

صندوق النقد العربي

ARAB MONETARY FUND

Annual Report 2025

Arab Monetary Fund

Table of Contents

Preface.....	
Chairman's Statement.....	
Overview of the Arab Monetary Fund.....	
Summary of the Fund's 2025 Performance.....	
Lending Activity.....	
Technical Assistance Activity.....	
Research and Publication Activity.....	
Policy Dialogues Activity (Meetings, Conferences, Seminars, & Workshops).....	
Technical Secretariat Activity.....	
Training and Capacity Building Activity.....	
Investment Activity.....	
Management of the Unified Account for Specialized Arab Organizations.....	
Arab Trade Financing Program (ATFP) Activity.....	
Annexes.....	
Annex No. (1): AMF's Organizational Structure and Management.....	
Annex No. (2): Financing Instruments.....	
Annex No. (3): Loan Tables.....	
Annex No. (4): Capital.....	
Annex No. (5): Research Activities and Publications Completed during 2025.....	
Annex No. (6): Topics Covered by Training Courses and Workshops during 2025.....	
Annex No. (7): Number of Training Participants from Arab Countries (1988–2025).....	
Annex No. (8): Consolidated Financial Position as of 31 December 2025.....	
Annex No. (9): External Auditors Report and 2025 Consolidated Financial Statements.....	

Preface

The Annual Report of the Arab Monetary Fund is prepared pursuant to the requirements of Article 33 of the Fund's updated Establishing Agreement. The Report presents a summary of the Fund's activities and financial position for the fiscal year ending 31 December 2025, reflecting the Fund support to its member states through lending, assistance, technical advisory activities, policy dialogue and advice, and its contributions to developing human capacities in official institutions in Arab countries, through the training courses organized by the Fund's Institute for Training and Capacity Building, and technical assistance programs.

The report also outlines the new strategy adopted by the Fund's Board of Governors, which include increasing the Fund's resources, amending the Articles of Incorporation, activating the activity of economic surveillance, innovation and providing technical assistance and also the revision of organization structure to provide the right human capacity and capability to support the implementation of the strategy objectives and initiatives.

The new strategy also focused on research activities related to the role of the Fund as a trusted think tank, such as economic and financial studies, reports, statistical bulletins, books, brochures, and guides. The report also includes other activities and events organized by the IMF in the economic, financial and statistical fields, with the aim of putting forward economic policies and recommendations to address the various challenges faced by Arab economies, and exchanging views and experiences on contemporary economic issues, in a way that contributes to supporting stability and economic development efforts in the Arab countries. The report also outlines the developments of the Fund's investment activity, as defined in Article 5 of its Establishment Agreement, as well as the summary of its activity in the field of supporting and promoting Arab foreign trade.



Fahad M. Alturki, PhD

Director General

Chairman of the Board Executive Directors

Chairman's Statement

By the virtue of the fund vision of being the closest partner to its member countries and since its inception it employs its financial and technical capabilities as well as its accumulated experience to help member arab countries to face the economic challenges resulting from the rapid developments at the regional and global levels. the AMF has paid great attention to following up on Arab countries economic performance and assessing the reforms and initiatives undertaken by the Arab authorities to meet their challenges.

The Fund's main activities to serve its member countries are centered on achieving its four strategic pillars ,namely to act as an effective and influential lender, to be a prominent intellectual partner and a key contributor in providing technical services to member countries, to

contribute to building Arab institutional capacities, and to be the strategic partner to enhance Arab cooperation.

To achieve its strategic pillars , the Fund also focused on developing the necessary institutional enablers, such as achieving financial sustainability through maintaining of continuous high return from its investment prortofolio. encouraging digital transformation, enhancing operational efficiency by providing an effective operating model through building policies and procedures, building an effective communication and media strategy, and enhancing the Fund's ability to adapt to changing economic conditions.

The global economy has suffered as a result of high tariffs that have disrupted

global supply chains, increased production costs, delayed important investment decisions, and caused volatility in financial markets. All these factors have contributed to the global economy achieving slower growth than hoped, and the global economic environment remains surrounded by a range of challenges, highlighting the importance of macroeconomic stability as a prerequisite for rebuilding normal and appropriate growth paths, enhancing resilience, and achieving a shift towards a more resilient and productive development model.

Despite the relative improvement in global financial conditions, debt accumulation remains a concern for policymakers in most countries of the world, and emphasizes that restructuring and adjusting public finances is the best option, even if access to external debt markets is available. On the other hand, in light of trade tensions and rising global uncertainty, high levels of inflation remain a real challenge in emerging markets, especially in light of the continued volatility of exchange rates and commodities.

As for the Arab countries, despite the challenges faced by their economies as a result of global economic and geopolitical developments, they have been able to maintain positive growth rates because of the efforts exerted in the fields of implementing major infrastructure projects, economic diversification efforts, and fiscal reforms, through the

development of fiscal policies, tax administration, and the rationalization of public spending, in addition to the gradual easing of monetary policy in many countries, which leads to the stability of economic conditions and the promotion of growth. All of these efforts have contributed significantly to mitigating the repercussions of the slowdown in the economies of its major trading partners, especially China, the eurozone, and some emerging Asian countries.

In this regard, the Arab Monetary Fund's economic growth estimates for 2025 indicate an improvement in the pace of growth in the Arab region, reaching 3.8 percent, compared to a growth of 1.9 percent in 2024. This is against the backdrop of improving macroeconomic indicators and the expected positive impact of economic reforms and economic diversification strategies in most Arab countries. The Arab Monetary Fund expects the Arab region's economic growth rate to continue to improve in 2026, reaching 4.3 percent, in light of the continued effective implementation of structural reforms, enhancing financial sustainability, and improving competitiveness.

With regard to economic policies that support growth in Arab countries, the reform and development of public finance management is at the top of the list of priorities for policymakers and decision-makers as a sustainable path that

ensures the diversification and sustainability of financing, and the provision of adequate financial resources to government entities, including the development of regulatory policies and legislation related to public financial management, in a way that raises the efficiency of the management of government financial resources, promotes the principles of transparency and financial discipline, and contributes to enhancing financial sustainability.

The Arab authorities have also made significant strides in implementing monetary reforms aimed at maintaining price stability, which will reflect positively on supporting economic growth and ensuring the provision of appropriate financing for productive activities. In this regard, Arab central banks and monetary institutions have focused during 2025 on managing digital transformation, adopting modern financial technologies and providing the necessary regulatory frameworks to keep pace with this rapid development.

Macroprudential policy reforms have also gained increasing importance, given their pivotal role in enhancing the integration between monetary policy and macroprudential instruments, which contributes to supporting financial stability, raising the financial sector's resilience to shocks, and ensuring the efficient channeling of liquidity towards high-value-added economic sectors.

The robustness of the governance and prudential frameworks in most Arab

financial institutions contributed to enhancing their ability to face challenges, and maintained good levels in terms of financial soundness indicators of the banking sector in the Arab countries, and were able to absorb various shocks, and maintain financial stability.

Fahad M. Alturki, PhD

Director General

Chairman of the Board Executive Directors

Overview of the Arab Monetary Fund

Overview of the Arab Monetary Fund

Establishment

Arab countries established the Arab Monetary Fund intending to bolster economic stability within the region, strengthening the foundations of Arab economic integration and promoting sustainable economic development across all Arab countries.

The Fund's Articles of Agreement were signed on April 27, 1976, in Rabat, the capital of the Kingdom of Morocco.

The Arab Monetary Fund is the world's first regional financial arrangement institution and is part of the global financial safety net.

The Fund's Articles of Agreement were marked by the comprehensiveness of its

objectives and the flexibility of the means provided to achieve them.

The Fund's membership currently includes all 22 Arab countries that are members of the League of Arab States. The Fund designates Abu Dhabi, the capital of the United Arab Emirates, as its permanent headquarters.

Mission

Developing a prosperous Arab economy as a key contributor to the global financial safety net, working to achieve economic stability, offering economic consultation, building capacities, and delivering value-added services.

Objectives

The updated Article Four of the Fund's Articles of Agreement outlines eight objectives that the Fund aims to accomplish through its diverse activities:

- Correcting disequilibria in the balances of payments of Member States.
- Promoting the stability of exchange rates among Arab currencies, rendering them mutually convertible, and striving for the removal of restrictions on current payments between Member States.
- Establishing such policies and modes of Arab monetary cooperation aiming to achieve the quickest pace of Arab economic integration and speed up the process of economic development in Member States.
- 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.
- Studying ways to promote the use of the Arab Accounting Dinar (AAD) and paving the way for the creation of a unified Arab currency.
- Promoting the development of Arab financial markets.
- Coordinating the position of Member Countries in addressing international monetary and economic challenges to realize their common interests while contributing to the resolution of world monetary challenges.
- Settling current payments between Member Countries to promote trade among them.

In addition, Article Eight of the updated Agreement stipulates that the Fund 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 realization of the goals of the Fund.

Means

The Fund employs several means to achieve its objectives, as set forth in Article Five of the Fund's Articles of Agreement, including providing short and medium-term facilities to Member Countries to assist in financing the overall deficit in their balance of payments with the rest of the world resulting from the exchange of goods and services, transfers, and capital flows. The Fund also issues guarantee in favor of Member Countries to enhance their opportunities to benefit from other financial sources to finance the overall deficit in their balance of payments and mediates in issuing loans in Arab and international financial markets for the account of Member Countries and with their guarantees.

These means also include coordinating monetary policies of Arab Member Countries and developing cooperation between monetary authorities in these countries, as well as working to liberalize and develop trade exchanges and current payments resulting from them and encouraging capital flows between Member States. The Agreement also stipulated that the Fund shall, in agreement with the Member State or Countries concerned, establish the necessary arrangements for managing any funds entrusted to it by a Member State or Countries for the benefit of other parties, whether Arab or non-Arab, in a manner consistent with the Fund's objectives.

The Fund's Governance Framework

The governance structure consists of the Board of Governors, the Board of Executive Directors including the Audit and Risk Committee, and the organizational units for executive management, which includes departments, executive units, management committees, and the Internal Audit Office and external auditors.

The Board of Governors includes the governors of all 22 Arab member states and is considered the supreme authority concerned with strategic direction, accountability, and performance monitoring. The Board holds its meetings annually in accordance with the procedural rules governing meeting and voting

procedures. The Board annually elects one of the Governors from among its members as its chairman on a rotation basis. The Fund's Agreement has entrusted all management powers to the Board of Governors and authorized it to delegate to the Board of Executive Directors to exercise some power, apart from the Board's exclusive authorities of according to the Fund's Establishing Agreement are: the appointment of the Director General, Chairman of the Board of Executive Directors, and members of the Board of Executive Directors, and determining their remuneration and allowances, accepting new members, suspending membership, increasing capital, distributing income,

appointing auditors, approving final accounts, and deciding on the interpretation and amendment of the provisions of the Fund's Agreement.

The Board of Executive Directors consists of the Director General as Chairman and eight part-time members, appointed by the Board of Governors from among member states for three renewable years. The Board of Executive Directors monitor the Fund's activities and is collectively responsible for overseeing the formulation of core policies and strategic work plans and programs, performance, and accountability of executive management, and reporting to the Board of Governors. The Board holds quarterly meetings to make decisions, in accordance with the voting rules and procedures specified in the Fund's Establishing Agreement.

The Audit and Risk Committee, emanating from the Board of Executive Directors, consists of four members independent of the Fund's executive management, elected by the Board of Executive Directors from among its members at the beginning of each Board three-year cycle.

The Committee performs its functions in accordance with a charter that organizes its work, and aims to assist the Board in carrying out its supervisory functions, through monitoring the integrity of financial data, monitoring the application of risk management and internal control

policies, assessing the effectiveness of the Internal Audit Office and discussing its reports, monitoring the independence of the external auditor and discussing their reports, and receiving complaints about violations and making recommendations regarding them.

Selection of the Audit and Risk committee members takes in consideration having a relevant knowledge and experience in finance, audit, risk management and governance. To ensure independence of the committee, its members should not have conflict of interest.

In 2025, the committee was restructured as per the committee charter. H.E. Dr. Ryadh Mohammed Alkhareif was nominated as committee chair in December 2025. The committee had 7 meetings in 2025 of which 4 regular meetings and 3 extraordinary meetings.

Appendix (1) of this report includes the names of all the Board of Governance members and their deputies. Also, it includes the names of the Board of Executive Management members and the members of the Audit and Risk committee.

The system of organizational units for executive management consists of the Director General, Chairman of the Board of Executive Directors, the economic advisor, the Executive Office responsible for general oversight of governance policy, resource planning, spending efficiency, and

supporting institutional development.

The executive Office includes four units: Special Projects, Strategy and Transformation, Communications and Media, and the Office of the Director General.

The organization chart also includes eight specialized executive departments, including three departments specializing in economic affairs: the Reform and Economic surveillance, the Economic Policies Department, and the capacity Development and innovation department.

The five other executive departments are: the Investment Department, the Risk Department, the Legal Department, the Finance Department, and the Support Services Department, in addition to the Research Committee.

The Executive Management Committees are also responsible for advising on substantive matters, and their members are composed of senior staff of the Fund, namely: the Loans Committee, the Investment Committee, and the Management Committee. The Fund's organizational units operate within the framework of a coherent and integrated internal control system, which includes regulations, policies, rules, and work procedures that regulate the Fund's activities and operations.

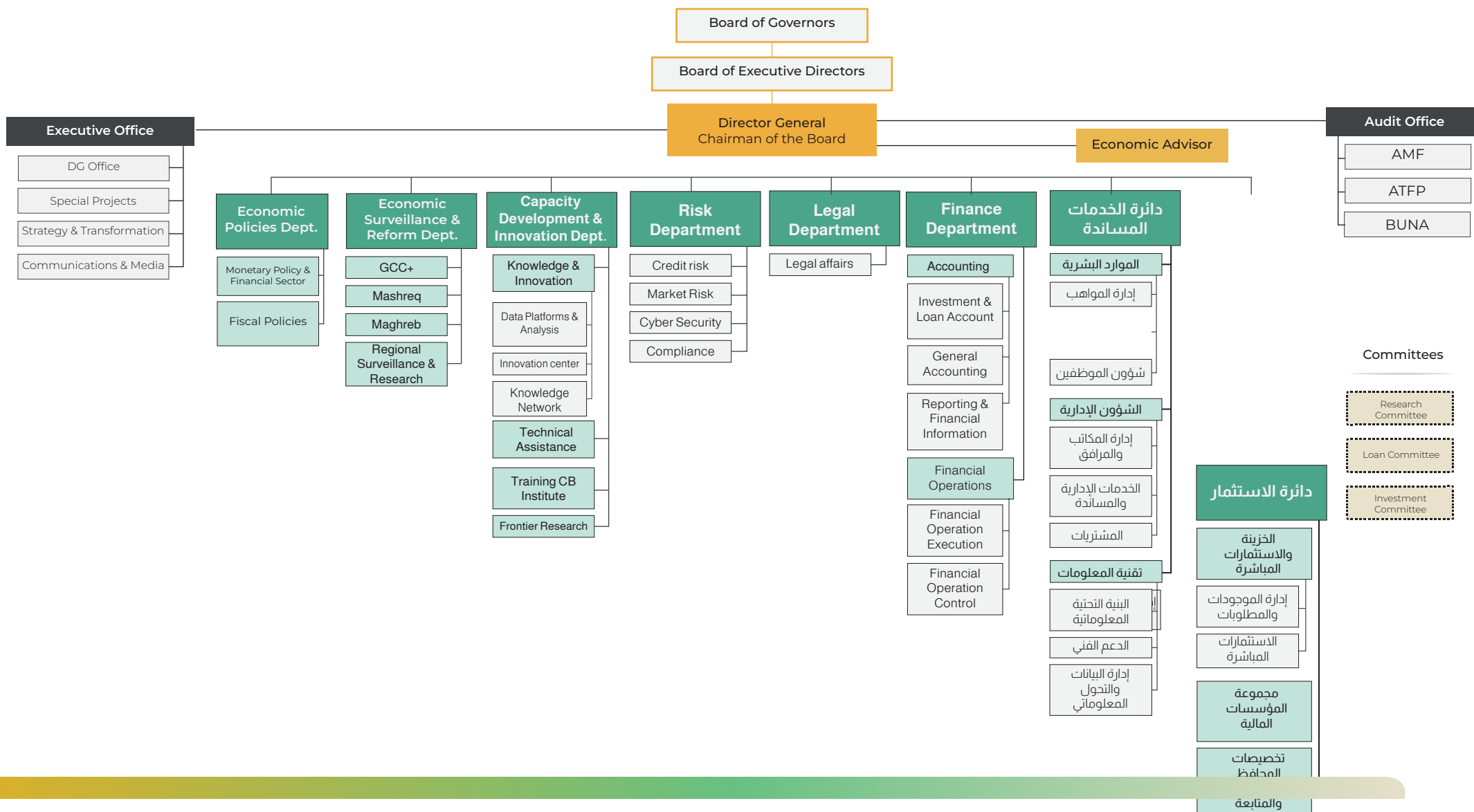
The Internal Audit Office constitutes an important component in the internal control system, as senior management

ensures that it performs its role independently. The Office's functions include assessing the effectiveness of internal control systems, risk management activities, and governance in accordance with an approved methodology, and it communicates directly with the Audit and Risk Committee emanating from the Board of Executive Directors.

External Audit constitutes an important link in the governance system, as the Board of Governors has the exclusive authority to appoint external auditors, upon recommendation from the Board of Executive Directors, and the Fund's Agreement does not allow the Board of Governors to delegate this competence to any of the Fund's other authorities.

To strengthen the Fund's governance framework, the Risk Management committee was established within the institutional structure, to strengthen the governance, risk management, and business continuity system of the Fund, in a manner consistent with its strategic orientations, which focus on providing sufficient flexibility and appropriate alternatives to deal with variables and events.

AMF's Organizational Structure



AMF's Strategic Framework for (2025-2030)



Institutional Enablers



Arab Monetary Fund Strategy (2025 – 2030)

As the Fund celebrates its golden jubilee in 2026 on the occasion of its fiftieth anniversary (in 1976), the Fund's new strategy for the period (2025-2030) was built according to the methodology of benchmarking with international best practices, and is inspired by the Fund's previous experiences in building strategies for the periods (2015-2020) and (2020-2025), including flexible mechanisms to deal with the emerging challenges and opportunities during the strategy period.

The ambitious strategy came after a comprehensive review of its strategy for the period (2020-2025) according to an objective view on the extent to which it keeps pace with its competencies, role, and adequacy of its financial resources in the face of developments and developments in the Arab and international environments, thus aligning its

new strategic directions with the priorities of the Arab countries, confirming its position as one of the most important regional financial arrangements (RFA) and the most influential and effective to enhance its financial stability in a way that contributes to achieving its comprehensive and sustainable growth.

The Fund's new strategy takes into account future directions that reflect the proposed amendments to the Fund's Articles of Association, financial resources, key activities, governing policies, and organizational structure, as well as internal regulatory reforms, all of which are aimed at enhancing the Fund's technical and financial capabilities to enable it to move to broader horizons in serving member countries and meeting their growing needs in light of regional and global developments.

Corporate Identity and Media Policies

Within the framework of the institutional transformation and new strategic directions of the Arab Monetary Fund, the Fund has launched a new institutional identity that reflects its vision to be a pillar of economic stability and sustainable growth in the Arab region.

This included updating its visual identity in line with its future goals and strengthening its institutional presence through the creation of a specialized communication and media unit tasked with developing and implementing a comprehensive corporate communication strategy.

The Fund has also initiated new media policies aimed at enhancing transparency and openness with partners and stakeholders and improving the level of interaction with the public.

In this context, the Fund has officially launched its social media channels to be an effective tool for disseminating economic and financial knowledge, facilitating access to information, reports and studies produced by the Fund, as well as highlighting its various activities and initiatives.

Strategic Pillars

The Fund's four new strategic pillars and directions focused on areas and activities that meet the needs of Arab member countries.

(1) An effective and influential lender: This strategic direction includes increasing the financing capacity of the Fund to cover the growing needs of member countries, especially considering external shocks and the internal structural and situational challenges they face.

The AMF's top priorities for the coming period are to intensify efforts to improve and expand the lending products it provides to its member countries and make them more relevant to the implementation of reforms. To reinforce these trends, the Fund's new strategic directions included obtaining a credit rating that would qualify for access to international capital markets, to enhance its lending resources. The Fund's strategic

direction also focuses on expanding its role in strengthening the Arab financial safety net and designing models for reform programs in the areas of economic policies that suit the conditions and nature of diverse Arab economies, and in line with the best practices in regional and international financial institutions.

Key Characteristics of New Lending Programs in the Fund's New Strategy

- **Flexibility:** Manifested in the possibility of reconsidering program objectives considering variables, including increasing financing as conditions change, and introducing the concept of adjusted quantitative targets.
- **Performance Indicators:** Using clear quantitative indicators to evaluate performance, and structural performance indicators linked to the challenges facing the member state.

- **Supporting Macroeconomic stability:** Programs focus on achieving economic stability in borrowing countries, including the government finance and external sectors.
- **Unfragmented and with higher ceilings:** The country gets a single program with adequate funding that reflects existing challenges and funding needs, with a higher ceiling on funding.

An effective lending policy with specific elements has been prepared, primarily

identifying the appropriate program for the member state's needs and the program duration, as well as determining program targets, quantitative conditions, structural reforms, risk assessment, and debt sustainability, and the borrowing member country's relationships with relevant international financial institutions.

In parallel with framing the governance of the Fund's lending process to member states, a policy has been established to address the arrears of borrowing member countries to the Fund.

AMF's Leading Model

Lending From Effective & Sustainable that supports stability



Significant
Funding
Volume

Effective Economic
Reform Tools and
Programs

Manage Loan Risk
Effectively

- In another context, the Fund has begun fulfilling the regulatory requirements to activate Article Five of the Fund's Articles of Agreement and launch economic surveillance activities with its member states. A department for Reform and Economic Surveillance has been established to monitor economic developments across Arab countries collectively as well as their three classified groups (Arabian Peninsula, Arab Mashreq, and Arab Maghreb), track their economic performance trends, analyze global and regional economic developments and their implications for member states, assess economic risks in Arab countries, and provide recommendations on appropriate policies to address these risks. Additionally, financing activities and economic reform programs for Arab countries will be implemented according to the approved financing policy and instruments.
- The Fund's strategic direction also involves conducting regional research, studies, and economic modeling on priority topics for Arab member countries and cooperating with relevant regional and international institutions, especially peer Regional Financing Arrangements in Asia, Latin America, and elsewhere.
- **(2) Trusted Policy Advisor for Arab Member States:** This orientation is embodied in several strategic activities, which included the following:
 - Providing technical advice and support on macroeconomic policies (government finance, monetary, exchange rate, etc.) to relevant member-state authorities while enhancing dialogue with these authorities regarding these policies. Additionally, contributing to the design of economic, financial, and monetary reform programs, monitoring their implementation and any challenges they may encounter, along with the economic impact arising from these initiatives. Launching initiatives, research projects, and essential solutions to address challenges and mitigate their effects in ways that enhance opportunities for economic and financial stability and support sustainable development in member states.
 - Preparing regional economic reports and indicators, analyzing policies while working to strengthen the capacities of Arab official cadres in data development and analysis, and enhancing innovation and strategic foresight by following comprehensive methodologies for economic analysis and policy development.
 - Supporting opportunities for dialogue, exchange of experiences, and knowledge transfer among policymakers in Arab countries on

emerging issues and priority topics, contributing to coordinating their positions towards international developments. This includes activities carried out by the Technical Secretariat of the Council of Arab Finance Ministers, and the Council of Governors of Arab Central Banks and Monetary Authorities, as well as committees, working groups, and initiatives emanating from them.

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- Strengthening research activity, as the Fund aspires to become a center of excellence in the study of macroeconomics and economic dynamics within Arab countries. This is evident in diverse publications, such as research papers, studies, economic models, and high-quality policy reports that tackle key issues for member states, leveraging top-tier specialized expertise.
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- The future direction of AMF research activity will concentrate on current topics, data-driven insights, and analyses. Furthermore, the research dissemination mechanism will be improved through digital platforms and partnerships to expand the reach of publications, enhance their impact, create a framework for impact assessment, identify areas for improvement, and increase effectiveness.
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- Creating an integrated platform for

data and analysis to deliver accurate and reliable information intended to support member countries in various economic fields.

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- Establishing and utilizing innovation in the Fund's activities, particularly by creating a specialized innovation center designed to support creative and innovative ideas that address priority topics for member states.
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- Disseminating economic knowledge in the Arab region by relying on the knowledge network established by the Fund years ago to coordinate, update, and preserve references of materials, books, and various Fund publications to facilitate their availability to users and interested parties from Arab countries and beyond, making it a primary choice for researchers in the fields of economics, finance, monetary policy, statistics, and trade related to member states.
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(3) Institutional Capacity Building Enhancers

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- This strategic direction of the Fund aims to develop human capital and enhance the capabilities of institutions concerned with economic affairs in the Arab region by developing and modernizing training programs offered by its Training and Capacity Building Institute to become one of the best training centers in the Arab world. It

aims to provide unique content, and a model based on modern technology to help Arab countries build their human capacities, in addition to providing technical assistance in various fields related to the Fund's activities through several activities, most importantly:

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- Designing training and capacity building programs for the benefit of official cadres in member countries according to their priority needs and keeping pace with current and future international and regional developments. Coordinating with partners in regional and international institutions and enhancing the Fund's role as a center of excellence for knowledge and capacity building in economic, financial, monetary, trade, and statistical sectors, following the Fund's strategy.
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- Regarding future direction, the Fund aims to strengthen its capacity-building capabilities to become the preferred partner for training and technical assistance for Arab countries. This will be achieved by expanding the training curriculum to align with member states' needs, increasing service effectiveness, content flexibility, and delivery methods. Additionally, the Fund will establish partnerships with regional and international institutions and utilize different partnership models with research institutions and potential

program sponsors.

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- Creating a division dedicated to technical assistance and resource mobilization, responsible for designing and coordinating programs and initiatives to help member countries develop and implement economic policies and institutional frameworks and build national strategies in priority economic areas.

(4) Strengthening Strategic Cooperation

These tasks have been added within the Fund's strategic framework due to the great importance of partnerships and cooperation with various relevant Arab and international institutions, in enhancing capabilities, capacities and initiatives and achieving the vision and mission of the Fund.

Strategic Enablers

- The institutional enablers that should be provided to contribute to the achievement of these directions were also identified. The Fund's strategic framework identified the necessary means and institutional enablers to ensure its ability to perform its core functions and transform it into an institution with capacity and flexibility. In this regard, the Fund underwent extensive transformations during 2024 to enhance efficiency and effectiveness, becoming the most influential Regional Financing Arrangement (RFA) in the Arab region, and keeping pace with priorities and developments. To achieve this, the following key steps were taken:
 - **1. Institutional Development within the Transformation and Change Phase:**
 - Creating an organizational structure based on the new strategic direction, including newly established departments (Risk Management, Capacity Development and Innovation, Economic Consultations, and Finance) and sharing them with stakeholders to enhance operational effectiveness and improve performance efficiency to achieve the Fund's strategic objectives. Within the new organizational structure, a Technical Assistance section was created, and the necessary technical foundations were established to activate its role and ensure its
 - efficiency in supporting and achieving the Fund's strategic objectives.
 - Enhancing spending efficiency, through creating cost centers to strengthen oversight of spending efficiency and improve performance.
 - Applying to the Organizational Health Index (OHI) to identify key recommendations to support organizational health and culture.
 - Strengthening the human resources strategy based on best practices.
 - **2. Updating Institutional Work within the Strategic Framework Building Process:**
 - The strategy for the next five years, the update of the memorandum agreement, in addition to the design of the corporate identity and the determination of the optimal role and size of the fund, in line with the aspirations of stakeholders, as the fund has been restructured and the operational model of the fund has been developed to enhance internal policies and procedures, operational efficiency, risk management, communication and media, digital transformation, spending efficiency and financial sustainability. With the aim of enhancing interaction among staff, improving the flow of information, and supporting a participatory and effective work environment, the Fund's internal

communication channels have been developed.

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- In the same context, a governance framework for strategic partnerships has been prepared, in addition to concluding partnerships aimed at strengthening the Fund's position as a strategic think tank, the most important of which are:
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- Signing a strategic partnership with the Global Financial System Program and Harvard Law School to enhance the institutional capacities of member countries by offering advanced executive education programs dedicated to developing the skills of Arab cadres in 2025.
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- Launch of the "Universal Digital Instant Payments" initiative in partnership with the Gates Foundation to support technical assistance programs.
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- Signing of memorandums of understanding between the Fund and the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) and the Dubai Financial Centre (DFC) to enhance cooperation in various fields.
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- **3. Strengthening Institutional Enablers:**
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- Taking a set of steps that in themselves represented important enablers that

contribute to achieving the desired goals of the Fund's new directions, the most important of which are:

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- Establishing the Communication and Media Unit to develop a comprehensive strategy for institutional communication, in addition to updating the Fund's visual identity to reflect its vision and future goals.
-
- Establishing the Communication and Media Unit to develop a comprehensive strategy for institutional communication, in addition to updating the Fund's visual identity to reflect its vision and future goals.
-
- Developing an integrated human resources strategy aimed at improving the work environment and building an attractive environment for the Fund to become the first choice for employment.
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- Implementing The project of SAP ERP system, with the aim of developing the Fund's internal information technology systems to enhance their efficiency and accuracy to help achieve strategic directions.
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- Implementing the integrated e-management system within the framework of the digital transformation process through several strategic initiatives, the most important of which

are:

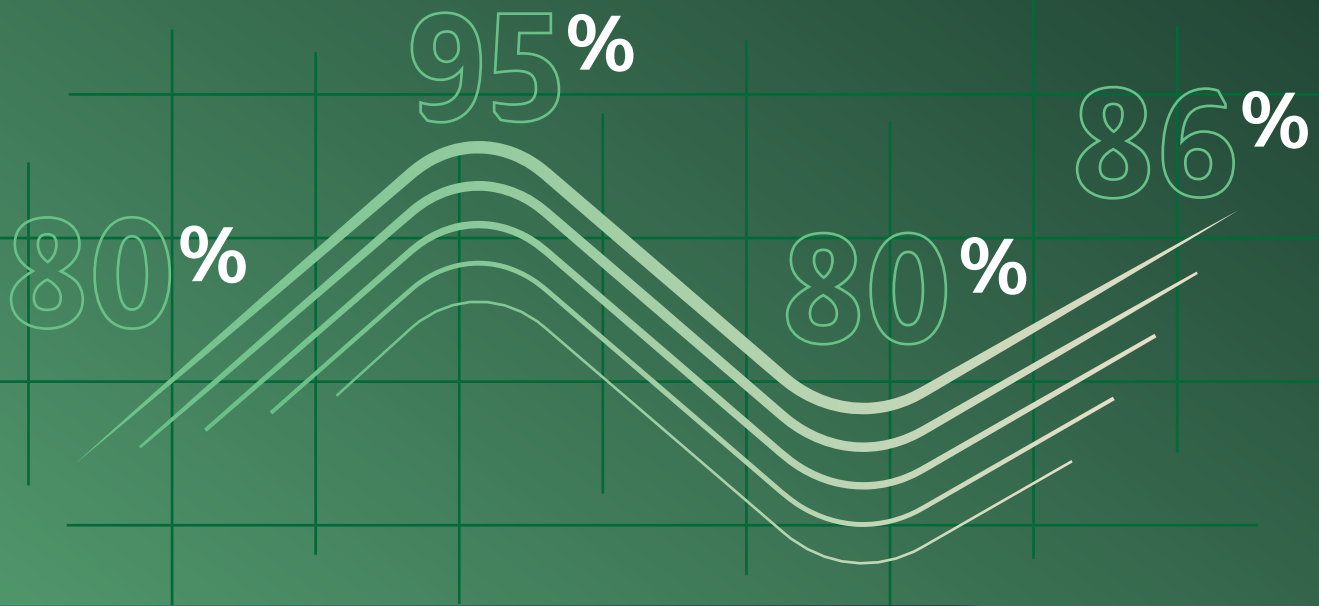
- Implement the M-Files content management system to exchange daily transactions between the Fund's organizational units, the Arab Trade Finance Program and the Buna Payments Platform.
- Applying the electronic signature and document protection system to confidential and restricted circulation documents within the M-Files system.
- Strengthening cybersecurity and forming a specialized supervisory

The most important 2025 Transformation achievements

- Approving doubling the capital to \$10 billion, enhancing the Fund's solvency and lending capacity.
- Restructuring non-performing debt, which accounted for 40% of the total resources available for lending and reducing it to less than 1%.
- Establishing the Research Committee in a way that contributes to enhancing the governance of institutional research work and raising the quality of the Fund's analytical outputs.
- Implementation of 93% of the Fund's strategic initiatives, and the conversion of 3.5% of initiatives into extended projects, reflecting the effectiveness of the implementation and governance mechanisms followed.
- Launching internal and external communication accounts to enhance institutional communication and enhance the Fund's regional and international presence.
- Building a human resources strategy in line with international best practices and enhancing the efficiency of human capital
- Launching the new visual identity of the Arab Monetary Fund and its affiliated institutions, which contributes to enhancing the mental image and consolidating the institutional identity.

Summary of the Fund 's 2025 Strategic Performance

Strategic Pillars Performance



Strategic Partner



Institutional
Capacity Builder



Leading
Thought Partner



Effective
Lending Institution

Strategic Enablers

- **First Pillar: Effective Lending Provider,** including conducting periodic reviews of lending programs, accelerating the response to lending requests in a timely and appropriate manner, and planning the activity of economic surveillance with member countries to enhance their benefit from the Fund's accumulated experience, in a way that contributes to assisting policymakers and decision-makers in Arab countries. Work to achieve the first pillar of the Fund's strategy during 2025 included:
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 - Regarding reform programs that are not supported by the Fund's resources, six review and follow up reports were prepared for the concerned countries economic reform programs, including three reviews for the Republic of Yemen, two reviews for the State of Palestine, and one review for the Kingdom of Bahrain.
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 - For the new loans provided by the Fund, two automatic loans were provided to each of the Republic of Tunisia and the Hashemite Kingdom of Jordan with a total value of 25.458 million AAD to support the balance of payments in the two countries.
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 - In 2025, the Board of Executive Directors adopted three policies, namely the Economic Surveillance Policy, the Loan Policy, and the Arrears Policy, in the context of the completion
- of the Institutional Framework and the Fund's Rules Governing the Fund's work.
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- **Second Pillar: Trusted Policy Advisor,** including Research Committee Plan Projects and Policy Briefs. The work to achieve the second pillar included the preparation of studies and technical papers, a policy brief supervised by the research committee during its various stages of preparation, as well as a set of studies that were prepared and presented within the framework of the work of the committees and task forces emanating from the Council of Governors of Arab Central Banks and Monetary Institutions, and addressed priority topics.
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- **Third Pillar: Institutional Capacity Builder,** where the Fund's work within the framework of its efforts to achieve its objectives within the framework of this pillar included the provision of technical assistance programs and training courses through its Training and Capacity Building Institute. The evaluation and performance follow-up reports reflected the quality and effectiveness of the technical aid programs, as well as the evaluation of the participants in the training courses, reflected the degree of high utilization and added value achieved by the

training activity provided by the Fund to participants from central banks and ministries of finance in the Arab countries, where the satisfaction rate of the participants in the 81 courses provided by the Fund during 2025 reached about 84 percent.

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- **Also, among the most important achievements were:**
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- Organizing three executive education programs, in cooperation with prestigious international institutions.
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- Contributing to the development of financial and banking statistics in the Central Administration of Statistics in the State of Kuwait.
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- Provide technical support for the development of financial sector data for the Federal Competitiveness and Statistics Center in the UAE.
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- Assist the Iraqi authorities in the preparation and launch of the National Financial Inclusion Strategy in the Republic of Iraq, launch the Buy Now Pay Later initiative, as well as provide technical assistance to formulate a regulatory and regulatory framework for virtual and crypto assets of the Central Bank of Iraq.
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- Contributing to the development of the public finance management of the Ministry of Finance in the State of Libya.

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- Providing technical support to the Ministry of Budget of the Republic of Djibouti, for the purpose of improving the efficiency of work in the Ministry in several areas, foremost of which is the preparation of the medium-term expenditure framework, the preparation of the program budget and other areas aimed at enhancing resources and improving and rationalizing expenditures.

Fourth Pillar: Strategic Collaborator, as the Fund's work in the context of its pursuit of achieving its objectives within the framework of this pillar included building strategic partnerships, where eight (8) strategic partnerships were signed between the Arab Monetary Fund and each of:

- European Stability Mechanism
- The Islamic Financial Services Board
- ASEAN+3 Macroeconomics Research Office
- Gates Foundation
- International Monetary Fund
- Islamic Development Bank Institute

Strategic Enablers Performance

Regarding performance during 2025 at the level of institutional strategic enablers, the average performance percentages were about 91 percent, and the following are the performance percentages at the level of institutional enablers:

- Policies & Procedures (100%)
- Financial Sustainability & Efficiency (80%)
- IT & Digital Transformation Strategy (100%)
- Operational Efficiency (88%)
- Risk Management (70%)
- Communication Strategy (100%)

In terms of fiscal sustainability, efforts to restructure arrears for troubled countries were completed in 2025, and arrears collection began in the fourth quarter of the year for Yemen and Somalia.

In terms of optimal use of resources, the Fund has prepared a robust system for tracking fixed assets, including the preparation of an inventory list that is updated periodically to benefit from them instead of new purchases, thus contributing to raising the efficiency of spending.

In the same context, the Fund provided logistical support for sixty (60) in-person events and training programs during the year based on its own resources, in addition to implementing all seven hundred and twenty-two (722) requests received during the year, reflecting the efficiency of procurement management.

As for the progress of the implementation of strategic activities related to information technology and digital transformation, the implementation of six (6) planned projects within the aforementioned strategy has been completed during 2025, foremost of which is the project of implementing the Enterprise Resource Management System, Other projects included the development of the Arab Trade Finance Program systems, the upgrade of firewall systems and authentication solutions, the redesign of the expanded cybersecurity detection and response system, the replacement of the wireless network and firewall for the disaster recovery site, as well as achieving compliance with SWIFT's customer security program, enhancing cybersecurity and business continuity requirements.

For the purposes of enhancing operational efficiency, (22) new employees have been contracted as part of the recruitment plan for 2025, in addition to completing the implementation of all audit projects planned during the year. As part of the policy and action enablement, all 45 policy and action manuals planned during the year were reviewed and updated.

In terms of enhancing risk management, 50% of cybersecurity plans and procedures have been implemented, with a 90% compliance rate with the procedures governing activities, which contributes to raising the level of institutional readiness and reducing

operational and technical risks.

In terms of the progress of the implementation of the activities included in the Corporate Outreach Strategy, ten (10) internal events were including the celebration of the Kindness Day, the International Arabic Language Day, the launch of the Fund's new visual identity, World Diabetes Day, and other initiatives aimed at enhancing institutional communication and consolidating organizational identity. The Fund's social media accounts were launched in May 2025.

Lending Activity

From its mandate as defined in its Establishing Agreement, the Fund works, through its lending activities, to support economic and structural reform programs in Arab member states to provide the necessary technical economic support for designing these programs and monitoring their implementation and the challenges they may face.

Balance of payments disequilibria occur because of the adoption of inappropriate fiscal policies, or the adoption of an inappropriate monetary policy or exchange rate policy, or a change in terms of trade because of large and persistent price shocks in important export or import items.

These disequilibria may also occur because of significant weakness in the financial sector that affects financial stability or

growth and requires government intervention that may result in an increase in the budget deficit and consequently harm the confidence in the economy and financial system if the required fiscal space is not available.

Considering the foregoing, and in line with the Fund's proactive approach, the Board of Executive Directors adopted during 2025 a new Lending Policy, pursuant to the Board's Decision No. (9) issued from its meeting held on 11 September 2025, the most important main features of which were as follows:

- Focus the loans on supporting the stability of member states that facing or may face balance of payments disequilibria that affect their economic stability.

- Give the borrowing member state sufficient time to address the causes of the disequilibria it is facing to restore stability and growth.

- Cooperates within the framework of the reform programs it finances with the member state in designing a matrix of reforms that help address the causes that have led to those disequilibria.

- Design the reform programs in a manner that effectively reduces the credit risks faced by the Fund, through providing the appropriate size of financing, and reaching agreement on reform programs that address the causes of the disequilibria.

Reform programs to include an in-depth diagnosis of the balance of payments problem and its root causes and repercussions, to support the reform package and policy adjustment aimed at improving the situation and confirming and strengthening debt sustainability.

Develop tools that help in assessing the member state's ability to meet its obligations for at least the duration of the loan. These tools must be used before approving the loan and on an ongoing basis throughout the life of the loan, especially when considering new disbursements.

The setting of the program targets is a participatory process with the borrowing member state and reflects the challenges it faces, and the reform priorities adopted by the country according to its reform vision, which strengthens political support for the implementation of these reforms.

The policy stipulates that there be effective cooperation with relevant international financial institutions, although this cooperation does not reduce the importance of preserving the technical and financial independence of the Arab Monetary Fund.

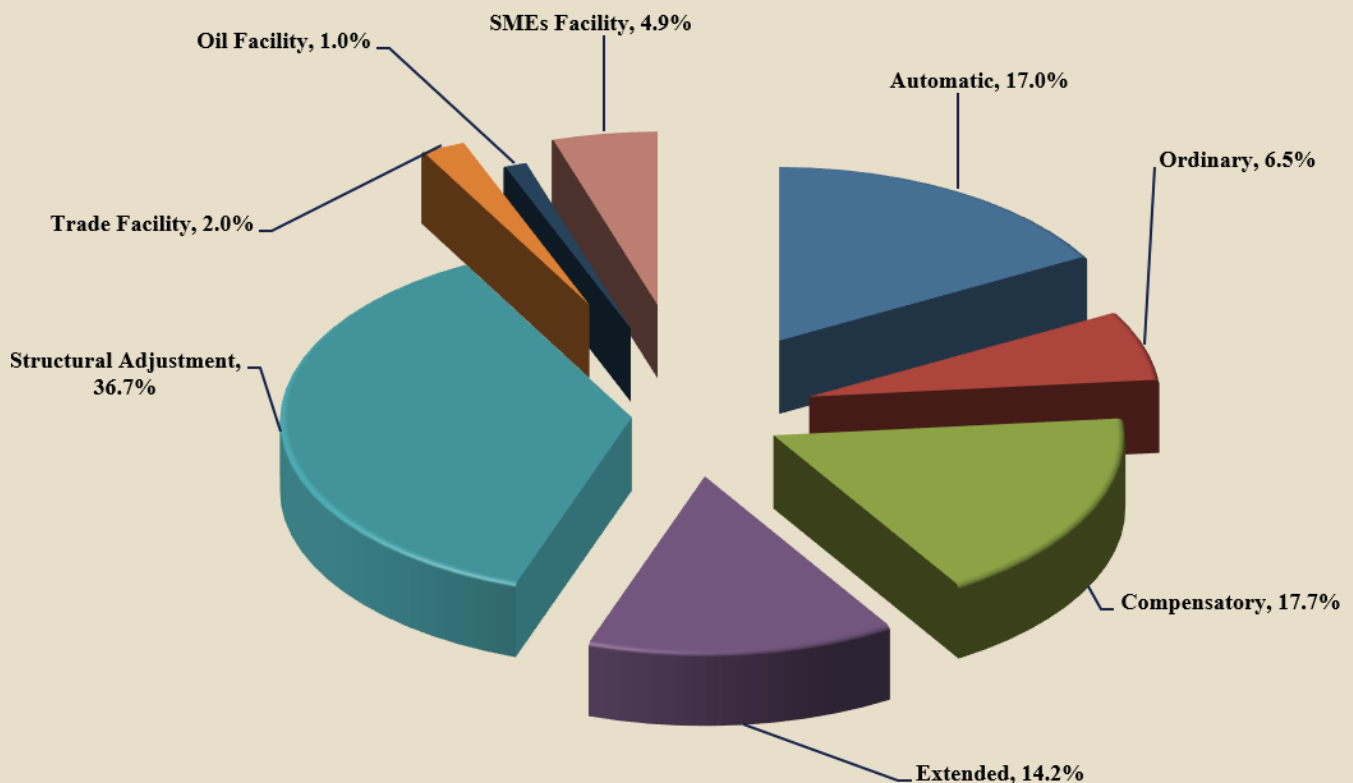
New Loan Contracts and Loan Commitments

The Fund contracted in 2025 with each of the Hashemite Kingdom of Jordan and the Republic of Tunisia on two automatic loans, with a total value of 25.458 million Arab Accounting Dinar (AAD). The value of the loan provided to the Hashemite Kingdom of Jordan amounted to 11.077 million AAD, representing 75 percent of the paid-in quota in convertible currencies, and the loan amount was withdrawn in a single tranche. The value of the automatic loan provided to the Republic of Tunisia amounted to 14.381 million AAD, and it was

also withdrawn in a single tranche.

By adding the value of the two new loans to the balance of loans provided since the beginning of lending activities in 1978, the total value of loans that the Fund has approved providing to its member states, until the end of 2025, reaches approximately 3.182 billion AAD, equivalent to approximately USD 13 billion. Fourteen Arab countries have benefited from the loans provided by the Fund during the period 1978–2025, totalling 206 loans.

Distribution of loan types as percent of total loans (1978 - 2025)



Consultations with Member States Regarding New Loan Requests

The Fund conducted consultations during 2025 with some member states regarding the use of the Fund's resources in the form of new loans to support reform programs.

The Republic of Tunisia submitted a request to benefit from the Fund's resources in the form of an extended loan. The Fund completed its study of the loan request in preparation for consulting with the Tunisian authorities on the reform program.

The Kingdom of Morocco submitted a request to benefit from its resources in the form of an extended loan. Consultations with Moroccan authorities on the reform program are ongoing.

Consultations with Member Countries to follow up on the progress of Reform Programs not financed by the AMF

Regarding the Program for the Kingdom of Bahrain, which was supported through the Kingdom of Saudi Arabia, the United Arab Emirates, and the State of Kuwait, the Fund completed its efforts during 2025 in monitoring the implementation of the program and prepared a comprehensive assessment of performance developments within the program during the program period. The most notable achievements of program implementation included the

application of value-added tax at a rate of 5 percent in 2019 and increasing it to 10 percent in 2022, reviewing fees for some government services, increasing the contribution of state-owned companies, completing the voluntary retirement program, stopping the targeted subsidy from the general budget to the Electricity and Water Authority, unifying multiple social support programs within a unified database framework, implementing measures to reduce and control operational expenditures, and reducing project expenditures in line with program targets while developing the partnership with the private sector.

Regarding the Reform Program for the Republic of Yemen, the Republic of Yemen had adopted an economic, financial, and monetary reform program covering the period (2022–2025) in agreement with the Arab Monetary Fund, and with financial support from the Kingdom of Saudi Arabia, the program performance developments within were tracked periodically during 2025, and quarterly follow-up reports were completed, consultations were held with Yemeni authorities in a manner that serves achieving the program targets and contributes to strengthening the public finance situation and external economic balances.

Regarding the Financial Support Program provided by the Kingdom of Saudi Arabia to the State of Palestine to support the implementation of financial reforms, the Fund continued during 2025 to prepare progress

Arrears

monitoring reports for the program's implementation, including developments in the Palestinian economy in terms of growth, inflation, and the fiscal position, while presenting the status of implementation of targeted reforms and the challenges and risks facing implementation. The program aimed to strengthen the public finance position in a manner that enables the Palestinian Government to face the repercussions of the aggression against Gaza, including strengthening public revenue governance, controlling government expenditure, enhancing transparency and financial accountability.

Withdrawal & Repayment of Loans

Total drawdowns on contracted loans amounted to approximately 25.458 million AAD during 2025, while total drawdowns during 2024 amounted to 133.072 million AAD in addition to the rescheduling of loans of the Federal Republic of Somalia and the Republic of Yemen which amounted to 126.836 million AAD. In return, borrowing countries repaid the equivalent of 128.608 million AAD during 2025, representing instalments of previously provided loans. The balance of outstanding loans owed by borrowing member states reached approximately 512.958 million AAD at the end of 2025, compared to 582.800 million AAD at the end of 2024.

According to the financial position at the

end of December 2025, there are two cases of delay in payment of instalments, represented by the Republic of Sudan (a rescheduling agreement was reached as indicated above and is awaiting approval) and the Syrian Arab Republic. Total arrears amounted to approximately 140.085 million AAD, consisting of overdue loan instalments totalling 113.525 million AAD and accrued interest of approximately 26.560 million AAD.

Regarding the Republic of Sudan arrears, the delay began in April 2020, and the total overdue loan instalments and accumulated interest due at the end of December 2025 amounted to approximately 135.984 million AAD, representing overdue loan instalments of 110.645 million AAD and accrued interest of approximately 25.339 million AAD. A debt restructuring agreement was signed on 09 December 2025 and is effective upon approval by the Board of Governors.

Regarding the Syrian Republic arrears, the delay began in December 2011, and the total overdue loan instalments and accumulated interest due at the end of December 2025 amounted to approximately 4.101 million AAD, representing principal instalments and interest on the Second Structural Adjustment Facility loan.

The Fund is following up with officials to reach a settlement of arrears at the earliest opportunity.

Technical Assistance Activity

The year 2025 was characterized by the growth of technical assistance activities compared to the previous year, reflecting the Fund's commitment to its pivotal role in building institutional capacities of member states. This year also witnessed further intensification of outreach efforts with numerous international organizations and peer institutions, within the framework of strengthening partnerships and exploring resource mobilization opportunities. The most notable event of this year was the official launch of the Arab Inclusive Instant Payment Systems (Arab IIPS Facility), a strategic program aimed at providing the necessary support to Arab supervisory authorities to help them develop instant payment systems and their applications and modernize the necessary infrastructure.

First: Launching the "Arab Inclusive Instant Digital Payments Program"

The official launch of the Arab Inclusive Instant Payment Systems (Arab IIPS Facility) is the most notable event of this year. The Fund will provide through the program technical support to Arab supervisory authorities to help them develop instant payment systems and their applications, and modernize the necessary infrastructure, in a manner that enhances the inclusiveness of these systems and the efficiency of instant payment services. The program's actual activities will begin at the start of 2026 and will continue for five years until the end of

December 2030.

Strategic Objectives of the Program:

Promoting financial inclusion by enabling fast, low-cost, interoperable digital payment systems, so that they are accessible to all, including the unserved groups.

Strengthening regulatory and institutional capacities at the country level to support financial innovation, while ensuring consumer protection and maintaining the robustness and stability of the financial system.

Strengthening regional cooperation and integration in the areas of payment systems and digital financial services, in a manner that contributes to harmonizing policies and procedures among countries.

Accelerating the development of general digital infrastructure, such as national switches, digital identities, and regulatory frameworks that enable innovation.

Supporting gender equality and social justice goals by ensuring women's, youths, and rural and remote areas' residents' access to digital financial services.

Benefiting from the Arab Monetary Fund's role as a prestigious regional institution to coordinate efforts among central banks, international partners, and the private sector in the region.

Program Development Stages:

Field studies and consultations with Arab central banks to assess needs and institutional capacities.

Preparing the program proposal according to the priorities and orientations of member states.

Preparing the program design including its services, operating mechanisms, governance, and financing.

Securing the necessary financing for the program over five years.

Preparing a detailed 5-year work plan for the program.

Internal coordination in the Fund and cooperation mechanisms between all organizational units whose services the program covers.

Products and Services to be Provided through the Country Engagement Framework:

1. Services provided by program management, including meetings with instant payment system experts, periodic newsletters, specialized research papers, periodic progress reports, and database building.

2. Horizontal services, including certified training, project facilitation, and seminars and lectures.

3. Capacity building and training, including capacity building programs, knowledge sharing and mutual visits, innovation beyond traditional payments, and testing and verifying technological solutions.

4. Technical assistance and delivery support, including policies and regulations, infrastructure and technology, consultations in structural and technical design, business models, cybersecurity and data protection, fraud prevention, and project establishment and management. These activities include a special part on activities that help empower women and youth, alongside developing a regional coordination mechanism.

Second: Technical Assistance Activities and Projects during 2025

The Fund launched eleven qualitative projects benefiting five member states, covering areas such as developing financial statistics, preparing national financial inclusion strategies, supporting public finance reforms, and enhancing digital transformation in the financial sector.

United Arab Emirates:

1. Financial Sector Statistics Development – Phase One: Completed in May 2025 for the Federal Competitiveness and Statistics Centre (FCSC). Included a comprehensive assessment of the methodologies for preparing financial sector data within the national accounts,

analysing available data sources, replacing field surveys with administrative records, and a review of working mechanisms in accordance with the recommendations of the IMF 2008 National Accounts Manual and its 2025 updates.

2. Financial Sector and Banking Statistics Development – Phase Two: Completed in November 2025. Phase Two focused on a comprehensive assessment of the components of financial statistics, establishing the necessary foundations for covering the nine sub-sectors constituting the financial sector, and completing all requirements of administrative records necessary for calculating indicators.

3. Supporting the Ministry in Preparing the Strategic Plan 2027–2029:

Providing the Fund's expertise to the UAE Ministry of Finance to support it in preparing its strategic plan through reviewing the initial draft and providing technical opinion. The review includes public finances, budget, revenues, public-private partnerships, accounts management, treasury management, accounting standards, tax legislation, and international relations.

Republic of Iraq:

1. Building the National Financial Inclusion Strategy 2025–2029: Completed in 2025 within the Financial Inclusion in the Arab Region Initiative (FIARI), in cooperation with GIZ, the World Bank, and the Alliance for Financial Inclusion. The strategy was launched at a conference

organized by the Central Bank of Iraq on 25 May 2025 in Baghdad.

2. Buy Now Pay Later (BNPL): Initiated in April 2025 by the Central Bank of Iraq. Aims to prepare a comprehensive regulatory framework ensuring operational safety and consumer protection, develop a model for communicating with stakeholders, and develop an implementation roadmap.

3. Preparing a Regulatory and Legislative Framework for Crowdfunding: Based on a request from the Central Bank of Iraq, currently in an advanced stage of preparation. Aims to establish a comprehensive framework covering supervision, investor protection, licensing platform, AML/KYC requirements, and risk management.

4. Drafting a Legal Framework for Encrypted Assets: The Fund began implementing Phase One in November 2025. Aims to assess the existing legal and regulatory framework, market readiness, and financial infrastructure in Iraq. Phase One outputs include a comprehensive report covering the current situation analysis, gap identification, and detailed recommendations.

State of Kuwait:

1. Financial and Banking Statistics Development – Phase One: Completed in February 2025 for the Central Statistical Administration in Kuwait. Focused on aligning work with the recommendations of the 2008 System of National Accounts,

preparing a time series for 2019–2023, and assessing the accuracy of results using field surveys and administrative records.

2. Financial and Banking Statistics Development – Phase Two: Completed in December 2025. Complementing Phase One, this phase focused on covering the nine sub-sectors constituting the financial sector and completing all administrative records requirements.

Republic of Djibouti (Planned):

The Fund received an official request from the Ministry of Budget of the Republic of Djibouti to support the Ministry in modernizing budget preparation and implementation systems, providing recommendations for developing financial policies and procedures, organizing specialized training programs, supporting digital transformation in public finance management, and improving revenue collection efficiency. The Fund plans to begin providing the required technical support at the beginning of 2026.

Libya (Planned):

In response to an official request from Libya's Ministry of Finance, the Fund agreed to include a comprehensive project to strengthen public finance reforms. The project aims to support the Ministry in digitizing the government sector, developing financial legislation, building staff capacities in financial statement analysis, auditing, and compliance, preparing financial reports, and developing government finance statistics.

The Fund coordinated with the Ministry of Finance of one of the member states to arrange a field working visit for a Libyan delegation to benefit from its experience in financial reform and digital transformation.

Third: Fund Efforts to Strengthen Partnerships and Mobilize Resources

The Partnership and Resource Mobilization function was activated during the second quarter of 2025. Partnership and resource mobilization activities witnessed qualitative expansion in 2025:

- Preparing a specialized program proposal targeting regional and international donors to provide technical assistance to the Central Bank and Ministry of Finance in Syria.
- Reaching an agreement with GIZ on cooperation in the field of digital payments and digital government transformation, targeting implementation of joint projects in six Arab countries.
- Expanding working partnerships with the OECD to implement technical assistance projects in Yemen and Syria.
- Establishing a cooperation track with Total Official Support for Sustainable Development (TOSSD) to include the Arab Monetary Fund's activities in technical assistance and training.
- Making progress in consultations with the African Development Bank

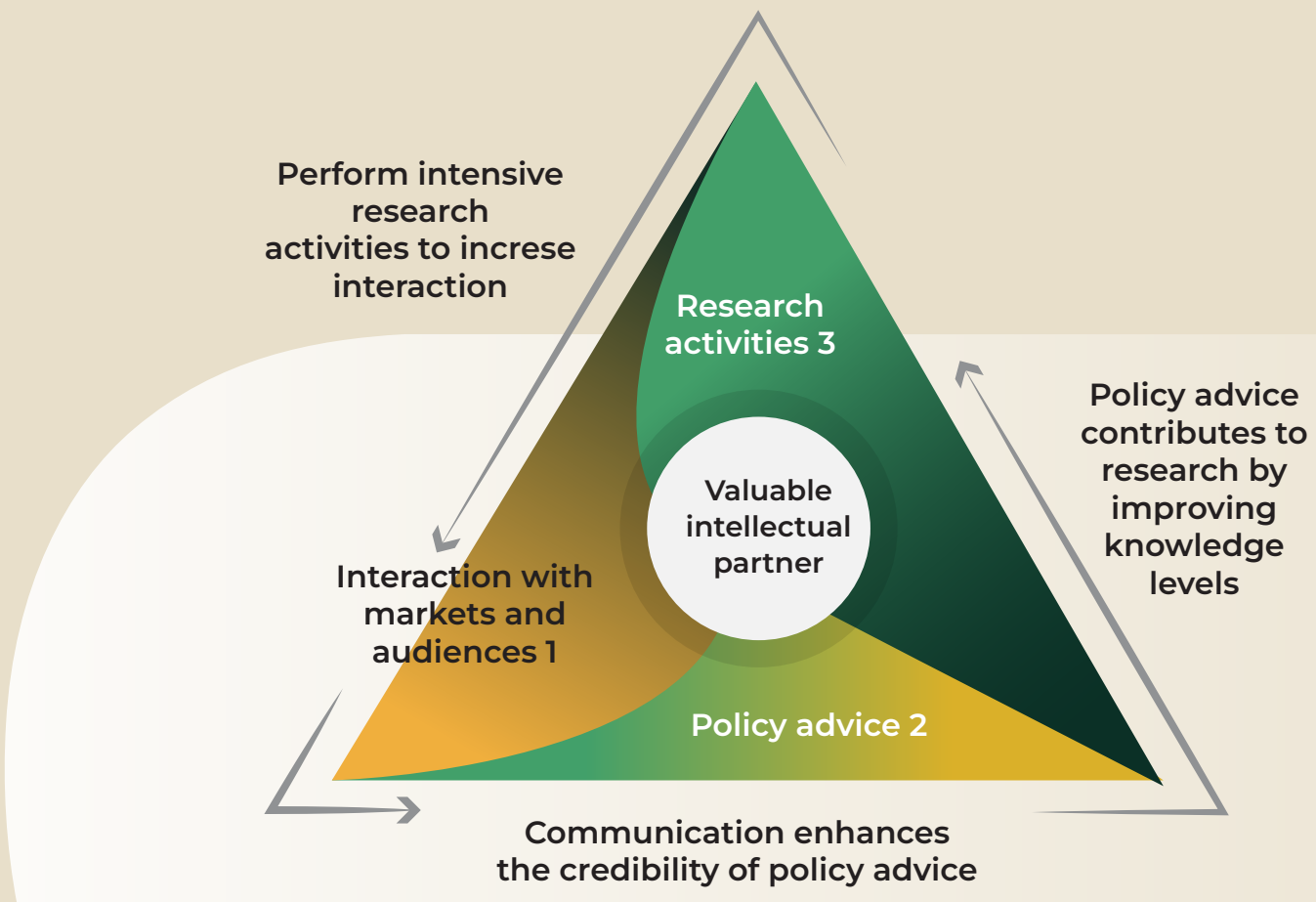
(AFDB) on cooperation in supporting capital market development and enhancing digital financial inclusion.

- Reaching an agreement with the United Nations Development Programme (UNDP) on implementing training and technical assistance activities in the Arab region.
- Expanding cooperation partnerships with the United Nations

Capital Development Fund (UNCDF) to explore the use of innovative regulatory tools including the Policy Accelerator and Regulatory Sandbox mechanisms.

- Conducting discussions with the United Nations High Commissioner for Refugees (UNHCR) focused on green finance and climate adaptation.

AMF's vision for improving research activities, Public interaction, and policy-related technical advisory services



Research and Publication Activity

Research activities are one of the main tools that the Arab Monetary Fund relies on to achieve its strategic objectives as a distinguished intellectual partner, for the purpose of enhancing the process of making effective policies, programs, and economic plans, and supporting evidence-based decision-making built on accurate and reliable information, in a manner that contributes to enhancing economic stability and sustainable development in the Arab region. The research activities provided by the Fund also target equipping students, researchers, and all those concerned with scientific research in Arab member states with scientific references, applied economic tools, and models.

The research activity carried out by the Fund varies between economic reports, applied research and studies, books, and statistical bulletins, in the areas of macroeconomics, monetary and financial developments, public finance developments, and the external sector.

Research initiatives adopted by the Fund during 2025 included a wide range of topics, including analysis of fiscal policy, economic modelling, overall productivity, public debt management and sustainability, strengthening digital transformation efforts and the role of artificial intelligence in promoting financial inclusion, the repercussions of global economic developments on monetary

policies in Arab countries, the performance of Arab financial markets, and other areas.

To strengthen the Fund's orientations toward developing and strengthening research activities, new organizational units were created within the Fund's new organizational structure:

Research Committee:

- The Research Committee works as a central administrative body responsible for coordination and oversight of research projects within the Arab Monetary Fund. The Committee's functions and responsibilities include:
- Preparing the annual research projects plan to achieve effective participation from all relevant sections and departments.
- Deciding on applied research projects, overseeing them, and setting a balanced timetable for research publications and events.
- Taking the initiative to propose research project topics that serve the Fund's work and respond to the economic challenges facing member states.
- Supervising and following up on the resources and requirements necessary to complete research projects.
- Developing research policies, procedures, and guidelines, and ensuring they reflect best practices and ethical considerations.

- Quality control and ensuring continuous improvement in the quality and relevance of research.
- Strengthening external partnerships to maximize the scope of research activities, their impact, and their visibility.
- Encouraging capacity building for researchers through training and workshops.

Surveillance and Regional Research Division within the Reform and Economic Surveillance Department:

This division focuses on monitoring economic developments across Arab countries as a whole and among specific groups within the region. It compares these developments with similar groups in other economic areas, contributing to the creation of regional economic reports and indicators. The division seeks to enhance data development and analytical capabilities by analyzing data-driven policies. Additionally, it supports member countries through policy-making advice and technical assistance, promoting innovation and strategic foresight in economic research.

The division also specializes in monitoring, analyzing, and evaluating the risks and challenges faced by member countries and their policies. It provides assessments and forecasts on targeted policies to policymakers based on research results and economic consultations, relying on

tools and models recognized for building regional economic forecasts that support the economic decision-making process in Arab countries.

Frontier Research Division within the Capacity Development and Innovation Department:

This division specializes in identifying and evaluating the impact of emerging topics that are expected to have a significant effect on the economies of Arab member states, which would help policymakers adopt appropriate policies and strategies to maximize benefits and improve risk management frameworks related to them, including topics of cybersecurity, artificial intelligence, digital economy, and climate change. Additionally, the division will focus on building a distinguished network of relationships with specialists in these topics at the regional and global levels and contributing to economic surveillance activities.

Policies Dialogues Activity (Meetings, Conferences, Seminars, Workshops)

The AMF's activities, which aim to strengthen channels of dialogue and consultation with Arab authorities to discuss global and regional developments, are of great interest and are among its priorities, against the backdrop of their repercussions on Arab economies. To achieve this goal, the Fund organizes meetings, workshops, seminars and conferences with the participation of all concerned parties in the Arab countries, and in cooperation with global and regional partners, with the aim of transferring expertise and experiences between Arab countries, as well as creating opportunities to benefit from the experiences of different countries in the world in the economic fields.

In this context, high-level dialogue meetings, workshops, conferences, and seminars were organized during 2025 to discuss ways to address the challenges arising from global and regional developments on the Arab economic sectors. The following are the meetings, conferences, and workshops organized by the Fund during 2025:

The 20th Annual High-Level Meeting on Financial Stability and Legislative and Supervisory Priorities, in cooperation with the Financial Stability Institute of the Bank for International Settlements and the Basel Committee on Banking Supervision, with the participation of several governors and

deputy governors of Arab central banks and monetary institutions. The meeting discussed important topics such as: "Emerging Risks and Trends in Financial Systems in the Arab World", "Financial Sector Policies between Financial Stability, Economic Growth and Competitiveness", "Strengthening Supervisory Processes", "Regulation and Supervision of Stablecoins", "Artificial Intelligence and Financial Sector Authorities", and "Regulation and Control of Liquidity Risk".

Workshop on "Rethinking Monetary and Fiscal Policies in the Light of Increased Uncertainty", in collaboration with the International Monetary Fund (IMF) and the Central Bank of Tunisia. The workshop was attended by several governors of Arab central banks and monetary institutions, as well as representatives of international institutions such as the Bank for International Settlements, the Financial Stability Board and the European Stability Mechanism. The workshop discussed three main topics: "Monetary Policy in a State of Uncertainty", "Financial Stability and Financial Sector Policies in a State of Global Uncertainty", and "Financial Sector Readiness to Face Crises".

Workshop on "Achieving Development Goals in Light of Financial Uncertainty and Vulnerability of Indebtedness: Future Trends". Several ministers, governors, and high-level officials from Arab countries representing the Ministries of Finance, Economy and Central Banks, as well as representatives of

several Arab institutions and bodies, participated in the workshop. It aimed to support the Arab dialogue on crisis management topics, discuss the effects of debt, and the fiscal policies required to hedge against the repercussions of global crises and achieve financial stability.

In a related context, the Fund participated in organizing several workshops that focused on strengthening the digital infrastructure of the financial sector and banking services, and the use of artificial intelligence and machine learning, the most important of which are:

 Workshop on "Regulatory and Supervisory Frameworks for Crypto Assets", in cooperation with the Central Bank of Jordan, with the participation of representatives of regulators, supervisory authorities, law enforcement authorities, as well as a group of financial and banking sector institutions in the Arab countries. During the workshop, several key themes were highlighted, including: "Regulatory Framework for Crypto Assets", "Operational and Regulatory Challenges, and the Development of Regulatory Infrastructure".

 Regional Workshop on "Strengthening Fast Payment Systems in the Arab Countries", in cooperation with the World Bank. The workshop covered several topics, including: "The Reality of Fast Payment Systems in the Arab Region", "Monitoring and Supervision of Fast Payment Systems", and "Consumer

Protection and Enhancing Transparency". Additional services such as "Payment via QR Codes" and "Payment Request Services" were also addressed.

Regarding the Fund's activities under the Regional Initiative to Promote Financial Inclusion in the Arab Region during 2025, they included the following:

 The Arab Financial Inclusion Day celebrated on April 27, 2025, under the theme "Promoting the Inclusion of People of Determination and Vulnerable Groups in the Formal Financial System". In this regard, the IMF published the statement issued by the Secretariat of the Board of Governors of Arab Central Banks and Monetary Institutions in Arabic, English and French.

 Launch of the "Arab States Principles for Digital Financial Inclusion" document, in collaboration with the Central Bank of the UAE, as a common regional vision that promotes safe, inclusive and reliable digital finance in the Arab countries. The document outlines eleven integrated principles aimed at achieving effective and sustainable digital financial inclusion for the Arab region.

In another context, and to enhance cooperation with local, regional and international financial organizations and institutions, several memorandums of understanding were signed during 2025, including the Reserve Fund for Latin America (FLAR), the European Stability

Mechanism (ESM), and the Inter-American Development Bank (IDB). In the same context, the activation of the Memorandums of understanding with the ASEAN Macroeconomic Research Office (AMRO) and the Islamic Financial Services Board (IFSB) has been strengthened.

In addition, among the most prominent meetings and workshops in which IMF participated and organized by international and regional organizations during 2025 were:

- The ALULA Conference on Emerging Market Economies, organized by the Ministry of Finance of the Kingdom of Saudi Arabia in cooperation with the International Monetary Fund,

- Meetings of the Basel Committee on Banking Supervision,

- Meetings of the International Credit Bureau, MENA Financial Action Task Force (MENAFATF) Meetings, Awareness

- Workshop on "Preparing for the Mutual Evaluation Process in Accordance with the Methodology of the Fifth Round of Mutual Appraisals",

- Meetings of the Coordination Group of Arab Financial Institutions,

- Annual meetings of the Islamic Development Bank Group,

- Joint Annual Meetings of Arab Financial Institutions,

IMF and World Bank meetings,

- World Government Summit sessions,

- "Jordan FinTech Festival 2025", in cooperation with the Central Bank of Jordan and in partnership with the German Agency for International Cooperation (GIZ),

- The MENA Financial Inclusion Leaders' Summit 2025, in collaboration with the Central Bank of the UAE and the World Bank,

- Workshop on "Fiscal Policy Coordination at the UAE Level", in cooperation with the UAE Ministry of Finance,

- The "Credit Conference - From Vision to Decision" Conference, in cooperation with the Central Bank of Kuwait,

Technical Secretariats' Activity

During 2025, the Fund has completed all the tasks entrusted to it by virtue of assuming the technical secretariat of the Council of Arab Ministers of Finance, as well as the Council of Governors of Arab Central Banks and Monetary Institutions, its Permanent Office, 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 for Promoting Financial Inclusion in the Arab Countries.

- The Financial Stability Task Force in the Arab States.

- The Working Group on Modern FinTech.

- The Green and Sustainable Finance Network in the Arab Countries. Arab countries.

The tasks referred to include the following:

- Activities of the Secretariat of the Council of Arab Ministers of Finance:

The Fund's achievements during 2025, within the framework of its duties as the technical secretariat of the Council of Arab

Ministers of Finance, included the organization of the sixteenth regular session of the Council, the tenth meeting of the Undersecretaries of the Ministries of Finance of the Arab States, including the completion of studies, working papers and reports required by the Council's work, the organization of the Ninth Public Finance Forum, as well as the organization of a series of meetings, workshops, and forums that come within the framework of its activities within the framework of the Council's Technical Secretariat.

The IMF also sent the two annual letters of the Council of Arab Ministers of Finance to the President of the World Bank Group and the Managing Director of the International Monetary Fund, as part of the arrangements for the annual meetings of the IMF and the World Bank. The speeches addressed the needs and requirements of the Arab States from these two institutions, based on the issues previously agreed upon at the meeting of the sixteenth regular session of the Council.

Regarding the meeting of the sixteenth ordinary session of the Council of Arab Ministers of Finance, the Fund organized it in the State of Kuwait under the chairmanship of His Excellency Sayed Ahmed Abouh, Minister of Economy and Finance of the Islamic Republic of Mauritania, and with the participation of the Ministers of Finance of the Arab States. During the meeting, several working papers and reports were discussed on several topics, most notably:

"Public Debt Management and Fiscal Risks: A Framework for Controlling the Risks of Incidental Liabilities",

"The Implications of Global Trade Tensions and Uncertainty for Arab Countries",

"Enhancing Energy Security and Investment in Renewable Energies: The Role of Public Finance",

"Analyzing the Sources of Growth in the Arab Region: Assessing the impact of fiscal policy."

"The Role of New Technologies in Improving the Efficiency and Transparency of Government Financial Operations"

"Global Minimum Tax and Taxation on the Profits of Multinational Corporations".

During the tenth meeting of the Undersecretaries of the Ministries of Finance of the Arab States, organized by the Fund in Abu Dhabi, several working papers were reviewed and discussed on several topics, most notably:

"Energy Support in the Arab Region: Challenges "Lessons Learned from Successful Reforms",

"Enhancing Energy Security and the Role of Incentives for the Development of Renewables",

"Analyzing Sources of Growth in the Arab Region: Assessing the Impact of

Fiscal Policy",

"Public Debt Management and Fiscal Risks: A Risk Control Framework",

"The Global Minimum Tax and Taxation on the Profits of Multinational Corporations",

"The Role of Digital Transformation in Public Finance",

"Applying Environmental, Social and Governance Standards in the Public institutions".

The Ninth Fiscal Forum in the Arab States was held in cooperation with the International Monetary Fund (IMF) and in partnership with the UAE Ministry of Finance under the theme "Fiscal Policy Resilience in Times of Uncertainty: Balancing Development Needs, Climate Change Measures, and Debt Sustainability." The forum was attended by the Managing Director of the International Monetary Fund, several Arab Ministers of Finance, Their Excellencies the Governors of Arab Central Banks and Monetary Institutions, as well as several senior officials and experts from international and regional financial institutions, ministries of finance and central banks in the Arab countries.

Activities of the Secretariat of the Council of Governors of Arab Central Banks and Monetary Institutions, and its committees and task forces:

Organizing the meeting of the Permanent

Bureau of the Council: Held in July 2025 under the chairmanship of His Excellency Ayman bin Mohammed Al-Sayari, Governor of the Saudi Central Bank and Chairman of the current session of the Council.

Organizing the meeting of the forty-ninth session of the Council held in September 2025 in the Republic of Tunisia under the chairmanship of H.E. Burai Siddiq Ahmed, Governor of the Central Bank of Sudan, with the participation of the Governors of the Central Banks and Arab Monetary Institutions. During the meeting, several important topics were discussed, including:

"Enhancing the Response of Central Banks to Pressures and Shocks Arising from Trade Wars",

"Frameworks for Enhancing Cybersecurity Resilience in the Financial Sector",

"Universal Instant Payments Initiative in the Arab Region",

"Preparing for the Third Round of Mutual Assessments and the Key Challenges Facing the Financial Action Task Force in the Middle East and North Africa (MENAFATF)".

Organizing the meetings of the committees and working groups emanating from the Council, which are:

- Two meetings of the Arab Committee for Banking Supervision (ABC)

were held during which several topics were discussed, the most important of which were:

"Instructions for Stress Tests: Partial Stress Tests Related to Climate Change Risk Measurement",

"Instructions on Sustainable Financial Practices",

"Instructions for Classifying Credit Exposures and Calculating Provisions for Impairment",

"Regulatory Framework for Digital Assets",

"Supervising the Adoption of Cloud Computing in Financial and Banking Institutions",

"Regulations for Open Finance",

"The Role of Central Banks in Mitigating the Risks of Changes Climate",

"Application of the Revised Basel Committee Standards for Banking Supervision and Associated Challenges",

"Mechanism for Aggregated Control of Banking Statements",

"General Rules for Savings Products of Banks and Banks",

"Banking Supervision in Light of Geopolitical Tensions".

- Two meetings of the Arab Committee for Payment and Settlement

Systems: during which several topics were discussed, the most important of which were:

"Guiding Principles for Regulating Payment Services in Open Financial and Banking Operations",

"Stages of Developing Instant Payment Systems: From Regulation to Innovation and How to Enhance Financial Inclusion",

"Strategies for Modernizing Payment Systems",

"Biometric Payment Applications",

"Visual Artificial Intelligence Technologies for Payment Services and Banking",

"Managing Guarantees to Reduce Credit Risks against Banks' Accounts with Central Banks",

"Credit Inquiry Systems Using Alternative Data", "Stablecoins and their Risk Frameworks",

"Card Payment Fraud Detection", "Fast Payment System Linkage".

Two meetings of the Arab Credit Bureau: Several topics were discussed, most notably:

"Data Science and Analysis as a Tool for Credit Companies",

"Towards a General Framework for Credit Registration Rules in Credit Information Systems",

"The Role of Credit Information Companies in Integration with FinTech Companies",

"Enhancing Financial and Credit Literacy through their Smart App and Social Media to Enable Users to Make Financial Decisions with Confidence",

"Providing Credit Reporting Service through Digital Channels",

"Cloud Solutions to manage credit data and applications of modern financial technologies",

"Leveraging artificial intelligence and machine learning to enhance forecasting and classification models",

"Protecting the rights of users of credit services",

"The impact of digital transformations on credit information systems".

Two meetings of the Financial Stability Task Force in the Arab States: During which several topics were discussed, most notably:

"Capital Margin to Face Cyclical Fluctuations",

"The Central Bank of Iraq's Experience in Developing Stress Tests",

"Instructions on Liquidity Provision Tools for Islamic Banks by the Central Bank",

"Rescue and Solution Framework for

ing Institutions in the Sultanate of Oman",

"Voluntary Disclosure of State-Related Financial Risks",

"Potential Cybersecurity Risks on Financial Stability",

"A Framework for the Resilience of Cybersecurity in the Financial Sector",

"Ways to Reduce the Risk of Digital Assets",

"Improving Financial Stability through Structural Reforms",

"Combating Digital Fraud", and Methods to Reduce the Risk of Crypto assets".

Two meetings of the Regional Task Force to Promote Financial Inclusion in the Arab States: During which several topics were discussed,

"Green Finance and its Impact on Financial Inclusion",

"Savings Groups to Promote Financial Inclusion for Financially Excluded Groups",

"Environmental, Societal and Finance Standards and Their Relationship to Financial Inclusion",

"Digital Village", and "Digitization of Instruments for Micro and Small Enterprises Owned by Youth and Women".

Two meetings of the Regional

Working Group on Modern Financial Technologies: During which several topics were discussed,

"Opportunities, Challenges and Uses of Quantum Computing in the Financial Sector",

"Regulation and Control of Cryptocurrencies",

"Addressing the Risks of Cryptocurrencies in the Fields of Cybersecurity, Money Laundering and Terrorist Financing",

"Building the Capacity of Central Banks and Regulatory Authorities in the Field of Artificial Intelligence",

"The Role of Modern Financial Technologies in Shaping Financial Services",

"Operational Challenges in the Field of Financial Technology".

Implementing cryptocurrency regulations and How to Deal with Them,"

"The Evolution of Digital Asset Custody and Supervisory Infrastructure."

A meeting of the Green and Sustainable Finance Network in the Arab States was discussed,

"Green and Sustainable Finance Classification: Frameworks, Regulations, Regional Challenges and Considerations",

"Energy Transition and Green Hydrogen and Hydrogen Circular Economy",

"Scaling and Activating Carbon Markets in the Arab Region",

"Science on Climate Goals, Financial Disclosures and the Risks of Environmental Disinformation",

"Artificial Intelligence, Machine Learning and the Future of Sustainable Finance",

"Sustainable Finance and Green FinTech and biodiversity financing."

Activities of the Secretariat of the Technical Committee of the Arab Initiative for Statistics "ArabStat":

During 2025, the twelfth meeting of the Arab Statistics Initiative "ArabStat" was organized in Abu Dhabi, during the period from 19-20 November 2025 under the title "Bridging the Data Gap in the Arab Countries", where representatives from eighteen countries, in addition to sixteen regional and international institutions participated in the meeting as observers, the most important of which are: the International Monetary Fund and a number of its affiliated organizations, the World Bank, the Organization for Economic Co-operation and Development (OECD), the Food and Agriculture Organization of the United Nations (FAO), and the United Nations Economic and Social Commission (ECOSOC) for Western Asia (ESCWA), the Fisher Committee of the Bank for International Settlements, the Islamic Development Bank, as well as some regional statistical institutions in the Arab region.

During the meeting, several topics were discussed, including diagnosing and addressing the data gap in Arab countries: challenges and opportunities, the role of surveys in bridging the data gap, enhancing statistical capabilities: building human and institutional capacities for reliable data, leveraging innovations and technology to bridge the data gap, and the role of artificial intelligence, big data and alternative data sources in bridging data gaps.

The last session then discussed the strategic priorities and recommendations to bridge the data gap in the Arab countries, the session focused on reviewing the next steps and prospects for the development of the "ArabStat" initiative, which was an interactive session with the participants, during which they were allowed to present ideas and recommendations, and provide their observations and suggestions on enhancing the course of action during the next phase. The meeting concluded with the presentation of some recommendations, the most important of which are:

- Establish specialized working groups on specific topics so that these groups discuss best practices in statistical work.
- Developing the initiative through the institutionalization of the initiative and moving from the idea of the initiative to the idea of the institution or department that undertakes all the activities of the

initiative, with the proposal to form a higher committee for the initiative, or a high-level Arab committee under the umbrella of ArabStat.

- The Arab Monetary Fund (AMF) to prepare studies that discuss several topics, including: the status of Arab countries in terms of compliance with the Enhanced Special Standard for Data Dissemination (SDDS-plus), challenges in this area, and challenges related to data quality through the application of the provisions of the Data Quality Assessment Framework issued by the International Monetary Fund (DQAF), which may be implemented for selected countries as a starting point (pilot countries).
- Holding workshops under the umbrella of the initiative on several topics such as remittances of tourists residing abroad, the informal sector, and the coordination mechanism for statistical work in the Arab countries (best practices).
- As part of the initiative, the Fund co-organized a regional workshop on "Implementation of the System of National Accounts 2025 and Digital Presentation and Use Tables", during the period from 9 to 11 September 2025, in Abu Dhabi, in partnership with ESCWA and several regional and international organizations. The workshop also included a high-level session with the participation of leaders from international and regional institutions to discuss ways to support the implementation of the new system and enhance statistical cooperation.

Training & Capacity Building Activity

In line with the Arab Monetary Fund's strategy (2025–2030), the Training and Capacity Building Institute conducted 80 training courses during 2025. The training activities addressed topics that keep pace with the aspirations of member states and meet their needs in the economic, financial, monetary, trade and statistical sectors, in addition to the inclusion of new topics that keep pace with global developments, most notably: artificial intelligence, cybersecurity, digital transformation and climate change.

To enable participants to apply their knowledge and skills in their fields of work, the courses focused on ensuring practical workshops and case studies that help improve the quality of analysis and simulation and enhance the effectiveness of decision-making.

The number of participants in the training programs reached 2,437 trainees during 2025, compared to 2,336 participants during 2024. This brings the total number of participants in the training courses and workshops organized by the Institute during the years (1988-2025) to 22,581 participants.

The Fund also continues to strengthen its role as an institutional capacity builder, and within the framework of expanding the approved training patterns, the Training and Capacity Building Institute has initiated specialized training programs in the form of Executive Education Programs,

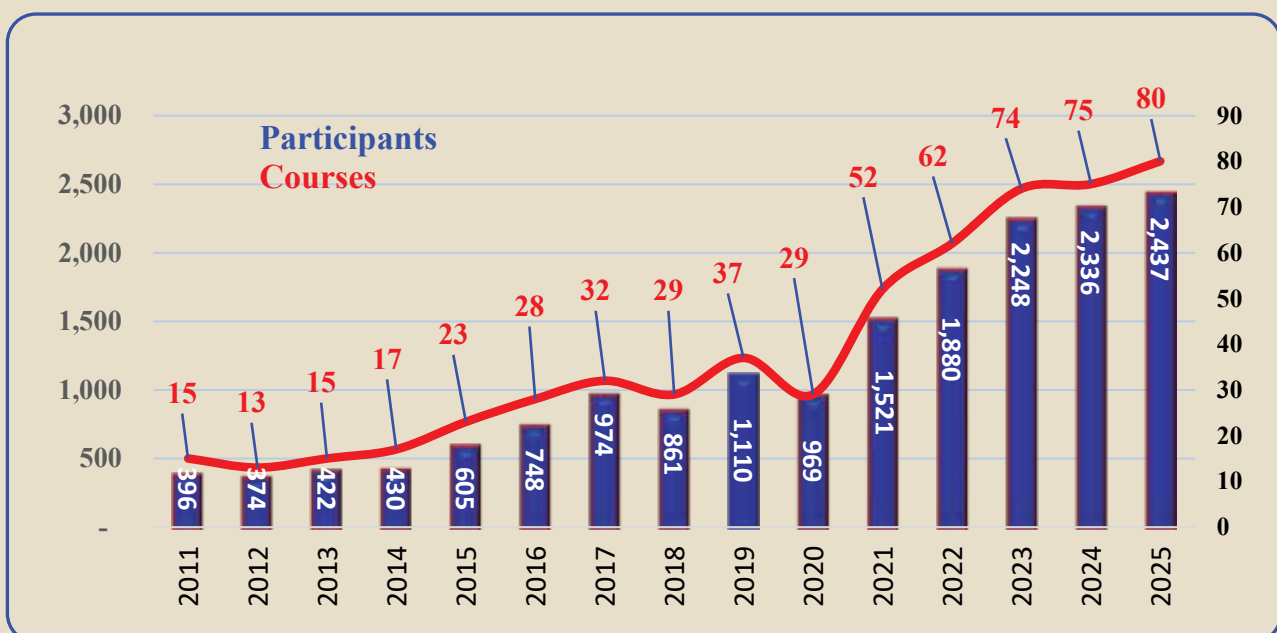
in cooperation with prestigious international institutions and universities, in order to contribute to meeting the needs of member countries and enhancing the capacities of officials and policymakers to make effective decisions.

In this context, two executive education programs have been implemented during 2025. The first program, titled "Financial Market Monitoring," was implemented remotely in collaboration with the Global Financial System Program (PIFS) and Harvard Law School. The program included

5 training modules that focus on important areas of financial policy and financial market regulation, the dynamics of regional and global financial markets, the regulation of capital markets and the exploration of regulatory frameworks to enhance market integrity and investor confidence, in addition to regulating digital innovation in finance and addressing the regulation of digital assets, fintech platforms and technological innovations in supervision.

The program objective was to develop participants' knowledge and capabilities on contemporary challenges in regulating and supervising financial markets. The program was attended by 59 participants, from 17 Arab countries, including 9 from AMF.

Evolution of participants' numbers in TCBI's activities (2011 - 2025)



The second executive education program entitled "Tax Policy and Tax System Management", in cooperation with the Institute Haute Business Studies – Paris (HEC Paris) and the International Monetary Fund was implemented in a hybrid system, which included three in-person training modules and a remote training module. The program aims to qualify policy makers and tax professionals by providing them with the latest knowledge and practical experience related to the design, management and follow-up of tax policies and tax systems, to enable them to face the current tax challenges in the Arab region. The program was attended by 36 participants from 17 Arab countries.

The percentage of training courses delivered by the AMF internal staff to the total courses provided reached 74% during 2025, while the Institute collaborated in providing 21 training courses with a group of international and regional institutions, including:

- Nine training courses with the IMF,
- Three training courses with the World Trade Organization (WTO),
- Two training courses with the Islamic Development Bank,
- Two training courses with the Bank for International Settlements (BIS),
- Four training courses, one with the World Bank (WB), the Bundesbank, the Central Bank of France, and the Middle East and North Africa Financial Action Task

Force (MENAFATF). the Global Financial System Program (Harvard Law School).

It is worth noting that a large part of the training activity of the Training and Capacity Building Institute during 2025 was carried out remotely, accounting for 73.4% of the total courses.

These programs are provided in accordance with the approved training guidelines and international best practices, to ensure the preservation of the quality and effectiveness of the training content and contribute to meeting the current and future training needs of the Arab member states.

The Institute is keen to provide flexible training opportunities that consider the needs of Arab countries, in line with the Fund's strategy for the period 2025-2030. In this regard, the Institute continues its efforts to maintain the sustainability and continuity of training activities, by updating and developing the content of training programs and expanding training activities and programs with a focus on topics related to the challenges facing Arab economies.

The Institute also works to strengthen partnership with regional and international institutions to support greater impact and raise the quality of training provided.

Investment Activity

Under the provisions of the Fund's Establishment Agreement, especially those related to objectives and tasks, investment activity is one of its main activities. This is reinforced by the decisions of the Board of Governors on the development of the Fund's investment policy framework, as well as the decisions of the Board of Executive Directors that set out the outlines of the investment policy, the main controls and standards for the implementation and management of various investments, and the means of hedge against their risks.

In this context, the Fund follows an investment policy based on the following key criteria:

-  Strengthening the means of protecting invested funds,
-  Providing liquidity,
-  Freedom of Transfer,
-  Maximize the return available
-  Consider reducing and managing investment risks, so that they remain within acceptable limits at the macro level.

Major financial markets saw a strong performance in 2025 as all major asset classes recorded significant gains, led by shares of emerging market and Asian and fast-growing US companies amid optimism about the outlook for artificial intelligence. European stock markets, on the other hand, performed relatively well, but were lower compared to the US financial markets due to the relatively

limited exposure of technology companies in European countries. The US dollar fell by a whopping 9% in 2025, the largest decline since 2017. Major central banks, except for Japan, continued to normalize their monetary policy through 2025 as inflation levels generally eased in developed countries.

In terms of monetary policy, 2025 saw the US Federal Reserve cut official interest rates 3 times for a total of 75 basis points, reaching a rate of 3.5-3.75%. The main driver of this series of cuts was a change in the US Federal Reserve's assessment of economic risks, particularly the increase in downside risks related to the employment sector. In addition, the US Federal Reserve ended its quantitative tightening as it began its balance sheet support operations, effectively increasing liquidity in the financial system.

The European Central Bank cut official interest rates four times in 2025, reaching 2 percent at the end of the year. This development is due to several factors, the most important of which are low inflation, weak economic growth, and the desire to support the region's economy. Preliminary data for December 2025 showed that the inflation rate was around 2%, which is within the ECB's target range, which contributed to supporting the decision to keep interest rates in place rather than lower them further for the time being.

In the United Kingdom, the Bank of

England cut official interest rates four times in 2025, by a total of 100 basis points, to reach 3.75 percent at the end of the year, considering a decline in the level of inflation in the United Kingdom, which reached 3.2 percent in November 2025. With inflation remaining above the target rate of 2% but trending downwards, investors expect further gradual rate cuts in 2026.

In Japan, the Bank of Japan has raised the interest rate twice by a total of 50 basis points to reach 0.75% by the end of 2025, which is the highest level in nearly 30 years, and it should be noted that the Bank of Japan's decision came as a result of continued inflation rates, a weak Japanese yen, and the bank's desire to normalize monetary policy after decades of ultra-low interest rates. The Bank of Japan said it would continue to raise interest rates if economic conditions and price levels required further tightening – marking a clear shift in the bank's policy after decades of loose monetary policy. Recent economic data show a strong rise in domestic spending, suggesting a recovery in consumption – a key objective of the Bank of Japan's monetary policy normalization.

As for China, the People's Bank of China (PBOC) has cut its one-time lending base interest rates (LPRs) by 10 basis points in 2025 to support China's economic growth amid the ongoing real estate crisis and tariff challenges by U.S. authorities. In 2025, the PBOC focused on expanding its

digital financial services, supporting green initiatives, and strengthening its international presence, especially within the Belt and Road Initiative countries.

In light of these circumstances, the Fund continued to follow its conservative approach during 2025 by prioritizing the availability of the element of safety in its investments, as it was keen, in light of the prevailing economic and investment climate during the year, to invest in investment instruments with high credit ratings, in addition to dealing with global and regional financial and banking institutions with a high level of credit rating, while continuously monitoring the conditions of these institutions.

The Fund's investment activity during 2025 was characterized by accepting a relatively high level of deposits from Arab member countries for investment on their behalf. The Fund also continued its approach to pursuing a conservative investment policy and strategy, which contributed to protecting the invested capital and continuing to achieve positive and stable returns at the macro level, while maintaining acceptable levels of investment risk.

The Fund also continued to invest its own resources, in addition to investing part of the funds of the Arab Trade Finance Program, the funds collected in the consolidated account of specialized Arab organizations, the Regional Institution for the Settlement and Clearing of Arab Payments (Buna), and the Technical

Assistance Program provided by the Gates Foundation, in addition to supervising the part managed by external parties, in accordance with the investment policy and strategy adopted for the management of each of them.

The Arab Monetary Fund's investment portfolio consists of the Fund's own resources investment portfolio and the investment portfolio of funds received from member countries, with a total value of 2.424 billion Arab Accounting Dinars (AAD), equivalent to about US\$9.96 billion at the end of 2025.

Portfolio investments mainly consist of investments in bank deposits, investments in bonds and securities, and investments in multi-strategy funds and real estate funds. Investment in bonds and securities accounted for about 50% of total investment portfolios by the end of 2025, while bank deposits, alternative investment funds and real estate funds accounted for the rest.

The investment policy adopted by the Fund regulates investment in various investment instruments, including deposits with Arab and foreign commercial banks, which fall within the list of approved banks for depository purposes, and currently includes about 83 Arab and foreign banks and financial institutions, selected in accordance with the applicable rules in the selection of banks and the limits of dealing with them, which are approved annually by the Board of Executive Directors. Banks on the list are

subject to continuous monitoring of their financial positions and credit ratings.

44.3 percent of the bond portfolio was invested in government and semi-government bond and securities issuances, 23.7 percent of bonds with a credit rating of Class AA and above, and 65.3 percent of the value of bond portfolios with a credit rating at Class A.

Investment in deposits, bonds and securities in the Arab countries amounted to 1,152 million AAD, equivalent to about 4,735 million US dollars, representing about 47.5 percent of the total value of invested funds at the end of 2025, including a value of 665 million AAD, equivalent to 2,733 million US dollars, invested in deposits with Arab banks and financial institutions, and an amount of 487 million AAD, equivalent to 2,001 million US dollars, invested in bonds and securities issued by member states and Arab banks, including It includes government issuances totaling 190 million ADD, equivalent to US\$ 779 million, representing 39.7 per cent of the total investment in Arab bonds, while the remaining balance of the invested amounts, amounting to 60.3 per cent, represents investments in bonds issued by Arab banks and companies.

With regard to investing in Arab currencies, the investment policy allows, subject to specific conditions, the investment of part of the funds available for investment in deposits, bonds and securities in the convertible currencies of

Arab countries, as the Fund's investments in Arab currencies amounted to 115 million AAD million, equivalent to 473 million US dollars, at the end of 2025.

As for the credit rating of Arab government bonds in the portfolio, about 86.6 percent of their value is invested in government bonds with a credit rating of A and above, while the remaining percentage represents an investment in Arab government issuances with a credit rating ranging from BBB to B.

With regard to the activity of accepting deposits from Arab countries and financial institutions, it comes within the framework of the Fund's Establishment Agreement and the decisions of the Board of Governors, which called on Arab countries to voluntarily deposit part of their reserves with the AMF, and established several rules, including that the Fund may not use the funds deposited with it to provide loans to its members, and that only the Fund's resources may be allocated to support the lending activity.

The Fund has distinct elements that contribute to enhancing the confidence of depository countries, foremost of which is the conservative investment policy it pursues, which gives greater weight to the safety of investments. The reserves deposited with it also enjoy a high level of collateral, by virtue of the Fund's financial solvency, in addition to its practices in managing its investment activities in an effective risk management manner.

These features contributed to the growth of the volume of deposits accepted from Arab member countries, and its continuation at relatively high levels, as it recorded a remarkable growth over the past years, reaching the volume of accepted deposits, at the end of 2025, to reach a value of 1,795 million ADD, equivalent to 7,374 million US dollars, received from 15 Arab countries and financial institutions. It is worth mentioning that the Fund's policy of investment management, risk management, and conservative applications have effectively contributed to protecting the value of invested funds and achieving positive and stable performance rates at the macro level of these investments, despite the continued challenges in the global financial markets in recent times.

Management of the Consolidated Account for Specialized Arab Organizations Activity

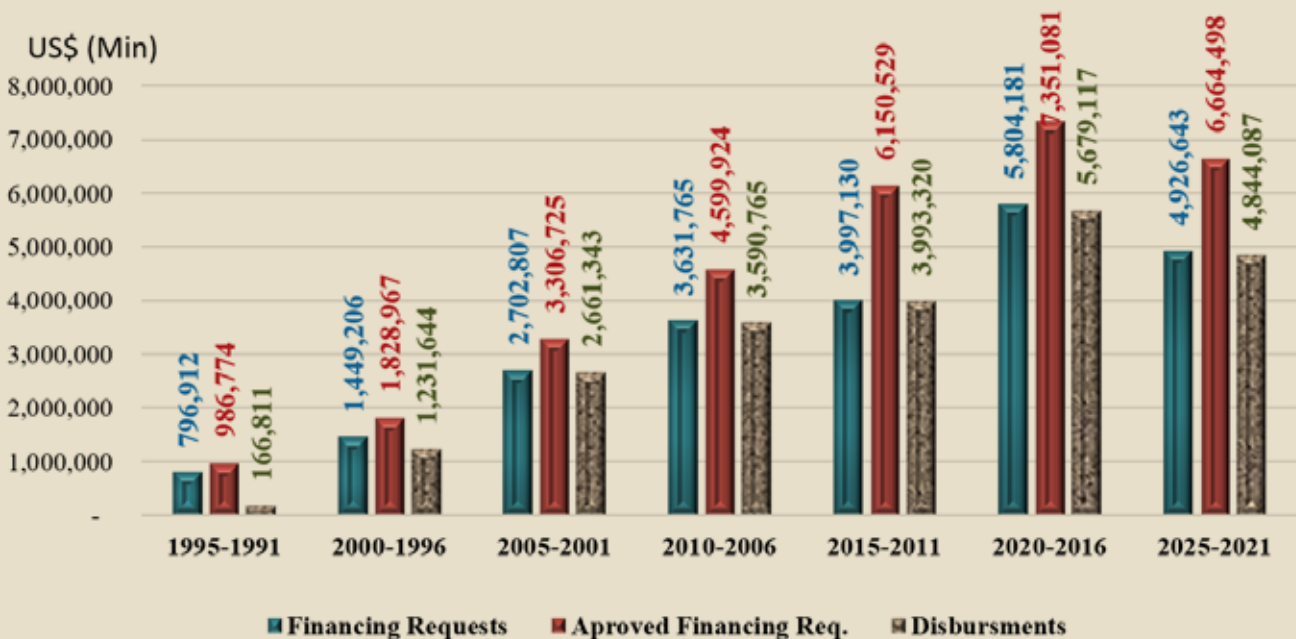
Pursuant to the approval of the Economic and Social Council in its resolution No. 1056 of July 1988, a special unified account was established with the Arab Monetary Fund to finance specialized Arab organizations through contributions received in their favor from Arab States in this account, for the purpose of disbursement on their approved budgets. The specialized Arab organizations established under the umbrella of the League of Arab States are one of the most important pillars of joint Arab action, and they are the technical arms of the League and the Arab Houses of Expertise, which provide advice, expertise and advice on economic, social,

cultural and financial issues and activities, and play a pivotal role in achieving the aspirations of the Arab countries in cooperation and coordination in all areas of their specialization that are related to the Arab population, and have a direct impact on their standard of living and providing them with a decent life.

The organizations concerned with the consolidated account are:

- The Arab Organization for Administrative Development.
- The Arab Labour Organization.
- The Arab Industrial Development, Standardization and Mining Organization.

ATFP's Progressive Development of the Financing Activities (1991 - 2025)



The Arab League Educational, Cultural and Scientific Organization.

The Arab Organization for Agricultural Development.

The Arab Center for the Studies of Arid Zones and Dry Lands.

The Arab Atomic Energy Agency.

The Arab Civil Aviation Organization.

The Arab Center for the Prevention of Earthquake and Other Natural Disaster Risks.

The Fund submits a quarterly report to each organization showing what has been disbursed, the remaining balance, and the positions of Member States on the payment of their contributions to the budget of the organization concerned, in addition to a consolidated quarterly periodic report on the activity of the Consolidated Account.

In this regard, the financial position of the Consolidated Account shows that the balance of net assets amounted to approximately US\$ 59 million as of 31 December 2025, compared to a balance of approximately US\$ 53 million at the end of 2024, an increase of US\$ 6 million. It is worth mentioning that the returns on investments made in the Consolidated Account are included in a special reserve account for these organizations in the Consolidated Account.

The special reserve balance reached about US\$ 14 million at the end of 2025, covering about 30% of the total budget allocations of organizations for the fiscal year 2025, although this percentage varies from organization to organization. It should be noted that the resolutions of the esteemed Economic and Social Council aimed at continuing the creation of this reserve and its use by resolutions for emergency purposes.

Arab Trade Finance Program Activity

The Arab Trade Finance Program is a specialized joint Arab financial institution, established in 1989 by a decision of the Board of Governors of the Arab Monetary Fund. The authorized capital of the program is one billion US dollars distributed over 200 thousand shares with a nominal value of 5 thousand US dollars per share, the number of shareholders in the capital is 49 Arab national and regional financial and banking institutions.

The program aims to contribute to the development of Arab trade and enhance the competitiveness of the Arab exporter, by providing part of the necessary financing for this trade and its dealers, as well as by providing information about the activities of this trade and promoting Arab goods and commodities.

Appendices

Appendix No. (1): AMF's Organizational Structure and Management

AMF's organizational structure includes: the Board of Governors, the Board of Executive Directors, the Director General and the Chairman of the Board of Executive Directors.

Board of Governors

The Board of Governors consists of a Governor and a Deputy Governor appointed by each of the Fund's member states, and the Board elects a Speaker from among its members on a rotating basis. The Board of Governors shall be the General Assembly of the Fund, and shall

have all the powers of management. The Fund's Board of Governors meets annually, in the first half of each year, in the country of headquarters or abroad. The following table shows the composition of the AMF Board of Governors as of December 31, 2025:

Member Countries		Governors and Deputy Governors
Hashemite Kingdom of Jordan	Governor	H.E. Dr. Adel Ahmed Ismail Al-Sharkas
	Deputy Gov.	H.E. Dr. Abdelhakim Shibli
United Arab Emirates	Governor	H.E. Mohammed bin Hadi Al Hussein
	Deputy Gov.	H.E. Khaled Mohamed Balama
Kingdom of Bahrain	Governor	H.E. Sheikh Salman bin Khalifa Al Khalifa
	Deputy Gov.	H.E. Khaled Ibrahim Humaidan
Republic of Tunisia	Governor	H.E. Dr. Fathi Zuhair Al-Nouri
	Deputy Gov.	H.E. Skander Turki (1)
People's Democratic Republic of Algeria	Governor	H.E. Abdelkrim Bouzred (2)
	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 Abdullah Al-Jadaan
	Deputy Gov.	H.E. Ayman Mohammed Alsayari
Republic of the Sudan	Governor	H.E. Dr. Jibril Ibrahim Mohammed
	Deputy Gov.	H.E. Amna Mirghani Hassan (3)
Syrian Arab Republic	Governor	H.E. Mohamed Yisr Barnieh (4)
	Deputy Gov.	H.E. Dr. Abdelkader Hasreyeh (5)
Federal Republic of Somalia	Governor	H.E. Bihi Iman Ige
	Deputy Gov.	H.E. Abdirahman Mohamed Abdullahi
Republic of Iraq	Governor	H.E. Dr. Ali Mohsen Ismail Al-Alaq
	Deputy Gov.	H.E. Thafer Mahdi Abdullah (6)

Member Countries		Governors and Deputy Governors
Sultanate of Oman	Governor	H.E. Sultan bin Salim Al Habsi
	Deputy Gov.	H.E. Ahmed Jaffer Salim Al Musalmi (7)
State of Palestine	Governor	H.E. Yahya Shunnar (8)
	Deputy Gov.	H.E. Mohammed Manasrah
State of Qatar	Governor	H.E. Ali bin Ahmed Al Kuwari
	Deputy Gov.	H.E. Sheikh Bandar bin Mohammad bin Saoud Al-Thani
Union of Comoros	Governor	H.E Ibrahim Mohamed Abdourazak
	Deputy Gov.	H.E. Younoussa Imani
State of Kuwait	Governor	H.E. Dr. Subaih Abdulaziz Abdul Mohsen Al-Mukhaizeem (9)
	Deputy Gov.	H.E. Basel Al-Haroon
Republic of Lebanon	Governor	H.E. Karim Souaid (10)
	Deputy Gov.	H.E. Dr. Wassim Manssouri (11)
State of Libya	Governor	H.E. Naji Mohammed Issa (12)
	Deputy Gov.	H.E. Ali Amreeghah
Arab Republic of Egypt	Governor	H.E. Hassan Abdullah
	Deputy Gov.	H.E. Ahmed Kouchouk
Kingdom of Morocco	Governor	H.E. Nadia Fettah
	Deputy Gov.	H.E. Abdellatif Jouahri
Islamic Republic of Mauritania	Governor	H.E. Dr. Mohamed Lemine Dhehby
	Deputy Gov.	Mr. Mamoudou DIAWARA (13)
Republic of Yemen	Governor	H.E. Salim Saleh Bin Buriek
	Deputy Gov.	H.E. Ahmad Ahmad Ghaleb

- 1 Replacing H.E. Mourad Abdesslem, as of March 2025.
- 2 Replacing H.E. Laaziz Fayed, as of February 2025.
- 3 Replacing H.E. Barei Ahmed, as of October 2025.
- 4 Replacing H.E. Dr. Kenan Yaghi, as of June 2025.
- 5 Replacing H.E. Dr. Muhammad Essam Hazimeh, as of June 2025.
- 6 Replacing H.E. Ghufraan Kadhim Neamah, as of February 2025.
- 7 Replacing H.E. Tahir bin Salim bin Abdullah Al Amri, as of July 2025.
- 8 Replacing H.E. Dr. Firas Melhem, as of February 2025.
- 9 Replacing H.E. Noora Sulaiman Salim Al Fassam, as of August 2025.
- 10 Replacing H.E. Dr. Wassim Manssouri, as of July 2025.
- 11 Replacing H.E. Bachir Yakzan, as of July 2025.
- 12 Replacing H.E. Saddek Omar Elkaber, as of January 2025.
- 13 Replacing H.E. Filaly Mohamed Filaly, as of March 2025.

Board of Governors

The Board of Executive Directors consists of the Director General, Chairman of the Board of Executive Directors, and eight non-resident executive directors elected by the Board of Governors from the Member Countries, appointed for a renewable three-year term. The Board supervises the Fund's activities and provides advice as it deems appropriate. The following table shows the composition of the Board of Executive Directors (2025-2028) as of the end of December 2025:

Executive Directors	Country/ Countries Represented
H.E. Dr. Fahad bin Mohammed Al-Turki	Director General, Chairman of the Board of Executive Directors
H.E. Dr. Ryadh Mohammed Alkhareif	Kingdom of Saudi Arabia
H.E. Nawal Lammari (1)	The People's Democratic Republic of Algeria
H.E. Dr. Sameer Fakhri Neamah	The Republic of Iraq
H. E. Dr. Nasr Saleh Muthanna Al-Harbi (Yemen) (2)	The Arab Republic of Egypt
	The Republic of Yemen
	The Republic of Sudan
	The Federal Republic of Somalia
	The Republic of Djibouti
	The Union of the Comoros
H.E. Faisal Fahad Abdulaziz Almuzaini (Kuwait)	The State of Kuwait
	The United Arab Emirates
H.E. Filali FILALI (Mauritania) (3)	The Kingdom of Morocco
	The State of Libya
	The Republic of Tunisia
	The Islamic Republic of Mauritania
H. E. Hamad Madi H A Al-Hajri (Qatar) (4)	The State of Qatar
	The Kingdom of Bahrain
	The Sultanate of Oman
H.E. Dr. Makram Amin Bou Nassar (Lebanon) (5)	The Syrian Arab Republic
	The Hashemite Kingdom of Jordan
	The Lebanese Republic
	The State of Palestine

*The voting power indicated above is affected by the temporary suspension of the membership of the Federal Republic of Somalia.

1. Replacing H.E. Ali Bouharaoua, as of September 2025.
2. Replacing H.E. Ekhlas Mohamed Ali, as of July 2025.
3. Replacing H.E. Abdelali Eddebbagh, as of July 2025.
4. Replacing H.E. Dr. Qais bin Issa Alyahyai, as of July 2025.
5. Replacing H.E. Dr. Nedal Issa Al- Azzam, as of July 2025.

Risk and Audit committee

The Audit and Risk Committee is a specialized committee of the Board of Executive Directors that plays a pivotal role in supporting its supervisory functions. The Committee consists of four non-executive members who are independent of the Fund's executive management, who are selected from among the Board members at the beginning of each board three years cycle, taking into account the members having appropriate professional expertise in the fields of accounting, auditing, risk management and governance, in order to enhance the independence and effectiveness of the Committee's performance.

The Committee operates in accordance with a charter approved by the Board of Executive Directors that defines the scope of its terms of reference and responsibilities, in line with the best international practices.

The Committee's tasks are to support the Board in reviewing the soundness of financial reports, monitoring the effectiveness of internal control systems, assessing the adequacy of institutional risk management frameworks, and strengthening governance and compliance practices. The Committee also oversees the work of the internal audit by discussing its reports and evaluating its effectiveness and follows up on the work of the External Auditor, including reviewing its findings and independence.

Formation of the Committee

The Audit and Risk Committee consist of :

1. H.E. Dr. Riyadh bin Mohammed Al-Khorayef – Chairman of the Committee
2. H.E. Ms. Nawal Laammari – Member
3. H.E. Dr. Samir Fakhri Neama Al-Waeli – Member
4. H.E. Dr. Nasr Saleh Muthanna Al-Harbi – Member

The Committee held seven meetings during 2025, including four periodic meetings and three extraordinary meetings, with 100% attendance rate, reflecting a high level of commitment. During its meetings, the Committee focused on discussing periodic financial reports, reviewing risk reports, following up on the results of internal and external audits, and reviewing the adequacy and effectiveness of internal control systems and risk management frameworks.

In line with the Fund's future directions and strategic dimension, the Audit Committee continues to develop its work and enhance its contribution to supporting the Fund's corporate governance ecosystem, in line with the strategic directions and enhancing the institutional sustainability in the medium and long term. In this context, the Committee continues to review and update policies and frameworks related to its terms of reference, to keep pace with professional and organizational

developments, and enhance the efficiency and effectiveness of the internal control environment. The Committee conducts periodic self-evaluation of its performance with the aim of enhancing the efficiency of its work and the quality of its output.

The Committee also continues to support the integration of the risk management framework with strategic planning, ensuring that the core risks associated with strategic initiatives are systematically identified, evaluated and managed, while promoting a proactive approach through the development of early warning indicators and improving the quality of data used in analysis and decision-making.

In the context of supporting institutional resilience, the Committee pays attention to keeping pace with institutional and technological transformations, including taking advantage of modern tools in the fields of control and risk management, enhancing a culture of compliance and transparency, raising the efficiency of internal audit work, and enhancing the level of coordination with the external auditor in a way that contributes to improving the quality of audit outputs.

As part of its oversight role, the Audit and Risk Committee also follows up on aspects related to the Fund's financial sustainability, including reviewing the overall direction of the medium-term budget, in order to support the efficiency of resource allocation and enhance financial stability in the medium term. The

Committee also keeps abreast of developments related to the Fund's credit rating, by monitoring key factors affecting it, including financial performance indicators, asset quality, liquidity levels, and other credit rating-related factors.

In the same context, the Committee periodically follows up on the status of the contributions of member countries to the Fund's capital, in terms of adherence to the payment schedules, as this has an impact on supporting the financial and liquidity position and enhancing the lending capacity of the Fund. These efforts come within the framework of supporting the Fund's ability to achieve its strategic objectives and maintain its financial sustainability.

Technical Secretariats' Activity

Type of Funding	Automatic Loan
Funding Objective	Financing actual or potential balance-of-payments deficits to enhance the resilience of the external sector and economic stability.
Funding Ceiling	75% of the state's share of the fund's capital.
Corrective actions	The loan is automatically provided that the loan is preceded by an analysis of the debt sustainability, the borrowing State's risks, and the ability to repay, and is not required to be accompanied by corrective measures.
Program Duration	The loan is provided automatically and in one payment and is not accompanied by an economic reform program
Loan Repayment	3 Years

Type of Funding	Ordinary Loan
Funding Objective	Giving the requesting state time to implement reforms aimed at addressing the causes of imbalances in the balance of payments and supporting the financing of an actual or potential balance of payments deficit to enhance the resilience of the external sector and contribute to bridging the existing financing gap.
Funding Ceiling	According to the ceilings stipulated in the Memorandum of Association and as approved by the Board of Executive Directors.
Corrective actions	Quantitative objectives that serve as the basis for launching payments of the loan provided to support the implementation of the program. They can also include structural reforms or corrective actions that are implemented before or during the commencement of the program. Actions must be related to the causes that gave rise to major imbalances.
Program Duration	One to three years
Loan Repayment	5 Years

Technical Secretariats' Activity

Type of Funding	Extended Structural Loan
Funding Objective	Giving the requesting state time to implement reforms aimed at addressing the causes of balance of payments imbalances or structural imbalances that have affected the balance of payments and supporting the financing of actual or potential balance-of-payments deficits in a way that enhances the resilience of the external sector and contributes to bridging the existing financing gap.
Funding Ceiling	According to the ceilings stipulated in the Memorandum of Association and as approved by the Board of Executive Directors.
Corrective actions	Include quantitative targets that serve as the basis for launching payments of the loan to support the implementation of the program. It is also important to include structural reforms that address existing structural imbalances that have contributed to instability, and how much structural reforms or corrective actions are implemented before the program is implemented. Actions should be related to the causes that gave rise to major imbalances
Program Duration	Two years to four years
Loan Repayment	7 Years

Type of Funding	Funding Line
Funding Objective	Giving a country with a stable external sector, solid economic fundamentals, and prudent economic policies a financing line that enables them to face future balance-of-payments shocks in a way that enhances market confidence in the country's ability to cope with shocks, in light of the financing resources available to it and approved.
Funding Ceiling	300 % of the state's share paid from the fund's capital.
Factors that qualify the country to benefit from the financing line	A sustainable external sector, sustainable public finances and debt, a good record of the state in borrowing from international markets at an appropriate financing cost, limited inflation within the framework of a prudent monetary policy and an appropriate exchange rate policy, a strong and stable financial sector that is subject to effective control, and the reliability and availability of economic and financial data about the country. The availability of the above factors does not necessarily qualify the State to benefit from this funding, and the weakness of one of the above factors can be compensated by effective compensatory or corrective measures by the State. 300 percent represents a ceiling and not an acquired right of the state.
Program Duration	One to two years
Loan Repayment	3 Years

Program	Policy Follow-up Program and Economic Reforms to Address Arrears
Objective of the Program	Supporting countries in arrears whose circumstances allow for the implementation of reforms within programs designed and monitored by the IMF, aimed at finding solutions to address delays and building the capacity of the state to address arrears in general, or putting funded and stalled programs back on track to allow the completed or re-enrolment of funded programs to benefit from them.
Exemption Ceiling	A defaulting Member State may be eligible for maximum benefit from interest waiver (as determined by the Arrears Processing Policy), which requires the approval of the Governing Council, after it is satisfied that the programme has been properly implemented.
Corrective actions	A structural adjustment is agreed with the member over a period of time of at least one year that allows for the restructuring of non-performing loans. The program includes quantitative targets and structural reforms or corrective actions that serve as the basis for forgiving additional portions of arrears.
Program Duration	One to three years
Loan Repayment	5 to 20 years.

Program	Follow-up Programme for Economic Policies and Reforms to Build Capacity to Address Arrears
Objective of the Program	For countries that are in arrears and unable to pay and/or apply Structural reforms to secure reimbursement It is possible to design and follow up technical programs that are not linked to the fund's financing, including reforms that are consistent with the state's ability to implement. These programs aim to continue structural reforms with the aim of restoring economic balance, addressing deficits in the public budget and balance of payments, developing a debt repayment strategy that allows building repayment capacity, in addition to corrective measures aimed at creating a suitable and encouraging environment for investment in order to contribute to the creation of more job opportunities and the achievement of comprehensive and sustainable development.
Exemption Ceiling	Not applicable
Corrective actions	A structural adjustment program that includes quantitative objectives and structural reforms or corrective actions is agreed upon with the Member State for a period of time of at least one year, allowing the Member to qualify for debt rescheduling after the expiry of the program (with satisfactory application) and the suspension of the calculation of penal interest during the period of the program.
Program Duration	One to three years
Loan Repayment	Not applicable

Appendix No. (3): Loan Tables

Appendix (1-A) : Loans Extended to Member States (1978 - 2025)

(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	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	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	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	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	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	0	31,800	8,880	0	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	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	0	50,955

Appendix No. (3): Loan Tables

Appendix (1-B) : Loans Extended to Member States (1978 - 2025)

(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

Appendix No. (3): Loan Tables

Appendix (1-C) : Loans Extended to Member States (1978 - 2025)

(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

Appendix No. (3): Loan Tables

Appendix (1-D) : Loans Extended to Member States (1978 - 2025)											
(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							13,185		
	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	39,844								
	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	228,549	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
2024	204	Morocco	28,186								
			28,186	0	0	0	0	0	0	0	28,186
2025	205	Tunisia	14,381								
	206	Jordan	11,077								
			25,458	0	0	0	0	0	0	0	25,458
Total			540,119	206,116	450,331	565,062	64,730	32,489	1,168,452	155,070	3,182,369

Appendix No. (3): Loan Tables

Appendix (2) : Loans Extended to Member States (1978 - 2025)

Automatic Loans	No. of Loans	Value of Loans (Million AAD)	Extended Loans	No. of Loans	Value of Loans (Million AAD)
Jordan	8	54.801	Jordan	3	26.090
Tunisia	8	57.524	Algeria	2	60.380
Algeria	1	27.930	Sudan	5	70.285
Sudan	5	11.100	Somalia	1	12.740
Syria	4	9.030	Egypt	1	55.125
Somalia	3	4.440	Morocco	3	63.800
Iraq	4	87.090	Mauritania	8	61.345
Lebanon	2	7.350	Yemen	3	99.166
Egypt	6	141.135	Djibouti	2	0.613
Morocco	12	88.580	Comoros	1	0.787
Mauritania	7	10.320			
Yemen	9	40.635			
Comoros	1	0.184			
	70	540.119		29	450.331

Ordinary Loans	No. of Loans	Value of Loans (Million AAD)	Trade Facility	No. of Loans	Value of Loans (Million AAD)
Jordan	2	18.110	Jordan	3	4.620
Algeria	1	41.640	Tunisia	1	3.450
Syria	1	8.200	Algeria	1	18.620
Morocco	1	6.250	Syria	1	3.000
Mauritania	1	4.500	Iraq	1	18.620
Yemen	7	80.290	Morocco	1	2.500
Djibouti	1	0.367	Yemen	3	13.920
Comoros	1	0.184			
Sudan	1	27.400			
Tunisia	1	19.175			
	17	206.116		11	64.730

Compensatory Loans	No. of Loans	Value of Loans (Million AAD)	Structural Adjustment Facility	No. of Loans	Value of Loans (Million AAD)
Jordan	6	56.100	Jordan	6	74.869
Tunisia	4	53.907	Tunisia	7	88.912
Sudan	3	37.200	Algeria	1	30.605
Iraq	1	27.000	Sudan	2	19.600
Egypt	4	191.895	Lebanon	3	19.526
Morocco	6	148.680	Egypt	7	521.778
Mauritania	3	17.260	Morocco	9	382.615
Yemen	3	33.020	Yemen	1	9.057
			Djibouti	2	0.770
			Syria	2	11.600
			Mauritania	1	9.120
	30	565.062		41	1,168.452

Oil Facility	No. of Loans	Value of Loans (Million AAD)	SMEs Facility	No. of Loans	Value of Loans (Million AAD)
Djibouti	1	0.614	Sudan	1	22.800
Lebanon	1	18.200	Egypt	1	87.700
Morocco	1	13.675	Tunisia	1	18.532
			Jordan	1	13.290
			Morocco	1	12.748
	3	32.489		5	155.070

Appendix No. (3): Loan Tables

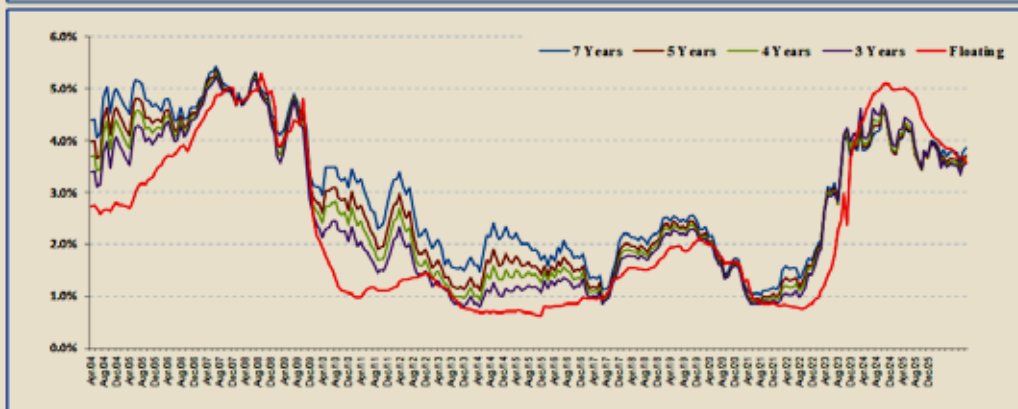
Appendix (3): Balance of Outstanding Loans (2024 - 2025)

Country	End of 2024			End of 2025		
	Balance of Outstanding Loans	Balance of Undisbursed Loans	Total Loans Commitments	Balance of Outstanding Loans	Balance of Undisbursed Loans	Total Loans Commitments
Jordan	21,649	-	21,649	26,131	-	26,131
Sudan	110,645	-	110,645	110,645	-	110,645
Syria	2,880	-	2,880	2,880	-	2,880
Somalia	14,876	-	14,876	34,446	-	34,446
Egypt	201,710	-	201,710	135,075	-	135,075
Morocco	145,424	-	145,424	97,138	-	97,138
Yemen	62,605	-	62,605	76,283	-	76,283
Tunisia	23,010	-	23,010	30,360	-	30,360
Total	582,799	-	582,799	512,958	-	512,958

Appendix (A-5): Interest Rates According to Maturity of Loans (Jan. Dec.) 2025

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
7 Years	3.99%	3.97%	3.91%	3.71%	3.83%	3.70%	3.78%	3.78%	3.76%	3.57%	3.76%	3.87%
5 Years	3.93%	3.93%	3.84%	3.58%	3.71%	3.57%	3.65%	3.64%	3.63%	3.44%	3.62%	3.72%
4 Years	3.94%	3.91%	3.81%	3.52%	3.65%	3.52%	3.59%	3.58%	3.58%	3.39%	3.56%	3.65%
3 Years	3.93%	3.90%	3.79%	3.47%	3.61%	3.49%	3.55%	3.53%	3.54%	3.35%	3.51%	3.58%
Floating	4.14%	4.06%	4.01%	3.92%	3.91%	3.84%	3.84%	3.81%	3.71%	3.68%	3.68%	3.57%

Chart (6) : Interest Rates on Loans According to Maturity, (2003 - 2025)



Appendix No. (3): Loan Tables

Appendix (4) : Balance of Loans Commitments (1978 - 2025)

(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
2024	28,186	582,799	582,799
2025	25,458	512,958	512,958

* Total outstanding loans and undisbursed balances.

** Total disbursed loans minus repayments.

No changes for the number of historical contracted loans with retroactive effect, because of non-withdrawal for loans fully, partially or for an addition of new tranche.

Appendix No. (4): Capital on 31 December 2025

Capital at 31 December 2025

(Thousands of AAD)

Country	Subscribed Capital	Paid-Up Capital			
		Local Currencies	Convertible Currencies	By a Transfer from General Reserve ⁽²⁾	Total
1 Jordan	35,475	80	7,795	6,975	14,850
2 UAE	126,492	300	27,725	24,925	52,950
3 Bahrain	32,967	80	7,220	6,500	13,800
4 Tunisia	46,046	100	10,113	9,063	19,275
5 Algeria	279,142	760	61,115	54,975	116,850
6 Saudi Arabia	318,738	760	69,878	62,788	133,425
7 Sudan	65,933	200	14,400	13,000	27,600
8 Syria	47,479	80	7,120	9,363	16,563
9 Somalia	26,338	80	3,920	5,188	9,188
10 Iraq	279,142	760	61,115	54,975	116,850
11 Oman	32,967	80	7,220	6,500	13,800
12 Qatar	65,933	200	14,400	13,000	27,600
13 Kuwait	210,700	500	46,200	41,500	88,200
14 Lebanon	32,967	100	7,200	6,500	13,800
15 Libya	88,473	186	19,427	17,423	37,035
16 Egypt	210,700	500	46,200	41,500	88,200
17 Morocco	98,721	200	21,688	19,438	41,325
18 Mauritania	32,967	80	7,220	6,500	13,800
19 Yemen	101,408	280	16,535	19,975	36,790
20 Palestine ⁽¹⁾	14,190	-	-	-	-
21 Djibouti	1,613	5	245	313	563
22 Comoros	1,613	5	245	313	563
Total	2,150,000	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 Board of Governors of the Arab Monetary Fund had approved through 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, half of which amounting to AAD 149.010 million to be paid by transfer from general reserve, and the remaining half 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.

(3) The Board of Governors of the Arab Monetary Fund had approved through resolution number (9) of 2024, the authorized capital was increased by an amount of 2,150 million AAD, provided that the subscription by member states in the increase shall amount to 1,250 million AAD, in proportion to their existing subscribed shares

Appendix No. (5): Research and Publication Activity that were completed during 2025, and the topics addressed

a. Economic Studies and Research Papers:

1. Technical paper entitled "Productivity and Growth Assessment Framework",
2. A study entitled "Economic Productivity in the Arab Countries: Situation and Challenges",
3. Study on: "The Effects of the US Federal Reserve's Speech on Equity Market Returns in the GCC".
4. Study on: "Analysis of Artificial Intelligence Strategies and its Readiness Levels"
5. Policy Brief: "Real Asset Coding: Policy Pathways for Real Estate Tokenization in the Arab Region"
6. Study on: "The Role of Green Finance in Promoting Financial Inclusion".
7. Study on: "Instructions for Pressure Tests".
8. Study on: "Promoting Sustainable and Green Financial Practices".
9. Study on: "Digital Savings and Lending Groups".
10. Study on: "Integrating Women in the Formal Financial Sector".
11. Study on: "Key Principles for the Organization and Implementation of Open Banking".
12. Study on: "The Impact of FinTech on Green Finance".

b. Reports and Periodicals:

1. The Twenty-First Issue of the Arab Economic Outlook Report",
2. Forty-fifth Issue of the Consolidated Arab Economic Report 2025,
3. Seventh Issue of the "Annual Report on Financial Stability in the Arab States",

D. Bulletins:

1. Quarterly Bulletin on the Performance of the Arab Capital Markets" (four issues),
2. "Monthly Bulletin of Arab Capital Markets" (eight issues),

Appendix No. (6): Training Courses and Workshops Completed During 2025, (Topics Covered and Implementation Dates)

No.	Course Topic	Date
1	"Economic Analysis of Key Economic Indicators"	(6 – 9) January 2025
2	"Labor Market Statistics"	(6 – 9) January 2025
3	"Financial Soundness Indicators" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(6 – 10) January 2025
4	"Reforms in the Financial and Banking Sector in the Arab Countries"	(13 – 16) January 2025
5	"The Financial Sector within the Framework of the System of National Accounts and Balance of Payments"	(13 – 16) January 2025
6	Financial Markets Supervision – Executive Education Program (Module I and Module II), in collaboration with the Global Financial System (PIFA) Program and Harvard Law School	(21 January – 24 February) 2025
7	"Fiscal Policy, Stability and Growth"	(27 – 30) January 2025
8	"Economic Applications of Python Programming"	(03 – 06) February 2025
9	"The Economic Uses of the EViews Program: An Introductory Study" - (I)	(03 – 06) February 2025
10	"Fiscal Policy Analysis" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(03 – 14) February 2025
11	"Fiscal Reforms in the Arab States"	(10 – 13) February 2025
12	"Balance of Payments Statistics"	(10 – 13) February 2025
13	"Financial Crises and Their Causes: A Case Study"	(10 – 13) February 2025
14	"Processing Missing data using software (R)" -A(I)	(17 – 20) February 2025
15	"National Accounts Statistics - Advanced" in collaboration with the International Monetary Fund (IMF-CEF)	(17 – 28) February 2025
16	"Operational Resilience" Workshop in Cooperation with the Bank for International Settlements - Financial Stability Institute	(19 – 20) February 2025
17	"Inclusive Growth" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(07 – 18) April 2025
18	Financial Markets Supervision - Executive Education Program (Module Three) In collaboration with the Global Financial System Program (PIFA) and Harvard Law School	(07 – 28) April 2025
19	"Takaful Insurance"	(21 – 24) April 2025
20	"Macroeconomic Management in Natural Resource-Rich Countries" in collaboration with the International Monetary Fund (IMF-CEF) Middle East Center for Economics and Finance	(21 April – 02 May) 2025

Appendix No. (6): Training Courses and Workshops Completed During 2025, (Topics Covered and Implementation Dates)

No.	Course Topic	Date
21	"Building and Using Composite Indicators as a Policy-Making Tool"	(28 April – 01 May) 2025
22	"Sukuk Structures and Their Uses in Finance" - I	(05-08) May 2025
23	Financial Markets Supervision - Executive Education Program (Fourth Unit) In collaboration with the Global Financial System Program (PIFA) and Harvard Law School	(05 – 19) May 2025
24	"Institutional Risk Management" Workshop in Cooperation with the Arab Regional Clearing and Settlement Corporation (BUNA)	(06-07) May 2025
25	Regional Workshop on "Trade in Services for Arab Countries" in Cooperation with the World Trade Organization (WTO)	(13-15) May 2025
26	"Interactions between Monetary Policy and Macroprudential Policy"	(12-15) May 2025
27	"Macroeconomic Framework"	(12-15) May 2025
28	"Building Economic Forecasts Using (R)-A(II)	(19-22) May 2025
29	"How to Create Green and Sustainable Investment Portfolios"	(02-04) June 2025
30	"Analysis of the Financial Statements of Islamic Banks"	(02-05) June 2025
31	"Mutual Macroeconomic Relations"	(02-04) June 2025
32	"Sukuk Structures and Their Uses in Finance" – II	(09-12) June 2025
33	Financial Markets Supervision - Executive Education Program (Fifth Unit) In collaboration with the Global Financial System Program (PIFA) and Harvard Law School	(09 – 23) June 2025
34	"International Accounting Standard 9 (IFRS 9) and its applications"	(09-12) June 2025
35	"Economic Uses of EViews Software: Time Series Analysis" - (II)	(09-12) June 2025
36	"Financial Crime Compliance Awareness" Workshop in Cooperation with the Arab Regional Payments Clearing and Settlement Corporation (BUNA)	(10-11) June 2025
37	"Real Estate Sector Indicators: Residential Real Estate Prices"	(16-19) June 2025
38	Tax Policy and Tax System Management - Executive Education Program - (First Unit), in cooperation with HEC Paris and the International Monetary Fund	(23-26) June 2025
39	"Risk Management in Islamic Financial Institutions" in cooperation with the Islamic Development Bank Institute	(23-27) June 2025
40	"Fundamentals of Real-Time Forecasting Using (R)-(III)	(01-04) September 2025
41	"Lending Policies and Procedures at the Arab Monetary Fund"	(01-04) September 2025
42	"Measuring the Economic Impacts of Fiscal and Monetary Policies Using Standard Methods"	(01-05) September 2025
43	Tax Policy and Tax System Management - Executive Education Program - (Second Unit), in cooperation with HEC Paris and the International Monetary Fund	(08-11) September 2025
44	"The Economy and the Challenges of Environment and Climate Change"	(08-11) September 2025
45	"Financial Stability and Macroprudential Policy Tools"	(08-11) September 2025
46	"Financial Stability, Systemic Risk, and Macroprudential Policy" in collaboration with the Bundesbank	(08-12) September 2025
47	"Development of Arab Capital Markets"	(15-18) September 2025

Appendix No. (6): Training Courses and Workshops Completed During 2025, (Topics Covered and Implementation Dates)

No.	Course Topic	Date
48	"The Interaction between Fiscal and Monetary Policies"	(15-18) September 2025
49	"Monetary and Financial Statistics" in cooperation with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(15-26) September 2025
50	Workshop on "Control and Compliance: KYC Procedures, Customer Assessment through Advanced Due Diligence", in collaboration with the Arab Regional Clearing and Settlement Corporation (BUNA)	(16-17) September 2025
51	"Public goods and services and their economic and social impact"	(22-25) September 2025
52	"Islamic Finance in National Accounts and Balance of Payments"	(22-25) September 2025
53	"Risk-Based Approach and Risk Assessment Mechanisms for Regulated Institutions", in collaboration with the Middle East and North Africa Financial Action Task Force (MENAFATF)	(22-26) September 2025
54	Tax Policy and Tax System Management - Executive Education Program - (Module III), in cooperation with HEC Paris and the International Monetary Fund	(28 Sep – 02 Oct) 2025
55	"Harnessing Emerging Data and Modern Technologies for Macroeconomic Statistics" - Part I	(29 Sep – 02 Oct) 2025
56	"Advanced Methods in Due Diligence and Due Diligence Procedures in Investment Operations"	(06 - 09) October 2025
57	"Public Revenue Forecasting"	(06 - 09) October 2025
58	"Public Debt Management Strategies and Local Capital Market Development" in cooperation with the World Bank	(06 - 10) October 2025
59	"Global Trends in International Trade" Workshop in Cooperation with the World Trade Organization (WTO)	(13 - 15) October 2025
60	"Balance of Payments Analysis and Exchange Rate Policy"	(13 - 16) October 2025
61	"Display and Usage Tables and Input and Output Tables"	(13 - 16) October 2025
62	"Financial Risk Management" Course	(20 - 23) October 2025
63	"Harnessing Emerging Data and Modern Technologies for Macroeconomic Statistics" - Part Two	(20 - 23) October 2025
64	"Macroeconomic Policy and Programming" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(20 - 31) October 2025
65	"Regulatory Frameworks for Financial Innovations"	(27 - 30) October 2025
66	"Inflation Targeting"	(03 - 06) November 2025
67	"Sustainability of Public Debt and Mechanisms for Addressing Debt Crises"	(03 - 06) November 2025
68	"Risk Management in Islamic Financial Institutions"	(10 - 14) November 2025
69	"Analysis of the Performance of Foreign Trade in Goods and Services"	(10 - 13) November 2025
70	"Trade Policy Analysis for Arab Countries" in cooperation with the World Trade Organization (WTO)	(10 - 13) November 2025
71	"Financial Inclusion and its Impact on Financial Inclusion and Stability"	(10 - 13) November 2025
72	"Public Investment Management"	(10 - 13) November 2025

Appendix No. (6): Training Courses and Workshops Completed During 2025, (Topics Covered and Implementation Dates)

No.	Course Topic	Date
73	"Foreign Reserves Management" in cooperation with the Bank for International Settlements	(10 - 13) November 2025
74	"High-frequency Indicators" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(10 - 21) November 2025
75	"Policies for Economic and Financial Stability"	(17 - 20) November 2025
76	"Macroeconomic Modeling" - (III)	(17 - 21) November 2025
77	"Climate and Central Banks" in cooperation with the Central Bank of France	(24 - 27) November 2025
78	"The Role of Artificial Intelligence in Strengthening the Islamic Financial Industry" in Collaboration with the Islamic Development Bank Institute	(24 - 28) November 2025
79	"Applications of Artificial Intelligence and Machine Learning in the Financial Sector Using Python"	(08 - 11) December 2025
80	"Analysis of Economic and Financial Relationships Using Cross-Sectional Time Data Models"	(08 - 11) December 2025
81	"Applications of Comprehensive Instant Payment Systems"	(08 - 11) December 2025
82	"Macroeconomics of Climate Change" in collaboration with the International Monetary Fund's Center for Economics and Finance in the Middle East (IMF-CEF)	(08 - 19) December 2025
83	Workshop on "Cybersecurity and Emerging Threats" in cooperation with the Arab Regional Payments Clearing and Settlement Corporation (BUNA)	(09 - 10) December 2025
84	Tax Policy and Tax System Management - Executive Education Program - (Fourth Module), in cooperation with HEC Paris and the International Monetary Fund	(15 - 18) December 2025

Appendix No. (7): Arab Country Participation in AMF Training Programs Number of Participants by Country (1988 - 2025)

**Appendix (7):
Number of Participants Courses / Seminars / Workshops (1988-2025)**

Activities Countries	Courses delivered by AMF Staff	Courses Coordinated With Various Inst.	Total
Number of Activities	527	350	877
Jordan	920	678	1,598
U.A.E	828	478	1,306
Bahrain	566	370	936
Tunisia	651	470	1121
Algeria	959	447	1406
Djibouti	78	375	453
Saudi Arabia	1171	772	1943
Sudan	700	561	1261
Syria	728	574	1302
Somalia	139	128	267
Iraq	741	697	1438
Oman	524	483	1007
Palestine	531	416	947
Qatar	322	267	589
Comoros	61	68	129
Kuwait	455	362	817
Lebanon	242	333	575
Lybia	447	297	744
Egypt	823	595	1418
Morocco	807	614	1421
Mauritania	354	377	731
Yemen	736	436	1172
Total	12,783	9,798	22,581

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 (GICA), Islamic Financial Services Board, Banque de France, The Japan International Cooperation Agency (JICA), And Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Appendix No. (8): AMF's Consolidated Financial Position As of December 31, 2025

The consolidated financial statements of the Arab Monetary Fund and its two subsidiaries (the Arab Trade Finance Program and the Arab Regional Clearing and Settlement Institution) are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements reflect the consolidated financial position as of 31 December 2025, business results, cash flows and changes in net assets attributable to Member States and non-controlling shareholders of the Arab Trade Finance Programme, for the year ended that date, significant accounting policies and other clarifications.

Resources

The Arab Monetary Fund's resources, in accordance with the requirements of Article Eleven of its Establishment Agreement, shall consist of: paid-up capital, reserves, loans and facilities, and any other resources approved by the Board of Governors.

In 1989, the Board of Governors of the Fund decided to accept deposits from Arab

monetary institutions and central banks, with the aim of assisting Arab countries in managing their external reserves, provided that these funds are not used for the provision of loans, within the framework of the Fund's achievement of its objectives and on the basis of the means authorized by Article V of the Fund's Agreement. The Board also approved, through the statutes of the Arab

Capital

Article 12 of the Arab Monetary Fund Establishment Agreement sets the authorized capital at 600,000 thousand A.A.D, divided into twelve thousand shares with a value of 50 thousand A.A.D. each.

According to the Fund's Board of Governors Resolution No. (3) of 2013, the authorized capital was increased by 600,000 thousand A.A.D. to 1,200,000 thousand A.A.D., the resolution specified the subscription of the member countries by 300,000 thousand A.A.D. to increase

the subscribed capital to 900,000 thousand A.A.D.

The resolution also specified the payment of half of the subscription amounting to 149,010 thousand A.A.D. by transfer from the General Reserve, and the other half by cash transfer from the Member States, in five annual installments starting from April 2014, with the continued postponement of the demand for the payment of Palestine's share of the capital under Council Resolution No. (7) of 1978.

Reserves

Reserves amounted to a total of AAD 652,452 thousand at the end of 2025, compared to AAD 596,219 thousand at the end of 2024. The ratio of reserves to paid-up capital was approximately 74 percent at the end of 2025, compared to 68 percent at the end of 2024.

Reserves consist of the General Reserve and the Contingency Reserve. The balance of the General Reserve amounted to AAD 442,452 thousand at the end of 2025, including the provision for changes in the fair value of financial investments, while the balance of this reserve was AAD 391,219 thousand at the end of 2024.

The Contingency reserve amounted to AAD 210,000 thousand at the end of 2025, compared to a balance of AAD 205,000 thousand at the end of 2024.

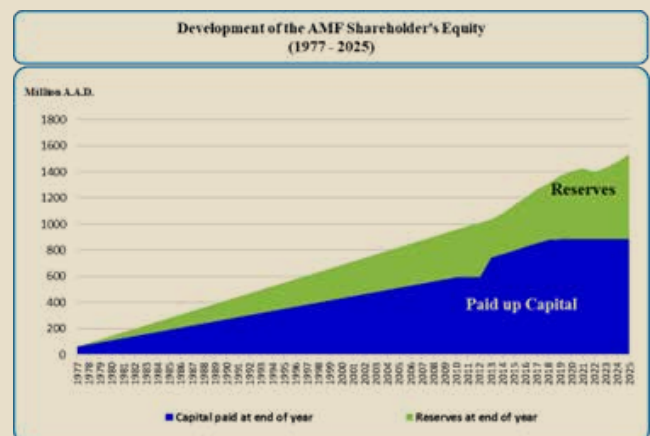
The Contingency reserve was established pursuant to Board of Governors Resolutions No. (7) of 1989 and No. (4) of 2000, to transfer an amount of AAD 5,000 thousand, or 10 percent of operating income (net income) annually, whichever is greater, to this reserve, and it is used to cover any unexpected future losses.

Net Assets Attributable to Member Countries

Net assets attributable to Member States represented by capital and reserves amounted to 1,535,477 thousand AAD at the end of 2025, compared to 1,479,244 thousand AAD at the end of 2024, an increase of 56,233 thousand AAD, or 4 per

cent. Figure 6 shows the evolution of the net assets attributable to the member countries of the Arab Monetary Fund, since its inception until December 31, 2025.

The net assets attributable to non-controlling shareholders of the Arab Trade Finance Program, which represents their shares in the capital and reserves of the program, amounted to 136,597 thousand AAD at the end of 2025, compared to 141,303 thousand AAD at the end of 2024, a decrease of 4,706 thousand AAD, or 3 percent. Most of this increase is due to the differences resulting from the difference in the conversion rate of the US dollar (the base currency of the program) against the Accounting Arab Dinar. Net assets attributable to Member States and non-controlling shareholders amounted to AAD 1,673,022 thousand at the end of 2025, compared to AAD 1,620,547 thousand at the end of 2024. Resource allocations were distributed to finance lending to Member States, lines of credit to accredited national agencies, financial investments and other assets, as shown below:



Loans to Member Countries

The outstanding loans due from Member Countries amounted to AAD 499,307 thousand as of December 31, 2025, compared to a balance of AAD 569,150 thousand as of December 31, 2024.

The Fund's commitments for contracted and outstanding loans with Member Countries did not differ from the balances of outstanding loans due from Member Countries, as there were no balances for contracted and undisbursed loans at the end of 2025.

Lines of Credit

The Arab Trade Financing Program provides lines of credit denominated in its base currency, the US dollar, to approved national agencies to finance exports and imports of Arab goods and related services. The balance of withdrawals from lines of credit as of December 31, 2025, amounted to AAD 235,059 thousand (equivalent to US\$ 966 million), compared to a balance of AAD 216,610 thousand (equivalent to US\$ 847 million) at the end of 2024.

Deposits with Central Banks

Based on Article Fourteen of the Fund's Articles of Agreement, 2 percent of the value of the originally subscribed capital contribution to the Fund was paid in the member's national currency and deposited with the central banks of the Member Countries. Each Member Country adjusts the amount of the contribution in its national currency at the end of each

year based on the exchange rate determined by the International Monetary Fund, to maintain the Nominal value of the contribution denominated in Arab Accounting Dinar. Deposits in national currencies with central banks amounted to the equivalent of AAD 5,336 thousand as of the end of 2024 and 2025.

Investments

The Consolidated investment portfolio consists of current and demand accounts, time deposits with banks, the Other Holders Account with the International Monetary Fund, and the financial investments portfolio. The value of this portfolio amounted to AAD 2,739,281 thousand at the end of 2025, compared to AAD 3,076,483 thousand at the end of 2024.

The balance of deposits accepted by Arab monetary and financial institutions reached AAD 1,794,762 thousand at the end of 2025, compared to the balance of AAD 2,258,569 thousand at the end of 2024. Investments from the Fund's own resources amounted to AAD 817,914 thousand at the end of 2025, compared to AAD 817,914 thousand at the end of 2024.

Forward Currency Exchange Contracts

The fund uses derivative financial instruments including currency futures and futures exchange contracts to manage foreign exchange risk. The net fair

Loans to Member Countries

value of currency exchange futures receivable was AAD 51,000 as at the end of 2025, while the net balance of currency exchange futures receivable was AAD 297,000 at the end of 2024.

Contribution to Related Institutions

This item represents the Fund's contribution denominated in Kuwaiti Dinars to the capital of the Arab Investment and Export Credit Guarantee Corporation.

The value of the contribution at fair value was AAD 12,582 thousand at the end of 2025, while it was worth AAD 13,695 thousand at the end of 2024.

The Board of Governors had approved by its resolution No. (6) of 2002 to contribute on behalf of its member countries to the increase in the capital of the corporation by the equivalent of 8,118 thousand Kuwaiti Dinars, which was paid in full. then followed it up with his Resolution No. (3) of 2015 to subscribe to the Fund by increasing the capital of the Corporation by 25% of its existing contribution, with a value equivalent to KD 2,030 thousand, and to pay it in five equal installments, bringing the Fund's contribution to KD 10,148 thousand, which was paid in full, representing about 11% of the subscribed capital.

Other Assets

The total balance of other assets

amounted to AAD 47,967 thousand at the end of 2025, compared to a balance of AAD 52,207 thousand at the end of 2024.

The balance of other assets as of the end of 2025 includes intangible assets amounting to AAD 4,384 thousand (compared to AAD 5,153 thousand during 2024), representing the Book Value of the technical system for "Buna" Payments System, which is managed by the Regional Arab Payment Clearing and Settlement Organization.

Results of Operations

Consolidated operating income for the year ended 31 December 2025, before provisions for expected credit losses, amounted to a total of AAD 53,785 thousand, while after credit losses was a total of AAD 56,443 thousand, compared to AAD 53,480 thousand for the year 2024 thousand AAD thousand before provisions for expected credit losses. After considering credit losses, operating income totaled AAD 46,898 thousand and net operating income after deduction of non-controlling shareholders reached AAD 49,090 thousand at the end of 2025, compared to 38,986 thousand AAD for the year 2024. Operating income is represented by the following elements of income and expenditure:

Income

The total consolidated income of the Fund and its subsidiaries, after deducting interest paid on deposits accepted from

Arab monetary and financial institutions, amounted to AAD 66,726 thousand for the year ended December 31, 2025, compared to AAD 66,130 thousand for the year 2024.

Administrative and General Expenses

This item includes the general and administrative expenses of the Arab Monetary Fund and its two subsidiaries (the Arab Trade Financing Program and the Regional Arab Payment Clearing and Settlement Organization).

Administrative and general expenses include expenditure items represented by staff costs, expenses of meetings of the Board of Governors and Executive

Directors, office occupancy, hospitality and communication expenses, banking and consultancy expenses, in addition to the operating expenses of "Buna" Payments System.

By the end of December 31, 2025, the total administrative and general expenses amounted to AAD 12,321 thousand, Similar to its level in 2024.

Technical Assistance Expenses

Expenditure on technical assistance programs provided during 2025 amounted to a total of 619 thousand AAD, compared to about 342 thousand AAD in 2024.

Currencies

Table (1) : The Actual Weight of the currencies included in the SDR basket (2016-2025)

Currency	The weights of the currencies included in SDR basket			SDR Exchange Rates Against each currency included in the basket	
	31 December, 2025	31 December, 2024	30 September, 2016	31 December, 2024	31 December, 2025
US Dollar	42.22%	44.33%	41.73 %	1.304	1.370
Euro	32.06%	29.78%	30.94 %	1.255	1.166
Pound Sterling	7.95%	7.78%	7.98 %	1.040	1.018
Japanese Yen	6.27%	6.58%	8.43 %	204.508	214.464
Renminbi-RMB	11.50%	11.53%	10.92 %	9.533	9.556
	100%	100%	100%		

In employing its financial resources, the Fund adopts a policy of minimizing currency risks, by committing to distributing its assets in currencies in accordance with the weights of the basket of currencies that make up the Special Drawing Rights Unit, to which the Arab Dinar is pegged.

All lending to member countries is done in Arab Accounting Dinars. The Fund's stake in the Arab Trade Finance Program's

operations, which are conducted in US dollars, is included as part of the dollar tranche of the currency portfolio.

Other resources are employed in convertible currencies in conjunction with futures contracts. The following table shows the weights of the currencies that make up the Special Drawing Rights Unit, of which the Arab Accounting Dinar is equivalent to three as of the end of 2024 and 2025, as well as the weights in effect as

Humanitarian Aid Allocations for the Palestinian People

The Arab Monetary Fund contributes to the collective effort of Arab financial institutions aimed at providing humanitarian aid to the Palestinian people by allocating 10 percent of the Fund's annual net income since 2002.

In this context, the Board of Governors of the Fund, pursuant to its resolution No. (2) of 2025 issued at its forty-eighth annual meeting, held in the State of Kuwait on 09 April 2025, approved the twenty-third allocation, amounting to 3.899 million A.A.D. (equivalent to approximately US\$ 15.253 million).

This brings the total allocations approved by the Board of Governors for humanitarian support to the Palestinian people to 68.521 million A.A.D (equivalent to about US\$ 295.973 million).

The Administrative Committee of the Al-Aqsa Fund approves the programs and

components of the projects proposed to be implemented for each allocation.

In addition, the Fund provides relevant government officials in the State of Palestine with training and capacity building opportunities in the Fund's areas of specialization, through training courses and workshops provided by the Fund's Training and Capacity Building Institute, according to regular annual programs in cooperation with many regional and international institutions, to which official from all Arab countries are invited.

The number of Palestinian trainees reached 947 trainees, until the end of December 2025.

The Arab Monetary Fund
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2025

The Arab Monetary Fund

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

Contents	<u>Page</u>
Independent Auditors' Report on the Consolidated Financial Statements	1 - 2
Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Net assets attributable to Member Countries and non-controlling interest	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7 - 34

INDEPENDENT AUDITOR'S REPORT

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** (the "Fund"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of net assets attributable to member states and non-controlling shareholders and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Fund as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the other ethical requirements that are relevant to our audit of the consolidated 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.

Other Matter

The consolidated financial statements of the Fund for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 19 March 2025.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, 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.

Cont'd...



**INDEPENDENT AUDITOR'S REPORT FOR HEAD QUARTERS
THE ARAB MONETARY FUND (continued)**

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Fund as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Deloitte & Touche (M.E.)

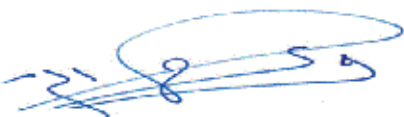
16 July 2026
Abu Dhabi
United Arab Emirates

The Arab Monetary Fund

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December

	Notes	2025 AAD 000	2024 AAD 000
Assets			
Cash and cash equivalents	4	551,195	301,740
Term deposits with banks	4	720,429	727,702
Financial investments	5	1,479,295	2,060,927
Lines of credit	7	235,059	216,610
Loans to Member Countries	8	499,307	569,150
Deposits with central banks of Member Countries	9	5,336	5,336
Forward currency contracts receivable		51	-
Property and equipment		9,362	7,102
Accounts receivable and other assets	10	38,605	45,105
Total assets		3,538,639	3,933,672
Liabilities			
Deposits from Arab monetary and financial institutions	11	1,794,762	2,258,569
Forward currency contracts payable	6	-	297
Accounts payable and other liabilities	12	71,798	54,259
Liabilities (excluding net assets attributable to the member countries)	13	1,866,560	2,313,125
Net assets attributable to Member Countries			
Subscribed capital 2,150 million AAD			
Paid-up capital	13	883,025	883,025
Reserves	13	652,475	596,220
		1,535,500	1,479,245
	13	136,579	141,302
Total liabilities, net assets attributable to Member Countries and non-controlling interest		3,538,639	3,933,672



Director General Chairman of the Board

These consolidated financial statements were agreed by the Board of Executive Directors on 16 July 2026.

The accompanying notes from 1 to 24 are an integral part of these consolidated financial statements.

The Arab Monetary Fund

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2025 AAD 000	2024 AAD 000
Income			
Income from loans and lines of credit			
Interest and fee income on loans to Member Countries		15,072	12,017
Interest and fee income on lines of credit		10,520	10,369
Income from Buna platform		97	103
		<u>25,689</u>	<u>22,489</u>
Income from investment activities			
Interest income on securities at amortized cost		4,059	15,061
Interest income on securities at fair value		65,676	74,989
Other investment income	14	11,024	15,636
Interest income on deposits and current and call accounts		45,761	73,992
		<u>126,520</u>	<u>179,678</u>
Interest expense on deposits from Arab monetary and financial institutions	11	(85,743)	(136,531)
		<u>40,777</u>	<u>43,147</u>
Other income		283	493
Total income		<u>66,749</u>	<u>66,129</u>
Expenses			
Administration and general expenses	15	(12,941)	(12,649)
Operating income before provision for expected credit loss		53,808	53,480
Provision for expected credit loss	21	2,658	(6,582)
Net Income		<u>56,466</u>	<u>46,898</u>
Attributable to:			
• Member Countries		49,113	38,987
• Non-controlling interest		7,353	7,911
		<u>56,466</u>	<u>46,898</u>
Other comprehensive income /(loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Change in the fair value of forward currency contracts		(106)	1,992
Change in the fair value of securities		11,147	9,680
Other Changes	16	(7,907)	4,081
Items that will not be reclassified subsequently to profit or loss:			
Change arising from the revaluation of the AMF's building and land		-	6,154
		<u>3,134</u>	<u>21,907</u>
Total other comprehensive income for the year		<u>59,600</u>	<u>68,805</u>
Change in net assets attributable to:			
• Member States		60,154	56,813
• Non-controlling interest		(554)	11,992
		<u>59,600</u>	<u>68,805</u>

The accompanying notes from 1 to 24 are an integral part of these consolidated financial statements.

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	Member Countries	Non- controlling interest (NCI)	Total
	<i>AAD 000</i>					
<i>2024</i>						
Balance at 1 January	883,025	340,516	200,000	1,423,541	132,028	1,555,569
Net income	-	46,898	-	38,987	7,911	46,898
Other comprehensive income	-	17,826	-	17,826	4,081	21,907
Total other comprehensive income for the year	-	64,724	-	56,813	11,992	68,805
Distributions during the year	-	-	-	-	(2,718)	(2,718)
Transferred to the contingency reserve	-	(5,000)	5,000	-	-	-
Provision for support of the Palestinian people	-	(1,109)	-	(1,109)	-	(1,109)
Balance at 31 December	883,025	399,131	205,000	1,479,245	141,302	1,620,547
<i>2025</i>						
Balance at 1 January	883,025	399,131	205,000	1,479,245	141,302	1,620,547
Net income	-	56,466	-	49,113	7,353	56,466
Other comprehensive income	-	11,041	-	11,041	(7,907)	3,134
Total other comprehensive income for the year	-	67,507	-	67,507	(554)	59,600
Distributions during the year	-	-	-	-	(4,169)	(4,169)
Transferred to the contingency reserve	-	(5,000)	5,000	-	-	-
Provision for support of the Palestinian people	-	(3,899)	-	(3,899)	-	(3,899)
Balance at 31 December	883,025	457,739	210,000	1,535,500	136,579	1,672,079

* The change includes foreign currency evaluation differences.

The accompanying notes from 1 to 24 are an integral part of these consolidated financial statements.

The Arab Monetary Fund

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AAD 000	2024 AAD 000
Operating activities			
Increase in net assets attributable to			
Member Countries and non-controlling interest		59,600	68,805
Adjustments for:			
Interest Income on loans to Member		(141,088)	(184,962)
Countries, lines of credit, bonds and deposits			
Interest expense on deposits		85,743	136,531
Unrealized change in investments held at fair value		(11,041)	(17,826)
Unrealized change in net assets value of multi strategies and property fund	14	(9,570)	(8,334)
Unrealized change in fair value in related entity	14	569	(5,272)
Depreciation of property and equipment		1,093	1,164
Change in provision for expected credit loss		(2,658)	6,582
Other changes relating to non-controlling interest		12,077	(1,362)
Change in loans to Member Countries		69,843	29,399
Change in lines of credit		(16,607)	(77,770)
Change in forward currency contracts receivable		(51)	-
Change in forward currency contracts payable		191	(12,371)
Change in accounts receivable and other assets		(10,183)	5,646
Change in accounts payable and other liabilities		35,325	(4,716)
Change in appropriation to support Palestinian people		(1,000)	(3,919)
Change in deposits with banks maturing after three months from inception		7,870	653,387
Change in deposits from Arab monetary and financial institutions		(463,807)	(694,255)
Interest received		130,397	147,860
Interest paid		(102,529)	(137,596)
Net cash used in operating activities		(355,826)	(99,009)
Investing activities			
Net cash from investments	17	605,281	295,894
Net Increase / (Decrease) in cash and cash equivalents		249,455	196,885
Cash and cash equivalents at beginning of year		301,740	104,855
Cash and cash equivalents at end of year	4	551,195	301,740

The accompanying notes from 1 to 24 are an integral part of these consolidated financial statements.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1 LEGAL STATUS AND FUND 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 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.

The Group’s Consolidated Financial Statements for the year ended 31 December 2025 comprise the results of the AMF and its subsidiaries. No income of the seasonal nature was recognised in the consolidated financial statements for the year ended 31 December 2025 and 2024, respectively.

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 and some of the property and equipment (land & building).

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.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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 56.7% of the subscribed and fully paid-up capital of the Arab Trade Financing Program as of 31 December 2025 (2024: 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 Subsidiary, Arab Trade Financing Program.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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 regardless of change in market value.
- 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 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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”.

(1) *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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 next 12 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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 it 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.

(4) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(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, 2024. These amendments to IFRSs had no material impact on the Fund's consolidated financial statements for the period ended 31 December 2025.

- Amendments to IFRS 16: Lease Liability in Sale and Leaseback transactions.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- Amendments to IAS 7: Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

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

In addition, according to the Fund's Establishment Agreement and Financial Regulations, the Fund confirms it has not applied any newly issued IFRS standards that are not yet effective as of the date of the consolidated financial statements.

(o) 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 IAS 21: Lack of exchangeability;
- Issuance of IFRS 18 (replacing IAS 1): Presentation and Disclosure in Financial Statements; and
- Issuance of IFRS 19: Subsidiaries without Public Accountability: Disclosures

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

(p) New Accounting Policies Adopted by the Fund – Taxes

The Ministry of Finance of the United Arab Emirates issued Federal Decree-Law No. 47 of 2022 concerning corporate and business taxes ("Corporate Tax Law"). Cabinet Resolution No. 116 of 2022 sets the income threshold to which a 9% tax rate will apply. According to International Accounting Standard IAS 12 "Income Taxes", any changes in tax legislation must be reflected in the consolidated financial statements in the period when the law is enacted (i.e., Q2 of fiscal year 2024). Consequently, any current or deferred tax impacts must be assessed. The corporate tax system became effective for fiscal periods starting from the second quarter of the fiscal year 2024.

Based on current available information, the Fund assessed that there are no material tax implications arising from this change as of now.

3 Adoption of New and Amended International Financial Reporting Standards

The following new and amended International Financial Reporting Standards (IFRS) have been adopted in these financial statements, which became effective for annual periods beginning on or after **1 January 2025**. The adoption of these amended IFRS Standards, except as otherwise stated, did not have a material impact on the amounts reported for the current and prior periods.

4 CASH AND CASH EQUIVALENT AND TERM DEPOSITS WITH BANKS

4.1 CASH AND CASH EQUIVALENTS

	2025	2024
	AAD 000	AAD 000
Current and call accounts with banks and International Monetary Fund	48,962	6,177
Deposits maturing within three months from inception	502,233	295,563
	<u>551,195</u>	<u>301,740</u>

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4 CASH AND CASH EQUIVALENT AND TERM DEPOSITS WITH BANKS *(continued)*

4.2 TERM DEPOSITS WITH BANKS *(continued)*

	2025 AAD 000	2024 AAD 000
Maturing within three months from inception (Note 4.1)	502,233	295,563
Maturing after three months from inception.	720,464	728,037
Less: Provision for expected credit loss on term deposits	(35)	(335)
	<u>1,222,662</u>	<u>1,023,265</u>
Return on term deposits with banks	<u>3.75%</u>	<u>6.54%</u>

During the year, interest income accrued on fixed - term deposits with banks amounted to AAD 45,790 (2024: 66,953 AAD)

5 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.

	2025 AAD 000	2024 AAD 000
Investments at fair value through other change in the statement of comprehensive income (level 1)	1,137,017	1,605,565
Investments at fair value through other change in the statement of comprehensive income (level 2)	116,913	212,186
Investments at fair value through profit and loss (level 3)	162,696	134,305
Investments securities at amortised cost	<u>63,474</u>	<u>110,316</u>
	<u>1,480,100</u>	<u>2,062,372</u>
Less: Provisions for expected credit losses on investments	<u>(805)</u>	<u>(1,445)</u>
	<u>1,479,295</u>	<u>2,060,927</u>

There were no transfers between levels of the fair value hierarchy during the year ending 31 December 2025, or 31 December 2024.

Investments at fair value include the Fund's fully paid investment in the Arab Investment & Export Credit Guarantee Corporation, consisting of 10,148 shares with a nominal value of one thousand Kuwaiti Dinar per share, representing approximately 11% of the paid-up capital.

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.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5 FINANCIAL INVESTMENTS (continued)

Investments at fair value (Level 3) (continued)

This item represents investments in multi-strategy funds and real estate funds, which are measured based on their net asset value (NAV). The NAV of these funds is determined by their respective fund managers.

Movements of investments at fair value (Level 3) for the year ended 31 December 2025 and 2024 is as follows:

	2025 AAD 000	2024 AAD 000
Fair value at 1 January	120,419	111,866
Gains or losses recognised in profit or loss for the year	12,702	8,436
Subscription during the year	29,432	-
Redemption during the year ^(*)	(6,596)	(1,154)
Exchange difference	(4,876)	1,271
Fair value at 31 December	151,081	120,419

^(*) Redemption during the year from multi-strategy fund and real state funds is equivalent to 6,596 thousand AAD.

Investments at amortized cost

The market value of investments in bonds and securities held at amortized cost was AAD 63,474 thousand as of December 31, 2025 (2024: AAD 109,742 thousand). The fair value of these investments is determined based on observable market information such as recently executed transactions for the issuer's securities or those of comparable issuers.

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

	2025			2024		
	Arab	Non-Arab	Total	Arab	Non-Arab	Total
	AAD 000	AAD 000		AAD 000	AAD 000	
Debt Securities						
Government & Semi Government	29,637	251,021	280,657	411,493	194,808	606,301
Banks & Financial Institutions	61,319	711,054	772,374	114,171	831,995	946,166
Industrial Sector	17,800	182,003	199,803	40,374	107,073	147,447
Other Commercial Sectors	-	35,955	35,955	1,345	11,969	13,314
Supranational Organizations	13,545	15,070	28,615	9,995	204,844	214,839
Arab Organization	11,615	-	11,615	13,886	-	13,886
Expected Credit Loss	(75)	(730)	(805)	(1,035)	(410)	(1,445)
Total Debt Securities	133,841	1,194,373	1,328,214	590,229	1,350,279	1,940,508
Unquoted Investment Funds						
Multi- Strategy Funds	-	112,138	112,138	-	78,723	78,723
Real Estate Funds	-	34,734	34,734	-	37,479	37,479
Investment in exchange traded funds	-	4,209	4,209	-	4,217	4,217
Total	-	151,081	151,081	-	120,419	120,419
	133,841	1,345,454	1,479,295	590,229	1,470,698	2,060,927

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5 FINANCIAL INVESTMENTS *(continued)*

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 246,075 thousand as at 31 December 2025 (2024: AAD 227,601 thousand).

6 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 receivable at 31 December 2025 were AAD 51 thousand (2024: forward currency contract payable AAD 297 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.

7 LINES OF CREDIT

	2025 AAD 000	2024 AAD 000
Balance at 1 January	216,610	138,708
Drawdowns during the year	294,962	265,901
	511,572	404,609
Repayments during the year	(267,914)	(192,189)
Less: change in provision of expected credit loss	1,842	132
Differences in translation to AAD	(10,441)	4,058
Balance at 31 December	235,059	216,610

Lines of credit represent facilities provided by the Arab Trade Financing Program in USD 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 2025.

8 LOANS TO MEMBER COUNTRIES

	2025 AAD 000	2024 AAD 000
Balance at 1 January	569,150	605,549
Drawings during the year	136,186	133,072
Repayments during the year	(206,029)	(162,471)
Less change in provision for expected credit loss	-	(7,000)
Balance at 31 December	499,307	569,150

Loans to Member Countries at 31 December 2025 include delayed amounts overdue and not yet received of AAD 113,525 thousand (2024: AAD 188,182 thousand).

As of December 31, 2025, there were no unwithdrawn commitments related to loans granted to member states and also as of 31 December 2024.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9 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.

10 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	2025 AAD 000	2024 AAD 000
Interest receivable from loan to Member Countries (Gross)	63,911	106,455
Less: overdue interest receivable on loans	<u>(58,735)</u>	<u>(101,737)</u>
	5,176	4,718
Interest receivable from lines of credit	2,623	3,524
Interest receivable from deposits and financial investment	<u>22,243</u>	<u>28,192</u>
Total interest receivable	30,042	36,434
Intangible assets (*)	4,384	5,153
Net unsettled investment receivable	394	-
Collateral margin receivable	-	142
Other debit balances	<u>3,785</u>	<u>3,376</u>
	<u><u>38,605</u></u>	<u><u>45,105</u></u>

(*) 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 2025 amounted to AAD 85,743 thousand (2024: AAD 136,531 thousand).

12 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2025 AAD 000	2024 AAD 000
Accrued interest payable	55,812	40,189
Contribution to support Palestinian people	5,999	6,999
Collateral margin payable	4	-
Other credit balances	<u>9,983</u>	<u>7,071</u>
	<u><u>71,798</u></u>	<u><u>54,259</u></u>

- Contingent Liabilities**

There were AAD 13 thousand balance of outstanding contingent liabilities for The Fund or its subsidiaries as of 31 December 2025, (2024: no balance). The outstanding balance of contingent liabilities as of 31 December 2024 represent bank guarantees and other matters arising in the ordinary course of business of the Arab Trade Financing Program, none of which resulted in any material liabilities.

- Contractual Commitments**

As at 31 December 2025, there were contractual commitments relating to the renovation and rehabilitation of the fund's building, in accordance with confirmed commitments amounting to 1,193 thousand Arab Accounting Dinars (2024: Nil).

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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. 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 net assets. The Fund maintains books of account for each Member's weighted average share in the Fund's net assets. Based on historical experience, management does not expect any of the member countries to withdraw from membership of the Fund, as the Fund has, in previous instances, experienced the accession of new member countries following the signing of the Establishment Agreement and increases in capital.

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

	2025 <i>AAD 000</i>	2024 <i>AAD 000</i>
Authorized Capital (43,000 shares of AAD 50 thousand each)	2,150,000	1,200,000
Subscribed capital (43,000 shares)	2,150,000	900,000
Unpaid capital	(1,266,975)	(16,975)
Paid-up capital	883,025	883,025

The Board of Governors of the Arab Monetary Fund has approved through the Resolution No. (9) of 2024, issued by circulation on 30 June 2025 and effective from 01 August 2025, increasing the Fund's authorized share capital to become AAD 2,150 million. The Resolution has also called for subscriptions from Member Countries amounting to AAD 1,250 million, with the subscriptions to be paid in cash by the member countries in twenty semi-annual installments, commencing in 2026 and to be completed by 2035.

The Fund's net assets are distributed in proportion to each Member's shareholding, and the distribution is made in cash or other assets. A weighted average capital approach is applied in determining the member countries' shares of net income and equity, in order to ensure the equitable treatment of Member Countries given the differences in the timing of payment of capital installments.

(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 2025 includes AAD 43,630 thousand (2024: AAD 41,145 thousand) being the Fund's share in reserves of the Arab Trade Financing Program.

The Board of Governors approved through resolution number (6) of 2025, 10% of 2024 operating income attributable to Member Countries amounting to AAD 3,899 thousand as contribution towards the efforts exerted to support the Palestinian people. The Board of Governors had also approved through resolution number (6) of 2024, 10% of 2023 operating income attributable to Member Countries amounting to AAD 1,109 thousand for the same purpose.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

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.

	2025 USD 000	2024 USD 000
Net assets attributable to shareholders in ATRFP (US dollars):		
- Paid-up capital	980,760	985,150
- Reserves	315,997	285,030
	1,296,757	1,270,180
The share of non-controlling interest	561,137	552,835
	2025 AAD 000	2024 AAD 000
Movement in non-controlling interest		
Balance at the beginning of the year	141,302	132,028
Net income for the year	7,353	7,911
Dividends paid during the year	(4,169)	(2,718)
Unrealized change in fair value of investment	104	146
Exchange rates difference	(8,011)	3,935
	136,579	141,302

14 OTHER INVESTMENT INCOME

	2025 AAD 000	2024 AAD 000
Amortization of foreign currency swaps	(208)	1,473
Investment in multi-strategy funds and property funds	9,570	8,334
Investment in related entities	(569)	5,272
Gain\ loss on sales of securities	2,816	925
Net other expenses and income	(585)	(368)
	11,024	15,636

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15 ADMINISTRATION AND GENERAL EXPENSES

	<i>2025</i>	<i>2024</i>
	<i>AAD 000</i>	<i>AAD 000</i>
BOD salaries and benefits	274	261
Employees salaries and benefits	6,923	6,568
Technical assistance	620	328
Other administration and general expenses	5,124	5,492
	12,941	12,649

The Fund and its subsidiaries have a total number of 192 employees as at 31 December 2025 (*2024: 206 employees*).

Administration and general expenses for the year ended 31 December 2025 include AAD 3,500 thousand pertaining to the Arab Regional Payments, Clearing and Settlement Organizations (*2024: AAD 3,666 thousand*) include Board of Directors remuneration and employees salaries and benefits of the Organization amounts to AAD 1,280 thousand (*2024: AAD 1,167 thousand*). The remaining balance of administration and general expenses relates to the operating cost of BUNA platform.

16 OTHER CHANGES

	<i>2025</i>	<i>2024</i>
	<i>AAD 000</i>	<i>AAD 000</i>
Cash dividends to holders of non-controlling interest	(4,169)	(2,718)
Unrealized change in fair value of financial investments attributable to non-controlling shareholders	104	146
Exchange difference of non-controlling interest (Note 13)	(8,011)	3,935
Other	234	110
	(11,842)	1,473

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

17 NET CASH FROM INVESTMENTS

	<i>2025</i> <i>AAD 000</i>	<i>2024</i> <i>AAD 000</i>
Cash (used in) /received from investment in multi-strategy and property Fund	(21,092)	(219)
Cash (used in) /received from investment at fair value	581,205	(186,142)
Proceeds from the sale or maturity of securities measured at amortized cost	47,216	482,441
Change in property and equipment	(3,353)	-
Difference in conversion	1,305	(186)
	605,281	295,894

18 MANAGED FUNDS

Funds managed by the Arab Monetary Fund for Arab Specialised Organization amounted to AAD 14,409 thousand as at 31 December 2025 (2024: AAD 13,501 thousand).

19 RELATED PARTIES TRANSACTIONS

The Fund enters into transactions with entities that meet the definition of a related party under International Accounting Standard (IAS) 24, Related Party Disclosures. Related parties for the Fund are the Member Countries who are targeted by the Fund's activities as explained in Note (1). Transactions with these related parties are conducted, in all material respects, on the same terms and conditions as similar transactions with external customers. Balances and transactions with Member Countries as of 31 December are as follows:

	<i>Notes</i>	<i>2025</i> <i>AAD 000</i>	<i>2024</i> <i>AAD 000</i>
Loans to Member Countries	8	512,957	582,800
Less: change of expected credit loss		(13,650)	(13,650)
Net of loans to Member Countries	8	499,307	569,150
Deposits from Arab monetary and financial institutions	11	1,794,762	2,258,569
Interest and fee income on loans to Member Countries		15,072	12,017
Interest expense on deposits from Arab monetary and financial institutions	11	85,743	136,531
Technical assistance expense		620	328
BOD expense		274	261

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

20 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 terms deposit on the location of the issuer for securities portfolio. The geographical distribution of the investment portfolio as at 31 December was as follows:

	2025 AAD 000	2024 AAD 000
Arab and African Countries	1,112,385	1,244,980
Europe	882,811	576,336
North America	327,868	504,821
Far East and Pacific	387,082	539,442
Supra National Organisations	29,157	210,904
Arab Organizations	12,581	13,886
	2,751,884	3,090,369

21 FINANCIAL INSTRUMENTS

(a) Maturities of assets and liabilities- 31 December 2025

Maturity analysis of the consolidated assets and liabilities as at 31 December 2025 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	551,195	551,195	-	-	-	-
Term deposits with banks	720,429	611,688	108,741	-	-	-
Securities at fair value	1,253,469	224,776	177,247	744,509	106,937	-
Securities at amortized cost	63,130	20,556	7,178	33,400	1,996	-
Multi- strategy and property funds	151,081	120,419	151,081	-	-	-
Investment in associates	11,615	-	-	-	-	11,615
Lines of credit	235,059	148,081	79,849	7,129	-	-
Loans to Member Countries	499,307	159,609	56,857	175,330	107,511	-
Deposits with central banks	5,336	-	-	-	-	5,336
Property and equipment	9,362	-	-	-	-	9,362
Accounts receivable and other assets	38,656	15,655	5,086	4,838	13,077	-
	3,538,639	1,731,560	586,039	965,206	229,521	26,313
Liabilities						
Deposits from Arab monetary and financial institutions	1,794,762	1,258,945	535,817	-	-	-
Accounts payable and other liabilities	71,798	19,998	15,511	9,325	23,826	3,138
Net assets attributable to Member Countries	1,535,500	-	-	-	-	1,535,500
Net assets attributable to non-controlling interest	136,579	-	-	-	-	136,579
	3,538,639	1,278,943	551,328	9,325	23,826	1,675,217
Loan commitments	-	-	-	-	-	-

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

a) Maturities of assets and liabilities- 31 December 2024

Maturity analysis of the consolidated assets and liabilities as at 31 December 2024 were as follows:

	<i>Total</i>	<i>Less than 6 months</i>	<i>6 to 12 months</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Unspecified maturity</i>
	<i>AAD 000</i>					
Assets						
Cash and cash equivalent	301,740	301,740	-	-	-	-
Term deposits with banks	727,702	680,874	46,828	-	-	-
Securities at fair value	1,817,341	526,094	338,901	789,377	162,969	-
Securities at amortized cost	109,281	44,645	3,029	53,912	7,695	-
Multi- strategy and property funds	120,419	-	120,419	-	-	-
Investment in associates	13,886	-	-	-	-	13,886
Lines of credit	216,610	168,960	30,033	17,617	-	-
Loans to Member Countries	569,150	241,526	49,501	263,246	-	14,877
Deposits with central banks	5,336	-	-	-	-	5,336
Property and equipment	7,102	-	-	-	-	7,102
Accounts receivable and other assets	45,105	25,902	4,303	13,716	1,184	-
	3,933,672	1,989,741	593,014	1,137,868	171,848	41,201
Liabilities						
Deposits from Arab monetary and financial institutions	2,258,569	1,517,936	740,633	-	-	-
Forward contracts payable	297	297	-	-	-	-
Accounts payable and other liabilities	54,259	31,447	18,719	806	-	3,287
Net assets attributable to Member Countries	1,479,245	-	-	-	-	1,479,245
Net assets attributable to non-controlling interest	141,302	-	-	-	-	141,302
	3,933,672	1,549,680	759,352	806	-	1,623,834
Loan commitments	-	-	-	-	-	-

(b) 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 Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

(b) Credit risk management and concentration of credit risk (continued)

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.

Included in the consolidated financial statements provisions of AAD 14,788 thousand as at 31 December 2025 (2024: AAD 17,570 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.

Analysis of the Fund's credit risk exposures by class of financial asset is provided in the following tables as at 31 December 2025 and 31 December 2024 respectively:

	<i>(AAD 000)</i>			
	2025			
Credit Rating (*)	Stage (1)	Stage (2)	Stage (3)	Total
Loans to Member Countries				
Outstanding Loans	288,704	110,728	113,525	512,957
ECL	(2,529)	(3,533)	(7,588)	(13,650)
Net of ECL	286,175	107,195	105,937	499,307
Lines of Credits				
Sovereign Authorities	106,667	-	-	106,667
Commercial Banks	128,690	-	-	128,690
Total	235,357	-	-	235,357
ECL	(298)	-	-	(298)
Net of ECL	235,059	-	-	235,059
Deposit with banks				
Investment Grade	1,222,697	-	-	1,222,697
Non-investment Grade	-	-	-	-
Not rated	-	-	-	-
Total	1,222,697	-	-	1,222,697
ECL	(35)	-	-	(35)
Net of ECL	1,222,662	-	-	1,222,662
Investments Securities				
Investment Grade	1,268,240	-	-	1,268,240
Non-investment Grade	49,165	-	-	49,165
Not rated	-	-	-	-
Total	1,317,405	-	-	1,317,405
ECL	(805)	-	-	(805)
Net of ECL	1,316,600	-	-	1,316,600

(*) The Fund classifies loans to Member Countries according to the credit ratings used by international rating agencies. It also relies on several other factors, according to the approved calculation model, taking into account the state's financial position and its repayment commitment to the fund.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

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

Credit Rating (*)	<i>(AAD 000)</i>			
	2024			
	Stage (1)	Stage (2)	Stage (3)	Total
Loans to Member Countries				
Outstanding Loans	391,793	-	191,007	582,800
ECL	-	-	(13,650)	(13,650)
Net of ECL	391,793	-	177,357	569,150
Lines of Credits				
Sovereign Authorities	153,814	-	-	153,814
Commercial Banks	64,936	-	-	64,936
Total	218,750	-	-	218,750
ECL	(2,140)	-	-	(2,140)
Net of ECL	216,610	-	-	216,610
Deposit with banks				
Investment Grade	985,209	-	-	985,209
Non-investment Grade	38,391	-	-	38,391
Not rated	-	-	-	-
Total	1,023,600	-	-	1,023,600
ECL	(335)	-	-	(335)
Net of ECL	1,023,265	-	-	1,023,265
Investments Securities				
Investment Grade	1,844,449	-	-	1,844,449
Non-investment Grade	83,618	-	-	83,618
Not rated	-	-	-	-
Total	1,928,067	-	-	1,928,067
ECL	(1,445)	-	-	(1,445)
Net of ECL	1,926,622	-	-	1,926,622

- (*) The Fund classifies loans to Member Countries according to the credit ratings used by international rating agencies. It also relies on several other factors, according to the approved calculation model, taking into account the state's financial position and its repayment commitment to the fund.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

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

The movement of gross exposure for the year 2025 and 2024 is as follows:

	<i>(AAD 000)</i>		
	2025		
	Stage (1)	Stage (2)	Stage (3)
			Total
Loans to Member Countries			
Balance at 1 January	391,793	-	191,007
Change Attributable to:			
Transfers between stages	-	77,482	(77,482)
Withdrawals during the year	25,458	110,728	-
Repayments during the year	(128,547)	(77,482)	-
Balance at 31 December	288,704	110,728	113,525
Lines of Credits			
Balance at 1 January	218,750	-	-
Change Attributable to:			
Transfers between stages	294,962	-	-
Withdrawals during the year	-	-	-
Repayments during the year	(267,914)	-	-
Foreign exchange difference	(10,441)	-	-
Balance at 31 December	235,357	-	-
Deposit with banks			
Balance at 1 January	1,023,600	-	-
Change Attributable to:			
Transfers between stages	-	-	-
Originated during the year	22,693,293	-	-
Sold/matured during the year	(22,458,519)	-	-
Foreign exchange difference	(35,677)	-	-
Balance at 31 December	1,222,697	-	-
Investments Securities			
Balance at 1 January	1,928,067	-	-
Change Attributable to:			
Transfers between stages	-	-	-
Originated during the year	1,178,710	-	-
Sold/matured during the year	(1,733,733)	-	-
Foreign exchange difference	(53,640)	-	-
Balance at 31 December	1,319,404	-	-

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

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

	(AAD 000)			
	2024			
	Stage (1)	Stage (2)	Stage (3)	Total
Loans to Member Countries				
Balance at 1 January	421,192	-	191,007	612,199
Change Attributable to:				
Transfers between stages	-	-	-	-
Withdrawals during the year	133,072	-	-	133,072
Repayments during the year	(162,471)	-	-	(162,471)
Balance at 31 December	391,793	-	191,007	582,800
Lines of Credits				
Balance at 1 January	140,980	-	-	140,980
Change Attributable to:				
Transfers between stages	265,901	-	-	265,901
Withdrawals during the year	-	-	-	-
Repayments during the year	(192,189)	-	-	(192,189)
Foreign exchange difference	4,058	-	-	4,058
Balance at 31 December	218,750	-	-	218,750
Deposit with banks				
Balance at 1 January	1,457,201	-	-	1,457,201
Change Attributable to:				
Transfers between stages	-	-	-	-
Originated during the year	18,833,737	-	-	18,833,737
Sold/matured during the year	(19,314,687)	-	-	(19,314,687)
Foreign exchange difference	29,349	-	-	29,349
Balance at 31 December	1,023,600	-	-	1,023,600
Investments Securities				
Balance at 1 January	2,174,392	-	-	2,174,392
Change Attributable to:				
Transfers between stages	-	-	-	-
Originated during the year	2,669,342	-	-	2,669,342
Sold/matured during the year	(2,940,732)	-	-	(2,940,732)
Foreign exchange difference	25,065	-	-	25,065
Balance at 31 December	1,928,067	-	-	1,928,067

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

(b) Movement of expected credit losses

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

	12-Month expected Credit loss	
	2025 AAD 000	2024 AAD 000
Time deposits		
Balance at 1 January	335	430
Changes in ECL during the year	(300)	(95)
Balance at 31 December	35	335
Investments		
Balance at 1 January	1,445	1,636
Changes in ECL during the year	(640)	(191)
Balance at 31 December	805	1,445
Lines of Credit		
Balance at 1 January	2,140	2,272
Changes in ECL during the year	(1,842)	(132)
Balance at 31 December	298	2,140
Loans		
Balance at 1 January	13,650	6,650
Changes in ECL during the year	-	7,000
Balance at 31 December	13,650	13,650
Total		
Balance at 1 January	17,570	10,988
Changes in ECL during the year	(2,658)	6,582
Exchange difference	(124)	-
Balance at 31 December	14,788	17,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS (*continued*)

(c) **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:

	<i>Change in basis points</i>	2025 AAD 000	<i>2024 AAD 000</i>
Effect on net operating profile	25	1,410	1,092
Net assets attributable to Member Countries and non-controlling interest	25	1,592	1,368

(d) **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.

(e) **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.

(f) **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 Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

(f) **Liquidity risk management** *(continued)*

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 as of 31 December 2025 and 2024 as follows:

	<i>Total</i>	<i>Less than three months</i>	<i>Three to six months</i>	<i>Six to nine months</i>	<i>More than nine months</i>
31 December 2025					
Deposits from Arab Monetary and financial institutions	1,794,762	914,961	343,984	535,817	-
Interest on deposit from Arab Monetary and financial institutions	23,403	12,128	5,478	5,797	-
Balance of the provision for the support of the Palestinian People	5,999	-	-	-	5,999
Provision for unrealized capitalized interest	32,409	-	-	-	32,409
Other creditors' balances	9,987	-	5,445	-	4,542
	<u>1,866,560</u>	<u>927,089</u>	<u>354,907</u>	<u>541,614</u>	<u>42,950</u>
31 December 2024					
Deposits from Arab Monetary and financial institutions	2,258,569	1,277,814	240,122	740,633	-
Interest on deposit from Arab Monetary and financial institutions	40,189	22,822	6,614	10,753	-
Balance of the provision for the support of the Palestinian People	6,999	-	-	-	6,999
Other creditors' balances	3,687	-	2,010	-	1,677
	<u>2,309,444</u>	<u>1,300,636</u>	<u>248,746</u>	<u>751,386</u>	<u>8,676</u>

(g) **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.

(h) **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.

The Arab Monetary Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 FINANCIAL INSTRUMENTS *(continued)*

(i) Capital Adequacy

According to Resolution No. (5) of 2025 by the Board of Executive Directors, which states that the Fund is committed to maintaining a capital adequacy ratio across all its activities of no less than 25%, in line with its voluntary adherence to Basel III guidelines.

The Arab Monetary Fund maintains capital adequacy ratios above the required level per Basel Committee standards. The following table summarizes the capital adequacy ratios for 2025 according to Basel III requirements.

Description	2025 AAD 000	2024 AAD 000
Regulatory capital	1,543,819	1,487,156
Risk-weighted assets	3,459,086	3,455,995
Capital adequacy ratio	%44.6	%43

22 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, where necessary, to align with the presentation adopted in the consolidated financial statements. These reclassifications were not material and had no impact on the total assets, total liabilities, total equity, or profits of the Fund.

23 Risk Governance and Financial Risk Management

The Group's objectives, policies and procedures for risk governance and financial risk management are consistent with those disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2025.

24 Subsequent Events

Geopolitical Developments

Subsequent to the reporting date, geopolitical tensions in the Middle East have escalated, including incidents affecting certain Arab countries in the region. Management has assessed the impact of the ongoing geopolitical developments. These developments may require a reassessment of certain assumptions and estimates, which could result in material adjustments to the carrying amounts of certain assets and liabilities during the forthcoming financial year. At this stage, the impact cannot be reliably estimated, given the evolving nature of these events on a day-to-day basis.

صندوق النقد العربي

ARAB MONETARY FUND