spring Meetings and Annual Meetings of the IMF and the World Bank, in addition to participating in the meeting of the Governors of the Arab Group with the President of the World Bank Group and the Managing Director of the International Monetary Fund, in addition to participating in the meeting of the heads of institutions of the Coordination Group with the World Bank. UNFPA also participated in the G-24 Ministerial Meeting and the Ministerial Meeting of the Committee for International Development.

The AMF also participated in the Middle East and Central Asia Central Bank Governors' Meeting. On the sidelines of these meetings, the Fund also participated in the seventh periodic meeting at the level of heads of regional financial arrangements and the International Monetary Fund. Within the framework of the partnership with the World Bank, the AMF updated the document of deep consultations on financial sector development, which addressed joint activities and initiatives between the two institutions within the framework of the deep consultations initiative between the World Bank and the institutions of the Arab Coordination Group.

**B. Organizing and participating in regional and international conferences and events, including:**

- **Organizing the "Central Bank Foreign Exchange Cross-Border Operations" Forum for 2023,** which addressed several topics, including current trends in the depository business and services of global central banks, cross-border payments to central banks, sanctions, anti-money laundering and combating the financing of terrorism, and compliance issues. The forum also discussed the transition to digital payments in the Arab region, cybersecurity, and official cross-border payments. Discussions also included the implementation of ISO 20022 in remittances, customer incident response and precautionary measures, the use of cross-border payment services to support economic and financial inclusion: Buna's payment platform, and the European Reserve Management Services (ERMS) framework.

- **Organizing a high-level workshop on "Central Bank Business Trends: Governance, Risk Management and Transparency" issues**, which discussed several important issues, including the current challenges in the work of central banks, the requirements for strengthening governance and improving risk management in light of the increasing digital transformation and cyber threats. The determinants of transparency in central banks' policies and operations to enhance accountability and communication were also discussed, based on the AMF's new transparency framework.

- **Organizing a panel discussion on international taxation,** in cooperation with the Ministry of Finance of the United Arab Emirates, in addition to participating in a closed seminar on the repercussions of climate change, on the sidelines of the AMF's participation in the World Government Summits.

- **Participation in the Seventh International Conference of Insurance Companies and Programs in the Middle East and North Africa,** on: "Insurance Institutions, Decades of Activity: Reality and Mortgages", held in the Republic of Tunisia.

  **Participation in a workshop on "Enhancing Financial Inclusion through Digital Infrastructure: Sharing Knowledge and Experiences for Emerging Economies in the Global South**", within the framework of the second meeting of the Global Partnership for Financial Inclusion (GPFI) on the sidelines of the G20 meetings.

- **Participation in the work of the twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28),** and the Arab Banking Conference for the year 2023 on Arab economic prospects considering international changes, organized by the Union of Arab Banks in cooperation with the Saudi Central Bank in Riyadh, Kingdom of Saudi Arabia.

- **Participation in the meetings of the Middle East and North Africa** Financial Action Task Force (MENA-FATF) on "The Use of Innovative Technologies in Financial Sector Supervision", the first meeting of the Islamic Financial Services Board (IFSB Consultative Group), as well as participation in the activities of the Global Payments Week.

## Activities of the secretariat of the Council of Governors of Arab Central Banks and Monetary Authorities, its permanent bureau, its committees and task forces, and the secretariat of the Council of Arab Ministers of Finance

The Arab Monetary Fund is the secretariat of the Council of Governors of Arab Central Banks and Monetary Authorities, its permanent bureau, and its committees and task forces, such as the Arab Committee for Banking Supervision, the Arab Committee for Payment and Settlement Systems, the Arab Committee for Credit Information, the Regional Task Force to Enhance Financial Inclusion in the Arab Countries, the Financial Stability Working Group in the Arab Countries, the New Financial Technologies Working Group, and the Green and Sustainable Finance Network in the Arab Countries.

The Fund also serves as the technical secretariat of the Council of Arab Ministers of Finance.

The activities of the technical secretariat of the two councils during 2023 included organizing meetings and preparing studies, working papers and reports required by the work of the two councils, in addition to conveying the views of the supervisory authorities and members of the committees in conferences and meetings of the relevant international committees, in a way that contributes to reflecting the views of Arab countries in

formulating international principles and guidelines and exchanging ideas and experiences.

- **Activities of the Secretariat of the Council of Governors of Arab Central Banks and Monetary Authorities and its Permanent Bureau:**

  - Organizing the meeting of the Permanent Bureau of the Council of Governors of Central Banks and Arab Monetary Authorities: The objective of the meeting is to prepare for the meeting of the forty-seventh session of the Council. The meeting discussed the report of the Council's secretariat, reviewed reports on the work of the committees and working groups emanating from the Council, as well as discussed, several current important topics and issues.

  - Organizing the meeting of the forty-seventh session of the Council, where discussions focused on four main topics:

    1. The effectiveness of monetary policy in the face of inflation arising from supply imbalances.
    2. The balance between promoting the digitization of financial services and maintaining financial stability.
    3. Independence and enhancing transparency, accountability, and governance in the work of central banks.
    4. The priorities of the Financial Action Task Force (FATF) and the challenges of implementing the FATF standards in the Arab region.

  - Organizing a high-level meeting of deputy governors of Arab central banks and monetary institutions, which discussed the financial and economic crisis management system, and the need for review and modernization.

    The meeting discussed several important issues and topics, such as lessons learned from the repercussions that occurred in the banking sector in the United States of America and Europe, the development of early warning and risk management tools in central banks, the need to review and update the banking crisis system in light of emerging risks, the governance of financial stability and ways to enhance transparency and communication policies of central banks with the public during normal times and periods of crisis, the interaction of economic policies and macroprudential policy and its effects on the banking sector. In addition to the role of the deposit guarantee system during normal times and banking crises.

- **Activities of the Secretariat within the framework of organizing the meetings of the committees and working groups emanating from the Council of Governors of Arab Central Banks and Monetary Authorities:**

  - **Meetings of the Arab Committee for Banking Supervision:**

    The Fund organized three meetings, in which several topics were discussed, most notably: "Licensing Digital Banks: Experiences and Lessons Learned - The Experience of the United Arab Emirates", "Regulatory Frameworks for Climate Change Risks and Green Finance", and "How the Corona

Pandemic Affects the Need to Review and Update Regulatory and Banking Legislation - The Experience of the Central Bank of Egypt".

During the meetings, the latest legislative and supervisory developments in the Arab countries were discussed, as well as other topics, most notably "Assessing the adequacy of the internal assessment process for the capital needed to face risks (SREP)", "Asset quality in banks and the impact of the Corona pandemic", "Risk-based control", "Supervision of modern financial technology companies", "Financial fraud and the role of central banks in protecting customers", as well as "Application of the scorecard to environmental and societal standards". and governance for banks."

- **Meetings of the Arab Committee for Payment and Settlement Systems:**

The AMF organized two committee meetings, during which several topics were discussed, most notably: "Recent trends in the use of big data, blockchain applications in payment and settlement processes", "Rethinking the role of central banks in developing payment systems", and "Supervising retail payments and the growing role of central banks".

In addition to the above, the committee discussed other topics, most notably: "Recent trends in cross-border payment systems within the framework of the G20 work", "Mechanisms of liquidity exchange between central banks in cross-border payments", "Instant payment systems and their applications and Buna platform system for instant payment", "Central bank digital currencies and their role in enhancing financial inclusion", "The implications of stablecoin arrangements and digital currencies in cross-border payment systems and their supervision", and "Supervision of Retail Payments and the Growing Role of Central Banks", "Promoting the Adoption of the "Pay for Payment" Model, "Principles of Financial Market Infrastructure Dedicated to Evaluating Central Securities Depository Systems and Central Counterparty Resilience", "Recent Trends in Digital Identity and e-Know Your Customer (KYC) Procedures", "Using Blockchain Applications in Payments", and "Risks and Opportunities for Large Fintech Companies in Providing Financial Services in the Arab Region".

During the two meetings, the members of the committee were briefed on the developments of the work of the Modern Financial Technologies Group in the Arab countries.

- **Meetings of the Arab Credit Bureau Committee:**

In 2023, the Fund organized two committee meetings, during which several topics were discussed, the most important of which are: "Performance indicators of credit information companies and credit ratings", "Organized and unregulated alternative data for developing the work of credit information companies", and "Areas of cooperation between credit information companies and startups in the field of modern financial technologies".

The committee also discussed several topics, the most important of which are: "The role of credit information companies in registering financial derivatives", "Providing an information

platform for small and medium enterprises", "How the non-banking financial sector can benefit from credit information", "Using modern financial technologies and electronic platforms to exchange credit information and enhance access to credit", "The credit information industry in light of modern financial technologies", "The legal framework for credit information and the role of central banks in granting licenses and supervision", and " Credit Information Services and Sustainability", in addition to the topic "Machine Learning Applications in Credit Rating, Alternative Data and Behavioral Credit Rating".

- **Meetings of the Financial Stability Task Force in the Arab States:**

The AMF organized two meetings, where several topics were discussed, most notably: "The Deposit Insurance System in the Arab Countries: Roles and Objectives", "Systemic Risk Map - Bank Al-Maghrib Experience" and "Rating-Based Composite Financial Stability Index - The Experience of the Central Bank of Oman".

The two meetings also discussed the topics of: "Lessons learned from the Corona pandemic crisis", "Requirements for designing early warning systems in the banking sector", "The impact of climate change on financial stability", "Methods of applying the guidelines issued by the Arab Monetary Fund", "The repercussions of digital currencies on financial stability", "Developing micro and macro stress tests in light of current global developments", "Banking crisis management system and recovery plans", and "The uses of big data". , "Supervisory and Regulatory Techniques from a Financial Stability Perspective", and "The Expected Impact of the Non-Performing Credit Facilities Ratio after the Lifting of Central Bank Support Measures".
During the two meetings, several working papers were also discussed, including "The Impact of High Government Indebtedness on Financial Stability", "Application of Stress Tests in the State of Palestine", as well as "The Repercussions of Current Global Developments and the Risks of Inflationary Pressures on Financial Stability in Arab Countries".

- **Meetings of the Regional Task Force to Promote Financial Inclusion in the Arab States:**

The Fund organized two meetings, where several topics were discussed, most notably: "Methodology for identifying the companies that have the most impact on the financial consumer - the experience of the Central Bank of Jordan", "Green finance - the experience of the Central Bank of Lebanon" and "Supporting micro, small and medium enterprises in the agricultural sector - the experience of the Central Bank of Lebanon".

Several topics were also discussed, including "Enhancing Social and Environmental Responsibility and Implementing Sustainable Finance Requirements", "Strengthening the Regulatory Framework to Support Microfinance", "The Role of Loan Guarantee Agencies in Enhancing Financial Inclusion", "The Prospects of Mobile Financial Services and the Impact on Financial Inclusion in the Arab Region", "Climate Change Requirements and Consumer Protection", "Promoting the Digitization

of Banking Services and Innovations in the Financial Sector", and "Anti-Money Laundering and Combating the Financing of Terrorism Measures and their Impact". on financial inclusion", "raising the level of financial literacy in the Arab countries", and "the importance of microinsurance services for micro, small and medium enterprises".

On the other hand, the second meeting discussed the preparations of Arab countries related to the activities and events of the Arab Day for Financial Inclusion in 2023 and the action plan of the Financial Inclusion Initiative for the Arab region for 2023.

- **Meetings of the Regional Working Group on Modern Financial Technologies:**

The Fund organized two meetings of the group to discuss several topics, most notably: "Modern Financial Technologies for Financing Activities Compliant with Environmental Standards and Sustainability", "Guidance Document on Open Banking and Financial Strategies: A Detailed Approach" and "A Guide on Organizing Buy Now Pay Later Models in the Arab Countries".

The group members also discussed the topics of: "The future of the financial system in light of modern financial technologies", "Metaverse applications in the financial sector", "Regulatory and supervisory frameworks for crypto financial assets and associated risks", "Central bank digital currencies and the monetary system", in addition to topics: "Open financial and banking services, open data, and data governance". Discussions during the two-panel meetings also included topics such as: "Digital Banks and Modern Remote Banks", "Decentralized Financial System and Prospective Regulatory Frameworks", "Embedded Finance", "Balancing Green Fintech Tools", "Open Finance Strategies", and "Regulatory Frameworks to Encourage Financial Innovations".

- **Green and Sustainable Finance Network meetings in the Arab States:**

The Fund organized two meetings of the network, during which several important topics were discussed, including: "National Strategies and Frameworks for Climate Change and Green and Sustainable Finance", "Managing Climate Change Risks: Methods and Assessment and Disclosure Issues", "Financing Climate-Change Investments", "Developing and Classifying Green and Sustainable Finance Tools in Light of Modern Green Financial Technologies", "Carbon Trading and Pricing Mechanisms", and "Applying Environmental, Societal and Governance Standards and their Implications for Capital Markets".

➢ **Meetings within the framework of the activities of the secretariat of the Council of Arab Ministers of Finance:**

The Fund's achievements during 2023, within the framework of its duties as the technical secretariat of the Council of Arab Ministers of Finance, included organizing meetings of the Council and undersecretaries, and completing studies, working papers and reports required by the work of the Council.
On the other hand, the Fund sent the annual letters of the Council of Arab Ministers of Finance to both the President of the World Bank Group and the Managing Director of the

International Monetary Fund, as part of the arrangements for the upcoming annual meetings of the IMF and the World Bank.

The speeches addressed the needs and requirements of the Arab countries from these two institutions, based on the issues previously agreed upon at the meeting of the fourteenth regular session of the Council, and the proposals of Their Excellencies the Ministers received by the Fund on these issues.

**The meetings, workshops and forums organized by the Fund as part of its activities within the framework of the Technical Secretariat of the Council included the following:**

- **Meeting of the Fourteenth Ordinary Session of the Council of Arab Ministers of Finance:** The agenda focused on discussing topics on: "Enhancing Domestic Revenue Mobilization in the Arab Countries", "Issues of Improving the Performance of State Institutions and Companies", "Sovereign Sustainable Financing Instruments", "Debt Sustainability to Face Vulnerability to Shocks", "Global Corporate Tax Reforms: Implementation Map and Implications for Arab Countries", "The Role of Fiscal Policy in Enhancing Food Security", "Supporting the Transition to a Circular Carbon Economy", and "Other developments in the activities of the Group of Twenty".

- **The eighth meeting of the undersecretaries of the ministries of finance for the Arab countries**: Several topics were discussed, the most important of which is: a working paper on "Enhancing Domestic Revenue Mobilization in the Arab Countries" presented by the International Monetary Fund, a working paper on "Issues of improving the performance of government institutions and companies" presented by the World Bank, in addition to the guide on "Sovereign Sustainable Financing Instruments" and the study on "Debt sustainability to face exposure to shocks" prepared by the Arab Monetary Fund.

The meeting also discussed, under the item of exchange of experiences, the experiences of Arab countries in issues related to the topics of: "The role of fiscal policy in enhancing food security" and "Supporting the transition to a circular carbon economy". In addition, the meeting discussed the topic of "Global Corporate Tax Reforms: Implementation Map and Implications for Arab Countries", through a presentation by the Organization for Economic Cooperation and Development.

- **Third Workshop on "Improving the Efficiency of Public Debt Management in the Arab Countries":** The workshop discussed the prospects of sovereign debt and public debt management legislation, where public debt legislation, the legal framework for public debt management, the risks of public debt on public finances and interaction with monetary policy, as well as the topic of trade-offs facing debt managers in issuing instruments related to sustainability.

- **Regional Tax Forum in the Arab States:** The AMF organized the Fifth Regional Forum on Taxation in the Arab States under the title "Tax Reform in the

Arab Region: Opportunities and Challenges", where opportunities for policy reform and tax administration in the Arab countries were discussed in light of the challenges and risks surrounding the global and Arab economies, as a reflection of the current international developments and the effects of the Corona pandemic and its repercussions on financial conditions.

The Forum focused on tax reform as a basis for mobilizing sustainable financial resources, enhancing fiscal sustainability, mitigating the effects of current economic fallouts, and supporting inclusive and sustainable growth. In this regard, the discussion focused on regional economic developments and drivers of fiscal policy, indirect tax reforms, developments in international tax reforms in corporate income tax systems in the Arab countries, as well as how to benefit from modern technologies in the development of tax administration.

- **The Seventh Forum on Public Finance:** The forum discussed fiscal policy issues and prospects for economic and financial developments, to exchange experiences and identify the challenges facing economic policymakers, regarding fiscal policy issues and their impact on the Arab region in the post-Corona pandemic crisis phase and considering the current international developments. The discussion also addressed fiscal policy measures to address the challenges and opportunities associated with climate change and to promote the transition to a green economy, while exchanging experiences in the Arab region and around the world. The forum also addressed the management of public financial risks and the challenges faced by Arab countries, in addition to ways to enhance domestic revenue mobilization, with a focus on the procedures and policies necessary to include the informal sector in the national economy, expand the tax base and enhance tax compliance.

- **A workshop on "Improving the Performance of Government-Owned Enterprises in the Arab Countries:** Adopting a Framework for Identifying and Encouraging Reforms" discussed several topics, most notably the World Bank's proposed framework for government-owned enterprises in the Arab region in the context of reforming government-owned enterprises and country-specific implementation mechanisms, and the most important reforms for government-owned enterprises in the Arab region.

The workshop also discussed best practices for government-owned companies in the Arab region, including corporate governance, adherence to transparency standards, adoption of sustainable business strategies, economic diversification, and strengthening public-private partnerships to drive efficiency and innovation, promote economic growth, attracting foreign investment, and raising the global competitiveness of the Arab region. The workshop also addressed the role of regional and international institutions in providing advice and support for the success of efforts to reform and develop government-owned companies in the Arab countries, benefiting from successful experiences and lessons learned from them, and enhancing opportunities for exchanging experiences and expertise among Arab countries.

## AMF's Activities within the Framework of Initiatives

- **Within the framework of the Arab Statistics Initiative "ArabStat":**
  Recognizing the importance of providing comprehensive and reliable statistics on Arab economies, the Fund has received an important priority, due to its role in promoting work in the economic and financial fields of Arab countries. Considering this, the Fund's activities under the initiative during 2023 were as follows:

- **Providing support, aid, and technical advice** to Arab countries within the framework of the initiative, to enhance capacity building in statistical structures, and to provide reliable and comprehensive statistics following the latest statistical manuals and methodologies. In this regard, the AMF's technical assistance missions during 2023, in cooperation with the International Monetary Fund, were: a technical advisory mission to Sudan on government finance statistics, and a technical mission to Jordan on monetary and financial statistics.

- **Organizing the tenth meeting of the "ARABSTATE" initiative**, in Abu Dhabi, in the presence of more than 80 participants from national statistical centres, Arab central banks and monetary authorities, ministries of finance and economy in Arab countries, and several international and regional experts in statistical fields.

  The meeting dealt with several statistical topics of priority for Arab countries, in line with the objectives of the initiative, including environmental statistics and green economy, agriculture and food statistics, consistency of macroeconomic statistics, government finance statistics, e-commerce statistics, financial stability statistics, human capital indicators, and statistical manuals and methodologies applied in the Arab countries.

- **Within the framework of Financial Inclusion in the Arab Region Initiative (FIARI):**

  During 2023, the Fund's activities aimed at enhancing financial inclusion in the Arab countries, within the framework of the initiative, included organizing several events, based on the main axes of the initiative, represented in keeping pace with the launch of financial inclusion strategies in the Arab countries, enhancing awareness and knowledge of financial inclusion, capacity building, and promoting and disseminating financial and banking knowledge.

  **The following are the most important activities within the framework of the initiative:**

- **Organizing the activities of the Arab Day for Financial Inclusion for the year 2023, under the slogan "Enhancing Financial Inclusion to Support Efforts to Confront the Repercussions of Climate Change",** where the statement issued by the Secretariat of the Council of Governors of Arab Central Banks and Monetary Authorities was published and distributed, in the three languages Arabic, English and French, in addition to holding a press conference on this occasion, in which several presentations were made on: " AMF's Activities in Financial Inclusion", "Modern Fintech and Sustainable Finance Applications", and "Financial Inclusion as an Approach

to Addressing Climate Change: Opportunities and Challenges".

- **Providing technical support to the Central Bank of Iraq** in following up on the construction and implementation of the national strategy for financial inclusion in Iraq and implementing the action plan presented by the Fund to the Iraqi side in cooperation with partner institutions in the initiative.

- **Activities of the Fund within the framework of the initiative to develop digital payment systems:**

The initiative is concerned with issues of developing the supervisory and regulatory framework for digital financial services. In 2023, the AMF sent a joint technical advisory mission with the World Bank to support the Algerian authorities' efforts in digitizing financial payments and digital identity applications and supporting the digital financial transformation of banking institutions. In this regard, the mission's work focused on assessing the status of electronic payments and digital banking and finance in Algeria and developing recommendations and an appropriate action plan.

## Activities to Support the Development of the Financial and Banking Sector in the Arab countries

The AMF pays great attention to supporting the development of the financial and banking sector, enhancing the elements of financial stability in the Arab countries, providing opportunities for exchanging experiences and expertise and transferring knowledge on ways to address the developments and challenges dictated by the COVID-19 pandemic and developments at the regional and international levels on the financial sector, in addition to the requirements of the recovery phase and the return to normal paths of economic growth. In this regard, the AMF intensified its consultations with policymakers in member countries during 2023, in addition to issuing several guides, frameworks, and reference papers on policies and tools related to sustainable finance, financial stability, and supporting digital financial transformation in the Arab countries at this stage, in addition to continuing to issue research papers and studies on various axes of the financial sector.

The Fund's efforts during 2023 in the field of developing the financial and banking sector included the issuance of principles and guidelines, in cooperation and consultation with supervisory and other relevant authorities in the Arab countries, aimed at providing support, aid, and technical advice in the recovery phase, enhancing the capacity of the financial and banking sector to face the repercussions of crises, as well as supporting digital financial transformation, and encouraging financial innovations in the Arab countries.

**The principles and guidelines issued by the AMF during 2023 to support the efforts of Arab countries in the field of financial sector development include:**

1) Guidance on "Application of Amendments to Basel III Requirements": This aims to highlight the modifications made to Basel III requirements, including the time frame for their implementation. The guide included guidance on how to apply the mechanism for calculating the capital

requirements needed to face credit risks, which includes a modified framework for both the standard methodology and the internal assessment methodology, to reach more risk-sensitive measurement methods.

A guide on "Sustainable Sovereign Financing Instruments in the Arab Region". The publication of the guide came within the framework of the Fund's efforts to raise awareness of the requirements for developing green and sustainable financing programs in the Arab region and to support the efforts of Arab countries in this regard. The guide aims to raise awareness of investing in ESG-compliant sovereign debt instruments associated with the development of sovereign issuances in the Arab region.

On the other hand, in 2023, the AMF continued to issue the Arab Financial Stability Index, which measures the level of financial stability of Arab countries and serves as a tool for guidance and early warning, as it helps decision-makers and policymakers to identify the possibility of potential financial crises before they occur, to take the necessary preventive and proactive policies and measures.

## The AMF's Activity in the Field of Training & Capacity Building

During 2023, the Training and Capacity Building Institute (TCBI) continued its activities to strengthen the AMF's role as a centre of excellence for knowledge and capacity building by developing a diverse set of training and capacity-building courses and workshops for the official Arab cadres in the economic, financial, monetary, trade and statistical sectors, as capacity enhancement and training are among the priorities of the AMF's strategy and vision 2040. In this regard, the TCBI is keen to sustain and continue its efforts to upgrade training activities, update the content of the training programs offered, expand training activities and programs with a focus on core topics related to the challenges facing Arab economies, as well as strengthening partnership with regional and international institutions.

It is worth noting that the TCBI continued to implement a large part of its training activity remotely during 2023, based on the Moodle online training platform, as this type of training has become a strategic option for the AMF, and is implemented in line with international standards and best practices, and meets current and future training needs.

In 2023, 74 training courses were organized, addressing topics that meet the aspirations and needs of member states, with a focus on practical workshops and case studies. The number of Arab cadres participating in the training programs held during the year amounted to **2,248** trainees, compared to **1,850** participants in 2022 (Figure 4).

Thus, the number of participants from official Arab cadres in the training courses, workshops and seminars organized by the TCBI during the period (1988-2023) amounts to **17,808** participants (Appendix 4).

In addition to the **48** training courses provided by the AMF's Staff during 2023, the Training and Capacity Building Institute cooperated in providing **26** training courses with a group of international and regional institutions, including **15** courses in cooperation with the International Monetary Fund (IMF), **two** courses with the Islamic Development Bank (IsDB), **one** course with the Bundesbank, **two**

courses with the Bank for International Settlements (BIS), **one** course with the World Bank (WB), **one** course with JICA, **two** courses with the Central Bank of France, and **one** course with the World Trade Organization (WTO) and **one** course with Better Than Cash Alliance.

**Chart (4): Evolution of participants' numbers in TCBI's activities (2011 - 2023)**




## The AMF's Investment Activity

The investment activity is considered one of AMF's main activities, based on the objectives and scope defined by the AMF's Articles of Agreement, and the resolutions issued by the Board of Governors setting the general framework of the Fund's investment activity.

The resolutions of the Board of Executive Directors have also established the general guidelines for the investment policy, in addition to setting the main controls and standards for the policy implementation, and management of the various investments and their associated risks.

In this context, the AMF follows an investment policy based on four primary pillars: the protection of the principal invested as a priority, the availability of liquidity, the free transferability, and realizing the maximum possible return on an annual basis while complying with portfolio risk limits to protect the value of the overall investments.

The AMF's investment activities include investing the Fund's accumulated financial resources, consisting of capital and reserves, in accordance with the Fund's strategic objectives and approved investment policy, in addition to generating returns that contribute to covering the Fund's administrative expenses and enhancing its reserves and internal resources. The investment activity also includes participation in Arab bond markets within prescribed limits to develop and expand these markets.

Furthermore, the investment activity involves implementing actions that enhance the channels of cooperation with both public institutions of Member States and Arab financial institutions. These activities include accepting deposits from these institutions and investing the deposits according to the approved investment policy, as well as providing management services for portfolios comprised of deposits, bonds, and securities for the benefit of Member States and Arab financial institutions.

In this context, the year 2023 witnessed a recovery in the performance of financial markets with almost all asset classes except commodities registering strong gains. On the other hand, investors expected an end to the "higher for longer" rate approach communicated by the Federal Reserve amid a drop in the level of inflation across various

developed and developing economies including the United States of America because of the easing of global supply chains, which allowed central banks to slow the pace of the main rate hikes over the year 2023.

With regards to monetary policy, the Federal Reserve raised official interest rates by a total of 100 basis points 4 times in 2023, to a rate ranging between 5.25 - 5.5 percent, the highest level in 22 years. In addition, the Federal Reserve Chairman declared that he is expecting inflation to cool during the year 2024 at a slightly faster pace than previously estimated.

The European Central Bank also raised the official interest rate 6 times in 2023, reaching 4.5 percent at the end of the year 2023, the highest level in 22 years. Furthermore, the President of the European Central Bank declared that the hardest and worst part regarding controlling inflation was likely over and that interest rates would be cut over 2024 if there was the conviction that inflation had fallen to the 2 percent level.

The Bank of England raised the official interest rate by a total of 175 basis points 5 times in 2023, to reach 5.25 percent at the end of the year, the highest in 15 years, due to stubbornly high inflation in the UK which reached 4 percent in December 2023. In addition, the Governor of the Bank of England warned that it was too soon to conclude inflation is on a firm downward path and that interest rates need to be kept high for an extended period and he left open the option of further rate hikes if necessary.

In Japan, the Bank of Japan kept rates at zero and maintained quantitative easing measures as part of the bond-buying program, but it made changes to its yield curve control policy where it allows the rate of return on ten-year government bonds to be determined within a range of 100 basis points around the target zero level, compared to 50 basis points previously. The Bank of Japan Governor said that uncertainty over the economic and inflation outlooks was still elevated, consequently, it is hard for the Bank of Japan to exit now from its ultra-loose policy.

As for China, the People's Bank of China maintained its accommodative policy over the year 2023 to support an unexpectedly weak economic recovery following the end of the strict pandemic measures. A worsening property crisis is weighing heavily on construction and investment which has negatively affected both consumer and business confidence. Amid economic weakness, the Chinese economy is likely to face deflationary stresses in the year 2024, putting pressure on policymakers for more easing measures to shore up growth.

Considering these circumstances, the Fund continued throughout 2023 to follow its conservative approach, prioritizing the safety of its investments by investing in instruments with high credit ratings and dealing with highly rated and reputable global and regional financial and banking institutions. In this regard, the AMF's approach to managing investment portfolio risks centred on addressing key risks such as investment concentration risk, interest rate risk, liquidity risk, currency exchange rate risk, and credit risk.

The AMF's investment portfolio consists of its resources, as well as funds received from Member States, totalling approximately AAD 3.735 billion, equivalent to around USD 15.07 billion as of the end of 2023.

As for portfolio investments, they mainly consist of investments in bank deposits, bonds, and marketable securities, and some allocations to multi-strategy investment funds and real estate funds.

At the end of 2023, bank deposits amounted to approximately 39.61 percent of the combined AMF and MSF investment portfolios, while investments in bonds and securities accounted for 58.35 percent, with multi-strategy investment funds and real estate funds representing 2.04 percent.

The AMF's investment policy governs the allocation of investments across various financial instruments, including deposits with both Arab and foreign commercial banks that are approved for deposit purposes. Presently, the list includes approximately 100 banks and financial institutions, selected in accordance with the established rules for selecting banks and the limits for dealing with them. The bank list and limits are approved by the Board of Executive Directors on an annual basis. The banks included on the approved list are subject to continuous monitoring.

Regarding investment instruments in bonds and securities, the AMF invests in high-quality instruments assessed in terms of liquidity and credit rating. It also emphasizes diversity among issuers and broad geographic distribution.

An allocation of 47.61 percent of the bond portfolio was invested in government and semi-government securities. Approximately 82.19 percent of these bonds held a credit rating of AA or higher, while bonds rated A stood at around 13 percent.

Investments in deposits, bonds, and marketable securities in Arab countries amounted to AAD 1,174 million, equivalent to approximately USD 4,736 million, representing about 31.42 percent of the total funds invested at the end of 2023. This includes AAD 832.9 million, equivalent to USD 3,360 million, placed in deposits with Arab banks and financial institutions, and AAD 340.9 million, equivalent to USD 1,375 million, invested in bonds and securities issued by Member States and Arab banks, with government issues totalling AAD 165 million, equivalent to USD 665 million, and representing 48.4 percent of the total investment in Arab bonds. The remaining 51.6 percent of the total portfolio represents investments in bonds issued by Arab commercial banks and companies.

Regarding investment in Arab currencies, the investment policy allows, under specific conditions, allocating a portion of the available investment funds to deposits, bonds, and securities denominated in Arab convertible currencies. At the end of 2023, the Fund's investments in Arab currencies amounted to AAD 26 million, equivalent to USD 105 million.

In terms of the credit rating of Arab government bonds in the portfolio, approximately 47.79 percent is invested in government bonds with a credit rating of A or higher, with the remaining portion invested in Arab government issues with a credit rating ranging from BBB to B.

It's worth noting that the Board of Governors expressed its support, during its 2012 annual meeting, for the creation of an Arab government bonds portfolio. In response, the Fund's Board of Executive Directors resolved to augment and regulate investments in Arab government bonds rated below A, expanding the credit ratings categories that were acceptable for investment in Arab government bonds to include the B credit rating category.

In that respect, part of the Fund's resources was allocated to investment in Arab government bonds with a credit rating ranging from BBB to B, amounting to AAD 115 million (equivalent to USD 463 million), under a Board of Executive Directors'

resolution increasing the number of Arab countries in which the Fund may invest.

The Board's decision to invest in Arab government bond markets reflects the Fund's growing interest in expanding its participation in, and contribution to, supporting and developing Arab bond markets through investment in the bond issuances of Member States with credit ratings of BBB and lower, as part of the AMF's ongoing efforts to enhance and develop Arab financial markets, including bond markets. Consequently, the AMF remains steadfast in its support of this effort.

In terms of deposits acceptance from Arab countries and financial institutions, this activity operates within the parameters outlined in the Fund's Articles of Agreement and the resolutions made by the Board of Governors, encouraging Arab countries to voluntarily deposit a portion of their funds with the AMF. These resolutions established several rules including prohibiting the AMF from using the deposited funds to provide loans to its Member States while earmarking a portion of the AMF's resources to support this activity.

The Board of Executive Directors issued several resolutions that govern the management of this activity in terms of deposit acceptance and investment of deposited funds. These resolutions include the voluntary adoption of the Basel framework as a reference for managing risks and limits for this activity, in addition to allocating the necessary financial resources from the Fund's reserves to support this activity. The investment instruments allowed for this activity are limited to bank deposits, bonds and securities, in addition to the management of assets and liabilities on a conservative basis.

The Fund has distinctive capabilities that contribute to enhancing the confidence of depositing countries predominantly through its conservative investment policy that accords greater weight to the preservation of invested capital. Deposited funds also enjoy a high level of safety of the Fund's financial solvency and its adept risk mitigation approach to investment activities.

Within the framework of the voluntary adoption of the Basel Accords to manage risks of the accepted deposits portfolio of Member States, the capital adequacy ratio reached 34.75 percent by the end of 2023, compared to the minimum requirement of Basel III of 13 percent.

Furthermore, the 30-day short-term liquidity coverage ratio (LCR) reached 481 percent, compared to the minimum requirement of 100 percent which came into force in January 2019. The net stable funding ratio (NSFR) recorded approximately 1,096 percent, compared to the minimum requirement of 100 percent.

The leverage ratio reached 9.33 percent, compared to the minimum required of 3 percent. These metrics reflect the robustness of the risk management practices in investment activities and underscore the AMF's oversight of the deposits received from Member States.

These characteristics have collectively contributed to the growth in the size of accepted deposits from Member States. This activity recorded a remarkable growth over the past several years with accepted deposits reaching AAD 2,953 million at the end of 2023, equivalent to USD 11,912 million received from 15 Arab countries and financial institutions. The AMF's conservative implementation of its investments policy and proactive risk management practices effectively

contributed to protecting the value of invested funds and recorded positive and stable returns for these investments, despite the recent challenges in global financial markets.

Furthermore, the AMF continued to manage investment portfolios directly for ATFP and the Consolidated Account of Specialized Arab Organizations, in addition to overseeing and monitoring the portfolios managed by external parties on behalf of the ATFP according to the approved investment policy and strategy.

## Managing the Consolidated Account for Specialized Arab Organizations

Based on the approval of the Economic and Social Council via its Resolution No. 1056 dated July 1988, a special consolidated account was created with the AMF to finance the specialized Arab organizations through the contributions received in their favour in this account from the Arab countries, for spending on their approved budgets.

Specialized Arab organizations, which were established to be channels of the Arab League as the technical arm to promote development in the Arab region in different perspectives, and a major pillar of the joint Arab action.

These institutions are also considered as Arab expertise firms that provide advice and expertise on economic, social, cultural, and financial issues and activities.

They also play a pivotal role in achieving the aspirations of the Arab countries through cooperation and coordination in all their areas of specialization that pertain to Arab citizens and have a direct impact on their living standards and decent life.

**The organizations currently concerned by the consolidated account are:**

- The Arab Organization for Administrative Development.
- The Arab Labor Organization (ALO).
- The Arab Industrial Development and Mining Organization (AIDMO).
- The Arab League Educational, Cultural and Scientific Organization (ALECSO).
- The Arab Organization for Agricultural Development (AOAD).
- The Arab Center for the Studies of Arid Zones and Dry Lands (ACSAD).
- The Arab Atomic Energy Agency (AAEA).
- The Arab Civil Aviation Authority (ACAO).
- The Arab Center for the Prevention of Earthquake and Other Natural Disaster Hazards.

The AMF submits a quarterly report to each organization showing funds already spent and the remaining balance, as well as Member Country's positions in paying their contributions to the budget of the concerned organization. In addition, a quarterly combined periodic report on the activity of the Consolidated Account is issued.

In this regard, the financial position of the Consolidated Account shows that the balance of the net assets amounted to USD 46 million as of December 31, 2023, with an increase of USD 7 million Compared to the balance at the end of 2022.

It is worth noting that returns on investments in the consolidated account are included in the calculation of the special reserve for these organizations in the consolidated account.

The special reserve balance amounted to approximately USD 11 million by the end of 2023. Thus, it currently covers about 25% of the overall budgets' appropriations of the organizations for the last financial year, mentioning that this percentage varies from one organization to another.

It should be noted that the decisions of the Economic and Social Council aim to continue building up this reserve and use it for emergency purposes, by decisions it would issue.

## The Activities of the Arab Trade Financing Program (ATFP)

The Arab Trade Financing Program (ATFP) is a specialized joint Arab financial institution, established in 1989 by a resolution of the Board of Governors of the AMF. ATFP's authorized capital is USD 1 billion, distributed over 200,000 shares with a par value of USD 5 thousand per share.

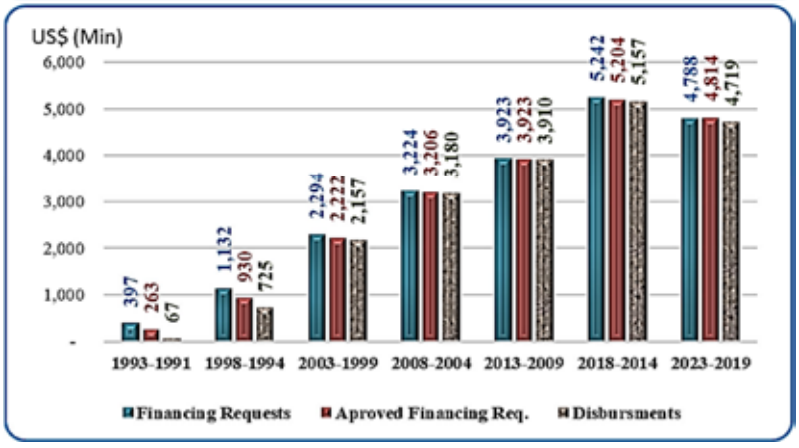
The number of shareholders in the capital includes 50 national and regional Arab financial and banking institutions.

ATFP aims to contribute to the development of Arab trade and to enhance the competitiveness of Arab exporters by providing the necessary financing for their trade and supporting parties involved in Arab trade. ATFP also provides information on Arab trade and on means to promote Arab goods and commodities.

ATFP's mechanism is based on the financing of exporters and importers in Arab countries through a network of National Agencies including banks, financial institutions, and official agencies designated by their respective monetary purpose. ATFP also provides unfunded credit facilities, such as issuance of guarantees or irrevocable reimbursement undertakings, or participation with other banks in bearing the financial risks of ATFP's National Agencies under eligible trade transactions. ATFP also provides financing facilities other than the lines of credit facilities through secondary market operations in cooperation with regional and international financial institutions, such as discounting accepted drafts and financing documentary credit loans. In addition, ATFP has recently activated the "Direct Finance" services to enable ATFP to finance Arab corporates in cooperation with its National Agencies.

ATFP's network of National Agencies contributes to expanding the scope of the ATFP's activities. By the end of December 2023, there was a total of 216 National Agencies operating in 20 Arab countries and 5 foreign countries. The value of applications for financing received by ATFP in 2023 amounted to approximately USD 696.5 million, and the value of withdrawals in the same year amounted to approximately USD 672.3 million.

**Chart (5): ATFP's Progressive Development of the Financing Activitives ( 1991 - 2023)**



Accordingly, applications for financing ATFP received since its inception amounted to approximately USD 21 billion to finance trade deals worth approximately USD 27.8 billion, out of which USD 20.6 billion were approved. The value of withdrawals during that period amounted to approximately USD 19.9 billion. Chart (5) illustrates the progressive development of cumulative funding activity between 1991 and the end of December 31st, 2023.

As for the trade information services provided by ATFP to Arab traders, ATFP continues to develop and update its Intra-Arab Trade Information Network (IATIN), which is available at the regional level. IATIN provides information on all Arab countries and their trade through ATFP's official website. (atfp.org.ae)

Within the framework of its activity to promote intra-Arab trade, ATFP organizes and holds meetings for exporters and importers working in specific sectors. In this context, ATFP organized, in cooperation with various stakeholders in Arab countries, eighteen buyers/sellers' meetings in the following sectors: textiles and apparel, food industries, agricultural products and accessories, mineral industries, pharmaceutical industries and their supplies, petrochemical industries, furniture, and building and construction material.

## "Buna" Payments System

The Arab Monetary Fund continued to support the efforts of Buna aimed at developing and expanding the scope of benefit for Arab banks from its innovative services. The following are the main achievements during the year 2023, within the framework of the following dimensions:

- **Strengthening regional connections:**

The Arab Monetary Fund's efforts to enhance the participation of Arab banks in Buna resulted in the initiation of the testing process by 156 banks, the completion of technical readiness by 112 banks, and 105 banks going live. In this regard, the number of banks that the AMF continues to engage with regarding completing their transactions through the platform reached 274 banks, and the number of banks that signed connection agreements reached 120 banks by the end of December 2023.

- **Inclusion of Arab and international currencies, and enhancing the participation of central banks:**

By the end of 2023, eight Arab central banks were onboarded to Buna as direct participants. They are the Central Bank of Jordan, the Central Bank of Tunisia, the Bank of Algeria, the Central Bank of Iraq, the Central Bank of Egypt, the Bank of Al-Maghrib, the Central Bank of Libya, and the Central Bank of Yemen. There are ongoing discussions with several other Arab central banks to onboard them to the platform.

Also, in 2023, Buna extended its settlement window for all the settlement currencies to 12 hours over six days a week. These currencies are the Jordanian Dinar, the UAE Dirham, the Saudi Riyal, the Egyptian Pound, the US Dollar, and the Euro.

- **Volume of transactions operations:**

Buna witnessed a growing volume of operations throughout the year compared to the previous year. Efforts were focused on increasing the effectiveness of banks connected to the platform by encouraging them to connect to all available currencies on the platform, leading to a 49% increase in the number of open accounts in all currencies. Statistics show that

approximately 66.9% of the total transactions made during 2023 were in UAE Dirhams, about 22.2% in Egyptian Pounds, around 4.1% in Saudi Riyals, about 3.4% in US Dollars, about 3.1% in Jordanian Dinars, and about 0.3% in Euros.

- **Continued expansion of communication with the banking sector:**

During 2023, six workshops were organized to enhance communication and engage with financial and banking institutions, introducing Buna's various services, and discussing specific business cases related to the platform's operations. As such, the number of workshops organized reached 55, with significant participation from banks and financial institutions from the Arab region and other regions, including international financial institutions, central banks, and global financial service companies.

On the other hand, Buna continued conducting meetings during 2023 with many Arab central banks and banks operating in several Arab countries to enhance their readiness to onboard to the platform.

- **Building strategic partnerships:**

The year 2023 witnessed the interlinking project to link Buna's Instant Payment Service (IPS) with that of RAAST, the Instant Payment System of Pakistan, in cooperation with the State Bank of Pakistan, which is funded by the Bill and Melinda Gates Foundation. The strategic partnership paths with several international financial institutions and payment systems also made progress within the framework of the signing of memoranda of understanding, in addition to the progress made in the interlinking projects between Bune and NPCI in India, PAPSS in Africa and CIPS in the Republic of China.

In addition, efforts continued during the year to build strategic partnerships with regional and international financial institutions and global financial service providers, enhancing the development, spread, and responsiveness of Buna's services to the needs of financial and banking institutions.

- **Launching new services on the platform:**

During 2023, Buna launched its Instant Payment Service, which represents an added value services enhancing the platform services. In that regard, three memoranda of understanding were signed with each of Banque Misr – Egyptian Banks Company for Technological Advancement (EBC), Jordan Payments & Clearing Company (JoPACC) in Jordan, and The Benefit Company in Bahrain.

These memoranda aim to enable interoperability between Buna and the instant payment networks of these companies to achieve accessibility to various payment services through innovative solutions for receiving and sending cross-border payments instantly 24 hours a day, throughout the year, in compliance with the highest international standards.

The strategic cooperation between Buna and these companies supports many use cases such as personal transfers and digital commerce, contributing to increasing benefits for individuals and corporations and enhancing economic and financial integration opportunities for Arab countries. On the other hand, the foreign exchange service was launched using the Payment vs. Payment mechanism (PvP), which helps provide the necessary financial liquidity for banks to execute transactions through Buna.

- **Formation of the Advisory Group:**

The year 2023 witnessed the formation of

the Advisory Group for Buna, which includes 22 participating banks from several Arab countries, in addition to 7 observer members from several international institutions specializing in global payments from both the public and private sectors.

The group aims to provide advice regarding Buna's operations and the interests of its users, practical and technical aspects, compliance, expansion in services and products, and other related areas. The group's regular meetings serve as a forum for discussing the latest developments in the payments sector in the Arab world and globally, and their impact on the development of work with Buna.

## The AMF's Consolidated Financial Position as of December 31, 2022

The consolidated financial statements of the AMF and its subsidiaries (the Arab Trade Financing Program, and the Arab Regional Payments Clearing and Settlement Organization), are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The consolidated financial statements incorporate the consolidated financial position as of December 31, 2023, as well as the results of operations, cash flows and changes in Net assets attributable to Member Countries and Non-Controlling Interest in the ATFP for the year ended on that date, in addition to significant accounting policies and other explanatory notes.

According to Article (49) of the AMF's Articles of Agreement; assets, liabilities and transactions are expressed in Arab Accounting Dinars (A.A.D.). Each A.A.D. is equal to three Special Drawing Rights (SDR) as defined by the IMF.

The main items contained in the consolidated financial statements of the AMF are summarized below:

## Resources

The resources of the AMF, according to the provisions of Article Eleven of the AMF's Articles of Agreement consist of the paid-up capital, reserves, loans and facilities, and any other resources approved by the Board of Governors.

The AMF's Board of Governors had approved in 1989 the acceptance of deposits from Arab Central Banks and monetary institutions, with the aim of supporting the Arab countries in managing their foreign reserves, provided that such resources would not be used in lending activities, so the AMF could achieve its objectives, based on means authorized by the Fifth Article of the AMF's Agreement.

The Board Council also approved, through the Statute of the Arab Trade Finance Program, the contribution of financing institutions of different categories to the program's capital to enhance resources for Arab trade financing.

## Capital

Article No. (12) of the AMF's Articles of Agreement, set the authorized capital stock at A.A.D. 600,000 thousand, divided into twelve thousand shares of A.A.D. 50 thousand each.

The Board of Governors of the AMF had approved through its resolution No. (3) of 2013, to increase the authorized share capital by A.A.D. 600,000 thousand to become A.A.D. 1,200,000 thousand. The resolution has also called for subscription of Member Countries at A.A.D. 300,000 thousand and thus, the subscribed capital has increased to A.A.D. 900,000 thousand .

The resolution included the payment of half the subscription standing at A.A.D. 149,010 thousand by transfer from the general reserve, and the other half by cash transfer from the Member Countries, in five annual instalments starting from April 2014. However, the claim for the payment of Palestine's share in the capital would remain deferred, by virtue of the Board's Decision No. (7) of 1978.

The paid-up capital amounted to A.A.D. 883,025 thousand at the end of 2023. The unpaid portion standing at A.A.D. 16,975 thousand at the end of 2023 represents the overdue instalments paid by cash transfer from some member Countries, in addition to the state of Palestine's deferred share.

## Reserves

The Reserves reached A.A.D. 540,516 thousand on 31 December 2023, compared to A.A.D. 517,708 thousand on 31 December 2022, representing approximately 61 percent of the paid-up capital, compared to 59 percent on 31 December 2022.

Reserves consist of general reserve and contingency reserve. The General Reserve, of A.A.D. 340,516 thousand on 31 December 2023 (A.A.D. 322,708 thousand on 31 December 2022), includes a provision for unrealized change in the financial investments held at fair value. The Contingency Reserve reached A.A.D. 200,000 thousand on 31 December 2022, compared to A.A.D. 195,000 thousand on 31 December 2022.

The Contingency Reserve was established according to the Board Governors' resolution No. (7/1989 & 4/2000), where the greater of A.A.D. 5,000 thousand or 10 percent of the operating income per annum, is transferred to this reserve. The Contingency reserve is intended to be used to mitigate any unforeseen future losses.

## Net Assets Attributable to Member Countries

The Net Assets Attributable to Member Countries, consisting of the paid-up capital and the reserves, has reached A.A.D. 1,423,541 thousand on 31 December 2023, compared to A.A.D. 1,400,733 thousand. on 31 December 2022, representing an increase of A.A.D. 22,808 thousand, a 2 percent increase .

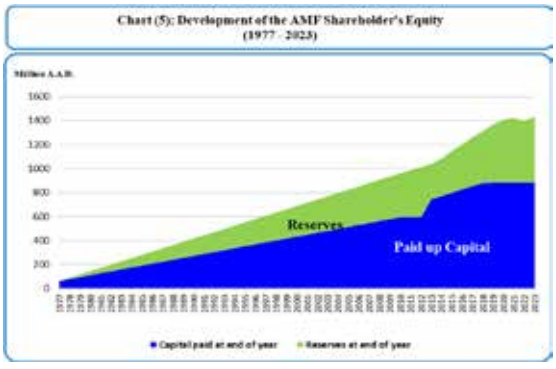



Chart no. (5) below shows the evolution of the Arab Monetary Fund's Net Assets Attributable to Member Countries since its establishment until 31, December 2023 .

As for the Non- Controlling Interest in the

subsidiary, which represents the interest of other shareholders in the capital and reserves of the Arab Trade Financing Program, amounted to A.A.D. 132,028 thousand on 31 December 2023, compared to A.A.D. 130,089 thousand on 31 December 2022, with an increase of A.A.D. 1,939 thousand at a growth rate of 1 percent.

This is mainly due to disparities resulting from the difference in the conversion rate of the US dollar (the base currency of the Program), compared to the Arab Accounting Dinar .

Thus, the total of Net Assets Attributable to Member Countries and the Non- Non-Controlling Interest in the subsidiaries has reached A.A.D. 1,562,219 thousand on 31 December 2023, compared to A.A.D. 1,530,822 thousand on 31 December 2022.

The resources were spread over the financing of Member Countries' lending operations, credit lines for accredited national agencies, financial investments, and other assets, as shown below:

## Loans to Member Countries

The balance of outstanding loans owed by Member Countries of A.A.D. was 605,549 thousand on 31 December 2023, compared to A.A.D. 578,540 thousand as of 31 December 2022. The AMF's commitments for contracted loans with member countries reached A.A.D. 735,340 thousand on 31 December 2023. The loans commitments represent the outstanding loan balances owed by Member Countries, in addition to the balances of loans contracted and not disbursed, which amounted to A.A.D. 123,000 thousand on 31 December 2023.

## Lines of Credit

Lines of credit represent facilities provided by the Subsidiary to the Approved National Agencies to promote intra-Arab trade in commodity exports and imports and related services. The balance of drawings against contracted lines of credit reached A.A.D. 138,708 thousand (U.S.$ 558 million) on 31 December 2023, compared to A.A.D. 182,579 thousand (U.S.$ 731 million) on 31 December 2022.

## Deposits at Central Banks of Member Countries

In accordance with Article Fourteen of the Articles of the AMF's Articles of Agreement, 2 percent of the initial capital contributions were paid in the national currencies of Member Countries and deposited with their central banks. These deposits are adjusted by the Member Countries at the end of each year, based on the exchange rate announced by the AMF to maintain their nominal value in Arab Accounting Dinar. The total of these deposits was equivalent to A.A.D. 5,336 thousand on 31 December (2023 and 2022) respectively.

## Investments

The consolidated investment portfolio is comprised of current and call accounts and time deposits with banks, accounts of other shareholders with the AMF, and financial investments portfolios. The value of this

portfolio reached A.A.D. 3,770,805 thousand on 31 December 2023, compared to A.A.D. 4,150,263 thousand on 31 December 2022.

The Accepted deposits from Arab monetary and financial institutions reached A.A.D. 2,952,824 thousand on 31 December 2023, compared to A.A.D. 3,376,101 thousand on 31 December 2022.

Whereas the investments of the fund's self-resources have reached A.A.D. 817,981 thousand on 31 December 2023, compared to A.A.D. 774,162 thousand on 31 December 2022.

## Forward Currency Contracts

The AMF uses derivative financial instruments, including foreign currency swaps and forward currency contracts to manage exposure to foreign exchange risk. The net fair value of the forward currency contract payable on 31 December 2023 was A.A.D. 10,676 thousand (2021: A.A.D. 9,233 thousand receivable)

## Investment in Related Entity

This item represents the AMF's contribution to the share capital of the Arab Investment and Export Credit Guarantee Corporation denominated in Kuwaiti dinars. AMF's contribution amounted to A.A.D. 8,070 thousand on 31 December 2023 compared to A.A.D. 8,301 thousand on 31 December 2022.

The AMF's Board of Governors approved, by its decision No. (6/2002), to contribute, on behalf of its Member Countries, to increase the Corporation's capital by the equivalent of Kuwaiti Dinars (KWD) 8,118 thousand, that have been fully paid.

It was followed by its decision No. (3/2015) about the AMF subscription in the increase of the Corporation's capital by 25 percent from its paid-up contribution, equivalent to KWD 2,030 thousand and to be paid in five equal instalments, raising its contribution to KWD 10,148 thousand. the AMF paid the entire subscribed increase approved by the Council of Governors.

## Other Assets

Other assets have reached A.A.D. 54,560 thousand on 31 December 2023, compared to A.A.D. 35,433 thousand on 31 December 2022. The balance of other assets including intangible assets amounted to A.A.D. 6,038 thousand as of 31 December 2023, (A.A.D. 6,635 thousand:2022) represents the net book value of the computer software of "BUNA payment system" owned by the Arab Regional Payments, Settlement and Clearing Organization.

## Results of Operations

The consolidated Operating income from operations for the year ended 31 December 2023, inclusive of the share of the non-controlling shareholders in the income of the ATFP, amounted to A.A.D. 15,923 thousand, compared to A.A.D. 18,364 thousand in the year 2022. After excluding the share of the non-controlling shareholders in the income of the ATFP, the operating income amounted to A.A.D.

11,095 thousand, compared to A.A.D. 14,989 thousand in 2022. The components of operating income are as follows:

## Income

The total consolidated income of the AMF and the subsidiary, after deducting interest expense on accepted deposits from Arab monetary and financial institutions, amounted to A.A.D. 36,686 thousand for the year ended 31 December 2023, compared to A.A.D. 29,054 thousand for 2022.

## Administration and General Expenses

This item includes the administrative and general expenses of the AMF, and its two subsidiaries (Arab Trade Financing Program, and Arab Regional Payments Clearing and Settlement Organization). The administrative and general expenses comprise Personnel expenses, Board of Governors and Board of Executive Directors meetings expenses, office, communications, bank expenses and consultancy, in addition to operating expenses of "Buna" Payment system. The total administrative and general expenses amounted to A.A.D. 10,989 thousand for the year ended 31 December 2023 compared to A.A.D. 10,653 thousand in 2022.

## Technical Assistance Expenses

The AMF provides technical assistance programs to Arab Member Countries, to which regional and international institutions contribute within the framework of partnerships. Total spending on technical assistance programs provided through 2023 amounted to A.A.D. 693 thousand, compared to approximately A.A.D. 65 thousand, in 2022.

In-kind contributions from participants' parties amounted to A.A.D. 194 thousand in 2023 (representing 28 percent of total expenses) compared to A.A.D. 28 thousand in 2022 (representing 43 percent). i.e., the expenses incurred by the AMF for technical assistance amounted to A.A.D. 499 thousand in 2023 (representing 72 percent), compared to A.A.D. 37 thousand, (representing 57 percent) in 2021.

## Currencies

The AMF manages currency risk by substantially maintaining its assets in currencies that are closely aligned to the components of the SDR basket.

All lending to Member Countries is provided in the Arab Accounting Dinar. the AMF's share in ATFP denominated in U.S. dollars, is included in the US dollar component of the AMF's assets. The other resources are invested in convertible currencies, in conjunction with forward foreign exchange contracts.

Table No. (1) shows the weights of currencies included in the SDR basket and SDR exchange rates. 1 A.A.D. equal to 3 SDRs, by the end of 2022, and 2023, as well as the weights applicable as of September 30th, 2016.

Table (1) : The Actual Weight of the currencies included in the SDR basket (2016-2023)

| Currency | The weights of the currencies included in SDR basket | | | SDR Exchange Rates Against each currency included in the basket | |
|---|---|---|---|---|---|
| | 31 December, 2023 | 31 December, 2022 | 30 September, 2016 | 31 December, 2023 | 31 December, 2022 |
| US Dollar | 43.09% | 43.44% | 41.73 % | 1.342 | 1.331 |
| Euro | 30.74% | 29.81% | 30.94 % | 1.216 | 1.254 |
| Pound Sterling | 7.56% | 7.33% | 7.98 % | 1.056 | 1.103 |
| Japanese Yen | 7.04% | 7.62% | 8.43 % | 191.181 | 176.623 |
| Renminbi-RMB | 11.47% | 11.80% | 10.92 % | 9.582 | 9.317 |
| | 100% | 100% | % 100 | | |

## Contribution to Humanitarian Support of the Palestinian People

The AMF contributes to the collective effort of Arab financial institutions, to provide humanitarian support to the Palestinian people, by allocating 10% of the net annual income of the AMF to such aid, since 2002.

In this context, the AMF's Board of Governors in its forty-Six annual meeting held in the Kingdom of Morocco on 29 April 2023, adopted Resolution No. (5) of 2023 on which the Board has agreed on a 21st allocation of A.A.D. 1.499 million (equivalent to about USD 6 million).

Thus, allocations approved by the Council of Governors, to humanitarian support to Palestinian people, totaled A.A.D. 63 million (equivalent to approximately USD 276 million).

The Board of Executive Directors adopts the components of programs supported by AMF contributions, based on a methodology agreed upon with the Al-Aqsa Fund, managed by the Islamic Development Bank.

Under that methodology the Administrative Committee of Al-Aqsa Fund approves sectors included in the support programs and components projects for implementation to be supported by each allocation, taking into consideration the necessary coordination with the governors of Arab financial institutions, the AMF, and Al-Aqsa Fund, to ensure the integration of priority projects to provide humanitarian support to the Palestinian people.

Allocations contributed by AMF were distributed across sectors and projects for humanitarian support to the Palestinian people as follows:

1. **Education Sector:** It includes the establishment of new schools, support to the Palestinian Student Loan Fund, rehabilitation, maintenance and equipping of schools. The total allocation directed to supporting the education sector amounted to about USD 108.2 million, accounting for 39% of the total allocated amounts.

2. **Healthcare Services Sector:** It includes establishing medical centers, building, and expanding hospitals and providing medical equipment to hospitals and clinics. The total allocation directed to this sector amounted to around USD 33.2 million, accounting for 12% of the total Allocations.

3. **Institutional and NGOs Support Sector:** This includes support for Red Crescent activities as well as youth employment and rehabilitation projects. The total allocation amounted to approximately 28.8 million dollars, and 11% of total allocations.

4. **Integrated Rural Development and Economic Empowerment Sector:** This includes support to small-scale artisans, rehabilitation of areas, support to villages,

and decision support, networks of electricity, water, rural roads, and land reclamation, paving and rehabilitation of internal roads, the establishment of sanitation systems, projects for productive women, and support to needy families and orphans. The total allocations to support this sector amounted to USD 99.2 million, and 35% of total allocations.

5. **Protection and upgrading of historical buildings sector:** It includes reconstruction of the Old Town in Jerusalem and the rehabilitation of historical buildings. The total allocations for the sector amounted to USD 6.5 million, and 3% of the total allocations.

In addition, the AMF provides the government cadres in Palestine with opportunities for training and capacity building in the areas of specialization of the AMF, through training courses and workshops provided by the Training and Capacity Building Institute, according to regular annual programs in collaboration with many regional and international institutions, to which cadres of all the Arab countries are invited.

The number of Palestinian trainees stood at 855, as of the end of December 2023.

**External Auditors' Report**
**and the Consolidated Financial Statements,**
**as of December 31st, 2022**

# THE ARAB MONETARY FUND

## CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

**The Arab Monetary Fund**

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNONRS OF THE**

**ARAB MONETARY FUND**

**Report on the Audit of the Consolidated Financial Statements**

*Opinion*
We have audited the consolidated financial statements of the Arab Monetary Fund and its subsidiaries, Arab Trade Financing Program and Arab Regional Payments Clearing And Settlement Organization, (the "Fund"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, and consolidated statement of net assets attributable to member countries and non-controlling interest in the subsidiaries for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023 and its financial performance for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

*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 consolidated financial statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board of Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, 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.

*Responsibilities of management and those charged with governance for the financial statements*
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditor's responsibilities for the audit of the consolidated financial statements*
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 consolidated financial statements.



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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNONRS OF THE**

**ARAB MONETARY FUND** continued

**Report on the Audit of the Consolidated Financial Statements** continued

*Auditor's responsibilities for the audit of the consolidated financial statements* continued
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

- Obtain an understanding of 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 the Fund'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 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 the Fund'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 consolidated 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 auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNONRS OF THE**

**ARAB MONETARY FUND** continued

**Report on Other Legal and Regulatory Requirements**

Further, as required by the Articles of the Fund's Agreement of Establishment and Financial Rules, we report that:

1) We have obtained all the information we considered necessary for the purposes of our audit;

2) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Fund's Financial Rules;

3) The Fund has maintained proper books of account in accordance with the Fund's Financial Rules;

4) The total administrative expenses for the year ended 31 December 2023 are within the limits specified in Administrative Budget approved by the Fund's Board of Executive Directors, as required by the applicable provisions of the Fund's Financial Rules; and

5) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Fund has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the Articles of Fund's Agreement of Establishment or of the Fund's Financial Rules which would have a material impact on its activities or its consolidated financial position as at 31 December 2023.



Signed by
Hani Zeidan
Partner
Ernst & Young
Registration No. 5471

19 March 2024
Abu Dhabi



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## The Arab Monetary Fund

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 31 December

| | Notes | 2023 AAD 000 | 2022 AAD 000 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 3 | **104,854** | 382,572 |
| Term deposits with banks | 3 | **1,381,329** | 1,086,885 |
| Financial investments | 4 | **2,284,622** | 2,680,806 |
| Lines of credit | 6 | **138,708** | 182,579 |
| Loans to Member Countries | 7 | **605,549** | 578,540 |
| Deposits with central banks of Member Countries | 8 | **5,336** | 5,336 |
| Investment in a related entity | 9 | **8,070** | 8,301 |
| Accounts receivable and other assets | 10 | **54,560** | 35,433 |
| **Total assets** | | **4,583,028** | 4,960,452 |
| **Liabilities** | | | |
| Deposits from Arab monetary and financial institutions | 11 | **2,952,824** | 3,376,101 |
| Forward currency contracts payable | 5 | **10,676** | 9,233 |
| Accounts payable and other liabilities | 12 | **63,959** | 44,296 |
| | | **3,027,459** | 3,429,630 |
| **Net assets attributable to Member Countries** | | | |
| Subscribed capital 900 million AAD | | | |
| Paid-up capital | 13 | **883,025** | 883,025 |
| Reserves | 13 | **540,516** | 517,708 |
| | | **1,423,541** | 1,400,733 |
| **Non-controlling interest** | 13 | **132,028** | 130,089 |
| **Total net assets attributable to Member Countries, non-controlling interest, and liabilities** | | **4,583,028** | 4,960,452 |



Fahad M. Alturki
Director General Chairman of the Board

These consolidated financial statements were agreed by the Board of Executive Directors on 07 March 2024.
The accompanying notes from 1 to 23 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 3.

## The Arab Monetary Fund

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December

| | Notes | 2023 AAD 000 | 2022 AAD 000 |
|---|---|---|---|
| **Income** | | | |
| Income from loans and lines of credit | | | |
| Interest and fee income on loans to Member Countries | | 10,477 | 6,198 |
| Interest and fee income on lines of credit | | 11,555 | 5,174 |
| Income from Buna operation | | 30 | - |
| | | 22,062 | 11,372 |
| Income from investment activities | | | |
| Interest income on securities at amortized cost | | 33,464 | 20,045 |
| Interest income on securities at fair value | | 58,496 | 17,103 |
| Other investment income | 14 | 11,065 | 9,071 |
| Interest income on deposits and current and call accounts | | 70,882 | 23,117 |
| | | 173,907 | 69,336 |
| Interest expense on deposits from Arab monetary and financial institutions | 11 | (159,443) | (51,724) |
| | | 14,464 | 17,612 |
| Other income | | 160 | 80 |
| **Total income** | | 36,686 | 29,064 |
| **Expenses** | | | |
| Administration and general expenses | 15 | (10,989) | (10,653) |
| Technical assistance | 16 | (499) | (37) |
| | | (11,488) | (10,690) |
| Provision for expected credit loss | 23 | (9,275) | (10) |
| **Operating income before other changes in net assets attributable to Member Countries and non-controlling interest (NCI)** | | 15,923 | 18,364 |
| **Other changes in net assets attributable to Member Countries and NCI** | | | |
| Unrealized change in investments held at fair value | 17 | 13,809 | (35,539) |
| Appropriation support the Palestinian people | 13 | (1,499) | (3,196) |
| Other Changes | 18 | (3,486) | 5,216 |
| **Total other changes in net assets attributable to Member Countries and NCI** | | 8,824 | (33,519) |
| **Change in net assets attributable to Member Countries and NCI** | | 24,747 | (15,155) |
| **Operating income before other changes in net assets attributable to:** | | | |
| • *Member Countries* | | 11,095 | 14,989 |
| • *Non-controlling interest* | | 4,828 | 3,375 |
| | | 15,923 | 18,364 |
| **Change in net assets attributable to:** | | | |
| • *Member Countries* | | 22,808 | (23,101) |
| • *Non-controlling interest* | | 1,939 | 7,946 |
| | | 24,747 | (15,155) |

The accompanying notes from 1 to 23 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 3.

## The Arab Monetary Fund

### NET ASSETS ATTRIBUTABLE TO MEMBER COUNTRIES AND NON-CONTROLLING INTEREST

For the year ended 31 December

| | Paid up capital | General reserve | Contingency reserve | Non-controlling interest (NCI) | Total net assets attributable to the Member Countries and NCI |
|---|---|---|---|---|---|
| | | | *AAD 000* | | |
| **2022** | | | | | |
| Balance at 1 January | 883,025 | 350,809 | 190,000 | 122,143 | 1,545,977 |
| Change in net assets attributable to Member Countries and NCI | - | (23,101) | - | 7,946 | (15,155) |
| Transferred to the contingency reserve | - | (5,000) | 5,000 | - | - |
| Balance at 31 December | 883,025 | 322,708 | 195,000 | 130,089 | 1,530,822 |
| **2023** | | | | | |
| Balance at 1 January | 883,025 | 322,708 | 195,000 | 130,089 | 1,530,822 |
| Change in net assets attributable to Member Countries and NCI | - | 22,808 | - | 1,939 | 24,747 |
| Transferred to the contingency reserve | - | (5,000) | 5,000 | - | - |
| **Balance at 31 December** | **883,025** | **340,516** | **200,000** | **132,028** | **1,555,569** |

The accompanying notes from 1 to 23 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 3.

## The Arab Monetary Fund

### CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December

| | Notes | 2023 AAD 000 | 2022 AAD 000 |
|---|---|---|---|
| **Operating activities** | | | |
| (Decrease) / increase in net assets attributable to Member Countries and non-controlling interest | | 24,747 | (15,155) |
| Adjustments for: | | | |
| Interest Income | | (182,249) | (71,627) |
| Interest Expense | | 159,443 | 51,724 |
| Unrealized change in investments at fair value | 17 | (13,809) | 35,539 |
| Unrealized change in net assets value of multi strategies and property funds | 14 | (559) | (2,264) |
| Depreciation of property and equipment | | 1,708 | 1,699 |
| Change in provision for expected credit loss | 23 | 9,275 | 10 |
| Other changes relating to NCI | | 3,486 | - |
| Change in loans to Member Countries | | (33,659) | 17,896 |
| Change in lines of credit | | 42,018 | 102 |
| Change in forward currency contracts receivable | | - | 33,095 |
| Change in forward currency contracts payable | | 2,622 | 8,525 |
| Change in accounts receivable and other assets | | (6,926) | (368) |
| Change in accounts payable and other liabilities | | 5,333 | (17,652) |
| Change in appropriation to support Palestinian people | | (4,729) | 777 |
| Change in deposits with banks maturing after three months from inception | | (294,657) | (344,519) |
| Change in deposits from Arab monetary and financial institutions | | (423,277) | 278,303 |
| Interest Received | | 105,918 | 45,870 |
| Interest Paid | | (140,384) | (30,409) |
| **Net cash (used in) operating activities** | | (745,699) | (8,454) |
| **Investing activities** | | | |
| Net cash from / (used in) investments | 19 | 467,982 | (76,682) |
| **Net Decrease in cash and cash equivalents** | | (277,717) | (85,136) |
| Cash and cash equivalents at beginning of year | | 382,572 | 467,708 |
| **Cash and cash equivalents at end of year** | 3 | 104,855 | 382,572 |

The accompanying notes from 1 to 23 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

## 1 LEGAL STATUS AND ACTIVITIES

The Arab Monetary Fund ("The Fund") is an Arab financial institution formed in 1976 and started its operations in April 1977, aiming at laying the monetary foundations of Arab economic integration and accelerating the process of economic development in all Arab countries. The Fund includes all the Arab countries members in the League of Arab States. The Fund is situated in Abu Dhabi, United Arab Emirates (P.O. Box 2818, Abu Dhabi, United Arab Emirates).

The Fund relies on a number of means to achieve its objectives, as defined in Article five of the AMF's Articles of Agreement, including providing short and medium term credit facilities to Member Countries, to help financing the overall deficit in balance of payments, and implementing reforms in financial & banking sectors and public finance sector. Loans and facilities currently offered by the Fund include Automatic Loan, Ordinary Loan, Extended Loan, Compensatory Loan, Structural Adjustment Facility, Trade Reform Facility, Oil Facility, Short-Term Liquidity Facility, and Supporting an Enabling Environment for SMEs Facility. The means also include the coordination of monetary policies in the Arab Member Countries and the strengthening of cooperation between monetary authorities in these countries, as well as striving to liberalize and promote trade and ensuring current payments and encouraging capital flows between Member Countries.

The Fund provides technical assistance and training to its Member Countries to help them adopt effective policies and institutions and build human capacity aiming at enhancing their effort to foster inclusive and sustainable development. It also adopts initiatives at the regional level, with a view to develop payment systems and modern financial technologies capital markets, economic databases and statistics. As well as to foster efforts aiming at improving financial inclusion and other activities related to the Fund.

The objective is to help Arab countries to lay the foundations for macroeconomic stability, and to address imbalances in the balance of payments and support their efforts to implement the required reforms in a number of sectors in order to improve the efficiency of resources utilization and enhance opportunities for achieving inclusive and sustainable economic growth.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB), and in accordance with the historical cost convention, except for the portfolio of investments measured at fair value.

In accordance with the Articles of Agreement of the Fund dated April 1976, the consolidated financial statements are presented in Arab Accounting Dinar ("AAD"). Each AAD is equal to three Special Drawing Rights ("SDR") as defined by the International Monetary Fund. The value of the SDR is calculated from a weighted basket of major currencies including the U.S. dollar, Euro, Japanese yen, Pound Sterling and the Chinese Yuan.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the current circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure appropriate valuations of assets and liabilities and recognition of results in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Accounting policies have been consistently applied for periods presented in these consolidated financial statements.

**2 MATERIAL ACCOUNTING POLICY INFORMATION** (*continued*)

**(b) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Arab Monetary Fund (the "Fund"), Arab Trade Financing Program and Arab Regional Payments Clearing and Settlement Organization (the "Subsidiaries").

Arab Trade Financing Program was established in accordance with resolution number (4) of 1989 by the Board of Governors of the Arab Monetary Fund with the aim of promoting and developing intra-arab trade by providing the necessary financing in the form of lines of credit to arab exporters and importers in Member Countries. The Fund owns 56.4% of the subscribed and fully paid-up capital of the Arab Trade Financing Program as of 31 December 2023 (2022: 56.4%).

The Arab Regional Payments Clearing and Settlement Organization ("The Organization") is a regional Arab Financial Organization established pursuant to Arab Monetary Fund Board of Governors resolution No. (4) of 2018, in implementation of the Council of Arab Central Banks and Monetary Authorities Governors resolution No. (10) of 2017. The Organization is wholly owned by Arab Monetary Fund. The authorized capital of the Organization is 100 million US dollars, and the costs incurred by the Fund until the establishment of the Organization are considered part of its contribution to the capital. Pursuant to its resolution No. (4) of 2023 the board of governors approved the allocation of 50 million US Dollars to Organization to be withdrawn as needed, bringing the authorized capital to 150 million US Dollars.

The organization's objectives are to support opportunities for economic and financial integration among Arab Countries and with the trading partners of Arab countries through the establishment, management and operation of a platform that provides the necessary services for payments clearing and settlement among Arab Countries and trading partners.

The two Subsidiaries headquarters are located in Abu Dhabi, United Arab Emirates. All significant inter-entity balances, transactions and profits have been eliminated on consolidation.

Note 13 to the consolidated financial statements explains the non-controlling interest in the Subsidiaries.

**(c) Financial instruments: recognition and measurement**

The policies adopted with regard to the definition, recognition and measurement of financial instruments are as follows:

***i. Initial recognition*:**

Financial instruments at Fair Value Through Profit or Loss FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other changes in net assets attributable to member countries and non-controlling interest in the statement of comprehensive income (FVOCI.).

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Fund commits to deliver or receive a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

**2 MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(c) Financial instruments: recognition and measurement** *(continued)*

***ii. Classification of financial assets:***

Under IFRS9, on initial recognition, a financial asset is classified either at amortized cost, fair value through other comprehensive income (other changes net assets attributable to member countries and non-controlling interest in the statement of comprehensive income) or fair value through profit and loss, based on two factors: the approved business model for managing the financial assets and the cash flow characteristics of the financial assets.

- A financial asset is classified at amortized cost if it meets the following conditions:
  - The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
  - The objective of the business model is to hold assets to collect contractual cash flows.

- A debt instrument is measured at fair value through other changes in the statement of comprehensive income only if it meets both of the following conditions:
  - The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset.

- All other financial assets are classified as subsequently measured at fair value, with changes in fair value recognized in profit or loss.

The business model was assessed based on the approved corporate policies for investment and lending activities at the level of corporate portfolios; not according to individual asset levels, taking into consideration all relevant available evidence at the date of assessment which include:

- The stated policies and objectives for the investment and lending portfolios, the extent of application of these policies in practice, management strategy focus on the collection of the contractual cash flows and matching of the financial assets durations with respective liabilities funding those assets, or realizing cash flows from the sale of financial assets.

- How the performance of the portfolio is evaluated and reported to the management.
- The risks that affect the performance of the business model and how those risks are managed.
- The frequency, volume and timing of sales in prior periods, the reasons for sales and its expectations about future sales activity.

For the purpose of assessing contractual cash flows, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, liquidity risk, administrative expenses as well as profit margin.

In assessing whether the contractual cash flow are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet these conditions. In making the assessment the Fund considers:

- Contingent events that would change the amount and timing of cash flows.
- Early settlement and extension terms.
- Terms that limit the Fund claim to the cash flows from specific assets.
- Features that modify consideration of the time value of money.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**2 MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(c) Financial instruments: recognition and measurement** *(continued)*

***iii. Reclassification:***

Financial assets are not reclassified subsequent to their initial recognition, except in the period after which the Fund changes its business model for managing the financial assets.

***iv. Financial liabilities:***

The Fund classifies its financial liabilities as measured at amortized cost.

***v. Modification of financial assets:***

The Fund sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Fund assesses whether the modification of contractual cash flows is substantial considering the following factors: any new contractual terms that substantially affect the risk profile of the asset, and significant change in interest rate. If the modified terms are substantially different, the rights to cash flow from the original asset expire and the Fund derecognizes the original financial asset and recognizes a new asset at its fair value: The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk has occurred. If the terms are not substantially different, the modification does not result in derecognition, and the Fund recalculates the gross carrying amount based on the revised cash flows of the financial assets and recognizes a modification gain or loss in the consolidated statement of comprehensive income. The Fund also assesses whether the new loan or debt instrument meets the Solely Payment of Principal and Interest (SPPI) criterion. Any difference between the carrying amount of the original asset derecognized and fair value of the new substantially modified asset is recognized in profit or loss.

***vi. Derecognition:***

The Fund derecognizes a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows in a transaction in which it transfers substantially all the risks and rewards of ownership of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in the profit or loss.

The Fund enters into securities lending and repurchase contracts whereby it transfers financial assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, canceled or expired).

**(d) Impairment of financial assets**

Under IFRS 9, at each reporting date, an entity is required to recognize a loss allowance based on either 12-month expected credit loss or a lifetime expected credit loss, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. Based on this the standard defined three stages of impairment of financial assets depending on the change in its credit risk since initial recognition:

**Stage one:** When the financial asset is initially recognized or where there have not been significant increases in credit risk since initial recognition, an entity is required to provide for 12-month expected credit loss.

2 **MATERIAL ACCOUNTING POLICY INFORMATION** (*continued*)

**(d) Impairment of financial assets** (*continued*)

**Stage Two:** Where there have been significant increases in credit risk since initial recognition on an individual or collective basis, but the asset has not defaulted the entity is required to recognize a lifetime expected credit loss.

**Stage Three:** Where there have been significant increases in credit risk since initial recognition, and the asset has defaulted the entity is required to recognize a lifetime expected credit loss and to recognize the interest income based on the value of the asset net of the expected credit loss.

IFRS9 defines lifetime expected credit loss as the amount that results from all possible default events over the expected life of a financial instrument, whereas 12-month expected credit loss is the portion of lifetime expected credit loss that represent the expected credit loss that result from default events that are possible within the 12-months after the reporting date.

The Fund recognizes provisions for expected credit loss in the consolidated statement of comprehensive income for debt instruments measured at amortized cost and those measured at fair value through other changes in net assets attributable to member countries and non-controlling interest (FVOCI). However, the financial assets classified at fair value through profit and loss, the effect of future events on credit loss is directly recognized as changes in fair value through the consolidated statement of comprehensive income.

The Fund provides for lifetime expected credit loss, except for the following, for which 12-month expected credit loss will be provided for:

- Debt investment securities that are determined to have low credit risk at the reporting date; and other financial assets on which credit risk has not increased significantly since their initial recognition.

- The Fund considers debt security to have low credit risk when its credit rating is equivalent to the globally understood definition of "investment grade".

***(I) Measurement of Expected Credit Loss***

In measuring the expected credit losses on its financial assets, the Fund applies a model based on the probability of default, loss given default, and the exposure at default. The variables, methods of measurement and factors affecting the measurement of expected credit losses vary according to the nature and characteristics of the financial portfolio, as follows:

- **For loans to Member Countries** The probability of default is calculated taking into account the most influencing factors for occurrence of default in the sovereign debt, which include (i) economic indicators, such as the ratio of external debt to GDP, the number of months of imports covered by reserves, and the ratio of external debt to exports of goods and services of the borrowing country, (ii) the historical experience of the Fund with the borrowing country and their repayment history, and (iii) credit rating of the borrowing country is also considered. The loss given default is calculated taking into consideration the Fund's experience with its member states, The Fund estimates the exposure at default based on the forecast of the amounts due on default. This applies to all other portfolios.

- **For Financial investments and lines of credit extended to national agencies**, the probability of default and loss given default are calculated based on data provided by credit rating agencies.

**2 MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(d) Impairment of financial assets** *(continued)*

***(2) Significant Increase in Credit Risk***

To determine if there is a significant increase in credit risk related to financial assets, the Fund takes into consideration the quantitative and qualitative factors affecting the financial asset, as follows:

- **For loans to Member Countries** the Fund considers that there is a significant increase in credit risk if the borrowing country is late in paying its dues for a period of six months, unless there are sufficient evidences that the credit risk has not increased significantly despite the delay, such as that the delay is due to internal administrative procedures. The Fund also considers geo-political risks of the borrowers in assessing whether there is a significant increase in credit risk.

- **For financial investments** the Fund considers that there is a significant increase in the credit risk if there is a decline in the credit rating of the financial investments by more than 3 notches downgrade or that there is a noticeable unfavorable change in the future outlook of the issuer. Investment securities with a credit rating of BBB and above are considered to have low credit risk and as such the Expected Credit Loss [ECL] allowance is based on 12-month ECLs.

- **For lines of credit to national agencies** the Fund considers that there is a significant increase in credit risk, if the borrower fails to perform his financial obligations, either over the next12 months or for the remaining life of the borrower's commitment, and the level of default depends on the amounts expected to be incurred at the time of the default.

The following data are typically used to monitor the Fund's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilization of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;

The Fund uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Fund collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of financial asset and borrower as well as by credit risk grading. The information used is both internal and external depending on the financial asset assessed.

The Fund has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that a significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes past due.

***(3) Definition of Default***

IFRS9 does not give a unified definition for 'Default', however, it requires entities to have their own definition that is relevant to the nature of their financial assets. The definition of default should be applied consistently as it is defined for normal credit risk management practice.

2 **MATERIAL ACCOUNTING POLICY INFORMATION** (*continued*)

**(d) Impairment of financial assets** *(continued)*

The Fund has made an assessment at the consolidated statement of financial position date to determine whether there is objective evidence that the borrower has defaulted or if is unlikely that the borrower would pay its obligations to the Fund in full as follows:

- **For loans to Members Countries,** the Fund considers that the borrowing countries have defaulted if they are in arrears for a period of one year. The Fund adopts a policy of making provisions against interest on loans to Member Countries that defaulted in settlement of any installment due for more than a year, as well as against interest calculated in delayed loan principal and interest installment. The Fund then endeavors to reach agreements with those countries for the settlement of their arrears.

- **For lines of credit to national agencies**, The Fund considers an instrument to be in default when the borrower is more than 90 days past due on its contractual payments.

- **For financial investments,** the Fund considers default has occurred if the financial asset is past due for at least 90 days. The Fund assesses, periodically, the exposure of its investments to conclude whether due to adverse factors (financial, economic, legal, political or managerial) might have an impact on the market value of the security.

- ***Loans Expected Credit Loss***
  Loans to Member Countries are financial assets that are measured at amortized cost. Interest income on loans to Member Countries is recognized using the effective interest method. The Fund's assessment of its loans receivable for impairment is grounded in the context of the nature of the Fund's lending and the unique institutional status with the Member Countries.

  The Fund has a unique relationship with its member countries, all of which are shareholders in the Fund. Furthermore, loans to Member Countries are sovereign debts by their nature and support corrective reform programs to overcome balance of payments problems, thereby enhancing countries capacity to repay in the medium and long term. Member Countries are committed to these programs which are subject to regular reviews of performance. In addition, the Fund has not recognized any impairment losses on its loans extended to Member Countries since its inception.

  Taken together these factors significantly reduce the likelihood of the Fund incurring credit losses on its loan portfolio.

  Due to its unique characteristics, the Fund's credit risk exposure is not comparable to credit risk faced by commercial financial entities. Accordingly, credit risk for the Fund is assessed holistically based on qualitative and quantitative considerations pertaining to each member country, such as the status of the economic programs supported by lending, the member's cooperation on policy implementation and timely settlement of financial obligations, and forward-looking assessments of the member's capacity to repay.

  The Fund has developed a model for ECL and performed an impairment analysis of loan outstanding in accordance with its ECL model taking into consideration the unique nature of the Fund financing and institutional status.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

### (e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

### (f) Debt restructuring

The Fund adopts a flexible mechanism for managing and settling loans to Member Countries that were in default. The policy aims to assist the troubled countries and at the same time preserve the Fund's financial rights. Each case is treated separately, considering the size of the debt, economic conditions and financial capabilities of the borrowing countries and their ability to settle overdue debts in a manner that leads to restructuring of the loan principle and the interest accrued on them.

Due to the distinguished relationship with its member states, the Fund does not write off loans that it provides to its Member Countries.

### (g) Collateral and credit enhancements

The Fund does not issue guarantees or credit enhancements for debts of other parties.

### (h) Foreign currency transactions

The Fund's assets are closely aligned to the components of the SDR basket of currencies comprising the Special Drawing Rights unit to which the AAD is associated.

Foreign currency transactions are recorded at rates of exchange ruling at the dates of the transactions. Assets (except property and equipment) and liabilities denominated in foreign currencies at the statement of financial position date are translated to Arab Accounting Dinar (AAD) which is equivalent to three Special Drawing Rights (SDR) at the exchange rates announced by the International Monetary Fund for the said date.

Assets and liabilities of the subsidiaries are translated into AAD using the year-end exchange rates. Revenue and expenses are translated at the average exchange rates prevailing during the relevant period of the transaction. Gains and losses arising from the translation of the subsidiaries operations are recorded in the consolidated statement of comprehensive income.

### (i) Derivative financial instruments

The Fund and its Subsidiaries use derivative financial instruments, currency swaps and forward foreign exchange contracts, to manage exposure to foreign exchange risks. The Fund and its Subsidiaries do not hold or issue derivative financial instruments for trading purposes. Any profit or loss arising from changes of the fair value of the derivatives is recorded in the consolidated statement of comprehensive income.

2 **MATERIAL ACCOUNTING POLICY INFORMATION** (*continued*)

**(j) Cash and cash equivalents**

For the purposes of the consolidated cash flow statement presentation, cash and cash equivalents are defined as current and call accounts with banks and International Monetary Fund and deposits with banks maturing within three months from the inception date.

**(k) Depreciation of property and equipment**

The cost of property and equipment is depreciated in equal annual installments over the expected useful lives of the assets concerned.

**(l) Revenue recognition**

For all financial instruments measured at amortised cost, interest income is recognised in profit or loss using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

**(m) Critical judgements in applying the accounting policies**

IFRS requires management, in preparing financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, management is required to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements.

The following are the critical judgments that the management has made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

**Business model assessment**
Classification and measurement of financial assets depends on the results of Solely Payment of Principal and Interest (SPPI) and the business model test. The Fund determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Fund monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Fund's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate.

**Impairment losses**

- Significant increase of credit risk: Expected Credit losses (ECLs) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Fund considers qualitative and quantitative reasonable and supportable information. Determination of a significant increase of credit risk for each type of investment is defined in note (2) – d above.

- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics (e.g. instrument type, credit risk grade, remaining term to maturity, etc.). The Fund assesses the credit risk characteristics to ensure that the basis of grouping is still appropriate.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (*continued*)

### (m) Critical judgements in applying the accounting policies (*continued*)

**Determination of the redemption value to Member Countries**
Management has applied judgement in interpreting the clauses in the Articles of Agreement of the Fund. The amount payable on redemption or liquidation of the Fund is determined by management to include all paid capital and reserves. It was further judged by Management, that the reserves include those of the subsidiaries and the non-controlling interest would also be considered a liability on the consolidated Fund level.

### (n) New and revised International Financial Reporting Standards (IFRSs)

The following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2023. These amendments to IFRSs had no material impact on the Fund's consolidated financial statements for the period ended 31 December 2023.

- Amendments to International Accounting Standard No. (8): Definition of Accounting Estimate
- Amendments to International Accounting Standard No. (1) and IFRS practice statement 2: Disclosure of Accounting policies.
- Amendments to IAS 12 – Deferred tax related assets and liabilities arising from a single transaction.

The above amendments did not materially affect the financial statements of the Fund.

**New and revised International Financial Reporting Standards (IFRSs) Standards and Interpretations in issue but not yet effective**
In addition, the Fund did not early apply the new International Financial Reporting Standards or the amendments that were issued and did not become effective on or before the date of the financial statements, which include:

- Amendments to IFRS16: lease commitments in sale and lease back transactions.
- Amend to IAS7 and IFRS17 relating to Suppliers Financing arrangements.
- Amendments to IAS21: inability to convert currencies.
- Amendments to International Accounting Standard No. (1): Classification of liabilities as current or non-current.

The Fund does not expect that the adoption of these new and amended standards and interpretations to have material impact on its Financial Statements.

## 3 CASH AND CASH EQUIVALENT AND TERM DEPOSITS WITH BANKS

### 3.1 CASH AND CASH EQUIVALENTS

| | *2023* *AAD 000* | *2022* *AAD 000* |
|---|---|---|
| Current and call accounts with banks and International Monetary Fund | **11,412** | 11,891 |
| Deposits maturing within three months from inception | **93,442** | 370,681 |
| | **104,854** | 382,572 |

### 3.2 TERM DEPOSITS WITH BANKS

| | *2023* *AAD 000* | *2022* *AAD 000* |
|---|---|---|
| Maturing within three months from inception. | **93,442** | 370,681 |
| Maturing after three months from inception. | **1,381,329** | 1,086,885 |
| | **1,474,771** | 1,457,566 |

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## 4 FINANCIAL INVESTMENTS

Financial investments are comprised of highly rated instruments of governments, governmental corporations, international institutions, financial and non-financial corporations, banks and multi strategies and property funds. Financial investments listed at fair value are evaluated using the hierarchical approach of valuation inputs as follows:

**Level 1:** The quoted market price (unadjusted) in an active market for a matching instrument (the closing price of stocks and derivatives and the bid price of a fixed-income security).

**Level 2:** This category includes instruments for which a significant valuation input is observable either directly, such as quoted market prices in active markets for similar instruments and quoted market prices for identical or similar instruments in markets that are considered less active, or by other valuation techniques in which all significant inputs are directly observable, or indirectly from market data.

**Level 3:** This category includes all instruments whose evaluation methods include inputs that are not based on observable data and the unobservable inputs have a significant impact on the evaluation of the instrument.

Investments reported at fair value are categorised using the fair value hierarchy of inputs used to measure fair value as follows:

| | ***2023*** | *2022* |
|---|---|---|
| | ***AAD 000*** | *AAD 000* |
| Investments at fair value through other change in the statement of comprehensive income (level 1) | **1,163,389** | 1,020,587 |
| Investments at fair value through other change in the statement of comprehensive income (level 2) | **420,703** | 596,389 |
| Investments at fair value through profit and loss (level 3) | **111,866** | 111,492 |
| Investments securities at amortised cost | **590,300** | 953,417 |
| | **2,286,258** | 2,681,885 |
| Less: Provisions for expected credit losses on investments | **(1,636)** | (1,079) |
| | **2,284,622** | 2,680,806 |

There were no transfers between levels of the fair value hierarchy during the year ending 31 December 2023, or 31 December 2022.

The fair value of investments categorized within level (2) of the fair value hierarchy is determined from observable market information such as recently executed trades in securities of the issuer or comparable issuers and the yield curves.

**Investments at amortized cost**
The fair value of investments at amortized cost at 31 December 2023 was AAD 586,489 thousand *(2022: AAD 942,063 thousand)*. The fair value is determined based on a compilation of significant observable market information such as recently executed trades in securities of the issuer or comparable issuers.

**Investments at fair value (Level 3)**
They represent investments in multi-strategy funds and property funds that are measured at their net assets value as at the consolidated financial statements date. Net asset valuations are provided by the fund managers.

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4 **FINANCIAL INVESTMENTS** *(continued)*

**Investments at fair value (Level 3)** *(continued)*
Movements of investments at fair value (Level 3) for the year ended 31 December 2023 and 2022 is as follows:

| | *2023* | *2022* |
|---|---|---|
| | ***AAD 000*** | *AAD 000* |
| Fair value at 1 January | **111,492** | 103,201 |
| Gains or losses recognised in profit or loss for the year | **559** | 2,264 |
| Subscription during the year | **342** | 5,718 |
| Redemption during the year | **(1,010)** | (2,636) |
| Exchange difference | **483** | 2,945 |
| Fair value at 31 December | **111,866** | 111,492 |

Unrealized gain on investments at fair value (level 3) that is recognised in the profit or loss for the year ended 31 December 2023 is AAD 559 thousand *(2022: AAD 2,264 thousand).*

The composition of investments portfolio by category as of 31 December is as follows:

| | *2023* | | | *2022* | | |
|---|---|---|---|---|---|---|
| | Arab | Non- Arab | Total | Arab | Non- Arab | Total |
| | | ***AAD 000*** | | | ***AAD 000*** | |
| **Debt Securities** | | | | | | |
| Government & Semi Government | 168,044 | 414,406 | **582,450** | 290,586 | 737,498 | 1,028,084 |
| Banks & Financial Institutions | 118,563 | 1,328,490 | **1,447,053** | 113,213 | 1,161,955 | 1,275,168 |
| Industrial Sector | 44,150 | 46,385 | **90,535** | 59,508 | 39,988 | 99,496 |
| Other Commercial Sectors | - | 9,578 | **9,578** | - | 63,708 | 63,708 |
| Supranational Organizations | - | 44,776 | **44,776** | 14,523 | 89,414 | 103,937 |
| Expected Credit Loss | (1,364) | (272) | **(1,636)** | (831) | (248) | (1,079) |
| **Total Debt Securities** | **329,393** | **1,843,363** | **2,172,756** | 476,999 | 2,092,315 | 2,569,314 |
| **Unquoted Investment Funds** | | | | | | |
| Multi- Strategy Funds | - | 69,640 | **69,640** | - | 64,904 | 64,904 |
| Real Estate Funds | - | 38,613 | **38,613** | - | 43,295 | 43,295 |
| Investment in exchange traded funds | - | 3,613 | **3,613** | - | 3,293 | 3,293 |
| **Total Unquoted Investment** | - | **111,866** | **111,866** | - | 111,492 | 111,492 |
| | **329,393** | **1,955,229** | **2,284,622** | 476,999 | 2,203,807 | 2,680,806 |

**Externally Managed Funds**

The Fund and the Subsidiaries assigned parts of their investment portfolios for management by a number of specialized external fund managers for agreed fees in accordance with respective fund management agreements. Managed funds amounted to AAD 238,544 thousand as at 31 December 2023 *(2022: AAD 231,347 thousand).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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## 5 FORWARD CURRENCY CONTRACTS

The Fund uses foreign currency swaps and forwards currency contracts to manage exposure to foreign exchange risk. The Fund and its Subsidiaries do not hold or issue derivative instruments for trading purposes, all derivatives are held for economic hedging purposes.

The net fair value of the forward currency contract payable at 31 December 2023 were AAD 10,676 thousand *(2022: AAD 9,233 thousand)*. The fair value of the forward currency contracts is determined using a pricing model that incorporates foreign exchange forward rates obtained from reliable sources of financial instruments pricing, mainly Bloomberg and Reuters. Given that the significant inputs into the pricing models are market observable, these instruments are included within Level 2 of the fair value hierarchy.

## 6 LINES OF CREDIT

| | *2023* | *2022* |
|---|---|---|
| | ***AAD 000*** | *AAD 000* |
| Balance at 1 January | **182,579** | 182,641 |
| Drawings during the year | **167,043** | 227,217 |
| | **349,622** | 409,858 |
| Repayments during the year | **(207,583)** | (236,778) |
| Provision for expected credit loss | **(1,857)** | 40 |
| Differences in translation to AAD | **(1,474)** | 9,459 |
| **Balance at 31 December** | **138,708** | 182,579 |

Lines of credit represent facilities provided by the Arab Trade Financing Program to approved national agencies with the aim of promoting intra-Arab trade. There are no unutilised balances of contracted lines of credit as at 31 December 2023 and 31 December 2022.

## 7 LOANS TO MEMBER COUNTRIES

| | *2023* | *2022* |
|---|---|---|
| | ***AAD 000*** | *AAD 000* |
| Balance at 1 January | **578,540** | 596,436 |
| Drawings during the year | **187,498** | 110,035 |
| Repayments during the year | **(153,839)** | (127,931) |
| Less provision for expected credit loss | **(6,650)** | - |
| **Balance at 31 December** | **605,549** | 578,540 |

Loans to Member Countries at 31 December 2023 include over one-year principal amounts overdue and not received of AAD 179,666 thousand (2022: AAD 165,589 thousand).

The unwithdrawn balances of the contracted loans at 31 December 2023 amounted to AAD 123,141 thousand (2022: AAD 33,748 thousand).

## 8 DEPOSITS WITH CENTRAL BANKS OF MEMBER COUNTRIES

These deposits represent the portion of capital contributions paid by Member Countries in their national currencies and deposited with their central banks in accordance with Article Fourteen of the Articles of Agreement of the Arab Monetary Fund.

## 9 INVESTMENT IN A RELATED ENTITY

The Fund's share in the Arab Investment & Export Credit Guarantee Corporation consists of 10,148 shares at a nominal value of one thousand Kuwaiti Dinar (KWD) per share, representing about 11% of the paid-up capital, which were fully paid. This investment is classified at cost as the Fund has no significant influence on the decision taken by the Corporation. The Fund has no representation in the Board of Directors of the Corporation nor the right of voting in its general assembly meetings.

## 10 ACCOUNTS RECEIVABLE AND OTHER ASSETS

| | *2023* *AAD 000* | *2022* *AAD 000* |
|---|---|---|
| Interest receivable from loan to Member Countries (Gross) | **93,777** | 79,920 |
| Overdue interest receivable on loans | **(89,662)** | (78,234) |
| | **4,115** | 1,686 |
| Interest receivable from lines of credit | **1,924** | 1,804 |
| Interest receivable from deposits and financial investment | **31,860** | 20,897 |
| Total interest receivable | **37,899** | 24,387 |
| Intangible assets (*) | **6,038** | 6,635 |
| Property and equipment | **1,459** | 2,173 |
| Collateral margin receivable | **6,201** | - |
| Other debit balances | **2,963** | 2,238 |
| | **54,560** | 35,433 |

(*) Intangible assets comprise of the net book value of the computer software of "BUNA platform" owned by the Arab Regional Payments, Settlement and Clearing Organization.

## 11 DEPOSITS FROM ARAB MONETARY AND FINANCIAL INSTITUTIONS

In fulfilling its objectives, and in accordance with article 5 of its Articles of Agreement, the Fund accepts deposits from Arab monetary and financial institutions at agreed rates of interest.

Interest expense paid on deposits accepted from Arab monetary and financial institutions for the year ended 31 December 2023 amounted to AAD 159,443 thousand *(2022: AAD 51,724 thousand).*

## 12 ACCOUNTS PAYABLE AND OTHER LIABILITIES

| | *2023* *AAD 000* | *2022* *AAD 000* |
|---|---|---|
| Accrued interest payable | **41,254** | 22,195 |
| Net value of investment transactions | **4,969** | 371 |
| Contribution to support Palestinian people | **10,918** | 15,647 |
| Collateral margin payable | **-** | 225 |
| Other credit balances | **6,818** | 5,858 |
| | **63,959** | 44,296 |

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## 12 ACCOUNTS PAYABLE AND OTHER LIABILITIES *(continued)*

- **Contingent Liabilities**
  There were no balance of outstanding contingent liabilities as of 31 December 2023, (*2022: AAD 15,102 thousand*). The outstanding balance of contingent liabilities as of 31 December 2022 represent bank guarantees and other matters arising in the ordinary course of business of the Arab Trade Financing Program. There were liabilities arised.

## 13 NET ASSETS ATTRIBUTABLE TO MEMBER COUNTRIES AND NON - CONTROLLING INTEREST

In accordance with article thirty five of the Fund's Establishment Agreement, each Member Country has the right to withdraw from the Fund after 5 years from the initial date of membership and receive a percentage of the Fund's net assets based on its holding of the Fund's shares. As payments of capital shares were made by Member Countries on different dates, the Board of Governors resolution number (3) of 2005 accorded the application of the principal of weighted average capital by taking payment timing differences into account in determining the shares of each Member Country in the income and reserves. The Fund maintains books of account for each Member's weighted average share in the Fund's net assets at each reporting date.

Based on that, and in accordance with the definition of IAS 32 Financial Instruments: Presentation, the Fund's subscribed capital and reserves are puttable financial instruments that are classified as financial liabilities.

### (a) Subscribed and Paid-up Capital

| | *2023* *AAD 000* | *2022* *AAD 000* |
|---|---|---|
| Authorized Capital | | |
| (24,000 shares of AAD 50 thousand each) | **1,200,000** | 1,200,000 |
| Subscribed capital (18,000 shares) | **900,000** | 900,000 |
| Unpaid capital | **(16,975)** | (16,975) |
| **Paid-up capital** | **883,025** | 883,025 |

The Board of Governors of the Arab Monetary Fund had approved through the resolution number (3) of 2013 increasing the Fund's authorized share capital by AAD 600 million, to become AAD 1,200 million. The resolution has also called for subscriptions from Member Countries amounting to AAD 300 million, of which AAD 149.01 million to be paid by transfer from general reserve, and the other part by cash transfer from Member Countries in five annual instalments commencing in April 2014, and continued consideration of deferring the payment of Palestine share in accordance with the Board's resolution number (7) of 1978. The unpaid capital amount represents the instalments and the deferred share of Palestine.

### (b) Reserves

The transfer to the contingency reserve is made in accordance with the Board of Governors' resolutions number (7) of 1989 and number (4) of 2000, under which an annual sum being the greater of AAD 5 million or 10% of the operating income attributable to Member Countries for the year is to be appropriated to the contingency reserve each year. This reserve is to be used to mitigate any unforeseen future losses and the remaining amount of the operating income is transferred to the general reserve. The general reserve at 31 December 2023 includes AAD 34,228 thousand (2022: AAD 29,123 thousand) being the Fund's share in reserves of the Arab Trade Financing Program.

The Board of Governors approved through resolution number (5) of 2023, the 20th appropriation of 10% of 2022 operating income attributable to Member Countries amounting to AAD 1,499 thousand as contribution towards the efforts exerted to support the Palestinian people. The Board of Governors had also approved through resolution number (6) of 2022, the 19th appropriation of 10% of 2021 operating income attributable to Member Countries amounting to AAD 3,196 thousand for the same purpose.

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## 13 NET ASSETS ATTRIBUTABLE TO MEMBER COUNTRIES AND NON- CONTROLLING INTEREST *(continued)*

### (c) Non - controlling interest

Non-controlling interest comprises minority shareholders interest in the net assets of the Arab Trade Financing Program at the consolidated statement of financial position date. Their interest is denominated in US dollars, being the base currency. The non-controlling interest is classified as a financial liability.

| | *2023* | *2022* |
|---|---|---|
| | ***USD 000*** | *USD 000* |
| **Net assets attributable to shareholders in US dollars:** | | |
| - Paid-up capital | **985,150** | 986,635 |
| - Reserves | **235,812** | 204,354 |
| Total | **1,220,962** | 1,190,989 |
| **The share of non-controlling interest** | **531,415** | 519,382 |

| **Movement in non-controlling interest** | *2023* ***AAD 000*** | *2022* *AAD 000* |
|---|---|---|
| Balance at the beginning of the year | **130,089** | 122,143 |
| Net income for the year | **4,828** | 3,375 |
| Dividends paid during the year | **(2,149)** | (1,073) |
| Unrealized change in fair value of investment at FVOCI | **597** | (645) |
| Exchange rates difference | **(1,337)** | 6,289 |
| | **132,028** | 130,089 |

## 14 OTHER INVESTMENT INCOME

| | *2023* ***AAD 000*** | *2022* *AAD 000* |
|---|---|---|
| Amortization of FX currency swaps | **13,310** | 8,585 |
| Investment in multi-strategy funds and property funds | **559** | 2,264 |
| Gain\ loss on sales of securities | **(1,394)** | (1,623) |
| Other income | **(1,410)** | (155) |
| | **11,065** | 9,071 |

## 15 ADMINISTRATION AND GENERAL EXPENSES

Administration and general expenses for the year ended 31 December 2023 amounted to AAD 10,989 thousand *(2022: 10,653 thousand)* include Board of Executive Directors remuneration and employees' salaries and benefits amounting to AAD 6,440 thousand (*2022: AAD 6,222 thousand)* of which AAD 611 thousand represent the cost and compensation of key management personnel *(2022: AAD 490 thousand)*. The Fund and its subsidiaries have a total number of 205 employees as at 31 December 2023 *(2022: 210 employees)*.

Administration and general expenses for the year ended 31 December 2023 include AAD 4,152 thousand pertaining to the Arab Regional Payments, Clearing and Settlement Organizations *(2022: AAD 3,806 thousand)*. Board of Directors remuneration and employees salaries and benefits of the Organization amounts to AAD 1,223 thousand *(2022: AAD 994 thousand)*. The remaining balance of administration and general expenses relates to the operating cost of BUNA platform.

## 16 TECHNICAL ASSISTANCES

| | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|
| Training courses, seminars and direct technical assistance | **693** | 65 |
| Cash and in-kind contributions from partner institutions | **(194)** | (28) |
| Technical assistance incurred by the Fund | **499** | 37 |

## 17 UNREALIZED CHANGE IN INVESTMENTS HELD AT FAIR VALUE

| | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|
| Change in fair value of securities | **14,988** | (32,072) |
| Change in fair value of forward contracts | **(1,179)** | (3,467) |
| | **13,809** | (35,539) |

## 18 OTHER CHANGES

| | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|
| Cash dividends to holders of non-controlling interest | **(2,149)** | (1,073) |
| Exchange difference of non-controlling interest | **(1,337)** | 6,289 |
| | **(3,486)** | 5,216 |

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## 19 NET CASH FROM INVESTMENTS

| | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|
| Cash used in investment in multi-strategy and property Fund | **185** | (6,026) |
| Cash/received from/(used in) investment at FVOCI | **84,878** | 92,191 |
| Cash used in investment at amortized cost | **381,580** | (161,973) |
| Difference in conversion | **1,339** | (874) |
| | **467,982** | (76,682) |

## 20 MANAGED FUNDS

Funds managed by the Arab Monetary Fund for Arab Specialised Organization amounted to AAD 11,468 thousand as at 31 December 2023 *(2022: AAD 9,487 thousand).*

## 21 RELATED PARTIES TRANSACTIONS

Related parties for the Fund are the Member Countries who are targeted by the Fund's activities as explained in Note (1).

Balances and transactions with Member Countries as of 31 December are as follows:

| | *Notes* | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|---|
| Loans to Member Countries | 7 | **612,199** | 578,540 |
| Deposits from Arab monetary and financial institutions | 11 | **2,952,824** | 3,376,101 |
| Interest and fee income on loans to Member Countries | | **10,477** | 6,198 |
| Interest expense on deposits from Arab monetary and financial institutions | 11 | **159,443** | 51,724 |
| Technical assistance expense | 16 | **499** | 37 |

## 22 GEOGRAPHICAL DISTRIBUTION OF INVESTMENT PORTFOLIO

The geographical classification of the investment portfolio is based on the country of institution for current, call and deposit accounts with banks and International Monetary Fund, and on the location of the issuer for securities portfolio. The geographical distribution of the investment portfolio as at 31 December was as follows:

| | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|
| Arab and African Countries | **1,365,636** | 1,299,877 |
| Europe | **1,016,495** | 1,228,696 |
| North America | **452,884** | 371,064 |
| Far East and Pacific | **857,319** | 1,146,650 |
| Supra National Organisations | **78,471** | 103,976 |
| | **3,770,805** | 4,150,263 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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## 23 FINANCIAL INSTRUMENTS

### (a) Maturities of assets and liabilities- 31 December 2023

Maturity analysis of the consolidated assets and liabilities as at 31 December 2023 were as follows:

| | *Total* | *Less than 6 months* | *6 to 12 months* | *1 to 5 years* | *Over 5 years* | *Unspecified maturity* |
|---|---|---|---|---|---|---|
| | | | *AAD 000* | | | |
| **Assets** | | | | | | |
| Cash and cash equivalent | 104,854 | 104,854 | - | - | - | - |
| Term deposits with banks | 1,381,329 | 1,290,671 | 90,658 | - | - | - |
| Securities at fair value | 1,583,820 | 922,880 | 101,193 | 418,378 | 141,369 | - |
| Securities at amortized cost | 588,936 | 409,133 | 75,194 | 97,127 | 7,482 | - |
| Multi- strategy and property funds | 111,866 | 111,866 | - | - | - | - |
| Lines of credit | 138,708 | 92,422 | 38,356 | 7,930 | - | - |
| Loans to Member Countries | 605,549 | 251,510 | 84,268 | 254,895 | - | 14,876 |
| Deposits with central banks | 5,336 | - | - | - | - | 5,336 |
| Investment in related entity | 8,070 | - | - | - | - | 8,070 |
| Accounts receivable and other assets | 54,560 | 41,534 | 2,961 | 2,568 | - | 7,497 |
| | **4,583,028** | **3,224,870** | **392,630** | **780,898** | **148,851** | **35,779** |
| **Liabilities** | | | | | | |
| Deposits from Arab monetary and financial institutions | 2,952,824 | 2,549,504 | 403,320 | - | - | - |
| Forward contracts payable | 10,676 | 10,676 | - | - | - | - |
| Accounts payable and other liabilities | 63,959 | 45,346 | 13,661 | 1,971 | - | 2,981 |
| Net assets attributable to Member Countries | 1,423,541 | - | - | - | - | 1,423,541 |
| Non-controlling interest | 132,028 | - | - | - | - | 132,028 |
| | **4,583,028** | **2,605,526** | **416,981** | **1,971** | **-** | **1,558,550** |
| **Loan commitments** | **123,141** | **-** | **-** | **-** | **-** | **123,141** |

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23 **FINANCIAL INSTRUMENTS** *(continued)*

**(b) Maturities of assets and liabilities- 31 December 2023**

Maturity analysis of the consolidated assets and liabilities as at 31 December 2023 were as follows:

| | *Total* | *Up to 12 Months* | *More than 12 Months* |
|---|---|---|---|
| | | *AAD 000* | |
| **Assets** | | | |
| Cash and cash equivalent | 104,854 | 104,854 | - |
| Term deposits with banks | 1,381,329 | 1,381,329 | - |
| Securities at fair value | 1,583,820 | 1,024,073 | 559,747 |
| Securities at amortized cost | 588,936 | 484,327 | 104,609 |
| Multi- strategy and property funds | 111,866 | 111,866 | - |
| Lines of credit | 138,708 | 130,778 | 7,930 |
| Loans to Member Countries | 605,549 | 335,778 | 269,771 |
| Deposits with central banks | 5,336 | - | 5,336 |
| Investment in related entity | 8,070 | - | 8,070 |
| Accounts receivable and other assets | 54,560 | 44,495 | 10,065 |
| | **4,583,028** | **3,617,500** | **965,528** |
| **Liabilities** | | | |
| Deposits from Arab monetary and financial institutions | 2,952,824 | 2,952,824 | - |
| Forward contracts payable | 10,676 | 10,676 | - |
| Accounts payable and other liabilities | 63,959 | 59,007 | 4,952 |
| Net assets attributable to Member Countries | 1,423,541 | - | 1,423,541 |
| Non-controlling interest | 132,028 | - | 132,028 |
| | **4,583,028** | **3,022,507** | **1,560,521** |
| **Loan commitments** | **123,141** | - | **123,141** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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**23 FINANCIAL INSTRUMENTS** *(continued)*

**b). Maturities of assets and liabilities- 31 December 2022**

Maturity analysis of the consolidated assets and liabilities as at 31 December 2022 were as follows:

| | *Total* | *Less than 6 months* | *6 to 12 months* | *1 to 5 years* | *Over 5 years* | *Unspecified maturity* |
|---|---|---|---|---|---|---|
| | | | *AAD 000* | | | |
| **Assets** | | | | | | |
| Cash and cash equivalent | 382,572 | 382,572 | - | - | - | - |
| Term deposits with banks | 1,086,885 | 1,077,918 | 8,967 | - | - | - |
| Securities at fair value | 1,616,728 | 981,469 | 216,980 | 335,192 | 83,087 | - |
| Securities at amortized cost | 952,586 | 512,825 | 293,835 | 137,078 | 8,848 | - |
| Multi- strategy and property funds | 111,492 | 111,492 | - | - | - | - |
| Lines of credit | 182,579 | 100,008 | 53,025 | 29,546 | - | - |
| Loans to Member Countries | 578,540 | 222,069 | 96,559 | 245,036 | - | 14,876 |
| Deposits with central banks | 5,336 | - | - | - | - | 5,336 |
| Investment in related entity | 8,301 | - | - | - | - | 8,301 |
| Accounts receivable and other assets | 35,433 | 18,278 | 3,684 | 4,117 | 546 | 8,808 |
| | **4,960,452** | **3,406,631** | **673,050** | **750,969** | **92,481** | **37,321** |
| **Liabilities** | | | | | | |
| Deposits from Arab monetary and financial institutions | 3,376,101 | 2,461,127 | 914,974 | - | - | - |
| Forward contracts payable | 9,233 | 9,233 | - | - | - | - |
| Accounts payable and other liabilities | 44,296 | 21,456 | 17,805 | 1,105 | 3,930 | - |
| Net assets attributable to Member Countries | 1,400,733 | - | - | - | - | 1,400,733 |
| Non-controlling interest | 130,089 | - | - | - | - | 130,089 |
| | **4,960,452** | **2,491,816** | **932,779** | **1,105** | **3,930** | **1,530,822** |
| **Loan commitments** | **33,748** | - | - | - | - | **33,748** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS** (*continued*)

**b). Maturities of assets and liabilities- 31 December 2022** (*continued*)

Maturity analysis of the consolidated assets and liabilities as at 31 December 2022 were as follows:

| | *Total* | *Up to 12 Months* | *More than 12 Months* |
|---|---|---|---|
| | | *AAD 000* | |
| **Assets** | | | |
| Cash and cash equivalent | 382,572 | 382,572 | - |
| Term deposits with banks | 1,086,885 | 1,086,885 | - |
| Securities at fair value | 1,616,728 | 1,198,449 | 418,279 |
| Securities at amortized cost | 952,586 | 806,660 | 145,926 |
| Multi- strategy and property funds | 111,492 | 111,492 | - |
| Lines of credit | 182,579 | 153,033 | 29,546 |
| Loans to Member Countries | 578,540 | 318,628 | 259,912 |
| Deposits with central banks | 5,336 | - | 5,336 |
| Investment in related entity | 8,301 | - | 8,301 |
| Accounts receivable and other assets | 35,433 | 21,962 | 13,471 |
| | **4,960,452** | **4,079,681** | **880,771** |
| **Liabilities** | | | |
| Deposits from Arab monetary and financial institutions | 3,376,101 | 3,376,101 | - |
| Forward contracts payable | 9,233 | 9,233 | - |
| Accounts payable and other liabilities | 44,296 | 39,260 | 5,036 |
| Net assets attributable to Member Countries | 1,400,733 | - | 1,400,733 |
| Non-controlling interest | 130,089 | - | 130,089 |
| | **4,960,452** | **3,424,594** | **1,535,858** |
| **Loan commitments** | **33,748** | **-** | **33,748** |

**(c) Credit risk management and concentration of credit risk**

For all classes of financial instruments, the maximum credit risk exposure is the carrying value as disclosed in the consolidated financial statements at the consolidated statement of financial position date.

Investments accounted for at amortized cost are concentrated in highly rated debt securities with lower risks. Loans are extended by the Fund to Member Countries in order to correct disequilibria in their balance of payments and to finance structural adjustment programs in those countries. Lines of credit are extended by the Arab Trade Financing Program to provide financing to Arab exporters and importers in the Member Countries with a view to promoting and developing intra-Arab trade in line with its mandate.

The Fund and the Arab Trade Financing Program seek to contain their exposure to credit risk relating to their financing activities through the implementation of policies and procedures that are designed to maintain the exposures within pre-defined limits. These limits have been set on the basis of the type of loans and the Member Countries' subscription to capital in convertible currencies and the credit rating of the counterparties. Accordingly, the occurrence of expected credit loss is unlikely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS** (*continued*)

**(c) Credit risk management and concentration of credit risk** (*continued*)

Included in the consolidated financial statements provisions of AAD 10,988 thousand as at 31 December 2023 *(2022: AAD 1,713 thousand)* for expected credit loss recognized on time deposits, debt instruments, in addition to the lines of credit extended by the Arab Trade Financing Program.

For credit risk management purposes, the fund classifies its financial instruments into investment and non-investment grade exposures. The fund definition of "investment grade" is consistent with the globally understood definition- i.e.- financial exposures with credit rating of BBB and above are classified as investment grades, and those with rating less than BBB are classified as non- investment grades.

The fund provides loans only to its member countries. The balance of the outstanding loans to one of the member countries represents 41% of the total loans outstanding as on 31 December 2023.

Analysis of the Fund's credit risk exposures by class of financial asset is provided in the following tables as at 31 December 2023 and 31 December 2022 respectively:

| | *(AAD 000)* | | | |
|---|---|---|---|---|
| | 2023 | | | |
| **Credit Rating** | **Stage (1)** | **Stage (2)** | **Stage (3)** | **Total** |
| **Loans to Member Countries (*)** | | | | |
| Outstanding Loans | 421,192 | - | 191,007 | 612,199 |
| ECL | - | - | (6,650) | (6,650) |
| **Net of ECL** | **421,192** | - | **184,357** | **605,549** |
| | | | | |
| **Lines of Credits** | | | | |
| Sovereign Authorities | 99,130 | - | - | 99,130 |
| Commercial Banks | 41,850 | - | - | 41,850 |
| **Total** | 140,980 | - | - | 140,980 |
| ECL | (2,272) | - | - | (2,272) |
| **Net of ECL** | **138,708** | - | - | **138,708** |
| | | | | |
| **Deposit with banks** | | | | |
| Investment Grade | 1,430,754 | - | - | 1,430,754 |
| Non-investment Grade | 41,714 | - | - | 41,714 |
| Not rated | 2,733 | - | - | 2,733 |
| Total | 1,475,201 | - | - | 1,475,201 |
| ECL | (430) | - | - | (430) |
| **Net of ECL** | **1,474,771** | - | - | **1,474,771** |
| | | | | |
| **Investments Securities** | | | | |
| Investment Grade | 2,089,573 | - | - | 2,089,573 |
| Non-investment Grade | 84,819 | - | - | 84,819 |
| Not rated | - | - | - | - |
| Total | 2,174,392 | - | - | 2,174,392 |
| ECL | (1,636) | - | - | (1,636) |
| **Net of ECL** | **2,172,756** | - | - | **2,172,756** |

(*) The Fund does not classify its loans to Member Countries according to the rating used by the rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS** *(continued)*

**(c) Credit risk management and concentration of credit risk** *(continued)*

(AAD 000)

| | 2022 | | | |
|---|---|---|---|---|
| **Credit Rating** | **Stage (1)** | **Stage (2)** | **Stage (3)** | **Total** |
| **Loans to Member Countries (*)** | | | | |
| Outstanding Loans | 387,533 | - | 191,007 | 578,540 |
| ECL | - | - | - | - |
| **Net of ECL** | **387,533** | - | **191,007** | **578,540** |
| **Lines of Credits** | | | | |
| Sovereign Authorities | 140,513 | - | - | 140,513 |
| Commercial Banks | 42,485 | - | - | 42,485 |
| **Total** | 182,998 | - | - | 182,998 |
| ECL | (419) | - | - | (419) |
| **Net of ECL** | **182,579** | - | - | **182,579** |
| **Deposit with banks** | | | | |
| Investment Grade | 1,407,061 | - | - | 1,407,061 |
| Non-investment Grade | 36,193 | - | - | 36,193 |
| Not rated | 14,527 | - | - | 14,527 |
| Total | 1,457,781 | - | - | 1,457,781 |
| ECL | (215) | - | - | (215) |
| **Net of ECL** | **1,457,566** | - | - | **1,457,566** |
| **Investments Securities** | | | | |
| Investment Grade | 2,473,533 | - | - | 2,473,533 |
| Non-investment Grade | 96,860 | - | - | 96,860 |
| Not rated | - | - | - | - |
| Total | 2,570,393 | - | - | 2,570,393 |
| ECL | (1,079) | - | - | (1,079) |
| **Net of ECL** | **2,569,314** | - | - | **2,569,314** |

(*) The Fund does not classify its loans to Member Countries according to the rating used by the rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS (*continued*)**

**(c) Credit risk management and concentration of credit risk (*continued*)**

The movement of gross exposure for the year 2023 and 2022 is as follows:

(AAD 000)

| | 2023 | | | |
|---|---|---|---|---|
| | Stage (1) | Stage (2) | Stage (3) | Total |
| **Loans to Member Countries** | | | | |
| **Balance at 01 January** | **387,533** | - | **191,007** | **578,540** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Withdrawals during the year | 187,498 | - | - | 187,498 |
| Repayments during the year | (153,839) | - | - | (153,839) |
| **Balance at 31 December** | **421,192** | - | **191,007** | **612,199** |
| | | | | |
| **Lines of Credits** | | | | |
| **Balance at 01 January** | **182,998** | - | - | **182,998** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Withdrawals during the year | 167,043 | - | - | 167,043 |
| Repayments during the year | (207,583) | - | - | (207,583) |
| Foreign exchange difference | (1,478) | - | | (1,478) |
| **Balance at 31 December** | **140,980** | - | - | **140,980** |
| | | | | |
| **Deposit with banks** | | | | |
| **Balance at 01 January** | **1,457,781** | - | - | **1,457,781** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Originated during the year | 18,409,148 | - | - | 18,409,148 |
| Sold/matured during the year | (18,384,188) | - | - | (18,384,188) |
| Foreign exchange difference | (7,540) | - | - | (7,540) |
| **Balance at 31 December** | **1,475,201** | - | - | **1,475,201** |
| | | | | |
| **Investments Securities** | | | | |
| **Balance at 01 January** | **2,570,393** | - | - | **2,570,393** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Originated during the year | 3,401,768 | - | - | 3,401,768 |
| Sold/matured during the year | (3,773,574) | - | - | (3,773,574) |
| Foreign exchange difference | (24,195) | - | - | (24,195) |
| **Balance at 31 December** | **2,174,392** | - | - | **2,174,392** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

23 **FINANCIAL INSTRUMENTS** (*continued*)

(c) **Credit risk management and concentration of credit risk** (*continued*)

(AAD 000)

| | 2022 | | | |
|---|---|---|---|---|
| | Stage (1) | Stage (2) | Stage (3) | Total |
| **Loans to Member Countries** | | | | |
| **Balance at 01 January** | **405,429** | - | **191,007** | **596,436** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Withdrawals during the year | 110,035 | - | - | 110,035 |
| Repayments during the year | (127,931) | - | - | (127,931) |
| **Balance at 31 December** | **387,533** | - | **191,007** | **578,540** |
| **Lines of Credits** | | | | |
| **Balance at 01 January** | **183,100** | - | - | **183,100** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Withdrawals during the year | 227,217 | - | - | 227,217 |
| Repayments during the year | (236,778) | - | - | (236,778) |
| Foreign exchange difference | 9,459 | - | | 9,459 |
| **Balance at 31 December** | **182,998** | - | - | **182,998** |
| **Deposit with banks** | | | | |
| **Balance at 01 January** | **1,201,352** | - | - | **1,201,352** |
| Change Attributable to: | | | | |
| Transfers between stages | - | - | - | - |
| Originated during the year | 17,969,402 | - | - | 17,969,402 |
| Sold/matured during the year | (17,766,169) | - | - | (17,766,169) |
| Foreign exchange difference | 53,196 | - | - | 53,196 |
| **Balance at 31 December** | **1,457,781** | - | - | **1,457,781** |
| **Investments Securities** | | | | |
| **Balance at 01 January** | **2,521,104** | - | - | **2,521,104** |
| Change Attributable to: | | | | |
| Transfers between stages | | | | |
| Originated during the year | 3,913,580 | - | - | 3,913,580 |
| Sold/matured during the year | (3,949,037) | - | - | (3,949,037) |
| Foreign exchange difference | 84,746 | - | - | 84,746 |
| **Balance at 31 December** | **2,570,393** | - | - | **2,570,393** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS** (*continued*)

**d) Movement of expected credit losses**

Following table shows the movement of expected credit loss (ECL) by instrument type:

| | 12-Month expected Credit loss | |
|---|---|---|
| | **2023** | 2022 |
| | **AAD 000** | AAD 000 |
| **Time deposits** | | |
| Balance at 1 January | **215** | 146 |
| Changes in ECL during the year | **215** | 69 |
| Balance at 31 December | **430** | 215 |
| **Investments** | | |
| Balance at 1 January | **1,079** | 1,098 |
| Changes in ECL during the year | **557** | (19) |
| Balance at 31 December | **1,636** | 1,079 |
| **Lines of Credit** | | |
| Balance at 1 January | **419** | 459 |
| Changes in ECL during the year | **1,853** | (40) |
| Balance at 31 December | **2,272** | 419 |
| **Loans** | | |
| Balance at 1 January | **-** | - |
| Changes in ECL during the year | **6,650** | - |
| Balance at 31 December | **6,650** | - |
| **Total** | | |
| Balance at 1 January | **1,713** | 1,703 |
| Changes in ECL during the year | **9,275** | 10 |
| **Balance at 31 December** | **10,988** | 1,713 |

**(e) Interest rate risk management**

The risk of interest rate volatility for the Fund and its Subsidiaries is very limited, as its being managed through revising the interest on lines of credit and loans to Member Countries and through maturity date management techniques for investments at amortized cost and repayment periods for investment at fair value.

The following sensitivity test table is showing the effect on net assets attributable to Member Countries and non-controlling interest and the consolidated statement of comprehensive income, resulting from a change of 25 basis points in interest rates on financial assets and financial liabilities tied to floating interest rates, with other variables remaining unchanged:

| | *Change in basis points* | *2023 AAD 000* | *2022 AAD 000* |
|---|---|---|---|
| Effect on net operating profile | 25 | **1,415** | 924 |
| net assets attributable to Member Countries and non-controlling interest | 25 | **1,741** | 1,213 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

## 23 FINANCIAL INSTRUMENTS (*continued*)

### (f) Fair value risk management

The fair value of the financial assets and liabilities is almost equal to their book values as shown in the consolidated financial statements and the fair value risk is being managed by diversifying the components of the assets.

The fair value of loans to Member Countries as defined under IFRS 13 cannot be determined due to their unique characteristics and the absence of a principal or most advantageous market of these loans.

The book value of the lines of credit, term deposits with banks, current and call accounts, accounts receivables and other assets, accounts payable and other liabilities, are reasonable estimates of their fair value due to their short-term nature.

### (g) Foreign currency risk

The Fund principally manages currency risk by substantially maintaining its assets in AAD that are closely aligned to the components of the SDR basket of currencies, matching deposits received with deposits placed in terms of currency and maturity, and also through the use of forward foreign exchange contracts. The Fund and Subsidiaries manage currency risk by hedging financial assets and liabilities denominated in currencies other than base currency against exchange rates fluctuations by using forward foreign exchange contracts, within the limits specified in the investment policy. As such exchange risk is minimal.

### (h) Liquidity risk management

Fund is exposed to the risk of not meeting the financing needs of Member Countries, honouring own obligations in a timely manner. Resources to meet Members Countries demand for financing need to be readily available. Moreover, uncertainties in the timing and amount of credit extended to Members Countries during financial crises expose the Fund to liquidity risk and it must stand ready to provide resources for unexpected needs.

The Fund manages its liquidity risk by closely monitoring developments in its liquidity position, and closely following economic and financial development in Member Countries to better forecast their financing needs.

The Fund may periodically invest in forward currency swap contracts and debt securities that are traded over the counter and equity in multi-strategy funds and real estate funds that are not traded in an active market. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The liquidity risk is being managed by diversification in the components of assets, taking in consideration due dates of liabilities, liquidity requirements and by retaining enough balances of cash, cash equivalents and tradeable debt securities.

Maturity analysis of the fund's financial liabilities is as follows:

| | *Total* | *Less than Three months* | *Three to six months* | *Six to Twelve months* |
|---|---|---|---|---|
| **31 December 2023** | | | | |
| Deposits from Arab Monetary and financial institutions | 2,952,824 | 2,085,573 | 463,931 | 403,320 |
| Interest on deposit from Arab Monetary and financial institutions | 41,254 | 33,483 | 5,755 | 2,016 |
| | **2,994,078** | **2,119,056** | **469,686** | **405,336** |
| **31 December 2022** | | | | |
| Deposits from Arab Monetary and financial institutions | 3,376,101 | 1,811,202 | 649,925 | 914,974 |
| Interest on deposit from Arab Monetary and financial institutions | 75,605 | 25,363 | 8,970 | 41,272 |
| | **3,451,706** | **1,836,565** | **658,895** | **956,246** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

**23 FINANCIAL INSTRUMENTS (*continued*)**

**(i) Capital risk management**

Capital is being managed in a way to achieve the main objectives of the Fund and its Subsidiaries as stated in the Fund's Articles of Agreement and the Subsidiaries' Articles of Association. This is being fulfilled by diversifying and managing the components of the assets taking into consideration due dates and costs of liabilities, in order to generate a return that supports the financial position through what gets allocated to their reserves to expand operations, in addition to Arab Trade Financing Program obligation to distribute cash dividends to its shareholders. The capital base is composed of capital and reserves as detailed in the net assets attributable to Member Countries and non-controlling interest in the Subsidiaries.

**(j) Price risk management**

The Fund is exposed to debt securities price risk and forward currency swap contracts price risk, this arises from investments held by the Fund for which prices in the future are uncertain. Where financial instruments are denominated in currencies other than AAD, the price initially expressed in foreign currency and then converted into AAD will also fluctuate because of changes in foreign exchange rates. Note (f) "Foreign currency risk" above sets out how this component of price risk is managed and measured. The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the management of the Fund.

The Fund's policy requires that the overall market position is monitored on a daily basis and is reviewed on a quarterly basis by the management of the Fund.

# Organizational Structure

## Organizational Structure

AMF's Organizational Structure consists of: The Board of Governors, the Board of Executive Directors, and the Director General Chairman of the Board of Executive Directors.

## The Board of Governors

The Board of Governors consists of the Governor and Deputy Governor appointed by each Member Country in the AMF, and the Board shall elect its chairman from among its members on a rotational basis. The Board of Governors is considered the General Assembly of the AMF and has all the administration authorities. The Board of Governors of the AMF meets annually, in the first half of each year, in or outside the headquarters country. The following table shows the composition of the Board of Governors of the AMF, as of December 31st, 2023:

| Member Countries | | Governors and Deputy Governors |
|---|---|---|
| Hashemite Kingdom of Jordan | Governor | H.E. Dr. Adel Ahmed Ismail Al-Sharkas |
| | Deputy Gov. | H.E. Dr Mohammad Mahmoud Al Ississ |
| United Arab Emirates | Governor | H.E. Mohammed bin Hadi Al Husseini |
| | Deputy Gov. | H.E. Khaled Mohamed Balama |
| Kingdom of Bahrain | Governor | H.E. Sheikh Salman Bin Khalifa Al Khalifa |
| | Deputy Gov. | H.E. Rashid Mohammed Al Mearaj |
| Republic of Tunisia | Governor | H.E. Dr. Marouane El Abassi |
| | Deputy Gov. | H.E. Mourad Abdesslem |
| People's Democratic Republic of Algeria | Governor | H.E. Laaziz Fayed (1) |
| | Deputy Gov. | H.E. Salah Eddine Taleb |
| Republic of Djibouti | Governor | H.E. Isman Ibrahim Robleh |
| | Deputy Gov. | H.E Ahmed Osman Ali |
| Kingdom of Saudi Arabia | Governor | H.E. Mohammed Bin Abdullah Al-Jadaan |
| | Deputy Gov. | H.E. Ayman Bin Mohammed Alsayari (2) |
| Republic of the Sudan | Governor | H.E. Dr. Gibril Ibrahim Mohammed |
| | Deputy Gov. | H.E. Barei Ahmed (3) |
| Syrian Arab Republic | Governor | H.E. Dr. Kenan Yaghi |
| | Deputy Gov. | H.E. Dr. Muhammad Essam Hazimeh |
| Federal Republic of Somalia | Governor | H.E. Bihi Iman Ige (4) |
| | Deputy Gov. | H.E. Abdirahman Mohamed Abdullahi |
| Republic of Iraq | Governor | H.E. Dr. Ali Mohsen Ismail Al-Alaq (5) |
| | Deputy Gov. | H.E. Ghufran Kadhim Neamah (6) |

| Member Countries | | Governors and Deputy Governors |
|---|---|---|
| Sultanate of Oman | Governor | H.E. Sultan bin Salim Al Habsi |
| | Deputy Gov. | H.E. Tahir bin Salim bin Abdullah Al Amri |
| State of Palestine | Governor | H.E. Dr. Firas Melhem [7] |
| | Deputy Gov. | H H.E. Farid Ahmad Ghannam [8] |
| State of Qatar | Governor | H.E. Ali bin Ahmed Al Kuwari |
| | Deputy Gov. | H.E. Sheikh Bandar bin Mohammed bin Saoud Al-Thani |
| Union of Comoros | Governor | H.E Mze Abdou Mohamed Chanfiou |
| | Deputy Gov. | H.E. Younoussa Imani |
| State of Kuwait | Governor | H.E. Fahd Abdulaziz Al-Jarallah [9] |
| | Deputy Gov. | H.E. Basel Al-Haroon |
| Republic of Lebanon | Governor | H.E. Dr. Wassim Manssouri[10] |
| | Deputy Gov. | H.E. Bachir Yakzan [11] |
| State of Libya | Governor | H.E. Saddek Omar Elkaber |
| | Deputy Gov. | H.E. Naji Mohammed Issa |
| Arab Republic of Egypt | Governor | H.E. Hassan Abdullah |
| | Deputy Gov. | H.E. Dr. Mohamed Maait |
| Kingdom of Morocco | Governor | H.E. Nadia Fettah |
| | Deputy Gov. | H.E. Abdellatif Jouahri |
| Islamic Republic of Mauritania | Governor | H.E. Mohamed Lemine Dhehby |
| | Deputy Gov. | H.E. Filaly Mohamed Filaly |
| Republic of Yemen | Governor | H.E. Salim Saleh Bin Buriek |
| | Deputy Gov. | H.E. Ahmad Ahmad Ghaleb |

1 Replacing H.E. Brahim Djamel Kessali, as of March 2023.
2 Replacing H.E. Dr. Fahad Abdullah al-Mubarak, as of February 2023.
3 Replacing H.E. Hussein Yahya Jangoul, as of May 2023.
4 Replacing H.E. Dr. Elmi Mohamud Nur, as of July 2023.
5 Replacing H.E. Mustafa Ghaleb Makhaif, as of January 2023.
6 Replacing H.E. Dr. Salahuddin Hamid Juaatta, as of January 2023.
7 Replacing H.E. Dr. Mohamed Mustafa, as of February 2023.
8 Replacing H.E. Major General Talal Dwikat, as of September 2023.
9 Replacing H.E Dr. Saad Hamad Nasser Al-Barrak, as of Sept. 2023, who replaced H.E. Manaf Abdulaziz Al-Hajeri, who replaced H.E Abdul Wahab Al-Rasheed.
10 Replacing H.E. Riad Toufic Salame, as of August 2023.
11 Replacing H.E. Dr. Wassim Manssouri, as of August 2023.

## The Board of Executive Directors

The Board of Executive Directors is composed of the Director General of the AMF as Chairman and eight non-resident members elected by the Board of Governors for a renewable term of three years. The Board is entrusted with the oversight of the AMF's activities and renders advice when deemed necessary. The following table shows the composition of the Board of Executive Directors for (2022-2025), as of the end of December 2023:

| Executive Directors | Country/Countries represented | Voting power (%) |
|---|---|---|
| H.E. Fahad M. Alturki, PhD | Director General Chairman of the Board of Executive Directors | |
| H.E. Dr. Ryadh Mohammed Alkhareif | Kingdom of Saudi Arabia | 13.96 |
| H.E. Ali Bouharaoua | People's Democratic Republic of Algeria | 12.27 |
| H.E. Mazen Sabah Ahmed | Republic of Iraq | 12.27 |
| H.E. Samia Gurashi Eltyab Omer (Sudan) | Arab Republic of Egypt | *19.65 |
| | Republic of Yemen | |
| | Republic of the Sudan | |
| | Federal Republic of Somalia | |
| | Republic of Djibouti | |
| | Union of Comoros | |
| H.E. Faisal Fahad Abdulaziz Almuzaini (Kuwait) | State of Kuwait | 15.13 |
| | United Arab Emirates | |
| H.E. Abdelali Eddebbagh (Morocco) | Kingdom of Morocco | 12.87 |
| | State of Libya | |
| | Republic of Tunisia | |
| | Islamic Republic of Mauritania | |
| H.E. Dr. Qais bin Issa Alyahyai (Oman) | State of Qatar | 6.77 |
| | Kingdom of Bahrain | |
| | Sultanate of Oman | |
| Dr. Nedal Issa Al- Azzam (Jordan) | Syrian Arab Republic | 7.07 |
| | Hashemite Kingdom of Jordan | |
| | Republic of Lebanon | |
| | State of Palestine | |

* The above voting power is affected by the temporary suspension of the voting power of Somalia.

## AMF Executive Management

The Board of Governors appoints a Director General of the AMF for a renewable five-year term. The General Director of the AMF chairs the meetings of the Board of Executive Directors. The Director General of the AMF is considered the Supreme Chief of the AMF's staff and is responsible for all its operations. He/she submits an annual report on the AMF's operations to the Board of Governors at its regular annual meeting. The Director General is assisted, in the accomplishment of the AMF's operations, by technical staff in several departments. In addition to departments, the organizational structure includes an internal audit office and a Strategy and Evaluation Unit. Five committees have also been established, two of which are standing committees, namely the Loan and Investment Committees provided for in the Agreement establishing the AMF, in addition to the Administrative Committee set up under the Workers' Statute, approved by the Board of Executive Directors, and adopted by the Board of Governors, as well as the Risk Management Committee, in addition to the Audit and Risk Committee under the Board of Executive Directors.

# Appendices

**Appendix (1)**

## Categories of Loans and Facilities

The loans and facilities provided by the AMF include two major groups. The first group contributes to addressing the imbalances in Member Countries' balance of payments, while the second group is provided to support reforms in several economic sectors.

Loans and facilities offered by the AMF to address the Member Countries' imbalances in their balance of payments are Automatic loans, ordinary loans, extended loans, compensation loans, oil facilities, and short-term liquidity facilities.

Regarding the **Automatic Loan,** it is extended to contribute to financing the overall deficit in the balance of payments, up to 75 percent maximum of its subscription in the AMF's capital, paid in convertible currencies. This loan is a three-year term, and it is not conditional on the implementation of an economic reform program.

As for the **Ordinary Loan,** a Member Country is eligible to borrow when its resource requirement exceeds 75 percent of its paid subscription in convertible currencies, up to 100 percent of the Member Country's paid subscription in convertible currencies which can be expanded, up to a maximum of 175 percent, by adding automatic loan limits.

To obtain an Ordinary Loan, an agreement with the borrowing Member Country on a financial correction program that is valid for not less than a year is required.
The policies and procedures included in this program are aimed at working on fiscal rebalancing to reduce the balance of payments deficit. Each payment shall be made from the regular loan within five years from the date of its withdrawal.

Regarding the **Extended loan,** it is provided to a Member Country qualifying for borrowing in the event of a chronic deficit in its balance of payments, resulting from a structural imbalance in the economy. It requires an agreement between the AMF and the borrowing Member Country on a comprehensive economic adjustment program for at least two years. This loan provides up to 175 percent of the Member Country's subscription in convertible currencies and could be expanded to a maximum of 250 percent by adding the automatic loan limits thereto. Each payment of the said loan shall be made within seven years of the date of its withdrawal.

As for the **Compensatory Loan,** it is extended to assist a Member Country experiencing an emergency in its balance of payments, resulting from the decline in the revenues of its exports of goods and services and/or a significant increase in the value of its imports of agricultural products, due to the regression of the domestic production of crops. The maximum amount of this loan, of which the term covers three years, is 100 percent of the Member Country's subscription in convertible currencies. The compensatory loan requires that any decline in exports or the increase in agricultural imports be an urgent and temporary situation. The loan shall be repaid within three years from the date of withdrawal.

In terms of an **Oil facility**, it was established by the Board of Governors' decision No. (3/2007), which was adopted on the recommendation of the Board of Executive Directors in its decision No. (1/2007), as a temporary lending mechanism for five years from its inception, to provide support to Member Countries affected by high import prices of oil and natural gas products, and to assist them in implementing appropriate reforms that enhance their capacity to cope with external shocks.

The rules governing the granting of loans in the framework of oil facility included that the facility is offered to eligible countries, up to a maximum of 100 percent of the subscription paid in convertible currencies and could be provided with a maximum of 200 percent of the subscription paid in convertible currencies, provided that the Member Country agrees with the AMF to implement a reform program. The loan is to be repaid within the framework of the oil facility within a maximum period of four years from the date of withdrawal.

According to Executive Directors Council Resolution No. (2/2017), dated March 13, 2017, the Loan Committee's recommendations to consider the oil facility as expired were approved, and the possibility of re-establishing future facility according to oil price developments in world markets was considered, following approval by the Board of Governors for re-operation.

As for **short-term liquidity facility**, it is a lending mechanism to help Member Countries meet temporary liquidity challenges caused by developments in global financial markets. Loans are provided in a manner that is fast and without the requirement of agreement with the qualified Member Country on a reform program, up to a maximum of 100 percent of the subscription is paid in convertible currencies, and the loan amount is withdrawn in one payment or instalments at the request of the borrowing Member State. Each payment shall be made six months after the date of its withdrawal, with the possibility of extending the same period up to two times.

It is noteworthy that the short-term liquidity facility was established according to the Board of Governors' decision No. (4) for the year 2009. The rules governing the facility were also adopted by Executive Board decision No. (13) for the year 2009. According to Executive Board decision No. (2) of 2017 the extension of the facility was approved for a three-year interim period, after which consideration would be given to activating the facility permanently, extending it for another temporary period, or suspending it.

**The Second Group of loans and facilities** is related to available loans and facilities to support reforms in several economic sectors. These include the structural adjustment facility, trade reform facility, and the SMEs Conducive Environment Support Facility.

Regarding the **structural adjustment facility,** it was introduced in 1998, since loans provided under such facility focus on providing support to reforms implemented by borrowing Member Countries in the financial and banking sector, and the public finance sector. Loans under this facility require that the borrowing member has already initiated structural reform efforts and has achieved an appropriate degree of macroeconomic stability. The facility shall be provided after agreeing on a structural reform program, and its implementation will be followed up by the AMF.

According to the Board of Governors' decision No. (4/2009), the two tiers of the facility (the financial and banking sector, and the public finance sector) were separated so that the maximum borrowing within the framework of each tier reached 175 percent of the member's paid subscription in convertible currencies, and each instalment of the loan is repaid over four years from the date of its withdrawal.

As for the **Trade Reform Facility,** which was endorsed by the AMF's Board of Governors in 2007, provides support to Member Countries in overcoming burdens that could ensue from trade reform policies and procedures, and to back up the necessary reforms to raise their ability to utilize the loans provided by international financial markets, to promote growth and create productive employment opportunities.

The facility shall be provided up to a maximum of 175 percent of the Member Country's subscription in convertible currencies, after agreeing on an appropriate structural reform program, the implementation of which shall be followed up by the AMF. Each payment shall be made from the regular loan within four years from the date of its withdrawal.

As for the **Facility of SMEs Conducive Environment Support,** it was introduced by the AMF in 2016, to support the reforms in the SMEs sector, knowing the important role that companies working in this sector play in driving economic growth and providing employment opportunities. Loans under the facility are provided up to 100 percent of the subscription paid in convertible currencies, and each payment of the loan shall be made over four years from the date of its withdrawal.

## Appendix (2)

# Loans Extended to Member Countries

**Table (1-A) : Loans Extended to Member Ccountries (1978 - 2023)**

(Thousands of AAD)

| Year | Loan No. | Country | Automatic | Ordinary | Extended | Compensatory | Trade Facility | Oil Facility | Structural Adjustment | SMEs Facility | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1978** | 1 | Egypt | 4,688 | | | | | | | | |
| | 2 | Sudan | 1,875 | | | | | | | | |
| | | | **6,563** | **0** | **0** | **0** | **0** | **0** | **0** | | **6,563** |
| **1979** | 3 | Mauritania | 750 | | | | | | | | |
| | 4 | Morocco | 1,875 | | | | | | | | |
| | 5 | Syria | 750 | | | | | | | | |
| | 6 | Sudan | 1,875 | | | | | | | | |
| | 7 | Sudan | | | 11,250 | | | | | | |
| | | | **5,250** | **0** | **11,250** | **0** | **0** | **0** | **0** | | **16,500** |
| **1980** | 8 | Mauritania | 750 | | | | | | | | |
| | 9 | Mauritania | | 4,500 | | | | | | | |
| | 10 | Somalia | 1,500 | | | | | | | | |
| | 11 | Sudan | | | | 5,000 | | | | | |
| | | | **2,250** | **4,500** | **0** | **5,000** | **0** | **0** | **0** | | **11,750** |
| **1981** | 12 | Yemen | 2,940 | | | | | | | | |
| | 13 | Morocco | 1,875 | | | | | | | | |
| | 14 | Morocco | | | 31,850 | | | | | | |
| | 15 | Morocco | 3,600 | | | | | | | | |
| | 16 | Yemen | | 8,820 | | | | | | | |
| | 17 | Morocco | | | | 9,800 | | | | | |
| | 18 | Somalia | 1,440 | | | | | | | | |
| | 19 | Somalia | | | 12,740 | | | | | | |
| | 20 | Sudan | 1,875 | | | | | | | | |
| | 21 | Yemen | 3,675 | | | | | | | | |
| | | | **15,405** | **8,820** | **44,590** | **9,800** | **0** | **0** | **0** | | **78,615** |
| **1982** | 22 | Sudan | | | 5,000 | | | | | | |
| | 23 | Sudan | 3,600 | | | | | | | | |
| | 24 | Mauritania | 2,190 | | | | | | | | |
| | 25 | Morocco | 1,875 | | | | | | | | |
| | 26 | Syria | 2,940 | | | | | | | | |
| | 27 | Mauritania | | | 8,240 | | | | | | |
| | 28 | Yemen | 3,675 | | | | | | | | |
| | 29 | Yemen | | | | 3,920 | | | | | |
| | | | **14,280** | **0** | **13,240** | **3,920** | **0** | **0** | **0** | | **31,440** |
| **1983** | 30 | Iraq | 27,930 | | | | | | | | |
| | 31 | Sudan | | | | 4,800 | | | | | |
| | 32 | Sudan | 1,875 | | | | | | | | |
| | 33 | Yemen | | | | | 3,920 | | | | |
| | 34 | Mauritania | 750 | | | | | | | | |
| | 35 | Iraq | | | | 27,000 | | | | | |
| | 36 | Syria | | | | | 3,000 | | | | |
| | 37 | Jordan | 3,990 | | | | | | | | |
| | 38 | Jordan | | | | | 1,960 | | | | |
| | 39 | Yemen | | 5,700 | | | | | | | |
| | | | **34,545** | **5,700** | **0** | **31,800** | **8,880** | **0** | **0** | | **80,925** |
| **1984** | 40 | Somalia | 1,500 | | | | | | | | |
| | 41 | Yemen | | | | | 4,900 | | | | |
| | 42 | Sudan | | | 4,335 | | | | | | |
| | 43 | Morocco | 1,875 | | | | | | | | |
| | 44 | Yemen | 3,690 | | | | | | | | |
| | | | **7,065** | **0** | **4,335** | **0** | **4,900** | **0** | **0** | | **16,300** |
| **1985** | 45 | Yemen | 3,975 | | | | | | | | |
| | 46 | Morocco | 3,600 | | | | | | | | |
| | 47 | Morocco | 3,750 | | | | | | | | |
| | 48 | Yemen | | | | 5,100 | | | | | |
| | 49 | Jordan | 1,050 | | | | | | | | |
| | 50 | Jordan | | | | 2,660 | | | | | |
| | 51 | Jordan | | | | | 700 | | | | |
| | 52 | Mauritania | 2,190 | | | | | | | | |
| | 53 | Iraq | 27,930 | | | | | | | | |
| | | | **42,495** | **0** | **0** | **7,760** | **700** | **0** | **0** | | **50,955** |

**Table (1-B) : Loans Extended to Member Ccountries (1978 - 2023) (Cont.)**

(Thousands of AAD)

| Year | Loan No. | Country | Automatic | Ordinary | Extended | Compensatory | Trade Facility | Oil Facility | Structural Adjustment | SMEs Facility | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1986** | 54 | Yemen | 3,675 | | | | | | | | |
| | 55 | Morocco | 1,875 | | | | | | | | |
| | 56 | Syria | 2,940 | | | | | | | | |
| | 57 | Syria | 2,400 | | | | | | | | |
| | 58 | Morocco | | 6,250 | | | | | | | |
| | 59 | Morocco | | | | | 2,500 | | | | |
| | 60 | Mauritania | | | 3,250 | | | | | | |
| | 61 | Mauritania | 1,500 | | | | | | | | |
| | 62 | Tunisia | 3,675 | | | | | | | | |
| | 63 | Jordan | 3,990 | | | | | | | | |
| | 64 | Tunisia | 1,500 | | | | | | | | |
| | | | **21,555** | **6,250** | **3,250** | **0** | **2,500** | **0** | **0** | | **33,555** |
| **1987** | 65 | Tunisia | | | | | 3,450 | | | | |
| | 66 | Yemen | | 2,500 | | | | | | | |
| | 67 | Iraq | | | | | 18,620 | | | | |
| | | | **0** | **2,500** | **0** | **0** | **22,070** | **0** | **0** | | **24,570** |
| **1988** | 68 | Morocco | 1,875 | | | | | | | | |
| | 69 | Yemen | 3,690 | | | | | | | | |
| | 70 | Jordan | | | | | 1,960 | | | | |
| | 71 | Morocco | 7,350 | | | | | | | | |
| | 72 | Algeria | | | | | 18,620 | | | | |
| | 73 | Mauritania | | | | 2,460 | | | | | |
| | 74 | Yemen | | 6,150 | | | | | | | |
| | 75 | Egypt | 4,687 | | | | | | | | |
| | 76 | Yemen | 3,975 | | | | | | | | |
| | 77 | Mauritania | 2,190 | | | | | | | | |
| | 78 | Yemen | | | | | 5,100 | | | | |
| | 79 | Syria | | 8,200 | | | | | | | |
| | 80 | Algeria | 27,930 | | | | | | | | |
| | 81 | Iraq | 27,930 | | | | | | | | |
| | | | **79,627** | **14,350** | **0** | **2,460** | **25,680** | **0** | **0** | | **122,117** |
| **1989** | 82 | Iraq | 3,300 | | | | | | | | |
| | 83 | Jordan | | 5,320 | | | | | | | |
| | 84 | Egypt | 5,250 | | | | | | | | |
| | 85 | Morocco | | | 17,150 | | | | | | |
| | 86 | Algeria | | 41,640 | | | | | | | |
| | | | **8,550** | **46,960** | **17,150** | **0** | **0** | **0** | **0** | | **72,660** |
| **1990** | 87 | Mauritania | | | 9,050 | | | | | | |
| | 88 | Egypt | | | | 6,625 | | | | | |
| | | | **0** | **0** | **9,050** | **6,625** | **0** | **0** | **0** | | **15,675** |
| **1991** | | | | | | | | | | | |
| **1992** | 89 | Morocco | | | 14,800 | | | | | | |
| | 90 | Tunisia | 3,675 | | | | | | | | |
| | | | **3,675** | **0** | **14,800** | **0** | **0** | **0** | **0** | | **18,475** |
| **1993** | 91 | Mauritania | | | 3,250 | | | | | | |
| | | | **0** | **0** | **3,250** | **0** | **0** | | **0** | | **3,250** |
| **1994** | 92 | Yemen | 11,340 | | | | | | | | |
| | 93 | Mauritania | | | | 2,460 | | | | | |
| | 94 | Jordan | | | 7,980 | | | | | | |
| | 95 | Algeria | | | 29,150 | | | | | | |
| | | | **11,340** | **0** | **37,130** | **2,460** | **0** | **0** | **0** | | **50,930** |
| **1995** | 96 | Yemen | | 15,120 | | | | | | | |
| | 97 | Tunisia | 5,175 | | | | | | | | |
| | 98 | Jordan | | | 5,320 | | | | | | |
| | | | **5,175** | **15,120** | **5,320** | **0** | **0** | **0** | **0** | | **25,615** |
| **1996** | 99 | Algeria | | | 31,230 | | | | | | |
| | 100 | Mauritania | | | 4,955 | | | | | | |
| | | | **0** | **0** | **36,185** | **0** | **0** | **0** | **0** | | **36,185** |

## Table (1-C) : Loans Extended to Member Ccountries (1978 - 2023) (Cont.)

(Thousands of AAD)

| Year | Loan No. | Country | Automatic | Ordinary | Extended | Compensatory | Trade Facility | Oil Facility | Structural Adjustment | SMEs Facility | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **1997** | 101 | Jordan | | | | 2,660 | | | | | |
| | 102 | Djibouti | | 367 | | | | | | | |
| | 103 | Yemen | | | 19,656 | | | | | | |
| | | | **0** | **367** | **19,656** | **2,660** | **0** | **0** | **0** | | **22,683** |
| **1998** | 104 | Jordan | | | | | | | 3,910 | | |
| | 105 | Yemen | | | | | | | 9,057 | | |
| | | | **0** | **0** | **0** | **0** | **0** | **0** | **12,967** | | **12,967** |
| **1999** | 106 | Algeria | | | | | | | 30,605 | | |
| | 107 | Tunisia | 5,175 | | | | | | | | |
| | 108 | Morocco | | | | | | | 10,878 | | |
| | 109 | Tunisia | | | | | | | 5,072 | | |
| | 110 | Lebanon | 3,675 | | | | | | | | |
| | | | **8,850** | **0** | **0** | **0** | **0** | **0** | **46,555** | | **55,405** |
| **2000** | 111 | Djibouti | | | 245 | | | | | | |
| | 112 | Lebanon | | | | | | | 3,601 | | |
| | 113 | Mauritania | | | 4,000 | | | | | | |
| | 114 | Morocco | | | | 7,400 | | | | | |
| | 115 | Egypt | | | | | | | 23,153 | | |
| | | | **0** | **0** | **4,245** | **7,400** | **0** | **0** | **26,754** | | **38,399** |
| **2001** | 116 | Jordan | | | | | | | 5,214 | | |
| | 117 | Morocco | | | | | | | 14,504 | | |
| | 118 | Egypt | | | | 15,750 | | | | | |
| | 119 | Egypt | 23,625 | | | | | | | | |
| | 120 | Tunisia | | | | 3,450 | | | | | |
| | 121 | Tunisia | | | | | | | 6,762 | | |
| | | | **23,625** | **0** | **0** | **19,200** | **0** | **0** | **26,480** | | **69,305** |
| **2002** | 122 | Egypt | | | | | | | 30,870 | | |
| | 123 | Djibouti | | | | | | | 420 | | |
| | 124 | Lebanon | 3,675 | | | | | | | | |
| | | | **3,675** | **0** | **0** | **0** | **0** | **0** | **31,290** | | **34,965** |
| **2003** | 125 | Morocco | | | | | | | 11,100 | | |
| | 126 | Djibouti | | | 368 | | | | | | |
| | 127 | Egypt | | | 55,125 | | | | | | |
| | | | **0** | **0** | **55,493** | **0** | **0** | **0** | **11,100** | | **66,593** |
| **2004** | 128 | Comoros | 184 | | | | | | | | |
| | 129 | Tunisia | | | | | | | 5,175 | | |
| | 130 | Sudan | | | 9,800 | | | | | | |
| | 131 | Egypt | | | | | | | 23,625 | | |
| | | | **184** | **0** | **9,800** | **0** | **0** | **0** | **28,800** | | **38,784** |
| **2005** | 132 | Mauritania | | | 8,600 | | | | | | |
| | 133 | Sudan | | | | | | | 9,800 | | |
| | 134 | Lebanon | | | | | | | 6,825 | | |
| | | | **0** | **0** | **8,600** | **0** | **0** | **0** | **16,625** | | **25,225** |
| **2006** | 135 | Djibouti | | | | | | | 350 | | |
| | | | **0** | **0** | **0** | **0** | **0** | **0** | **350** | | **350** |
| **2007** | 136 | Syria | | | | | | | 2,000 | | |
| | 137 | Lebanon | | | | | | | 9,100 | | |
| | | | **0** | **0** | **0** | **0** | **0** | **0** | **11,100** | | **11,100** |
| **2008** | 138 | Comoros | | 184 | | | | | | | |
| | 139 | Djibouti | | | | | | 614 | | | |
| | 140 | Syria | | | | | | | 9,600 | | |
| | 141 | Lebanon | | | | | | 18,200 | | | |
| | | | **0** | **184** | **0** | **0** | **0** | **18,814** | **9,600** | | **28,598** |
| **2009** | 142 | Jordan | 7,365 | | | | | | | | |
| | 143 | Jordan | | | | | | | 12,275 | | |
| | 144 | Morocco | | | | | | | 47,863 | | |
| | 145 | Mauritania | | | | | | | 9,120 | | |
| | 146 | Morocco | | | | 21,880 | | | | | |
| | | | **7,365** | **0** | **0** | **21,880** | **0** | **0** | **69,258** | | **98,503** |

**Table (1-D) : Loans Extended to Member Ccountries (1978 - 2023) (Cont.)**

(Thousands of AAD)

| Year | Loan No. | Country | Automatic | Ordinary | Extended | Compensatory | Trade Facility | Oil Facility | Structural Adjustment | SMEs Facility | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2010** | 147 | Jordan | | | | 9,820 | | | | | |
| | 148 | Jordan | | | | | | | 17,185 | | |
| | 149 | Morocco | | | | | | | 47,863 | | |
| | 150 | Yemen | | | 43,000 | | | | | | |
| | | | **0** | **0** | **43,000** | **9,820** | **0** | **0** | **65,048** | | **117,868** |
| **2011** | 151 | Morocco | | | | | | 13,675 | | | |
| | 152 | Egypt | **43,725** | | | | | | | | |
| | 153 | Egypt | | | | | | | **58,300** | | |
| | | | **43,725** | **0** | **0** | **0** | **0** | **13,675** | **58,300** | | **115,700** |
| **2012** | 154 | Jordan | **7,365** | | | | | | | | |
| | 155 | Yemen | | **21,000** | | | | | | | |
| | 156 | Yemen | | | | **24,000** | | | | | |
| | 157 | Tunisia | | | | | | | **15,935** | | |
| | 158 | Tunisia | | | | **12,750** | | | | | |
| | 159 | Tunisia | **9,562** | | | | | | | | |
| | 160 | Morocco | | | | **27,350** | | | | | |
| | | | **16,927** | **21,000** | **0** | **64,100** | **0** | **0** | **15,935** | | **117,962** |
| **2013** | 161 | Sudan | | | | | | | **9,800** | | |
| | 162 | Yemen | | **21,000** | | | | | | | |
| | 163 | Jordan | | | | **12,790** | | | | | |
| | 164 | Jordan | | | **12,790** | | | | | | |
| | 165 | Comoros | | | **787** | | | | | | |
| | 166 | Tunisia | | | | | | | **12,000** | | |
| | 167 | Tunisia | | | | | | | **20,000** | | |
| | 168 | Morocco | | | | | | | **60,000** | | |
| | | | **0** | **21,000** | **13,577** | **12,790** | **0** | **0** | **101,800** | | **149,167** |
| **2014** | 169 | Mauritania | | | **20,000** | | | | | | |
| | 170 | Yemen | | | **36,510** | | | | | | |
| | | | **0** | **0** | **56,510** | **0** | **0** | **0** | **0** | | **56,510** |
| **2015** | 171 | Jordan | | | | | | | **13,285** | | |
| | 172 | Egypt | | | | | | | **78,880** | | |
| | 173 | Egypt | **59,160** | | | | | | | | |
| | 174 | Sudan | | | **39,900** | | | | | | |
| | | | **59,160** | **0** | **39,900** | **0** | **0** | **0** | **92,165** | | **191,225** |
| **2016** | 175 | Jordan | **9,964** | | | | | | | | |
| | 176 | Mauritania | | | | **12,340** | | | | | |
| | 177 | Egypt | | | | **81,820** | | | | | |
| | | | **9,964** | **0** | **0** | **94,160** | **0** | **0** | **0** | | **104,124** |
| **2017** | 178 | Jordan | | | | **13,400** | | | | | |
| | 179 | Morocco | | | | | | | **69,500** | | |
| | | | **0** | **0** | **0** | **13,400** | **0** | **0** | **69,500** | **0** | **82,900** |
| **2018** | 180 | Tunisia | | | | **18,532** | | | | | |
| | 181 | Tunisia | | | | | | | | **18,532** | |
| | 182 | Sudan | | | | | | | | **22,800** | |
| | 183 | Egypt | | | | | | | | **87,700** | |
| | 184 | Morocco | | | | **41,125** | | | | | |
| | | | **0** | **0** | **0** | **59,657** | **0** | **0** | **0** | **129,032** | **188,689** |
| **2019** | 185 | Sudan | | **27,400** | | | | | | | |
| | 186 | Sudan | | | | **27,400** | | | | | |
| | 187 | Jordan | | | | | | | **23,000** | | |
| | | | **0** | **27,400** | **0** | **27,400** | **0** | **0** | **23,000** | **0** | **77,800** |
| **2020** | 188 | Morocco | **30,844** | | | | | | | | |
| | 189 | Egypt | | | | | | | **153,475** | | |
| | 190 | Tunisia | **14,381** | | | | | | | | |
| | 191 | Morocco | | | | | | | **51,406** | | |
| | 192 | Tunisia | | | | | | | **23,968** | | |
| | 193 | Jordan | **10,000** | | | | | | | | |
| | | | **55,225** | **0** | **0** | **0** | **0** | **0** | **228,849** | **0** | **284,074** |
| **2021** | 194 | Tunisia | | | | **19,175** | | | | | |
| | 195 | Jordan | | | | **14,770** | | | | | |
| | 196 | Jordan | | | | | | | | **13,290** | |
| | | | **0** | **0** | **0** | **33,945** | **0** | **0** | **0** | **13,290** | **47,235** |
| **2022** | 197 | Morocco | | | | | | | | **12,748** | |
| | 198 | Egypt | | | | **87,700** | | | | | |
| | 199 | Tunisia | | **19,175** | | | | | | | |
| | | | **0** | **19,175** | **0** | **87,700** | **0** | **0** | **0** | **12,748** | **119,623** |
| **2023** | 200 | Morocco | | | | **41,125** | | | | | |
| | 201 | Morocco | | | | | | | **69,501** | | |
| | 202 | Jordan | | **12,790** | | | | | | | |
| | 203 | Egypt | | | | | | | **153,475** | | |
| | | | **0** | **12,790** | **0** | **41,125** | **0** | **0** | **222,976** | **0** | **276,891** |
| **Total** | | | **486,475** | **206,116** | **450,331** | **565,062** | **64,730** | **32,489** | **1,168,452** | **155,070** | **3,128,725** |

## Table (2) : Loans Extended to Member Ccountries (1978 - 2023)

| Automatic Loans | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 7 | 43.724 |
| Tunisia | 7 | 43.143 |
| Algeria | 1 | 27.930 |
| Sudan | 5 | 11.100 |
| Syria | 4 | 9.030 |
| Somalia | 3 | 4.440 |
| Iraq | 4 | 87.090 |
| Lebanon | 2 | 7.350 |
| Egypt | 6 | 141.135 |
| Morocco | 11 | 60.394 |
| Mauritania | 7 | 10.320 |
| Yemen | 9 | 40.635 |
| Comoros | 1 | 0.184 |
| | **67** | **486.475** |

| Extended Loans | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 3 | 26.090 |
| Algeria | 2 | 60.380 |
| Sudan | 5 | 70.285 |
| Somalia | 1 | 12.740 |
| Egypt | 1 | 55.125 |
| Morocco | 3 | 63.800 |
| Mauritania | 8 | 61.345 |
| Yemen | 3 | 99.166 |
| Djibouti | 2 | 0.613 |
| Comoros | 1 | 0.787 |
| | **29** | **450.331** |

| Ordinary Loans | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 2 | 18.110 |
| Algeria | 1 | 41.640 |
| Syria | 1 | 8.200 |
| Morocco | 1 | 6.250 |
| Mauritania | 1 | 4.500 |
| Yemen | 7 | 80.290 |
| Djibouti | 1 | 0.367 |
| Comoros | 1 | 0.184 |
| Sudan | 1 | 27.400 |
| Tunisia | 1 | 19.175 |
| | **17** | **206.116** |

| Trade Facility | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 3 | 4.620 |
| Tunisia | 1 | 3.450 |
| Algeria | 1 | 18.620 |
| Syria | 1 | 3.000 |
| Iraq | 1 | 18.620 |
| Morocco | 1 | 2.500 |
| Yemen | 3 | 13.920 |
| | **11** | **64.730** |

| Compensatory Loans | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 6 | 56.100 |
| Tunisia | 4 | 53.907 |
| Sudan | 3 | 37.200 |
| Iraq | 1 | 27.000 |
| Egypt | 4 | 191.895 |
| Morocco | 6 | 148.680 |
| Mauritania | 3 | 17.260 |
| Yemen | 3 | 33.020 |
| | **30** | **565.062** |

| Structural Adjustment Facility | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Jordan | 6 | 74.869 |
| Tunisia | 7 | 88.912 |
| Algeria | 1 | 30.605 |
| Sudan | 2 | 19.600 |
| Lebanon | 3 | 19.526 |
| Egypt | 7 | 521.778 |
| Morocco | 9 | 382.615 |
| Yemen | 1 | 9.057 |
| Djibouti | 2 | 0.770 |
| Syria | 2 | 11.600 |
| Mauritania | 1 | 9.120 |
| | **41** | **1,168.452** |

| Oil Facility | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Djibouti | 1 | 0.614 |
| Lebanon | 1 | 18.200 |
| Morocco | 1 | 13.675 |
| | **3** | **32.489** |

| SMEs Facility | No. of Loans | Value of Loans (Million AAD) |
|---|---|---|
| Sudan | 1 | 22.800 |
| Egypt | 1 | 87.700 |
| Tunisia | 1 | 18.532 |
| Jordan | 1 | 13.290 |
| Morocco | 1 | 12.748 |
| | **5** | **155.070** |

**Table (3): Balance of Outstanding Loans (2022 - 2023)**

| Country | End of 2022 | | | End of 2023 | | |
|---|---|---|---|---|---|---|
| | Balance of Outstanding Loans | Balance of Undisbursed Loans | Total Loans Commitments | Balance of Outstanding Loans | Balance of Undisbursed Loans | Total Loans Commitments |
| **Jordan** | 35,435 | 5,905 | **41,340** | 28,712 | 5,116 | **33,828** |
| **Sudan** | 110,645 | | **110,645** | 110,645 | | **110,645** |
| **Syria** | 2,880 | | **2,880** | 2,880 | | **2,880** |
| **Somalia** | 14,876 | | **14,876** | 14,876 | | **14,876** |
| **Egypt** | 237,667 | | **237,667** | 245,475 | 61,475 | **306,950** |
| **Morocco** | 59,527 | | **59,527** | 112,492 | 33,501 | **145,993** |
| **Yemen** | 62,605 | 18,255 | **80,860** | 62,605 | 18,255 | **80,860** |
| **Mauritania** | 625 | | **625** | | | |
| **Tunisia** | 54,280 | 9,588 | **63,868** | 34,515 | 4,794 | **39,309** |
| **Total** | **578,540** | **33,748** | **612,288** | **612,200** | **123,141** | **735,341** |

## Table (4) : Balance of Loans Commitments (1978 - 2023)

(Thousands of AAD)

| Year | Loans Extended during the year | Outstanding Loans Commitments* | Balance of Outstanding Loans** |
|---|---|---|---|
| **1978** | 6,563 | 6,563 | 6,563 |
| **1979** | 16,500 | 23,063 | 18,062 |
| **1980** | 11,750 | 48,687 | 42,187 |
| **1981** | 78,615 | 102,834 | 68,674 |
| **1982** | 31,440 | 129,733 | 111,700 |
| **1983** | 80,925 | 198,587 | 193,037 |
| **1984** | 16,300 | 189,388 | 183,423 |
| **1985** | 50,955 | 187,724 | 181,759 |
| **1986** | 33,555 | 195,558 | 183,843 |
| **1987** | 24,570 | 167,666 | 157,451 |
| **1988** | 122,117 | 226,484 | 213,717 |
| **1989** | 72,660 | 283,740 | 242,041 |
| **1990** | 15,675 | 244,329 | 233,379 |
| **1991** | - | 213,441 | 198,641 |
| **1992** | 18,475 | 189,467 | 179,467 |
| **1993** | 3,250 | 162,451 | 151,131 |
| **1994** | 50,930 | 203,450 | 167,985 |
| **1995** | 25,615 | 211,728 | 177,562 |
| **1996** | 36,185 | 218,253 | 186,905 |
| **1997** | 22,683 | 231,295 | 206,697 |
| **1998** | 12,967 | 227,413 | 199,314 |
| **1999** | 55,405 | 263,858 | 229,129 |
| **2000** | 38,399 | 276,416 | 250,459 |
| **2001** | 69,305 | 300,630 | 278,997 |
| **2002** | 34,965 | 278,180 | 275,970 |
| **2003** | 66,593 | 316,658 | 281,121 |
| **2004** | 38,784 | 280,182 | 252,695 |
| **2005** | 25,225 | 275,201 | 253,376 |
| **2006** | 350 | 262,611 | 231,511 |
| **2007** | 11,100 | 247,693 | 226,218 |
| **2008** | 28,598 | 283,693 | 251,111 |
| **2009** | 98,503 | 352,671 | 318,273 |
| **2010** | 117,868 | 418,105 | 356,614 |
| **2011** | 115,700 | 466,769 | 416,119 |
| **2012** | 117,962 | 509,723 | 440,605 |
| **2013** | 149,167 | 541,148 | 466,096 |
| **2014** | 56,510 | 474,284 | 402,047 |
| **2015** | 191,225 | 528,846 | 451,978 |
| **2016** | 104,124 | 570,911 | 542,869 |
| **2017** | 82,900 | 542,813 | 486,578 |
| **2018** | 188,689 | 574,279 | 502,558 |
| **2019** | 77,800 | 504,396 | 465,981 |
| **2020** | 284,074 | 683,872 | 569,692 |
| **2021** | 47,235 | 620,596 | 596,436 |
| **2022** | 119,623 | 612,288 | 578,540 |
| **2023** | **276,891** | **735,341** | **612,200** |

* Total outstanding loans and undisbursed balances.

** Total disbursed loans minus repayments.

## Appendix (3): Capital

### Capital at 31 December 2023

(Thousands of AAD)

| | Country | Subscribed Capital | Paid-Up Capital | | | |
|---|---|---|---|---|---|---|
| | | | Local Currencies | Convertible Currencies | By a Transfer from General Reserve (2) | Total |
| 1 | Jordan | 14,850 | 80 | 7,795 | 6,975 | 14,850 |
| 2 | UAE | 52,950 | 300 | 27,725 | 24,925 | 52,950 |
| 3 | Bahrain | 13,800 | 80 | 7,220 | 6,500 | 13,800 |
| 4 | Tunisia | 19,275 | 100 | 10,113 | 9,063 | 19,275 |
| 5 | Algeria | 116,850 | 760 | 61,115 | 54,975 | 116,850 |
| 6 | Saudi Arabia | 133,425 | 760 | 69,878 | 62,788 | 133,425 |
| 7 | Sudan | 27,600 | 200 | 14,400 | 13,000 | 27,600 |
| 8 | Syria | 19,875 | 80 | 7,120 | 9,363 | 16,563 |
| 9 | Somalia | 11,025 | 80 | 3,920 | 5,188 | 9,188 |
| 10 | Iraq | 116,850 | 760 | 61,115 | 54,975 | 116,850 |
| 11 | Oman | 13,800 | 80 | 7,220 | 6,500 | 13,800 |
| 12 | Qatar | 27,600 | 200 | 14,400 | 13,000 | 27,600 |
| 13 | Kuwait | 88,200 | 500 | 46,200 | 41,500 | 88,200 |
| 14 | Lebanon | 13,800 | 100 | 7,200 | 6,500 | 13,800 |
| 15 | Libya | 37,035 | 186 | 19,427 | 17,423 | 37,035 |
| 16 | Egypt | 88,200 | 500 | 46,200 | 41,500 | 88,200 |
| 17 | Morocco | 41,325 | 200 | 21,688 | 19,438 | 41,325 |
| 18 | Mauritania | 13,800 | 80 | 7,220 | 6,500 | 13,800 |
| 19 | Yemen | 42,450 | 280 | 16,535 | 19,975 | 36,790 |
| 20 | Palestine (1) | 5,940 | - | - | - | - |
| 21 | Djibouti | 675 | 5 | 245 | 313 | 563 |
| 22 | Comoros | 675 | 5 | 245 | 313 | 563 |
| **Total** | | **900,000** | **5,336** | **456,979** | **420,710** | **883,025** |

(1) Payment of Palestine's share was deferred by the Board of Governors' Resolution No. (7) of 1978.

(2) The transfer from the general reserve to the capital took place in two stages:
**First**: By virtue of the Board of Governors Resolution No. (3) of 2005, part of the general reserve was capitalized to subscribe to the remaining balance of the capital that was authorized at the time, amounting to 271.7 million Arab dinars.
**Second**: According to the decision of the Board of Governors No. (3) of 2013, the authorized capital was increased by 600 million Arab Dinars, and the subscription was half of the increase by 300 million Arab Dinars with the same percentages of the subscribed shares, and half of the subscription was paid through the capitalization of reserves and the remaining half of 149.01 million Arab Dinars to be paid in cash by Member States and in five equal annual installments starting from April 2014.

**Appendix (4)**

**Topics covered in training courses and workshops completed during 2023, and the dates on which they were held.**

| # | Activity | Period |
|---|---|---|
| 1 | Economic and Financial Balances | 9-12 January 2023 |
| 2 | Monetary and Financial Statistics (MFS) - Advanced | 9-12 January 2023 |
| 3 | Islamic Banking and Finance Principles | 16-19 January 2023 |
| 4 | Reforms in the Financial and Banking Sector in the Arab Countries | 23-26 January 2023 |
| 5 | Residential Real Estates Price Indices | 23-27 January 2023 |
| 6 | Monetary Sector Diagnostics | 30 January – 2 February 2023 |
| 7 | Financial Development and Financial Inclusion | 6-17 February 2023 |
| 8 | Fiscal Policy, Stability and Growth | 6-9 February 2023 |
| 9 | Financial Crises and their Causes: Case Studies | 13-16 February 2023 |
| 10 | Management of Financial Risk Related to Climate Changes | 14-16 February 2023 |
| 11 | Reforms in the Public Finance Sector in Arab Countries | 20-23 February 2023 |
| 12 | Economic Analysis for the Main Economic Indicators | 20-23 February 2023 |
| 13 | National Accounts Statistics (NAS) - Advanced | 20 February – 3 March 2023 |
| 14 | Financial Stability | 28 February – 2 March 2023 |
| 15 | External Debt Statistics | 6-10 March 2023 |
| 16 | Macroeconomic Management in Countries Rich in Natural Resource (MRC) | 6-17 March 2023 |
| 17 | Affordable Housing Sector Development | 6-9 March 2023 |
| 18 | Sustainable Finance | 7-9 March 2023 |
| 19 | Financial Evaluation of Investment Projects | 13-16 March 2023 |
| 20 | Econometrics | 13-16 March 2023 |
| 21 | Risk Management and Financial Crimes Compliance in Payment Systems | 9-11 May 2023 |
| 22 | Economic Uses of EViews Program: Introductory Course | 15-19 May 2023 |
| 23 | Macroeconomic Framework | 15-18 May 2023 |
| 24 | Financial Markets and Securities Analysis | 22-25 May 2023 |
| 25 | Handling Missing Data Using (R) | 22-24 May 2024 |
| 26 | Policies for Economic and Financial Stability | 29 May – 1 June 2023 |
| 27 | Financial Engineering and Derivatives Pricing Using (R) Software | 29 May – 1 June 2023 |
| 28 | Economic Crises Management | 5-8 June 2023 |
| 29 | How to Build a Portfolio of Green & Sustainable Investments | 5-8 June 2023 |
| 30 | Macroeconomic Modelling | 5-9 June 2023 |
| 31 | Macroeconomic Diagnostics (MDs) | 12-23 June 2023 |
| 32 | Anti-Money Laundering | 19-21 June 2023 |
| 33 | Foreign Trade Performance Analysis | 19-22 June 2023 |
| 34 | Affordable Housing Sector Development | 4-7 September 2023 |
| 35 | Handling Missing Data Using (R) | 4-7 September 2023 |
| 36 | Fiscal Policy Analysis (FPA) | 11-22 September 2023 |

| | | |
|---|---|---|
| 37 | Using Input and Output Tables in Analyzing Sectoral Policies and Forecasting | 11-15 September 2023 |
| 38 | External Sector Statistics – Intermediate (ESS-I) | 18-29 September 2023 |
| 39 | Sukuk and its Role in Financing | 18-21 September 2023 |
| 40 | Interaction between Monetary Policy and Macroprudential Policy | 25-28 September 2023 |
| 41 | Corporate Governance | 25-28 September 2023 |
| 42 | Accounting Standards for Islamic Financial Institutions | 25-28 September 2023 |
| 43 | Modelling Economic and Financial Variables Using Regime-Switching Models | 2-6 October 2023 |
| 44 | Advanced Methods of Due Diligence in Investment Operations | 2-5 October 2023 |
| 45 | Governance of Public Finance | 2-5 October 2023 |
| 46 | Government Finance Statistics | 9-20 October 2023 |
| 47 | Diversification and Economic Structural Transformation | 9-12 October 2023 |
| 48 | Sovereign Credit Ratings Applications in the Arab Countries | 9-12 October 2023 |
| 49 | Arab Financial Markets Development | 16-19 October 2023 |
| 50 | Multidimensional Data Analysis | 16-20 October 2023 |
| 51 | Responsible Payments Digitization and its Importance in the Financial Sector | 17-19 October 2023 |
| 52 | Foreign Reserve Management | 23-26 October 2023 |
| 53 | Economic Uses of EViews: Time Series Analysis | 23-27 October 2023 |
| 54 | Advanced Financial Modeling: Simulation and Forecasting Using (R) Software | 23-26 October 2023 |
| 55 | Public-Private Partnership Projects in the Arab Countries | 30 October - 2 November 2023 |
| 56 | Public Investment Management | 30 October - 2 November 2023 |
| 57 | Advanced Econometrics | 30 October - 2 November 2023 |
| 58 | Macroeconomics of Climate Change (MCC) | 6 - 17 November 2023 |
| 59 | Strategic Planning - Applying Balanced Scorecards Methodology | 6-9 November 2023 |
| 60 | Public Debt Management and Requirements for Developing Local Sustainable Debt Markets | 6 - 9 November 2023 |
| 61 | Financial Soundness Indicators | 13 - 17 November 2023 |
| 62 | Financial Stability & Macroprudential Policy Tools | 13 - 16 November 2023 |
| 63 | Financial Inclusion and Its Impact on Financial Inclusion and Stability | 13 - 16 November 2023 |
| 64 | Fiscal Vulnerabilities Diagnostics | 20 - 23 November 2023 |
| 65 | Measuring Digital Trade | 20 - 23 November 2023 |
| 66 | FinTech and its Applications in the Financial & Banking Sector | 20 - 23 November 2023 |
| 67 | Balance of Payments Analysis and External Sector Policies | 20 - 23 November 2023 |
| 68 | Inclusive Growth (IG) | 4 - 15 December 2023 |
| 69 | Compilation of Macro-Relevant Environment and Climate Change Statistics (CCS) | 4 - 15 December 2023 |
| 70 | Balance of Payments and International Investment Position Manual (BPM7) for Arab Region | 12 - 14 December 2023 |
| 71 | Small and Medium Enterprises Development Policies | 18 - 22 December 2023 |
| 72 | Forecasting Public Revenue | 18 - 21 December 2023 |
| 73 | Global Competitiveness Policies in the Arab Countries | 18 - 21 December 2023 |
| 74 | Accounting Standards for Islamic Financial Institutions | 18 - 21 December 2023 |

## Appendix (5):
## Number of Participants Courses / Seminars / Workshops (1988-2023)

| Activties / Countries | Courses delivered by AMF Staff | Courses Coordinated With Various Inst. | Total |
|---|---|---|---|
| **Number of Activities** | **276** | **309** | **585** |
| **Jordan** | 581 | 573 | **1,154** |
| **U.A.E** | 607 | 446 | **1,053** |
| **Bahrain** | 482 | 345 | **827** |
| **Tunisia** | 453 | 410 | **863** |
| **Algeria** | 434 | 410 | **844** |
| **Djibouti** | 74 | 356 | **430** |
| **Saudi Arabia** | 739 | 651 | **1390** |
| **Sudan** | 563 | 524 | **1087** |
| **Syria** | 530 | 551 | **1081** |
| **Somalia** | 56 | 88 | **144** |
| **Iraq** | 454 | 630 | **1084** |
| **Oman** | 394 | 412 | **806** |
| **Palestine** | 436 | 364 | **800** |
| **Qatar** | 271 | 254 | **525** |
| **Comoros** | 57 | 55 | **112** |
| **Kuwait** | 407 | 344 | **751** |
| **Lebanon** | 200 | 302 | **502** |
| **Lybia** | 351 | 258 | **609** |
| **Egypt** | 632 | 520 | **1152** |
| **Morocco** | 552 | 540 | **1092** |
| **Mauritania** | 316 | 330 | **646** |
| **Yemen** | 469 | 387 | **856** |
| **Total** | **9,058** | **8,750** | **17,808** |

International and regional institutions the Fund co-provides courses and workshops include :
IMF, World Trade Organization, Islamic Development Bank, Bundesbank, Bank of England, Bank for International Settlements, World Bank, German International Cooperation Agency (JICA), Islamic Financial Services Board, Banque de France, The Japan International Cooperation Agency (JICA), And Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).




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