



الصندوق العربي للطاقة

The Arab
Energy Fund

A Multilateral Impact Institution

Committed
to Impact
and Growth

Annual Report
2024

Committed to Impact and Growth

> As The Arab Energy Fund continues to advance towards its envisaged aspirations, "Committed to Impact and Growth" captures our vision to be the leading energy impact fund in the MENA region.

Anchored in a dual focus on energy security and sustainability, our efforts span the entire value chain, from traditional hydrocarbons to clean technologies and tailored financing solutions. Following regional efforts to advance Environmental, Social, and Governance (ESG) principles, strong partnerships, and talent development, we continue to drive progress that supports economic diversification, environmental responsibility, and long-term energy resilience.

01 ABOUT THE ARAB ENERGY FUND

At a Glance	08
Who We Are	10
Shareholders	12

02 STRATEGIC HIGHLIGHTS

Chairman's Statement	16
CEO's Statement	20
Our History	24
Corporate Strategy	26
Impact, Financial and Institutional Achievements	32

03 FUND PERFORMANCE

Business Lines	36
Corporate Banking	36
Investments & Partnerships	38
Treasury & Capital Markets	42
Sustainability	44

04 INSTITUTIONAL INITIATIVES

Our People	50
Advancements through Information Technology (IT)	52
Strategic Communications and Presence	54

05 GOVERNANCE REVIEW

Governance Framework	58
Board of Directors	60
Executive Management	64
Risk Management	68

06 FINANCIAL STATEMENTS

78

Committed to Impact
and Growth



01

About
The Arab
Energy Fund

At a Glance

Vision

To be the leading energy impact fund in the MENA region.

Mission

We support the energy ecosystem with debt and equity solutions to ensure energy security and sustainability, develop local value chains and services, and contribute to economic prosperity in the MENA region by fostering talent development and knowledge creation.

Global Reach

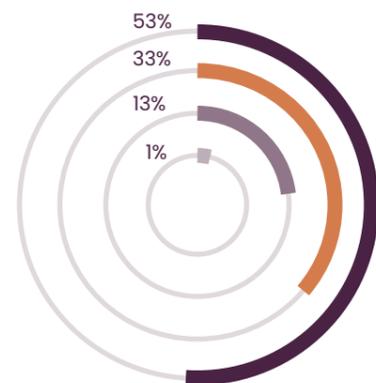
Key stakeholders and business relationships spread across

35+

Countries

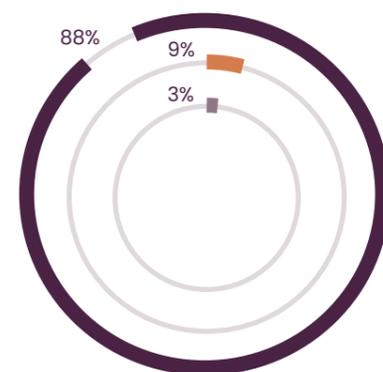


Assets Breakdown



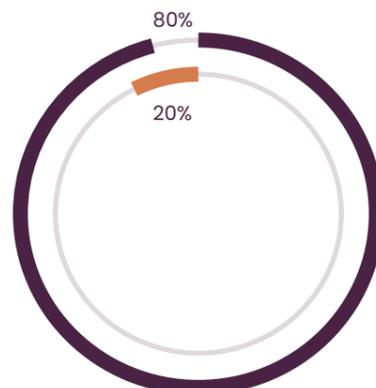
■ Corporate Banking ■ Equity Investments
■ Treasury & Capital Markets ■ Other Assets

Corporate Banking



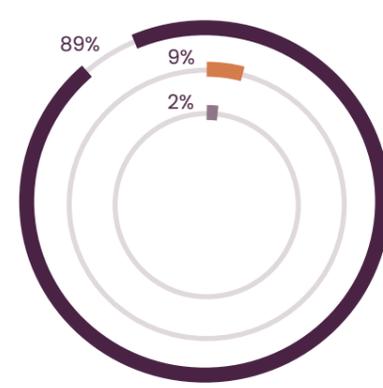
■ Project Finance ■ Other
■ Trade Finance

Equity Investments



■ Direct Investments ■ Indirect Investments

Treasury and Capital Markets



■ Investments ■ Money Market Placements
■ Cash Balances

Total Assets (USD '000)	Corporate Banking (USD '000)	Equity Investments (USD '000)	Treasury and Capital Markets (USD '000)	Other Assets (USD'000)
10,918,004	5,756,687	1,477,691	3,561,970	121,656

Who we are

The Arab Energy Fund (The Fund) is a multilateral impact financial institution focused on the MENA energy sector, established by ten Arab oil-exporting countries, and commenced its operations in 1975.

The Fund's mission is to support the energy ecosystem with debt and equity solutions to enable energy security and sustainability and to develop local value chains and services in the MENA region. The Fund offers a comprehensive range of funding solutions across the entire energy value chain to leading public and private sector business partners in over 35 markets. The Fund supports the advancement of ESG guidelines. For example, c.22% of the Fund's USD 5.8bn loan portfolio is ESG-linked.

The Arab Energy Fund is the only multilateral energy-focused financial institution in the MENA region. It is rated 'Aa2' by Moody's, 'AA+' by Fitch and 'AA-' by S&P, among the high-ranked multilateral institutions in the region. The Fund creates impact by contributing to economic prosperity and enabling local communities via talent development and knowledge creation.

For five decades, the Fund has created impact across over

35 countries

Shareholders



Saudi Arabia
(Host Country)
17%



Kuwait
17%



UAE
17%



Libya
15%



Iraq
10%



Qatar
10%



Algeria
5%



Bahrain
3%



Egypt
3%



Syria
3%

Guiding Tomorrow's Energy



02

Strategic
Highlights

Chairman's Statement

2024 was a defining year for The Arab Energy Fund, one marked by record financial performance, strategic advancements, and enhanced institutional resilience. Net income reached its highest-ever level, and our asset base expanded significantly, reflecting a balanced approach across our business lines: corporate banking, investments and partnerships, and treasury operations.

Significant transactions across the energy value chain demonstrated our ability to bridge traditional hydrocarbons with the new energy economy. These outcomes were achieved while strengthening our standing as a collaborative multilateral institution, actively engaging with governments, global investors, and partners.

50+

Graduate Program helped nurture the next generation of energy leaders, while continued investments in talent development support a high-performance culture rooted in capability and purpose.

> Our progress extended beyond numbers. In governance, the current structure and design of board-level committees were revised, aiming at increasing its robustness, and to enhancing oversight across audit, risk, sustainability, and strategy.

This refinement reinforces our ability to make timely, transparent decisions aligned with our mission.

This refinement reinforces our ability to make timely, transparent decisions aligned with our mission. Supporting this, we also advanced our compliance protocols and risk governance, preserving strong credit ratings and investor confidence.

We made vital strides in operational excellence, improving financial control, procurement, and human capital functions. On the human capital front, our flagship “50+” Graduate Program helped nurture the next generation of energy leaders, while continued investments in talent development support a high-performance culture rooted in capability and purpose.

Looking ahead, our focus is clear: to expand our impact across the energy value chain, enable creative solutions, and deepen our strategic partnerships in the regional and global community. The Fund remains committed to supporting a more secure, adaptive, and future-ready energy ecosystem for the region.



Eng. Mohammed Abdulrahman Albrahim
Chairman of the Board
The Arab Energy Fund

CEO's Statement



2024 marked a defining year for The Arab Energy Fund, driven by the full activation of our evolutionary growth strategy, a sharpened focus on operational excellence, and strengthened institutional foundations.

Net income reached USD 265.7 million, our highest on record, and total assets grew to USD 10.92 billion. We also achieved a credit rating upgrade from Fitch, moving from AA with a positive outlook to AA+, reaffirming the strength of our governance and risk frameworks.

This performance reflects a disciplined execution of our dual mandate: supporting the region's hydrocarbon base while scaling investments in new energy solutions. Key transactions this year spanned utilities refinancing, strategic co-investments, and advancements in energy technologies.

We further reinforced operational resilience, as a result of transforming the Fund's technology infrastructure. The undergoing transformation includes overall system upgrades as well as adoption of new technologies, e.g., AI. It also resulted into faster transaction turnaround times, enhanced internal controls, and better alignment between Finance, Risk, and Treasury.

Organizationally, we focused on building a high-performing leadership team, appointing new heads of key functions, including Finance and Investments. We deepened governance through newly established Board subcommittees covering Audit, Risk, and Sustainability and by adding independent members, with high expertise, to our management-level committees. These steps, along with expanded compliance protocols, reinforce our institutional backbone and readiness for growth.

Our approach to sustainability advanced meaningfully. ESG frameworks were refined, Scope 1 and 2 emissions were assessed, and the Risk & Sustainability Committee was launched to steer corporate risk and environmental & social considerations. Meanwhile, the Fund's inaugural "50+" Graduate Program brought in talent from various Member Countries, offering specialized training in a number of key business areas and enabling support functions. Meanwhile, the Fund's inaugural "50+" Graduate Program brought in talent from various Member Countries, offering specialized training in a number of key business areas and enabling support functions.

Organizationally, we focused on building a high-performing leadership team, appointing new heads of key functions, including Finance and Investments.

Net income reached

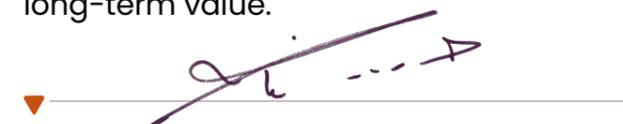
USD **265.7** million

our highest on record, and total assets grew to

USD **10.92** billion

> The achievements of 2024 reflect the collective commitment of our people, the support of our Board, and the trust of our stakeholders.

Looking ahead, our strategy remains anchored in building scalable solutions across the energy value chain, from hydrocarbons to emerging technologies, while continuing to expand our equity and lending portfolios. Enhanced governance, digital integration, and talent development will remain central to our ability to grow responsibly and drive long-term value.



Khalid Ali Al-Ruwaigh
Chief Executive Officer
The Arab Energy Fund



Our History

1975-1984

- Commenced operations in KSA ('75)
- First Loan ('76) & first equity investment ('78)
- Acquired 10% equity stake in Ibn Zahr (KSA) ('84)

1995-2004

- Launched Financial Advisory Services ('01)
- Assets topped \$2B ('03)

2015-2024

- Moody's credit rating upgraded to Aa2 ('19)
- Significant asset growth – Assets reach \$10.92B
- Lending book increased significantly to \$5.8B

1985-1994

- Establishment of Treasury ('86) and Trade Finance ('87)
- Assets reached \$1B ('86)
- Launched Islamic Financing ('93)

2005-2014

- Opened Bahrain Branch ('06)
- Assets reach \$4B ('09)
- 1st credit rating of "A+" by Moody's ('11) & upgraded to "Aa3" ('12)
- Total Assets reach \$5B ('12)

- Multiple equity investments, including investments in Oil Field Services (OFS) and the first investments in renewable energy
- Development of medium-term funding programs with multiple significantly oversubscribed issuances, including Sukuk, Bonds, Term Loans and 1st Green Bonds
- "AA" credit rating by Fitch ('20) and upgraded to AA+ ('24)
- "AA-" credit rating by S&P Global ('22)

Corporate Strategy

Business Model and Value Creation

The Fund provides specialized wholesale financial services, in the form of structured loan finance and advisory, as well as equity investment solutions.

The Fund aims to create positive impact across all its business activities, as encapsulated in its vision to be the leading energy impact fund in the MENA region.

Corporate Banking

Provides a wide range of conventional and Shariah-compliant structured lending solutions, funded and unfunded. This business line supports energy infrastructure and enables trade across regional and global markets.

Investments and Partnerships

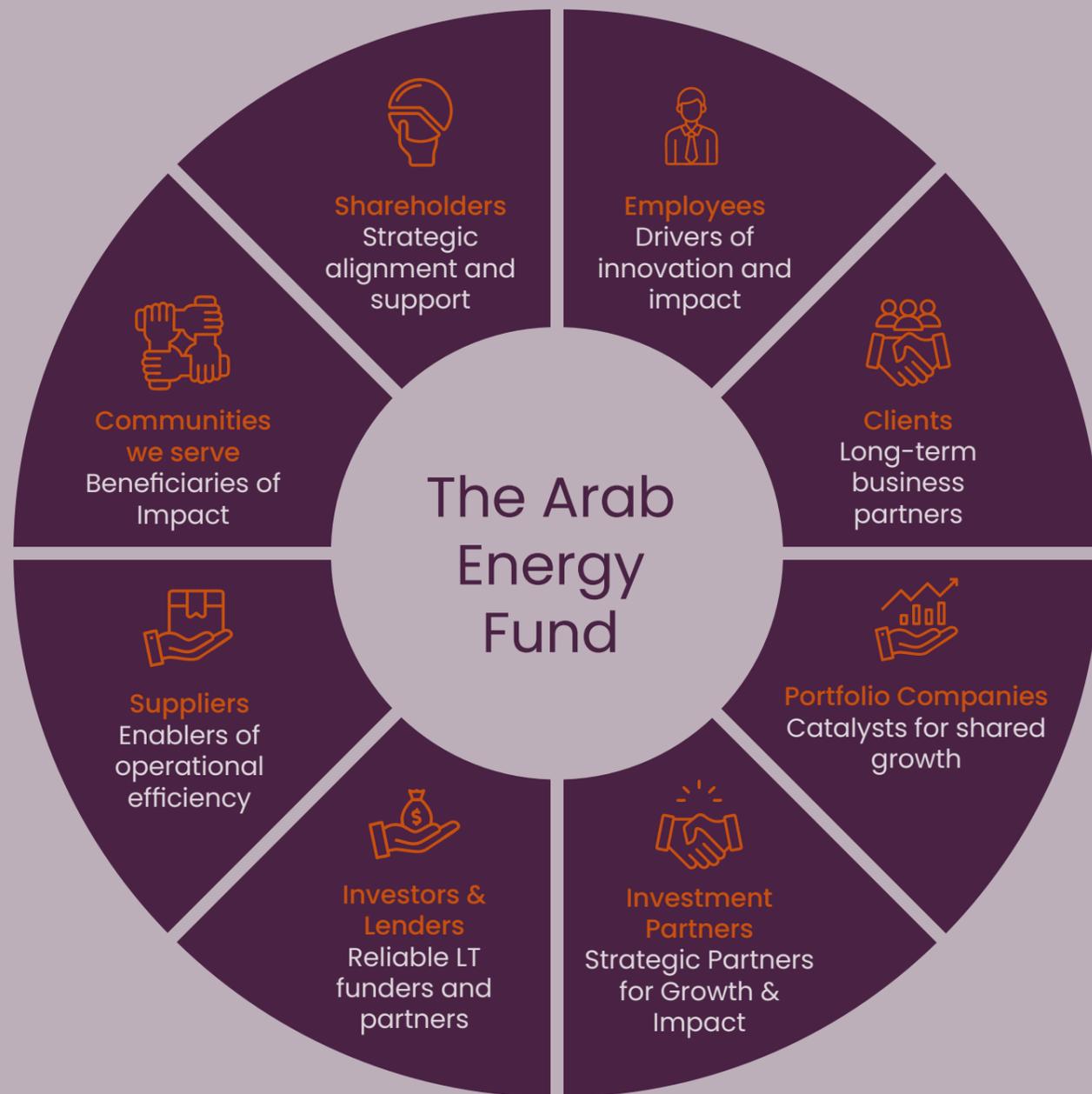
Strategically deploys a portion of the Fund's capital in direct equity and indirect fund investments. The Fund invests to create long-term shareholder's value and to advance the energy sector. This business line fosters strategic partnerships regionally and globally.

Treasury and Capital Markets

Manages the Fund's liquidity and capital structure. Optimizes returns through investments in high-quality liquid assets. This business line continuously optimizes funding cost and seeks to grow and diversify funding sources.

Selective Strategic Characteristics

- ▼ Commercial with Impact
- ▼ Dual focus on Hydrocarbons and New Energy
- ▼ Focused on Asset Growth
- ▼ Serving entire energy value chain - upstream, midstream, downstream and beyond
- ▼ Offers specialized debt, equity, and financial advisory solutions
- ▼ Focused on MENA region, with selective exposures beyond the region
- ▼ Diverse multinational team of highly skilled and experienced industry-leading professionals



Five Year Strategic Focus

Mandate: Enable a secure and sustainable energy future

> The Fund’s vision is to be the leading energy impact fund in the MENA region.

The Fund’s strategy is to grow the business – and to maximise long-term value creation for its stakeholders.

Growth will be achieved through the attraction, retention, and effective application of a motivated team of industry leading experts.

Maintaining and improving a professional and performance driven culture is essential for continued success.

The Fund continuously seeks to maintain and improve operating efficiencies.

The Fund seeks to have maximum positive impact at every touchpoint.

Impact is measured, in key functions, across multiple dimensions, including environmental, social and governance aspects.

Impact, Financial and Institutional Achievements

Impact-Related Achievements¹:

▼ Total ESG-linked financing **USD 1.3 Bn**
in 2024, compared to USD 0.87 Bn in 2023

▼ Total Greenhouse Gases (GHG) Emissions Avoided (TCO₂e/yr) **30,055,358**
in 2024, compared to 27,951,411 in 2023

▼ Total Treated Wastewater (m³/yr) **208,050,000**
in 2024, compared to 133,772,500 in 2023

▼ Total Water Desalinated (m³/year) **928,472,400**
in 2024, compared to 561,813,840 in 2023

▼ Total Waste Treated (ton/yr) **68,505**
in 2024 (no material change from 2023)

¹ The figures represent the total impact of the projects which the Fund contributed in (i.e., not pro-rated).



Financial Achievements:

Net Income

2024

USD **265.7** Mn

2023

USD **225** Mn

Increase of

+18%

Total Assets

2024

USD **10.92** Bn

2023

USD **9.88** Bn

Increase of

+10.5%

Return on Equity

2024

7.9%

2023

7.1%

Return on Assets

2024

2.4%

2023

2.3%

Capital Adequacy

2024

29.5%

2023

29.2%

Leverage Ratio

2024

2.3x

2023

2.1x

Non-Performing Loan (NPL) Ratio

2024

0.5%

2023

0.8%

Cost-to-Income Ratio

2024

18.9%

2023

20.6%

Institutional Achievements:

- ▼ Organizational Health significantly improved, reaching the top 10% decile globally
- ▼ 50+ Graduate Program Launched and First Cohort Graduated
- ▼ Sustainability Practices Enhanced
- ▼ Key Vacancies Filled
- ▼ Competency Framework Rolled Out
- ▼ 80%+ Training Participation
- ▼ ERP Upgrade

Impact Through Growth



50
Years

بهدف تمويل وتعزيز استخدام الموارد البترولية

03
Fund
Performance

Business Lines

Corporate Banking

Financing Impactful Energy Projects Across MENA and Beyond

Corporate Banking is a cornerstone of The Arab Energy Fund's mission to enable energy security and sustainability by supporting the development of local value chains and services in the MENA region, in the form of funding large-scale energy and utility projects and facilitating commodities trading. Operating from Riyadh and Manama, the business line delivers tailored financing solutions, both conventional and Shariah-compliant, designed to meet the evolving needs of corporate and institutional clients across the energy value chain. Its core focus includes project finance, trade finance, and structured lending and advisory.

Total Portfolio Size

USD **5.8** Billion

Project Finance

In 2024, the Fund actively participated in financing major energy infrastructure projects across MENA, and parts of Europe. These included landmark developments in pipeline monetization, power and water utilities, cogeneration, and renewable energy. Many of these projects aligned with national development priorities and decarbonization goals, reinforcing the Fund's role as a strategic partner in enabling long-term energy security and transition.

Trade & Commodity Finance

The Fund enabled key cross-border transactions that supported regional trade and energy security. In 2024, it facilitated financing for strategic export corridors, large receivables-based facilities, and energy terminal expansions, contributing to the stability and integration of global energy flows.

Among the key lending transactions of the Fund, in 2024, are the following:

1. Provided a USD 250 Mn facility to fund the operations of Stanford Marine LLC and Allianz Middle East Ship Management LLC.
2. Supported BlackRock in its bid for the Bapco Energies Pipeline Project providing a facility of USD 179 Mn.
3. Provided a loan up to USD 83.94 Mn to Hartree Partners LP, to fund building six Medium Range Vessels.

Looking Ahead

> Corporate Banking will continue supporting the hydrocarbon sector, whilst also expanding its offering in sustainable finance, with a focus on renewables, circularity, and carbon markets.

It will enhance its trade finance capabilities to support regional clients entering new geographies such as Africa and Latin America. With a disciplined risk approach and a growing portfolio, the business is positioned to deliver measurable value and underpin the regional economic growth.

Investment & Partnerships

Driving Strategic Equity Investments for Energy Transformation

The Investments & Partnerships business line strategically deploys a portion of the Fund's capital through direct and indirect equity investments across the energy value chain. With a focus on, investing in the energy supply chain (including Minerals & local content manufacturing, Chemicals, Energy Service Providers, and critical infrastructure), and new technologies and solutions (including renewables, cleantech, and energy transition enablers). Investments cover the broader MENA region and select global markets.

The business seeks to identify and invest in high-potential growth companies and in funds that align with the Fund's strategic mandate.

In addition to managing a diversified equity portfolio, the Fund continues to leverage its global network to expand access to advanced technologies and foster long-term partnerships.

Total Portfolio Size
USD 1.5 Billion

In 2024, the Fund participated in a series of transformative equity transactions across traditional and new energy sectors. Also, it successfully optimized its equity portfolio by asset exits at attractive returns. Activities spanned the MENA region, Europe, and North America.

Among the key equity transactions of the Fund, in 2024, are the following:

1. Led a consortium to acquire a 100% stake in, and provide further growth capital to, Metito Utilities, a global investor, developer and operator of sustainable water management solutions and climate-resilient water assets.
2. Co-founded a USD 60 Mn specialized cleantech investment vehicle with Hartree Partners.
3. Invested USD 75 million in the BlackRock Middle East Infrastructure Fund, targeting investments across several sectors including energy, electricity, utilities, water, environment, transportation, telecommunications, and social infrastructure in the region.





Looking Ahead

>The business will continue to scale its investment portfolio, focusing on commercially sound opportunities that creates significant impact.

By blending long-term capital deployment with strategic partnerships, the Fund is committed to building a resilient portfolio that advances energy security and sustainability for its Member Countries and beyond.

Treasury and Capital Markets

Strengthening Financial Resilience and Liquidity Management

The Treasury & Capital Markets business line plays a vital role in ensuring the Fund's financial stability by managing liquidity, optimizing funding, and supporting capital market activity. Through diversified funding instruments and proactive risk management, the Fund secures cost-efficient capital to support the Fund's lending and investment initiatives, whilst also managing risk parameters prudently, thereby facilitating and ensuring continued market confidence and support.

Total Assets
USD **3.6** Billion

In 2024, Treasury executed a series of multi-currency private placements and expanded its investor base across CNH, EUR, and GBP markets. Placements are hedged back to USD, reflecting the Fund's prudent FX risk approach. This strategy enhances funding flexibility, reduces borrowing costs, and reinforces liquidity buffers.

Looking Ahead

> Treasury will continue driving value through active balance sheet management, tactical market engagement, and strategic partnerships.

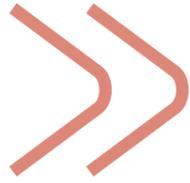
As the Fund grows, the business line will remain central to securing the financial agility needed to scale impact and to support the dynamic and evolving energy sector in the MENA region and beyond.



Sustainability

Considering ESG for Long-Term Impact

In 2024, The Arab Energy Fund significantly advanced its sustainability agenda, considering ESG across key operations and aligning its strategy with the interests and ambitions of its Member Countries. Guided by an updated ESG framework and policy, the Fund reinforced its role as a responsible financier by integrating sustainability principles into lending, equity investments, and across its various corporate functions and activities.



Key Milestones in 2024



Emissions Assessment

The Fund, for the first time, successfully measured its Scope 1 and Scope 2. Further assessments have been conducted, and more refinements and improvement are planned to increase the accuracy of these measurements and for the development of appropriate plans and strategies to measure, manage, and report on GHG emissions going forward.



ESG Risk Framework Refined

A comprehensive ESG risk framework review and refinement took place. An updated ESG Toolkit was developed and is in the process of being implemented to support transaction-level risk assessments and to improve organisational alignment with sustainability goals.



Green Bond Reporting Consolidated

A single, transparent report was issued, consolidating green bond activity and reinforcing accountability to stakeholders.



Sustainability measurements identified

The Fund is in the process of developing a range of key sustainability and impact measurement indicators, including for example, establishing the level of CO₂ emissions avoided, the volume of wastewater treated, and the number of homes served through new energy and utility projects being financed. The development and implementation of such measurements will enable the Fund to report accurately and confidently in terms of its contribution to improved environmental, social, and governance outcomes.

Green Bond Framework
rated as 'high impact'

Total Treated Wastewater (m³/yr)

208,050,000

Total GHG Emissions Avoided (TCO₂e/yr)

30,055,358

Total Waste Treated (ton/yr)

68,505

Total Population Served (Homes)

2,312,890

Total green project financing

USD 840 MN

Total eco-linked project financing

USD 1.3 BN

Total number of eco-linked projects

25

> Looking ahead, the Fund will continue to integrate ESG into decision-making while refining its measurement tools and reporting protocols.

The Arab Energy Fund is committed to supporting regional energy transition initiatives and generating measurable impact and remains fully aligned with the ambitions and interests of its member countries. The Fund also considers global standards and benchmarks in the development of its sustainability practices.

Note: The figures represent the total impact of the projects which the Fund contributed in (i.e., not pro-rated).

Cultivating Enduring Prosperity



04

Institutional
Initiatives

Our People

Developing Talent, Building Capability

> In 2024, The Arab Energy Fund continued making significant progress towards a comprehensive Human Capital model for people management.

This evolution supports the Fund's long-term strategy through structured talent development, workforce planning, and performance enablement.

Key achievements included the rollout of a unified competency framework, a new performance model based on objective KPIs, and targeted learning initiatives designed around the "70-20-10" learning and development model, namely that 70% of knowledge is gained from job-related experience, 20% from interpersonal interactions, and 10% from formal training. The Fund set the fundamentals for succession planning, augmented by leadership development and the development of leadership pipelines and role continuity.

Empowering Tomorrow's Leaders

The inaugural 50+ Graduate Program welcomed 12 participants from [5] Member Countries, selected from over 10,000 global applicants. Over six months, graduates engaged in technical and soft skills training, workplace immersion, and leadership exposure. The biennial graduate program serves as a model for regional talent development and will expand through upcoming secondment and partnership initiatives.

Creating a Modern, Employee-Centric Workspace

The new headquarters supports delivering a collaborative and well-equipped work environment. Employee well-being remains a core focus, supported by the launch of a dedicated gym accessible during working hours, healthy snack provisions, and break-out spaces that promote relaxation and productivity. Additional upgrades, ranging from lighting and greenery to improved fire and safety systems, reflect the Fund's ongoing investment in productivity comfort, safety, and employee well-being.

Our Workforce at a Glance



109

Employees



99

in Riyadh



10

in Manama



18

Nationalities



83%

Male



17%

Female

Looking Ahead

> In 2025, we will further unlock the potential of our talents through the implementation of the 70-20-10 learning and development model, emphasizing our commitment to the growth of our most important asset, our people.

The Fund will also adopt a new exchange program that coincides with the purpose of our 50+ Graduate Development Program of empowering tomorrow's leaders from our member countries.

Advancements through Information Technology (IT)

Accelerating Innovation, Security, and Operational Excellence

In 2024, the Fund continued its digital transformation journey through strategic upgrades, thereby advancing automation, security, effective implementation and execution – ultimately leading to improved real-time decision-making capabilities.

Modernizing Infrastructure & Systems

The Fund has successfully completed the implementation of key projects that streamlined operations and supported decisions-making in both primary business lines and within the Fund as a whole. These projects range from upgrading current platforms, (e.g., the upgrade of the Enterprise Resource Planning System – ERP, adoption of new corporate lending solution), to the introduction of new technologies in our daily operations (e.g., Artificial Intelligence – AI).

Initiatives to enhance monitoring and expand resilience protocols have been launched. Such initiatives reinforce the Fund's cybersecurity posture while ensuring data confidentiality, integrity, and availability.

Looking Ahead

> Our 2024 achievements, in developing our digital and IT infrastructure, serve as a testimony for our dedication to harnessing cutting-edge technology on various fronts.

We will remain dedicated in this path, by, for example, fully digitizing the employee experience. A full-fledged solution will be introduced covering all aspects of the employee life cycle. Such solutions aim to support a high-performing, agile workforce aligned with the Fund's mission.

Strategic Communications and Presence

Shaping Identity, Engagement, and Trust

In 2024, the Fund advanced its brand positioning, distinguishing itself by demonstrating transparency. This was exemplified by the Fund's 2023 annual report, which successfully earned three gold awards from ARC in New York, highlighting its creativity and clarity.

Demonstrating its ongoing commitment to social responsibility and the advancement of the energy sector, the Fund provided a strategic grant to the Saudi Petroleum Services Polytechnic (SPSP), a leading institution in energy sector training – now rebranded as EnergyTech.

Looking Ahead

> The Fund will continue to broaden its presence and impact in 2025. Notably through the launch of its 50th anniversary celebration.

We remain committed to creating meaningful impact by supporting socially driven initiatives within the energy sector.



Governance That
Guides Excellence



05

Governance
Review

Governance Framework

The Arab Energy Fund adopts a sound governance framework. Its governance structure includes three board-level committees, as follows:

1. The Board Audit and Risk Committee (BARC)
2. The Board Governance and Remuneration Committee (BGRC)
3. The Board Executive Committee (BEC)

In parallel, key governance documents were updated to reflect the Fund's ongoing transformation agenda, ensuring that legal, compliance, and operational policies remain aligned with its mission. Effective collaboration between the Board and management, has further reinforced accountability and stakeholder trust.

Policies were revised and enhanced across both Riyadh and Manama offices, introducing analytical tools for early detection of non-compliance risks. Training efforts were expanded through partnerships with leading institutions, and a defined escalation protocol was adopted to underpin timely and transparent decision-making.

Supported by a globally recognised internal audit partner, the Fund continues to benchmark against best practices, maintain policy discipline and a strong commitment to ethical governance and operational excellence.

Board of Directors



Eng. Mohammed Abdulrahman Albrahim

Kingdom of Saudi Arabia

Chairman of the Board, Chairman of the Board Executive Committee (BEC), Member of the Board Governance and Remuneration Committee (BGRC)

Assistant Minister for Oil and Gas, Ministry of Energy



Mr. Moussa Alhassan Atiq Ali

State of Libya

Deputy Chairman of the Board, Deputy Chairman of the Board Governance and Remuneration Committee (BGRC), Member of the Board Executive Committee (BEC)

General Manager, Libyan Foreign Investment Company (LAFICO)



His Excellency, Sheikh Dr. Nimr Fahad Al-Malek Al-Sabah

State of Kuwait

Member of the Board, Chairman of the Board Governance and Remuneration Committee (BGRC), Member of the Board Executive Committee (BEC)

Undersecretary, Ministry of Oil



Eng. Sharif Salim Al Olama

United Arab Emirates

Member of the Board, Chairman of the Board Audit and Risk Committee (BARC), Member of the Board Executive Committee (BEC)

Undersecretary for Energy and Petroleum Affairs, Ministry of Energy & Infrastructure



H.E. Eng. Tarek Ahmed Al Mulla

Arab Republic of Egypt

Member of the Board, Member of the Board Governance and Remuneration Committee (BGRC)

Former Minister of Petroleum & Mineral Resources



Mr. Khalid Khalifa Aljalalma

State of Qatar

Member of the Board, Member of the Board Audit and Risk Committee (BARC)

Manager, Financial Asset Management and Reporting, Qatar Energy



Mr. Yusuf Abdulla Alhumood

Kingdom of Bahrain

Member of the Board, Deputy Chairman of the Board Audit and Risk Committee (BARC)

Undersecretary for Financial Affairs, Ministry of Finance & National Economy



Mrs. Amel Abdullatif

People's Democratic Republic of Algeria

Member of the Board, Member of the Board Audit and Risk Committee (BARC)

General Manager, Taxation Directorate, Ministry of Finance



Eng. Basim Mohammed Al-Ibadi

Republic of Iraq

Member of the Board, Member of the Board Audit and Risk Committee (BARC)

Deputy Minister, Ministry of Oil

Board of Directors Committees

The Board Audit and Risk Committee (BARC)

Oversees the integrity of financial reporting, compliance, internal controls, and the performance of internal and external audit functions. Ensures compliance with regulations, accounting standards, and the Fund's Governance Policies. It is also responsible for reviewing and recommending the Fund's risk appetite, risk management framework, and sustainability policies

The Board Governance and Remuneration Committee (BGRC)

Oversees human capital compensation policy, benefits framework policy, succession planning, and performance-based remuneration. Ensures meeting ethical standards, upholding governance of compensation practices, and complying with the Fund's Code of Conduct.

The Board Executive Committee (BEC)

Supports the Board by enabling timely decisions on strategic, financial, and investment matters. Reviews and approves items delegated within authority limits and monitors the implementation of the corporate strategy.

	BoD	BARC	BGRC	BEC
Eng. Mohammed Abdulrahman Albrahim	Chairman		Member	Chairman
Mr. Moussa Alhassan Atiq Ali	Deputy Chairman		Deputy Chairman	Member
His Excellency, Sheikh Dr. Nimr Fahad Al-Malik Al-Sabah	Member		Chairman	Member
Eng. Sharif Salim Alolama	Member	Chairman		Member
His Excellency, Eng. Tarek Ahmed Al Mulla	Member		Member	
Mr. Khalid Khalifa Aljalahma	Member	Member		
Mr. Yusuf Abdulla Alhumood	Member	Deputy Chairman		
Mrs. Amel Abdullatif	Member	Member		
Eng. Basim Mohammed Al-Ibadi	Member	Member		

Aiming at the reinforcement of oversight across all levels, taking effect in 2025, the Fund has reorganized the board committee structure, resulting in four specialized committees:

1. Audit and Compliance Committee
2. Risk and Sustainability Committee
3. Nomination and Remuneration Committee
4. Board Executive Committee

Each of the four committees that make the new board committee structure, has its clear mandate to support transparency, from financial and sustainability oversight to board appointments and strategic approvals. Furthermore, each committee was enhanced by the appointment of specialised independent members resulting in more robust supervision.

Executive Management



Khalid Ali Al-Ruwaigh
Chief Executive Officer



Nicolas Thévenot
Chief Banking Officer



Maheur Mourali
Chief Investment Officer



Vicky Bhatia
Chief Financial Officer



Bennie Burger
Acting Chief of Staff



Fahad Alshahrani
Chief Shared Services Officer



Mehdi Rizvi
Chief Risk Officer



Moied Alhussain
Chief Legal and Compliance Officer



Management Committees

Executive Management Committee

Oversees corporate strategy execution, budget performance, and progress on key strategic initiatives. It also reviews new products and monitors governance-related issues across business functions.

Asset Liability Management Committee

Manages the Fund's asset and liability strategy to ensure liquidity, optimize earnings, and maintain financial sustainability. It also reviews funding structures, hedging, pricing, and counterparty exposure.

Investment Committee

Makes investment decisions within its authority and provides recommendations for larger proposals. It reviews opportunities across all stages of the investment cycle to align with strategic goals.

Credit Committee

Makes credit decisions within its authority and provides recommendations for larger proposals. It reviews new facilities, renewals, and portfolio developments to ensure alignment with the Fund's credit risk criteria and strategic objectives.

Risk Management & Compliance Committee

Oversees risk appetite, policies, compliance controls, and stress testing across credit, market, operational, and cybersecurity areas. It also reviews updates to risk limits, methodologies, and external rating assessments.

Procurement Committee

Ensures transparency, efficiency, and fairness in procurement processes. It reviews supplier awards, single-source justifications, and pricing changes, and advises on strategic sourcing and contract governance.

Sustainability Committee

Monitors the Fund's sustainability strategy and the eligibility of green assets. It oversees ESG risks, manages green allocations, and ensures alignment with sustainable finance principles and disclosure standards.

Risk Management

> The Arab Energy Fund adopts a prudent risk management approach that supports its long-term financial sustainability while taking on acceptable levels of risk to achieve its growth mandate, strategic goals, and commercial ambitions.

This is achieved by maintaining a risk profile aligned with the AA credit rating band from the big three credit rating agencies.

In 2024, the Risk Management function continued to play a pivotal role in maintaining and enhancing institutional resilience and financial integrity. By systematically identifying, quantifying, and mitigating risks across all business lines and support functions, the Fund reinforced its position as a secure,

forward-looking financial institution operating within a dynamic and evolving energy landscape.

The Fund's performance was underpinned by a balanced and disciplined risk approach, supported by a comprehensive risk appetite framework aligned with global best practices and reviewed regularly by senior executive management and the Board. The function worked closely with the Board Audit and Risk Committee,

Executive Management, and the business lines to ensure that risk-related matters were proactively monitored, escalated and addressed as appropriate.

The above efforts culminated in Fitch upgrading the Fund's rating from AA to AA+, reflecting its prudent strategy of achieving record performance while maintaining a strong risk profile.

Key Areas of Risk Oversight in 2024

Market Volatility & Interest Rate Movements

During the evolving global interest rates environment, the Fund maintained its prudent approach towards reassessing portfolio exposures and stress testing liquidity models to ensure readiness under various rate shift scenarios.

Energy Price Exposure

Given the Fund's exposure to the energy sector, the Fund continued to utilize its scenario analysis methodology to monitor the impact of price movement on asset values and loan performance.

Geopolitical and ESG Risk

Operating across MENA markets, the Fund remained vigilant in monitoring the changes in the geopolitical and regulatory landscape. The groundwork for a full ESG risk framework review was laid in 2024 in coordination with the Sustainability team, with a phased rollout expected to be completed in 2025.

Systems and Process Integration

Enhanced integration with the ERP platform enabled near real-time risk reporting and closer alignment between risk identification, mitigation, and business operations.

Risk Management Framework

Risk Management



Credit Risk: the Fund has implemented comprehensive policies and procedures to continuously monitor all credit exposures effectively. In turn, the Fund controls potential losses resulting from the inability or unwillingness of borrowers to meet their financial obligations.

Market Risk: the Fund governs such risk (including interest rates, equity prices, and foreign exchange rates) by a Board-approved market risk policy with clearly defined limits. Market risk positions are actively and continuously monitored through dedicated systems under the oversight of the Asset and Liability Committee (ALCO) and the Risk Management Committee (RMC).

Operational Risk: the Fund maintains a formal operational risk policy, conducts regular incident reviews, performs annual risk control self-assessments, and routinely updates and tests its business continuity plans to mitigate such risks. Such measures cover losses arising from inadequate or failed internal processes, system malfunctions, fraud, business interruptions, compliance breaches, or human error.

ESG Risk: Effective ESG risk management is critical for long-term sustainability, regulatory compliance, and maintaining investor and stakeholder confidence. The Fund has recently developed an ESG risk policy and an ESG Risk Toolkit to systematically monitor and manage these risks, including risks stemming from environmental, social, and governance factors such as climate change, labour practices, and corporate ethics.

Investment Risk: the Fund employs multiple metrics and tools to monitor and manage investment risk rigorously, e.g., operational difficulties within portfolio companies, underperformance by fund managers

Liquidity Risk: is the Fund manages liquidity risk through a Board-approved policy and monitored using liquidity metrics to ensure adequate funding under normal and stressed scenarios.

Cyber Security Risk: the Fund has a dedicated cybersecurity team and conducts regular vulnerability assessments and penetration testing, alongside ongoing enhancements to its recovery capabilities.

2025 and Beyond

Our 2024 results and achievements, demonstrated in this report, serve as a cornerstone in reinforcing our leading role as a multilateral financial institution committed to balancing investments across areas of energy, supporting the pursuit of a secure future for the sector in our member countries and the region. Guided by our five-year strategy (2023–2028), we aim to continue expanding our asset portfolio to exceed USD 13 billion in the coming years, while maintaining our integrated approach with our member countries.



Clarity in Every
Figure



06
Financial
Statements

Independent Auditor's Report and Consolidated Financial Statements

31 December 2024

Table of Contents

Independent auditor's report	78
Consolidated statement of financial position	86
Consolidated statement of income	88
Consolidated statement of comprehensive income	90
Consolidated statement of changes in equity	92
Consolidated statement of cash flows	96
Notes to the consolidated financial statements	100



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arab Petroleum Investments Corporation (the "Corporation") and its subsidiaries (together the "Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

- | | |
|-------------------|--|
| Key Audit Matters | <ul style="list-style-type: none"> • Expected credit loss allowance (ECL) against loans and advances • Valuation of unquoted equity securities |
|-------------------|--|

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company), CR No. 1010371622, Share Capital SR 500,000, National Address: 2239 Al Urubah Road, Al Olaya District, Postal Code 12214 Secondary No. 9597, Riyadh, Kingdom of Saudi Arabia, Physical Address: Kingdom Tower 24th Floor T: +966 (11) 211-0400, F: +966 (11) 211-0401, www.pwc.com/middle-east



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation (Continued)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Expected credit loss allowance (ECL) against loans and advances</p> <p>As at 31 December 2024, the Group had loans and advances of USD 5,676.5 million (2023: USD 4,703.8 million) net of expected credit loss allowance ("ECL") of USD 115.3 million (2023: USD 97.4 million).</p> <p>We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgement and this has a material impact on the consolidated financial statements of the Group. The key areas of judgment include: The group has applied additional to identify and the likelihood of</p> <ol style="list-style-type: none"> 1. Categorisation of loans and advances into stages 1, 2 and 3 based on the identification of: <ol style="list-style-type: none"> (a) exposure with a significant increase in credit risk ("SICR") since their origination; and (b) individually impaired / defaulted exposures. (c) The Group has applied additional judgements to identify and estimate the likelihood of borrowers experiencing SICR based on current economic outlook. 	<ul style="list-style-type: none"> • We obtained and updated our understanding of management's assessment of the ECL against loans and advances including the Group's internal rating model, accounting policy and model methodology, considering any key changes made during the year. • We compared the Group's accounting policy for ECL and the ECL methodology with the requirements of IFRS 9. • For a sample of customers, we assessed: <ul style="list-style-type: none"> ➢ the internal ratings determined by management based on the Group's internal rating model and considered these assigned ratings in light of Group's ECL methodology and available industry information. We also assessed that these were consistent with the ratings used as input in the ECL model; and ➢ management's computations for ECL. • We assessed the appropriateness of the Group's criteria for the determination of SICR and identification of "defaulted" or "individually impaired" exposures, and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the staging classification of the Group's loans and advances portfolio. • For selected loans and advances, we evaluated management's assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any.



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation (Continued)

Key audit matter	How our audit addressed the Key audit matter
------------------	--

- | | |
|---|---|
| <p>2. Assumptions used in the ECL model determining the probability of default (“PD”), loss given default (“LGD”), and exposure at default (“EAD”) including but not limited to assessment of financial condition of counterparties, expected future cashflows, developing and incorporating forward looking assumption, macro-economic factors and the associated scenarios and expected probabilities and weightages;</p> <p>3. The need to apply post model overlays using expert credit judgement to reflect all relevant risk factors that might not have been captured by the ECL models.</p> | <ul style="list-style-type: none"> • We assessed the reasonableness of the underlying assumptions used by the Group in the ECL model including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios. • We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2024. • Where required, we involved our experts to assist us in auditing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights. • We assessed the adequacy of disclosures in the consolidated financial statements. |
|---|---|

The application of these judgements and estimates results in greater estimation uncertainty, and the associated audit risk regarding the ECL calculation as at 31 December 2024.

Refer to note 3 (n) to the consolidated financial statements which contains the disclosure of critical accounting judgement, estimates and assumptions relating to the impairments losses on financial assets and the impairment assessment methodology used by the Group; the material accounting policies note 3 I(vii) for the impairment of financial instruments; note 5 which contains the disclosure of impairment against loans and advances; and note 27 (a) for details of credit quality analytics and key assumption and factors considered in the determination of ECL.

Valuation of unquoted equity securities

As at 31 December 2024, the carrying value of unquoted equity securities investments held at fair value through other comprehensive income (FVOCI) aggregated to USD 913.8 million (2023: USD 980.9 million).

- We evaluated the valuation techniques, inputs and reasonableness of assumptions used by management to value the investments in unquoted equity securities financial instruments.



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation (Continued)

Key audit matter	How our audit addressed the Key audit matter
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<p>The fair value of these financial instruments is determined through the application of valuation techniques which often involve the exercise of judgement by management and the use of assumptions and estimates.</p>	<ul style="list-style-type: none"> • We involved our internal expert to assist us in the valuation of a sample of investments in unquoted equity securities financial instruments and compare the results with management's valuation. As part of testing of valuation, we assessed the key inputs used in the valuation such as cashflows, discount rate, comparable entity data and liquidity discounts by benchmarking them with external data.
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Estimation uncertainty exists for those instruments not traded in an active market (i.e. unquoted) and where the internal modelling techniques use unobservable valuation inputs (i.e. level 3 investments).

The valuation of the Group's investments in unquoted equity securities in level 3 category is therefore considered a key audit matter given the degree of complexity involved in valuing these investments and the significance of the judgement and estimate made by the management.

Refer to note 3 (n) to the consolidated financial statements which contains the disclosure of critical accounting judgement, estimates and assumptions applied in the valuation of investments in unquoted equity securities financial instruments carried at fair value and note 29 which explains the investment valuation methodology used by the Group.

Other information

Management is responsible for the other information. The other information comprises of the information included in the Group's 2024 Annual Report but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation (Continued)

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the board of directors and Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, 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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent auditor's report to the shareholders of Arab Petroleum Investments Corporation (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the 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 Group'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 Group 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 Group as a basis for forming an opinion on the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Adel F. Alqahtani
License Number 614

24 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



Consolidated statement of financial position

As at 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	32	137,016	211,575
Placements with banks, net	4	239,957	507,851
Assets held for sale	8	-	12,643
Positive fair value of derivatives	15	88,275	66,803
Loans and advances, net	5	5,604,792	4,648,623
Investments	6	4,718,394	4,341,991
Equity accounted investees, net	7	96,189	54,429
Other assets	9	3,371	3,655
Property, equipment and right of use assets	8	30,010	33,847
Total assets	-	10,918,004	9,881,417
LIABILITIES			
Deposits	10	774,632	1,270,431
Securities sold under agreements to repurchase	6(a)	446,785	500,520
Negative fair value of derivatives	15	172,096	231,165
Other liabilities	14	113,033	99,222
Term financing	11	1,455,955	957,578
Sukuk and bonds issued	12	4,601,975	3,653,558
Total liabilities	-	7,564,476	6,712,474

Consolidated statement of financial position

As at 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
EQUITY			
Share capital	1	1,500,000	1,500,000
Legal reserve	25	323,000	296,000
General reserve		316,149	316,149
Investments fair value and other reserves		627,839	719,778
Retained earnings		586,520	336,999
Total equity attributable to shareholders of the Corporation		3,353,508	3,168,926
Non-controlling interests		20	17
Total equity		3,353,528	3,168,943
Total liabilities and equity		10,918,004	9,881,417

Mohammed Abdulrahman
Albrahim
Chairman

Khalid Ali Al-Ruwaigh
Chief Executive Officer

Vicky Bhatia
Chief Financial Officer

Consolidated statement of income

For the year ended 31 december 2024

(US\$000)

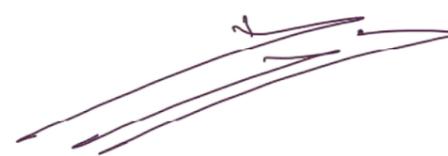
	Note	2024	2023
Interest income	16	632,261	523,794
Interest expense	16	(416,077)	(338,390)
Net interest income	16	216,184	185,404
Dividend income	17	54,500	85,001
Net change in fair value of financial assets at FVTPL	18	41,820	23,322
Net gain / (loss) on disposal of debt securities held at FVOCI	-	4,716	(5,476)
Fee income	19	13,335	5,755
Other income	20	17,903	5,124
Share of profit from equity accounted investees, net	7	8,984	6,505
Total net income before operating expenses and impairments	-	357,442	305,635

Consolidated statement of income

For the year ended 31 december 2024

(US\$000)

	Note	2024	2023
Operating expenses	21	(67,712)	(62,990)
Impairment loss on financial instruments, net	22	(24,068)	(10,575)
Impairment loss on other assets	23	-	(6,729)
Net income for the year		265,662	225,341
Net income for the year attributable to:			
Shareholders of the Corporation		265,663	225,413
Non-controlling interests		(1)	(72)
		265,662	225,341
Per share information attributable to the shareholders of the Corporation			
Basic and diluted earnings per share		US \$ 177	US \$ 150



Mohammed Abdulrahman
Albrahim
Chairman



Khalid Ali Al-Ruwaigh
Chief Executive Officer



Vicky Bhatia
Chief Financial Officer

Consolidated statement of comprehensive income

For the year ended 31 december 2024

(US\$000)

	Notes	2024	2023
Net income for the year		265,662	225,341
Other comprehensive (Loss)/income		-	-
Items that will not be reclassified to the statement of income		-	-
Net change in fair value of equity securities at FVOCI		(102,975)	11,831
Re-measurement gain/(loss) on end of service benefits	14	137	(1,162)
Items that are or may be reclassified subsequently to the statement of income		-	-
Net change in fair value of debt securities at FVOCI		26,473	44,099
Reclassified to statement of income on sale of debt securities at FVOCI		(4,716)	5,476
Total other comprehensive (loss) / income for the year		(81,081)	60,244
Total comprehensive income for the year		184,581	285,585
Total comprehensive income for the year attributable to:		-	-
Shareholders of the Corporation		184,582	285,657
Non-controlling interests		(1)	(72)
		184,581	285,585

Consolidated statement of changes in equity

For the year ended 31 december 2024

(US\$000)

Total equity attributable to shareholders of the Corporation

2024	Share capital	Legal reserve	General reserve	Investments fair value and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	1,500,000	296,000	316,149	719,778	336,999	3,168,926	17	3,168,943
Comprehensive income:								
Net income for the year	-	-	-	-	265,663	265,663	(1)	265,662
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-
Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	(10,858)	10,858	-	-	-
Net change in fair value of debt securities at FVOCI	-	-	-	21,757	-	21,757	-	21,757
Re-measurement loss on end of service benefits	-	-	-	137	-	137	-	137
Net change in fair value of equity securities at FVOCI	-	-	-	(102,975)	-	(102,975)	-	(102,975)
Total other comprehensive (loss)/income	-	-	-	(91,939)	10,858	(81,081)	-	(81,081)
Total comprehensive income for the year	-	-	-	(91,939)	276,521	184,582	(1)	184,581
-Transfer to legal reserve (Note 25)	-	27,000	-	-	(27,000)	-	-	-
Equity contributed by non-controlling interest	-	-	-	-	-	-	4	4
Balance as at 31 December 2024	1,500,000	323,000	316,149	627,839	586,520	3,353,508	20	3,353,528

Consolidated statement of changes in equity

For the year ended 31 december 2024 (continued)

(US\$000)

Total equity attributable to shareholders of the Corporation

2023	Share capital	Legal reserve	General reserve	Investments fair value and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	1,500,000	273,000	316,149	680,213	151,126	2,920,488	89	2,920,577
Comprehensive income:								
Net income for the year	-	-	-	-	225,413	225,413	(72)	225,341
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-
Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	(20,679)	20,679	-	-	-
Net change in fair value of debt securities at FVOCI	-	-	-	49,575	-	49,575	-	49,575
Re-measurement loss on end of service benefits	-	-	-	(1,162)	-	(1,162)	-	(1,162)
Net change in fair value of equity securities at FVOCI	-	-	-	11,831	-	11,831	-	11,831
Total other comprehensive income	-	-	-	39,565	20,679	60,244	-	60,244
Total comprehensive income for the year	-	-	-	39,565	246,092	285,657	(72)	285,585
Dividend declared (Note 31)	-	-	-	-	(37,219)	(37,219)	-	(37,219)
Transfer to legal reserve (Note 25)	-	23,000	-	-	(23,000)	-	-	-
Balance as at 31 December 2023	1,500,000	296,000	316,149	719,778	336,999	3,168,926	17	3,168,943

Consolidated statement of cash flows

For the year ended 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
OPERATING ACTIVITIES			
Net income for the year	-	265,662	225,341
Adjustments for:	-	-	-
Depreciation	8	4,519	2,183
End-of-service benefits	21	1,666	1,000
Net interest income	16	(216,184)	(185,404)
Gain on sale of equipment	-	(26,052)	(96)
Share of profit from associates	7	(8,984)	(6,505)
Net loss / (gains) from derivative valuation, net	15	2,062	(856)
Net (gain) / loss on disposal of debt securities at FVOCI	-	(4,716)	5,476
Dividend income	-	(54,500)	(85,001)
Impairment on financial instruments and others, net	-	24,068	17,304
Net amortization of transaction fee	-	(669)	2,926

Consolidated statement of cash flows

For the year ended 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
Changes in operating assets and liabilities			
Interest received	-	611,521	512,771
Loans and advances, net	-	(956,401)	(405,712)
Placements with banks, net	-	268,240	273,741
Investment held at FVTPL	-	(224,121)	(260,498)
Other assets	-	284	(371)
Other liabilities	-	16,376	18,751
Finance charges paid	-	(403,368)	(313,608)
Dividends received	-	56,416	85,097
(Repayment) / Proceeds from deposits	-	(538,933)	668,834
End-of-service benefits paid	14.1	(1,283)	(5,077)
Net cash (used in) / generated from operating activities	-	(1,184,397)	550,296

Consolidated statement of cash flows

For the year ended 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
INVESTING ACTIVITIES			
Purchase of investments at FVOCI	-	(3,300,981)	(3,025,872)
Sale and redemptions of investments at FVOCI	-	3,033,212	2,629,271
Purchase of Investments in Associate	-	(34,000)	-
Purchase of equipment	8	(2,705)	(5,901)
Proceeds from sale of equipment	-	42,667	96
Net cash used in from investing activities	-	(261,807)	(402,406)
FINANCING ACTIVITIES			
Proceeds from term financing	11	500,000	700,000
Proceeds from sukuk and bonds	12	1,572,677	237,982
Principal repayment against sukuk and bonds	-	(695,000)	(870,250)
Dividend paid	-	(3,084)	(24,192)
Payments against lease liability	24	(2,948)	(1,407)
Net cash generated from financing activities	-	1,371,645	42,133

Consolidated statement of cash flows

For the year ended 31 december 2024

(US\$000)

	Note	31 December 2024	31 December 2023
Net (decrease) / increase in cash and cash equivalents for the year	-	(74,559)	190,023
Cash and cash equivalents at beginning of the year	-	211,575	21,552
Cash and cash equivalents at 31 December	32	137,016	211,575
Non-cash transactions	-	-	-
Transfer from property and equipment to assets classified as held for sale	8	-	12,643
Net change in fair value of equity securities at FVOCI	-	(102,975)	11,831
Net change in fair value of debt securities at FVOCI	-	26,473	44,099
Transfer to statement of income on sale of debt securities at FVOCI	-	(4,716)	5,476

1 REPORTING ENTITY

Arab Petroleum Investments Corporation (“APICORP” or the “Corporation”) is an Arab joint stock company established on 23 November 1975 in accordance with an international agreement signed and ratified by the ten member states of the Organization of Arab Petroleum Exporting Countries (OAPEC). The agreement defines the objectives of the Corporation as:

- participation in financing petroleum projects and industries, and in fields of activity which are derived there from, ancillary to, associated with, or complementary to such projects and industries; and
- giving priority to Arab joint ventures which benefit the member states and enhance their capabilities to utilise their petroleum resources and to invest their funds to strengthen their economic and financial development and potential.

Activities

APICORP is independent in its administration and the performance of its activities and operates on a commercial basis with the intention of contributing to the development of its member states as well as generating net income. It operates from its registered head office in Riyadh, Kingdom of Saudi Arabia and through a banking branch in Manama, Kingdom of Bahrain.

Currently, the Corporation’s financing activities take the form of loans, equity investments and project and trading financing and fund investments as well as treasury investments. These activities are funded by shareholders’ equity, term-financing from banks, bonds, Sukuk, deposits from governments and corporates as well as short-term deposits from banks.

Furthermore, the Corporation is authorized to undertake a wide range of operations to fulfil its objectives, with a preference for projects in the Member States and other Arab countries. These activities encompass project preparation, the establishment of branches and finance companies, shareholding in relevant companies, creation of specialized entities with approval, buying and selling of shares in related companies (particularly in the energy sector), participation in securities issuance, and provision of medium to long-term loans for petroleum industry investments, with guarantees as necessary, including extending guarantees to loans from other financial or business organizations.

During 2023, to align with the Group’s strategic plan of becoming a leading energy impact fund in the MENA region and commitment to supporting the MENA region’s energy landscape transition towards a net-zero future, the Group was rebranded from APICORP to The Arab Energy Fund (“TAEF”).

Domicile and taxation

The Corporation is an international entity, and operates from its registered head office in Riyadh, Kingdom of Saudi Arabia since April 2023. Previously, the Corporation was operating from its registered head office in Dammam, Kingdom of Saudi Arabia. The establishing agreement states that APICORP is exempt from taxation in respect of its operations in the member states.

Share capital

The capital is denominated in shares of US\$ 1,000 each and is owned by the governments of the ten OAPEC states as of 31 December 2024 and 31 December 2023 were as follows:

	(US\$000)				
	Authorised Capital	Subscribed capital	Issued and fully paid	Unissued Capital	Percentage
United Arab Emirates	3,400,000	1,700,000	255,000	1,445,000	17%
Kingdom of Bahrain	600,000	300,000	45,000	255,000	3%
Democratic and Popular Republic of Algeria	1,000,000	500,000	75,000	425,000	5%
Kingdom of Saudi Arabia	3,400,000	1,700,000	255,000	1,445,000	17%
Syrian Arab Republic	600,000	300,000	45,000	255,000	3%
Republic of Iraq	2,000,000	1,000,000	150,000	850,000	10%
State of Qatar	2,000,000	1,000,000	150,000	850,000	10%
State of Kuwait	3,400,000	1,700,000	255,000	1,445,000	17%
Libya	3,000,000	1,500,000	225,000	1,275,000	15%
Arab Republic of Egypt	600,000	300,000	45,000	255,000	3%
	20,000,000	10,000,000	1,500,000	8,500,000	100%

Classification of Members' Share Capital

As per Establishment Agreement ("Agreement"), any Member State may withdraw from this Agreement after the lapse of four years from the effective date thereof by a written notice to Organization of Arab Petroleum Exporting Countries (OAPEC) which shall be conveyed to the other Member States and to the Corporation. If no other Member States purchase the exiting Members' Share Capital, the agreement states that the Corporation shall conclude a special agreement with the exiting Member State to compensate the Member State for the loss of its shareholding in exiting the Corporation.

Members contributions to capital is accounted for as equity in the consolidated financial statements of the Corporation based on the requirements of IAS 32 – Financial Instruments: Presentation ("IAS 32"). Please refer to the critical judgment set out in note 3 (n) regarding the classification of the Members contribution to capital as equity.

Subsidiaries

The consolidated financial statements includes the financial information of APICORP and its subsidiaries (together "the Group"). The subsidiaries in the Group are as follows:

APICORP Sukuk Limited

The Corporation has set up a special purpose vehicle in 2015, APICORP Sukuk Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary with the primary activity to issue Sukuk and related products.

APICORP Trading SPV Limited

The Corporation has set up a special purpose vehicle in 2019, APICORP Trading SPV Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary set up primarily for the purpose of holding interest rate swap, foreign exchange and repurchase agreement deals.

APICORP Managed Investment Vehicle (MIV)

The Corporation has set up a special purpose vehicle, APICORP Managed Account Investment Vehicle L.P, incorporated in Cayman Islands. It is a 100% owned subsidiary. The MIV seeks to provide long-term capital gains and regular yield through the creation of a diversified, global portfolio of energy-related investments. As of the year, the MIV is under liquidation process and does not have any activity.

BMIF Polar Holdings Co-invest Fund, L.P.

The Corporation has co-invest in a limited partnership set up during 2024 incorporated in United Arab Emirates. It is a 99.98% owned subsidiary primarily for the purpose to co-invest alongside BMIF in the portfolio company, to share the profits and losses therefrom and engage in activities and conduct any other business.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The consolidated financial statements have been prepared on the historical cost basis except for the measurement at fair value of derivatives, financial instruments held at Fair Value through Profit and Loss (FVTPL) and financial instruments at Fair Value through Other Comprehensive Income (FVOCI) and assets held for sale – measured at the lower of carrying amount and fair value less costs to sell. In addition, financial assets and liabilities that are hedged in a fair value hedging relationship, are adjusted to record changes in fair value attributable to the risk that is being hedged.

The Group presents its consolidated statement of financial position in order of liquidity. Non-current assets include portion of loans and advances, portion of placement with banks, equity accounted investee, portion of investments, portion of positive fair value of derivatives, other assets and property and equipment amounting to US\$ 8,434 million (2023: US\$ 7,730 million). Cash and cash equivalent and portions of loans and advances, portion of placement with banks, portion of investments amounting to US\$ 2,485 million (2023: 2,151 million) million are considered as current assets. Current liabilities include deposits, portion of term financing, portion of negative fair value of derivatives and portion of sukuk and bond issued amounting to US\$ 1,933 million (2023: US\$ 2,002 million). Non-current liabilities include, portion of term financing, portion of negative fair value of derivatives, other liabilities and portion of sukuk and bond issued amounting to US\$ 5,629 million (2023: US\$ 4,710 million).

The Group's functional and presentation currency is United States dollars (US\$) because it is a supranational organisation with its capital and majority of its transactions and assets denominated in that currency.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements and have been consistently applied by the Group except if mentioned otherwise (see note 3c and 3f).

A. BASIS OF CONSOLIDATION

“Subsidiaries” are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights, to variable returns from its involvement with the investee company and has the ability to influence the returns through its power over the entity.

Special Purpose Entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the acquisition of shipping vessels as well as the execution of a specific borrowing or investment transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group: 1) the Corporation has power over the SPE and is exposed to or has rights to variable returns from its involvement with the SPE; 2) the Corporation has the ability to use its power over the SPE at inception; and 3) the Corporation can subsequently affect the amount of its return, the Corporation concludes that it controls the SPE. The assessment of whether the Corporation has control over a SPE is carried out at inception and normally no further reassessment of control is carried out in the absence of changes in the structure or terms of the SPE, or additional transactions between the Corporation and the SPE, except whenever there is a change in the substance of the relationship between the Corporation and a SPE.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date on which control ceases. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All significant intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group’s interests and the non-controlling interest (NCI) are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners’ equity of the Group.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resultant gain or loss is recognised in the consolidated statement of income. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when appropriate, the cost on initial recognition of an equity accounted investee.

B. EQUITY ACCOUNTED INVESTEEES

The Group’s interest in associates comprise interests in associates. An associate is an entity over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method of accounting. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of associates until the date on which significant influence ceases.

Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group’s proportionate interest in the investee arising from changes in the investee’s equity. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Intra-group gains on transactions between the Group and its equity accounted associates are eliminated to the extent of the Group’s interest in the investees.

The carrying amount of the equity accounted investment is tested for impairment in accordance with the policy in Note 3K.

C. STANDARDS ISSUED AND EFFECTIVE

Following new standards, amendments and revisions to existing standards and interpretations which were issued by the International Accounting Standards Board (IASB) have been effective for reporting periods commencing on or after 1 January 2024:

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

The Group management has assessed that the adoption of these new or amended standards and interpretations applicable to the Group did not have any significant impact on this special purpose interim condensed consolidated financial information.

D. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted them in preparing this special purpose interim condensed consolidated financial information. The following standards are not expected to have a significant impact on the special purpose interim condensed consolidated financial information of the Group upon adoption

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 – Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	<p>These amendments includes the following:</p> <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criteria; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). 	1 January 2026

D. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Standard, interpretation, amendments	Description	Effective date
IFRS 18 – Presentation and Disclosure in Financial Statements	<p>The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. 	1 January 2027
Amendments to IFRS 10 and IAS 28– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full</p>	1 January 2027

Standard, interpretation, amendments	Description	Effective date
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	<p>The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 Subsidiaries without Public Accountability: Disclosures permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of their financial statements.</p>	1 January 2027

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank balances and placements with financial institution with original maturities of less than 3 months from the acquisition date, which are subject to insignificant risk of fluctuation in their realisable value.

F. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES (OR DISPOSAL GROUPS)

Non-current assets and disposal groups, which may include both non-current and current assets, are classified in the consolidated statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets or disposal groups classified as held for sale in the current period's consolidated statement of financial position are not reclassified or re-presented in the comparative consolidated statement of financial position to reflect the classification at the end of the current period. The Group shall measure a disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sale.

G. REPURCHASE AND RESALE AGREEMENTS

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) are not derecognized, as the Group retains all or substantially all the risks and rewards of the transferred assets. Amounts received under these agreements are treated as liabilities and the difference between the sale and repurchase price treated as interest expense using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position. Amounts paid under these agreements are treated as assets and the difference between the purchase and resale price treated as interest income using the effective interest method.

H. PROPERTY, EQUIPMENT AND RIGHT OF USE ASSETS

(i) Recognition and Measurement

Items of property, equipment and vessels are stated at cost less accumulated depreciation and impairment losses, if any. Where items of property, equipment and vessels comprise significant components having different useful lives, these components are accounted for as separate items of property, equipment and vessels.

Any gain or loss on disposal of an item of property, equipment and vessels (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in the consolidated statement of income.

(ii) Subsequent expenditure

An expenditure incurred subsequently to replace a major component of an item of property, equipment and vessels that is accounted for separately is capitalised if it increases the future economic benefits expected to accrue from the item of property, equipment and vessels. All other expenditure, for example on maintenance and repairs, is expensed in the consolidated statement of profit or loss as incurred.

(iii) Depreciation

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of the items of property and equipment. Land is not depreciated.

The estimated useful lives of the Group's property, equipment and vessels are as follows:

Buildings	5 to 40 years
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Computers, Furniture & Equipment	1 to 10 years
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The property and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revision of the residual value, useful life and depreciation method are included in the consolidated statement of profit or loss for the year in which the changes arise.

Capital work in progress

Assets under construction are classified as Capital work in progress. The Capital work in progress comprises expenditure incurred on the acquisition and installation of assets which is transferred to the appropriate category of asset and depreciated after it is put to commercial or intended use.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

I. FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

The Group initially recognises loans and advances, deposits, term financing, debt securities and Sukuk on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial instruments at FVTPL are expensed in the consolidated statement of income. The fair value of a financial instrument at initial recognition is generally its transaction price.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to stakeholders. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Reclassifications

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

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, '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 and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group 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 this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

(iii) Derecognition

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated statement of profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in the consolidated statement of profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(v) 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If a market for a financial instrument is not active or there is no market, the Group establishes fair value using well-recognised valuation techniques that may include recent arm's length transactions between knowledgeable, willing parties (if available), discounted cash flows or market multiples for similar instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

In determining fair valuation, the Group in many instances relies on the financial data of investees and on estimates by the management of the investee companies as to the effect of future developments.

Although the Group uses its best judgment, there are inherent limitations in any estimation technique. The fair value estimates presented herein are not necessarily indicative of an amount the Group could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the consolidated financial statements.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vi) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost exchange differences are recognised in the consolidated statement of income in the 'other income' line item;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in the consolidated statement of income in the 'other income' line item;
- for financial assets measured at FVTPL, exchange differences are recognised in the consolidated statement of income in the 'net change in fair value of financial assets at FVTPL line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investment fair value reserve are recognised in the consolidated statement of comprehensive income in the 'net change in fair value of debt securities at FVOCI line item.

(vii) Impairment of exposures subject to credit risk

The measurement of ECL under IFRS 9 across all categories of financial assets requires judgement. In particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The selection of an estimation technique or modelling methodology, covering below key judgements and assumptions:

a) The Group's internal credit grading model, which assigns Probability of default (PD) to the individual grades;

b) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.

c) The segmentation of financial assets when their ECL is assessed on a collective basis;

d) Development of ECL models, including the various formulas; and

e) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalents
- Placements with banks
- Securities purchased under agreements to re-sell;
- Debt securities;
- Loans and advances;
- Loan commitments issued; and
- Financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

The Group measures ECL through a loss allowance at an amount equal to:

- 12month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the -12month ECL.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment as well as forward-looking information. The Group's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In determining whether credit risk has increased significantly since initial recognition, the following criteria are considered:

- Downgrade in risk rating according to the approved ECL policy;
- Facilities restructured during previous twelve months;
- Qualitative indicators; and
- Facilities overdue by 30 days as at the reporting date subject to rebuttal in deserving circumstance

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is more than 90 days past due on any material obligation to the Group; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligation.

In assessing whether a borrower is in default. The Group considers indicators that are:

- qualitative- e.g., breaches of covenant, borrower is deceased, insolvent or its is becoming probable that the borrower will entry bankruptcy.
- quantitative- e.g., overdue status, 90 days past due on its contractual payments and non-payment on another obligation of the same issuer to the Corporation; and
- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective profit rate of the financial asset.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. In absence of adequate loss history, suitable proxies as well as regulatory parameters and guidance is used to determine the LGD.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and the ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; and
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. The group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets once or more of the following criteria:

Quantitative criteria:

Borrower is more than 90 days past due on its contractual payments

Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulties. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

(vii) Impairment of exposures subject to credit risk (continued)

Credit-impaired financial assets (continued)

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of details used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) through the Groups expected loss calculations.

(viii) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the fair value of the hedging instruments are expected to offset changes in the fair value of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Fair value hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate instruments is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate instruments attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other gains / (losses).

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- A. the host contract is not an asset in the scope of IFRS 9;
- B. the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- C. the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value. with all changes in fair value recognized in consolidated statement of income unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

J. REVENUE RECOGNITION

(i) Interest income and expense

Interest income and expense is recognised in the consolidated statement of income, using the effective interest rate method.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes 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 financial liability.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest

Amortised cost and gross carrying amount
The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(ii) Dividend income

Dividend income is recognized when the right to receive income is established. This is usually when approved by the shareholders.

(iii) Income from vessel charter

Income from vessel charter is recognized over the term of the contract with charter of vessels.

K. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

L. LEGAL AND GENERAL RESERVES

Under Article 35 of APICORP's Establishment Agreement and statute, %10 of profit for the year is to be appropriated to a legal reserve until such reserve equals the paid-up share capital. The Legal Reserve is not available for distribution and is not subject to release by the Group.

Article 35 also permits the creation of other reserves such as a general reserve on the recommendation of the directors and approval of the shareholders. The General Reserve may be applied as is consistent with the objectives of the Corporation, and as may be decided by the General Assembly, on the recommendation of the Board of Directors. The General Reserve is provided for based on the recommendation of the Board of Directors. The General Assembly, on the recommendation of the Board of Directors, may resolve to utilize general reserves in harmony with the objectives of the Corporation.

M. END OF SERVICE BENEFITS

The corporation has a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation.

Past-service costs are recognised immediately in the consolidated statement of income, unless the changes to the gratuity plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The Corporation provides end of service benefits for its employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

N. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Judgements

Classification of financial assets

Assessment of the business model within which the assets are held and assessment of whether contractual terms of the financial assets are SPPI on the principal amount outstanding. Refer Note 31(ii).

Significant increase of credit risk

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approvals of models used to measure ECL. (refer Note 31(vii) and Note 27(a)).

Impairment allowance on loans and advances at amortised cost

In determining the appropriate level of expected credit losses (ECLs) the Group considered the macro-economic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date.

During 2024 the ECL model methodology, significant increase in credit risk (SICR) thresholds, and definition of default remain consistent with those used as at 31 December 2023.

The model inputs, including forward-looking information, scenarios, and associated weightings, were revised to reflect the current outlook.

The Group's models are calibrated to consider past performance and macroeconomic forward-looking variables as inputs. This includes consideration of significant government support and the high degree of uncertainty around historic long-term trends used in determining reasonable and supportable forward-looking information as well as the assessment of underlying credit deterioration and migration of balances to progressive stages.

The Group considers both qualitative and quantitative information in the assessment of significant increase in credit risk.

Classification of members' share capital in the corporation

The Members' Share Capital in the Corporation's consolidated financial statement is classified and accounted for as equity based on the requirements of IAS 32.

As stated in note 1 and per the Establishment Agreement of the Corporation, any Member State may withdraw from this Agreement after the lapse of four years from the effective date thereof by a written notice to OAPEC which shall be conveyed to the other Member States and to the Corporation. If no other Member States purchase the exiting Members' Share Capital, the agreement states that the Corporation shall conclude a special agreement with the exiting Member State in order to compensate the Member State for the loss of its shareholding in exiting the Corporation. The agreement does not explicitly specify the process that will be followed on exit, the amount that the Member State will be compensated on exit, nor the timeline for the payment on exit.

Given the ambiguity of the process set out in the Establishment Agreement, management obtained a formal legal opinion to provide clarity on the process. The legal opinion concluded that the process and contractual terms set out in the Establishment Agreement does not create an unavoidable contractual obligation on the Corporation to compensate the exiting Member state for the loss of their shareholding.

On the basis of the legal opinion on the interpretation of certain clauses of the Establishment Agreement relating to the withdrawal of member states from the agreement, management has considered the requirements of IAS 32 and concluded that the withdrawal of a member state does not create an unavoidable contractual obligation on the Corporation to compensate the exiting Member state for the loss of their shareholding and as such Members' Share Capital should be classified and accounted for as equity in the Corporation's consolidated financial statements.

(ii) Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(ii) Assumptions and estimation uncertainties

Impairment of financial instruments

Determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information. (Refer Note 27 (a)).

Measurement of fair value of financial instruments with significant unobservable inputs

(level 3). (Refer Note 31(iv)) and Note (29).

N. USE OF JUDGEMENTS AND ESTIMATES^(continued)

(ii) Assumptions and estimation uncertainties (continued)

Climate and sustainability related developments

The petroleum and energy industries are resource-intensive. The Group is committed to Green Bonds Principles of the International Capital Markets Association (ICMA) when using the proceeds of the Green Bonds issued by the Group. In accordance with the Green Bond Principles, the Group commits to report information on the allocation of proceeds. The Group adopts the harmonised reporting framework, developed by an informal group of eleven international development banks including the World Bank (IBRD), the International Finance Corporation (IFC) and the European Investment Bank (EIB). The harmonized reporting framework provides core principles and recommendations for green bond reporting, and also recommends core indicators for the two sectors renewable energy and energy efficiency. For this reason, current developments and measures relating to climate change and sustainability do not lead to fundamentally changed expectations with regard to recoverability of the majority of assets. Any change in legislation or commitment could affect the assessment and subsequent measurement. Climate policies and energy transformation are also offering business opportunities, like demand for lightweight materials. Therefore, currently it is assessed that there are no adjustments required for the impairment test and no impairment was recognised. See notes 12 and 27 of these consolidated financial statements.

O. USE OF JUDGEMENTS AND ESTIMATES

Transactions in currencies other than US dollars (foreign currencies) are translated at the exchange rates ruling at the date of the transaction. All monetary assets and liabilities, denominated in foreign currencies, are translated into US dollars at rates prevailing at the reporting date. Differences arising from changes in exchange rates are recognised in the consolidated statement of profit or loss.

Investments (non-monetary assets) denominated in foreign currencies that are stated at fair value are translated to US dollars at reporting date. Differences arising from changes in rates are included in the fair value reserve in equity for FVOCI investments and in statement of profit or loss for FVTPL investments. All other non-monetary assets and liabilities are stated at the historical rates of exchange.

4 PLACEMENTS WITH BANKS, NET

	31 December 2024	31 December 2023
With Islamic financial institutions	30,000	106,207
With conventional financial institutions	195,356	343,248
Margin call accounts	79,641	176,007
Interest receivables	2,395	2,049
Expected credit losses (note 27)	(78)	(34)
	307,314	627,477
Placements with banks (with an original maturity of less than 90 days) (note 32)	(67,357)	(119,626)
	239,957	507,851

5 LOANS AND ADVANCES, NET

	31 December 2024	31 December 2023
Islamic loans held at amortised cost	743,180	700,714
Conventional loans held at amortised cost	4,983,222	4,040,588
Interest receivable	41,970	42,202
Unamortized participation and upfront fees	(91,847)	(79,704)
	5,676,525	4,703,800
Expected credit losses	(115,269)	(97,364)
Loans and advances at amortised cost, net	5,561,256	4,606,436
Conventional loans held at FVTPL	43,536	42,187
	5,604,792	4,648,623

Below tables show the loans and advances breakdown of credit exposure and expected credit losses of loans and advances at amortized cost:

31 December 2024	Performing	Non-performing	Gross	Expected credit losses	Loans and advances at amortised cost, net
Islamic loans	743,180	-	743,180	(16,425)	726,755
Conventional loans	4,906,985	26,360	4,933,345	(98,844)	4,834,501
Total	5,650,165	26,360	5,676,525	(115,269)	5,561,256

31 December 2023	Performing	Non-performing	Gross	Expected credit losses	Loans and advances at amortised cost, net
Islamic loans	700,714	-	700,714	(14,717)	685,997
Conventional loans	3,966,560	36,526	4,003,086	(82,647)	3,920,439
Total	4,667,274	36,526	4,703,800	(97,364)	4,606,436

Performing loans are under stage 1 and stage 2 i.e. -12month ECL and lifetime ECL not credit impaired, and the non-performing loans includes all the loans that are under stage 3 i.e. lifetime ECL credit impaired. FVTPL loans are also classified as performing.

5 LOANS AND ADVANCES, NET(continued)

Below tables show the stage-wise breakdown of gross exposure and expected credit losses of loan and advances at amortized cost:

31 December 2024

	Gross exposure				Expected credit losses			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Expected credit losses
Islamic loans	490,890	252,290	-	743,180	(200)	(16,225)	-	(16,425)
Conventional loans	4,077,740	829,245	26,360	4,933,345	(11,371)	(61,113)	(26,360)	(98,844)
Total	4,568,630	1,081,535	26,360	5,676,525	(11,571)	(77,338)	(26,360)	(115,269)

31 December 2023

	Gross exposure				Expected credit losses			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Expected credit losses
Islamic loans	433,492	267,222	-	700,714	(260)	(14,457)	-	(14,717)
Conventional loans	3,191,377	775,183	36,526	4,003,086	(3,741)	(42,380)	(36,526)	(82,647)
Total	3,624,869	1,042,405	36,526	4,703,800	(4,001)	(56,837)	(36,526)	(97,364)

5 LOANS AND ADVANCES, NET(continued)

Movement of gross loan exposure for Islamic loans is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	433,492	267,222	-	700,714
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(240,000)	240,000	-	-
New loans and advances originated	359,869	-	-	359,869
Loans and advances settled	(62,471)	(254,932)	-	(317,403)
Balance as at 31 December 2024	490,890	252,290	-	743,180

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2023	665,296	279,067	-	944,363
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	-	-	-	-
New loans and advances originated	2,803	-	-	2,803
Loans and advances settled	(234,607)	(11,845)	-	(246,452)
Balance as at 31 December 2023	433,492	267,222	-	700,714

Movement in expected credit losses for Islamic loans is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	260	14,457	-	14,717
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(15,010)	15,010	-	-
Net charge / (reversal) for the year	14,950	(13,242)	-	1,708
Balance as at 31 December 2024	200	16,225	-	16,425

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2023	239	14,552	-	14,791
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	-	-	-	-
Net charge / (reversal) for the year	21	(95)	-	(74)
Balance as at 31 December 2023	260	14,457	-	14,717

5 LOANS AND ADVANCES, NET(continued)

Movement of gross loan exposure for conventional loans is as follows:

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	3,191,377	775,183	36,526	4,003,086
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(584,995)	584,995	-	-
New loans and advances originated	2,001,730	-	-	2,001,730
Loans and advances settled	(530,372)	(530,933)	(10,166)	(1,071,471)
Balance as at 31 December 2024	4,077,740	829,245	26,360	4,933,345

	31 December 2023 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2023	2,687,901	494,419	51,455	3,233,775
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(293,469)	293,469	-	-
New loans and advances originated	865,018	-	-	865,018
Loans and advances settled	(68,073)	(12,705)	(14,929)	(95,707)
Balance as at 31 December 2023	3,191,377	775,183	36,526	4,003,086

Movement in expected credit losses for conventional loans is as follows:

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	3,741	42,380	36,526	82,647
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(127,639)	127,639	-	-
Net charge / (reversal) for the year	135,269	(108,906)	(10,166)	16,197
Balance as at 31 December 2024	11,371	61,113	26,360	98,844

	31 December 2023 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2023	3,493	45,626	39,647	88,766
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(1,390)	1,390	-	-
Net charge / (reversal) for the year	1,638	(4,636)	(3,121)	(6,119)
Balance as at 31 December 2023	3,741	42,380	36,526	82,647

6 INVESTMENTS

	31 December 2024	31 December 2023
Debt securities at FVOCI		
Conventional		
Treasury bills	1,224,190	878,386
Fixed-rate bonds	1,198,497	1,223,966
Floating-rate bonds	148,287	164,223
Interest receivable	17,272	14,612
	2,588,246	2,281,187
Islamic		
Fixed-rate bonds	582,972	620,777
Floating-rate bonds	6,740	24,443
Interest receivable	7,134	6,995
	596,846	652,215
Total debt securities at FVOCI	3,185,092	2,933,402
Equity securities at FVOCI		
Unlisted equities	913,815	980,907
Listed equities	102,346	134,662
Total equity securities at FVOCI	1,016,161	1,115,569
Investments at FVTPL		
Debt securities – Islamic	10,438	7,326
Debt securities – Conventional	37,775	38,734
Managed funds	273,303	102,050
Listed equities	195,625	144,910
Total investments at FVTPL	517,141	293,020
	4,718,394	4,341,991

The increase in debt securities primarily pertains to the purchases of treasury bills during year end.

Interest receivable on fixed-rate bonds and floating-rate bonds amounts to US\$ 23.6 million (2023: US\$ 21.2 million) and US\$ 0.8 million (2023: US\$ 0.4 million) respectively.

Equity Securities at FVOCI:

The following table represents the sector concentration for Equity securities at FVOCI:

	31 December 2024	31 December 2023 (Audited)
Energy	773,282	260,603
Materials	127,499	802,048
Utilities	31,787	40,689
Industrials	44,951	12,229
Financial	38,642	-
Balance at 31 December	1,016,161	1,115,569

The Group has designated investment in equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for long-term purposes. During the year, the Group realised gain from equity securities at FVOCI amounting to US\$ 10.9 million (31 December 2023: US\$ 20.7 million).

During the year ended 31 December 2024, the Group purchased equity securities at FVOCI amounting US\$ 29.1 million and disposed off equity securities with a fair value of US\$ 25.0 million.

During the year ended 31 December 2024, the Group received dividend income amounting to US\$ 54.5 million (31 December 2023: US\$ 85.0 million) on equity securities classified at FVOCI and FVTPL.

6 INVESTMENTS, NET (continued)

Debt Securities at FVOCI:

The following table further explains changes in gross carrying amount of the debt securities measured at FVOCI to help explain their significance to the changes in the provision for ECL of the same portfolio.

Movement of gross exposure for conventional securities at FVOCI is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2024	2,110,816	155,331	15,040	2,281,187
Transfer to life-time ECL not credit impaired	(10,635)	10,635	-	-
Transfer to life-time ECL credit impaired	(277)	-	277	-
Purchase of new investments	3,724,671	17,297	-	3,741,968
Disposals and maturities during the year	(3,384,484)	(50,385)	(40)	(3,434,909)
Balance as at 31 December 2024	2,440,091	132,878	15,277	2,588,246

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2023	2,102,326	-	-	2,102,326
Transfer to life-time ECL not credit impaired	(161,546)	161,546	-	-
Transfer to life-time ECL credit impaired	(15,040)	-	15,040	-
Purchase of new investments	748,965	-	-	748,965
Disposals and maturities during the year	(563,889)	(6,215)	-	(570,104)
Balance as at 31 December 2023	2,110,816	155,331	15,040	2,281,187

Movement of gross exposure for Islamic debt securities at FVOCI is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2024	628,312	23,903	-	652,215
Transfer to life-time ECL not credit impaired	(997)	997	-	-
Purchase of new investments	305,331	-	-	305,331
Disposals and maturities during the year	(336,784)	(23,916)	-	(360,700)
Balance as at 31 December 2024	595,862	984	-	596,846

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2023	356,363	-	-	356,363
Transfer to life-time ECL not credit impaired	(23,903)	23,903	-	-
Purchase of new investments	377,846	-	-	377,846
Disposals and maturities during the year	(81,994)	-	-	(81,994)
Balance as at 31 December 2023	628,312	23,903	-	652,215

6 INVESTMENTS, NET (continued)

An analysis of changes in expected credit losses of conventional debt securities measured at FVOCI, is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2024	497	4,294	9,024	13,815
Transfer to life-time ECL not credit impaired	(213)	213	-	-
Transfer to life-time ECL credit impaired	(277)	-	(277)	-
Net charge for the year	1,105	(614)	5,976	6,467
Balance as at 31 December 2024	1,112	3,893	15,277	20,282

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January 2023	2,071	-	-	2,071
Transfer to life-time ECL not credit impaired	(317)	317	-	-
Transfer to life-time ECL credit impaired	(9,024)	-	(9,024)	-
Net charge for the year	7,767	3,977	-	11,744
Balance as at 31 December 2023	497	4,294	9,024	13,815

An analysis of changes in expected credit losses of Islamic debt securities measured at FVOCI, is as follows:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	315	675	-	990
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL credit impaired	-	-	-	-
Net charge for the year	299	(658)	-	(359)
Balance as at 31 December 2024	614	17	-	631

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2023	113	-	-	113
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL credit impaired	-	-	-	-
Net charge for the year	202	675	-	877
Balance as at 31 December 2023	315	675	-	990

6 INVESTMENTS, NET (continued)

Investments at FVTPL:

Investment at FVTPL movement:

	31 December 2024	31 December 2023
Balance at 1 January	293,020	32,522
Purchases during the year	253,787	269,901
Sold during the year	(63,508)	(28,326)
Fair value changes	33,842	18,923
Balance at 31 December	517,141	293,020

All the investments at FVTPL are classified as performing. Performing investments are those that are expected to generate returns in line with projections.

6 (a) Securities sold under agreements to repurchase:

The Group enters into collateralised borrowing transactions (repurchase agreements) in the ordinary course of its financing activities. Collateral is provided in the form of debt securities at FVOCI. At 31 December 2024, the fair value of debt investment at FVOCI pledged as collateral under repurchase agreements was US\$ 493 million (31 December 2023: US\$ 551 million). These transactions are conducted under the terms that are usual and customary to standard securities borrowings and lending activities. The increase in the amount of debt securities used as collateral under repurchase agreements is primarily driven by the Group's financing needs.

7 EQUITY ACCOUNTED INVESTEES, NET

2024	Falcon Cement Company BSC	GC- 16 JV	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Total
Opening balance at 1 January 2024	-	1,282	34,144	19,003	-	54,429
Purchases	-	-	-	-	34,000	34,000
Settlement of JV on liquidation	-	(1,282)	-	-	-	(1,282)
Share of profit for the year	-	-	5,528	3,456	-	8,984
Dividends paid during the year	-	-	-	(2,040)	-	(2,040)
Change in foreign exchange value	-	-	2,098	-	-	2,098
Balance as at 31 December 2024	-	-	41,770	20,419	34,000	96,189

2023	Note	Falcon Cement Company BSC	GC- 16 JV	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Total
Opening balance at 1 January 2023	-	6,729	8,854	31,505	21,039	-	68,127
Share of profit for the year	-	-	-	4,901	1,604	-	6,505
Dividends paid during the year	-	-	(9,419)	-	(3,640)	-	(13,059)
Change in foreign exchange value	-	-	1,847	(2,262)	-	-	(415)
Impairment loss	7.1	(6,729)	-	-	-	-	(6,729)
Balance as at 31 December 2023	-	-	1,282	34,144	19,003	-	54,429

7 EQUITY ACCOUNTED INVESTEES, NET (continued)

7.1 During the year ended 31 December 2023, an impairment loss was recorded in accordance with IAS 36 Impairment of assets on the Group's investment in Falcon Cement Company BSC located in Kingdom of Bahrain with an amount of US\$ 6.7 million. In 2022 Falcon Cement Company BSC reported a negative EBITDA of US\$ 35.3 million and net loss of US\$ 38.7 million. This massive loss was due to one-time adjustments for impairment

of un-used clinker unit, provision for delayed receivables and inventory write-off. Based on management assessment the recoverable value has been assessed to be lower than the carrying value of the investment.

During 2024, the parties for GC-16 JV issued a discharged, rescission and release agreement on 18 May 2024 for the conclusion of the joint venture agreement.

Below are the equity accounted investees as at 31 December 2024 and 31 December 2023;

Name	Country	31 December 2024	31 December 2023	% holding		Nature of business
				31 December 2024	31 December 2023	
Falcon Cement Company BSC	Kingdom of Bahrain	-	-	30	30	Manufacturing and trading of cement
Al Khorayef United Holding	State of Kuwait	41,770	34,144	24	24	Oil and gas services and facilities management company
GC-16 JV	State of Kuwait	-	1,282	-	24	Oil and gas services and facilities management company
Intra Taf Holding	Luxembourg	20,419	19,003	40	40	Holding and management company
Metito Utilities Limited	United Arab Emirates	34,000	-	40	-	Water utilities company

The summarized financial information below represents the latest financial information available for the investees:

	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities	Total revenues	Total income for the year
Falcon Cement Company BSC (30-Nov-24 Management Account)	22,131	41,687	63,818	10,001	31,152	41,153	9,697	2,177
Al Khorayef United Holding (30-Nov-24 Management Account)	130,123	97,673	227,796	29,912	42,979	72,891	144,158	21,088
Intra Taf Holding (31-Dec-23 Audited Financial Statements)	256	21,320	21,576	215	-	215	7,429	7,437
Metito Utilities Limited (31-Dec-23 Unaudited Financial Statements)	156,414	88,991	245,405	51,727	36,391	88,118	50,619	17,268

8 PROPERTY, EQUIPMENT AND RIGHT OF USE ASSET

	Land	Buildings	Right of Use Assets (note 24)	Computer, Furniture & Equipment	Capital work in progress	Total
Cost						
At 1 January 2023	4,004	58,176	23,567	30,199	3,237	119,183
Additions	-	2,968	-	314	2,619	5,901
Transfers	-	(20,977)	-	(5,542)	-	(26,519)
Disposals	-	-	-	(288)	-	(288)
At 1 January 2024	4,004	40,167	23,567	24,683	5,856	98,277
Additions	-	-	-	2,536	169	2,705
Transfers	-	5,081	-	-	(5,081)	-
Disposals	(4,004)	(38,846)	(21)	(17,889)	-	(60,760)
At 31 December 2024	-	6,402	23,546	9,330	944	40,222

	Land	Buildings	Right of Use Assets (note 24)	Computer, Furniture & Equipment	Capital work in progress	Total
Depreciation and impairment						
At 1 January 2023		48,820	158	27,433	-	76,411
Charge for the year		215	952	1,016	-	2,183
Transfers		(9,536)	-	(4,340)	-	(13,876)
Disposals				(288)	-	(288)
At 1 January 2024		39,499	1,110	23,821	-	64,430
Charge for the year		682	2,443	1,394	-	4,519
Disposals		(38,228)	(21)	(20,488)	-	(58,737)
At 31 December 2024		1,953	3,532	4,727	-	10,212

	Land	Buildings	Right of Use Assets (note 24)	Computer, Furniture & Equipment	Capital work in progress	Total
Carrying Amount						
At 31 December 2024	-	4,449	20,014	4,603	944	30,010
At 31 December 2023	4,004	668	22,457	862	5,856	33,847

Right-of-use asset relates to the Group agreement for a period of 10 years (depreciation period) for Riyadh head office operation in the Kingdom of Saudi Arabia.

During October 2024, the Group successfully sold the old Head office in Dammam, Kingdom of Saudi Arabia classified as asset held for sale with net proceeds of US \$ 42.7 million and resulted in a gain of US \$ 26.1 million.

9 OTHER ASSETS

	31 December 2024	31 December 2023
Employee loans and advances	1,035	1,015
Dividends receivable	501	377
Other receivables and prepayments, net	1,835	2,263
	3,371	3,655

10 DEPOSITS

	31 December 2024	31 December 2023
Deposits from banks	492,000	669,357
Deposits from corporates	122,513	457,936
Deposits from shareholders	158,142	130,560
Interest payable	1,977	12,578
	774,632	1,270,431

11 TERM FINANCING

During 2024, the Group obtained a long-term loan from DIB with a total amount of US\$ 500 million to finance its corporate lending purposes. The rate of this loan is three-months average SOFR plus 75 basis points.

During 2024, the Group structured two term financing from SAB amounting US\$ 100 million and US\$ 150 million into one term financing amounting to US\$ 250 million maturing in 2028. The rate of this loan is daily SOFR plus 75 basis points.

During 2023, the Group obtained a long-term loan from Saudi National Bank with a total amount of US\$ 500 million to finance its corporate lending purposes. The rate of this loan is three-months average SOFR plus 62 basis points which does not include any covenants. Also, 2023 the Group obtained a long-term loan from Saudi Awwal Bank ("SAB") (formerly known as The Saudi British Bank) with a total amount of US\$ 200 million to finance its corporate lending purposes. The rate of this loan is six-months average SOFR plus 85 basis points. The loan is secured by a promissory note issued in favour of SAB by the Group.

	31 December 2024	31 December 2023
US\$ 100 million loan 2022 - 2025	-	100,000
US\$ 150 million loan 2022 - 2025	-	150,000
US\$ 500 million loan 2023 - 2026	500,000	500,000
US\$ 200 million loan 2023 - 2026	200,000	200,000
US\$ 500 million loan 2024 - 2030	500,000	-
US\$ 250 million loan 2024 - 2028	250,000	-
Interest payable	5,955	7,578
	1,455,955	957,578

The Corporation was fully compliant with the above covenants during the year ended 31 December 2024 and year ended 31 December 2023.

Movement of term financing during the year is as follow: Movement of term financing during the year is as follow:

	31 December 2024	31 December 2023
Balance as at 1 January	957,578	251,099
Proceeds during the year	500,000	700,000
Interest expense during the year	60,188	42,051
Repayments during the year	(61,811)	(35,572)
Balance as at 31 December	1,455,955	957,578

12 SUKUK AND BONDS ISSUED

	31 December 2024	31 December 2023
US Public bond issued **	-	624,808
US Public bond issued *	1,949,413	1,888,361
US Public green bond issued *	1,463,963	690,200
US Private placement issued	445,150	351,374
CNH Private placement issued	357,969	80,186
GBP Private placement issued	198,479	-
EUR Private placement issued	158,173	-
Interest payable	28,828	18,629
	4,601,975	3,653,558

*These sukuk and bonds were issued and listed in Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin").

**These sukuks and bonds were issued and listed in Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") and Taipei Exchange ("TPex").

The bonds issued include Green Bonds of US\$ 1,500 million (31 December 2023: US\$ 750 million). The outstanding balance related to those bonds is US\$ 1,470 million as of 31 December 2024 (31 December 2023: US\$ 690.6 million). Further, during 2023, the Group issued a new fixed-rate bond of CNH 600 million and US\$ 150 million. This issuance contributed to the growth in sukuk and bonds issued.

The issued green bonds were obtained in September 2021 & May 2024 and mature in September 2026 & May 2029 (Tenor: 5 years). The proceeds from any of the Green Bonds will exclusively be used to finance, refinance and/or invest in whole or in part, new or existing projects under development and/or projects in operation from any of the Eligible Green Categories. All Eligible Green Projects are expected to provide significant environmental benefits towards Climate Change Mitigation while avoiding significant harm to either Climate Change Adaptation, Sustainable Use of Water Resources, the Transition to a Circular Economy, Pollution Prevention and Control and Biodiversity Preservation.

The Group commits to comply with the Green Bond Framework which is in accordance with the International Capital Markets Association ("ICMA") Green Bond Principles and UN Sustainable Development Goals ("SDGs").

12 SUKUK AND BONDS ISSUED (continued)

During the year ending on 31 December 2024, the Group issued a new fixed-rate bond worth US \$ 750 million maturing on 2029, EUR 150 million maturing on 2027, GBP 160 million maturing on 2027, CNH 1,040 million, maturing in 2027 and CNH 1,000 million, maturing in 2028 all are fully drawn. The Group issued a US\$ 70 million floating rate note maturing in 2029 and US\$ 25 million zero rated Certificate of Deposit maturing 2025. This issuance contributed to the growth in sukuk and bonds issued.

Movement of sukuk and bonds issued during the year is as follow:

	31 December 2024	31 December 2023
Balance at the beginning of the year	3,653,558	4,208,960
Proceeds during the year	1,572,008	231,835
Interest expense during the year	270,541	248,955
Repayments during the year	(894,132)	(1,036,192)
Balance at the end of the year	4,601,975	3,653,558

13 COMMITMENTS AND GUARANTEES

	31 December 2024	31 December 2023
Commitments to underwrite unfunded and funded loans	2,106,362	1,916,933
Letters of credit	260,917	131,037
Letters of guarantee	372,591	266,670
Expected credit losses	(13,778)	(13,767)
	2,726,092	2,300,873
Commitments to subscribe capital investments	192,023	69,864
Other commitments	2,056	1,565
	2,920,171	2,372,302

Irrevocable commitments to extend credit represent a commitment / guarantee of the Group issued to local exporters, to honour or negotiate LC's issued to the exporters. The contractual maturity structure of the Group's commitments and guarantees as of 31 December 2024 and 31 December 2023 is as follows:

	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2024					
Commitments to underwrite and fund loans	25,000	375,165	607,049	1,099,148	2,106,362
Letters of credit	146,649	61,418	52,850	-	260,917
Letters of guarantee	25,376	147,314	167,420	32,481	372,591
Commitments to subscribe capital investments	-	-	192,023	-	192,023
Other commitments	-	2,056	-	-	2,056
Total	197,025	585,953	1,019,342	1,131,629	2,933,949

	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2023					
Commitments to underwrite and fund loans	105,885	504,981	948,489	357,578	1,916,933
Letters of credit	12,387	93,650	25,000	-	131,037
Letters of guarantee	266,670	-	-	-	266,670
Commitments to subscribe capital investments	-	-	69,864	-	69,864
Other commitments	-	1,565	-	-	1,565
Total	384,942	600,196	1,043,353	357,578	2,386,069

13 COMMITMENTS AND GUARANTEES (continued)

The following table shows reconciliations from the opening to the closing balance of the gross exposure of credit commitments and contingencies:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	1,851,878	462,762	-	2,314,640
Transfer to life-time ECL, not credit impaired	(176,587)	176,587	-	-
Net commitments – issued / expired and matured during the year	771,841	(346,611)	-	425,230
Balance as at 31 December 2024	2,447,132	292,738	-	2,739,870

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2023	1,946,832	276,307	-	2,223,139
Transfer to life-time ECL, not credit impaired	(186,455)	186,455	-	-
Net commitments – issued / expired and matured during the year	91,501	-	-	91,501
Balance as at 31 December 2023	1,851,878	462,762	-	2,314,640

The Group has expected credit losses against commitments and guarantees of US\$ 13.8 million as of 31 December 2024 (31 December 2023: US\$ 13.8 million). The movement of expected credit losses related to commitments and guarantees is as below:

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening allowance at 1 January 2024	1,796	11,971	-	13,767
Transfer to life-time ECL, not credit impaired	(3,283)	3,283	-	-
ECL on newly originated commitments and guarantees	705	3,030	-	3,735
Net (reversal) / charge for the year	4,020	(7,744)	-	(3,724)
Balance as at 31 December 2024	3,238	10,540	-	13,778

	31 December 2023			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening allowance at 1 January 2023	3,467	6,109	-	9,576
Transfer to life-time ECL, not credit impaired	(1,358)	1,358	-	-
ECL on newly originated commitments and guarantees	974	1,113	-	2,087
Net (reversal) / charge for the year	(1,287)	3,391	-	2,104
Balance as at 31 December 2023	1,796	11,971	-	13,767

As at 31 December 2024, there were no new significant legal proceedings outstanding against the Group with no previous provided provisions, and therefore, no provision has been made in these consolidated financial statements.

14 OTHER LIABILITIES

	31 December 2024	31 December 2023
Dividend payable to shareholders	22,162	25,246
End of service benefits (note 14.1)	9,896	9,650
Lease liabilities (note 24)	20,933	22,637
Accrued expenses and other liabilities	46,117	27,656
Call account liability	147	266
Expected credit losses for commitments and financial guarantees (note 27)	13,778	13,767
	113,033	99,222

14.1 End of service benefits

General Description:

The Group operates an end of service benefit plan for its employees based on the prevailing Saudi Labour Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

The amounts recognized in the consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	9,650	12,565
Current service cost charge for the year	1,615	1,571
Finance cost	51	436
Curtailments gain	-	(1,007)
Benefits paid	(1,283)	(5,077)
Re-measurements (gain) / loss	(137)	1,162
Balance as at 31 December	9,896	9,650

Re-measurement recognised in consolidated other comprehensive income:

	31 December 2024	31 December 2023
Changes in experience assumptions	184	1,374
Changes in financial assumptions	(420)	(213)
	(236)	1,161

Principal actuarial assumptions used in estimating the end of service benefit plan included:

	31 December 2024	31 December 2023
Discount rate	4.55%	4.2%
Expected rate of salary increase	6.7%	6.7%
Withdrawal rate	10%	6%
Average duration	7.13 years	6.17 years
Normal retirement age	60 years	60 years

The table below illustrates the sensitivity of the end of service benefits plan due to changes in the key assumptions and holding all other variables constant:

	Change in assumption	31 December 2024 Increase / (decrease)	31 December 2023 Increase / (decrease)
Discount rate	+/- 1%	+ 756 / (654)	+ 8,514 / (8,942)
Expected rate of salary increase	+/- 1%	+ 789 / (696)	+ 8,979 / (8,475)
Withdrawal rates	+/- 10%	47 / (44)	8,679 / (8,770)

The sensitivity analysis presented above may not be representative of the actual change in the end of service benefits liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions are correlated.

14.1 End of service benefits(continued)

Expected maturity analysis of undiscounted end of service benefits for the end of service plan is as follows:

	31 December 2024	31 December 2023
Less than a year	3,130	3,891
1-2 years	1,317	1,776
2-5 years	2,838	2,189
Over 5 years	2,264	2,154
Total	9,549	10,010

15 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value hedges

The Group enters into fixed-for-floating-interest-rate swaps to manage the exposure to changes in fair value due to movements in market interest rates on certain fixed rate financial instruments which are not measured at fair value through profit or loss, including debt securities held and issued.

Other derivatives held for risk management

The Group uses derivatives, not designated in qualifying accounting hedge relationship, to manage its exposure to market risks. The Group enters into foreign exchange forward contracts to manage against foreign exchange fluctuations. Fair values of the forward currency contracts are estimated based on the prevailing market rates of interest and forward rates of the related foreign currencies, respectively.

The tables below summarise the positive and negative fair values of derivative financial instruments, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year-end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive/negative fair value of the derivatives, nor market risk.

15 DERIVATIVE FINANCIAL INSTRUMENTS(continued)

31 December 2024	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3-12 months	1-5 years	Over than 5 years
Held as fair value hedges:							
Interest rate swaps	87,385	172,096	6,635,458	7,000	1,226,200	4,916,017	486,241
Foreign currency	890	-	19,000	19,000	-	-	-
Total	88,275	172,096	6,654,458	26,000	1,226,200	4,916,017	486,241

31 December 2023	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3-12 months	1-5 years	Over than 5 years
Held as fair value hedges:							
Interest rate swaps	66,803	231,165	5,645,438	25,000	39,379	5,189,818	391,241
Total	66,803	231,165	5,645,438	25,000	39,379	5,189,818	391,241

Hedging instrument by hedged risk

2024 Hedge risk	Notional amount*	Carrying amount		Statement of financial position presentation	Change in fair value**
		Assets	Liabilities		
Interest rate	6,635,458	87,385	172,096	Positive / Negative fair value of derivative	(2,062)
Foreign currency	19,000	890		Positive / Negative fair value of derivative	890
Total	6,654,458	88,275	172,096		(1,172)

2023	Notional amount*	Carrying amount		Statement of financial position presentation	Change in fair value**
		Assets	Liabilities		
Interest rate	5,645,438	66,803	231,165	Positive / Negative fair value of derivative	9,051
Total	5,645,438	66,803	231,165		9,051

* The notional contract amounts of derivatives designated in qualifying hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

** Used in effectiveness testing; comprising the full fair value change of the hedging instrument.

15 DERIVATIVE FINANCIAL INSTRUMENTS(continued)

2024 Hedge risk	Carrying amount		Accumulated fair value hedge adjustment included in carrying amount		Statement of financial position presentation	Change in fair value**	Recognised in statement of income
	Assets	Liabilities	Assets	Liabilities			
Interest rate	2,824,810	-	22,166		Investments	17,255	
Interest rate	105,775	-	10,039		Loans and advances	1,979	(2,062)
Interest rate		3,900,055		104,625	Sukuk and bonds issued	(13,757)	
Total	2,930,585	3,900,055	32,205	104,625		5,477	(2,062)

2023	Carrying amount		Accumulated fair value hedge adjustment included in carrying amount		Statement of financial position presentation	Change in fair value**	Recognised in statement of income
	Assets	Liabilities	Assets	Liabilities			
Interest rate	1,154,125		16,450		Investments	(16,336)	
Interest rate	110,825		12,416		Loans and advances	(3,456)	856
Interest rate	-	3,013,662	-	323,833	Sukuk and bonds issued	27,996	
Total	1,264,950	3,013,662	28,866	323,833		8,204	856

*Presentation in statement of income as other income, net.

**Used in effectiveness assessment; comprising amount attributable to the designated hedged risk that can be a risk component. The hedged item is either the benchmark interest rate risk portion within the fixed rate of the hedged item or the full fixed rate and it is hedged for changes in fair value due to changes in the benchmark interest rate risk.

Sources of hedge ineffectiveness may arise from basis risk including but not limited to the discount rates used for calculating the fair value of derivatives, hedges using instruments with a non-zero fair value and notional and timing differences between the hedged items and hedging instruments.

The contractual maturity analysis of the derivative instruments are included as part of liquidity risk information in note 27.

16 NET INTEREST INCOME

Interest income from	2024	2023
Cash and cash equivalents	4,112	4,683
Placements with banks – Islamic banks	15,009	17,959
Placements with banks – Conventional banks	34,523	46,613
Debt securities at FVOCI	157,759	103,794
Loans and advances – Islamic banks	76,005	58,063
Loans and advances – Conventional banks	317,559	263,445
Amortisation of loan participation and upfront fees	27,294	29,237
Total interest income	632,261	523,794
Interest expense on		
Deposits from banks – Islamic banks	10	6
Deposits from banks – Conventional banks	35,280	20,567
Securities sold under agreement to repurchase	29,950	4,628
Deposits from corporates & shareholders – Islamic institutions	774	631
– Conventional	18,090	20,896
Term financing	60,188	42,051
Sukuk and bonds issued	270,541	248,955
Lease liability	1,244	656
Total interest expense	416,077	338,390
Net interest income	216,184	185,404

17 DIVIDEND INCOME

Equity securities at FVOCI	2024	2023
-Listed	16,645	9,530
-Unlisted	37,855	75,471
	54,500	85,001

18 NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FVTPL

	2024	2023
Loan designated at FVTPL	6,778	4,400
Investments at FVTPL	35,042	18,922
	41,820	23,322

19 FEE INCOME

	2024	2023
Agency, advisory and other services	13,335	5,755
	13,335	5,755

20 OTHER INCOME

	2024	2023
Foreign exchange (loss) / gain, net	(708)	3,354
Net (loss) / gain from hedge ineffectiveness (note 15)	(2,062)	856
Gain from sale of disposal of assets	26,052	-
Rental income	-	7
Due diligence	(1,433)	-
Fund management and custody fees	(2,954)	-
Others	(992)	907
	17,903	5,124

21 OPERATING EXPENSES

	2024	2023
Staff cost	36,011	32,333
End of service benefits (Note 14.1)	1,666	2,007
Premises costs, including depreciation	6,152	5,245
Equipment and communications costs	6,144	5,465
Key managements and board benefits, fees and charges	4,414	5,556
Consultancy and legal fee (Note 21 a)	12,308	10,918
Corporate social responsibility (CSR)	1,017	1,466
	67,712	62,990

21 (a) Auditor's remuneration

	2024	2023
Fees for the quarterly reviews and annual audit of the HQ	365	348
Fees for annual audit for Branch and other services	187	380
	552	728

22 IMPAIRMENT LOSS ON FINANCIAL INSTRUMENTS, NET

	2024	2023
Placements with banks	(44)	44
Loans and advances (Note 5)	(17,905)	6,193
Debt securities at FVOCI (Note 6)	(6,108)	(12,621)
Loan commitments and guarantees (Note 13)	(11)	(4,191)
	(24,068)	(10,575)

23 IMPAIRMENT LOSS ON OTHER ASSETS

	2024	2023
Equity accounted investees (Note 7)	-	(6,729)
	-	(6,729)

24 LEASE LIABILITIES AND RIGHT OF USE ASSETS

- (i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases (net of depreciation):

Right of use assets

	31 December 2024	31 December 2023
Carrying amount at the beginning of year	22,457	23,409
Depreciation charge for the year (note 8)	(2,443)	(952)
Carrying amount at the end of year	20,014	22,457

Right of use assets are included in Property and equipment.

Lease liabilities

	31 December 2024	31 December 2023
Carrying amount at the beginning of year	22,637	23,409
Finance cost	1,244	656
Lease payments during the year	(2,948)	(1,428)
Carrying amount at the end of year*	20,933	22,637

* Lease liabilities are included in the other liabilities

- (ii) Amounts recognised in the consolidated statement of income

The consolidated statement of income shows the following amounts relating to leases:

	31 December 2024	31 December 2023
Depreciation charge of right-of-use assets (note 8)	2,443	952
Interest expense on lease liabilities	1,244	656

- (iii) Minimum lease payment

The minimum lease payments as at the date of the consolidated statement of financial position are as follows:

	Gross future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	2,946	1,145	1,801
Between one to five years	12,491	3,464	9,027
More than 5 years	11,267	1,162	10,105
	26,704	5,771	20,933

25 APPROPRIATIONS

The following appropriations for the year ended 31 December 2023 were approved by the shareholders on 28 April 2024.

	31 December 2024	31 December 2023
Legal reserve	27,000	23,000

26 RELATED PARTY TRANSACTIONS AND BALANCES

The Corporation's principal related parties are its shareholders. Affiliates are entities owned by shareholders. Although the Group does not transact any commercial business directly with the shareholders themselves, it is engaged in financing activities with companies, which are either controlled by the shareholder governments or over which they have significant influence. Related party balances as of 31 December 2024 and 31 December 2023 was as follows:

Loans to related parties	Nature of relationship	31 December 2024	31 December 2023
Loans outstanding – gross	Other related parties	3,875,030	3,521,503
Expected credit loss on loans outstanding	Other related parties	(68,913)	(57,543)
Commitments to underwrite and fund loans	Other related parties	639,463	783,073
Expected credit loss on commitments	Other related parties	(707)	(613)

Loans to related parties are made at prevailing market interest rates and subject to normal commercial negotiation terms. The majority of loans to related parties are syndicated, which means that participation and terms are negotiated by a group of arrangers, of which the Group may, or may not, be a leader. No loans to related parties were written-off during the year ended 31 December 2024 and 31 December 2023.

Investments in related parties	Nature of relationship	31 December 2024	31 December 2023
Investments	Other related parties	1,283,369	1,214,842
Commitments to investments	Other related parties	192,023	69,864

Others	Nature of relationship	31 December 2024	31 December 2023
Deposits from corporates	Other related parties	122,513	457,936
Deposits from shareholders	Shareholders	158,142	130,560
Term financing	Other related parties	500,000	500,000
Dividend payable to shareholders	Other related parties	22,162	25,246

Term financing from a related party relates to financing corporate lending. The rate of this financing is three-months average SOFR plus 62 basis points which does not include any covenants.

Deposits from related parties (corporate and shareholders) relates to short-term funding needs. Interest rate on these deposits is three-month average SOFR plus basis point ranging from 40 to 60.

For key management personnel transactions refer to the summarized table below:

	31 December 2024	31 December 2023
Key management salaries and related compensations*	6,766	6,204
End of service benefits accrued	2,020	2,033
Board of directors' remunerations and related committees	4,414	4,450

* Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities at the Group level.

26 RELATED PARTY TRANSACTIONS AND BALANCES

(continued)

Significant transactions with related parties in the ordinary course of business included in the consolidated financial statements are summarized below:

	Nature of relationship	31 December 2024	31 December 2023
Interest expense on deposits from corporates during the year	Other related parties	10,155	14,009
Interest expense on term financing during the year	Other related parties	27,076	26,005
Interest expense on deposits from shareholders during the year	Shareholder	9,131	7,428
Expected credit losses (reversal) / charge on loans and advances during the year	Other related parties	(11,370)	(6,892)
Expected credit losses (reversal) on commitments during the year	Other related parties	(94)	(1,096)
Interest income on loans from corporates during the year	Other related parties	286,513	171,895
Loan fees received during the year	Other related parties	10,150	2,889
Dividends received during the year	Other related parties	54,376	85,097

27 FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring risk management policies.

The risk management policies are established to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities. The Corporation, through its training as well as management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Board Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit and Risk Committee.

For the year ended 31 December 2024 and 2023, the Group is exposed to credit risk, liquidity risk, market risk, operational risk and capital management risk details relating to which are disclosed below:

(a) Credit risk management

Credit risk is the risk that a borrower or counterparty of the Corporation will be unable or unwilling to meet a commitment that it has entered into with the Corporation, causing a financial loss to the Corporation. It arises from the lending, treasury and other activities

undertaken by the Corporation. Policies and procedures have been established for the control and monitoring of all such exposures. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities. There is also credit risk in off consolidated statement of financial position financial instruments, such as commitments.

Proposed loans and investments are subject to detailed due diligence, analysis and appraisal before being reviewed by the Credit and Investments Committee (consisting of the CEO and Senior Managers of the Corporation), which makes appropriate recommendations to the Board of Directors, who have the ultimate authority to sanction commitments. These procedures, plus the fact that most of the loans are sponsored by sovereign and semi sovereign entities limit the Corporation's exposure to credit risk.

The Corporation faces a credit risk on undrawn commitments because it is potentially exposed to loss in an amount equal to the total unused commitments. However, the eventual loss, if any, will be considerably less than the total unused commitments since most commitments to extend credit are contingent upon borrowers maintaining specified credit standards. All loan commitments, whether drawn or undrawn, are subject to systematic monitoring so that potential problems may be detected early and remedial actions taken.

Treasury activities are controlled by means of a framework of limits and external credit ratings. Dealing in marketable securities is primarily restricted to GCC countries, the United States and major European and Asian stock exchanges. Dealings are only permitted with approved internationally rated banks, brokers and other counterparties. Securities portfolios and investing policies are reviewed from time to time by the Assets and Liabilities Committee ("ALCO").

27 FINANCIAL RISK MANAGEMENT

(continued)

Credit risk grades

The Corporation allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in probability of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of exposures involves use of the following data:

- Information obtained during periodic review of customer files- e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes;
- Data from credit reference agencies, press articles, changes in external credit ratings;
- Quoted bond and credit default swap (CDS) prices for the borrower where available;
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities;
- Payment record including overdue status; and
- Utilisation of the granted limit.

The Corporation uses credit risk grades as a primary input into the determination of the term structure of the PD for exposure.

The Corporation collects performance and default information about its credit exposure analysed by jurisdiction or region and by type of product and borrower as well as credit risk grading. The information used is based on the internally generated rating model. The internal credit grade system is not intended to replicate external credit grades, but factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a lower internal credit grade. Lower grades are indicative of a higher likelihood of default. Credit ratings are used by the Corporation to decide the maximum lending amount per transaction and to set minimum pricing thresholds.

The Corporation monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Corporation will measure the loss allowance based on lifetime rather than 12-month ECL.

Amounts arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group classifies its financing into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 (12 month ECL): When a financing is first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 financing also include facilities where the credit risk has improved and the financing has been reclassified from Stage 2.

Stage 2 (Life time ECL not credit impaired): When a financing has shown a significant increase in credit risk ("SICR") since origination, the Group records an allowance for the Lifetime ECL. Stage 2 financing also include facilities, where the credit risk has improved and the financing has been reclassified from Stage 3.

Stage 3 (Lifetime ECL credit impaired): Financing considered credit-impaired. The Group records an allowance for the Lifetime ECL.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage / range.

The remaining Lifetime PD at the reporting date has increased, compared to the residual lifetime PD expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold per the table below:

Lifetime PD band at initial recognition Ranges of PD	Increase in lifetime PD at reporting date which is considered significant
≤ 0.03%	17bps
> 0.03% and ≤0.14%	6bps
> 0.14% and ≤0.2%	1bps

Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Significant increase in credit risk is also evaluated based on the credit monitoring framework, including decrease in internal rating and macroeconomic factors and is subject to management overrides.

For loans and advances and investment portfolio, if the borrower is on the watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic condition in which the borrower operates
- Actual or expected significant adverse change in operating results of the borrower
- Early signs of cashflow/liquidity problems such as delay in servicing of loans.

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all loans and advances held by the Group/ In relation to investment portfolio, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Credit Risk Committee.

The Corporation monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- the criteria do not align with the point in time when an asset becomes 30 days past due;

27 FINANCIAL RISK MANAGEMENT

(continued)

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Corporation collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Corporation employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience and geopolitical situation) on the risk of default. For most exposures, key macro-economic indicators include GDP growth (refer economic indicators below).

The Corporation has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used the key indicators for the selected countries such as the interest rates and the GDP growth.

incorporation of forward-looking information

The Corporation incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the ALCO and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Corporation then uses these forecasts to adjust its estimates of PDs. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by independent external agencies.

The base case represents a most-likely outcome and provides the best estimate view of the economy. The other scenarios represent more optimistic (upside or improved) and more pessimistic (downside or stressed) outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. Considering that major loans and advances exposure of the Group is relating to energy sector, therefore, the economic scenarios used as at 31 December 2024 included the following ranges of key indicators for selected countries:

Economic indicators

	31 December 2024	31 December 2023
Oil prices, CPI, GDP growth, Real interest rate and Central Govt. revenue and Central Govt. expenditure	Improved case 10%	Improved case 10%
	Base case 60%	Base case 60%
	Stressed case 30%	Stressed case 30%

Sensitivity of ECL allowance

Given current economic conditions and the judgment applied to factors used in determining the expected default of loans and advances in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

Due to impracticability to disclose the extend of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. The Group within reasonably possibility, on the basis of existing knowledge, that outcomes within the next financial year might be different from the current assumption and could require a material adjustment to the carrying amount of the asset affected.

27 FINANCIAL RISK MANAGEMENT

(continued)

Credit quality analysis

The Group's internal credit rating grades are disclosed as follows:

Grade	Class	Grade description	Moody's
AAA	Standard	Exceptionally creditworthiness	Aaa
AA	Standard	Very strong creditworthiness	Aa1 Aa2 Aa3
A	Standard	Strong creditworthiness	A1 A2 A3
BBB	Standard	Above average creditworthiness	Baa1 Baa2 Baa3
BB	Standard	Average creditworthiness	Ba1 Ba2 Ba3
B	Standard	Weak creditworthiness	B1 B2 B3
C	Standard	Very weak creditworthiness	Caa1 Caa2 Caa3
DDD	Sub-standard	Un-defined	Ca
DD	Doubtful	Un-defined	Ca
D	Loss	Un-defined	C

The following table sets out information about credit quality of financial assets measured at amortised cost and debt investment securities at FVOCI. For loan commitments and financial guarantee contracts, the amounts in the table represents the amounts committed or guaranteed respectively. In addition, the Group also uses external ratings from major rating agencies where available.

(i) Placements with banks at amortised cost

2024	Stage 1	Stage 2	Stage 3	Total
AAA to AA	150,000	-	-	150,000
A	157,392	-	-	157,392
BBB	-	-	-	-
BB to B	-	-	-	-
Gross amount	307,392	-	-	307,392
ECL Allowance	(78)	-	-	(78)
Carrying Amount	307,314	-	-	307,314
2023	Stage 1	Stage 2	Stage 3	Total
AAA to AA	446,604	-	-	446,604
A	128,407	-	-	128,407
BBB	2,320	-	-	2,320
BB to C	46,656	3,524	-	50,180
Gross amount	623,987	3,524	-	627,511
ECL Allowance	(33)	(1)	-	(34)
Carrying Amount	623,954	3,523	-	627,477

27 FINANCIAL RISK MANAGEMENT

(continued)

(ii) Investments in debt securities at measured at FVOCI

2024	Stage 1	Stage 2	Stage 3	Total
AAA to AA	1,449,592	-	-	1,449,592
A	1,229,342	-	-	1,229,342
BBB	357,019	-	-	357,019
BB to B	-	133,862	15,277	149,139
Carrying Amount	3,035,953	133,862	15,277	3,185,092

2023	Stage 1	Stage 2	Stage 3	Total
AAA to AA	1,224,944	3,309	-	1,228,253
A	1,090,908	2,550	-	1,093,458
BBB	393,642	3,674	-	397,316
BB to B	29,633	169,702	15,040	214,375
Carrying Amount	2,739,127	179,235	15,040	2,933,402

(iii) Loans and advances at amortised cost

2024	Stage 1	Stage 2	Stage 3	Total
AAA to AA	503,874	-	-	503,874
A	2,122,397	-	-	2,122,397
BBB	1,942,359	101,285	-	2,043,644
BB to C	-	980,250	-	980,250
D	-	-	26,360	26,360
Gross amount	4,568,630	1,081,535	26,360	5,676,525
ECL Allowance	(11,571)	(77,338)	(26,360)	(115,269)
Carrying Amount	4,557,059	1,004,197	-	5,561,256

2023	Stage 1	Stage 2	Stage 3	Total
AAA to AA	522,369	-	-	522,369
A	1,782,737	-	-	1,782,737
BBB	1,030,768	197,975	-	1,228,743
BB to C	288,995	844,430	-	1,133,425
D	-	-	36,526	36,526
Gross amount	3,624,869	1,042,405	36,526	4,703,800
ECL Allowance	(4,001)	(56,837)	(36,526)	(97,364)
Carrying Amount	3,620,868	985,568	-	4,606,436

27 FINANCIAL RISK MANAGEMENT

(continued)

(iv) Loans commitments and guarantees

2024	Stage 1	Stage 2	Stage 3	Total
AAA to AA	106,583	-	-	106,583
A	922,346	-	-	922,346
BBB	1,418,204	-	-	1,418,204
BB to C	-	292,737	-	292,737
Gross amount	2,447,133	292,737	-	2,739,870
ECL Allowance	(3,238)	(10,540)	-	(13,778)
Carrying Amount	2,443,895	282,197	-	2,726,092

2023	Stage 1	Stage 2	Stage 3	Total
AAA to AA	13,414	-	-	13,414
A	157,371	4,510	-	161,881
BBB	1,529,190	126,052	-	1,655,242
BB to C	151,903	332,200	-	484,103
Gross amount	1,851,878	462,762	-	2,314,640
ECL Allowance	(1,796)	(11,971)	-	(13,767)
Carrying Amount	1,850,082	450,791	-	2,300,873

Climate-related risk

Climate-Related Risk refers to the potential negative impacts of Climate Change on an organization. It includes the potential for adverse effects on lives, livelihoods, health status, economic, social, and cultural assets, services (including environmental), and infrastructure due to climate change. Other than as disclosed in note 3 (n) of these consolidated financial statements, management believes the Group has limited exposure to climate related risk.

Concentration risk

Concentration of risk arises when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentration risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. The Group seeks to manage its risk exposure through diversification of its activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or market sectors. The Corporation monitors concentration of credit risk by sector and by geographic location. The Group did not have significant risk concentrations on 31 December 2024 and 31 December 2023. An analysis of concentration of risk at the reporting date is shown below;

The Corporation monitors concentration of credit risk by sector and by geographic location.

27 FINANCIAL RISK MANAGEMENT

(continued)

Concentration of credit risk by sector	Loans and advances (note 5)		Placements with banks (note 4)		Debt securities at FVOCI (note 6)	
	2024	2023	2024	2023	2024	2023
Energy	2,608,339	1,929,437	-	-	276,685	277,650
Materials	714,013	803,764	-	-	26,410	46,886
Financials and Sovereign	-	12,690	307,314	627,477	2,665,787	2,437,418
Utilities	2,099,839	1,658,596	-	-	99,170	57,622
Industrials	182,601	244,136	-	-	117,040	113,826
Carrying amount at 31 December	5,604,792	4,648,623	307,314	627,477	3,185,092	2,933,402
Concentration of credit risk by location	2024	2023	2024	2023	2024	2023
Kingdom of Saudi Arabia	2,090,039	1,723,449	160,213	-	496,442	143,317
State of Qatar	477,287	427,639	30,000	-	63,699	140,505
Other Gulf Cooperation Council states	1,847,172	1,764,448	31,500	394,114	598,842	807,815
Egypt and North Africa	258,830	191,119	-	-	9,958	75,939
Total Arab World	4,673,328	4,106,655	221,713	394,114	1,168,941	1,167,576
Europe	314,043	180,354	85,601	162,363	233,633	268,616
Asia and Oceania	449,431	196,940	-	26,000	466,795	103,275
United States	167,990	164,674	-	45,000	1,315,723	1,393,935
Carrying amount at 31 December	5,604,792	4,648,623	307,314	627,477	3,185,092	2,933,402

The industry distribution of the Group's assets and liabilities was as follows:

Assets	31 December 2024	31 December 2023
Energy	2,998,734	2,287,643
Materials	832,831	865,007
Financials & Sovereign Financials	4,661,253	4,724,167
Utilities	2,190,438	1,711,950
Industrials	234,748	292,650
Total assets at 31 December	10,918,004	9,881,417
Liabilities and equity		
Energy	2,660	53,038
Financials & Sovereign	7,561,816	6,659,436
Equity	3,353,528	3,168,943
Total liabilities and equity at 31 December	10,918,004	9,881,417
Commitments and guarantees		
Energy	1,262,358	1,304,668
Materials	258,945	418,209
Financials	356,634	198,637
Utilities	1,023,530	430,508
Industrials	32,482	34,047
Total commitments and guarantees at 31 December	2,933,949	2,386,069

27 FINANCIAL RISK MANAGEMENT

(continued)

The geographical distribution of risk of the Group's assets and liabilities, after taking into account insurance and third-party guarantees, was as follows:

Assets	31 December 2024	31 December 2023
Kingdom of Saudi Arabia	6,674,635	6,107,407
State of Qatar	481,453	418,332
Other Gulf Cooperation Council states	2,287,506	2,072,301
Egypt and North Africa	376,268	313,499
Total Arab world	9,819,862	8,911,539
Europe	458,173	489,333
Asia and Oceania	387,768	247,282
United States	162,298	87,045
Other North and South America	89,903	146,218
Total assets	10,918,004	9,881,417
Liabilities and equity		
Kingdom of Saudi Arabia	6,391,816	5,247,791
State of Qatar	339,242	542,313
Other Gulf Cooperation Council states	2,790,974	2,202,843
Other Middle East states	718,717	466,798
Egypt and North Africa	563,626	1,022,557
Total Arab world	10,804,375	9,482,302
Europe	105,609	161,145
Asia and Oceania	2,749	232,699
Other North and South America	5,271	5,271
Total liabilities and equity	10,918,004	9,881,417
Commitments and financial guarantees		
Kingdom of Saudi Arabia	1,120,320	483,904
Other Gulf Cooperation Council states	575,597	510,610
Egypt and North Africa	282,610	287,850
Total Arab world	1,978,527	1,282,364
Europe	274,851	508,369
Asia and Oceania	338,707	237,758
United States	341,864	357,578
Total Commitments and financial guarantees	2,933,949	2,386,069

(b) Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management has diversified funding sources in addition to its core issued Sukuk and bonds and term financing, manages assets with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities and monitors future cash flows and liquidity on daily basis.

Management monitors the maturity profile to ensure that adequate liquidity is maintained. The weekly liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by Asset and Liability Committee ("ALCO"). A summary report, covering the Group and operating subsidiaries, including any exceptions and remedial action taken, is submitted monthly to ALCO. Furthermore, APICORP has a board-approved Contingency Funding Plan (CFP) to define relevant actions and responsibilities should the Corporation encounter a severe liquidity crisis. The Group should monitor the triggers and early warning indicators for activating the Contingency Funding Plan, along with the associated strategies for addressing liquidity shortfalls.

The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Treasury Department then provides for an adequate portfolio of short-term liquid assets, largely made up of short-term liquid trading securities and placements with banks, to ensure that sufficient liquidity is maintained within the Group as a whole

Analysis of undiscounted financial liabilities by remaining contractual maturities

The table on the next page summarizes the maturity profile of Group's financial liabilities on 31 December 2024 and 31 December 2023, based on contractual undiscounted repayment obligations. The table below summarises the maturity profile of the Group's financial liabilities. The contractual maturities of liabilities have been determined based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows:

27 FINANCIAL RISK MANAGEMENT

(continued)

2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Contractual Outflows	Carrying Value
Liabilities						
Deposits	(775,858)	-	-	-	(775,858)	(774,632)
Securities sold under agreements to repurchase	-	-	(451,474)	-	(451,474)	(446,785)
Term financing	-	-	(1,474,928)	-	(1,474,928)	(1,455,955)
Sukuk and bonds issued	(25,000)	(1,187,405)	(3,397,427)	-	(4,609,832)	(4,601,975)
	(800,858)	(1,187,405)	(5,323,829)	-	(7,312,092)	(7,279,347)
Derivative instruments:						
Negative fair value of derivatives	(50,842)	(16,365)	(101,758)	(3,131)	(172,096)	(172,096)
Off-balance sheet exposures	(197,025)	(585,953)	(1,019,342)	(1,131,629)	(2,933,949)	(2,933,949)
	(1,048,725)	(1,789,723)	(6,444,929)	(1,134,760)	(10,418,137)	(10,385,392)

2023	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Contractual Outflows	Carrying Value
Liabilities						
Deposits	(1,093,708)	(190,604)	-	-	(1,284,312)	(1,270,431)
Securities sold under agreements to repurchase	-	(51,782)	(456,726)	-	(508,508)	(500,520)
Term financing	-	-	(971,174)	-	(971,174)	(957,578)
Sukuk and bonds issued	(19,567)	(653,321)	(3,013,661)	-	(3,686,549)	(3,653,558)
	(1,113,275)	(895,707)	(4,441,561)	-	(6,450,543)	(6,382,087)
Derivative instruments:						
Negative fair value of derivatives	(31,523)	(3,957)	(182,213)	(13,472)	(231,165)	(231,165)
Off-balance sheet exposures	(180,777)	(655,863)	(1,186,438)	(362,991)	(2,386,069)	(2,386,069)
	(1,325,575)	(1,555,527)	(5,810,212)	(376,463)	(9,067,777)	(8,999,321)

27 FINANCIAL RISK MANAGEMENT

(continued)

The maturity profile of the Group's assets and liabilities is set out below.

31 December 2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Assets					
Cash and cash equivalents	137,016	-	-	-	137,016
Placements with banks, net	157,367	3,027	79,563	-	239,957
Positive fair value of derivatives	16,657	21,110	35,972	14,536	88,275
Loans and advances, net	167,798	500,780	2,310,968	2,625,246	5,604,792
Investments, net	1,354,247	75,641	1,041,146	2,247,360	4,718,394
Equity accounted investee, net	-	-	-	96,189	96,189
Other assets	145	1,014	2,212	-	3,371
Property and equipment and right of use assets	-	-	-	30,010	30,010
Total assets	1,833,230	601,572	3,469,861	5,013,341	10,918,004
Liabilities					
Deposits	(774,632)	-	-	-	(774,632)
Securities sold under repurchase agreements	(1,244)	-	(445,541)	-	(446,785)
Negative fair value of derivatives	(50,842)	(16,365)	(76,922)	(27,967)	(172,096)
Other liabilities	(4,962)	(28,523)	(69,373)	(10,175)	(113,033)
Term financing	(4,539)	(1,508)	(1,449,908)	-	(1,455,955)
Sukuk and bonds issued	(49,980)	(1,201,764)	(3,350,231)	-	(4,601,975)
Off-balance sheet exposures:					
Commitments to underwrite and fund loans	(25,000)	(375,165)	(607,049)	(1,099,148)	(2,106,362)
Letters of credit	(146,649)	(61,418)	(52,850)	-	(260,917)
Letters of guarantee	(25,376)	(147,314)	(167,420)	(32,481)	(372,591)
Commitments to subscribe capital investments	-	-	(192,023)	-	(192,023)
Other commitments	-	(2,056)	-	-	(2,056)
Total liabilities	(1,083,224)	(1,834,113)	(6,411,317)	(1,169,771)	(10,498,425)
Maturity gap	750,006	(1,232,541)	(2,941,456)	3,843,570	419,579

31 December 2023	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Assets					
Cash and cash equivalents	211,575	-	-	-	211,575
Placements with banks, net	331,865	-	175,986	-	507,851
Asset held for sale	12,643	-	-	-	12,643
Positive fair value of derivatives	16,918	9,327	38,466	2,092	66,803
Loans and advances, net	105,156	318,085	2,139,281	2,086,101	4,648,623
Investments, net	1,033,886	110,332	1,246,522	1,951,251	4,341,991
Equity accounted investee, net	-	-	-	54,429	54,429
Other assets	253	1,358	2,044	-	3,655
Property and equipment and right of use assets	-	-	-	33,847	33,847
Total assets	1,712,296	439,102	3,602,299	4,127,720	9,881,417
Liabilities					
Deposits	(1,087,066)	(183,365)	-	-	(1,270,431)
Securities sold under repurchase agreements	(1,484)	(49,500)	(449,536)	-	(500,520)
Negative fair value of derivatives	(31,523)	(3,957)	(182,213)	(13,472)	(231,165)
Other liabilities	(1,271)	(4,878)	(93,073)	-	(99,222)
Term financing	(5,553)	(2,025)	(950,000)	-	(957,578)
Sukuk and bonds issued	-	(631,736)	(3,021,822)	-	(3,653,558)
Off-balance sheet exposures:					
Commitments to underwrite and fund loans	(105,885)	(504,981)	(948,489)	(357,578)	(1,916,933)
Letters of credit	(12,387)	(93,650)	(25,000)	-	(131,037)
Letters of guarantee	(266,670)	-	-	-	(266,670)
Commitments to subscribe capital investments	-	-	(69,864)	-	(69,864)
Other commitments	-	(1,565)	-	-	(1,565)
Total liabilities	(1,511,839)	(1,475,657)	(5,739,997)	(371,050)	(9,098,543)
Maturity gap	200,457	(1,036,555)	(2,137,698)	3,756,670	782,874

27 FINANCIAL RISK MANAGEMENT

(continued)

The entire portfolio of placements with bank, investments held at FVTPL, is classified within demand and less than one month based on management's assessment of the portfolio's realisability.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

Management believes that despite a substantial portion of deposits, diversification of these deposits by type of depositors, and the past experience of the Group would indicate that these deposit accounts provide a long-term and stable source of funding for the Group.

c) Market risk management

Market risk is the risk that changes in market factors, such as interest rate, equity prices and foreign exchange rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis.

Market Risk metrics are measured and monitored on a continuous basis through the use of dedicated systems approved by ALCO.

Treasury & Capital Market department take appropriate steps to maintain and update market risk systems to monitor and manage market risks as well as to conduct stress tests. In addition to Board level limits, Early Warning Indicators are established within the Board limits to permit proactive management of market risk.

The Corporation holds (but currently does not actively trade) debt and equity securities. Treasury activities are controlled by the ALCO and are also subject to a framework of Board-approved currency, industry and geographical limits and ratings by credit rating agencies.

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates, foreign exchange rates and equity prices.

Interest rate risk: Loans and advances are normally denominated in United States dollars, as is the Corporation's funding, and interest rates for both are normally linked to SOFR. The Corporation's exposure to interest rate fluctuations on certain financial assets and liabilities is also hedged by entering into interest rate swap agreements.

Exposure to interest rate risk is restricted by permitting only a limited mismatch between the re-pricing of the main components of the Corporation's assets and liabilities. Corporation monitors on a regular basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The repricing profile of the Group's interest-bearing financial assets and financial liabilities at 31 December was as follows:

31 December 2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Non-interest bearing	Total
Assets						
Cash and cash equivalents	137,016	-	-	-	-	137,016
Placements with banks	237,290	2,667	-	-	-	239,957
Positive fair value of derivatives	44,779	43,496	-	-	-	88,275
Loans and advances	3,933,185	1,628,071	-	43,536	-	5,604,792
Investments						
Investments at FVOCI	1,343,607	57,426	1,114,398	669,661	-	3,185,092
Equity securities at FVOCI	-	-	-	-	1,016,161	1,016,161
Investments at FVTPL	1,551	635	11,367	34,660	468,928	517,141
Equity accounted investees	-	-	-	-	96,189	96,189
Other assets	-	-	-	-	3,371	3,371
Liabilities						
Deposits	(774,632)	-	-	-	-	(774,632)
Negative fair value of derivatives	(167,259)	(4,837)	-	-	-	(172,096)
Other liabilities	-	-	-	-	(113,033)	(113,033)
Securities sold under agreements to repurchase	(446,785)	-	-	-	-	(446,785)
Term financing	(1,004,447)	(451,508)	-	-	-	(1,455,955)
Sukuk and bonds issued	(1,277,249)	(3,324,726)	-	-	-	(4,601,975)
Interest rate sensitivity gap	2,027,056	(2,048,776)	1,125,765	747,857	1,471,616	3,323,518
Cumulative gap	2,027,056	(21,720)	1,104,045	1,851,902	3,323,518	-

31 December 2023	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Non-interest bearing	Total
Assets						
Cash and cash equivalents	211,575	-	-	-	-	211,575
Placements with banks	507,851	-	-	-	-	507,851
Positive fair value of derivatives	33,887	32,916	-	-	-	66,803
Loans and advances	3,235,243	1,371,193	-	42,187	-	4,648,623
Investments						
Investments at FVOCI	1,296,713	77,935	1,003,207	555,547	-	2,933,402
Equity securities at FVOCI	-	-	-	-	1,115,569	1,115,569
Investments at FVTPL	329	821	7,916	36,994	246,960	293,020
Equity accounted investees	-	-	-	-	54,429	54,429
Other assets	-	-	-	-	3,655	3,655
Liabilities						
Deposits	(1,092,431)	(178,000)	-	-	-	(1,270,431)
Negative fair value of derivatives	(224,668)	(6,497)	-	-	-	(231,165)
Other liabilities	-	-	-	-	(99,222)	(99,222)
Securities sold under agreements to repurchase	(451,948)	(48,572)	-	-	-	(500,520)
Term financing	(604,731)	(352,847)	-	-	-	(957,578)
Sukuk and bonds issued	(1,708,651)	(1,944,907)	-	-	-	(3,653,558)
Interest rate sensitivity gap	1,203,169	(1,047,958)	1,011,123	634,728	1,321,391	3,122,453
Cumulative gap	1,203,169	155,211	1,166,334	1,801,062	3,122,453	-

27 FINANCIAL RISK MANAGEMENT (continued)

Non-derivative financial assets and liabilities
The Group's exposure to its floating non-derivative financial assets and liabilities is linked to SOFR.

rate benchmark reforms and assessment of economic relationship between hedged items and hedging instruments.

Derivatives
The Group's interest rate derivative instruments have floating legs predominantly linked to USD LIBOR. Such instruments are governed by the International Swaps and Derivatives Association (ISDA) Master Agreements. ISDA has defined a fall-back logic (ISDA protocol) to replace the LIBOR fixings following the transition. These fall-back rates are published by Bloomberg Index Securities Limited for use in legacy derivatives contracts. The existing contracts can be transitioned to these alternatives.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Corporation's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a periodic basis include a 100 basis point (bp) parallel fall or 100 basis point (bp) rise in all yield curves worldwide. An analysis of sensitivity of the Corporation's consolidated statement of income and equity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant consolidated statement of financial position) is as follows:

	100 bp parallel increase		100 bp parallel decrease	
	Income	Equity	Income	Equity
At 31 December 2024	19,346	336	(19,346)	(336)
At 31 December 2023	16,801	334	(16,801)	(334)

27 FINANCIAL RISK MANAGEMENT

(continued)

At reporting date, the interest rate profile of the Corporation's interest-bearing financial instruments was:

	2024	2023
Fixed rate instruments		
Financial assets	7,663,625	5,903,129
Financial liabilities	(5,995,016)	(5,493,996)
	1,668,609	409,133
Variable rate instruments		
Financial assets	7,479,567	8,156,623
Financial liabilities	(7,267,412)	(6,764,694)
	212,155	1,391,929

Currency risk is minimised by regular review of exposures to currencies other than United States dollars to ensure that no significant positions are taken, which may expose the Corporation to undue risks. Currently, there is no trading in foreign exchange. Risk Management Committee monitors and assess all market risk metrics semi-annually including, interest rate risk, forex risk, credit spread risk, and equity price risk, along with any recorded limit breaches.

An analysis of the Corporation's consolidated statement of income sensitivity to 5% strengthening or 5% weakening of US dollar against major un-pegged foreign currencies is shown below. This analysis assumes that all other variables, in particular interest rates, remain same.

At 31 December 2024	5% strengthening of USD	5% weakening of USD
EGP	(84)	84
EUR	6,355	(6,355)
GBP	7,981	(7,981)
KWD	(1,360)	1,360
At 31 December 2023		
EGP	(186)	186
EUR	(264)	264
GBP	(788)	788
KWD	(8,122)	8,122

The Corporation's net currency exposures are as follows:

Assets, liabilities and equity	Assets	Liabilities and equity	31 December 2024	31 December 2023
			Net Exposure	Net Exposure
United States dollar	10,315,392	(10,170,592)	144,800	(613,486)
Euro	23,567	(158,191)	(134,624)	5,541
Other OECD currencies	36,641	(204,220)	(167,579)	20,458
Asia Pacific currencies	9,610	(369,777)	(360,167)	(84,090)
Arab currencies				
GCC currencies	532,794	(15,224)	517,570	671,577
	10,918,004	(10,918,004)	-	-

Commitments and guarantees	31 December 2024	31 December 2023
United States dollar	2,806,743	2,326,673
Saudi Riyal	45,352	44,877
Kuwaiti Dinar	13,053	14,519
Euro	68,801	-
	2,933,949	2,386,069

GCC

The member states of the Gulf Co-operation Council are: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Their currencies except for Kuwait are pegged against the United States dollar.

Significant exchange rates

The following year-end rates have been used in translating other currencies to United States dollars:

		2024	2023
Euro	EUR 1=US\$	1.0407	1.1016
Saudi riyal	SAR 1=US\$	0.2666	0.2666
Swiss franc	CHF 1=US\$	0.9037	1.1497
British pound	GBP 1=US\$	1.2550	1.2851
Egyptian pound	EGP 1=US\$	0.0196	0.0323

27 FINANCIAL RISK MANAGEMENT

(continued)

Since the Group's net foreign currency exposures to currencies other than US dollar and GCC currencies is not significant, the sensitivity of fluctuation in the currencies will not be significant.

Equity prices risk is the risk that Corporations quoted equity investments will depreciate in value due to movements in the quoted equity prices. The overall authority of equity prices risk management is vested in ALCO. APICORP manages the equity risk by reducing its exposure to public equities except in relatively longer-term strategic and mandate-driven investment, which are not influenced by

short-term market movements. Strategic investment in managed funds and trading equity investments are managed by the investments and / or portfolio management teams, are monitored separately by Risk and compliance department. Periodical listed equity prices movements are reviewed by executive management and ALCO.

Fair valuation of managed Fund are monitored by the Investment department. Details of unobservable inputs are disclosed under note 29 of these consolidated financial statements.

The effect on the Group's investments due to reasonable possible change in market indices, with all other variables held constant is as follows:

Security types	31 December 2024		31 December 2023	
	Change in investment price %	Effect in USD '000	Change in investment price %	Effect in USD '000
Equity securities at FVOCI – Re-tained earnings				
Unlisted equities	+/- 5	45,691 / (45,691)	+/- 5	49,045 / (49,045)
Listed equities	+/- 5	5,117 / (5,117)	+/- 5	6,733 / (6,733)
Investments at FVTPL – Statement of income				
Managed funds	+/- 5	13,704 / (13,704)	+/- 5	2,564 / (2,564)
Listed equities	+/- 5	9,781 / (9,781)	+/- 5	9,784 / (9,784)

d) Operational risk

Operational risk is the risk of unexpected losses resulting from inadequate or failed internal controls or procedures, systems failures, fraud, business interruption, compliance breaches, human error, management failure or inadequate staffing. A framework and methodology has been developed to identify and control the various operational risks. While operational risk cannot be entirely eliminated, it is managed and mitigated by ensuring that the appropriate infrastructure, controls, systems, procedures, and trained and competent people are in place throughout the Corporation. A strong internal audit function makes regular, independent appraisals of the control environment in all identified risk areas. Adequately tested contingency arrangements are also in place to support operations in the event of a range of possible disaster scenarios.

e) Capital management

The Corporation manages its capital to ensure that entities in the Corporation will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Corporation consists of net debt and equity of the Corporation. The Corporation is not subject to any externally imposed capital requirements.

28 EFFECTIVE INTEREST RATES

The weighted average effective interest rates of the Group's financial instruments at the reporting date were:

	2024	2023
Interest-bearing financial assets		
Fixed-rate bonds	4.90%	3.12%
Floating-rate bonds	5.60%	6.56%
Placements with banks	5.03%	5.21%
Loans and advances	6.40%	7.54%
US dollar denominated	6.40%	7.54%
Non-US dollar denominated	5.79%	7.50%
Interest-bearing financial liabilities		
Deposits from banks	4.87%	5.77%
Deposits from corporates	4.89%	5.79%
Deposits from shareholders	4.52%	6.11%
Securities sold under repurchase agreements	5.31%	6.16%
Bank term financing	5.14%	6.06%
Sukuk and Bonds	2.65%	2.61%
US\$ SOFR as at 31 December was:		
One-month	4.34%	5.35%
Three-month	4.31%	5.33%
Six-month	4.26%	5.16%

29 FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. as derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

29 FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

b) Fair value hierarchy (continued)

The table below analyses financial instruments, measured at fair value as at the end of the year, by level in the fair value hierarchy into which the fair value measurement is categorized:

31 December 2024	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Loans and advances at FVTPL	43,536	-	-	43,536	43,536
Debt securities at FVOCI:					
• Treasury Bill	1,224,190	-	1,224,190	-	1,224,190
• Fixed-rate bonds	1,781,469	-	1,781,469	-	1,781,469
• Floating-rate bonds	155,027	-	155,027	-	155,027
Investments at FVTPL					
Debt securities	48,213	48,213	-	-	48,213
Managed funds	273,303	-	143,974	129,329	273,303
Listed equities	195,625	195,625	-	-	195,625
Equity securities at FVOCI					
Unlisted equities	913,815	-	-	913,815	913,815
Listed equities	102,346	102,346	-	-	102,346
Positive fair value of derivatives	88,275	-	88,275	-	88,275
	4,825,799	346,184	3,392,935	1,086,680	4,825,799
Financial assets not measured at fair value					
Cash and cash equivalents	137,016	-	-	137,016	137,016
Placements with banks, net	239,957	-	-	239,957	239,957
Loans and advances, net	5,561,256	-	-	5,561,256	5,561,256
Equity accounted investees, net	96,189	-	-	96,189	96,189
	6,034,418	-	-	6,034,418	6,034,418
	10,860,217	346,184	3,392,935	7,121,098	10,860,217

31 December 2024	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value					
Negative fair value of derivatives	172,096	-	172,096	-	172,096
Financial liabilities not measured at fair value					
Deposits	774,632	-	-	774,632	774,632
Securities sold under repurchase agreements	446,785	-	-	446,785	446,785
Term financing	1,455,955	-	-	1,455,955	1,455,955
Sukuk and bonds issued	4,607,831	-	4,607,831	-	4,607,831
	7,457,299	-	4,779,927	2,677,372	7,457,299

31 December 2023	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Loans and advances at FVTPL	42,187	-	-	42,187	42,187
Debt securities at FVOCI:					
• Treasury Bill	878,386	-	878,386	-	878,386
• Fixed-rate bonds	1,844,743	-	1,844,743	-	1,844,743
• Floating-rate bonds	188,666	-	188,666	-	188,666
Investments at FVTPL					
Debt securities	46,060	46,060	-	-	46,060
Managed funds	102,050	-	50,777	51,273	102,050
Listed equities	144,910	144,910	-	-	144,910
Equity securities at FVOCI					
Unlisted equities	980,907	-	-	980,907	980,907
Listed equities	134,662	134,662	-	-	134,662
Positive fair value of derivatives	66,803	-	66,803	-	66,803
	4,429,374	325,632	3,029,375	1,074,367	4,429,374

Financial assets not measured at fair value					
Cash and cash equivalents	211,575	-	-	211,575	211,575
Placements with banks, net	507,851	-	-	507,851	507,851

29 FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

b) Fair value hierarchy (continued)

31 December 2023	Carrying Value	Level 1	Level 2	Level 3	Total
Loans and advances, net	4,606,436	-	-	4,606,436	4,606,436
Equity accounted investees, net	54,429	-	-	54,429	54,429
	5,380,291	-	-	5,380,291	5,380,291
	9,809,665	325,632	3,029,375	6,454,658	9,809,665
Financial liabilities measured at fair value					
Negative fair value of derivatives	231,165	-	231,165	-	231,165
Financial liabilities not measured at fair value					
Deposits	1,270,431	-	-	1,270,431	1,270,431
Securities sold under repurchase agreements	500,520	-	-	500,520	500,520
Term financing	957,578	-	957,578	-	957,578
Sukuk and bonds issued	3,653,558	-	3,653,558	-	3,653,558
	6,613,252	-	4,842,301	1,770,951	6,613,252

Level 3 valuations are reviewed monthly by the Group's Chief Investment Committee who report to the Board of Directors on a monthly basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the financial services industry. In selecting the most appropriate valuation model the committee performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

To value level 3 investments, the Group utilises comparable trading multiples. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortisation (EBITDA). The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances.

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Liabilities were discounted at the Group's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Group.

The valuation technique, inputs used in the fair value measurement of the financial assets and financial liabilities are as of 31 December 2023 are as follows:

Type	Accounting Classification	Valuation Technique
<ul style="list-style-type: none"> Investment held at FVOCI Sukuks, bonds & equities 	FVOCI	Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate, revenue and market multiple.
<ul style="list-style-type: none"> Forward foreign exchange contracts and Interest rate swaps and equities 	FVTPL	Forward foreign exchange contracts: Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves Interest rate swaps: The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves. Listed equity securities are fair valued based on market prices as available on stock exchange.

29 FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

The potential effect of using reasonable possible alternative assumptions for fair valuing equity investments classified as level 3 are summarised below:

Asset Class	Valuation technique used	Key unobservable inputs	Fair value at 31 December 2024	Weighted average input	Reasonable possible shift +/- (in average input)	Increase / (decrease) in valuation
Loans and advances	Discounted cash flow	N/A	43,536	5%-15%	+/- 1%	320 / (320)
Investments	Discounted cash flow & Market multiples approach	Illiquidity discount	1,043,144	10%-30%	+/- 1%	1,017 / (1,017)
		Cost of equity		10%-20%	+/- 1%	517 / (517)

Asset Class	Valuation technique used	Key unobservable inputs	Fair value at 31 December 2023	Weighted average input	Reasonable possible shift +/- (in average input)	Increase / (decrease) in valuation
Loans and advances	Discounted cash flow	N/A	42,187	5%-15%	+/- 1%	243/(243)
Investments	Discounted cash flow & Market multiples approach	Illiquidity discount	1,032,180	10%-30%	+/- 1%	1,729 / (1,729)
		Cost of equity		10%-20%	+/- 1%	19,664 / (19,664)

Valuation technique used for loans and advances held at FVTPL include in level 3 is discounted cash flow and for investments held at FVTPL is based on market approach (secondary market prices). Investment in listed equity securities held at FVOCI are valued using quoted market prices and investment in unlisted equity securities held a FVOCI are valued using discounted cash flows and market multiples. Sukuks and Bonds are valued using discounted cash flow techniques.

There were no changes in valuation technique for other level 3 recurring fair value measurements during the year ended 31 December 2024.

b) Fair value hierarchy (continued)

Movement of Level 3 fair value measurements

	31 December 2024	31 December 2023
Balance at 1 January	1,074,367	1,073,793
Total gains or losses:		
In other comprehensive income	(77,706)	11,609
In profit and loss	15,357	5,323
Purchases	93,157	17,709
Sold	(18,495)	(34,067)
Balance at 31 December	1,086,680	1,074,367

There were no transfers between the levels of fair value hierarchies during the year.

The Group's derivatives are classified as Level 2 as they are valued using inputs that can be observed in the market.

29 FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

c) Categories of financial instruments

31 December 2024	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial assets					
Cash and cash equivalents	137,016	-	-	-	137,016
Placement with banks, net	239,957	-	-	-	239,957
Positive fair value of derivatives	-	88,275	-	-	88,275
Loans and advances, net	5,561,256	43,536	-	-	5,604,792
Investments	-	517,141	1,016,161	3,185,092	4,718,394
Equity accounted investees, net	96,189	-	-	-	96,189
	6,034,418	648,952	1,016,161	3,185,092	10,884,623

31 December 2024	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial liabilities					
Deposits	774,632	-	-	-	774,632
Securities sold under agreements to repurchase	446,785	-	-	-	446,785
Negative fair value of derivatives	-	172,096	-	-	172,096
Term financing	1,455,955	-	-	-	1,455,955
Sukuk and bonds issued	4,601,975	-	-	-	4,601,975
	7,279,347	172,096	-	-	7,451,443

31 December 2023	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial assets					
Cash and cash equivalents	211,575	-	-	-	211,575
Placement with banks, net	507,851	-	-	-	507,851
Positive fair value of derivatives	-	66,803	-	-	66,803
Loans and advances, net	4,606,436	42,187	-	-	4,648,623
Investments	-	293,020	1,115,569	2,933,402	4,341,991
Other assets	3,655	-	-	-	3,655
Equity accounted investees, net	54,429	-	-	-	54,429
	5,383,946	402,010	1,115,569	2,933,402	9,834,927

31 December 2023	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial liabilities					
Deposits	1,270,431	-	-	-	1,270,431
Securities sold under agreements to repurchase	500,520	-	-	-	500,520
Negative fair value of derivatives	-	231,165	-	-	231,165
Other liabilities	99,222	-	-	-	99,222
Term financing	957,578	-	-	-	957,578
Sukuk and bonds issued	3,653,558	-	-	-	3,653,558
	6,481,309	231,165	-	-	6,712,474

Reportable segments

IFRS 8 – Operating Segments – requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Operating segments are identified based on internal reports about the components of the Group that are regularly reviewed by the Group’s CEO in order to allocate resources to the segment and to assess its performance. Information reported to the Group’s CEO for the purpose of resource allocation and assessment of performance is based on following strategic business units offering products and services to different markets.

The Group’s reportable segments under IFRS 8 Operating Segments are therefore as follows:

Corporate banking – caters mainly to the banking requirements of corporate and institutional banking.

Equity Investments – includes activities of the Group’s equity securities, investment in its associates and subsidiaries.

Treasury and capital markets – manages the Group’s liquidity, currency, and interest rate risks. It is also responsible for funding the Group’s operations and managing the Group’s fixed income portfolio and liquidity position. This segment also holds the capital for the group and manages deployment for the same.

Others – assets and liabilities held centrally which are not directly attributed to any of the above business lines. This also includes overall general and administrative expenses, which are not allocated to respective business segments.

31 December 2024	Corporate Banking	Equity Investments	Treasury and Capital Markets	Others	Total
Segment assets	5,756,687	1,477,691	3,561,970	121,656	10,918,004
Segment liabilities	-	-	7,279,347	283,449	7,562,796
Interest income	433,564	-	198,697	-	632,261
Interest expense	(328,514)	-	(86,319)	(1,244)	(416,077)
Net interest income	105,050	-	112,378	(1,244)	216,184
Non interest income	13,731	89,207	12,269	26,051	141,258
Operating income	118,781	89,207	124,647	24,807	357,442
Operating expenses	-	-	-	(67,712)	(67,712)
Impairment charge	(17,916)	-	(6,152)	-	(24,068)
Net income / (loss) for the year	100,865	89,207	118,495	(42,905)	265,662
Attributable to:					
Shareholders of the Corporation	-	-	-	-	265,663
Non-controlling interest	-	-	-	-	(1)

31 December 2023 (Audited)*	Corporate Banking	Equity Investments	Treasury and Capital Markets	Others	Total
Segment assets	4,809,546	1,401,863	3,620,488	49,520	9,881,417
Segment liabilities	-	-	6,618,664	93,810	6,712,474
Interest income	354,318	5,736	163,740	-	523,794
Interest expense	(261,122)	-	(77,268)	-	(338,390)
Net interest income	93,196	5,736	86,472	-	185,404
Non interest income	5,847	113,729	655	-	120,231
Operating income	99,043	119,465	87,127	-	305,635
Operating expenses	-	-	-	(62,990)	(62,990)
Impairment charge	(16,812)	(6,729)	6,237	-	(17,304)
Net income / (loss) for the year	82,231	112,736	93,364	(62,990)	225,341
Attributable to:					
Shareholders of the Corporation	-	-	-	-	225,413
Non-controlling interest	-	-	-	-	(72)

*The segment information disclosed for the year ended 31 December 2023 has been changed compared to those disclosed in the audited financial statement for the year ended 31 December 2023 due to a reassessment of segment information by management.

Geographical information

Geographical information is disclosed in Note 27 (a) of these consolidated financial statements.

Revenue from major products and services
Revenue from major products and services are disclosed in Notes 16,17 and 18 in the consolidated financial statements.

Information about major customers

No single customer contributed 10% or more to the Group’s interest income for the year ended 31 December 2024 and 2023.

31 DIVIDENDS

The Board of Directors in the meeting held on 4 March 2023 proposed a cash dividend of US\$ 37 million for 2022, i.e. US\$ 24.67 per share which was approved in the ordinary general assembly meeting held on 5 April 2023.

32 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	31 December 2024	31 December 2023
Cash balances with banks and cash in hand	69,659	91,949
Placements with banks (with an original maturity of less than 90 days)	67,357	119,626
Total	137,016	211,575

33 CAPITAL ADEQUACY

The Group uses the standardized approach of Basel III to calculate the Risk Weighted Assets (RWAs) and Pillar -1 capital (including Credit Risk, Market Risk and Operational Risk).

The Group's capital base primarily comprises:

Common Equity Tier 1 capital (CET 1) of the Group comprises share capital, statutory reserve, other reserves, proposed dividend, retained earnings, Tier 1 eligible debt securities, foreign currency translation reserve and non-controlling interests less treasury shares, goodwill, intangible assets and other prescribed deductions.

Tier 2 Capital includes expected credit losses.

The following table summarizes the Group's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios:

	31 December 2024	31 December 2023 (Unaudited and unreviewed)
CET 1 Capital		
Share capital	1,500,000	1,500,000
Legal reserve	323,000	296,000
General reserve	316,149	316,149
Retained earnings	586,520	336,999
Fair value reserve	627,839	719,778
Total CET 1 Capital	3,353,508	3,168,926
Tier 2 Capital		
General loan loss provision	129,047	111,131
Total Tier 2 Capital	129,047	111,131
Total capital base	3,482,555	3,280,057
Risk weighted assets		
Credit risk	11,039,654	10,409,513
Market risk	334,100	350,738
Operational risk	585,163	483,200
Total risk weighted assets	11,958,917	11,243,451
Common equity tier 1 ratio	28.04%	28.18%
Tier 1 capital ratio	28.04%	28.18%
Capital adequacy ratio	29.12%	29.17%

34 EVENTS AFTER THE END OF THE REPORTING PERIOD

During February 2025, the Group has public issuance of US\$ 650 million having a maturity of 5 year.

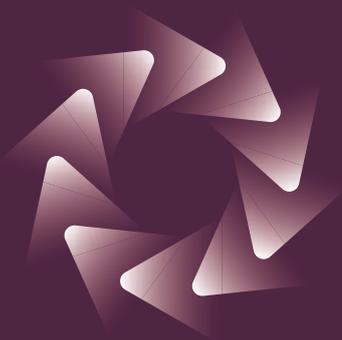
Other than the above, there have been no events subsequent to the reporting date that would significantly affect the amounts reported in the consolidated financial statements as at and for the twelve-month period ended 31 December 2024.

35 COMPARATIVE FIGURES

Certain other comparative amounts have been reclassified to conform with the current year presentation.

36 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of directors of the Group on 16 March 2025.



الصندوق العربي للطاقة

**The Arab
Energy Fund**

A Multilateral Impact Institution