Islamic Corporation for the Development of the Private Sector

1999
2024
Celebrating 25 Years
Progress Beyond Borders

Annual Report 2024

Progress Beyond Borders

Over the past 25 years, ICD has been at the forefront of driving private sector development across our member countries, empowering communities, and creating lasting economic and social impact.

Eng. Hani Salem Sonbol
ICD, Acting Chief Executive Officer

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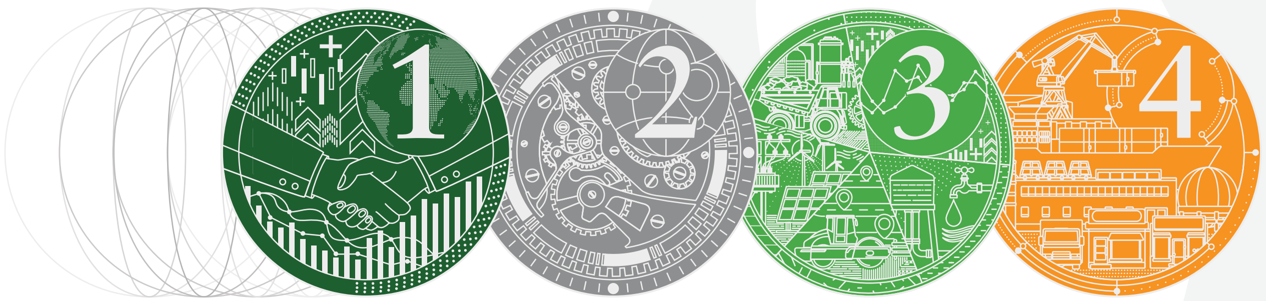

We fund projects that are aimed at creating competition, entrepreneurship, employment opportunities and export potential. We also bring additional resources to projects, encouraging the development of Islamic finance, attracting co-financiers and advising governments and private sector groups on how to establish, develop and modernize private enterprises and capital markets. We advise on best management practices and enhancing the role of the market economy.

Chairman's Message

From the Chairman of the Board of Directors to the Chairman of the General Assembly

In the name of Allah, the Beneficent, the Merciful

H.E. The Chairman,

General Assembly of the Islamic Corporation for the Development of the Private Sector

Dear Mr. Chairman,

Assalam-O-Alaikum Warahmatullah Wabarakatuh

In accordance with the Articles of Agreement and the by-laws of the Islamic Corporation for the Development of the Private Sector (ICD) and on behalf of the ICD Board of Directors, I am pleased to submit to the esteemed General Assembly the Twenty-Fifth Annual Report of the ICD for the fiscal year 2024.

This report contains an overview of ICD's 2024 operations, including its business interventions, development impact and financial analysis. ICD will pursue all efforts to meet the aspirations of its shareholders.

Please accept, Mr. Chairman, the assurances of my highest consideration.

Dr. Muhammad Al Jasser
Chairman, Board of Directors,
Islamic Corporation for the Development
of the Private Sector

Message from Acting Chief Executive Officer

As we mark this important milestone, we acknowledge that the journey of development is an ongoing journey. We remain focused on innovating, adapting, and pushing boundaries to create even greater impact.

In the name of Allah, the Beneficent, the Merciful

Dear valued stakeholders,

Celebrating 25 Years of Impact: A Milestone in Our Journey

It is with immense pride and gratitude that I present the 2024 Annual Report, a special edition marking the silver jubilee of the ICD. Over the past 25 years, ICD has been at the forefront of driving private sector development across our member countries, empowering communities, and creating lasting economic and social impact. This achievement reflects our resilience, innovation, and collective dedication that have shaped our journey.

Reflecting on 25 Years of Excellence

Since the establishment in 1999, ICD has been a catalyst for progress, enabling businesses to thrive, fostering entrepreneurship, and promoting sustainable economic growth. From funding transformative projects to fostering partnerships and enhancing capabilities, our work has impacted lives and inspired dreams in countless ways. This 25-year journey has had its share of challenges. Global economic shifts, environmental concerns, and technological disruption have continually tested our resolve. However, these challenges have only made us stronger, more focused, and more determined to fulfil our mandate.

Transitioning towards Transformation

2024 is a pivotal year, as it marks the successful conclusion of our transition period. This phase was critical in reshaping our strategies and operations to remain responsive and relevant in a rapidly evolving global context. Through careful planning and execution, we have strengthened our foundation, refined our focus, and enhanced our capacity to deliver. With the transition phase now behind us, we step into the transformation phase—an exciting period that lays the groundwork for the next chapter of growth and innovation. Our priorities in this phase include:

- Harnessing digital technologies to enhance service delivery and operational efficiency.
- Embedding sustainability deeper into our programs.
- Forging stronger partnerships to expand our reach and maximize impact.

This phase is not merely about change—it is about positioning ICD as a leader in providing innovative, agile, and sustainable solutions that meet the aspirations of our member countries.

A Tribute to Our Stakeholders

None of this would have been possible without the steadfast support of our stakeholders, partners, and the board of directors. Your unwavering commitment to ICD's mission has been instrumental in navigating challenges and seizing opportunities. Your trust, guidance, and collaboration continue to inspire us to aim higher and achieve more.

I also extend my heartfelt thanks to the dedicated ICD team—a group of talented professionals whose passion and hard work have been the driving force behind our success. Over the past 25 years, this includes not only the current team but also the many exceptional individuals who have contributed to ICD's journey. Their vision and dedication have laid the foundation for what we have achieved today.

We also pay tribute to all past and present board members, whose leadership and insights have been essential in shaping our direction, and to the member countries, including the most recent entrants, whose trust and partnership have broadened our reach and enhanced our impact. Together, this collective effort ensures that ICD remains a trusted partner for our member countries, striving to deliver meaningful change and sustainable growth.

Looking Ahead

As we mark this important milestone, we acknowledge that the journey of development is an ongoing journey. We remain focused on innovating, adapting, and pushing boundaries to create even greater impact. The next phase of our journey is an opportunity to build on our legacy while embracing the promise of the future.

Together, we will continue to transform challenges into opportunities, support businesses and communities in achieving their potential, and contribute meaningfully to sustainable development. With your continued support, ICD is ready to embark on this exciting chapter with renewed purpose and determination.

Thank you for being an integral part of our 25-year journey. We look forward to achieving even greater milestones together in the years to come.

Faithfully,

Eng. Hani Salem Sonbol
Acting Chief Executive Officer
Islamic Corporation for the
Development of the Private Sector

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CHAPTER 1

About the Islamic Corporation for the Development of the Private Sector (ICD)

About the Islamic Corporation for the Development of the Private Sector (ICD)

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral organization affiliated with the Islamic Development Bank (IsDB). This first section of the report outlines ICD's background and purpose.

ICD's authorized capital stands at USD 4 billion, of which USD 2 billion is open for subscription. Its shareholders consist of the IsDB, 56 member countries and five public financial institutions. Established during the 24th annual meeting of the IsDB Board of Governors in Jeddah in Rajab 1420H (November 1999), ICD is headquartered in Jeddah, Kingdom of Saudi Arabia.

Since its inception in November 1999, ICD has remained focused on promoting inclusive and dynamic growth by driving private sector development. ICD's mission complements the Islamic Development Bank's (IsDB) role by actively developing and promoting the private sector in compliance with Shariah principles as a catalyst for enhancing economic growth and prosperity. With a vision of being a leading Islamic multilateral financial institution dedicated to this purpose, ICD stands committed to driving sustainable and thriving economies in its member countries.

As the private sector arm of the Islamic Development Bank (IsDB) Group, ICD aligns its objectives with the principles of Shari'ah, aiming to: i) identify growth-oriented opportunities and initiatives within the private sector, ii) offer an extensive array of productive financial products and services for private sector development, iii) mobilize supplementary resources for the private sector in member countries, and iv) promote the advancement of Islamic financial and capital markets.

OUR MISSION

TO COMPLEMENT THE ROLE PLAYED BY THE ISLAMIC DEVELOPMENT BANK (ISDB) THROUGH THE DEVELOPMENT AND PROMOTION OF THE PRIVATE SECTOR, SO WE MAY BOOST ECONOMIC GROWTH AND PROSPERITY.

OUR VISION

TO BECOME A LEADING ISLAMIC MULTILATERAL FINANCIAL INSTITUTION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR.

Where we operate

ICD Headquarters
Jeddah, Saudi Arabia

Regional Offices
Kuala Lumpur, Malaysia
Almaty, Kazakhstan
Dakar, Senegal | Rabat, Morocco

We have been operating in these regions for more than 20 years, delivering financial services and supporting growth where and when it matters most.

1 Afghanistan
2 Albania
3 Algeria
4 Azerbaijan
5 Bahrain
6 Bangladesh
7 Benin
8 Brunei
9 Burkina Faso
10 Cameroon
11 Chad
12 Comoros
13 Côte d'Ivoire
14 Djibouti
15 Egypt
16 Gabon
17 The Gambia
18 Guinea
19 Guinea Bissau
20 Indonesia
21 Iran
22 Iraq
23 Jordan
24 Kazakhstan
25 Kuwait
26 Kyrgyz Republic
27 Lebanon
28 Libya
29 Malaysia
30 Maldives
31 Mali
32 Mauritania
33 Morocco
34 Mozambique
35 Niger
36 Nigeria
37 Sultanate of Oman
38 Pakistan
39 Palestine
40 Qatar
41 Saudi Arabia
42 Senegal
43 Sierra Leone
44 Somalia
45 Sudan
46 Suriname
47 Syria
48 Tajikistan
49 Togo
50 Tunisia
51 Türkiye
52 Turkmenistan
53 United Arab Emirates
54 Uganda
55 Uzbekistan
56 Yemen

Disclaimer: Any country borders or names used in this report do not necessarily reflect ICD's official position. Any maps are for illustrative purposes and do not imply the expression of any opinion of ICD concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries.

In commemoration of this 25th anniversary milestone, we look back through our journey to explore how we helped to secure our member countries' development agendas over the years, and pay tribute to those who have contributed to ICD's legacy.

CHAPTER 2

25 Years in Action: Marking ICD's Silver Jubilee

ICD Then and Now: (1999 vs. 2024)

As ICD celebrates its 25th anniversary, we reflect on a remarkable journey of driving economic development, fostering private sector growth, and championing sustainable solutions across our member countries. Over the past quarter-century, ICD has achieved remarkable milestones, from pioneering Shari'ah compliant financing solutions, facilitating cross-border investments, and supporting critical infrastructure projects that have collectively enhanced the economic landscapes of our member countries. This section celebrates the key achievements that have defined our journey, showcasing the resilience, innovation, and collaboration that continue to shape our path forward.

THE ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR (ICD) WAS ESTABLISHED IN **NOVEMBER 1999**.

25 YEARS LATER, THE ICD HAS AN AUTHORIZED CAPITAL OF **USD 4 BILLION**, AND ITS SHAREHOLDERS INCLUDE THE **IsDB**, **56 ISLAMIC COUNTRIES**, AND **5 PUBLIC FINANCIAL INSTITUTIONS**.

	1999	2024
AUTHORIZED CAPITAL	USD 1.0 BILLION	USD 4.0 BILLION
PAID-IN CAPITAL	USD 263.4 MILLION	USD 1.59 BILLION
CUMULATIVE NUMBER OF PROJECTS	1 PROJECT	575 PROJECTS
TOTAL APPROVALS	USD 100,000	USD 7.58 BILLION
TOTAL DISBURSEMENTS	USD 0	USD 5.04 BILLION
MEMBER COUNTRIES	25 COUNTRIES	56 COUNTRIES
NUMBER OF STAFF	10 PEOPLE	161 PEOPLE

Key milestones

2024

Landmark Sukuk issuance: ICD successfully returned to the international Sukuk market, issuing a benchmark five-year USD 500 million senior unsecured hybrid Wakala/Commodity Murabaha Sukuk.

ICD's first operations with Local FIs in Benin and Togo: ICD disbursed EUR 29 million to BIIC Benin and EUR 20 million to Coris Bank Togo, supporting SMEs in sectors such as agribusiness, transport, health, and education.

Strengthening presence in East and Central Africa: ICD approved over USD 46.6 million, including USD 30 million to Uganda Development Bank and USD 16.6 million to CCA Bank Cameroon, to support local SMEs.

2023

Pioneering local currency Sukuk issuance in Kazakhstan: ICD raised KZT 2 billion through a five-year amortized Sukuk, marking its first Sukuk denominated in Kazakh Tenge and demonstrating its commitment to fostering the growth of Islamic finance in Central Asia.

ICD IS COMMITED TO FOSTERING THE GROWTH OF ISLAMIC FINANCE IN CENTRAL ASIA.

2022

Supporting Uzbekistan's energy transition: In collaboration with Stone City Energy, ICD is involved in the financing of the development of a 1,560MW Combined Cycle Gas Turbine (CCGT) power plant in the Surkhandarya region. This project is being implemented under a Build-Own-Operate-Transfer (BOOT) structure.

Supporting industrial growth in Bangladesh: ICD provided a EUR 22.5 million facility to Abul Khair Strips Processing Limited (AKSPL), a subsidiary of the Abul Khair Group. This financing allowed AKSPL to increase its production capacity from 305,000 to 505,000 metric tons, driving industrial growth in Bangladesh.

2021

Extending a lifeline: In response to the COVID-19 outbreak, ICD swiftly earmarked USD 250 million in emergency funding, including USD 200 million for LOF facilities, to support private sector resilience in critical sectors such as agri-food and energy across member countries.

Supporting the aviation industry: ICD provided USD 50 million as lead financier in a USD 75 million syndicated Murabaha financing for ALAFCO, a Kuwait-based aircraft leasing company. The funding supported ALAFCO's recovery and growth as global air travel rebounds, strengthening its fleet of 79 aircraft and 68 on order.

2020

Milestone Sukuk issuance: ICD completed a 5-year USD 300 million Sukuk issuance, the largest since its inception, rated A2 (stable) by Moody's and A (negative) by Fitch Ratings.

Strengthening SME support: ICD joined the SME Finance Forum (SMEFF) Global Network.

ICD's first LOF facility in Côte d'Ivoire: ICD approved a EUR 35 million LOF to NSIA Banque in Côte d'Ivoire, marking its first LOF operation in the country. The facility is aimed at supporting eligible private sector companies in Côte d'Ivoire.

Championing sustainable recovery: ICD became an official signatory of the Coalition Statement for a sustainable and inclusive recovery of the private sector, partnering with organizations such as the African Development Bank, the West-African Development Bank, FinDev Canada, the U.S. Development Finance Corporation, and the Association of European Development Financial Institutions, to promote long-term, inclusive economic growth and recovery.

ICD BECAME AN OFFICIAL SIGNATORY OF THE COALITION STATEMENT FOR A SUSTAINABLE AND INCLUSIVE RECOVERY OF THE PRIVATE SECTOR.

2019

Expanding impact investing reach: ICD joined the Global Impact Investing Network (GIIN). GIIN is the leading non-profit network of organizations dedicated to increasing the scale and effectiveness of impact investing worldwide.

ICD's first foray into Turkmenistan: ICD signed a USD 10 million LOF agreement with the State Bank for Foreign Economic Affairs of Turkmenistan (SBFEAT). This inaugural operation in Turkmenistan aims to support private sector development and foster economic growth in the country.

Landmark facility for Bangladesh's SME sector: ICD provided a USD 20 million Murabaha facility to Lanka Bangla Finance Limited (LBFL), the first foreign currency facility dedicated to SMEs by a Bangladeshi NBFI.

2018

Breaking new ground in Islamic banking in member countries: ICD played a crucial role in transforming Tawhidbank into the first Islamic bank in Tajikistan, marking a significant milestone for the country's financial sector.

ICD's first bank holding group facility: ICD approved a EUR 45 million LOF for Afriland First Group to support SMEs through its Islamic windows in Cameroon, Côte d'Ivoire, and Guinea – the first such facility extended to a bank holding group.

First Line of Financing to NBFI in Sub-Saharan Africa: ICD approved a EUR 4 million Line of Financing to Fidelis Finance Burkina Faso, marking its first NBFI operation in the region.

2017

Promoting renewable energy: ICD approved USD 75 million to support Egypt's Feed-in Tariff (FiT) program, aimed at developing 4,300MW of wind and solar capacity. This initiative, in collaboration with global development finance institutions, enhanced Egypt's energy security, improved power sector efficiency, and reduced reliance on fossil fuel imports.

Breaking new ground: ICD's investment in Amana Bank in Sri Lanka introduced Islamic banking to a non-member country, showcasing its ability to expand the reach of Islamic finance beyond traditional boundaries.

Introducing Islamic banking to South America: ICD helped transform Trustbank Amanah in Suriname into the region's first Islamic bank, providing guidance on Shari'ah governance, product development, and operational frameworks.

ICD's partnership with Al Akhdar Bank: ICD partnered with Crédit Agricole du Maroc (CAM) to establish Al Akhdar Bank, following the Bank of Maghreb's issuance of Islamic banking (participatory banking) licenses.

Powering Jordan's energy transition: In alignment with Jordan's national energy policy goals, ICD extended its support for renewable energy development through a USD 30 million term finance facility. The facility supported the development, construction and operationalization of the Shobak Wind Project, a 45MW independent power project (IPP) located near the town of Shobak, south of Amman, Jordan.

ICD APPROVED USD 75 MILLION TO SUPPORT EGYPT'S FEED-IN TARIFF (FIT) PROGRAM, AIMED AT DEVELOPING 4,300MW OF WIND AND SOLAR CAPACITY.

INITIALLY IMPLEMENTED IN YEMEN, THE BRAVE PROGRAM AIMS TO ENHANCE THE RESILIENCE OF SMEs IN FRAGILE AND CONFLICT-AFFECTED REGIONS

2016

Enhancing free zone competitiveness: A cooperation framework was signed to support the Noudhibou Free Zone Authority (NFZA) in Mauritania in adopting international best practices in organizational design, human resource management, and financial planning and management. This was achieved through a twinning program with the Aqaba Special Economic Zone Authority (ASEZA) in Jordan, a leading model in the field.

Supporting Mali's power sector: ICD approved a USD 22.3 million term finance facility to support the development of a heavy fuel oil (HFO)-fired power plant in northwest Mali, addressing the country's electricity shortage.

Enhancing healthcare infrastructure: The Manisa Education and Research Hospital project in Türkiye was co-financed by ICD and stands as a milestone in public-private collaboration. The initiative was spearheaded by YDA Group, a prominent PPP player in Türkiye, in partnership with the Ministry of Health.

Pioneering Islamic finance in Tunisia: In 2015, ICD invested TND 45 million (USD 22.5 million) to transform El Wifack Leasing into Wifak International Bank (WIB), partnering with Tunisia's Caisse des Dépôts et Consignations (CDC) and local investors. By 2016, WIB became a fully operational Islamic bank, offering Shari'ah-compliant financial solutions and enhancing banking access across Tunisia.

2015

Establishment of the BRAVE Program: Initially implemented in Yemen, the program aimed to enhance the resilience of SMEs in fragile and conflict-affected regions by providing capacity building, matching grants, and value chain support.

Supporting sovereign Sukuk in West Africa: ICD advised the Government of Cote d'Ivoire on its debut sovereign Sukuk issuance.

Expanding reach: ICD became a member of the International Development Finance Club (IDFC), enhancing its global network.

ICD's 2nd capital increase: ICD's General Assembly approved the increase of the authorised capital of ICD to USD 4.0 billion and shares available for subscription to USD 2.0 billion.

ICD SDGs Theory of Change: In response to the global launch of the SDGs in 2015, ICD updated its strategy and introduced the ICD SDGs Theory of Change.

Establishment of the Sukuk Issuance Program: ICD established a dual London and Nasdaq Dubai listed Regulation Shari'ah compliant Sukuk Issuance Program, marking its first public fundraising in the capital markets.

2014

Pioneering Islamic finance in Africa: ICD advised the Government of Senegal on its debut Sukuk, which was the first Sukuk issuance in the West African region.

ICD earns top credit ratings from leading agencies: Fitch rates ICD AA/F+1, Moody's rates ICD Aa3/P-1, and S&P awards ICD an AA rating.

Supporting textile growth in Bangladesh: ICD approved a USD 30.5 million leasing facility to Noman Group, Bangladesh's largest textile and apparel conglomerate. The financing supported the operations of Ismail Spinning Mills Ltd., a 70,000 spindle spinning mill, as well as the expansion of Noman Terry Towel Mills, one of the group's subsidiaries.

2013

Investing in the financial sector: ICD approved USD 80 million in LOF operations for Azerbaijan, Uzbekistan, and Tajikistan and signed USD 126.5 million in agreements, including USD 40 million for Uzbekistan under a prior USD 50 million approval.

Empowering Palestine's private sector: ICD worked with the Palestine Investment Fund (PIF) and Palestine Islamic Bank (PIB) to establish the Palestine Ijara Company (PIC). With USD 12 million in paid-up capital, including USD 4 million from ICD, PIC aims to broaden access to non-banking financial services and support Palestine's private sector growth.

2012

Expanding telecommunications in Gabon: ICD approved a USD 21.5 million term finance facility to support the expansion of a mobile telecommunications network in Gabon, increasing coverage from 17 cities to 49 cities. This initiative aimed to enhance connectivity across the country, promoting economic development and improving access to communication services for a larger population.

ICD APPROVED A USD 21.5 MILLION TERM FINANCE FACILITY TO SUPPORT THE EXPANSION OF A MOBILE TELECOMMUNICATIONS NETWORK IN GABON

2011

Pioneering ethical finance and sustainability: ICD contributed USD 10 million to Maldives Islamic Bank (MIB), which began its operations in March 2011 as the first Islamic commercial bank in the Maldives. The initial paid-up capital of the bank was USD 11.76 million, with the Government of Maldives also holding shares in the bank.

ICD CONTRIBUTED USD 10 MILLION TO MALDIVES ISLAMIC BANK (MIB), WHICH BEGAN ITS OPERATIONS IN MARCH 2011 AS THE FIRST ISLAMIC COMMERCIAL BANK IN THE MALDIVES.

2010

Advancing the development of special economic zones: Launched a new program to promote and support the development of Special Economic Zones (SEZs) in member countries through a multi-donor advisory fund.

Pioneering Islamic finance in the Maldives: Through strategic negotiations and collaboration with the Maldives Monetary Authority, ICD secured approval to launch Maldives Islamic Bank (MIB), a move that introduced Islamic banking to the Maldives. MIB is the country's first fully Shari'ah compliant bank.

Redefining global liquidity: As a founding shareholder, ICD supported IILM, the exclusive issuer of Shariah-compliant short-term Sukuk, backed by ten central banks from Asia, Africa, and the GCC. With over USD 109 billion in issuances, IILM set a global benchmark for ethical finance and liquidity solutions.

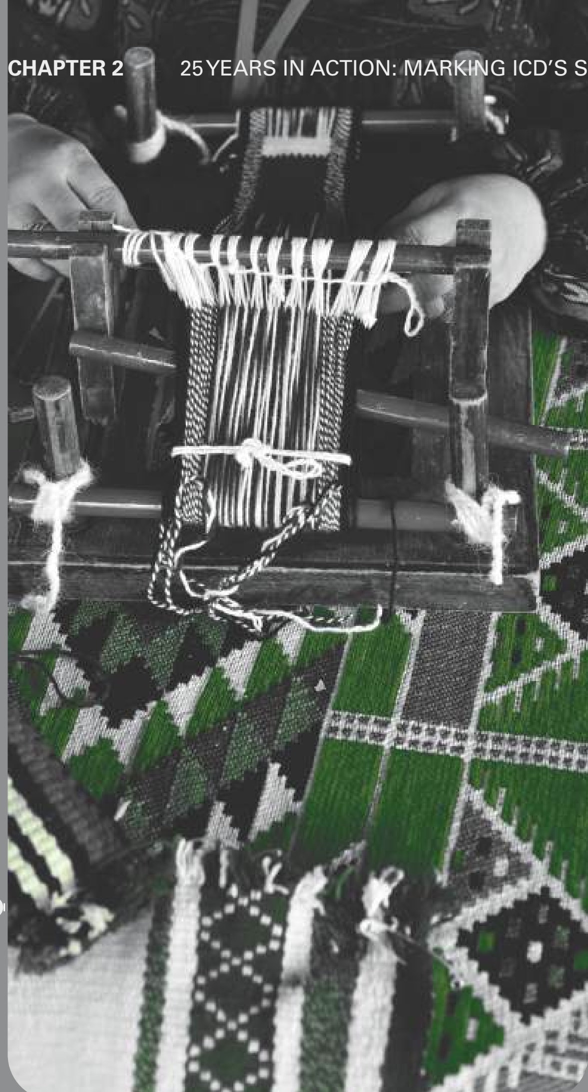
AS A FOUNDING SHAREHOLDER, ICD SUPPORTED IILM, THE EXCLUSIVE ISSUER OF SHARIAH-COMPLIANT SHORT-TERM SUKUK, BACKED BY 10 CENTRAL BANKS FROM ASIA, AFRICA, AND THE GCC.

2009

1st capital increase: ICD's General Assembly approved the increase of the authorised capital of ICD to USD 2.0 billion and shares available for subscription to USD 1.0 billion.

Expanding Islamic finance across regions: Azerbaijan and Africa: ICD enhanced access to Islamic finance by establishing a leasing company in Azerbaijan (Ansar Leasing), catering to the financial needs of local businesses and fostering economic growth. Additionally, ICD spearheaded the creation of Tamweel Africa Holding, a leading entity aimed at promoting Islamic finance across several African countries.

Promoting special economic zones: Launched a flagship initiative to promote and develop special economic zones (SEZs) in member countries.



2007

Enhancing financial inclusion in Djibouti and Yemen: ICD approved a Line of Financing (LOF) of USD 3.5 million to SABA Islamic Bank, allocating USD 1 million for SME financing in Djibouti and USD 500,000 for advancing microfinance initiatives in both Yemen and Djibouti.

2003

Pioneering LOF transactions: ICD approved its first Line of Financing (LOF) transactions, including facilities for BCI Mauritania, Unibank, and Rabita Bank Azerbaijan, its longest-standing LOF client to date.

ICD's equity investment in Byblos Bank Africa: Established in 2003, Byblos Bank Africa operates under Islamic Shari'ah principles. ICD holds an equity stake alongside Byblos Bank SAL, the majority shareholder, and the OPEC Fund for International Development.

2002

ICD's first operation in Syria: ICD provided USD 7.5 million in financing to the Syrian Saudi Company for Chemicals, marking its inaugural operation in Syria.

2001

Support for healthcare sector investments: ICD provided USD 2.6 million in financing to Jamjoom Pharma and approved a USD 10 million purchase and leaseback arrangement for Middle East Healthcare Company, supporting the growth of the healthcare sector.

2000

ICD's first equity investment: ICD's first equity investment launched the Islamic International Rating Agency (IIRA), addressing the need for independent ratings tailored to Islamic financial institutions and Sukuk. IIRA did not fully begin operations until July 2005.

Launch of the Injazat Technology Fund: ICD and Gulf Finance House jointly launched the USD 50 million Injazat Technology Fund in Bahrain, each committing USD 12.5 million to support small and medium-sized enterprises in IT, telecommunications, and related sectors.

1999

ICD'S INCEPTION

ICD'S AUTHORIZATION CAPITAL OF USD 1.0 BILLION AND USD 0.5 BILLION SHARES AVAILABLE FOR SUBSCRIPTION.

25 Years of Empowering Economies: ICD's Transformative Equity Investment Journey

As ICD celebrates its 25th anniversary, its equity investment journey remains cornerstone of its mission to empower businesses, drive economic development, and inspire sustainable progress. Over the years, ICD has strategically leveraged equity investments to address systemic barriers, enhance financial inclusion, and Islamic finance. These efforts, aligned with the mandates of its member countries, reflect a broader vision of building resilient, inclusive economies for both present and future generations.

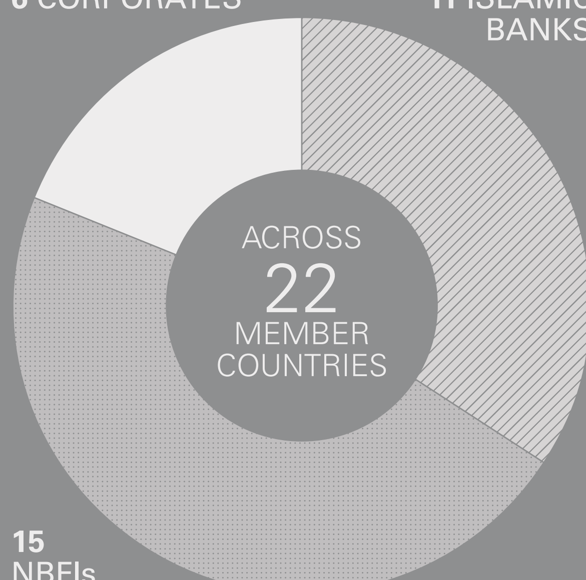
ICD's leadership in the Islamic finance ecosystem has positioned it as a catalyst for change, navigating complex markets with innovative solutions. By establishing Islamic financial institutions—including Islamic commercial banks and non-banking financial institutions (NBFIs)—ICD has filled critical gaps, even in countries lacking established Islamic finance regulations. ICD has leveraged its expertise to enhance governance structures, promote institutional development, and build financial systems that facilitate Shari'ah-compliant financing, empowering SMEs and businesses to flourish.

Equity investments have played a critical role in this journey, particularly in markets where Islamic finance is under-developed, or conventional financing solutions fall short. By providing patient capital and technical expertise, ICD offers businesses flexible, long-term financial solutions that enable them to scale, innovate, and address challenges. This approach has been notably impactful in fragile and frontier markets, where equity serves as both a financial tool and a driver of sustainable impact. Taking equity stakes allows ICD to align its objectives with investees, fostering shared commitments to operational success, governance improvement, and value creation.

Today, ICD's equity portfolio spans 32 investee companies, including 11 Islamic banks, 15 NBFIs, and six corporates across 22 member countries. Its geographic footprint stretches from Sub-Saharan Africa to North Africa, the Middle East, CIS, and Southeast Asia. Through its transformative equity investments, ICD continues to empower economies, strengthen financial ecosystems, and unlock opportunities for inclusive growth in dynamic markets.

TODAY, ICD's EQUITY PORTFOLIO SPANS

32 INVESTEE COMPANIES:



The Vital Role of ICD's Lines of Finance in Private Sector Development

ICD has been decisive in driving economic growth and fostering private sector development across its member countries through its Lines of Finance (LOF) program. By channelling Shari'ah-compliant financial solutions via local financial institutions, the LOF program has unlocked critical funding for key sectors such as manufacturing, agriculture, and healthcare. This has contributed to economic diversification, job creation, and sustainable development.

The LOF program not only strengthens economic ecosystems in member countries but also advances the growth of Islamic finance. By introducing innovative Shari'ah-compliant financial solutions in markets lacking such frameworks, ICD has expanded access to financing and bolstered the Islamic banking industry, reinforcing its leadership in Islamic finance development.

During the COVID-19 pandemic, ICD demonstrated its resilience and commitment by disbursing USD 200 million under its COVID-19 support package through its LOF program. This intervention provided essential liquidity to local financial institutions, enabling them to support SMEs during a time of unprecedented economic uncertainty. These efforts preserved jobs, ensured business continuity, and underscored ICD's role as a reliable partner during crises.

To date, the LOF program has disbursed USD 2.5 billion through 99 Financial Institutions partners across 31 countries, empowering countless enterprises to thrive and contribute meaningfully to their economies. Its geographic footprint spans Sub-Saharan Africa, North Africa, the Middle East, CIS, and Southeast Asia.

Looking forward, ICD is dedicated to expanding its LOF operations as a key driver of growth. By focusing on private sector empowerment and the growth of Islamic finance, ICD is poised to fulfil its developmental mission and create a lasting economic impact in its member countries.

ICD DISBURSED

USD 200 MILLION UNDER ITS COVID-19 SUPPORT PACKAGE THROUGH ITS LOF PROGRAM.

TO DATE, THE LOF PROGRAM HAS DISBURSED USD 2.5 BN

THROUGH 99 FINANCIAL INSTITUTIONS

ACROSS 31 COUNTRIES

Direct Finance: Driving Sustainable Development Across Member Countries

ICD plays a pivotal role in fostering economic growth and development across its member countries. Among its core business lines, Direct Finance serves as a key enabler of sustainable private sector-led projects, providing essential capital for corporate expansion and infrastructure development. By supporting businesses and infrastructure initiatives, Direct Finance is instrumental in enhancing economic resilience, creating employment, and improving living standards in member countries.

Expanding Private Sector Growth

Direct Finance has been a catalyst for corporate expansion across multiple sectors, offering financial solutions that empower enterprises to scale operations, enhance productivity, and penetrate new markets. ICD's commitment to private sector development is reflected in its financing of diverse industries, including manufacturing, agribusiness, technology, and services. Through its strategic interventions, ICD has enabled businesses to drive innovation, increase competitiveness, and contribute to GDP growth in their respective countries.

Infrastructure Development for a Stronger Economy

Infrastructure serves as the backbone of economic progress, and Direct Finance has played a crucial role in financing transformative projects that address critical infrastructure gaps. ICD has provided financial support for the development of highways, ports, and logistics networks, facilitating trade, improving connectivity, and promoting economic integration. These projects enhance regional cooperation, reduce transportation costs, and attract further investments, strengthening the economic fabric of member countries.

Investing in Clean Energy for a Sustainable Future

Recognizing the global shift towards sustainable energy, ICD has actively financed private sector-led renewable power projects, including solar and wind initiatives. By investing in clean energy, Direct Finance not only contributes to environmental sustainability but also supports energy security and economic diversification. These projects reduce dependence on fossil fuels, lower carbon emissions, and provide reliable power to industries and households, fostering long-term economic stability.

Enhancing Healthcare Access and Services

A healthy population is essential for economic prosperity, and ICD's Direct Finance has been instrumental in supporting the healthcare sector across member countries. ICD financing strengthens healthcare infrastructure, ensuring better access to quality medical services. These investments improve public health outcomes, reduce disease burdens, and enhance productivity within the workforce.

Conclusion

ICD's Direct Finance continues to be a driving force behind economic and social development in its member countries. By providing critical funding to corporates and infrastructure projects, ICD enhances economic diversification, strengthens key sectors, and promotes sustainable growth. As it moves forward, Direct Finance remains committed to empowering private enterprises and fostering inclusive development that aligns with ICD's mission of advancing prosperity across the Islamic world.

2020
2023

ICD solidified its role in fostering private sector growth and sustainable development across its member countries.

Partnerships Over the Years

2020-2023

Forging Stronger Alliances: ICD's Evolution in Partnership Strategies

From 2020 to 2023, ICD significantly advanced its partnership strategies to drive economic recovery and sustainable growth. In 2020, during the COVID-19 pandemic, ICD facilitated private sector financing and launched products to address liquidity challenges. In 2021, ICD expanded its network, forming key partnerships with the CDC Group (UK), Malaysia EXIM Bank, and Saudi EXIM Bank to enhance pipeline sharing and co-financing across Africa and Asia. In 2022, ICD strengthened these alliances with agreements such as the Lines of Finance with the Arab Fund for Economic and Social Development and collaborations with the Africa Finance Corporation and Abu Dhabi Islamic Bank Egypt. By 2023, ICD reached new milestones, securing impactful agreements with Emirates International Investment Company (EIIC), OCP Africa, and the Eastern and Southern African Trade and Development Bank, while deepening ties with major DFIs and IFIs like the Asian Infrastructure Investment Bank and International Financial Corporation. Through these initiatives, ICD strengthened its commitment to driving private sector growth and promoting sustainable development across its member countries.

KEY ACHIEVEMENTS:

- LAUNCHED INITIATIVES TO FACILITATE ACCESS TO FINANCE DURING THE COVID-19 PANDEMIC, INCLUDING INNOVATIVE PRODUCTS FOR LIQUIDITY.
- FORMED PARTNERSHIPS AND SIGNED MULTIPLE MOUs IN 2021, INCLUDING WITH CDC GROUP (UK), MALAYSIA EXIM BANK, AND SAUDI EXIM BANK.
- LINES OF FINANCE COOPERATION AGREEMENT WITH THE ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT.
- MOUs WITH AFRICA FINANCE CORPORATION AND ABU DHABI ISLAMIC BANK EGYPT FOR ENHANCED COLLABORATION.
- INTENSIFIED WORKSHOPS AND CONSULTATIONS WITH OTHER DEVELOPMENT FINANCE INSTITUTIONS (DFIs) AND MULTILATERAL BANKS.
- SIGNED AGREEMENTS WITH EMIRATES INTERNATIONAL INVESTMENT COMPANY (EIIC), OCP AFRICA, AND THE EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK.
- COLLABORATED WITH MAJOR DFIs SUCH AS THE ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB) AND INTERNATIONAL FINANCIAL CORPORATION (IFC).

2015-2019

Building Sustainable Financial Ecosystems Through Strategic Partnerships

From 2015 to 2019, ICD strengthened its role in fostering sustainable financial ecosystems through key partnerships. In 2015, it joined the IDFC, expanding its global network. ICD signed several MOUs, including agreements with the African Union Commission and the African Export-Import Bank to drive private sector investments in Africa. In 2016, it focused on co-financing partnerships with institutions, such as Saturna Sdn Bhd for sustainable Islamic finance and the Export-Import Bank of India. In 2017, ICD expanded Islamic finance initiatives with the Türkiye Wealth Fund and other stakeholders. Further collaborations followed in 2018, including partnerships with SBERBANK of Russia and Tunisian banks. By 2019, ICD had joined the Global Impact Investing Network (GIIN) and signed agreements with IAP Integrated Sdn Bhd and Bosna Bank International to support innovative private sector investments. These efforts highlight ICD's commitment to fostering growth and collaboration across its member countries.

KEY ACHIEVEMENTS:

- BECAME A MEMBER OF THE IDFC IN 2015.
- SIGNED MOU WITH AFRICAN UNION COMMISSION TO FACILITATE PRIVATE SECTOR INVESTMENTS IN AFRICA.
- COLLABORATION WITH SATURNA SDN BHD FOR SUSTAINABLE ISLAMIC FINANCE SOLUTIONS.
- SIGNED MOU WITH EXPORT-IMPORT BANK OF INDIA TO SUPPORT MEMBER COUNTRIES' EXPORTS.
- ESTABLISHED PARTNERSHIPS WITH TÜRKIYE WEALTH FUND TO BOLSTER ISLAMIC FINANCE IN TÜRKIYE AND KAZAKHSTAN.
- SIGNED MOU WITH SBERBANK OF RUSSIA TO ENHANCE ACCESS TO ISLAMIC FINANCE.
- PARTNERED WITH VARIOUS TUNISIAN BANKS FOR CROWDFUNDING INITIATIVES.
- JOINED THE GLOBAL IMPACT INVESTING NETWORK (GIIN) IN 2019.
- SIGNED MOU WITH IAP INTEGRATED SDN BHD TO SUPPORT INNOVATIVE INVESTMENT SOLUTIONS.
- COLLABORATION WITH BOSNA BANK INTERNATIONAL TO CREATE A GLOBAL PLATFORM FOR PRIVATE SECTOR INITIATIVES.

2015
2019

From 2015 to 2019, ICD strengthened its role in fostering sustainable financial ecosystems through key partnerships.

ICD's initiatives throughout these years reflected its commitment to strengthening Islamic finance and facilitating economic development across its member states, with a focus on fostering partnerships and supporting SMEs.

2009-2014

A Transformative Partnerships Engagement Journey

From 2009 to 2014, ICD made significant steps in enhancing global partnerships and supporting SMEs within the framework of Islamic finance, underscored by notable agreements including a partnership with the Bank of Tokyo-Mitsubishi UFJ of Malaysia, resulting in a USD 100 million financing facility; a collaboration with the European Bank for Reconstruction and Development (EBRD) to create a USD 120 million investment fund for SMEs in the Mediterranean; and a significant MOU with the Japan International Cooperation Agency (JICA) to advance the Islamic finance sector. During this period, ICD expanded its reach into the Shari'ah leasing sector in Malaysia and partnered with Al-Ajial Funds in Morocco. This was also the period when ICD joined the IDFC. The organization also hosted major international events like the Social Entrepreneurship Forum and a Business Plan Competition aimed at promoting entrepreneurship and networking. Notably, ICD signed an MOU with Djibouti's Ministry of Finance to support its Special Economic Zone program in 2013, fostered relationships with banks such as Al-Baraka Islamic Bank, and launched significant syndication efforts, including a USD 45 million facility for PT Mandala Multifinance. Additionally, ICD established regional offices to enhance local engagement, led a USD 20 million syndicated Islamic facility for Tuwairqi Steel Mills, and created new Islamic banks while promoting intra-trade and special economic zones. Overall, ICD's initiatives throughout these years reflected its commitment to strengthening Islamic finance and facilitating economic development across its member states, with a focus on fostering partnerships and supporting SMEs.

KEY ACHIEVEMENTS:

- PARTNERSHIP WITH BANK OF TOKYO-MITSUBISHI UFJ TO CREATE A USD 100 MILLION FINANCING FACILITY.
- COLLABORATION WITH THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD) TO ESTABLISH A USD 120 MILLION INVESTMENT FUND FOR SMES IN THE MEDITERRANEAN.
- MOU WITH THE JAPAN INTERNATIONAL COOPERATION AGENCY (JICA) TO ADVANCE THE ISLAMIC FINANCE SECTOR.
- ESTABLISHMENT OF PARTNERSHIPS IN THE SHARI'AH LEASING SECTOR IN MALAYSIA.
- MOU WITH DJIBOUTI'S MINISTRY OF FINANCE FOR ITS SEZ PROGRAM IN 2013.
- RELATIONSHIP STRENGTHENING WITH AL-BARAKA ISLAMIC BANK.
- LAUNCH OF A USD 45 MILLION SYNDICATED FACILITY FOR PT MANDALA MULTIFINANCE.
- HOSTING OF THE SOCIAL ENTREPRENEURSHIP FORUM AND A BUSINESS PLAN COMPETITION.
- FORMATION OF REGIONAL OFFICES TO ENHANCE LOCAL ENGAGEMENT

1999-2009

Pioneering Partnerships for Private Sector Development in OIC countries: A First Decade Milestone Journey

Between 1999 and 2009, ICD launched various initiatives to strengthen its role in the private sector of its member countries. During this time, ICD organized numerous workshops and investment visits across various regions, including the Far East, Central Asia, MENA, and Sub-Saharan Africa, which led to the identification of significant projects and the establishment of Islamic banks and leasing companies. A key initiative introduced was the promotion of special economic zones (SEZs) through partnerships and seminars on public-private partnerships (PPP), further expanding ICD's advisory services. The establishment of entities such as Tamweel Africa and a leasing company in Azerbaijan highlighted ICD's commitment to fostering Islamic financial institutions. ICD has consistently focused on expanding private sector involvement, strengthening capacity building, and fostering partnerships to drive cross-border investments, solidifying its role as a key facilitator in the evolving financial landscape of its member countries.

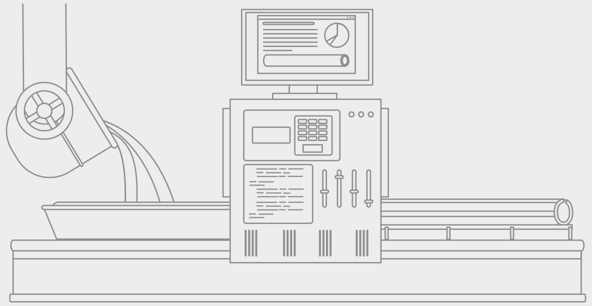
KEY ACHIEVEMENTS:

- INITIATION OF NUMEROUS WORKSHOPS ACROSS THE FAR EAST, CENTRAL ASIA, MENA, AND SUB-SAHARAN AFRICA.
- FORMATION OF KEY PARTNERSHIPS TO PROMOTE SPECIAL ECONOMIC ZONES (SEZs).
- EXPANSION OF ADVISORY SERVICES RELATED TO PUBLIC-PRIVATE PARTNERSHIPS (PPP).

1999
2009

ICD's efforts over these years focused on increasing private sector participation, enhancing capacity building, and cultivating partnerships to bolster cross-border investments, thereby positioning itself as a facilitator in the evolving financial landscape of member countries.

Success Stories



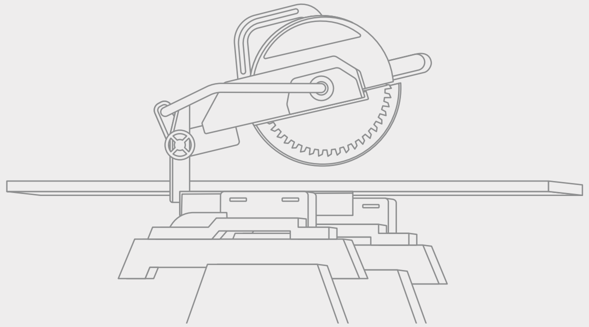
Abul Khair Steel Melting Limited: Strengthening Bangladesh's Steel Industry (2012)

Abul Khair Group (AKG), a market leader in Bangladesh's steel industry, embarked on an ambitious journey in 2012 with the establishment of Abul Khair Steel Melting Limited (AKSML). To achieve economies of scale and enhance backward integration, AKG aimed to set up the country's largest steel billet manufacturing plant with an annual capacity of 1 million metric tons (MT). This project would significantly reduce the reliance on imported raw materials and transform the local steel market. HSBC, appointed as the lead arranger for raising USD 90 million in debt, reached out to ICD to participate in the financing. The total project cost amounted to USD 290 million, with USD 109 million contributed as equity. ICD, along with HSBC and Prime Bank of Bangladesh, provided long-term financing, forming part of the USD 182 million required. The plant's cutting-edge equipment was sourced from Danieli, Italy.

With the successful completion of the greenfield project, AKSML bolstered AKG's position in the market by producing billets, the primary raw material for long steel products. The project not only addressed local demand but also contributed to substantial foreign exchange savings by reducing billet imports.

AKSML repaid the entire facility on time and approached ICD again in 2023 for additional financing of EUR 27 million to expand its production capacity further. By then, AKSML had merged with Abul Khair Steel, increasing its billet production capacity to 2.2 million MT and long steel production to 1 million MT annually. With ICD's financing, AKSML aims to raise its production capacity to 2.6 million MT per annum, meeting the growing market demand.

This financing marked a significant milestone for ICD, showcasing its ability to support transformative projects that address critical needs. The project also fostered local expertise, as Bangladeshi engineers, supported by foreign experts, played a pivotal role in constructing and operating the complex steel plant. AKSML's success stands as a testament to ICD's commitment to driving industrial growth and sustainable development in its member countries.



Palestine Ijara Company: Resilience Through Innovation (2013)

Palestine Ijara Company (PIC) is a leader in Shari'ah-compliant leasing, supporting Palestine's private sector in one of the world's most challenging regions. Since its founding in 2013 through a partnership between ICD, the Palestine Investment Fund (PIF), and Palestine Islamic Bank (PIB), PIC has bridged critical financial gaps for SMEs.

Driving Economic Growth

With USD 12 million in initial capital, PIC focuses on financing high-impact sectors such as healthcare, manufacturing, and transportation. By 2024, it had financed over 2,900 clients, achieving USD 101 million in cumulative leases and commanding 73% of Palestine's leasing market. To date, total assets have reached USD 32.5 million.

WITH USD 12 MILLION IN INITIAL CAPITAL, PIC FOCUSES ON FINANCING HIGH-IMPACT SECTORS SUCH AS HEALTHCARE, MANUFACTURING, AND TRANSPORTATION.

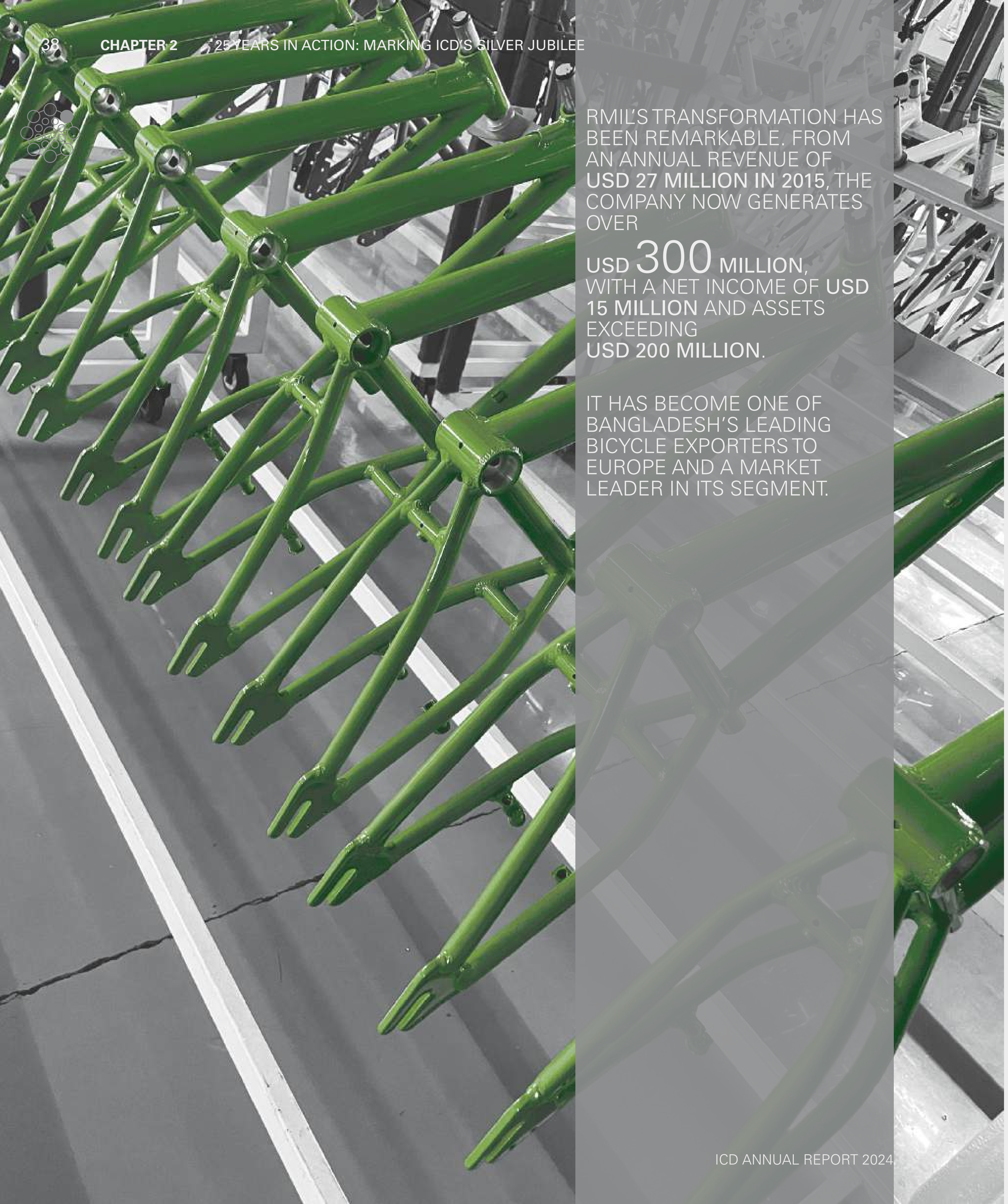
Supporting SMEs amid Challenges

Despite political and economic instability, PIC has enabled businesses to grow, creating jobs and advancing sectors such as agriculture and logistics. Successes include mechanizing operations for women-led cooperatives and modernizing industry tools in underserved areas.

Strategic Vision for Development

Aligned with the SDGs, PIC fosters inclusive growth through ethical financial solutions. ICD's strategic guidance in governance and risk management has been crucial to its resilience and long-term impact.

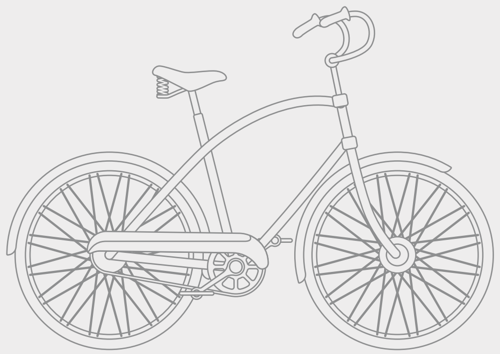
As a cornerstone of Palestine's financial ecosystem, PIC aims to expand its reach and diversify offerings to empower SMEs and drive sustainable development.



RMIL'S TRANSFORMATION HAS BEEN REMARKABLE. FROM AN ANNUAL REVENUE OF **USD 27 MILLION IN 2015**, THE COMPANY NOW GENERATES OVER

USD 300 MILLION, WITH A NET INCOME OF **USD 15 MILLION** AND ASSETS EXCEEDING **USD 200 MILLION**.

IT HAS BECOME ONE OF BANGLADESH'S LEADING BICYCLE EXPORTERS TO EUROPE AND A MARKET LEADER IN ITS SEGMENT.



Rangpur Metal Industries Limited (RMIL): A Transformative Success Story (2014-2015)

In 2014, ICD received a financing proposal from Rangpur Metal Industries Limited (RMIL), a subsidiary of Bangladesh's prominent PRAN-RFL Group, through its Kuala Lumpur regional office. At the time, this was only ICD's third transaction in Bangladesh, a market where ICD had limited presence and faced significant economic and country risk challenges.

Despite these hurdles, ICD recognized the project's high development potential in a country needing substantial private sector investment. RMIL sought financing to expand its newly established factory for manufacturing bicycles and steel pipes—products the company had no prior experience producing.

To ensure feasibility, ICD engaged international technical consultants for an in-depth assessment of the project's technical and financial viability. A robust commercial and technical due diligence process was undertaken in Bangladesh, involving an eight-member team of experts. Although market feasibility raised concerns—given the dominance of established players—ICD decided to proceed, confident in RMIL's potential and the strength of its parent group.

In 2015, ICD approved a USD 20 million facility for RMIL with a six-year tenor, including a six-month grace period. The financing package included robust securities such as mortgages, equipment charges, share pledges, and guarantees. This funding formed part of a USD 50 million project co-financed with BRAC Bank, which also served as the Security Agent.

RMIL's transformation has been remarkable. From an annual revenue of USD 27 million in 2015, the company now generates over USD 300 million, with a net income of USD 15 million and assets exceeding USD 200 million. It has become one of Bangladesh's leading bicycle exporters to Europe and a market leader in its segment.

This success strengthened ICD's confidence in Bangladesh, leading to significant expansion in the country. Today, Bangladesh represents ICD's largest term finance portfolio, with an impeccable repayment record. RMIL's journey highlights the transformative power of strategic investment and reinforces ICD's mission of driving sustainable development across its member countries.

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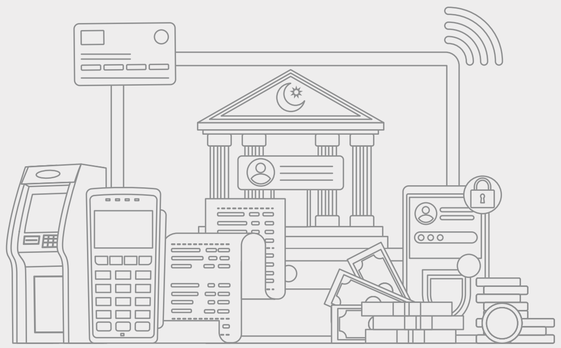
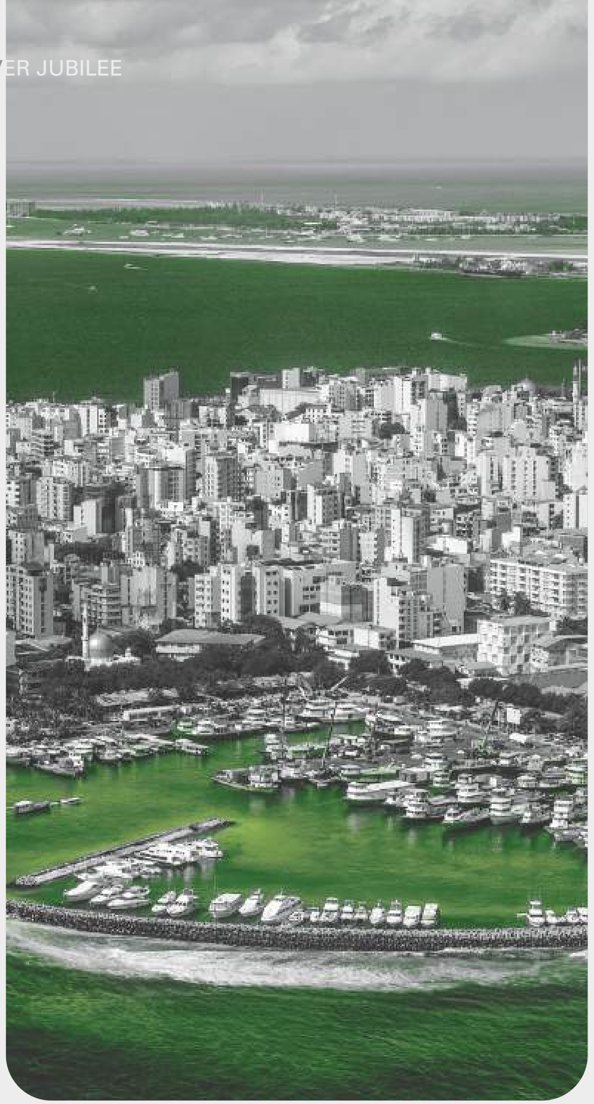


Advancing Financial Inclusion and Islamic Finance

ICD's equity investments prioritize financial inclusion, empowering millions to access essential financial services and participate in the economy. By investing in financial and non-banking financial institutions, ICD has unlocked capital and fostered entrepreneurship, particularly in underbanked regions.

Notable initiatives include ICD's collaboration with central banks to develop Shari'ah-compliant short-term liquidity instruments, addressing critical gaps in Islamic financial markets. In Tunisia, ICD transformed Wifak International Bank from a leasing company into a full-fledged Islamic bank, exemplifying its commitment to advancing Islamic finance in challenging environments. ICD's support for Maldives Islamic Bank (MIB) highlights its pivotal role in financial inclusion. From stepping in during liquidity shortages to infusing capital during a 2015 shortfall, ICD provided leadership, technical expertise, and governance enhancements. ICD also facilitated MIB's successful IPO in 2019, adding 10,000 new investors across Maldives' 20 atolls.

The ripple effects of these efforts are profound. ICD's equity injections of USD 246.5 million across 28 financial institutions mobilized USD 5,865 million in deposits and enabled USD 3,984 million in financing. This multiplier effect strengthens financial inclusion, deepens capital market access, and supports SDGs such as Decent Work and Economic Growth (SDG 8) and Industry, Innovation, and Infrastructure (SDG 9).



THIS MULTIPLIER EFFECT STRENGTHENS FINANCIAL INCLUSION, DEEPENS CAPITAL MARKET ACCESS, AND SUPPORTS SDGs SUCH AS DECENT WORK AND ECONOMIC GROWTH (**SDG 8**) AND INDUSTRY, INNOVATION, AND INFRASTRUCTURE (**SDG 9**).

Maldives Islamic Bank: Leading Ethical Finance and Sustainability

Maldives Islamic Bank (MIB), the nation's first fully Shari'ah-compliant bank, has redefined banking since its establishment in 2011. With support from ICD, MIB has become a trusted name for over 100,000 customers, fostering financial inclusion, sustainability, and ethical banking across 12 atolls.

From Vision to Reality

Born from a partnership between ICD and the Government of Maldives, MIB introduced Islamic finance in a post-crisis economy reliant on tourism and fisheries. Despite initial skepticism, MIB now offers tailored Shari'ah-compliant solutions, addressing housing, small business growth, and renewable energy needs.

Resilience and Innovation

MIB's adaptability shines in its response to challenges, from financing 1,000 homes to launching groundbreaking products such as Islamic treasury bills and eco-friendly Hakathari financing. Its 2019 IPO raised USD 15.8 million, attracting over 16,000 shareholders, democratizing financial ownership, and bolstering growth.

Digital Transformation

Innovation drives MIB's success, with initiatives such as FaisaNet 2.0 for seamless online banking and UjaalaaNow for instant Shari'ah-compliant credit. In 2023, it introduced instant account opening through the eFaas National Digital Identity System, breaking access barriers for underserved communities.

MIB'S ADAPTABILITY SHINES IN ITS RESPONSE TO CHALLENGES, FROM FINANCING 1,000 HOMES TO LAUNCHING GROUNDBREAKING PRODUCTS SUCH AS **ISLAMIC TREASURY BILLS** AND **ECO-FRIENDLY HAKATHARI FINANCING.**

MIB CHAMPIONS SUSTAINABILITY THROUGH RENEWABLE ENERGY FINANCING AND A WORKFORCE NEAR GENDER PARITY, ADVANCING SDGs 5, 7, AND 10.

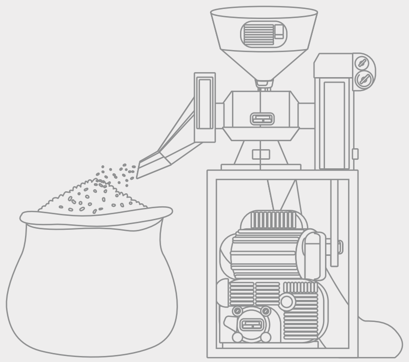
Sustainability and Impact

MIB champions sustainability through renewable energy financing and a workforce near gender parity, advancing SDGs 5, 7, and 10. Its community engagement includes scholarships, healthcare support, and financial literacy programs, empowering underserved atolls and reducing inequalities.

Vision

With regional expansion plans and a focus on digital innovation, MIB aims to set new benchmarks in Islamic finance. Guided by ICD's support, it continues to inspire confidence in Islamic banking, proving the transformative power of ethical finance.

With regional expansion plans and a focus on digital innovation, MIB aims to set new benchmarks in Islamic finance.



Catalyzing Change: Food Security, Economic Resilience, and Innovation

ICD's equity investments go beyond financial inclusion, addressing critical challenges across member countries to support food security, economic development, and alignment with national mandates. By investing strategically in transformative industries such as agribusiness, Islamic financial institutions, and leasing companies, ICD has empowered businesses to drive growth and stability across diverse economies. Through these efforts, ICD has demonstrated how targeted investments in key industries can act as catalysts for systemic change, driving long-term economic resilience and creating robust value chains.

> By investing strategically in transformative industries such as agribusiness, Islamic financial institutions, and leasing companies, ICD has empowered businesses to drive growth and stability across diverse economies.

Fostering Food Security and Economic Resilience

Food security remains a priority for many member countries, and ICD has responded through equity investments that bolster local economies and address critical supply gaps. Al Sharkeya Sugar in Egypt exemplifies this commitment by supporting local agricultural supply chains, reducing dependence on imports, and fostering rural development through its state-of-the-art sugar production facilities. By contrast, Byblos Bank Africa has played a crucial role in ensuring food availability by facilitating trade finance operations for the importation of essential commodities, such as wheat, during challenging conditions. Such initiatives have not only strengthened community resilience but also safeguarded market stability, ensuring essential goods remain accessible during crises. Through strategic initiatives in agribusiness and food supply, ICD not only addresses immediate needs but also builds the foundation for long-term sustainability, reducing vulnerabilities to global supply shocks and fostering self-reliance.

Advancing Economic Development Across Sectors

ICD's equity investments have consistently driven economic development, empowering key industries and fostering innovation. Investments such as Al Akhdar Bank in Morocco—a pioneering Islamic financial institution established in partnership with Crédit Agricole du Maroc—illustrate ICD's role in promoting accessible financial services and advancing Islamic banking within the country. The success of Al Akhdar Bank has demonstrated the ability to scale inclusive financial services while aligning with Morocco's broader economic vision. Similarly, ICD's investment in Tamweel Africa Holding has strengthened financial ecosystems across West Africa, showcasing its ability to operate effectively across regional boundaries and adapt to diverse economic contexts.

In Saudi Arabia, ICD has tackled housing affordability by supporting institutions such as Bidaya Home Finance, enabling thousands of families to access home ownership. In Kazakhstan, KIC Leasing has catalyzed industrial growth, enabling businesses to access capital for equipment and infrastructure, thereby boosting national development. These investments highlight how ICD's equity strategy is not only sector-specific but also designed to address critical socio-economic challenges in member countries.

Leveraging Transformational Investments

ICD's commitment to transformational change is evident in its equity investments that redefine financial landscapes. IB Zaman Bank JSC in Kazakhstan transitioned from a conventional bank to a fully-fledged Islamic financial institution, setting a precedent for future conversions in the region. Similarly, Wifak International Bank in Tunisia underwent a transformation from a leasing company to a fully operational Islamic bank, fostering greater financial inclusion. These investments empower local economies while inspiring financial innovation and driving sustainable progress. By building strong governance structures and enhancing operational capabilities, these investments set the stage for sustainable growth.

Creating Multiplier Effects Through Financial Institutions

ICD's equity strategy in financial institutions generates substantial multiplier effects, mobilizing additional capital to support broader economic activity. For example, investments in Taiba Finance —the only Islamic financial institution in Uzbekistan—have enabled SMEs to access critical financing, fostering entrepreneurship and job creation in emerging markets. Similarly, Maldives Islamic Bank, the first and only Islamic bank in the Maldives, achieved a successful IPO in 2019, demonstrating the ability of ICD-supported institutions to attract private investment and expand their impact.

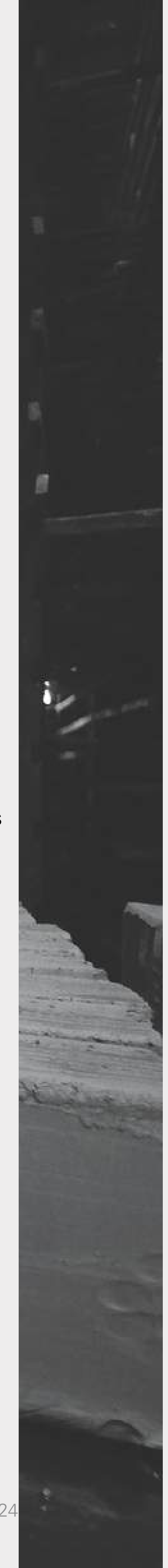
These financial institutions act as instruments for development, amplifying ICD's initial equity investments to reach thousands of businesses and individuals. The ripple effects include increased savings, expanded financial literacy, and enhanced market liquidity, all of which contribute to broader economic growth and resilience. Moreover, ICD's investments foster innovation and diversification in local financial systems, paving the way for sustainable growth while mitigating risks associated with market volatility and limited financial access in underserved regions. By catalyzing additional funding and strengthening financial ecosystems, these investments have a transformative impact that aligns with ICD's developmental objectives.

Transformative Role in Islamic Finance

ICD has played a pivotal role in establishing and expanding Islamic finance globally, creating new opportunities for Shari'ah-compliant financial systems in underserved regions. Investments in institutions such as Banque Islamique de Guinée, Banque Islamique du Sénégal, and Amãna Bank in Sri Lanka have paved the way for robust financial infrastructures that foster economic growth.

In Guinea and Senegal, ICD's equity investments participated in the first and only Islamic banks in these countries, directly addressing the absence of Shari'ah-compliant options. In Sri Lanka, ICD's investment in Amana Bank introduced Islamic banking to a non-member country, showcasing its ability to expand the reach of Islamic finance beyond traditional boundaries. These investments not only broaden financial inclusion but also enhance the credibility and resilience of Islamic finance globally.

ICD has played a pivotal role in establishing and expanding Islamic finance globally, creating new opportunities for Shari'ah-compliant financial systems in underserved regions.



IILM's significance lies in its ability to deliver high-quality, tradable Sukuk that address the liquidity needs of Islamic financial institutions worldwide.

Global Infrastructure for Financial Stability

Pioneering Liquidity Management

The International Islamic Liquidity Management Corporation (IILM) is a trailblazing institution established in 2010 to address systemic cross-border liquidity challenges in Islamic finance. By providing Shari'ah-compliant short-term instruments, IILM delivers transformative liquidity solutions that empower financial institutions to thrive while maintaining ethical principles.

Headquartered in Kuala Lumpur, IILM is supported by a coalition of eight central banks – representing Indonesia, Kuwait, Malaysia, Nigeria, Qatar, Türkiye, the UAE, and Mauritius – alongside ICD. This unique collaboration enhances IILM's credibility and effectiveness, enabling it to deliver financial solutions that meet the highest international standards. This partnership of central banks from Asia, Africa, and the Gulf Cooperation Council (GCC) regions, together with ICD, reflects a shared commitment to advancing Islamic finance and ensuring robust liquidity management across borders.

As the sole provider of Shari'ah-compliant Asset-Backed Commercial Paper (ABCP), IILM sets a global benchmark for ethical liquidity management, bridging critical gaps in the financial ecosystem and fostering stability across markets. Its innovative approach positions it as an indispensable pillar of resilience and trust in the Islamic finance landscape.

Why IILM Matters

IILM's significance lies in its ability to deliver high-quality, tradable Sukuk that address the liquidity needs of Islamic financial institutions worldwide. These instruments are not just solutions – they are lifelines that enable institutions to operate with stability and confidence in a competitive global market.

The active involvement of central banks provides IILM with unparalleled credibility. This unique governance structure ensures that IILM's offerings adhere to rigorous international standards while meeting the diverse needs of the regions it serves, reinforcing its role as a cornerstone of trust and innovation in Islamic finance.

ICD: A Strategic Partner in Transformation

ICD has been instrumental in IILM's success. As a founding shareholder, ICD's long-term vision, governance, and financial backing have positioned IILM as a global leader in liquidity management. By turning liquidity challenges into opportunities for growth, ICD has ensured that IILM remains a trusted and innovative force in Islamic finance.

Breakthrough Achievements

Since its inaugural issuance in 2013, IILM has issued over USD 113.95 billion in short-term Sukuk through 276 series, cementing its role as a global leader in liquidity management. In 2024, IILM facilitated USD 13.01 billion in Sukuk issuances, achieving nearly 20% growth in outstanding size from the previous year. Notable milestones include the world's first short-term cross-border Sukuk and the introduction of a 12-month Sukuk tenor in 2022. These innovations reflect IILM's ability to adapt to evolving market demands while delivering cutting-edge solutions that empower institutions to navigate complex economic landscapes.

A Catalyst for Sustainable Development

IILM's initiatives extend far beyond financial markets, aligning closely with global development priorities. By promoting financial inclusion (SDG 8), driving infrastructure innovation (SDG 9), and fostering responsible investment practices (SDG 12), IILM actively supports the United Nations SDGs. Proceeds from IILM Sukuk are reinvested into projects that reduce inequalities (SDG 10), creating ripple effects of progress across member countries.

BY PROMOTING FINANCIAL INCLUSION (**SDG 8**), DRIVING INFRASTRUCTURE INNOVATION (**SDG 9**), AND FOSTERING RESPONSIBLE INVESTMENT PRACTICES (**SDG 12**), IILM ACTIVELY SUPPORTS THE UNITED NATIONS SDGs. PROCEEDS FROM IILM SUKUK ARE REINVESTED INTO PROJECTS THAT REDUCE INEQUALITIES (**SDG 10**).

IILM IS CHARTING A BOLD COURSE FOR THE FUTURE, WITH PLANS TO EXPAND ITS SUKUK PROGRAM FROM **USD 5 BILLION** TO **USD 6 BILLION** AND DIVERSIFY ITS PORTFOLIO ACROSS NEW MARKETS AND SECTORS.

Recognition and Leadership

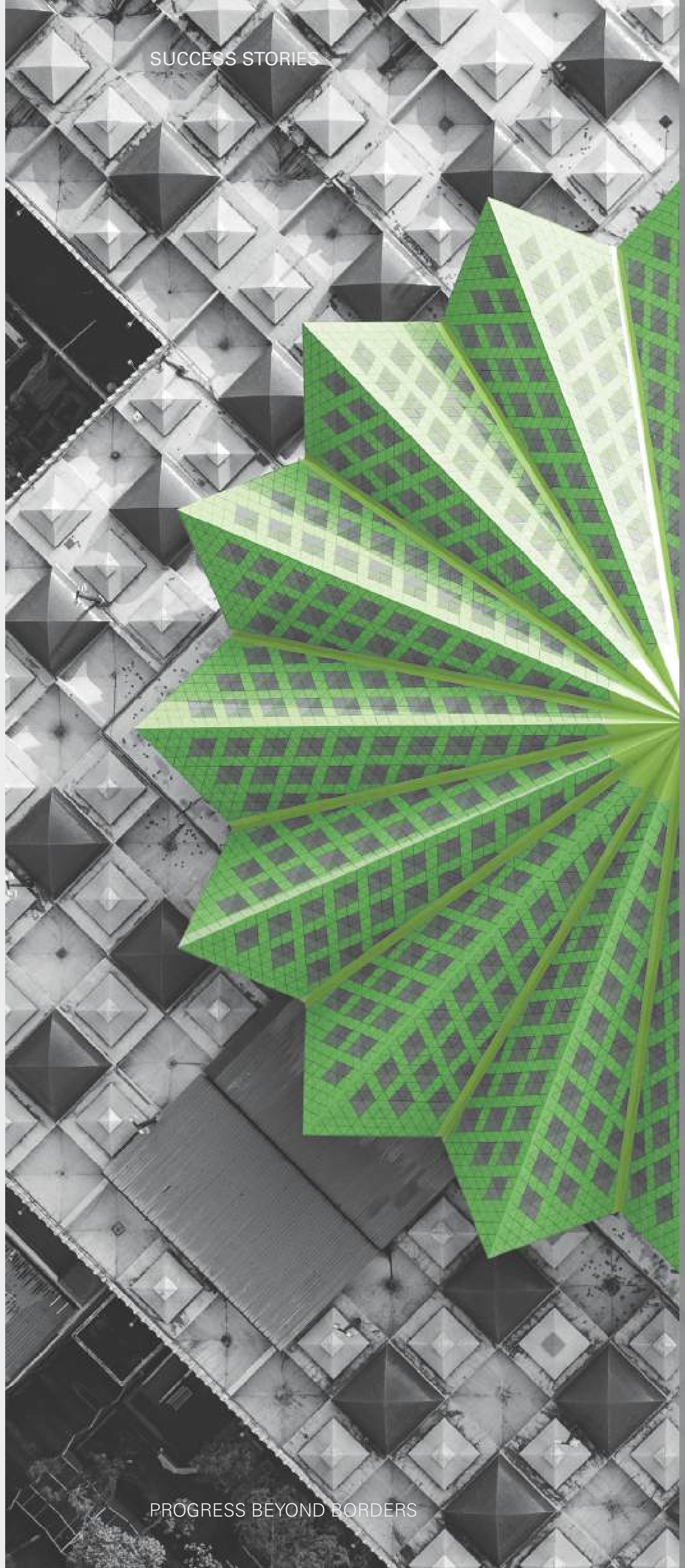
Globally recognized for its pioneering contributions, IILM has earned accolades such as "Islamic Finance Institution of the Year" and "Best Cross-Border Sukuk Liquidity Provider." These awards highlight IILM's leadership in liquidity management, market innovation, and ethical finance, reinforcing its position as an indispensable pillar of the Islamic financial ecosystem.

Looking Ahead: Scaling New Heights

IILM is charting a bold course for the future, with plans to expand its Sukuk program from USD 5 billion to USD 6 billion and diversify its portfolio across new markets and sectors. The corporation is also advancing innovative instruments such as Green Sukuk and multi-currency offerings, paving the way for a sustainable and globally integrated financial ecosystem.

Future Outlook: Building Resilience in Islamic Finance

IILM's unique structure, dynamic leadership, and unwavering commitment to sustainability make it indispensable to the Islamic financial system. Backed by the strategic vision of ICD, IILM continues to deliver transformative liquidity solutions, enabling institutions to thrive in a world that demands resilience and adaptability. As ICD celebrates 25 years of empowering transformative institutions, IILM stands as a testament to its enduring mission. By addressing the liquidity needs of hundreds of institutions, it redefines ethical finance, ensuring a stable and prosperous future for Islamic finance worldwide.



ICD's leadership in building global financial infrastructure is exemplified through its support for the International Islamic Liquidity Management Corporation (IILM). As the only institution issuing USD-denominated Shari'ah-compliant short-term liquidity instruments, IILM addresses critical liquidity challenges in Islamic financial markets. This innovation ensures that Islamic financial institutions have the tools necessary to manage liquidity effectively, contributing to the stability and growth of global financial systems. By addressing these systemic challenges, ICD strengthens the financial architecture for sustainable development.

ICD in Photos: 25 Years of Service

Our success is rooted in the exceptionally high skills of our employees. It is their knowledge, flexibility, innovative thinking and commitment to the business that defines the corporation.

A heartfelt thank you to our dedicated ICD team and all the exceptional individuals who have contributed to ICD's journey over the last 25 years.

Thank you

ICD's projects are recognized as essential and large-scale initiatives. Their impact on the development of member countries is such that each year they are subject to regional and worldwide recognition.

CHAPTER 3

ICD in Numbers

3.1 A Snapshot of 2024

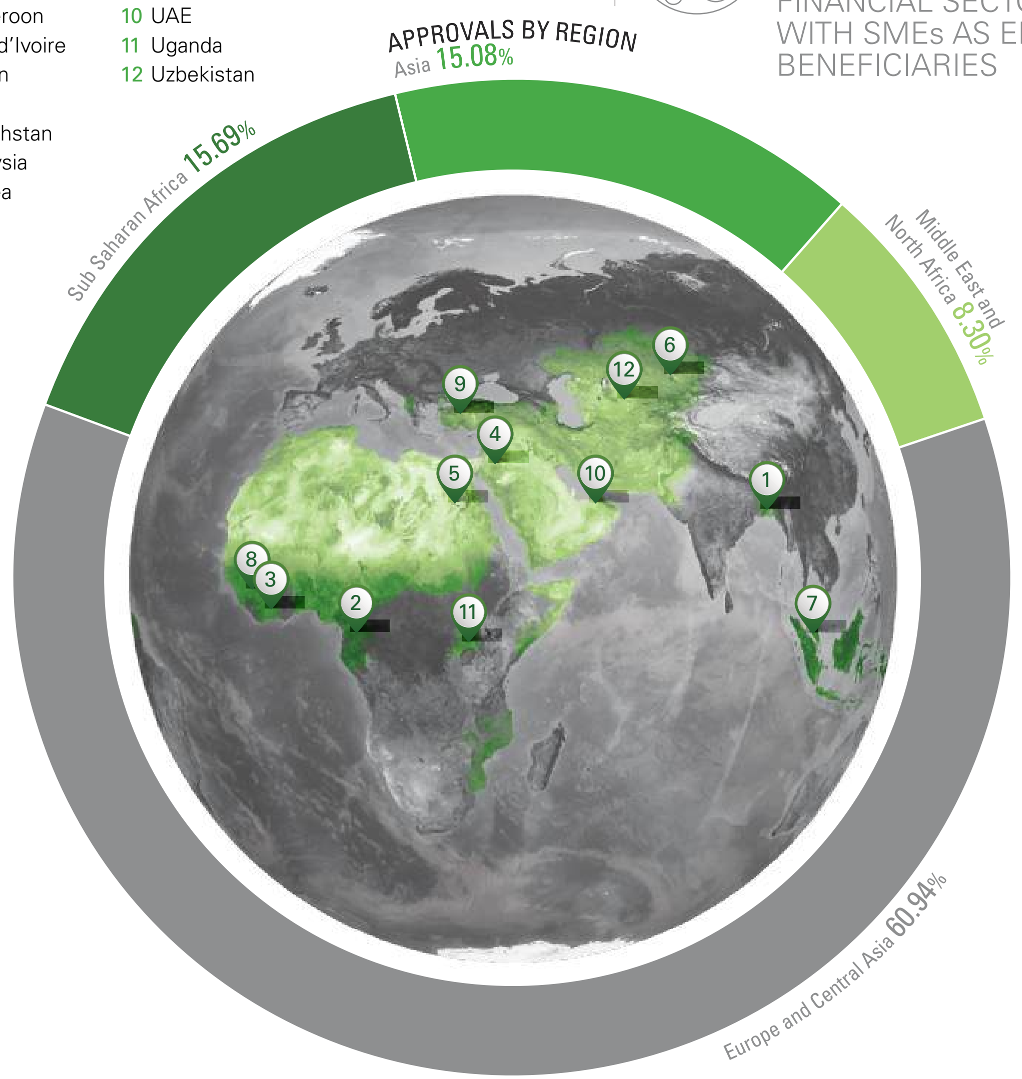
The figures in this section highlight our achievements in 2024, along with cumulative data about ICD's work since inception.

USD 663 MILLION APPROVED

49% INVESTED IN THE FINANCIAL SECTOR WITH SMEs AS END BENEFICIARIES

12 COUNTRIES REACHED

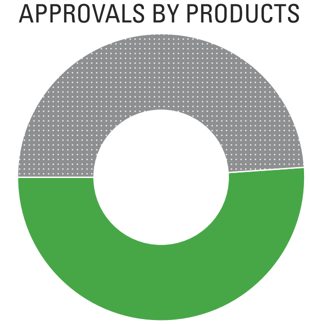
1 Bangladesh
2 Cameroon
3 Cote d'Ivoire
4 Jordan
5 Egypt
6 Kazakhstan
7 Malaysia
8 Guinea
9 Türkiye
10 UAE
11 Uganda
12 Uzbekistan



APPROVALS BY SECTOR

FINANCE:	INDUSTRY & MINING:	TRANSPORTATION:	ENERGY:
49.02%	20.43%	12.02%	11.16%
14 PROJECTS	5 PROJECTS	2 PROJECTS	1 PROJECT

APPROVALS BY PRODUCTS



LINE OF FINANCE
USD325 MILLION

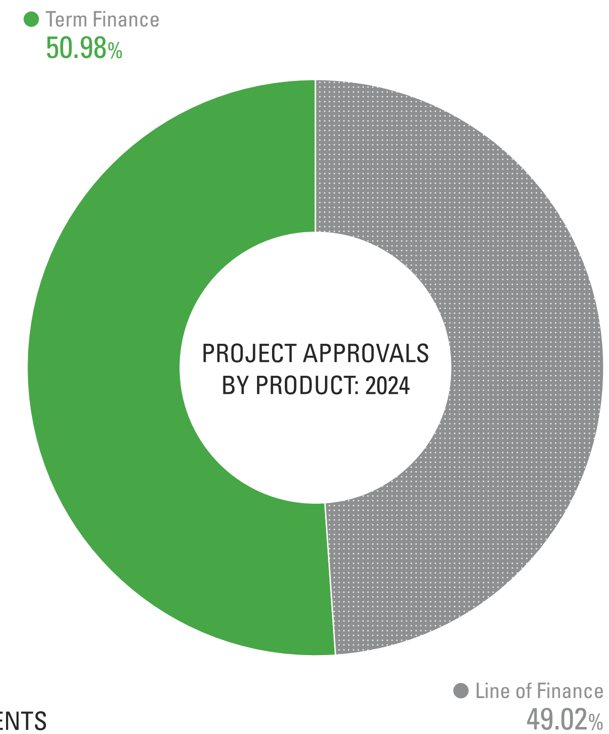
TERM FINANCE
USD338 MILLION

A TOTAL OF 24 PROJECTS APPROVED

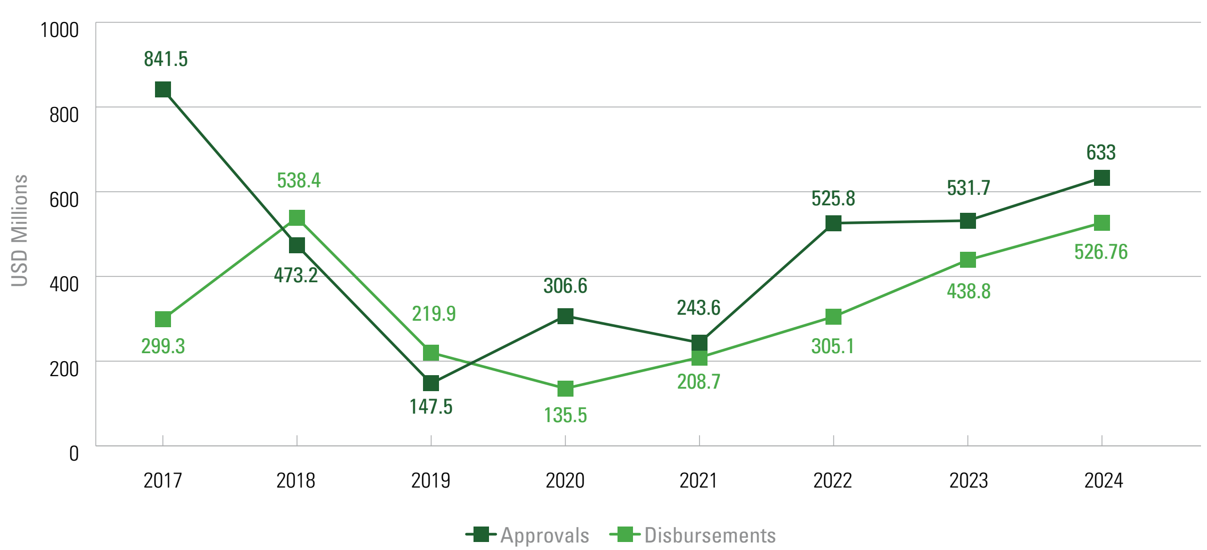
3.2 2024 in Review

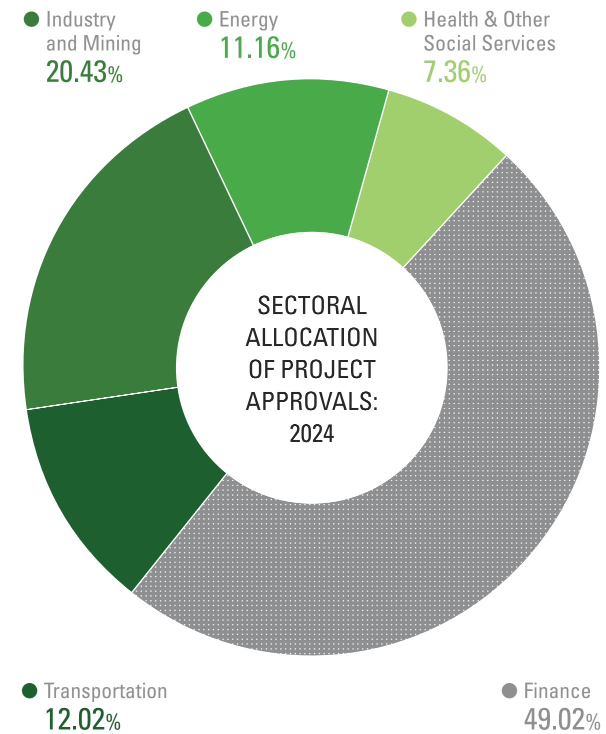
Since inception, ICD has prioritized private sector development, recognizing its crucial role in job creation, expanding export opportunities, and driving sustainable and inclusive growth.

ICD's commitment to fostering private sector growth and tackling global issues such as energy access and infrastructure is reflected in its actions. In 2024, ICD's project approvals amounted to USD 663 million, achieved through extending financial support to partner institutions and investing in initiatives. This year's approvals were categorized into term finance (50.98% share), and line of finance (49.02% share), aligning with ICD's strategic shift toward credit financing. With this, cumulative project approvals have now reached USD 7.58 billion since inception.

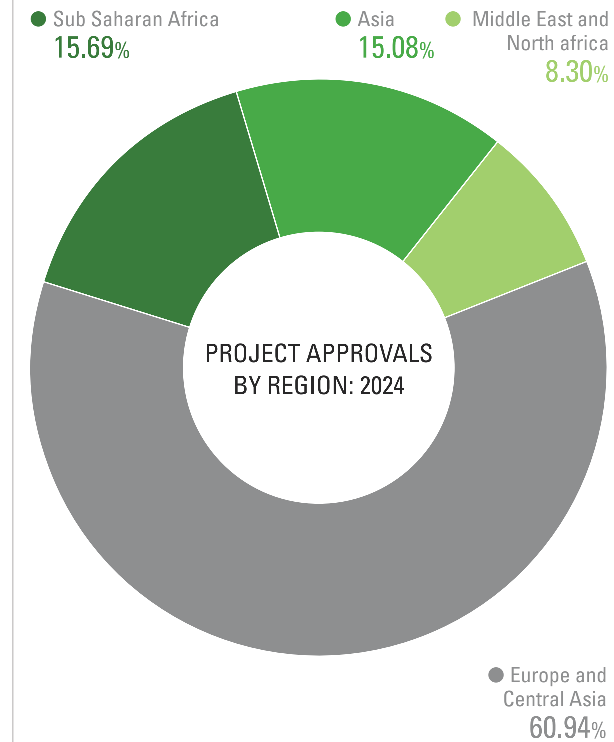


TRENDS IN ICD PROJECT APPROVALS AND DISBURSEMENTS





Sectorally, 49.02% of new project approvals were allocated for the finance sector, followed by non-financial sector investments focusing on high-impact sectors such as industry and mining (20.43%), transportation (12.02%) and energy (11.16%). In terms of regional distribution, (60.94%) of project approvals were allocated to Europe and Central Asia, followed by Sub-Saharan Africa (15.69%), Asia (15.08%), and the Middle East and North Africa (8.30%).



60.94%
OF PROJECT APPROVALS WERE ALLOCATED TO **EUROPE AND CENTRAL ASIA**, FOLLOWED BY

SUB-SAHARAN AFRICA
15.69%,

ASIA
15.08%,

AND THE **MIDDLE EAST AND NORTH AFRICA**
8.30%.

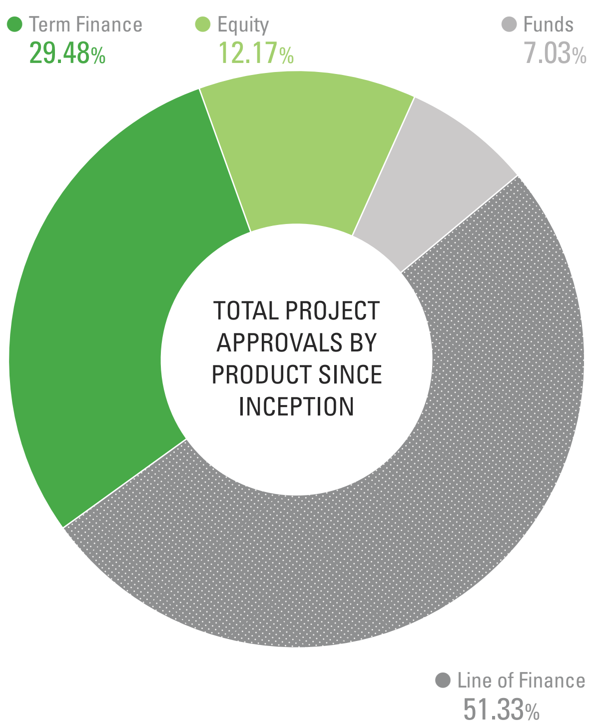
In 2024, disbursements showed a significant increase in efficiency. A total of USD 526.76 million was disbursed, up from USD 438.78 million in 2023. The finance sector received the largest share, making up 75.68% of total disbursements, while the remaining allocations were as follows: 21.36% to the industry and mining sector, 1.94% to infrastructure, and 1.02% to oil & gas storage & transportation. Overall, the disbursement-to-approval ratio reached 79%.

A TOTAL OF USD 526.76 MILLION WAS DISBURSED, UP FROM **USD 438.78 MILLION** IN 2023. THE FINANCE SECTOR RECEIVED THE LARGEST SHARE, MAKING UP 75.68% OF TOTAL DISBURSEMENTS.

3.3 Highlights since inception

Since its inception, ICD has delivered approximately USD 7.58 billion in cumulative approvals and over USD 5.06 billion in disbursements for private sector development.

Since its inception in 1999, ICD has approved 575 projects totalling USD 7.58 billion. These approvals have supported a range of sectors, including finance, infrastructure, agriculture, manufacturing, and energy. With operations in 48 member countries, ICD continues to make a significant impact across diverse industries.



OUR APPROVALS INCLUDE:

152 LINE OF FINANCE PROJECTS VALUED AT USD 3.89 BILLION

178 TERM FINANCE PROJECTS VALUED AT USD 2.24 BILLION

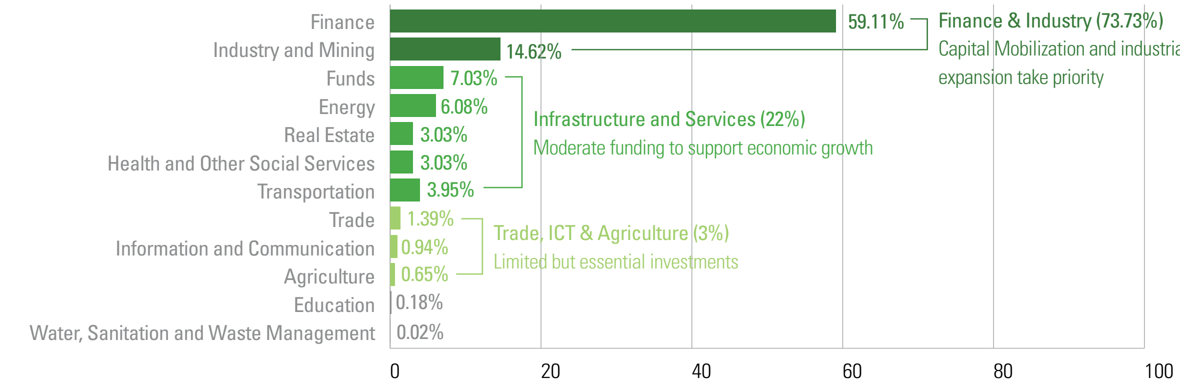
130 EQUITY PROJECTS VALUED AT USD 922.63 MILLION

15 FUNDS PROJECTS VALUED AT USD 532.85 MILLION

To date, 80.81% of approvals have been allocated to credit financing (term finance plus line of finance), followed by 12.17% in equity participation (institutional equity and corporate equity), and the remaining 7.03% in Investment Funds.

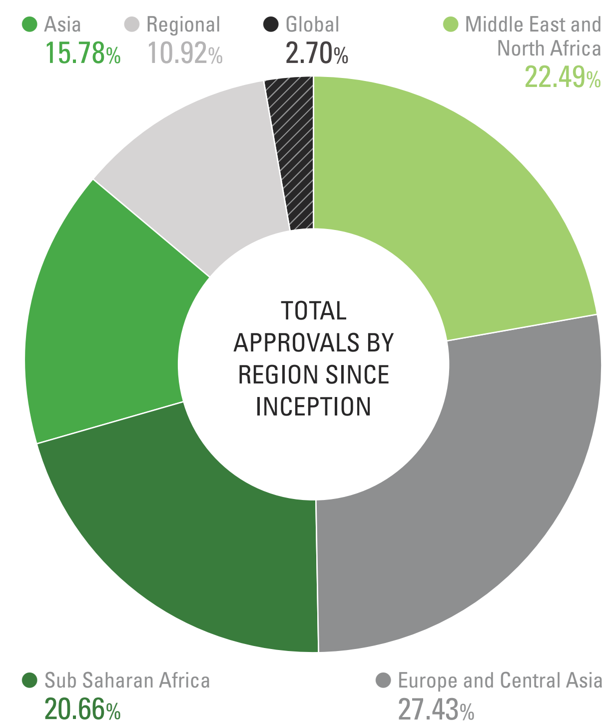
The most substantial portion of approvals since inception has been directed to SME via partner financial institutions (excluding funds). This represents 59.11% of total approvals, exceeding USD 4.48 billion. Following this, the industrial and mining sector holds the second-largest share 14.62%, amounting to USD 1.11 billion in gross approvals. Funds account for 7.03%, while the remaining 18.41% of approvals cover various sectors such as energy, real estate, health & other social services, transportation, information & communication, and trade. A fraction, USD 63.78 million (0.84% of cumulative approvals), has been allocated to agriculture, education, and water, sanitation, and waste management sectors.

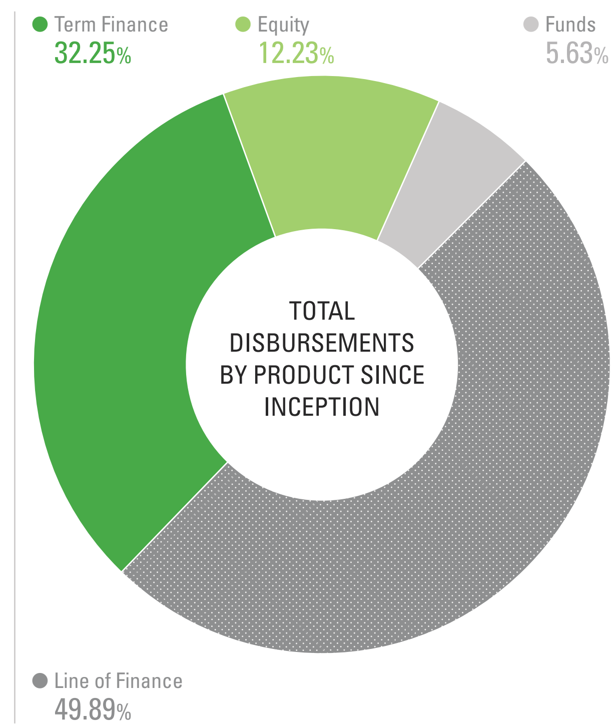
TOTAL APPROVALS BY SECTOR SINCE INCEPTION



ICD's approvals showcase the extensive geographic scope of its operations. By the end of 2024, ICD's investment initiatives extended across 48 member countries, encompassing various regional and global projects across diverse economies. Among these, the Europe and Central Asia (ECA) region accounted for 27.43% of gross approvals, trailed closely by the Middle East and North Africa (MENA) at 22.49%, Sub-Saharan Africa (SSA) at 20.66%, and the Asia region at 15.78%. Additionally, projects bridging regions and covering multiple countries accounted for 13.62% of gross approvals.

ICD has disbursed a total of approximately USD 5.04 billion since inception. Disbursements vary according to product, with line of finance and term finance projects accounting for the largest proportion (49.89% and 32.25%, respectively). Equity operations accounted for 12.23%, followed by Investment Funds at 5.63%.





In 2024, ICD's work strengthened access to Islamic finance for private sector enterprises across member countries. Through targeted interventions and strategic partnerships, we've created lasting impact in key markets, as illustrated by the following cases.

CHAPTER 4

Our Operations, Activities and Performance: 2024 Highlights

4.1 ICD's Inaugural Line of Finance Intervention in the Republic of Benin

In 2024, ICD achieved a significant milestone by providing its inaugural LOF facility to Banque Internationale pour l'Industrie et le Commerce (BIIC) in Benin. This ground-breaking partnership marked ICD's first intervention in the country, creating a strong demonstration effect in mobilizing Sharia-compliant financing solutions within member countries. It also sets the stage for expanding ICD's LOF operations in Benin. The LOF facility aims to support private sector development in Benin through a strategic partnership with BIIC, a systemic bank re-established in its current form in 2020 and known for its deep local expertise.

This landmark transaction highlights ICD's commitment to fostering impactful initiatives and empowering private sector enterprises in Benin, reinforcing its role as a catalyst for economic growth and sustainable development.

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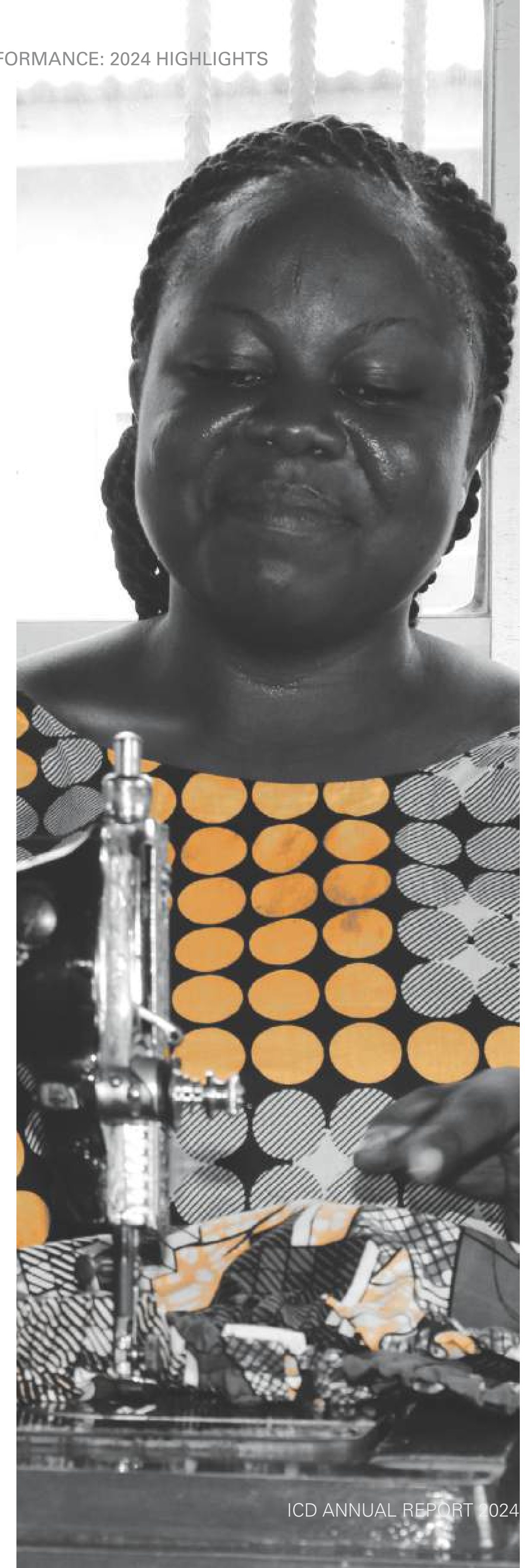


4.2 Advancing Islamic Finance and Financial Inclusion in Kazakhstan

In 2024, ICD extended a Shari'ah compliant financing facility worth KZT 2.4 billion to Kazakhstan Ijara Company JSC (KIC) to support private sector businesses, particularly SMEs, in Kazakhstan.

To enable disbursement in local currency, ICD secured the KZT through an Islamic cross-currency swap. This arrangement allows ICD to maintain USD repayments from its swap counterparty while providing KIC with the stability of fixed debt service costs in KZT. This innovative transaction expands ICD's suite of local currency solutions for emerging markets across its member countries.

This is ICD's second significant local currency transaction, following its issuance of the first KZT-denominated Sukuk in 2023, which successfully raised KZT 2 billion through an auction of a five-year amortized Sukuk facility. The successful execution of this latest swap transaction paves the way for ICD to deepen its presence and impact in Kazakhstan.

IN 2024, ICD EXTENDED A SHARI'AH COMPLIANT FINANCING FACILITY WORTH

KZT 2.4 BILLION

TO KAZAKHSTAN IJARA COMPANY JSC (KIC) TO SUPPORT PRIVATE SECTOR BUSINESSES, PARTICULARLY SMEs, IN KAZAKHSTAN.

The funds provided to KIC will be used to offer Shari'ah-compliant financing to eligible private sector enterprises across various economic sectors. This initiative emphasizes ICD's commitment to fostering private sector development and promoting Islamic finance globally, while also highlighting KIC's role in advancing economic growth and enhancing financial inclusion in Kazakhstan.

4.3 Supporting Transformative Infrastructure Projects in Türkiye

ICD has successfully financed the construction of a major motorway in Türkiye, a key project aimed at enhancing connectivity, facilitating trade, and driving economic growth. Robust transportation infrastructure is essential for fostering economic integration, and this milestone reflects ICD's commitment to advancing such transformative initiatives through strategic financing.

Additionally, ICD supported an innovative hospital project under a Public-Private Partnership (PPP) structure, reaffirming its dedication to sustainable and forward-looking healthcare solutions. This initiative not only enhances healthcare access and quality for local communities but also establishes a model for future PPP projects in the healthcare sector.

These achievements underscore the vital role of infrastructure financing in promoting sustainable development and economic progress across ICD's member countries. By championing these impactful projects, ICD continues to contribute to improving quality of life and fostering economic prosperity in the region.

4.4 Enhancing Shari'ah Compliant Funding for Private Sector Enterprises in Egypt

In 2024, ICD disbursed a USD 30 million LOF facility to Banque Misr S.A.E., reinforcing its commitment to fostering the growth of private sector enterprises in Egypt, including small and medium-sized corporations. This facility enabled ICD to strengthen its presence in Egypt while supporting the expansion of the Islamic finance sector within the country.

Through this partnership, Banque Misr is set to enhance its Shari'ah-compliant financing portfolio, providing vital funding to private sector enterprises, including SMEs, across various economic sectors in Egypt.

Banque Misr, established in 1920 and headquartered in Cairo, is one of Egypt's leading financial institutions. With a nationwide footprint, a workforce of over 20,000 employees, and a client base exceeding 17 million, the bank plays a pivotal role in Egypt's economy. Additionally, Banque Misr has a notable regional and international presence, further amplifying its impact. ICD financing will be channeled through the bank Islamic window.

WITH A NATIONWIDE FOOTPRINT, A WORKFORCE OF OVER **20,000** EMPLOYEES, AND A CLIENT BASE EXCEEDING **17** MILLION, THE BANK PLAYS A PIVOTAL ROLE IN EGYPT'S ECONOMY.

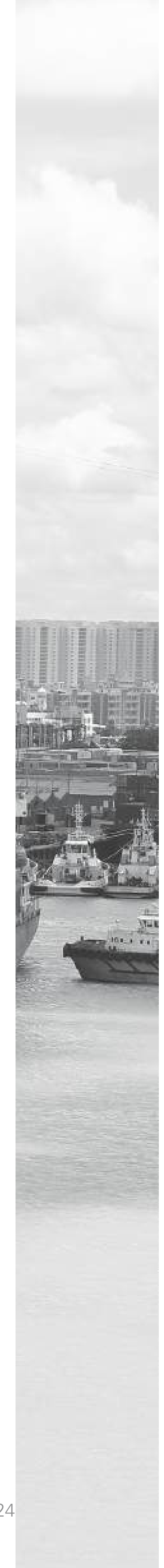
4.5 ICD Pioneers Financing for Port Operations in Bangladesh

In 2024, ICD achieved several notable milestones in infrastructure and energy sector financing, reaffirming its commitment to driving economic growth and development across its member countries.

One key achievement was facilitating the first-ever financing of port operations in Bangladesh. This ground-breaking initiative improved the efficiency and capacity of the country's port facilities while paving the way for increased cross-border investment by the private sector within ICD's member countries. By fostering collaboration and investment in infrastructure projects, this effort strengthens regional economic ties and underscores the potential for shared development.

Additionally, ICD financed the construction of large LNG vessels, a landmark development in the energy sector. This project enhances the region's energy capabilities and reflects ICD's dedication to sustainable energy solutions and meeting the growing demand for energy resources.

By fostering collaboration and investment in infrastructure projects, this effort strengthens regional economic ties and underscores the potential for shared development.



4.6 Supporting the Manufacturing Sector in Jordan

In 2024, ICD approved and disbursed a USD 25 million facility to support Babylife for Manufacturing of Hygiene Products (BBL), a leading Jordanian manufacturer of diapers and hygienic paper products.

This strategic investment will enable BBL to establish Jordan's first carton recycling facility, aligning with its backward integration strategy.

By funding this pioneering project, ICD is contributing to several SDGs. The project will directly support SDG 8 by creating over 400 new jobs, boosting economic growth, and providing employment opportunities. Additionally, it will drive industrial innovation and infrastructure development, aligning with SDG 9. By creating jobs and stimulating economic activity, it will also positively impact SDG 1 (reducing poverty). Lastly, by reducing water consumption and minimizing wood usage, the project will have a positive environmental impact.

IN 2024, ICD APPROVED AND DISBURSED A USD 25 MILLION FACILITY TO SUPPORT BABYLIFE FOR MANUFACTURING OF HYGIENE PRODUCTS (BBL), A LEADING JORDANIAN MANUFACTURER OF DIAPERS AND HYGIENIC PAPER PRODUCTS.

4.7 Advancing Financial Sustainability and Social Progress Through Bidaya Finance

ICD's strategic equity investment in Bidaya Finance has played a pivotal role in transforming Saudi Arabia's housing finance sector, fostering financial sustainability while driving inclusive economic progress. As an ICD-backed venture, Bidaya has expanded access to Shari'ah-compliant home financing, empowering thousands of Saudi families to achieve homeownership and supporting the broader objectives of Saudi Vision 2030.

IN 2024, BIDAYA FURTHER REINFORCED ITS POSITION THROUGH A LANDMARK

SAR 1 BILLION (USD 267 MILLION) FUNDING ARRANGEMENT WITH SRC.

Since its establishment in 2014, Bidaya has grown into a leading Islamic mortgage provider, demonstrating the power of equity investments in strengthening financial institutions, deepening capital markets, and enhancing economic resilience. ICD's strategic oversight has ensured that Bidaya maintains a robust financial foundation, balancing profitability with developmental impact and setting new standards for sustainable growth.

In 2024, Bidaya further reinforced its position through a landmark SAR 1 billion (USD 267 million) funding arrangement with the Saudi Real Estate Refinance Company (SRC). This initiative—backed by ICD's governance and strategic direction—provided much-needed liquidity to the housing market, expanding homeownership opportunities while fortifying Saudi Arabia's Islamic finance ecosystem.

Beyond financial performance, Bidaya's impact extends to economic inclusion and social mobility. By integrating digitized lending platforms, advanced analytics, and AI-driven financial solutions, Bidaya has enhanced financial accessibility and operational efficiency, making homeownership more attainable for first-time buyers. This aligns with ICD's broader mandate of fostering resilient financial institutions that support economic empowerment, reduce inequalities, and drive long-term sustainable development.

Bidaya Finance exemplifies how ICD's equity investments serve as a catalyst for both financial sustainability and social progress, reinforcing the role of Shari'ah-compliant financial solutions in shaping more inclusive and resilient economies across its Member Countries.

Bidaya Finance exemplifies how ICD's equity investments serve as a catalyst for both financial sustainability and social progress.

ICD actively collaborates with a diverse range of stakeholders to enhance the private sector's role in tackling global development challenges. Strategic partnerships serve as a cornerstone of these efforts, driving impactful outcomes and fostering sustainable growth.

CHAPTER 5

ICD Synergies and Partnerships

5.1 Leveraging Partnerships to Empower Businesses and Inspire the Future

ICD has strategically positioned itself as a key enabler of economic growth and sustainability by fostering impactful partnerships. Through its alliances with development institutions, multilateral development banks, and international organizations, ICD has significantly enhanced the availability of financing, technical expertise, and market opportunities for businesses across its member countries. These collaborations have been instrumental in driving the private sector's growth, particularly in critical areas such as renewable energy and infrastructure, where they have spurred innovation, accelerated economic development, and advanced sustainability.

In 2024, ICD further solidified its role as a trusted partner and catalyst for progress by tapping into its expansive network. This network includes multilateral development banks, development finance institutions, sovereign wealth funds, financial institutions, central banks, and technical advisors. Together, these stakeholders have contributed to ICD's efforts to address complex development challenges and seize emerging opportunities within member countries. By leveraging this ecosystem, ICD has bridged financing gaps, facilitated knowledge sharing, and promoted best practices in sustainable development.

> ICD remains dedicated to strengthening its collaboration with like-minded entities, ensuring that its initiatives generate lasting impact.

Remaining steadfast in its mission to empower the private sector, ICD has also prioritized aligning with partners who share a common vision for economic resilience and environmental responsibility. These partnerships have resulted in numerous joint initiatives, from co-financing major projects to deploying technical assistance programs that support enterprises at various stages of growth. The focus on renewable energy, for instance, has not only helped reduce carbon footprints but also ensured energy access for underserved regions, improving quality of life and creating jobs.

ICD's commitment to sustainable development goes beyond financial contributions. Its partnerships have fostered innovation in business models, enhanced institutional capacity, and opened doors to new markets for private enterprises. By integrating sustainability into the core of its operations, ICD has enabled long-term value creation, supporting member nations in achieving their developmental goals.

Looking forward, ICD is committed to enhancing its partnerships with aligned organizations, ensuring that its efforts create a lasting impact. By continuing to foster synergies across sectors and regions, ICD is poised to play an even more influential role in shaping a prosperous, inclusive, and sustainable future for its member countries.

5.2 ICD Partnerships in 2024

5.2.1 Technical Coordination Committee (TCC)

ICD worked closely with other IsDB Group entities, particularly ITFC and ICIEC, strengthening intra-group collaboration through regular TCC meetings and CEOs meetings.

DEVELOP AND PRODUCE THE PRIVATE SECTOR PROFILES FOR IsDB GROUP

UPSCALING THE IsDB GROUP PRIVATE SECTOR FORUM/ PAVILION

USD 516M
VOLUME OF JOINT TRANSACTIONS APPROVED BY THE ENTITIES

9
NUMBER OF JOINT TRANSACTIONS APPROVED BY THE ENTITIES

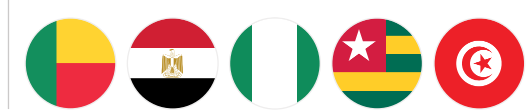
30
NUMBER OF DEALS SHARED AMONG THE ENTITIES

4
NUMBER OF JOINT LINES OF FINANCE TRANSACTIONS APPROVED BY THE ENTITIES

USD 207M
VOLUME OF JOINT LINES OF FINANCE TRANSACTION APPROVED BY ENTITIES

FACILITATED
100+ B2B & B2G BILATERAL BUSINESS MEETINGS AND NETWORKING

8
NUMBER OF AATB COUNTRY PROGRAMS DESIGNED/ IMPLEMENTED (BENIN, EGYPT, NIGERIA, TOGO, TUNISIA)



7
NUMBER OF AATB KEY ACTIVITIES (BOG, BUSINESS MATCHMAKINGS, FORUMS, REGIONAL PROJECTS ETC.)

12
JOINT BUSINESS DEVELOPMENT ACTIVITIES – PHYSICAL OR VIRTUAL

FACILITATED THE ORGANIZATION, CO-ORGANIZATION AND PROMOTION OF
17 EVENTS, INITIATIVES, PROGRAMS AND ACTIVITIES RELATED TO THE IsDB GROUP PRIVATE SECTOR ENTITIES

4
PR & MEDIA COVERAGE CONTRACTS ON BEHALF OF THE IsDB GROUP PRIVATE SECTOR ENTITIES

5.2.2 Newly Formed Partnerships and MOUs for Pipeline Sharing and Co-Financing

ICD has made significant strides in advancing its partnership initiatives during the first half of 2024. Newly established Memoranda of Understanding (MOUs) and collaborations emphasize co-financing and pipeline sharing, with a focus on driving sustainable development across key sectors in member countries, including Uzbekistan, Saudi Arabia, Azerbaijan, and several African nations.

This summary highlights ICD's partnership activities, underscoring its unwavering commitment to fostering development finance through strategic alliances, co-financing opportunities, and comprehensive support programs. Enhanced cooperation with multilateral and bilateral partners is paving the way for transformative projects, critical to fostering economic growth and sustainability in member countries.

ICD's KEY ACTIVITIES AND INITIATIVES IN 2024

Country Work Program for Uzbekistan (2024-2026)

In May 2024, ICD launched its 2024-2026 Country Work Program for Uzbekistan, committing up to USD 400 million. This initiative focuses on supporting the private sector in manufacturing, energy, infrastructure, and SME financing, aligning with the country's development priorities.

Co-Financing and Pipeline Sharing Initiatives

ICD has strengthened its collaborative efforts with key partners to share resources and co-finance impactful projects. Notable partnerships include:

Infra Saudi Arabia: Co-financing and pipeline sharing.

Azerbaijan Investment Company: Co-financing and pipeline sharing.

Africa Finance Corporation: Co-financing and pipeline sharing.

Strategic Engagements with Development Financial Institutions: ICD conducted a series of workshops with multilateral development banks (MDBs) and international financial institutions (IFIs) to enhance collaboration and explore co-financing opportunities. Key partners included:

International Finance Corporation (IFC): Focusing on manufacturing and agribusiness sectors.

African Development Bank (AfDB): Exploring line of finance opportunities and infrastructure development.

5.2.3 Arab-Africa Trade Bridges Program (AATB)

The AATB Program is a strategic initiative aimed at addressing challenges in regional trade between Africa and other regions. ICD remains committed to the program, focusing on private sector development to tackle food security, education, health, and infrastructure challenges. Public-Private Partnerships (PPPs) are central to these efforts, driving economic growth and sustainable trade solutions. Additionally, ICD has enhanced its role as a facilitator of Sukuk issuance to mobilize capital for development projects in member countries.

5.2.4 Participation in the Africa Investment Forum (AIF)

ICD participated in the AIF Market Days held in Rabat, Morocco, from 4-6 December 2024. Representing the IsDB Group alongside other entities, ICD contributed to 35 boardroom discussions showcasing deals worth USD 40 billion. The focus was on project finance opportunities in mining, infrastructure, transportation, and power sectors, reinforcing investment facilitation efforts.

ICD CONTRIBUTED TO 35 BOARDROOM DISCUSSIONS SHOWCASING DEALS WORTH USD 40 BILLION.

5.2.5 Knowledge Sharing Initiatives

ICD has prioritized capacity-building and innovation through virtual and in-person workshops that focus on strategic partnerships and innovative financing solutions, such as Sukuk. Key activities included:

Virtual Workshop with Egyptian Financial Supervisory Authority (EFSA): Focused on Sukuk financing.

Workshop with INNOXEX and IFC-OCP Agribusiness Platform: Exploring agribusiness opportunities.

Virtual Workshop with Standard Chartered: Conducted ahead of COP29, highlighting Green Sukuk solutions.

5.3 Awards & Recognition to Date

2012

The Institutional Excellence Award 2012
The World Islamic Banking Conference (WIBC) 2012

2013

Best Islamic Financial Initiative
Tatweej Academy for Excellence Awards 2013

2014

Excellence in Development of the Islamic Private Sector – MENA 2014
International Finance Magazine 2014

'Best Islamic Leasing Provider' and 'Best Islamic Finance Advisor
CMO Organization 2014

Islamic Banking Business Excellence Award
Acquisition International Magazine 2014

Islamic Bank of the Year
ACQ Global Awards 2014

Best Private Sector Developer – Middle East
IAIR Awards on Global Economy and Sustainability 2014

2015

The Most Outstanding Institution for Contribution to Islamic Finance
Kuala Lumpur Islamic Finance Forum (KLIFF) 2015

'Africa Deal of the Year' for the CFA 100 billion inaugural sovereign Sukuk from the Republic of Senegal in July
Islamic Finance News (IFN) 2015

'Cross-border Deal of the Year' for the landmark USD 100 million commodity Murabahah transaction with Bank of Tokyo-Mitsubishi UFJ in September
Islamic Finance News (IFN) 2015

The Award of Excellence for Outstanding Contribution to the Development of Islamic Finance in the Private Sector
The London Sukuk Summit 2015

The Islamic Economy Award –The Money and Finance Category
Dubai Chamber of Commerce and Industry and Thomson Reuters 2015

Best Islamic Finance Initiative Award
African Banker Magazine 2015

Best Development Bank
CPI Financial 2015

2016-17

Sovereign Deal of the Year 2016
Islamic Finance News (IFN) 2017

The Best Human Capital Development Program 2017
Global Islamic Finance Awards (GIFA)

2019

Outstanding Contribution to ESG Responsible Financial Innovation Global 2019
Capital Finance International (CFI) 2019

2020

'Cross-Border Deal of the Year' and 'Pakistan Deal of the Year' 2019 for the dual-currency financing facility for NASDA Green Energy's 50 MW wind power project
Islamic Finance News (IFN) 2020

2021

Best Contributor to the Islamic Finance Industry
AlHuda Centre of Islamic Banking & Economics 2021

'The Kuwait Deal of the Year' for the Kuwait International Bank's USD 300 million Tier 2 Sukuk
Islamic Finance News (IFN) 2021

'The Social Impact/SRI/ ESG Deal of the Year' for IsDB's USD 1.5 billion Sustainable Sukuk
Islamic Finance News (IFN) 2021

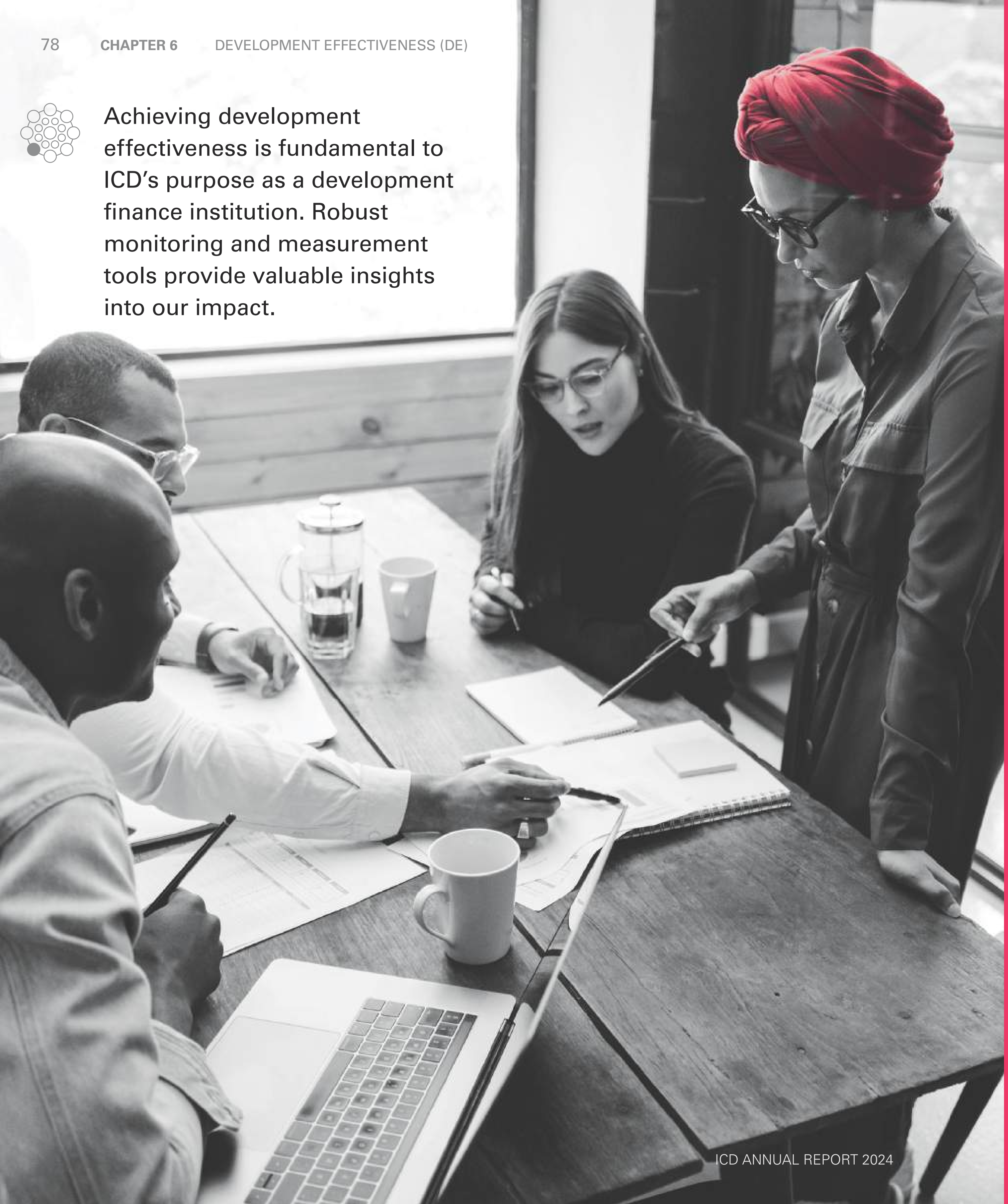
2022

BRAVE Project earns Honorable Mention in Global SME Finance Awards
Global SME Finance Awards 2022

2023

IFN Emerging Islamic Markets Deal of the Year 2022 for River Med Pharm's USD 4 million financing in collaboration with Asia Alliance Bank
Islamic Finance News (IFN) 2023

Achieving development effectiveness is fundamental to ICD's purpose as a development finance institution. Robust monitoring and measurement tools provide valuable insights into our impact.



CHAPTER 6

Development Effectiveness (DE)

6.1 Developments in 2024

Strategic Innovations: Advancing Development Effectiveness

Through these initiatives, ICD continues to drive innovation, sustainability, and development effectiveness, reinforcing its commitment to fostering impactful change in its member countries.

Launch of DART: A Tool for Developmental Impact Assessment

In January 2024, the Development Effectiveness Office (DEO) introduced the pilot phase of the **Development Anticipation and Reporting Tool (DART)**. This tailored in-house solution allows ICD to assess its interventions through a developmental perspective. Integrated into the **Due Diligence** stage of the Development Indicators Monitoring System (DIMS) process, DART enhances transparency, efficiency, and effectiveness by assessing proposals submitted for the Investment Committee. Through scoring project proposals based on SDG alignment and expected outcomes, DART ensures that investments maximize developmental impact while maintaining sustainability.

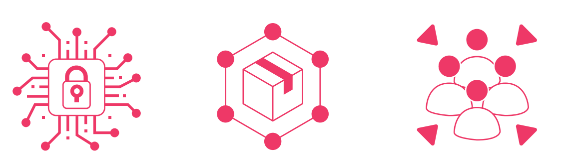
Green Business Leadership: Championing Circular Economies

In April 2024, ICD partnered with the Circular Economy Company to sponsor the **Green Business Workshop**, aimed at advancing circular economies in Islamic member countries. Participants developed climate action roadmaps guided by the **IsDB Just Transition Framework**, gaining skills in market analysis, financial evaluation, and scenario planning. Key recommendations included expanding research initiatives, advocating for green finance policies, and fostering partnerships to drive sustainable business practices.

Driving Innovation: IsDB Group Startup Pitch Competition

The **IsDB Group Startup Pitch Competition**, held in April 2024, spotlighted innovative ventures across member countries, connecting entrepreneurs with investors and industry experts. Startups leveraged this platform to secure funding, validate their business models, and establish strategic partnerships. As ICD strengthens its role as a bridge between innovation and investment, the competition remains central to its strategy of accelerating sustainable development.

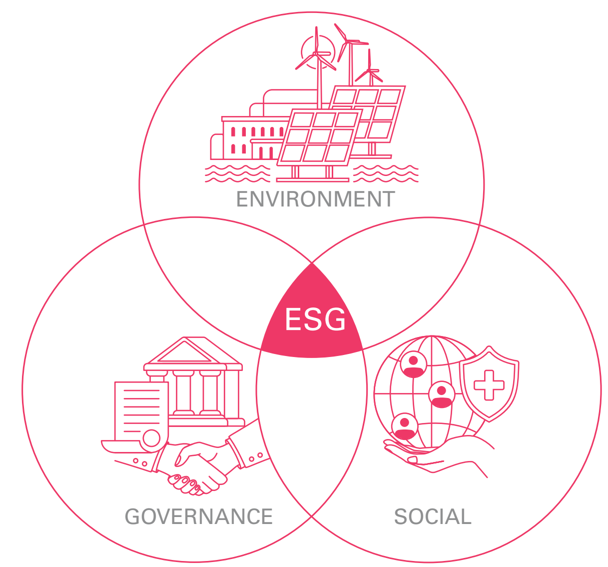
THE COMPETITION ON THREE BROAD THEMATIC AREAS:



FINTECH AND CYBER SOLUTIONS

SUSTAINABILITY & SUPPLY CHAIN SOLUTIONS

HUMAN DEVELOPMENT & SOCIAL SERVICES SOLUTIONS



Fostering Sustainability: Internal ESG Awareness Program

In October 2024, ICD launched the **Internal Sustainability and ESG Awareness Program** to deepen understanding of sustainability concepts and ESG principles across the organization. This 12-month program integrates short video series, online and in-person workshops, and targeted communication strategies, creating a dynamic learning environment for employees. The initiative underscores ICD's commitment to embedding sustainable practices in its operations and advancing ESG objectives, further aligning its activities with global sustainability standards.

Promoting Knowledge Sharing: Integrating SDGs into Corporate Strategy

The DEO continued to embed SDG targets within ICD's operations by organizing workshops that applied the **SAAU Framework (Stop, Adjust, Amplify, Undertake)**. These sessions fostered cross-departmental collaboration, identifying actionable improvements and charting a roadmap to support member countries' SDG objectives. This initiative reinforced ICD's role in aligning its strategies with global development priorities.

Evaluating for the Future: 6th IsDB Group Evaluation Symposium

In November 2024, ICD co-hosted the **6th IsDB Group Evaluation Symposium** under the theme "Cherishing Learning and Charting the Future." This event gathered global experts to discuss leveraging evaluation insights for strategic programming and risk management. Emphasizing data-driven decision-making and the integration of innovative monitoring and evaluation (M&E) technologies, the symposium highlighted the importance of informed strategies in achieving development outcomes.

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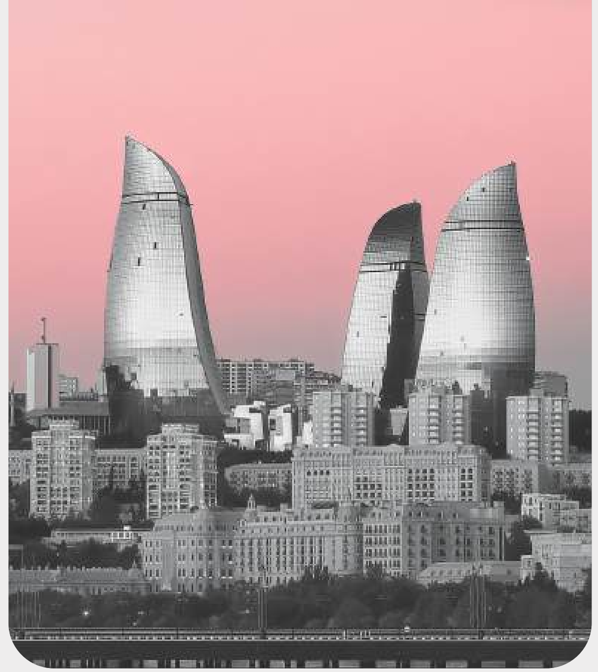
COP29
Baku
Azerbaijan

Driving Climate Resilience: ICD's Leadership at COP29

In November 2024, ICD reaffirmed its commitment to global climate action at COP29 in Baku, Azerbaijan. Hosting the High-Level Climate Champions Dialogue, ICD convened policymakers, investors, and private sector leaders to tackle the challenges of implementing Nationally Determined Contributions (NDCs) under the Paris Agreement. This dialogue produced actionable strategies, fostering innovative solutions and collaborative frameworks to help member countries achieve their climate goals.

A standout event was ICD's co-hosted panel on barriers and opportunities in accessing multilateral climate funds. The discussion spotlighted critical challenges, including complex application processes, limited technical capacity in developing countries, and inefficiencies stemming from overlapping funding structures. Proposed solutions encompassed streamlining fund access, bolstering capacity-building programs, and enhancing coordination among funding agencies to amplify impact. The panel also underscored the pivotal role of public-private partnerships (PPPs) in mobilizing private investments for climate initiatives. Successful case studies in renewable energy and sustainable infrastructure were showcased alongside recommendations to expand the use of innovative financial instruments, such as green bonds, sustainability-linked loans, and blended finance mechanisms. These discussions culminated in a roadmap for reforming multilateral climate funds, aiming for greater accessibility, efficiency, and scalability.



Looking forward, ICD is dedicated to turning these commitments into tangible actions by enhancing governance, strengthening capacity-building initiatives, and leveraging innovative financial tools. These efforts will drive the effective implementation of COP29 outcomes, cementing ICD's role in advancing global climate resilience and sustainable development.

Building Momentum: ICD's Early Climate Action at COP16

ICD's journey in global climate advocacy began in December 2024 at COP16 in Riyadh, Saudi Arabia, where it aligned its strategies with the emerging climate agenda, emphasizing sustainable development in Islamic economies. Advocating for renewable energy, ICD championed early investments and fostered public-private collaboration. In partnership with the Islamic Development Bank (IsDB) Group, ICD conducted workshops to integrate climate considerations into national development plans and highlighted the transformative potential of Islamic finance—such as Sukuk—for supporting green initiatives.

This foundational engagement set the stage for ICD's sustained leadership in climate resilience, establishing its position as a driving force in mobilizing resources and crafting sustainable strategies across its member countries.

6.2 2024 Development Effectiveness Survey Results

ICD conducts an annual survey to systematically collect data on the contributions of its clients and partners towards addressing the Sustainable Development Goals (SDGs) and to evaluate the specific developmental impacts they have made.

CLIENTS WHO GAINED ACCESS TO ISLAMIC FINANCE SINCE ICD INTERVENTION
909,004

NEW ISLAMIC FINANCE CLIENTS
126,734

NUMBER OF NEW CLIENTS WHO ARE WOMEN
34,219

TOTAL AMOUNT OF FUNDING TO SMEs
USD 353,011,523

SMEs SUPPORTED THROUGH ICD FINANCING
1,529

WOMEN LED/ MANAGED SMEs FUNDED
472

JOBS SUPPORTED
189,482

WOMEN JOBS SUPPORTED
57,205

NEW JOBS CREATED
23,409

NEW WOMEN JOBS CREATED
7,903

WOMEN IN SENIOR MANAGEMENT POSITIONS
1,985

DOMESTIC PURCHASES
USD 940,319,488

EXPORT SALES GENERATED
USD 779,045,399

GOVERNMENT REVENUES
USD 215,528,112

COMMUNITY DEVELOPMENT
USD 19,970,422

TOTAL KWHs ENERGY PRODUCED
3,747,124,369

TOTAL MW ENERGY CAPACITY FINANCED
3,529

TOTAL PATIENTS SERVED
2,280,653

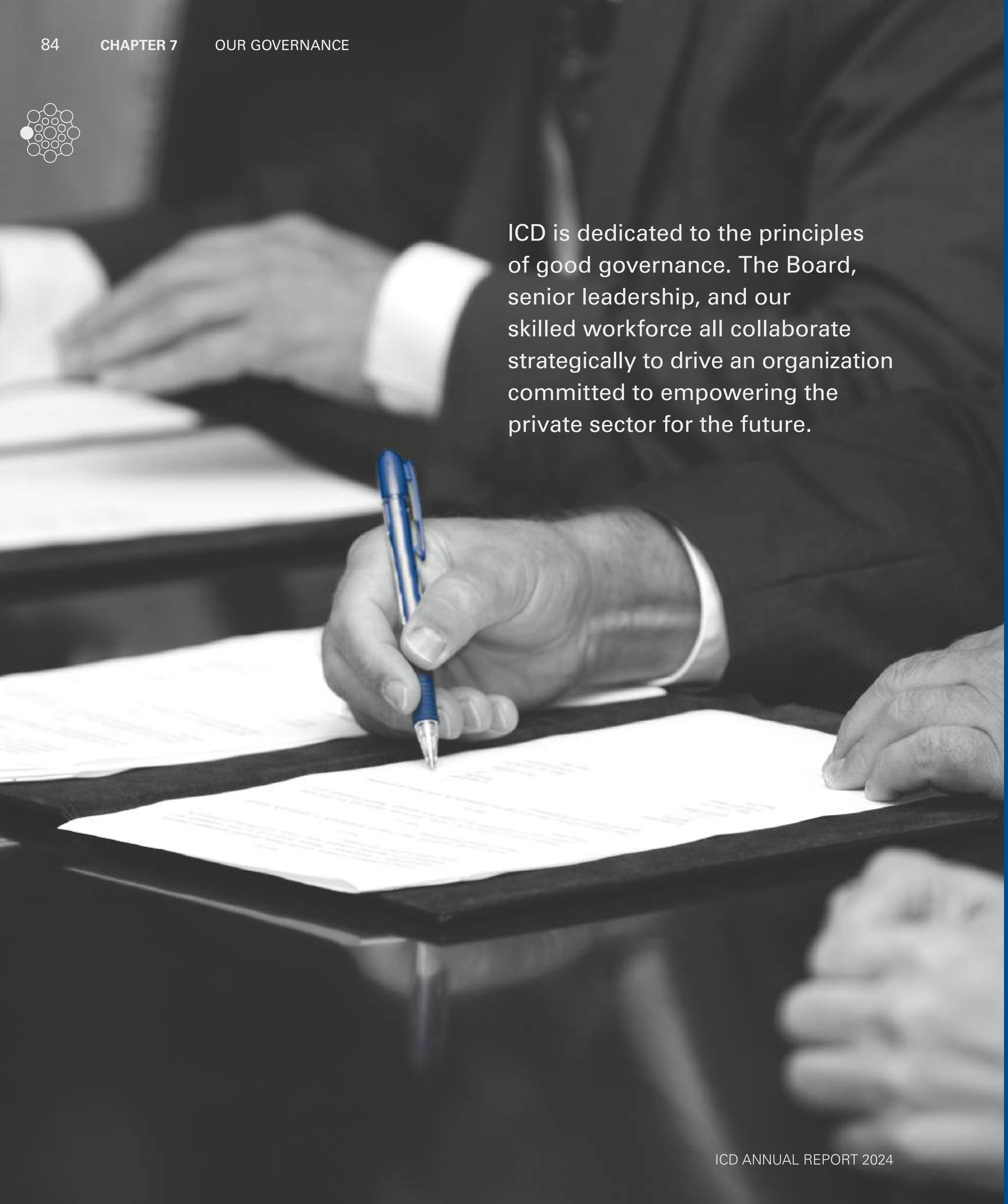
TOTAL STUDENTS ENROLLED
46,672

TOTAL FARMERS REACHED
25,331

TOTAL HOUSING UNITS
2,710

NUMBER OF PEOPLE TRAINED
7,781

NOTE: The ICD Annual Development Effectiveness Survey included specific questions regarding the contribution of ICD-supported projects to the SDGs. Further information can be found in the 2024 Annual Development Effectiveness Report.



ICD is dedicated to the principles of good governance. The Board, senior leadership, and our skilled workforce all collaborate strategically to drive an organization committed to empowering the private sector for the future.

CHAPTER 7

Our Governance

7.1 General Assembly

The General Assembly is the highest decision-making authority of ICD. Each member is represented at the General Assembly by an appointed representative. All the powers of the Corporation are vested by the General Assembly. It may delegate any of its powers to the Board of Directors to exercise, except those reserved to the General Assembly under the Articles of Agreement.

7.2 Board of Directors (BOD)

The BOD is mainly responsible for the adoption of policies, the operations strategy, budget, and general conduct of ICD operations within the powers assigned to it under the Articles of Agreement and delegated to it by the General Assembly. The Board consists of 10 members (including the Chairman) and it is chaired by the President of the IsDB. Other members include: the representatives of IsDB, member country groups from Africa, Asia, and Arab Asia, public financial institutions, and a permanent member from Saudi Arabia (representing the member country having the largest number of shares of the Corporation).

In accordance with the Articles of Agreement, the BOD shall meet when the business of the corporation requires, and a majority of the members of the Board shall constitute a quorum for any meeting, provided that such majority represents at least two-thirds of the total voting powers of the members. A special meeting may also be called at any time by the Chairman or at the request of three members of the Board.

Members of the BOD appointed by IsDB shall have the votes of the IsDB divided equally among them, and each member of the BOD is entitled to cast a number of votes equivalent to the number of votes which were counted towards his or her election, and which the electing members of ICD were entitled to.

The BOD is authorized as per the corporation's by-laws to exercise all the powers of the corporation, with the exception of the powers reserved to the General Assembly, as well as establishing conditions and procedures pursuant to which the Chairman of the Board may submit various types of matters under an expedited procedure.

Board of Directors as of year-end 2024

1 H.E. Dr. Muhammad Al Jasser (Chairman of the Board)
2 H.E. Dr. Hamad Suleiman Al Bazai
3 H.E. Hussain Sham Adam
4 Hon. Dr. Rami Ahmad
5 Hon. Dr. Ghadeer Nagi Hamed Hegazi
6 Hon. Wesam Jasem Al Othman
7 Hon. Moufida Ben Jaballah EP Srarfi
8 Hon. Dr. Ayman Faisal Alfi
9 Hon. Abdulrahman Abdullah Alsakran
10 Hon. Hamad Madi Al-Hajri

7.3 Executive Committee

The BOD appoints an Executive Committee (EC) from its members that serves as a fast-track decision-making body. The EC has the power to approve all financing and investment operations, review the performance of existing investments and financing operations and ensuring their alignment with ICD's developmental mandate, review ICD's progress in achieving its development effectiveness mandate, review and recommend ICD's Business Plans, and review and recommend the annual budget of ICD in addition to other powers delegated to the EC by the Board.

The EC is composed of up to six members, of which two seats are allocated permanently to the Chairman of the Board and the representative from the member country having the largest number of shares in ICD (Saudi Arabia), respectively. The EC members are rotated on a yearly basis, enabling all Board members the opportunity to serve on the committee.

Executive Committee Members of the Board as of year-end 2024

1 H.E. Dr. Muhammad Al Jasser (Chairman of ICD Board of Directors)
2 Hon. Dr. Ayman Faisal Alfi
3 H.E. Dr. Hamad Sulaiman Al Bazai
4 H.E. Hussain Sham Adam
5 Hon. Wesam Jasem Al Othman

7.4 Nomination & Remuneration Committee

The purpose of the Nomination & Remuneration Committee (NRC) is to assist the BOD in fulfilling its oversight responsibilities regarding remuneration and human resources matters. The NRC is composed of four members including one independent member with relevant expertise and education in Human Resources Management. The membership of the NRC is based on annual rotation of the members of the BOD.

Nomination & Remuneration Committee of the Board as of year-end 2024

1 Hon. Abdulrahman Abdullah Alsakran
2 Hon. Hamad Madi Al-Hajri
3 Hon. Moufida Ben Jaballah EP Srarfi

7.5 Audit, Risk & Compliance Committee

The BOD appoints an Audit, Risk & Compliance Committee (ARCC) from among its members for a three-year term. The Committee has oversight responsibilities over the ICD Audit, Risk and Compliance functions, and it reports its findings to the BOD. The ARCC is composed of four members: three members from the appointed members of the Board, and one independent expert member appointed by the BOD. The members of the committee serve for the full three years commensurate with their term on the BOD.

Board Audit, Risk & Compliance Committee as of year-end 2024

1 Hon. Dr. Ayman Faisal Alfi (Chairman)
2 Hon. Dr. Ghadeer Nagi Hamed Hegazi
3 Hon. Wesam Jasem Al Othman
4 Hon. Saleh Mugbel Al Khalaf (Independent Expert Member)

7.6 The Chief Executive Officer

The CEO, under the general supervision of the Chairman of the Board of Directors, conducts the day-to-day business of ICD. The CEO is also responsible for the appointment of the officers and staff of the Corporation. To the extent that he is authorized by the BOD, the CEO approves ICD's financing and investment. The BOD appointed Eng. Hani Sonbol as the Acting Chief Executive Officer of ICD on 16/02/1444H (12/09/2022).

7.7 IsDB Group Shari'ah Board

In 2012, the ICD Shari'ah Committee was subsumed within that of IsDB, forming the IsDB Group Shari'ah Board. The Board is responsible for advising the IsDB Group entities on the Shari'ah compliance of their products and transactions. The IsDB Group Shari'ah Board consists of the following eminent scholars:

IsDB Group Shari'ah Board as of year-end 2024

1 Dr. Mohammad Ali Ibrahim Al-Qari
2 Dr. Nizam Muhammad Saleh Yaqoubi
3 Dr. Aznan Hasan
4 Dr. Sa'id Adekunle Mikail
5 Mufti Muhammad Hassan Kalem

7.8 ICD Management

1 Eng. Hani Sonbol, Acting Chief Executive Officer (CEO)
2 Br. Bahaaledine Kirimly, Chief Investment Officer and Acting General Manager, Banking Department
3 Br. Osman Buyukmutlu, General Manager, Strategy
4 Dr. Mansur Noibi, General Manager, Legal & Compliance
5 Br. Samer Babelli, General Manager, Finance
6 Br. Omar Hashem, General Manager, Corporate Services & Communication and Acting General Manager, People and Culture
7 Dr. Mohammed Alyami, General Manager, Development Effectiveness Office
8 Br. Abdullah Khatib, Senior Advisor to the CEO
9 Br. Hussam Abuaisheh, General Manager, Internal Audit
10 Br. Mohammad Kamran, Acting General Manager, Risk Management Department and Division Manager, Credit Risk Management
11 Br. Nourredine Lafhel, General Manager, Special Operations Office
12 Br. Mohammed Ataur Chowdhury, Acting General Manager, Equity Department
13 Dr. Muhammad Al Bashir Muhammad Al Amine, CEO Advisor on Shari'ah Matters
14 Br. Nazih Al-Naser, Senior Advisor to the CEO

Human Capital and Culture: Building a Thriving Workforce

Empowering Growth through Learning & Development

In 2024, ICD introduced a comprehensive Learning & Development Plan to enhance technical and behavioral competencies across the organization. With 85% of employees participating in global training programs on topics such as financial modeling, risk management, and leadership, this initiative set a new benchmark for professional growth and career progression.

Transforming Performance Management

The introduction of Lattice, ICD's innovative performance development system, represents a transformative step toward fostering continuous feedback, aligning goals, and enhancing structured check-ins. This initiative has already begun to reshape the organizational culture, encouraging proactive communication and stronger collaboration across teams. Within six months, 75% of supervisors reporting improved clarity and alignment in performance discussions.

Listening to Our People: Engagement Survey

To foster a cohesive work culture, ICD conducted an Engagement Survey in 2024, achieving a 90% participation rate and an Employee Net Promoter Score (eNPS) of 42%, a substantial improvement from previous years. Insights from the survey are driving actionable improvements in learning and development, succession planning, and organizational cohesion.

ICD has put in place robust institutional and governance structures to ensure strict compliance with regulatory and Shari'ah principles, while also upholding standards of regularity, transparency, integrity, and legality in all its activities and operations. We are committed to maintaining the highest levels of accountability and transparency, building public trust, and ensuring the effectiveness of development initiatives.

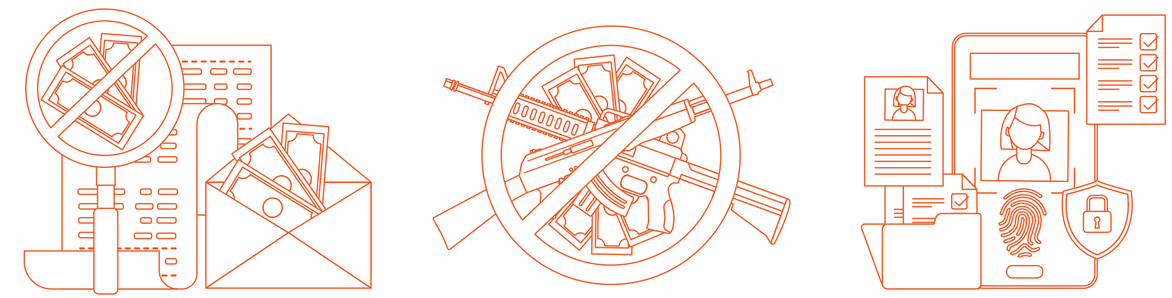
CHAPTER 8

Our Practices

8.1 Risk Management

ICD's risk management function actively oversees credit, equity investment, market, operational, and recovery risks, ensuring the institution's long-term financial sustainability and reputation. It supports the strategic plan, fostering a strong risk culture and efficient operations, aiming to enhance efficiency, strengthen synergies with IsDB Group entities, and maintain positive relationships with credit rating agencies and stakeholders. In a dynamic global landscape, ICD's risk management function strategically aligns with industry best practices, contributing to a high-performance and resilient organization. It leads the development of a comprehensive risk management framework, encompassing policies, guidelines, processes, and IT systems. Specialized teams manage ICD's portfolios, emphasizing business continuity and proactive risk measurement, reporting, and mitigation. In 2024, the risk management function made substantial progress by establishing and updating policies and guidelines covering risk appetite framework, risk exposure management, business continuity management and liquidity risk management. The ongoing focus is on implementing a comprehensive Risk Management Framework, reflecting a commitment to robust practices aligned with organizational goals and fostering adaptability in a changing business environment.

8.2 Compliance



ANTI-MONEY LAUNDERING (AML)

COMBATING THE FINANCING OF TERRORISM (CFT)

KNOW YOUR CUSTOMER (KYC)

ICD is firmly committed to aligning all its activities with its comprehensive Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Know Your Customer (KYC) Policy. This commitment ensures adherence to strict compliance rules, procedures, and guidelines. ICD's operations undergo rigorous scrutiny, due diligence, monitoring, and oversight through automated filtering and screening systems. These systems cover key international sanctions programs, embargoes, politically exposed persons (PEPs), and legal or regulatory enforcement and sanctions lists, among other elements.

The current AML, CFT, and KYC Policy of ICD was approved by its Board of Directors in March 2024, building on a similar policy adopted and implemented by the Board of Executive Directors of the IsDB in 2019. The policy also incorporates the latest unbiased and non-political recommendations of specialized international bodies such as the Financial Action Task Force (FATF) and United Nations Security Council Resolution No. 1373 to combat money laundering and terrorism financing. Furthermore, ICD adheres to group-wide policies and guidelines applicable to all IsDB Group entities, including the Integrity Policy, Information Disclosure Policy, Whistleblower and Witness Protection Policy, Code of Conduct, and Anti-Corruption Guidelines. These address conflicts of interest, bribery, and other prohibited practices like fraud, collusion, obstruction, and coercion.

Compliance matters at ICD are managed by a dedicated Compliance Unit that reports functionally to the CEO and submits semi-annual reports to the Audit, Risk, and Compliance Committee of the Board. The unit's responsibilities include:

- Developing and implementing compliance-related policies, manuals, and procedures.
- Monitoring and overseeing all activities related to the prevention, detection, and combating of Money Laundering (ML) and Terrorism Financing (TF).
- Conducting compliance training and awareness programs.
- Providing support and guidance to ICD senior management and employees.

These efforts ensure that ML and TF risks are effectively identified, mitigated, and excluded from ICD's operations.

8.3 Internal Audit

ICD's Internal Audit function delivers independent and objective assurance, advice, and insights to the Board and Senior Management, reinforcing ICD's commitment to achieving its objectives. With sufficient authority to fulfill its mandate, the function maintains independence from Senior Management by reporting directly to the Board through the Audit, Risk & Compliance Committee.

In 2024, Internal Audit conducted comprehensive assessments of key areas, including ICD's Information Technology solutions, the financing approval lifecycle, the effectiveness of financing interventions in member countries, and the process of acquiring talent critical to driving ICD's mission. These efforts were complemented by preparations to meet the requirements of the new Global Internal Audit Standards and ongoing initiatives to enhance its services, with a strong focus on staff training and development.

Looking ahead to 2025, Internal Audit will concentrate on evaluating ICD's treasury operations, operational risk management, financing activities, and other areas that underpin the Corporation's core mandate. Additionally, it will refine its capacity to provide high-quality services and fully align with the new Global Internal Audit Standards to be implemented this year.

8.4 Legal

The Legal function has steadily carried on with its mandate to support and complement the mission of ICD through the provision of accurate, effective, efficient and timely legal services that protect ICD's interests. The Legal and Compliance Department is well-positioned to successfully manage all legal risks emanating from the operations and institutional affairs of ICD (internal and external), provide legal support at the organizational and business unit levels, and to advise on all projects, transactions and corporate arrangements involving ICD.

The Legal function has steadily carried on with its mandate to support and complement the mission of ICD through the provision of accurate, effective, efficient and timely legal services that protect ICD's interests.

CHAPTER 9

Annexes

Annex 1 Acronyms & Abbreviations

AATB	Arab-Africa Trade Bridges Program
AIF	Africa Investment Forum
AKG	Abul Khair Group
AKSML	Abul Khair Steel Melting Ltd.
AML	Anti-Money Laundering
ARCC	Audit, Risk & Compliance Committee
ASEZA	Aqaba Special Economic Zone Authority
BBL	Babylife for Manufacturing of Hygiene Products
BIIC	Banque Internationale pour l'Industrie et le Commerce
CAM	Crédit Agricole du Maroc
CCGT	Combined Cycle Gas Turbine
CFT	Combating the Financing of Terrorism
CWP	Country Work Program
DART	Development Anticipation and Reporting Tool
DFI	Development finance institution
EBRD	European Bank for Reconstruction and Development
EC	Executive Committee
EFSA	Egyptian Financial Supervisory Authority
EIIC	Emirates International Investment Company
EKH	Egypt Kuwait Holding
FATF	Financial Action Task Force
FI	Financial institution
FiT	Feed-in Tariff
GIIN	Global Impact Investing Network
ICD	Islamic Corporation for the Development of the Private Sector
ICIEC	Islamic Corporation for the Insurance of Investment & Export Credit
IFI	International financial institutions
IIRA	Islamic International Rating Agency
IsDB	Islamic Development Bank
ITFC	International Islamic Trade Finance Corporation
KIC	Kazakhstan Ijara Company JSC
KYC	Know Your Customer
LBFL	Lanka Bangla Finance Limited
LOF	Line of Finance
MIB	Maldives Islamic Bank
MDB	Multilateral development bank
MENA	Middle East and North Africa
ML	Money Laundering
MOU	Memorandum of Understanding
MT	Metric tons
MTB	Mutual Trust Bank
NBFI	Non-banking financial institutions
PEP	Politically exposed person
PIB	Palestine Islamic Bank
PIC	Palestine Ijara Company
PIF	Palestine Investment Fund
PPP	Public-Private Partnership
RMIL	Rangpur Metal Industries Limited
SBFEAT	State Bank for Foreign Economic Affairs of Turkmenistan
SDG	Sustainable Development Goals
SEZ	Special Economic Zones
SME	Small- and medium-sized enterprise
SMEFF	SME Finance Forum
TCC	Technical Coordination Committee
TF	Terrorism Financing

Annex 2 Approvals & Disbursements Since Inception

Country	Gross Approvals (USD million)	Gross Disbursements (USD million)
Albania	4.35	4.10
Algeria	27.00	-
Azerbaijan	135.20	113.75
Bahrain	78.81	18.24
Bangladesh	621.54	526.05
Benin	43.15	30.00
Brunei	3.66	-
Burkina Faso	40.44	67.36
Cameroon	75.04	56.01
Chad	28.15	5.50
Cote d'Ivoire	219.40	99.27
Djibouti	4.00	4.00
Egypt	315.02	299.79
Gabon	25.21	-
Gambia	6.15	6.15
Guinea	14.64	12.99
Indonesia	98.80	80.77
Iran	101.86	36.31
Jordan	84.78	80.31
Kazakhstan	230.82	43.48
Kuwait	64.13	64.13
Kyrgyzstan	46.90	22.09
Libya	49.00	10.00
Malaysia	152.66	100.55
Maldives	43.40	51.44
Mali	105.79	66.53
Mauritania	73.99	57.70
Morocco	20.36	20.38
Mozambique	35.00	20.09
Niger	21.44	13.23
Nigeria	333.00	203.21
Pakistan	274.93	131.98
Palestine	7.00	4.00
Saudi Arabia	551.35	380.11
Senegal	241.90	220.77
Sierra Leone	6.00	12.00
Sudan	70.76	52.80
Suriname	2.00	-
Syria	68.52	56.30
Tajikistan	43.50	42.42
Togo	22.00	43.30
Tunisia	54.71	51.64
Türkiye	821.69	472.25
Turkmenistan	20.00	23.53
UAE	80.90	56.26
Uganda	135.00	-
Uzbekistan	777.96	603.13
Yemen	131.49	99.73
Regional/Global	1169.79	675.88
Total	**7,583.20**	**5,039.54**

NOTE :Disbursements to some countries may appear higher than approvals due to the implementation of regional or global projects

Annex 3 Financial Highlights

	2024 (USD million)	2023 (USD million)
Statement of Income:		
Total Income	**182**	144
Total Operating Expenses	**54**	49
Net Income	**24**	9
Balance Sheet:		
Liquid Assets	**1,990**	1,766
Net Operating Assets	**1,286**	1,176
Other Assets	**37**	45
Assets held for sale	**311**	232
Total Assets	**3,625**	3,218
Financing & Long-Term Debt	**2,425**	2,065
Equity	**1,200**	1,153
Ratios:		
Return on Assets	**0.7%**	0.3%
Return on Equity	**2%**	0.8%
Debt to Equity	**202%**	179%
Equity to Assets	**33%**	36%
Liquidity to Total Assets	**55%**	55%

Annexe 4 Consolidated Financial Statements and Independent Auditor's Report

FOR THE YEAR ENDED 31 DECEMBER 2024

Independent Auditor’s Report

Your Excellencies the Chairman and Members of the General Assembly

Islamic Corporation for the Development of the Private Sector

Jeddah, Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Islamic Corporation for the Development of Private Sector (the “Corporation”) and its subsidiaries (collectively referred to as “Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in members’ equity, consolidated statement of cash flows and consolidated statement of changes in off-balance sheet assets under management for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and the results of the operations, its cash flows , changes in members’ equity and changes in off-balance sheet assets under management for the year then ended in accordance with the Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) .

In our opinion, the Group has also complied with the Islamic Shari’ah Rules and Principles as determined by the Shari’ah Board of the Islamic Development Bank Group (“IsDBG”) during the year under audit.

Consolidated Financial Statements and Independent Auditor's Report

FOR THE YEAR ENDED 31 DECEMBER 2024

Continued

Basis of Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code") , International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements as prevailing in the local jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the AAOIFI and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for the year ended 31 December 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Expected credit loss allowance against project assets As at 31 December 2024, the Group's project assets amounted to USD 1 billion (2023: USD 927.6 million) representing 29% of total assets. The expected credit loss ("ECL") allowance as at 31 December 2024 was USD 86.3 million (2023: USD 96.8 million). The audit of impairment allowances for project assets is a key area of focus because of its size and due to the significance of the estimates and judgments used in classifying project assets into various stages, determining related allowance requirements, and the complexity of the judgements, assumptions and estimates used in the ECL models. The Group recognizes allowances for ECL at an amount equal to 12-month ECL (stage 1) or full lifetime ECL (stage 2). 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. ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective profit rate. The Group employs statistical models for ECL calculations and the key variables used in these calculations are probability of default (PD), loss given default (LGD), and exposure at default (EAD), which are defined in note 3 to the consolidated financial statements.	1. We obtained an understanding of the project assets business process, the credit risk management process, the policy for impairment and credit losses and the estimation process of determining impairment allowances for project assets and the ECL methodology. 2. We assessed and evaluated the design and implementation of automated and / or manual controls over the: • approval, accuracy and completeness of impairment allowances and governance controls over the monitoring of the model, through key management and committee meetings that form part of the approval process for project asset impairment allowances; • model outputs; and • recognition and measurement of impairment allowances 3. On a sample basis, we selected project assets and assessed and evaluated: • the Group's identification of SICR (stage 2), the assessment of credit-impaired classification (stage 3) and whether relevant impairment events had been identified in a timely manner and classification of project assets into various stages and the determination of defaults/individually impaired exposures. • the forward-looking information incorporated into the impairment calculations by involving our specialists to challenge the multiple economic scenarios chosen and related weighting applied. • the calculation methodology to determine if it complied with the requirements of FAS 30.

Consolidated Financial Statements and Independent Auditor's Report
FOR THE YEAR ENDED 31 DECEMBER 2024

Key audit matter (continued)	**How our audit addressed the key audit matter**
The material portion of the project assets is assessed for the significant increase in credit risk (SICR) and measurement of ECL. This requires management to capture all qualitative and quantitative reasonable and supportable forward-looking information while assessing SICR, or while assessing credit-impaired criteria for the exposure. Management judgement may also be involved in manual staging override in accordance with the Group's policies., if required. The measurement of ECL amounts for project assets are carried out by the ECL models with limited manual intervention, however, it is important that models (PD, LGD, EAD and macroeconomic adjustments) are valid throughout the reporting period and are subject to a periodic review process by an independent third party expert. This was considered as a key audit matter and the audit was focused on this matter due to the materiality of the project assets and the complexity of the judgements, assumptions and estimates used in the ECL models. Refer to note 3 to the Consolidated financial statements for the accounting policy for the impairment of financial assets, note 26 for the disclosure of impairment and note 31 for credit risk disclosure and the key assumptions and factors considered in determination of ECL.	• the post model adjustments and management overlays (if any) in order to assess the reasonableness of these adjustments and assessed the qualitative factors which were considered by the Group to recognize any post model adjustments, in case of data or model limitations. Where such post model adjustments were applied, we assessed those post model adjustments and the governance process around them. 4. We tested models and the IT applications, wherever used in the credit impairment process and verified the integrity of data used as input to the impairment models. 5. The Group performed an external validation of the ECL model and LGD models including macro-economic model during the prior period. We considered the process of this external validation of the models and its impact on the results of the impairment estimate. Finally, we updated our assessment of the methodology and framework designed and implemented by the Group as to whether the impairment models outcomes and stage allocations appear reasonable and reflective of the forecasts used by the Group to determine future economic conditions at the reporting date. 6. Where relevant, we involved our specialists to assist us in reviewing model calculations, evaluating related inputs and assessing reasonableness of assumptions used in ECL model particularly around probability of default, loss given default, exposure at default. macroeconomic variables, forecasted macroeconomic scenarios and probability weights and of assumptions used in post model adjustments (if any) as mentioned above. 7. We assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of the Financial Accounting Standards issued by AAOIFI.

Other Information included in the Group's Annual Report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report 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 when it becomes available 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.

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

These consolidated financial statements and the Group's undertaking to operate in accordance with Islamic Shari'ah Rules and Principles are the responsibility of the Group's management and those charged with governance.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by AAOIFI 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 are responsible for overseeing the Group's financial reporting process.

Consolidated Financial Statements and Independent Auditor's Report

FOR THE YEAR ENDED 31 DECEMBER 2024

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 ASIFIs, issued by AAOIFI, and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ASIFIs, issued by AAOIFI, and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, related safeguards.

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 year 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.

Deloitte.

Deloitte and Touche & Co
Chartered Accountants

Waleed Bin Moha'd Sobahi
Certified Public Accountant
License No. 378
27 March 2025
27 Ramadan 1446 AH

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Assets			
Cash and cash equivalents	5	**144,333,449**	211,626,831
Commodity Murabaha and Wakala placements	6	**366,292,002**	32,003,709
Investments in Sukuk, shares and other securities	7	**1,479,090,444**	1,522,141,542
Murabaha receivables	8	**461,436,226**	377,580,442
Instalment sale receivables	9	**334,540,387**	308,042,001
Ijarah Muntahia Bittamleek	10	**241,065,031**	230,226,148
Istisna'a receivable	11	**8,717,104**	11,837,554
Investment in associates	13	**162,315,918**	168,611,127
Investment in real estate properties	14	**78,281,927**	79,462,403
Other assets	15	**37,152,133**	44,954,308
		3,313,224,621	2,986,486,065
Assets held for sale	36	**311,428,214**	231,745,208
Total Assets		**3,624,652,835**	3,218,231,273
Liabilities			
Sukuk issued	16	**1,313,233,172**	806,456,783
Commodity Murabaha liabilities	17	**805,517,827**	988,996,298
Accrued and other liabilities	18	**30,380,989**	32,348,420
Employee benefit liabilities	19	**5,189,854**	15,688,696
Amounts due to ICD Solidarity Fund	20	**1,806,964**	1,188,327
		2,156,128,806	1,844,678,524
Liabilities directly associated with assets classified as held for sale	36	**268,387,918**	220,154,623
Total Liabilities		**2,424,516,724**	2,064,833,147

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Members' Equity			
Paid-up capital	21	**1,589,512,336**	1,587,552,837
Accumulated losses	22	**(432,516,822)**	(456,122,577)
Fair value reserve		**4,345,180**	(12,838,045)
Actuarial gains/(losses)		**10,927,105**	(398,825)
Cashflow hedge reserve		**(2,284,942)**	(3,868,846)
Other reserve		**3,506,259**	3,632,433
Foreign currency translation reserve		**(18,544,391)**	(11,854,928)
Equity attributable to the shareholders of the parent		**1,154,944,725**	1,106,102,049
Non-controlling interest		**45,191,386**	47,296,077
Total Members' Equity		**1,200,136,111**	1,153,398,126
Total Liabilities and Members' Equity		**3,624,652,835**	3,218,231,273
Commitments	33		

Consolidated Statement of Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Continuing operations			
Net Income			
Income from commodity Murabaha and Wakala placement		**29,574,343**	10,887,055
Income from Sukuk investments	7.1	**40,612,796**	39,394,147
Income from financing assets	12	**81,873,714**	62,284,407
Equity investment income, net	13.2	**20,803,289**	17,696,954
Other income	23	**9,974,980**	8,219,335
Total income from continuing operations		**182,839,122**	138,481,898
Financing costs		**(94,444,105)**	(74,523,955)
Net income from continuing operations		**88,395,017**	63,957,943

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Operating Expenses			
Staff costs		**(41,797,723)**	(38,830,657)
Other administrative expenses		**(11,835,062)**	(9,600,776)
Depreciation		**(363,875)**	(287,267)
Amortization		**-**	(1,840)
Total operating expenses		**(53,996,660)**	(48,720,540)
Net operating income before impairment charges from continuing operations		**34,398,357**	15,237,403
Impairment charge	26	**(10,122,011)**	(11,544,266)
Net income for the year from continuing operations		**24,276,346**	3,693,137
Non-Shari'ah compliant income	20	**618,637**	223
Transferred to ICD Solidarity Fund	20	**(618,637)**	(223)
Net income for the year before taxation from continuing operations		**24,276,346**	3,693,137
Income tax		**(76,254)**	(95,687)
Net income for the year after taxation from continuing operations		**24,200,092**	3,597,450
Discontinued operations			
Net (loss)/ income for the year after taxation from discontinued operations	36	**(699,516)**	5,716,375
Net income for the year		**23,500,576**	9,313,825
Attributable to:			
Equity-holders of the parent		**23,605,755**	7,846,973
Non-controlling interest		**(105,179)**	1,466,852
		23,500,576	9,313,825

Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Net Income for the year		**23,500,576**	9,313,825
Other Comprehensive Income:			
Items that will not be reclassified to Statement of Income:			
Actuarial losses on employee benefit liabilities	19.3	**11,325,930**	(3,708,113)
Items that may subsequently be reclassified to the Statement of Income:			
Fair value changes on Investments carried at fair value through OCI		**17,560,480**	8,736,978
Changes in cashflow hedge reserve		**1,583,904**	(3,868,846)
Changes in other reserve		**(860,582**	(1,206,846)
Fair value changes on real estate properties		**(719,043)**	7,645,261
Exchange difference arising on translation of foreign Operations		**(6,888,680)**	(1,400,513)
		10,676,079	9,906,034
Total Other Comprehensive Income for the year		**22,002,009**	6,197,921
Attributable to:			
Equity-holders of the parent		**23,277,422**	5,150,852
Non-controlling interest		**(1,275,413)**	1,047,069
Total Comprehensive Income for the year		**45,502,585**	15,511,746
Attributable to:			
Equity-holders of the parent		**46,883,177**	12,997,825
Non-controlling interest		**(1,380,592)**	2,513,921

Consolidated Statement of Changes In Members' Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid-up capital (USD)	Accumulated losses (USD)	Net income USD	Fair Value reserve (USD)	Actuarial losses (USD)	Cashflow hedge reserve (USD)	Other reserves (USD)	Foreign currency translation reserve (USD)	Equity attributable to the shareholders of the parent (USD)	Non-controlling interest (USD)	Total (USD)
Balance at 1 January 2023	1,586,736,446	(463,969,550	-	(25,588,785	3,309,288	-	4,839,279	(13,038,845	1,092,287,833	62,275,040	1,154,562,873
Net income for the year	-	-	7,846,973	-	-	-	-	-	7,846,973	1,466,852	9,313,825
Other comprehensive income	-	-	-	12,750,740	(3,708,113)	(3,868,846)	(1,206,846)	1,183,917	5,150,852	1,047,069	6,197,921
Total comprehensive income	-	-	7,846,973	12,750,740	(3,708,113)	(3,868,846)	(1,206,846)	1,183,917	12,997,825	2,513,921	15,511,746
Increase in paid-up capital	816,391	-	-	-	-	-	-	-	816,391	-	816,391
Transfer to accumulated losses	-	7,846,973	(7,846,973)	-	-	-	-	-	-	-	-
Disposal of a subsidiary (note 36)	-	-	-	-	-	-	-	-	-	(15,523,127)	(15,523,127)
Cash distribution	-	-	-	-	-	-	-	-	-	(1,969,757)	(1,969,757)
Balance at 31 December 2023	**1,587,552,837**	**(456,122,577)**	**-**	**(12,838,045)**	**(398,825)**	**(3,868,846)**	**3,632,433**	**(11,854,928)**	**1,106,102,049**	**47,296,077**	**1,153,398,126**
Net income for the year	**-**	**-**	**23,605,755**	**-**	**-**	**-**	**-**	**-**	**23,605,755**	**(105,179)**	**23,500,576**
Other comprehensive income	**-**	**-**	**-**	**17,183,225**	**11,325,930**	**1,583,904**	**(126,174)**	**(6,689,463)**	**23,277,422**	**(1,275,413)**	**22,002,009**
Total comprehensive income	**-**	**-**	**23,605,755**	**17,183,225**	**11,325,930**	**1,583,904**	**(126,174)**	**(6,689,463)**	**46,883,177**	**(1,380,592)**	**45,502,585**
Increase in paid-up capital	**1,959,499**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,959,499**	**-**	**1,959,499**
Transfer to accumulated losses	**-**	**23,605,755**	**(23,605,755)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposal of a subsidiary (note 36)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(724,099)**	**(724,099)**
Balance at 31 December 2024	**1,589,512,336**	**(432,516,822)**	**-**	**4,345,180**	**10,927,105**	**(2,284,942)**	**3,506,259**	**(18,544,391)**	**1,154,944,725**	**45,191,386**	**1,200,136,111**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Operating Activities			
Income before tax for the year		**24,276,346**	3,693,137
Income before tax – discontinued operations		**107,613**	7,168,982
Adjustments for:			
Income attributable to non-controlling interest		**105,179**	(1,466,852)
Depreciation and amortization		**27,012,539**	26,204,856
Impairment charge for financial assets	26	**17,991,585**	13,331,875
Financing costs		**94,444,105**	74,530,313
Provision for Employee benefit liabilities	19	**5,279,575**	4,952,914
Loss/(gain) on disposal of discontinued operations		**1,540,167**	(849,938)
Share of income from investments in associates		**(21,141,804)**	(17,991,414)
Gain on Islamic hedging and derivatives net of currency losses		**(2,290,189)**	(4,304,694)
		147,325,116	105,269,179
Changes in operating assets and liabilities:			
Commodity Murabaha and Wakala placements		**(341,229,328)**	10,961,910
Investments in Sukuk, shares and other securities		**101,742,659**	86,405,427
Murabaha receivables		**(71,831,045)**	(281,623,926)
Instalment sale receivables		**(44,540,784)**	90,262,933
Ijarah Muntahia Bittamleek		**(39,948,664)**	(38,360,354)
Istisna'a receivable		**3,131,881**	1,785,368
Investment in associates		**(7,805,283)**	971,304
Other assets		**(62,918,764)**	(23,610,426)
Accrued and other liabilities		**44,655,875**	30,099,873
Amounts due to ICD Solidarity Fund		**618,637**	(223)
Cash from operations		**(270,799,700)**	(17,838,935)
Financing cost paid		**(85,889,672)**	(68,045,679)
Employee benefits liabilities paid		**(4,452,486)**	(4,163,344)
Tax paid		**(1,751,668)**	(728,098)
Net cash used in operating activities		**(362,893,526)**	(90,776,056)

	Note	31 December 2024 (USD)	31 December 2023 (USD)
Investing Activities			
Investment in real estate		**1,180,476**	(1,783,258)
Sale proceeds from discontinued operations		**1,416,750**	2,000,000
Net cash used in investing activities		**2,597,226**	216,742
Financing Activities			
Proceeds from Sukuk issued		**500,000,000**	104,489,691
Repayment of Sukuk issued		**(997,709)**	-
Proceeds from Commodity Murabaha liabilities		**415,698,750**	657,200,000
Repayments of Commodity Murabaha liabilities		**(597,479,285)**	(741,200,000)
Share capital contribution		**1,959,499**	816,391
Non-controlling interest		**(2,104,691)**	(14,978,963)
Net cash generated from financing activities		**317,076,564**	6,327,119
Net Decrease in Cash and Cash Equivalent		**(43,219,736)**	(84,232,195)
Cash and cash equivalents at the beginning of the year		**257,040,881**	340,089,159
Foreign currency translation reserve		**(6,689,463)**	1,183,917
Cash and Cash Equivalents at the end of the year	5	**207,131,682**	257,040,881

Consolidated statement of changes in off-balance-sheet assets under Management

FOR THE YEAR ENDED 31 DECEMBER 2024

	January 1, 2023	Additions	Net disposals/ withdrawals	Mudarib's share	31 December 2023
Net assets managed on behalf of a financial institution	-	246,200,000	(246,200,000)	-	-
Total	**-**	**246,200,000**	**(246,200,000)**	**-**	**-**

	January 1, 2024	Additions	Net disposals/ withdrawals	Mudarib's share	31 December 2024
Net assets managed on behalf of a financial institution	-	**102,000,000**	**(102,000,000)**	-	-
Total	**-**	**102,000,000**	**(102,000,000)**	**-**	**-**

The Group has a Wakala based arrangement with a financial institution in which it provides investment management services to the financial institution and acts as its agent. The Group is not exposed to any variable returns on the investment of these funds and accordingly does not control these funds. Therefore, the Group does not recognize these funds on its Consolidated statement of financial position. No amounts were outstanding in respect of this arrangement at the end of 2024. During the year, the Group earned USD 314,917 (2023: USD 96,000) as agent's remuneration. The remuneration is agreed upon through the Framework Agreement between the Group and the Financial Institution.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Organisation and operations

The Islamic Corporation for the Development of the Private Sector (the "Corporation", "the Parent") is an international specialized institution established pursuant to the Articles of Agreement ("the Agreement") signed and ratified by its members. The Parent Company commenced its operations following the inaugural meeting of the General Assembly held on 6 Rabi Thani, 1421H, corresponding to July 8, 2000.

According to the Agreement, the objective of the Parent Company is to promote, in accordance with the principles of Shari'ah, the economic development of its member countries by encouraging the establishment, expansion, and modernization of private enterprises producing goods and services in such a way as to supplement the activities of the Islamic Development Bank ("IsDB").

The Parent Company, as a multilateral financial institution, is not subject to any external regulatory authority. It operates in accordance with the Agreement and the approved internal rules and regulations.

The Parent Company carries out its business activities through its headquarters in Jeddah, Saudi Arabia.

The principal activities of the Parent and its subsidiaries (collectively the "Group") are a wide range of financial services, including retail, commercial, investment banking, private banking, and real estate development.

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the Shari'ah rules and principles as determined by the Shari'ah Board of the IsDB Group. For matters which are not covered by AAOIFI standards, the Corporation seeks guidance from the relevant International Financial Reporting Standards (IFRSs) issued or adopted by the International Accounting Standards Board (IASB) and the relevant interpretation issued by the International Financial Reporting Interpretations Committee of IASB provided they do not contradict the rules and principles of Shari'ah as determined by the Shari'ah Board of IsDB Group.

The Group's consolidated financial statements comprise the financial statements of the Corporation and the following subsidiaries (collectively "the Group") in which the Parent Company exercises control and therefore have been consolidated in these consolidated financial statements on a line by line basis combining similar items of assets, liabilities, income and expenses of the Corporation and its subsidiaries, except where the subsidiary is classified as held for sale.

ICD Asset Management Limited includes ICD Unit Investment Fund LLP (UIF) in which PwC was appointed as a liquidator. The liquidation of UIF will run through two phases. Phase 1 is for monetizing the assets and phase 2 is for full dissolution of the Fund.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, income, expenses, profits, and losses are eliminated in full on consolidation. Subsidiaries are fully consolidated from the date control is transferred to the Corporation and continue to be consolidated until the date that control ceases or the subsidiary is classified as held for sale, in which case the assets and liabilities respectively are removed line by line and presented as assets and liabilities held for

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

Name of the entity	Country of incorporation	Nature of business	Effective ownership %	
			2024	2023
Azerbaijan Leasing Company Limited	Azerbaijan	Leasing	**100**	100
ICD Asset Management Limited	Malaysia	Asset management	**100**	100
Islamic Banking Growth Fund	Malaysia	Private equity fund	**100**	100
Taiba Leasing	Uzbekistan	Leasing	**100**	100
Tamweel Africa Holding	Senegal	Banking	**100**	100
Ijara Management Company	Saudi Arabia	Leasing	**100**	100
Tahfeez United Company Limited (Formerly Capitas Group)	Saudi Arabia	Advisory	**100**	100
Taiba Titrisation SA (note 36	Senegal	Sukuk advisory	**-**	100
ASR Leasing LLC	Tajikistan	Leasing	**67**	67
Al Majmoua Al Mauritania	Mauritania	Real estat	**53**	53
Ewaan Al Fareeda Residential Co.	Saudi Arabia	Real estate	**50**	50
Taha Alam Sdn Bhd	Malaysia	Hajj & Umra Service	**50**	50

sale as a single line item on the statement of financial position. Control is achieved when it has substantially all risks and rewards incidental to ownership of the business, duly meeting both of the following conditions: a) it is directly exposed to, and has rights to, variable returns (negative and positive, respectively) from its involvement with such business; and b) it has the ability to affect those returns through its power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Non-controlling interest in a subsidiary's net assets is reported as a separate item in the Group's members' equity. In the consolidated statement of income, non-controlling interest is included in net income, and shown separately from that of the shareholders.

Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in members' equity since the date of combination. Losses applicable to the non-controlling interest in excess of the non-controlling interest in a subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Transactions with non-controlling interests are managed in the same way as transactions with external parties. Sale of participations to non-controlling interests result in a gain or loss that is recognised in the consolidated statement of income. Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements are prepared under the historical cost convention except for the following items in the consolidated statement of financial position:

- Investments in associates are measured using equity method of accounting;
- Other investments measured at fair value through other comprehensive income;
- Profit rate and cross-currency swaps measured at fair value;
- Investments in Sukuk which are measured at fair value through other comprehensive income and;
- Post-employment benefit plan is measured using actuarial present value calculation based on projected unit credit method.

These consolidated financial statements are presented in United States Dollars ("USD") which is also the functional and presentation currency of the Group.

The following is a summary of the Group's significant accounting policies:

Transactions and balances

Monetary and non-monetary transactions denominated or requiring settlement in a foreign currency are translated into United States Dollars ("USD") at the spot exchange rates at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling on the reporting date. Foreign currency differences resulting from retranslation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income as foreign exchange gains/losses.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value (including Equity investments) are retranslated at the spot exchange rate at the date that the fair value was determined. Foreign currency differences resulting from translation of such investments are recognized in other comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income. Translation differences on non-monetary items carried at their fair value, such as certain investments carried at fair value through other comprehensive income are included in investments fair value reserve.

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The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of financing and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. Translation losses arising in the case of severe devaluation or depreciation (other than temporary) of the currency of the net investment in a foreign operation when the latter is translated at the spot exchange rate at the date of consolidated statement of financial position, are recognised in the first place as a charge in other comprehensive income against any credit balance on the separate component of the members' equity and any remaining amount is recognised as a loss in the consolidated statement of income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated statement of income as part of the gain or loss on sale.

Goodwill, and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3 Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, commodity murabaha placements and wakala placements through banks having a maturity of three months or less from the date of placement that are subject to an insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortised cost less allowance for credit losses in the statement of financial position.

Commodity Murabaha and Wakala placements

Commodity Murabaha placements are made through financial institutions and are utilized in the purchase and sale of commodities at a fixed profit. The buying and selling of commodities are limited by the terms of agreement between the Group and other financial institutions. Commodity placements are initially recorded at cost including acquisition charges associated with the placements and subsequently measured at amortized cost less allowance for credit losses.

Wakala placement is an agreement whereby one party (the "Muwakkil" / "Principal") appoints an investment agent (the "Wakeel" / "Agent") to invest the Muwakkil's funds (the "Wakala Capital") on the basis of an agency contract (the "Wakala") in return for a specified fee. The agency fee can be a lump sum or an expected fixed percentage of the Wakala Capital. The agent decides in respect to the investments to be made from the Wakala Capital, subject to the terms of the Wakala agreement. However, the Wakeel bears the loss in cases of misconduct, negligence or violation of any of the terms of the Wakala agreements.

Project assets

Project assets include Murabaha, Istisna'a receivable, installment sales, and Ijarah Muntahia Bittamleek.

Murabaha receivables

Murabaha receivables are agreements whereby the Group sells to a customer, on a cost plus profit basis, a commodity or an asset, which the Group has purchased and acquired based on a promise received from the customer to buy.

Installment sale receivables

Installment sale is a sale agreement where repayments are made on an installment basis over a pre-agreed period. The selling price comprises the cost plus an agreed profit margin without requirement of disclosing the actual cost.

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Ijarah Muntahia Bittamleek

These consist of assets purchased by the Group either individually or as part of syndication with other entities and leased to beneficiaries for their use in Ijarah Muntahia Bittamleek agreements whereby the ownership of the leased assets is transferred to the beneficiaries at the end of the lease term after the completion of all payments under the agreement. The transfer of asset's ownership may take place through transfer of control (entailing risks and rewards incidental to ownership of such assets) under a separate form of contract as follows:

- Contract of Sale: after the end of the Ijarah term; or
- Contract of gift: after the end of the contract term; or
- Contract of sale of proportionate ownership during the Ijarah term.

Istisna'a receivable

Istisna'a is an agreement between the Group and a customer whereby the Group sells to the customer an asset which is either manufactured or acquired by the purchaser on behalf of the Group according to agreed-upon specifications, for an agreed-upon price. After completion of the project, the Istisna'a asset is transferred to the Istisna'a receivable account.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in statement of income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in statement of income as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognized in statement of income.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in statement of income. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to statement of income, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

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Investments

The Group investments are categorised as follows:

i) Subsidiaries

An entity is classified as a subsidiary if the Group can exercise control over the entity. A Group controls an asset or business, when it has substantially all risks and rewards incidental to ownership of such asset or business, duly meeting both of the following conditions:

a) It is directly exposed to, or has rights to, variable returns (negative or positive, respectively) from its involvement with such assets or business; and
b) It has the ability to affect those returns through its power over the assets or business.

ii) Associates

An entity is classified as an associate of the Group if the Group can exercise significant influence on the entity. Significant influence is presumed to exist if the Group holds, directly or indirectly through its subsidiaries, 20 per cent or more of the voting rights in the entity, unless it can be clearly demonstrated otherwise. Conversely, significant influence may also exist through agreement with the entity's other members or the entity itself regardless of the level of shareholding that the Group has in the entity. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost (including transaction costs directly related to acquisition of investment in associate). The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

iii) Other equity investments

Entities where the Group does not have significant influence or control are categorised as other equity investments. Equity investments are intended for long-term holding and may be sold in response to liquidity needs, changes in market prices or within the overall context of the Group's developmental activities. Accordingly, the Group has opted to designate all of its equity investments at fair value through other comprehensive income.

Listed investments measured at fair value through other comprehensive income

Initially and subsequently such investments are measured at fair market value, and any unrealized gains or losses arising from the change in their fair values are recognized directly in the fair value reserve under other comprehensive income until the investment is derecognized or considered impaired, at which time the cumulative gain or loss previously recorded in the other comprehensive income is recognized in the consolidated statement of income.

Unlisted investments in equities and funds measured at fair value through other comprehensive income

Unlisted investments in equities carried at fair values are determined by independent valuers. Fair value gains/losses are reported in other comprehensive income. If there is objective evidence that an impairment loss has been incurred, the amount of impairment is measured as the difference between the carrying amount of investment and its expected recoverable amount. Impairment losses recognized in consolidated statement of income are reversed through statement of other comprehensive income. After the initial designation, the Group shall not reclassify investments in equity-type securities into or out of the fair value through its statement of other comprehensive income category.

All other investments (excluding investments carried at fair value through consolidated statement of income) are assessed for impairment in accordance with the impairment approach.

iv) Sukuk investments

Sukuk are certificates of equal value representing undivided share in ownership of tangible assets, usufructs, services or (in the ownership) of assets of a particular project, measured at amortised costs or fair value through other comprehensive income.

Sukuk Investments carried at fair value through other comprehensive income

An investment will be measured at fair value through other comprehensive income if both the following conditions are met:

- the investment is held within a business model whose objective is achieved by both collecting the expected cashflows and selling the investments; and
- the investment represents a non monetary debt type instrument or other investment instrument having reasonably determinable effective yield.

Sukuk Investments carried at amortised cost

An Investment instruments shall be measured at amortised cost if both the following conditions are met:

- the investment is held within a business model whose objective is to hold such investments in order to collect expected cashflows till maturity of the instrument; and
- the investment represents either a debt type instrument or other investment instrument having reasonably determinable effective yield.

These investments are measured using effective profit method at initial recognition minus capital/redemption payments and minus any reduction for impairment.

Any other investment instruments not classified as per amortised cost or fair value through other comprehensive income, are classified as fair value through consolidated statement of income.

On initial recognition, the Group makes an irrevocable election to designate certain equity instruments that are not designated at fair value through consolidated statement of income to be classified as investments at fair value through other comprehensive income.

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The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVIS. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Impairment of investments held at fair value through other comprehensive income

The Group exercises judgment to consider impairment on the financial assets including equity investments held at fair value through other comprehensive income, at each reporting date. This includes determination of a significant or prolonged decline in the fair value of equity investments below cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share prices. In addition, the Group considers impairment to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

The Group considers 30% or more, as a reasonable measure for significant decline below its cost, irrespective of the duration of the decline. Prolonged decline represents decline below cost that persists for 1 year or longer irrespective of the amount.

Impairment of goodwill

Goodwill acquired through business combinations have been allocated to the cash-generating units of the acquired entities for impairment testing purposes. The Group tests whether goodwill has suffered any impairment in accordance with the impairment accounting policy.

Impairment of financial assets other than equity instrument

The Group applies the credit loss approach to financial instruments measured at amortized cost. To assess the extent of credit risk, the financial assets are divided into three (3) categories:

i. **Stage 1** – No significant increase in credit risk;

ii. **Stage 2** – Significant increase in credit risk (SICR); and

iii. **Stage 3** – Credit impaired financial assets.

Allocation to different stages is based on the degree of deterioration in the credit quality of the financial asset. At each reporting date, the Group assesses whether there has been a significant increase in credit risk. The Group monitors all financial assets, and financial guarantee contracts that are subject to the 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 Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the reporting date when the financial instrument was first recognized. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Forward-looking information includes the future prospects of the countries and industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing, given that macro-economic scenario data and models for certain countries are not readily available, in such cases proxy scenarios and models have been used.

The PDs used are forward-looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

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All financial assets are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with initial recognition, then the asset is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit-impaired and allocated to stage 3.

With the exception of Purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month 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).
- As for instruments classified in stage 3, loss allowance is quantified as the difference between the carrying amount of the instrument and the net present value of expected future cash flows discounted at the instrument's original effective profit rate (EPR) where applicable.

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. Evidence of credit impairment includes observable data about the following events

- Company files for bankruptcy
- Cancellation of Operating License
- Clear evidence that the company will not be able to make the future repayments

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 amortized cost are credit-impaired at each reporting date.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognizes all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in statement of income. A favourable change for such assets creates an impairment gain.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

A financing forbearance is granted in cases where although the financed party made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the financed party is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the financial asset, changes to the timing of the cash flows of the financial asset (principal and profit repayment), reduction in the amount of cash flows due (principal and profit forgiveness).

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective profit rate. If the difference in present value is greater than 10% the Group deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Group considers the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation.

In the case where the financial asset is derecognized the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new financial asset is considered to be originated- credit impaired. This applies only in the case where the fair value of the new financial asset is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the client is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

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For financial assets modified as part of the Group's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the financed party's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne financing is credit impaired due to the existence of evidence of credit impairment (see above), the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the financing is no longer credit-impaired. The loss allowance on forborne financing will generally only be measured based on 12-month ECL when there is evidence of the financed party's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification losses, if any, for financial assets are included in the consolidated statement of income in 'Losses on modification of financial assets. Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized funding for the proceeds received.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- All contracts or obligors rated 21 in the Group's internal scale (equivalent to C in Moody's scale and D in both S&P's and Fitch Ratings' scale); or
- Moreover, the Group also uses a rebuttable presumption based on days past due (DPD). This rule is applied if the contractual payments are due for more than 180 days for sovereign contracts and 90 days for non-sovereign ones, unless there is reasonable and supportable information indicating that the contract is not credit-impaired.

This definition of default is used by the Group for accounting purposes as well as for internal credit risk management purposes. The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. As noted in the definition of credit impaired financial assets above, default is evidence that an asset is credit impaired. Therefore, credit impaired assets will include defaulted assets, but will also include other non-defaulted given the definition of credit impaired is broader than the definition of default.

Write-off

When the exposure is deemed uncollectible, it is written-off against the related impairment provision and any excess loss is recognized in the consolidated statement of income. Such assets are written-off only after all necessary procedures have been completed and the amount of loss has been determined. Subsequent recoveries of amounts previously written-off are credited to the Group's consolidated statement of income.

Financial liabilities

The Group derecognizes financial liabilities when, and only when, its contractual obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in consolidated statement of income.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least ten per cent different from the discounted present value of the remaining cash flows of the original financial liability. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of income.

Other amortised cost assets

An assessment is made at each reporting date to determine whether there is objective evidence that an amortised cost asset or a group of such assets may be impaired. The amount of the impairment losses for other assets is calculated as the difference between the asset's carrying amount and its estimated recoverable amount. Adjustments to the provision are recorded as a charge or credit in the Group's consolidated statement of income.

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Financial liabilities

All Sukuk issued, Commodity Murabaha financing and other liabilities issued are initially recognized at cost, net of transaction charges, being the fair value of the consideration received. Subsequently, all yield bearing financial liabilities, are measured at amortised cost by taking into account any discount or premium. Premiums are amortised, and discounts are accreted on an effective yield basis to maturity and taken to "financing cost" in the consolidated statement of income.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset only when there is a legal enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under Financial Accounting Standards ("FAS") issued by AAOIFI, or for gains and losses arising from a group of similar transactions.

Islamic hedging and derivative financial instruments

Islamic hedging and derivatives financial instruments represent Islamic foreign currency forward contracts, Islamic profit rate swaps and Islamic cross currency profit rate swaps. They are based on International Islamic Financial Market (IIFM) and International Swaps Derivatives Association, Inc. (ISDA) templates. These are used by the Group for hedging strategy only to mitigate the risk of fluctuation in foreign currency and financing cost for placements with financial institutions, financing assets and Sukuk issued. Islamic hedging and derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting date. The resulting gains or losses on re-measurement are recognised in the consolidated statement of income. Islamic hedging and derivatives with positive fair values or negative fair values are reported under the 'other assets' or 'accrued and other liabilities', respectively, in the statement of financial position.

Hedge (Tahawwut) accounting

The Group designates profit-rate swap and cross currency swaps in respect of foreign currency risk and profit rate risk, as cash flow hedges.

At the inception of the hedge relationship (Tahawwut), the Group documents the relationship between the hedging instrument/wa'ad and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions (Tahawwut). Furthermore, at the inception of the hedge, the Group documents whether the hedging instrument/wa'ad is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of swaps or wa'ad that are designated and qualify as cash flow hedges is recognized in statement of other comprehensive income and accumulated under the heading of cash flow hedge reserves. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income.

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments or wa'ad entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments or wa'ad that are recognized and accumulated under the heading of cash flow hedge reserves are reclassified to statement of income only when the hedged transaction affects the statement of income.

Amounts previously recognized in the statement of changes in other comprehensive income are reclassified to statement of income in the periods when the hedged item affects the statement of income, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship (Tahawwut), when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group, and accordingly, are not included in the consolidated financial statements.

Property and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment in value. The cost less estimated residual value of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

- Furniture and fixtures 10% to 25%
- Computers 10% to 33%
- Motor vehicles 15% to 25%
- Other equipment 10% to 20%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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Real estate investments

Investment in real estate is initially recognised at cost and subsequently re-measured at fair value in accordance with the fair value model with the resulting unrealised gains being recognised in the consolidated statement of other comprehensive income.

Any unrealised losses resulting from re-measurement at fair value of investment in real estate carried at fair value are adjusted in equity against the investment in real estate fair value reserve, to the extent of the available credit balance of this reserve. In case such losses exceed the available balance, the unrealised losses are recognised in the consolidated statement of income. In case there are unrealised losses relating to investment in real estate that have been recognised in the consolidated statement of income in a previous financial period, the unrealised gains relating to the current financial period are recognised to the extent of crediting back such previous losses in the consolidated statement of income.

The realised profits or losses resulting from the sale of any investment in real estate are measured as the difference between the book value (or carrying amount) and the net cash or cash equivalent proceeds from the sale for each investment separately. The resulting statement of income together with the available balance on the investment in real estate fair value reserve account is recognised in the consolidated statement of income for the current financial period.

All properties where the decision is made to sell, and the sale is expected to occur within 12 months of the reporting date (subject to availability of identified willing buyer) are classified as Investment in real estate Held-for-sale. Investment in real estate Held-for-sale is measured at fair value in accordance with the fair value model.

Goodwill

Goodwill acquired at the time of acquisitions of subsidiaries is reported in the consolidated statement of the financial position as an asset. Goodwill is initially measured at cost being the excess of the cost of acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Subsequently, the goodwill is tested for an impairment on an annual basis. At the end of the financial period, the goodwill is reported in the consolidated statement of financial position at cost less any accumulated impairment losses.

Negative goodwill resulting from the acquisition of a business or entity is recognised in the consolidated statement of income.

Acquisition of minority interests is accounted using the Economic Entity Method. Under the Economic Entity Method, the purchase of a minority interest is a transaction with a shareholder. As such, any excess consideration over the Group's share of net assets is recorded in members' equity.

Sukuk issued

The Sukuk assets have been recognised in the ICD consolidated financial statements, as ICD is the Service Agent, whilst noting that ICD has sold these assets at a price to the Sukuk holders through the SPV by a valid sale contract transferring ownership thereof to the Sukuk holders. However, ICD continues to be exposed to substantial risks and rewards of ownership of the assets sold.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale. When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

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Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the activities of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or abandonment or when the operation meets the criteria to be classified as held-for-sale, if earlier.

Once classified as held for sale, assets are not depreciated or amortized.

When an operation is classified as a discontinued operation, the comparative consolidated statement of income and other comprehensive income are restated as if the operation had been discontinued from the start of the comparative year.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as income/(loss) after zakat from discontinued operations in the consolidated statement of income.

Employee benefit liabilities

The Group operates three defined post-employment benefit plans for its employees, the Staff Retirement Pension Plan ("SRPP"), the Staff Retirement Medical Plan ("SRMP") and the Retirement Medical Solidarity Plan ("RMSP"). All of these plans require contributions to be made to separately administered funds. A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and percentage of final gross salary. Independent actuaries calculate the defined benefit obligation on an annual basis by using the Projected Unit Credit Method to determine the present value of the defined benefit plan and the related service costs. The underlying actuarial assumptions are used to determine the projected benefit obligations.

A full actuarial valuation is performed every three years by engaging independent actuaries. For intermediate years, the defined benefit obligation is estimated by the independent actuaries using approximate actuarial roll-forward techniques that allow for additional benefit accrual, actual cash flows and changes in the underlying actuarial assumptions, mainly the change in discount rate based on the market condition as at valuation date.

The present value of the defined benefit obligation due until the retirement date is determined by discounting the estimated future cash outflows (relating to service accrued to the reporting date) using the yields available on US AA rated corporate bonds. The bonds have terms to maturity closely matching the terms of the actual defined benefit obligation.

The current service cost of the defined benefit plan recognized in the consolidated statement of income reflects the increase in the defined benefit obligation resulting from employee service in the current year. The cost on defined benefit obligation represents increase in liability due to passage of time.

Retrospective modifications to benefits or curtailment gain or loss are accounted for as past service costs or income in the consolidated statement of income in the period of plan amendment.

Actuarial gains or losses, if material, are recognized immediately in other comprehensive income in the year they occur. The benefit liability is recognized as part of other liabilities in the consolidated statement of financial position. The liability represents the present value of the Group's defined benefit obligations, net of the fair value of plan assets.

The pension committee, with advice from the Group's actuaries, determines the Group's contributions to the defined benefit scheme and the contributions are transferred to the scheme's independent custodians.

Revenue recognition

i) Commodity Murabaha and Wakala placements

Income from Commodity Murabaha and Wakala placements is recognized on an effective yield basis over the period of the contract based on the principal amounts outstanding.

ii) Investment in Sukuk

Income from investments in Sukuk is accrued on an effective yield basis and is recognized in the consolidated statement of income. For the Sukuk designated at fair value through consolidated statement of income, gains and losses resulting from the re-measurement of the fair values at the reporting date are also recognized in the consolidated statement of income. For the Sukuk Investments carried at fair value through other comprehensive income, gains and losses resulting from the re-measurement of the fair values at the reporting date are also recognized in the consolidated other comprehensive income.

iii) Murabaha financing income, Istisna'a income, income from installment sales

Murabaha financing income, Istisna'a income and income from installment sale financing are recognized using the effective yield over the period of respective transactions.

iv) Ijarah Muntahia Bittamleek

Income from Ijarah assets is recognized using the effective yield basis (which represents the Ijarah rental net of depreciation against the Ijarah assets) starting from the date the right to use the asset is transferred to the lessee.

v) Dividend income

Dividend income is recognized when the right to receive the dividend is established i.e. according to its declaration date.

Notes to the Consolidated Financial Statements

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vi) Management fee
ICD has several funds under management where it provides portfolio management services for which it charges management fees. Management fee is recognized on an accrual basis when the services have been performed.

vii) Administrative fee and advisory fee
ICD offers advisory services which includes Sukuk issuance, conversion to an Islamic Bank, establishment of Islamic Banking windows, restructuring, developing regulatory frameworks, capacity building etc. It also charges fees to cover costs incurred during the appraisal of financing applications. Income from administrative and advisory services is recognized based on the rendering of services as per contractual arrangements.

Zakat and tax

The Group, being a multilateral financial institution, is not subject to Zakat in the member countries. Group is subject to taxation in the member countries. Taxation applicable on Subsidiaries has been computed based on local tax regulations.

Segment reporting

Management has determined the chief operating decision maker to be the Board of Directors as this body is responsible for overall decisions about resource allocation to development initiatives within its member countries. Development initiatives are undertaken through a number of Islamic finance products as disclosed on the face of the Consolidated Statement of Financial Position, which are financed centrally through the Group's equity capital and financing. Management has not identified separate operating segments within the definition of FAS 22 "Segment Reporting" since the Board of Directors monitor the performance and financial position of the Group as a whole.

4 Accounting judgments and estimates

The preparation of financial statements in accordance with FAS issued by AAOIFI, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. Such estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. The most significant judgements and estimates are summarized below:

i) Impairment allowance for financing assets
The measurement of credit losses under FAS 30 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 methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

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:

a) The Groups internal credit grading model, which assigns PDs to the individual grades;

b) The Group's criteria for assessing if there has been a significant increase in credit risk necessitating the loss allowance to be measured on a 12 month or lifetime ECL basis and the applicable qualitative assessment;

c) Development of ECL models, including the various formulas and the choice of inputs;

d) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs;

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

The Group exercises judgment in the estimation of impairment allowance for financial assets. The methodology for the estimation of impairment of financing assets is set out in note 3 under "impairment of financial assets".

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

ii) Fair value determination

The fair value of the financial assets that are not quoted in an active market is determined by using valuation techniques deemed to be appropriate in the circumstances, primarily, discounted cash flow techniques (DCF), comparable price/book (P/B) multiples, recent transactions and where relevant, net asset value (NAV). Where required, the Group engages third party valuation experts. For certain investments which are start-up entities or in capital disbursement stage, management believes cost is an approximation of fair value.

The models used to determine fair values are validated and periodically reviewed by management. The inputs in the DCF and comparable P/B multiples models include observable data, such as discount rates, terminal growth rate, P/B multiples of comparable entities to the relevant portfolio of the entity, and unobservable data, such as the discount for lack of marketability and control premium. The Group also considered the geopolitical situation of the countries where the investee entities operate and taken appropriate discount on their values.

iii) Employee benefit liabilities

The pension and medical obligation and the related charge for the period are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, etc. Due to the long-term nature of such obligations, these estimates are subject to significant uncertainty.

iv) Going concern

Group management assessed the Group's ability to continue as a going concern and is satisfied that they are not aware of any material uncertainties that may cast doubt on the Group's ability to continue as a going concern. In arriving at this conclusion, management considered many factors amongst which are; the Group's liquidity ratio, the forecast trend in profitability, the performance of the existing portfolio, the capital adequacy ratio and the Group's ability to raise funds from both shareholders and the capital market. Consequently, the consolidated financial statements have been prepared on a going concern basis.

5 Cash and cash equivalents

	31 December 2024 (USD)	31 December 2023 (USD)
Cash at banks	**45,135,036**	79,514,858
Cash in hand	**-**	3,230,097
Commodity Murabaha and Wakala placements (note 6)	**97,158,000**	127,764,669
Accrued income on Commodity Murabaha and Wakala placement	**247,082**	91,926
Less: allowance for credit losses (note 26)	**(6,330)**	(163,178)
	142,533,788	210,438,372
Bank balance relating to ICD Solidarity Fund	**1,799,661**	1,188,459
	144,333,449	211,626,831

For the purpose of statement of cashflows, cash and cash equivalents comprise of the following at 31 December:

	31 December 2024 (USD)	31 December 2023 (USD)
Cash and Cash Equivalents from Continuing Operation	**144,333,449**	211,626,831
Cash and Cash Equivalents from Discontinued Operation (note 36)	**62,798,233**	45,414,050
	207,131,682	257,040,881

Certain bank accounts with balance of USD 433,367 (31 December 2023: USD 263,525) are in the name of Islamic Development Bank (IsDB). However, these bank accounts are beneficially owned and managed/operated by the Group.

Commodity Murabaha placements and Wakala placements included within cash and cash equivalents are those placements which have original maturity of equal to or less than three months. Placements with original maturity of above three months are disclosed in note 6.

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6 Commodity murabaha and wakala placements

	31 December 2024 (USD)	31 December 2023 (USD)
Wakala placements	**392,638,209**	166,985,862
Commodity Murabaha	**90,158,000**	10,000,000
Accrued income on Commodity Murabaha and Wakala placements	**8,787,621**	3,975,308
	491,583,830	180,961,170
Less: Commodity Murabaha and Wakala placements with an original maturity of three months or less (note 5)	**(97,158,000)**	(127,764,669)
Less: allowance for credit losses (note 26)	**(28,133,828)**	(21,192,792)
	366,292,002	32,003,709

a) All the above Commodity Murabaha and Wakala placements are with international financial institutions and denominated in US Dollars.

b) Commodity Murabaha and Wakala placements include an amount of USD 356,164 (2023: USD 356,164) provided to a related party of the Group, over which the Group earned profit of USD nil (31 December 2023: USD nil).

7 Investments in Sukuk, shares and other securities

	31 December 2024 (USD)	31 December 2023 (USD)
Investment in Sukuk (note 7.1)	**1,399,554,989**	1,441,356,224
Investments in shares and other securities (note 7.2)	**79,535,455**	80,785,318
	1,479,090,444	1,522,141,542

7.1 Investments in Sukuk

	31 December 2024			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Listed Sukuk	861,234,579	540,293,520	-	1,401,528,099
Un-listed Sukuk	10,439,699	18,393,649	-	28,833,348
Less:	871,674,278	558,687,169	-	1,430,361,447
Unrealised fair value losses	-	(19,107,054)	-	(19,107,054)
Allowance for credit losses (note 26)	(11,699,404)	-	-	(11,699,404)
	859,974,874	**539,580,115**	**-**	**1,399,554,989**

	31 December 2023			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Listed Sukuk	989,080,537	456,293,220	-	1,445,373,757
Un-listed Sukuk	14,967,547	23,564,354	331,916	38,863,817
Less:	1,004,048,084	479,857,574	331,916	1,484,237,574
Unrealised fair value losses	-	(26,617,295)	-	(26,617,295)
Allowance for credit losses (note 26)	(15,246,980)	(1,017,075)	-	(16,264,055)
	988,801,104	**452,223,204**	**331,916**	**1,441,356,224**

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	31 December 2024 (USD)	31 December 2023 (USD)
Opening balance	**1,441,356,224**	1,549,287,994
Movement during the year		
Additions	**225,000,000**	195,104,250
Redemptions	**(276,165,021)**	(300,676,503)
Exchange (loss)/ gain	**(1,265,144)**	863,597
Unrealised fair value gain through other comprehensive income	**7,510,241**	4,723,968
Amortised premium	**(1,445,958)**	(4,960,858)
Reversal / (charge) for credit losses against Sukuk investments (note 26)	**4,564,647**	(2,986,224)
	1,399,554,989	1,441,356,224

	31 December 2024 (USD)	31 December 2023 (USD)
Financial institutions	**978,358,028**	965,620,463
Governments	**287,002,521**	327,422,344
Others	**134,194,440**	148,313,417
	1,399,554,989	1,441,356,224

	31 December 2024 (USD)	31 December 2023 (USD)
AAA	**115,106,814**	119,885,583
AA + to AA-	**96,464,803**	75,960,987
A + to A-	**672,841,786**	672,878,002
BBB + or lower	**515,141,586**	572,631,652
	1,399,554,989	1,441,356,224

Sukuk investments included an amount of USD 115,106,814 (31 December 2023: USD 119,885,583) invested in Sukuk issued by IsDB, over which the Group earned profit of USD 2,042,213 (31 December 2023: USD 2,087,065)

Income from Sukuk investments recognised during the year in consolidated statement of income are as follows:

	31 December 2024 (USD)	31 December 2023 (USD)
Coupon income	**43,450,864**	44,036,258
Realized (loss)/ gain	**(1,392,110**	318,747
Premium amortization	**(1,445,958**	(4,960,858)
Total income	**40,612,796**	39,394,147

7.2 Investment in shares and other securities

Investment in shares and other securities are being carried at fair value through other comprehensive income.

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Un-quoted companies	**Percentage holding**		**USD**	
Zaman Bank	5%	5%	**645,786**	1,211,091
Al Hadha Silo and Mills for Investment Company (ASMIC)	16%	16%	**1,172,792**	2,345,584
Al-Muttahed	3%	3%	**9,078,165**	8,863,863
Berber Cement Co.	10%	10%	**1,260,778**	2,521,556
Byblos Bank Africa -Sudan	9%	9%	**193,025**	376,220
Caspian International Investment Company	18%	18%	**1,051,575**	2,057,523
Ibdar Bank (Elaf)	2%	2%	**1,825,924**	1,944,811
Al Baraka Bank	12%	12%	**7,516,477**	6,590,660
International Islamic Liquidity Management Corporation ("IILMC")	10%	10%	**25,716,395**	21,360,810
Bidaya Home Finance – KSA	11%	11%	**24,638,315**	25,724,357
Ijmal Limited	15%	15%	**979,223**	931,480
Euro Mediterranean Investment Company	34%	34%	**661,400**	1,676,080
Liquidity Management Center (LMC)	10%	10%	**4,795,600**	4,795,600
South European Investment (SEIC)	20%	20%	**-**	385,683
			79,535,455	80,785,318

During the year 2024, SEIC was fully impaired.

8 Murabaha receivables

	31 December 2024 (USD)	31 December 2023 (USD)
Gross amount receivable	**556,550,789**	488,938,964
Deferred Profit	**(66,849,938)**	(67,020,056)
Net amount receivable	**489,700,851**	421,918,908
Allowance for credit losses (note 26)	**(28,264,625)**	(44,338,466)
	461,436,226	377,580,442

All goods purchased for resale under Murabaha are made on the basis of specific purchase for subsequent resale to the customer. The promise of the customer is considered to be binding. Consequently, any loss suffered by the Group as a result of default by the customer prior to the sale of goods is charged to the customer.

During the year, the Group entered into a restricted Mudaraba arrangement with ITFC, under which ITFC provides financing to its customers. Due to the restricted nature of Mudaraba and the Group's direct exposure to the credit risk on the underlying assets, this arrangement is classified and reported under Murabaha receivables.

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9 Installment sale receivables

	31 December 2024 (USD)	31 December 2023 (USD)
Gross amount receivable	**396,983,284**	352,290,886
Deferred Profit	**(33,601,298)**	(15,724,187)
Net amount receivable	**363,381,986**	336,566,699
Allowance for credit losses (note 26)	**(28,841,599)**	(28,524,698)
	334,540,387	308,042,001

All goods purchased for resale under installment sales are made on the basis of specific purchase for subsequent resale to the customers. The promise of the customer is considered to be binding. Consequently, any loss suffered by the Group as a result of default by the customer prior to the sale of goods is charged to the customer.

Installment sale receivables included amount of USD 5,566,186 (31 December 2023: USD 5,566,186) provided to related parties of the Group, over which the Group earned profit of USD nil (31 December 2023: nil)

10 Ijarah Muntahia Bittamleek

	31 December 2024 (USD)	31 December 2023 (USD)
Cost:		
Assets *not yet in use:*		
At the beginning of the year	**-**	-
Additions	**62,275,369**	34,980,800
Transferred to assets in use	**(45,807,224)**	(34,980,800)
	16,468,145	-
Assets in use:		
At the beginning of the year	**334,815,426**	298,478,656
Transferred from assets acquired	**45,807,224**	34,980,800
Assets transferred to beneficiaries	**(18,000,000)**	-
Forex revaluation	**(3,949,288)**	1,355,970
	358,673,362	334,815,426
Total Cost	**375,141,507**	334,815,426

	31 December 2024 (USD)	31 December 2023 (USD)
Accumulated depreciation:		
At the beginning of the year	**121,201,829**	81,405,834
Charge for the year	**23,891,395**	23,762,374
Adjustment	**(246,312)**	16,033,622
Depreciation on assets transferred to beneficiaries	**(18,000,000)**	-
Total depreciation	**126,846,912**	121,201,830
Accrued income	**21,943,578**	40,567,308
Ijarah Muntahia Bittamleek, gross	**270,238,173**	254,180,904
Allowance for credit losses (note 26)	**(29,173,142)**	(23,954,756)
Ijarah Muntahia Bittamleek, net	**241,065,031**	230,226,148

Ijarah Muntahia Bittamleek includes amount of USD 16,103,707 (31 December 2023: USD 16,615,648) provided to related parties of the Group over which the Group earned profit of USD 2,386,069 (31 December 2023: USD 1,339,791). Certain assets referred above represent the Group's share in joint Ijarah Muntahia Bittamleek agreements.

Future rentals receivable relating to Ijarah Muntahia Bittamleek as at 31 December 2024 are estimated to be USD 367.7 million (2023: USD 349.9 million). The precise amount at the end of each period is only known prior to the commencement of the period, as some of the rentals are determined based on floating rates. Detail of the receivables is shown below:

	31 December 2024 (USD)	31 December 2023 (USD)
Expected within 12 months	**40,786,804**	58,327,902
Expected after 12 months but less than 5 years	**136,711,208**	170,733,217
Expected after 5 years	**190,229,378**	120,860,465
	367,727,390	349,921,584

Future commitments related to Ijarah contracts are summarized in note 33 and these are expected to be paid within 12 months.

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11 Istisna'a receivable

	31 December 2024 (USD)	31 December 2023 (USD)
Istisna'a receivable	**10,401,054**	14,515,785
Deferred Profit	**(1,662,549)**	(2,645,399)
Net Istisna'a receivable	**8,738,505**	11,870,386
Allowance for credit losses (note 26)	**(21,401)**	(32,832)
	8,717,104	11,837,554

12 Income from financing assets

	31 December 2024 (USD)	31 December 2023 (USD)
Murabaha	**38,524,903**	16,728,467
Installment sales	**18,289,163**	24,937,682
Ijarah Muntahia Bittamleek (IMB), net (note 25)	**24,519,255**	20,038,074
Istisnaa assets	**540,393**	580,184
Total income	**81,873,714**	62,284,407

13 Income from financing assets

	31 December 2024 (USD)	31 December 2023 (USD)
At the beginning of the year	**168,611,127**	150,465,318
Additions	**16,686,931**	4,810,779
Share of profit from associates	**20,803,289**	16,389,154
Impairment	**(2,886,623)**	-
Transfer to held for sale	**(26,700,160)**	1,602,260
Disposals	**(482,006)**	-
Dividend received	**(5,718,064)**	(5,627,072)
Foreign currency translation (loss) / gain	**(7,998,576)**	970,688
At the end of the year	**162,315,918**	168,611,127

13.1 Investments in associates

Effective ownership percentage in associates and their countries of incorporation at the end of the year and nature of business are as follows:

Name of the entity	Country of incorporation	Nature of business	Effective ownership %	
			2024	2023
Al-Akhdar Bank	Morocco	Banking	**49**	49
Enmaa Ijara Company	Egypt	Leasing	**47**	47
Bank Islamic Du Senegal	Senegal	Banking	**45**	45
Theemar Investment Fund	Tunisia	Fund	**40**	40
Anfaal Capital	Saudi Arabia	Investment Advisory	**38**	38
Kyrgyzstan Ijara Company	Kyrgyzstan	Leasing	**37**	37
Kazakhstan Ijara Company	Kazakhstan	Leasing	**36**	36
Albania Leasing	Albania	Leasing	**36**	36
Maldives Islamic Bank	Maldives	Banking	**33**	33
Palestine Ijarah Company	Palestine	Leasing	**33**	33
Halic Finansal Kiralama A.S. (note 36)	Türkiye	Leasing	**-**	33
Al Fareeda Residential Fund	Saudi Arabia	Real Estate	**33**	33
Wifack International Bank	Tunisia	Leasing	**30**	30
Saudi SME Fund (Afaq)	Saudi Arabia	Fund	**25**	25
Al Sharkeya Sugar	Egypt	Manufacturing	**23**	23
Jordan Pharmaceutical Manufacturing Co.	Jordan	Manufacturing	**22**	22
Saba Islamic Bank	Yemen	Banking	**20**	20
Arab Leasing Company	Sudan	Leasing	**20**	20
Turkish Asset Management (K.A.M.P)	Türkiye	Fund	**20**	20
Amana Bank Plc	Sri Lanka	Banking	**25**	25

(a) In the above table, certain associates are carried at nil value where the Group had invested in earlier years and were fully impaired.

(b) There are no regulatory or contractual arrangements that restrict the associates ability to transfer funds in the form of cash dividends or repay financing or advances made to them by the Group. The Group sometimes extends financial assistance in the form of advances to its associates.

(c) ICD Money Market Fund LLP (MMF) was liquidated in 2023 (note 36).

(d) Halic Finansal Kiralama A.S, in which the Group owned equity stake, was sold for USD 0.45 million having carrying value of USD 1.9 million. (see note 36).

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The financial position and revenue of associates based on their financial statements which were considered by the Group for the end of the financial reporting period are as follows:

31 December 2024	Total assets (USD)	Total liabilities (USD)	Net income / (loss) (USD)	Share of income /(loss) (USD)
Al-Akhdar Bank	**404,617,683**	**383,419,010**	**853,787**	**418,356**
Bank Islamic Du Senegal	**1,431,087,355**	**1,281,735,075**	**2,300,196**	**1,035,087**
Enmaa Ijara Company	**39,041,207**	**32,647,570**	**134,839**	**63,563**
Theemar Investment Fund	**8,621,080**	**-**	**1,405,148**	**562,059**
Kyrgyzstan Ijara Company	**3,432,659**	**97,164**	**(53,604)**	**(19,619)**
Kazakhstan Ijara Company	**35,168,412**	**14,202,495**	**2,842,537**	**1,016,776**
Albania Leasing	**6,357,014**	**2,783,850**	**(216,574)**	**(77,187)**
Maldives Islamic Bank	**740,879,602**	**666,262,441**	**18,328,593**	**6,048,434**
Palestine Ijarah Company	**32,580,891**	**19,517,467**	**112,200**	**37,370**
Halic Finansal Kiralama A.S.	**-**	**-**	**28,858**	**9,523**
Wifack International Bank	**58,339,441**	**-**	**1,652,817**	**495,845**
Al Sharkeya Sugar	**181,894,628**	**128,478,357**	**34,305,632**	**7,814,823**
Arab Leasing Company	**28,512,781**	**5,073,503**	**10,852,835**	**2,170,567**
Amana Bank Plc	**597,423,485**	**520,589,472**	**4,928,803**	**1,227,692**

31 December 2023	Total assets (USD)	Total liabilities (USD)	Net income / (loss) (USD)	Share of income /(loss) (USD)
Al-Akhdar Bank	380,887,327	359,977,793	142,892	70,017
Enmaa Ijara Company	69,480,847	59,328,890	1,875,532	884,126
Bank Islamic Du Senegal	1,265,471,732	1,142,130,108	9,346,079	4,187,043
Theemar Investment Fund	8,045,806	80,062	1,383,203	553,281
Kyrgyzstan Ijara Company	3,981,032	382,904	303,283	111,002
Kazakhstan Ijara Company	34,895,057	12,631,247	2,814,434	1,006,723
Albania Leasing	6,707,281	2,936,055	(367,489)	(130,973)
Maldives Islamic Bank	532,543,757	472,610,425	11,851,054	3,910,848
Palestine Ijarah Company	32,296,376	19,345,152	658,911	219,615
Halic Finansal Kiralama A.S.	1,298,772	97,923	210,846	69,565
Wifack International Bank	476,865,554	422,053,315	6,680,227	2,004,068
Saudi SME Fund (Afaq)	-	-	62,994	15,749
Al Sharkeya Sugar	261,540,659	205,688,377	68,997,016	4,738,874
Arab Leasing Company	21,848,430	12,276,676	(2,917,252)	(583,450)
Amana Bank Plc	491,360,219	424,867,368	3,904,821	934,926

13.2 Equity investment income:

	31 December 2024 (USD)	31 December 2023 (USD)
Share of profit from associate	**20,803,289**	16,389,155
Others	**-**	1,307,799
	20,803,289	17,696,954

14 Investment in real estate properties

	31 December 2024 (USD)	31 December 2023 (USD)
Balance at beginning of the year	**79,462,403**	77,679,145
Fair value (loss) / gain recognized in other comprehensive income	**(719,043)**	7,645,261
Foreign currency (loss) recognized in other comprehensive income	**(461,433)**	(5,862,003)
Balance at end of the year	**78,281,927**	79,462,403

The above real estate properties are held by Al Majmoua Al Mauritania (a subsidiary) in Mauritania. Independent valuations by reputable real estate valuation firm were obtained for the real estate investments at 31 December 2024 and 31 December 2023. The evaluator used discounted cash flow approach and residual value approach in their valuations in 2024 and 2023. The carrying values of the investment was adjusted to reflect the changes in fair value.

15 Other assets

	31 December 2024 (USD)	31 December 2023 (USD)
Positive fair value of Islamic hedging and derivative financial instrument (note a)	**2,979,010**	5,199,056
Due from related parties (note 24.3)	**2,110,453**	2,006,749
Accrued income	**12,457,931**	11,631,870
Advances to employees	**11,681,254**	9,183,118
Taxes	**119,760**	139,447
Advances for goods and services to suppliers	**18,452**	413,042
Property and equipment	**2,040,706**	6,028,500
Other receivables	**10,638,314**	17,939,312
	42,045,880	52,541,094
Allowance for credit losses (note 26)	**(4,893,747)**	(7,586,786)
	37,152,133	44,954,308

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(a) The Islamic hedging and derivative financial instruments represent Islamic foreign currency forwards contracts, Islamic profit rate swaps and Islamic cross currency profit rate swaps. These are used as economic hedges to mitigate the risk of currency fluctuation for placements with financial institutions, Sukuk investments, financing assets and Sukuk issued. Profit rate swaps are held to mitigate the effects of the fluctuation in the changes in the cost of financing by matching the floating rate financing with floating rate income. The Group has not designated all Islamic cross currency swaps, profit rate swaps and forward contracts instruments in a hedging relationship and, therefore, does not follow hedge accounting requirements of the relevant standards. However, the Group has designated certain profit rate swap having nominal value of USD 137.6 million (2023: USD 428.3 million) and cross currency swap having nominal value of USD 5 million (2023: Nil) in a hedging relationship and, therefore, follow hedge accounting requirements of the relevant standards. Included in the table below are the positive and negative fair values of Islamic hedging and derivative financial instruments, together with their notional amounts:

Islamic hedging and derivative financial instrument	Notional amount (USD)	Positive fair value (USD)	Negative fair value (USD)
Islamic cross currency swaps	**188,489,494**	**903,506**	**(50,627)**
Islamic profit rate swaps	**137,674,750**	**-**	**(2,238,793)**
Islamic forward contracts	**95,502,166**	**2,075,504**	**-**
31 December 2024	**421,666,410**	**2,979,010**	**(2,289,420)**

Islamic hedging and derivative financial instrument	Notional amount (USD)	Positive fair value (USD)	Negative fair value (USD)
Islamic cross currency swaps	232,126,388	5,199,056	-
Islamic profit rate swaps	428,352,206	-	(3,559,808)
Islamic forward contracts	38,363,500	-	(294,245)
31 December 2023	698,842,094	5,199,056	(3,854,053)

The gain or loss on the hedged items, representing placements with financial institutions, Sukuk investments, financing assets and Sukuk issued are disclosed in respective notes to the consolidated financial statements.

In addition to above, the Group entered into Islamic cross currency swaps and Islamic forward contracts on behalf of Arab Bank for Economic Development for Africa (BADEA) through a master agreement dated 13 June 2016. The notional value of such swaps is USD 11.1 million (31 December 2023: USD 14.1 million).

16 Sukuk issued

Issue date	Maturity date	Issue currency	Amount USD	Rate	31 December 2024 (USD)	31 December 2023 (USD)
Listed						
14-02-2024	14-02-2029	USD	500,000,000	4.95% Fixed	**509,415,761**	-
15-10-2020	15-10-2025	USD	600,000,000	1.81% Fixed	**602,327,139**	601,739,649
Not listed						
05-03-2020	05-03-2025	SAR	100,000,000	SAIBOR+0.60%	**98,364,696**	100,570,137
21-06-2023	21-06-2028	KZT	4,489,691	2.468% Fixed	**2,977,649**	3,999,879
21-12-2023	21-12-2028	USD	100,000,000	4.195% Fixed	**100,147,927**	100,147,118
			1,304,489,691		**1,313,233,172**	806,456,783

The Sukuk (trust certificates) issued confer on Certificate Holders the right to receive payments (Periodic Distributions) on specified dates (Periodic Distribution Dates) out of the profit elements of Ijarah assets, Equity Investments, Sukuk Investments and receivables in respect of Murabaha contracts, Shari'ah compliant authorised investments and any replaced assets (collectively the "Portfolio") sold at each Series (issuance) by the Group to ICDPS Sukuk Limited (the Trustee).

After the sale of the Portfolio, the Group as a third party, guarantees the performance of the Portfolio to the Trustee, to the effect that if any obligor of an asset under the Portfolio is unable to pay any amount owed, the Group will make the payment. Also, the Group undertakes to purchase the Portfolio on the Maturity Date or Early Dissolution Date for an amount equivalent to the Aggregate Nominal Amount (i.e., price of the original sale of the Portfolio to ICDPS Sukuk Limited).

	31 December 2024 (USD)	31 December 2023 (USD)
Balance at beginning of the year	**806,456,783**	701,165,442
Issued during the year	**500,000,000**	104,489,691
Redemption during the year	**(997,709)**	-
Accrued finance cost	**9,311,508**	235,039
Premium/discount on and cost incurred in issuance of Sukuk (net)	**(925,045)**	(80,755)
Exchange (gain)/ loss	**(612,365)**	647,366
	1,313,233,172	806,456,783

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17 Commodity murabaha liabilities

The Group has entered into commodity Murabaha purchase and sale agreements with certain financial institutions. Under the terms of the agreements, the Group has purchased certain commodities from these financial institutions on deferred payment basis and has simultaneously sold these through those banks to third parties. The outstanding balance as of 31 December 2024 of USD 806 million (2023: USD 989 million) represents the purchase price under these agreements. The Group has financings with original maturities ranging from 3 to 5 years (31 December 2023: 3 to 7 years).

18 Accrued and other liabilities

	31 December 2024 (USD)	31 December 2023 (USD)
Negative fair value of Islamic hedging and derivative (note 15 (a))	**2,289,420**	3,854,053
Due to related parties (note 24.4)	**2,837,482**	1,786,078
Taxes (VAT, income tax etc)	**1,323,023**	2,191,308
Advances received	**-**	651,760
Dividend payable	**4,108,563**	4,108,563
Current and other similar accounts	**19,822,501**	19,756,658
	30,380,989	32,348,420

19 Employee benefit liabilities

The IsDB Group staff retirement plan comprises of defined benefit and hybrid plans within a staff pension plan (“SPP”), staff retirement medical plan (“SRMP”) and retirees medical solidarity plan (“RMSP”) (collectively referred to as staff retirement plans (“SRPs”)). Every person employed by the Bank and its Affiliates on a full-time basis, as defined in the Bank and Affiliates employment policies, is eligible to participate in the SRP from the date of joining the Bank.

IsDB Group has a multi-employer plan and includes the Corporation, Islamic Development Bank - Ordinary Capital Resources (IsDB-OCR), Special Account Resources Waqf Fund (WAQF), Islamic Corporation for Development (ICD), Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) and Islamic Solidarity Fund for Development (ISFD).

Staff Pension Plan (SPP)

SPP is a combination of both an old defined benefit plan (Pillar I) and new hybrid pension plan (Pillar II) which became effective on 1st Rajab 1399H (corresponding to May 27, 1979) and 17/05/1442H (01/01/2021G) respectively. Every person employed by the Bank and its Affiliates on a full-time basis except for fixed term employees, as defined in the employment policies of the Bank and its Affiliates, is eligible to participate in the SPP, from the date of joining the Bank and its affiliates. Participation in the hybrid pension plan is limited to those who have less than fiveyears of service as of December 31, 2020 on optional basis. However, those who joined the Bank from January 1, 2021 are enrolled automatically.

In both Pillars, the employee contributes at a rate of 11.1% (2023-11.1%) of the basic annual salary while the Bank and its Affiliates contribute 25.9% (2023-25.9%).

The main features of the SPP are:

(i) Normal retirement age is the 62nd anniversary of the participant’s birth.

(ii) On retirement, the eligible retired employee is entitled to 2.5% under the old staff retirement plan or 1% under the hybrid plan in the Defined Benefit (“DB”) component, of the Weighted Highest Average Remuneration (“WHAR”) (as defined by the pension committee) (for each year of pensionable service and limited to a maximum of 30 Hijri years).

(iii) 10% of Bank and its Affiliates contribution of 25.9%, and 5% of employees contribution of 11.1%, are used to fund the Defined Cost (“DC”) component of the hybrid plan. The accumulated fund and its investment returns will be paid as retirement lump sum benefits to the participants in the hybrid plan.

(iv) Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post retirement death benefits are also paid as determined by the Pension Committee.

Staff Retirement Medical Plan (SRMP)

Effective 1st Muharram 1421H (corresponding to April 6, 2000), the Bank established the medical benefit scheme for retired employees via the BED resolution dated 18 Shawwal 1418H (corresponding to February 15, 1998). This was extended to eligible staff members of the Bank’s Affiliates i.e. for SPP. The Bank and its Affiliates at rate 1% and the staff at a rate 0.5% of the basic salaries respectively fund the SRMP. The purpose of the SRMP is to pay a monthly amount to eligible retired employees towards their medical expenses.

The entitlements payable for each retired employee under the medical plan are computed according to the following formula:

WHAR (as defined by the pension committee) X contributory period (limited to a maximum of 30 Hijri years) X 0.18%.

Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post retirement death benefits are also paid as determined by the pension committee.

Retirees Medical Solidarity Plan (RMSP)

In February 2019, the BED approved the establishment of the Retirees Medical Solidarity Plan (RMSP) which would provide new medical coverage benefits for IsDB Group staff future retirees. Under the proposal, active staff members who have at least 10 years of service period before their normal retirement age as of January 1, 2019 will automatically fall under RMSF. Those staff members who do not meet the minimum service period threshold will be offered the option to join the new Fund.

Under RMSP, retirees will have their actual medical costs covered as per the minimum guaranteed benefit schedule. This mainly covers hospitalization and emergency care, repatriation and ambulance transport. Overseas specialist hospitalization and outpatient care is also covered but only in specified countries.

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Members of RMSP started to receive benefits as from 1 April 2023 (the start date of the Plan).

RMSP contributions are funded on 4/4/4% basis. Employees contribute 4% of their pensionable salaries and the employer matches it with 4%. Retirees also contribute 4% of their pension (before commutation withdrawals). Both Employer and Employee contributions started to accrue on January 1, 2019 and at 1 August 2023, employees started cash contributions to RMSP. Those contributions cumulated before 1 April 2024 have been recognized as part of plan assets during the year.

Retirees didn't contribute up until 1 April 2023 and received benefits under the RMSP up until that point.

Administration of SRPs

The Pension Committee appointed by the President of IsDB Group, administers SRPs as separate funds on behalf of its employees. The Pension Committee is responsible for the oversight of investment and actuarial activities of the SRPs. The SRP's assets are invested in accordance with the policies set out by the Pension Committee. The Bank and its affiliates underwrite the investment and actuarial risk of the SRPs and share the administrative expenses.

Risks

Investment risk

The present value of the SRPs' liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on SRPs' asset is below this rate, it will create a plan deficit. Currently the SRPs' have a relatively balanced investment in equity securities, Sukuk and real estate. Due to the long-term nature of the SRPs' liabilities, the administrator of SRPs' consider it appropriate that a reasonable portion of the SRPs' assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Discount rate

A decrease in the bond return rate will increase the SRPs' liability but this will be partially offset by an increase in the return on the SRPs' debt investments.

Longevity risk

The present value of the SRPs' liability is calculated by reference to the best estimate of the mortality of SRPs' participants both during and after their employment. An increase in the life expectancy of the SRPs' participants will increase the SRPs' liability.

Salary risk

The present value of the SRPs' liability is calculated by reference to the future salaries of SRPs' participants. As such, an increase in the salary of the SRPs' participants will increase the SRP' liability.

The breakdown of net employee pension liabilities was as follows:

2024	SPP	RMSP	SRMP	Total
	31 December 2024			
Defined benefit obligations (note 19.1)	**61,384,528**	**886,654**	**950,569**	**63,221,751**
Less: plan assets (note 19.2)	**(52,554,620)**	**(4,874,408)**	**(602,869)**	**(58,031,897)**
Net employee benefit liabilities	**8,829,908**	**(3,987,754)**	**347,700**	**5,189,854**

2023	SPP	RMSP	SRMP	Total
	31 December 2023			
Defined benefit obligations (note 19.1)	65,460,270	1,105,775	1,082,872	67,648,917
Less: plan assets (note 19.2)	(47,862,303)	(3,506,789)	(591,129)	(51,960,221)
Net employee benefit liabilities	17,597,967	(2,401,014)	491,743	15,688,696

19.1 The movement in the present value of defined benefit obligation is as follows:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
Balance as at 1 January	**65,460,270**	57,944,854	**1,105,775**	776,755	**1,082,872**	1,036,286
Current service costs	**4,312,930**	4,062,753	**280,845**	267,608	**25,638**	23,915
Cost of defined benefit obligation	**3,298,000**	2,979,000	**70,000**	53,000	**53,000**	52,000
Plan participants contributions	**1,614,241**	1,514,287	**640,630**	573,544	**4,788**	2,421
Net actuarial (gain) / loss	**(12,210,132)**	540,396	**(1,210,334)**	(526,379)	**(175,095)**	33,476
Disbursements from plan assets	**(1,090,781)**	(1,581,020)	**(262)**	(38,753)	**(40,634)**	(65,226)
	61,384,528	65,460,270	**886,654**	1,105,775	**950,569**	1,082,872

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19.2 The movement in the present value of the plan assets is as follows:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
Balance as at 1 January	**47,862,303**	43,111,985	**3,506,789**	4,904,164	**591,129**	550,733
Income on plan assets	**2,508,000**	2,309,000	**223,839**	149,362	**29,000**	27,000
Return on plan assets less than discount rate	**(3,435,054)**	(634,991)	**(141,758)**	-	**(5,786)**	56,645
Plan participants contributions	**1,614,241**	1,514,287	**640,630**	573,544	**4,788**	2,421
Employer contribution	**3,794,214**	3,580,443	**637,212**	578,056	**21,060**	4,846
Disbursements from plan assets	**(1,090,781)**	(1,581,020)	**(262)**	(38,753)	**(40,634)**	(65,226)
Others	**1,301,697**	(437,401)	**7,958**	(2,659,584)	**3,312**	14,710
	52,554,620	47,862,303	**4,874,408**	3,506,789	**602,869**	591,129

19.3 Based on the actuarial valuations, the pension and medical benefit expenses for the year comprised the following:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
Gross current service costs	**4,312,930**	4,062,753	**280,845**	267,608	**25,638**	23,915
Cost of defined benefit obligation	**3,298,000**	2,979,000	**70,000**	53,000	**53,000**	52,000
Income from plan assets	**(2,508,000)**	(2,309,000)	**(223,839)**	(149,362)	**(29,000)**	(27,000)
Cost recognized in consolidated statement of income	**5,102,930**	4,732,753	**127,006**	171,246	**49,638**	48,915
Actuarial loss/(gain) due to change in assumption	**(12,210,132)**	540,396	**(1,210,334)**	(526,379)	**(175,095)**	33,475
Return on plan assets greater/(less) than discount rate	**3,435,054**	634,991	**141,758**	-	**5,786**	(56,645)
Others	**(1,301,697)**	437,401	**(7,958)**	2,659,584	**(3,312)**	(14,710)
Actuarial loss/(gain) recognized in statement of other comprehensive income	**(10,076,755)**	1,612,788	**(1,076,534)**	2,133,205	**(172,621)**	(37,880)

19.4 The following table presents the plan assets by major category:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
Investments in Sukuk	**16,471,642**	8,991,150	**331,865**	824,738	**29,037**	61,683
Managed funds and Installment sales	**15,352,852**	12,174,205	**-**	-	**-**	-
Cash and cash equivalent and commodity	**19,793,021**	26,075,159	**4,485,915**	2,321,262	**571,818**	521,287
Land	**649,642**	615,978	**-**	-	**-**	-
Others	**287,463**	5,811	**56,628**	360,789	**2,014**	8,159
	52,554,620	47,862,303	**4,874,408**	3,506,789	**602,869**	591,129

19.5 The assumptions used to calculate the pension plans liabilities are as follows:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
Discount rate	**5.66%**	5.00%	**5.66%**	5.00%	**5.66%**	5.00%
Rate of expected salary increase	**4.5-6.5%**	4.5-6.5%	**4.5-6.5%**	4.5-6.5%	**4.5-6.5%**	4.5-6.5%

The discount rate used in determining the benefit obligations is selected by reference to the long-term rates on AA rated Corporate Bonds. Rate of expected salaries increase for 2024 was based on age i.e., 20-35 years – 6.5%, 35-50 years – 5.0% and above 50 years – 4.5%.

19.6 The quantitative sensitivity analysis for change in discount rate on the employee benefit liabilities is as follows:

2024	SPP		RMSP		SRMP	
	+0.5%	**-0.5%**	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**
Discount rate	**(4,988,402)**	**5,652,414**	**(161,434)**	**199,548.45**	**(48,304)**	**52,910**

2023	SPP		RMSP		SRMP	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
Discount rate	(5,716,089)	6,525,847	(207,777)	258,987	(62,569)	72,084

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The following table summarizes the expected funding status for the next year:

	SPP	RMSP	SRMP
Present value of defined benefit obligation	**68,788,208**	**1,808,238**	**987,277**
Fair value of plan assets	**(59,411,310)**	**(6,394,197)**	**(616,107)**
Plan (surplus)/deficit	**(9,376,898)**	**(4,585,959)**	**371,170**

SPP
The expected employer contribution for the year ended 31 December 2025 is USD 3.8 million and expected costs to be recognized in consolidated statement of income is USD 5.1 million.

SRMP
The expected employer contribution for the year ended 31 December 2025 is USD 9.6 k and expected costs to be recognized in consolidated statement of income is USD 49.6k.

RMSP
The expected employer contribution for the year ended 31 December 2025 is USD 637.2 k and expected costs to be recognized in consolidated statement of income is USD 127 k.

The amounts recognized in the pension and medical obligations reserve are as follows:

	SPP		RMSP		SRMP	
	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)	31 December 2024 (USD)	31 December 2023 (USD)
January 1	**3,071,191**	1,458,403	**(3,500,314)**	(5,633,519)	**827,948**	865,828
Effect of changes in demographic assumptions	**182,010**	-	**-**	-	**6,111**	-
Effect of changes in financial assumptions	**(7,619,549)**	1,204,055	**(272,970)**	4,618	**(70,911)**	13,518
Effect of experience adjustment	**(4,772,593)**	(663,659)	**(937,364)**	(530,997)	**(110,295)**	19,957
Return on plan assets greater than discount rate	**3,435,054**	634,991	**141,758**	-	**5,786**	(56,645)
Others	**(1,301,697)**	437,401	**(7,958)**	2,955,648	**(3,312)**	(14,710)
	(7,005,584)	3,071,191	**(4,576,848)**	(3,500,314)	**655,327**	827,948

The expected maturity analysis is below:

	SPP 2024	RMSP 2024	SRMP 2024
Year 1	**1,506,377**	**5,296**	**28,477**
Year 2	**1,214,861**	**5,414**	**75,437**
Year 3	**737,463**	**4,725**	**76,418**
Year 4	**1,840,664**	**5,993**	**91,809**
Year 5	**2,067,083**	**6,988**	**95,042**
Next five years	**10,119,578**	**27,583**	**632,528**

	SPP 2023	RMSP 2023	SRMP 2023
Year 1	524,350	5,296	43,194
Year 2	1,403,155	5,414	52,097
Year 3	1,111,824	4,725	51,467
Year 4	661,361	5,993	50,802
Year 5	1,626,975	6,988	62,663
Next five years	8,985,775	138,810	327,780

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20 Amounts due to ICD Solidarity Fund

This represents net accumulated income up to 31 December 2024 generated from income which was not considered in compliance with Shari'ah principles. As per the recommendation of the Shari'ah Board of IsDB Group, this income needs to be utilized for charitable purposes and, therefore, has been classified as a liability. The disposition of this liability is the responsibility of the Charity Committee formed within the Group. The sources and uses of the ICD Solidarity Fund during the year are as follows:

	Sources & Uses of Shari'ah non-compliant income			
	31 December 2024		31 December 2023	
Description	No. of events	Amount (USD)	No. of events	Amount (USD)
At the beginning of the year		**1,188,327**		1,188,550
Income during the year:				
Income from Solidarity Fund		**-**		-
Transfer from UIF	**1**	**611,202**		-
Penalty to customers on default	**2**	**7,435**	2	(223)
		618,637		(223)
Paid during the year:		-		-
Support for orphanage		-		-
		-		-
At the end of the year		**1,806,964**		1,188,327

21 Paid-up capital

The share capital of the Group at year end comprises of the following:

	31 December 2024 (USD)	31 December 2023 (USD)
Authorized share capital: 400,000 shares of USD 10,000 each	**4,000,000,000**	4,000,000,000
Subscribed capital share:		
Available for subscription: 200,000 shares of USD 10,000 each	**2,000,000,000**	2,000,000,000
Share capital not yet subscribed	**(279,664,646)**	(279,664,646)
	1,720,335,354	1,720,335,354
Installments due not yet paid	**(130,823,018)**	(132,782,517)
Paid-up capital	**1,589,512,336**	1,587,552,837

In 2024, USD 1.95 million (2023: USD 0.8 million) was received from the shareholders. The paid-up capital of the Group represents amounts received from the following members:

	31 December 2024 (USD)	31 December 2023 (USD)
Islamic Development Bank (IsDB)	**659,681,958**	659,681,958
Saudi Public Investment Fund	**124,940,000**	124,940,000
Member countries	**755,890,378**	753,930,879
Iran Foreign Investment Company	**40,000,000**	40,000,000
Bank Keshavarzi	**6,000,000**	6,000,000
Bank Melli	**2,000,000**	2,000,000
Bank Nationale D'Algerie	**1,000,000**	1,000,000
Paid-up capital	**1,589,512,336**	1,587,552,837

22 Reserve and dividend

In accordance with Section 1 of Article No. 33 of the Articles of Agreement of the Corporation, the General Assembly shall determine the part of the Group's net income and surplus after making provision for reserves to be distributed as dividend. In any event, no dividend shall be distributed before reserves reach 12.5% of the subscribed capital. No dividend was paid or declared in 2024 and 2023.

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23 Other income

	31 December 2024 (USD)	31 December 2023 (USD)
Fair value gain on Islamic derivatives net of exchange loss	**2,290,189**	4,304,694
Management and advisory fees	**4,950,678**	139,021
Loss on disposal of discontinued operation (note 36.f and 36.h)	**(1,540,167)**	-
Others	**4,272,280**	3,775,620
	9,974,980	8,219,33

24 Related party transactions and balances

Related parties represent subsidiaries, associated companies, members, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

24.1 The following are the details of major related party transactions entered during the year:

Related parties	Nature of Transactions	Relationship	31 December 2024 (USD)	31 December 2023 (USD)
Islamic Development Bank Group	Rent & pension	Shareholder	**1,030,933**	1,455,926

24.2 Certain related party transactions and balances have been disclosed in notes 5 to 10.

24.3 Due from related parties comprised the following:

	31 December 2024 (USD)	31 December 2023 (USD)
Wifack International Bank	**500,968**	500,968
International Islamic Trade Finance Corporation (ITFC)	**152,234**	107,093
Others	**1,457,251**	1,398,688
	2,110,453	2,006,749

24.4 Due to related parties comprised the following:

	31 December 2024 (USD)	31 December 2023 (USD)
Islamic Development Bank (IsDB)	**1,472,072**	1,300,302
IsDB Staff Retirement Pension Plan	**645,195**	-
Others	**720,215**	485,776
	2,837,482	1,786,078

24.5 The compensation paid or payable to key management personnel is as follows:

	31 December 2024 (USD)	31 December 2023 (USD)
Salaries and other short-term benefits	**3,604,199**	3,060,479
Post-employment benefits	**486,858**	474,753
	4,091,057	3,535,232

25 Ijarah Muntahia Bittamleek

	31 December 2024 (USD)	31 December 2023 (USD)
Income from Ijarah Muntahia Bittamleek	**48,410,650**	44,047,277
Depreciation	**(23,891,395)**	(23,762,374)
	24,519,255	20,284,903

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26 Impairment allowance

2024	Credit loss as at 1 January 2024 (USD)	Credit loss charged/ (reversal) for Discontinued Operations (USD)	Reclassified to held for sale (USD)	Credit loss charged/ (reversal) for the year (USD)	Written off during the year (USD)	Credit loss as at 31 December 2024 (USD)
Cash and cash equivalents	163,178	-	(163,178)	6,330	-	6,330
Commodity Murabaha and Wakala placements	21,192,792	-	-	6,941,036	-	28,133,828
Sukuk investments	15,246,980	-	-	(3,547,576)	-	11,699,404
Murabaha financing	44,338,466	-	-	(11,935,605)	(4,138,236)	28,264,625
Installment sales financing	28,524,698	-	-	316,901	-	28,841,599
Ijarah Muntahia Bit	23,954,756	-	-	5,218,386	-	29,173,142
Istisna'a receivable	32,832	-	-	(11,431)	-	21,401
Other assets	7,586,786	(205,554)	(1,265,642)	(1,221,843)	-	4,893,747
	141,040,488	(205,554)	(1,428,820)	(4,233,802)	(4,138,236)	131,034,076
Equity investments	22,597,085	-	-	9,431,233	-	32,028,318
Sukuk Investments	1,017,075	-	-	(1,017,075)	-	-
Reclassification of fair value loss of Sukuk	-	-	-	5,941,655	-	-
Total	164,654,648	(205,554)	(1,428,820)	10,122,011	(4,138,236)	163,062,394

2023	Credit loss as at 1 January 2023 (USD)	Credit loss charged/ (reversal) for Discontinued Operations (USD)	Reclassified to held for sale (USD)	Credit loss charged/ (reversal) for the year (USD)	Written off during the year (USD)	Credit loss as at 31 December 2023 (USD)
Cash and cash equivalents	176,739	-	(6,110)	(7,451)	-	163,178
Commodity Murabaha and Wakala placements	36,084,738	(182,930)	(24,255,151)	9,546,135	-	21,192,792
Sukuk investments	13,280,354	-	(2,523)	1,969,149	-	15,246,980
Murabaha financing	56,787,718	-	(1,374,132)	(11,075,120)	-	44,338,466
Installment sales financing	36,802,172	1,963,088	(15,846,799)	5,606,237	-	28,524,698
Ijarah Muntahia Bittamleek	24,680,051	-	-	(725,295)	-	23,954,756
Istisna'a receivable	96,201	-	-	(63,369)	-	32,832
Other assets	6,067,751	-	(2,077,407)	3,596,442	-	7,586,786
	173,975,724	1,780,158	(43,562,122)	8,846,728	-	141,040,488
Equity investments	20,916,622	-	-	1,680,463	-	22,597,085
Sukuk Investments	-	-	-	1,017,075	-	1,017,075
Total	194,892,346	1,780,158	(43,562,122)	11,544,266	-	164,654,648

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27 Net assets in foreign currencies

The currency wise breakdown of net assets in foreign currencies at the end of the year is as follows:

	31 December 2024 (USD)	31 December 2023 (USD)
Azerbaijanian Manat	**959,541**	2,063,994
CFA Franc (XOF)	**106,200,110**	101,001,146
Egyptian Pound	**15,060,632**	9,327,175
Euro	**77,998,339**	35,420,523
Indonesian Rupiah	**48,493**	86,504
Islamic Dinar	**228,802**	556
Albania LEK	**573,632**	645,046
Malaysian Ringgit	**(66,607)**	(58,712
Morocco Dirham	**12,954,788**	12,781,291
Mauritania Ouguiya	**38,814,912**	35,403,518
Pakistani Rupee	**7,516,467**	6,515,687
Pound Sterling	**192,744**	119,390
Maldives Rufiyaa	**30,021,674**	23,983,964
Saudi Riyal	**(157,785,530)**	(163,399,940)
Kyrgystani Som	**1,152,079**	1,241,337
Tajikistani Somoni	**433,355**	1,191,655
Sri Lanka Rupee	**17,089,864**	15,030,178
Sudanese Pound	**3,292,257**	5,219,314
Kazakhstani Tenge	**13,318,573**	8,923,073
Trukish Lira	**(19,755)**	274,062
Tunisian Dinar	**26,873,202**	26,640,069
UAE Dirham	**22,266**	22,270
Uzbekistan Sum	**4,042,648**	3,601,140
	198,922,486	126,033,240

28 Concentration of assets

28.1 Concentration of assets by geographical areas at the end of the year is as follows:

31 December 2024	Africa (USD)	Asia (USD)	Australia (USD)	Europe (USD)	Total (USD)
Cash and cash equivalents	**12,351,945**	**95,124,977**	**-**	**36,856,527**	**144,333,449**
Commodity Murabaha and Wakala placements	**-**	**366,292,002**	**-**	**-**	**366,292,002**
Investments in Sukuk, shares and other securities	**98,333,507**	**1,380,756,937**	**-**	**-**	**1,479,090,444**
Murabaha receivables	**167,002,785**	**294,433,441**	**-**	**-**	**461,436,226**
Installment sale receivables	**185,759,709**	**148,780,678**	**-**	**-**	**334,540,387**
Ijarah Muntahia Bittamleek	**66,221,690**	**174,843,341**	**-**	**-**	**241,065,031**
Istisna'a receivable	**-**	**8,717,104**	**-**	**-**	**8,717,104**
Investment in associates	**118,191,106**	**44,124,812**	**-**	**-**	**162,315,918**
Investment in real estate properties	**78,281,927**	**-**	**-**	**-**	**78,281,927**
Other assets	**32,034,023**	**5,118,110**	**-**	**-**	**37,152,133**
Assets held for sale	**311,428,214**	**-**	**-**	**-**	**311,428,214**
	1,069,604,906	**2,518,191,402**	**-**	**36,856,527**	**3,624,652,835**

31 December 2023	Africa (USD)	Asia (USD)	Australia (USD)	Europe (USD)	Total (USD)
Cash and cash equivalents	23,470,193	148,137,802	-	40,018,836	211,626,831
Commodity Murabaha and Wakala placements	7,003,709	25,000,000	-	-	32,003,709
Investments in Sukuk, shares and other securities	28,829,022	1,493,312,520	-	-	1,522,141,542
Murabaha receivables	137,668,348	239,912,094	-	-	377,580,442
Installment sale receivables	208,938,832	99,103,169	-	-	308,042,001
Ijarah Muntahia Bittamleek	58,515,340	171,710,808	-	-	230,226,148
Istisna'a receivable	-	11,837,554	-	-	11,837,554
Investment in associates	116,033,805	52,577,322	-	-	168,611,127
Investment in real estate properties	79,462,403	-	-	-	79,462,403
Other assets	10,188,564	34,765,744	-	-	44,954,308
Assets held for sale	231,745,208	-	-	-	231,745,208
	901,855,424	2,276,357,013	-	40,018,836	3,218,231,273

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28.2 Concentration of assets by economic sector at the end of the year is analysed as under:

31 December 2024	Financial Services (USD)	Industry & Mining (USD)	Social Services (USD)	Others (USD)	Total (USD)
Cash and cash equivalents	**144,333,449**	-	-	-	**144,333,449**
Commodity Murabaha and Wakala placements	**366,292,002**	-	-	-	**366,292,002**
Investments in Sukuk, shares and other securities	**1,115,748,738**	-	**290,022,146**	**73,319,560**	**1,479,090,444**
Murabaha receivables	**351,850,619**	**109,585,607**	-	-	**461,436,226**
Installment sale receivables	**334,540,387**	-	-	-	**334,540,387**
Ijarah Muntahia Bittamleek	-	**241,065,031**	-	-	**241,065,031**
Istisna'a receivable	-	-	**8,717,104**	-	**8,717,104**
Investment in associates	**162,315,918**	-	-	-	**162,315,918**
Investment in real estate properties	-	-	-	**78,281,927**	**78,281,927**
Other assets	**37,133,681**	**18,452**	-	-	**37,152,133**
Assets held for sale	**311,428,214**	-	-	-	**311,428,214**
	2,823,643,008	**350,669,090**	**298,739,250**	**151,601,487**	**3,624,652,835**

31 December 2023	Financial Services (USD)	Industry & Mining (USD)	Social Services (USD)	Others (USD)	Total (USD)
Cash and cash equivalents	211,626,831	-	-	-	211,626,831
Commodity Murabaha and Wakala placements	32,003,709	-	-	-	32,003,709
Investments in Sukuk, shares and other securities	965,731,267	-	327,090,428	229,319,847	1,522,141,542
Murabaha receivables	315,708,681	61,871,761	-	-	377,580,442
Installment sale receivables	308,042,001	-	-	-	308,042,001
Ijarah Muntahia Bittamleek	-	230,226,148	-	-	230,226,148
Istisna'a receivable	-	-	11,837,554	-	11,837,554
Investment in associates	168,611,127	-	-	-	168,611,127
Investment in real estate properties	-	-	-	79,462,403	79,462,403
Other assets	44,541,265	413,043	-	-	44,954,308
Assets held for sale	231,745,208	-	-	-	231,745,208
	2,278,010,089	292,510,952	338,927,982	308,782,250	3,218,231,273

29 Contractual maturities of assets and liabilities

The contractual maturities of the Group's assets and liabilities according to their respective periods to maturity or expected period to cash conversion at the end of the year are as follows:

31 December 2024	Less than 3 months (USD)	3 to 12 months (USD)	1 to 5 years (USD)	Over 5 years (USD)	No fixed maturity (USD)	Total (USD)
Assets:						
Cash and cash equivalents	**132,175,449**	**12,158,000**	-	-	-	**144,333,449**
Commodity Murabaha and Wakala placements	**366,292,002**	-	-	-	-	**366,292,002**
Investments in Sukuk, shares and other securities	**45,696,690**	**198,218,173**	**1,113,097,135**	**48,000,000**	**74,078,446**	**1,479,090,444**
Murabaha receivables	**94,187,838**	**125,115,603**	**233,746,115**	**8,386,670**	-	**461,436,226**
Installment sale receivables	**16,603,041**	**172,436,320**	**142,208,877**	**3,292,149**	-	**334,540,387**
Ijarah Muntahia Bittamleek	**26,297,200**	**14,489,603**	**136,711,208**	**63,567,020**	-	**241,065,031**
Istisna'a receivable	-	-	-	**8,717,104**	-	**8,717,104**
Investment in associates	-	-	-	-	**162,315,918**	**162,315,918**
Investment in real estate properties	-	-	-	-	**78,281,927**	**78,281,927**
Other assets	-	**37,152,133**	-	-	-	**37,152,133**
Assets held for sale	-	**311,428,214**	-	-	-	**311,428,214**
	681,252,220	**870,998,046**	**1,625,763,335**	**131,962,943**	**314,676,291**	**3,624,652,835**
Sukuk issued	-	-	**1,313,233,172**	-	-	**1,313,233,172**
Commodity Murabaha liabilities	**10,143,018**	**124,970,263**	**670,404,546**	-	-	**805,517,827**
Accrued and other liabilities	-	**25,480,886**	**4,900,103**	-	-	**30,380,989**
Employee benefit liabilities	-	-	-	-	**5,189,854**	**5,189,854**
Amounts due to ICD Solidarity Fund	**1,806,964**	-	-	-	-	**1,806,964**
Liabilities directly associated with assets classified as held for sale	-	**267,328,287**	-	-	**1,059,631**	**268,387,918**
	11,949,982	**417,779,436**	**1,988,537,821**	-	**6,249,485**	**2,424,516,724**

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31 December 2023	Less than 3 months (USD)	3 to 12 months (USD)	1 to 5 years (USD)	Over 5 years (USD)	No fixed maturity (USD)	Total (USD)
Assets:						
Cash and cash equivalents	211,626,831	-	-	-	-	211,626,831
Commodity Murabaha and Wakala placements	32,003,709	-	-	-	-	32,003,709
Investments in Sukuk, shares and other securities	130,463,874	962,366,264	54,524,387	294,001,699	80,785,318	1,522,141,542
Murabaha receivables	9,823,772	189,282,020	172,256,173	6,218,477	-	377,580,442
Installment sale receivables	55,050,084	137,309,148	112,424,835	3,257,934	-	308,042,001
Ijarah Muntahia Bittamleek	12,660,152	113,250,826	18,624,210	85,690,960	-	230,226,148
Istisna’a receivable	-	-	-	11,837,554	-	11,837,554
Investment in associates	-	-	-	-	168,611,127	168,611,127
Investment in real estate properties	-	-	-	-	79,462,403	79,462,403
Other assets	-	44,954,308	-	-	-	44,954,308
Assets held for sale	-	231,745,208	-	-	-	231,745,208
	451,628,422	1,678,907,774	357,829,605	401,006,624	328,858,848	3,218,231,273
Sukuk issued	-	-	806,456,783	-	-	806,456,783
Commodity Murabaha liabilities	8,837,762	798,015,036	182,143,500	-	-	988,996,298
Accrued and other liabilities	-	22,806,546	9,541,874			32,348,420
Employee benefit liabilities	-	-	-	-	15,688,696	15,688,696
Amounts due to ICD Solidarity Fund	1,188,327	-	-	-	-	1,188,327
Liabilities directly associated with assets classified as held for sale	-	432,205	-	-	219,722,418	220,154,623
	10,026,089	821,253,787	998,142,157	-	235,411,114	2,064,833,147

30 Shari’ah supervision

According to Article 29 (1) of the Articles of Agreement of the Corporation, the Group shall have a Shari’ah Board. As a member of the IsDB group, the Group utilizes the IsDB Group Shari’ah Board. The Group Shari'ah Board was established pursuant to a Resolution of the Board of Executive Directors of IsDB. The members of the Board are appointed for 3 years and may be reappointed.

The Group Shari’ah Board has the following functions:

- to consider all products introduced by the IsDB, its affiliates and trust funds for use for the first time and rule on their conformity with the principles of the Islamic Shari’ah, and lay down basic principles for drafting of related contracts and other documents;
- to give its opinion on the Shari’ah alternatives to conventional products which the IsDB, its affiliates and trust funds intend to use, and to lay down basic principles for drafting of related contracts and other documents and contribute to their development with a view to enhancing the IsDB’s, its affiliates’ and trust funds’ experience in this regard;
- to respond to the Shari’ah related questions, enquiries and explications referred to it by the Board of Executive Directors or the management of the IsDB, its affiliates and trust funds;
- to contribute to the IsDB, its affiliates and trust funds programme for enhancing the awareness of its staff members of Islamic banking and deepen their understanding of the fundamentals, principles, rules and values relative to Islamic financial transactions; and
- to submit to the Board of Executive Directors of the IsDB, its affiliates and trust funds a comprehensive report showing the measure of the IsDB’s, its affiliates’ and trust funds’ commitment to principles of Shari’ah in the light of the opinions and directions given and the transactions reviewed.

31 Risk management

The Group's activities expose it to various risks (credit risk, market risk and liquidity risk) associated with the use of financial instruments. Senior management, under the supervision of the Board, oversees and manages the risks associated with the financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk in both its financing operations and its treasury activities. Credit risk arises because beneficiaries and treasury counterparties could default on their contractual obligations or the Group's financial assets could decline in value.

For all classes of financial assets held by the Group, the maximum credit risk exposure is their carrying value as disclosed in the consolidated statement of financial position. The assets which subject the Group to credit risk principally consist of bank balances, Commodity Murabaha and Wakala placements, Sukuk investments, Murabaha financing, Installment Sale receivables, Ijarah Muntahia Bittamleek, Istisna'a receivable and other assets. This risk is mitigated as follows:

- Commodity Murabaha and Wakala placements and Sukuk investments are managed by the Group's treasury department. The Group has made placements with financial institutions under the arrangement of Murabaha financing. Adequate due diligence is exercised prior to investments and as at the period end, management considers that there are no material credit risks posed by these investments.
- The Group evaluates Murabaha financing, installment sales, Ijarah Muntahia Bittamleek and Istisna'a financing (financing assets). Credit evaluation is performed internally, and external expertise is used where required. The Executive Committee of the Board of Directors of the Group approves all the financing. Such financing is generally secured against adequate security for financing. Under Ijarah Muntahia Bittamleek contracts, the Group is the owner of the related asset which is only transferred to the beneficiary upon payment of all the installments due at the end of the lease term. The net book value of Ijarah Muntahia Bittamleek assets after taking allowance for impairment as disclosed in the consolidated statement of financial position was considered fully recoverable by the management of the Group.

The Group applies a three-stage approach to measuring expected credit losses (ECLs).

i. Determining the stage for impairment

The Group's staging model relies on a relative assessment of credit risk, because it reflects the significance increase in credit risk (SICR) since initial recognition of an asset. The staging assessment is made at the contract level rather than counterparty level, since the quantum of change in credit risk may be different for different contracts belonging to the same obligor. Also, different contracts of the same counterparty may have different credit risk at initial recognition.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition and has not suffered a significant downgrade.

Stage 2 includes financial assets that experience an SICR. When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience and expert credit risk assessment, including forward looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on its sovereign and non-sovereign exposures has increased significantly since initial recognition when contractual payments are more than 90 days past due for sovereign financings and more than 30 days past due for non-sovereign financings on a material repayment amount. When a stage 2 instrument shows a significant enhancement in credit quality at the assessment date, it can move back to stage 1.

Where there is objective evidence that an identified financial asset is impaired, specific provisions for impairment are recognized in the consolidated statement of income, and under FAS 30, the asset is classified in Stage 3. The Group presumes that assets are credit-impaired when contractual payments are more than 180 days past due for sovereign financings and more than 90 days past due for non-sovereign financings on a material repayment amount. Besides, the Group may consider an asset as impaired if it assesses that the obligor is unlikely to pay its credit obligations in full, without recourse by the Group to actions such as realizing security.

A financial asset is no longer considered impaired when all past due amounts have been recovered, and it is determined that the outstanding amounts with future expected income are fully collectable in accordance with the original contractual terms or revised terms of the financial instrument with all criteria for the impaired classification having been remedied. The financial asset will be transferred back to stage 2 after a cure period.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Measurement of Expected Credit Losses (ECLs)

ECL represents the average credit losses weighted by the probabilities of default (PD), whereby credit losses are defined as the present value of all cash shortfalls. The ECL is calculated for both Stage 1 and Stage 2 instruments by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), and discounting the resulting provision using the instrument's effective profit rate (EPR).

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

PD represents the likelihood of a counterpart defaulting on its financial obligation over different time horizons (e.g., 1 year or lifetime). PDs are estimated by using internal rating tools tailored to the various categories of counterparties and exposures. These internal rating models are based on internally and externally compiled data comprising both quantitative and qualitative factors. They produce a relative credit risk grading, which is in turn associated with a likelihood of default (PD) over a one-year horizon, calibrated to reflect the Group's long run average default rate estimates (through-the-cycle (TTC) PD). The Group uses a specific model based on country and industry parametrization to convert its TTC PDs into point-in time (PIT) PDs and derives a PIT PD term structure.

LGD is the magnitude of the potential loss in the event of a default. This is generally estimated as value lost plus costs net of recovery (if any) as percentage of outstanding amount. The Group uses internal LGD estimation models that consider the structure, collateral, and seniority of the claim and the counterparty rating and jurisdiction. LGD estimates are calibrated to reflect the recovery experience of the Group as well as the Multilateral Development Banks' consortium data.

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 amortization. The EAD of a financial instrument is its gross carrying amount. For contract under disbursement and financial commitments such as guarantees, letter of credit, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract.

FAS 30 requires ECLs to be forward-looking. The Group uses a statistical model that links its counterparties' future performance to the current and future state of the macroeconomic environment. The model links macroeconomic scenarios to a counterparty's default risk. Macroeconomic factors taken into consideration include, but are not limited to, gross domestic product, equity market prices, unemployment rates, and commodity prices and these require an evaluation of both the current and forecast direction of the macro-economic cycle. The Group estimates its ECLs by calculating the weighted average ECL of its exposures across three (3) sets of forward-looking macroeconomic scenarios.

iii. Exposure Amounts and ECL coverage

The Group recognizes 12-month ECL for stage 1 instruments and lifetime ECL for stage 2 instruments. For stage 3 instruments, it calculates a loss allowance amount based on the difference between the carrying amount of the instrument and the net present value of expected future cash flows discounted at the instrument's original effective profit rate (EPR) where applicable.

Tables below present the breakdown of gross exposure amount and ECL by mode of finance, for financial instruments measured at amortized cost as at 31 December 2024 and 2023.

An analysis of changes in the financial assets before ECL allowance and the corresponding ECL allowance is as follows:

	31 December 2024			
Description	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
Gross carrying amount before ECL:				
Cash and cash equivalents	141,705,219	2,634,560	-	144,339,779
Commodity Murabaha and Wakala placements	366,292,002	-	28,133,828	394,425,830
Sukuk investments	1,363,251,508	38,002,894	10,000,000	1,411,254,402
Murabaha receivables	461,557,895	2,858,305	25,284,651	489,700,851
Installment sale receivables	294,444,915	56,107,151	12,829,920	363,381,986
Ijarah Muntahia Bittamleek	150,612,035	101,636,815	17,989,323	270,238,173
Istisna'a receivable	8,738,505	-	-	8,738,505
Other assets	-	-	9,603,900	9,603,900
	2,786,602,079	201,239,725	103,841,622	3,091,683,426
Equity Investments	-	-	-	194,344,237
	2,786,602,079	201,239,725	103,841,622	3,286,027,663

	31 December 2024			
Description	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
ECL:				
Cash and cash equivalents	5,433	897	-	6,330
Commodity Murabaha and Wakala placements	-	-	28,133,828	28,133,828
Sukuk investments	840,394	859,010	10,000,000	11,699,404
Murabaha receivables	2,940,763	39,211	25,284,651	28,264,625
Installment sale receivables	14,102,356	2,427,174	12,312,069	28,841,599
Ijarah Muntahia Bittamleek	2,377,188	8,806,631	17,989,323	29,173,142
Istisna'a receivable	21,401	-	-	21,401
Other assets	-	-	4,893,747	4,893,747
	20,287,535	12,132,923	98,613,618	131,034,076
Equity Investments	-	-	-	32,028,318
	20,287,535	12,132,923	98,613,618	163,062,394

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Description	31 December 2023			
	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
Gross carrying amount before ECL:				
Cash and cash equivalents	211,790,009	-	-	211,790,009
Commodity Murabaha and Wakala placements	25,000,000	-	28,196,501	53,196,501
Sukuk investments	1,413,756,018	33,279,163	10,585,098	1,457,620,279
Murabaha financing	371,180,655	8,084,331	42,653,922	421,918,908
Installment sale receivables	252,318,487	67,827,215	16,420,997	336,566,699
Ijarah Muntahia Bittamleek	120,852,164	115,262,709	18,066,031	254,180,904
Istisna'a receivable	11,870,386	-	-	11,870,386
Other assets	899,026	191,696	8,384,697	9,475,419
	2,407,666,745	224,645,114	124,307,246	2,756,619,105
Equity Investments	-	-	-	191,208,212
	2,407,666,745	224,645,114	124,307,246	2,947,827,317

Description	31 December 2023			
	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
ECL				
Cash and cash equivalents	163,178	-	-	163,178
Commodity Murabaha and Wakala placements	-	-	21,192,792	21,192,792
Sukuk investments	689,063	3,972,819	10,585,098	15,246,980
Murabaha financing	1,596,233	88,310	42,653,923	44,338,466
Installment sale receivables	14,632,999	1,910,009	11,981,690	28,524,698
Ijarah Muntahia Bittamleek	1,811,202	4,077,523	18,066,031	23,954,756
Istisna'a receivable	32,832	-	-	32,832
Other assets	-	-	7,586,786	7,586,786
	18,925,507	10,048,661	112,066,320	141,040,488
	-	-	-	1,017,075
Equity Investments	-	-	-	22,597,085
	18,925,507	10,048,661	112,066,320	164,654,648

An analysis of changes in ECL allowances in relation to the Group's financial assets were as follows:

Description	31 December 2024			
	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
Provisions as at 1 January 2024	**18,925,514**	**10,048,661**	**112,066,322**	**141,040,497**
New assets originated or purchased	**9,142,736**	**-**	**-**	**9,142,736**
Assets repaid	**(5,486,418)**	**-**	**(15,970,461)**	**(21,456,879)**
Write off	**-**	**-**	**(4,138,236)**	**(4,138,236)**
Transfer from stage 1 to Stage 2	**(109,511)**	**118,137**	**-**	**8,626**
Transfer from stage 1 to Stage 3	**-**	**-**	**-**	**-**
Transfer from stage 2 to Stage 1	**-**	**-**	**-**	**-**
Transfer from stage 2 to Stage 3	**-**	**-**	**-**	**-**
Increase/decrease provision	**(2,184,786)**	**1,966,125**	**6,655,993**	**6,437,332**
	20,287,535	**12,132,923**	**98,613,618**	**131,034,076**
Equity Investment	**-**	**-**	**-**	**32,028,318**
Provisions as at 31 December 2024				**163,062,394**

Description	31 December 2023			
	Stage 1 (USD)	Stage 2 (USD)	Stage 3 (USD)	Total (USD)
Provisions as at 1 January 2023	16,160,428	8,685,372	149,129,926	173,975,726
New assets originated or purchased	9,717,450	435,528	-	10,152,978
Assets repaid	(3,732,577)	(72,782)	(40,458,206)	(44,263,565)
Transfer from stage 1 to Stage 2	(295,375)	1,995,641	-	1,700,266
Transfer from stage 1 to Stage 3	(160,532)	-	38,803	(121,729)
Transfer from stage 2 to Stage 1	727,938	(1,863,875)	-	(1,135,937)
Transfer from stage 2 to Stage 3	-	(1,328,405)	4,068,532	2,740,127
Increase/decrease provision	(3,491,825)	2,197,182	(712,735)	(2,007,378)
	18,925,507	10,048,661	112,066,320	141,040,488
Sukuk Investments	-	-	-	1,017,075
Equity Investments	-	-	-	22,597,085
Provisions as at 31 December 2023				**164,654,648**

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The Group obtains adequate guarantees and employs other methods of credit enhancements that will protect the value of its investments. Guarantees and securities obtained by the Group include bank guarantees, corporate guarantees, pledge of assets, possession of title to the property being financed, etc. In general, the value of guarantees or other credit enhancements held by the Group against these assets as of the reporting date were considered adequate to cover the outstanding exposures. Where the Group's management and its provisioning committee assessed that value of the receivable may not be fully recovered, an appropriate impairment is recorded. The policy of the Group in respect of securities and guarantees for term finance operations is that the sum of the securities package will be equal to or greater than 125% of the value of the assets financed.

Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risks, mark-up rate risk and equity price risks.

Currency risk

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies, in case the entity does not hedge its currency exposure by means of hedging instruments.

The Group is exposed to currency risk as a portion of its liquid fund portfolio and some of the equity investments are in currencies other than US Dollars; the reporting currency of the Group. The Group has minimized its exposure to currency risk on liquid funds by ensuring that all liquid funds transactions are in US Dollars or currencies pegged to US Dollar. For monetary assets and liabilities foreign currency risk is managed through the alignment of the Islamic foreign currency denominated assets and liabilities.

The Group is exposed to market risks arising from adverse changes in foreign exchange for Sukuk transaction denominated in a foreign currency. The Group manages these risks through a variety of strategies, including foreign currency forward contracts.

Mark-up rate risk

Mark-up rate risk arises from the possibility that changes in mark-up rates will affect the value of the financial instruments (fair value mark-up rate risk) or the future cash flows (cash flow mark-up rate risk) and the resultant reported incomes or losses. The Group is exposed to changes in mark-up rates mainly on its placements, Sukuk investments, Murabaha, Installment Sales, Ijarah Muntahia Bittamleek, Istisna'a financing, Sukuk issued and Commodity Murabaha financing due to changes in the mark-up rates prevailing in the markets.

In order to manage cash flow mark-up rate risk, the Board approved an "Asset and Liability Management policy" which requires that the Group follow the matched-funding principle in managing its assets and liabilities as well as profit rate swaps. Thus, the Group ensures that the mark-up rate basis and currencies of all debt-funded assets match those of the underlying liabilities. Such approach ensures that the Group's investment income spread remains largely constant regardless of mark-up rate and exchange rate movements.

The majority of the Group's financial assets and liabilities are of short-term nature. However, certain financing products, Sukuk investments and Sukuk issued are with fixed rate and of long-term nature and expose the Group to fair value mark-up rate risk. Management periodically assess the applicable market rates and assess the carrying value of these financing products.

As of the consolidated statement of financial position date, management believe that an estimated shift of 25 basis points in the market mark-up rates would not materially expose the Group to cash flow or fair value mark-up rate risk.

Equity price risk

The Group is exposed to equity price risk on its investments held at fair value. The Group has only one investment which is listed and, accordingly, the Group is not materially exposed to significant price risk.

Liquidity risk

Liquidity risk is the non-availability of sufficient funds to meet disbursements and other financial commitments as they fall due.

To guard against this risk, the Group follows a conservative approach by maintaining high liquidity levels invested in cash and cash equivalents, Commodity Murabaha and Wakala placements and Murabaha financing with short-term maturity of three to twelve months. Please see note 30 for the maturity schedule of the assets.

Shari'ah non-compliance Risk

The Group defines Shari'ah non-compliance risk as the risk of losses resulting from non-adherence to Shari'ah rules and principles as determined by the IsDB Group Shari'ah Board. The Group attaches value in safeguarding its operations from Shari'ah non-compliance risk (SNCR). Shari'ah compliance forms an integral part of ICD's purpose in line with its Articles of Agreement. Consequently, the Group effectively manage SNCR through leveraging on the IsDB Group wide robust framework of procedures and policies. The business or risk-taking unit, as the first line of defence, embeds a culture of Shari'ah compliance, while the ICD advisor to the CEO on Shari'ah matters in close collaboration with the Shari'ah Compliance function of IsDB Group serves as the second line of defence to strategically manage and monitor SNCR pre-execution of transactions / operations. IsDB Group's internal Shari'ah Audit function provides independent reasonable assurance as the third line of defence post-execution of transactions/operations adopting a risk-based internal Shari'ah audit methodology.

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32 Fair value

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. Consequently, differences can arise between carrying values and fair value estimates.

Fair valuation with respect to investments, is disclosed in note 7.

All of the Groups' Islamic derivatives are unquoted. Their fair values are estimated using a valuation technique and, accordingly, are level 3.

The carrying value of the Group's all other financial assets and liabilities approximate their fair values.

33 Commitments

In the normal course of business, the Group is a party to financial instruments with off-statement of financial position risk. These instruments comprise commitments to make project related disbursements, equity contribution commitments and other items and are not reflected in the consolidated statement of financial position.

The Group uses the same credit control and management policies in undertaking off-statement of financial position commitments as it does for on-statement of financial position operations.

	31 December 2024 (USD)	31 December 2023 (USD)
Murabaha financing	**77,700,000**	25,000,000
Installment sale receivables	**39,113,997**	83,182,424
Ijarah Muntahia Bittamleek	**60,741,775**	-
	177,555,772	108,182,424

34 Effects of new and revised financial accounting standards

The following new financial accounting standards ("FAS") of The Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements if found to be applicable.

FAS - 1 (Revised 2021) **"General Presentation and Disclosures in the Financial Statements"**

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. The Group has effectively adopted the standard from 1 January 2024.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting. Some of the significant revisions to the standard are as follows:

a) Revised conceptual framework is now integral part of the AAOIFI FASs
b) Revised titles for the financial statements have been introduced
c) Definition of Quasi equity is introduced
d) Definitions have been modified and improved
e) Concept of comprehensive income has been introduced
f) Concept of off- balance sheet assets under management have been introduced
g) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and noncurrent
h) True and fair override has been introduced
i) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced.
j) Disclosures of related parties, subsequent events and going concern have been improved
k) Improvement in reporting for foreign currency, segment reporting

The adoption of the above changes impacted the financial statements of the Group primarily as follows:

- The Group introduced the concept of "Comprehensive Income", which represents changes in equity during a period other than those changes resulting from transactions with the owners in their capacity as the owner.

FAS - 40 **"Financial Reporting for Islamic Finance Windows"**

The objective of this revised standard is to establish financial reporting requirements for Islamic finance windows and applicable to all conventional financial institutions providing Islamic financial services through an Islamic finance window. This standard improves upon and supersedes FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions". This standard is effective for the financial periods beginning on or after 1 January 2024. The Group has assessed the requirements of this standard and concluded that it is not applicable to the Group as it is not a conventional financial institution.

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35 Standards issued but not yet effective

The following new FASs have been issued. The Group intends to adopt these financial reporting standards when they become effective and is currently assessing the impact of these new FASs on its financial statements and systems.

FAS - 42 **"Presentation and Disclosures in the Financial Statements of Takaful Institutions"**

This standard sets out the principles for the presentation and disclosure for the financial statements of Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

This standard improves the presentation and disclosure requirements, in line with the global best practices, and supersedes the existing FAS 12 "General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies".

This standard shall be effective on the annual financial statements of the Takaful institutions beginning on or after 01 January 2025. FAS 42 shall not impact the financial statements as the Group is not a Takaful institution.

FAS - 43 **"Accounting for Takaful: Recognition and Measurement"**

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules. The requirements of this standard are duly aligned with the international best practices of financial reporting for the insurance business.

This standard shall be effective on the financial statements of the Takaful institution for the annual financial reporting period beginning on or after 01 January 2025. FAS 43 shall not impact the financial statements as the Group is not a Takaful institution.

FAS - 45 **"Quasi-Equity (including Investment Accounts)"**

This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance sheet accounting and are reported as quasi-equity.

This standard provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure of quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues.

This standard shall be effective for the financial reporting period beginning on or after 01 January 2026 with early adoption permitted. The Group is currently evaluating the impact of this standard on its financial statements.

FAS - 46 **"Off-Balance-Sheet Assets Under Management"**

This standard prescribes the criteria for characterization of off-balance sheet assets under management and the related principles of financial reporting in line with the "AAOIFI conceptual framework for financial reporting".

This standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies etc relating to off balance sheet assets under management, as well as certain specific aspects of financial reporting, e.g. impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements, particularly aligning the same with the requirements of FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the Statement of changes in the off balance sheet assets under management.

This standard shall be effective for the financial reporting period beginning on or after 01 January 2026 with early adoption permitted. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (including Investment Accounts)". The Group is currently evaluating the impact of this standard on its financial statements.

FAS - 47 **"Transfer of Assets Between Investment Pools"**

This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfer of assets between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Sha'riah principles and rules and describes general disclosure requirements in this respect.

This standard shall be effective for the financial reporting period beginning on or after 01 January 2026 with early adoption permitted. The Standard is not applicable to the Group as it does not have investment pools.

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36 Assets held for sale and discontinued operations

During 2023 and 2024, the Group decided to dispose certain entities which were classified as held for sale. The result of operations of these entities were also presented as discontinued operations in the consolidated statement of income with the comparatives for 2023 also re-presented.

a) Tamweel Africa Holding ("TAH")

During 2024, the Group entered into an arrangement to dispose its 100% investment in Tamweel Africa Holding (TAH). TAH owns 68.4% of Banque Islamique de Guinee (BIG). During 2023, the Group entered into a separate arrangement to dispose its 68.4% interest in BIG. Therefore, as of December 31, 2023, BIG was classified as held for sale. During the year, the Corporation has classified its investment in TAH, including BIG, as held for sale. The total sale price agreed is USD 54 million (TAH: USD 38.2 million and BIG: USD 15.8 million). As of December 31, 2024, the legal formalities for the sale are in process.

During the year, the Group received an advance payment amounting to USD 7 million against the sale of BIG, which is included in Accrued and Other Liabilities of TAH.

Subsequent to the year ended 31 December 2024, an additional advance payment amounting to USD 12.6 million was received (TAH: USD 9.5 million and BIG: USD 3.1 million).

The results of the discontinued operations of TAH (including BIG), which have been included in the profit for the year, were as follows:

	2024 (USD)	2023 (USD)
Net income		
Commodity Murabaha and Wakala placements	**230,296**	426,699
Income from associate	**338,515**	1,663,651
Other income	**877,690**	460,390
Net income	**1,446,501**	2,550,740
Operating expenses		
Staff costs	**(94,573)**	(181,386)
Other administrative expenses	**(551,180)**	(1,160,788)
Depreciation	**(148,716)**	(372,335)
Total operating expenses	**(794,469)**	(1,714,509)
Net operating income before impairment charges	**652,032**	836,231
Impairment reversal (loss)	**205,554**	-
Net income for the year before taxation	**857,586**	836,231
Income tax	**(8,225)**	(771,636)
Net income for the year after taxation	**849,361**	64,595
Income from discontinued operations	**(1,548,877)**	4,399,201
Net (loss) / profit for the year	**(699,516)**	4,463,796

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	31 December 2024 (USD)
Cash and cash equivalents	**440,596**
Investment in associate	**26,262,409**
Assets held for sale	**268,507,026**
Other assets	**14,331,875**
Total assets classified as held for sale	**309,541,906**
Liabilities associated with assets classified as held for sale	**(258,319,446)**
Accrued and Other Liabilities	**(9,313,764)**
Total liabilities associated with assets classified as held for sale	**(267,633,210)**
Net assets	**41,908,696**

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash used in operating activities	**14,035,076**	(48,579,544)

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The results of discontinued operations relating to BIG are as follows:

	2024 (USD)	2023 (USD)
Net income		
Income from financing assets	**15,283,780**	9,459,596
Other income	**9,116,745**	10,094,214
Net income	**24,400,525**	19,553,810
Operating expenses		
Staff costs	**(7,088,111)**	(5,907,259)
Other administrative expenses	**(7,372,376)**	(4,866,942)
Depreciation	**(2,608,553)**	(1,768,824)
Total operating expenses	**(17,069,040)**	(12,543,025)
Net operating income before impairment charges	**7,331,485**	7,010,785
Impairment reversal (loss)	**(8,081,458)**	(1,963,088)
Net income for the year before taxation	**(749,973)**	5,047,697
Income tax	**(798,904)**	(648,496)
Net (loss) / profit for the year	**(1,548,877)**	4,399,201

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	31 December 2024 (USD)	31 December 2023 (USD)
Cash and cash equivalents	**62,065,675**	45,407,996
Installment sales	**103,170,141**	93,615,234
Investments in Sukuk, shares and other securities	**-**	46,616,159
Other assets	**103,271,210**	45,765,708
Total assets classified as held for sale	**268,507,026**	231,405,097
Total liabilities associated with assets classified as held for sale	**(258,319,446)**	(219,722,418)
Net assets	**10,187,580**	11,682,679

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash from operating activities	**16,657,679**	15,552,632

b) ASR Leasing LLC ("ALL")

During 2024, the Group entered into an arrangement to dispose its 66.67% investment in ASR Leasing LLC (ALL). The sale price agreed is USD 0.43 million. As of December 31, 2024, the legal formalities for the transfer are in process. Consequently, the investment has been classified as held for sale as at 31 December 2024. Subsequent to the year ended December 31, 2024, the Group received an advance payment amounting to USD 0.43 million against the sale of ALL.

The results of the discontinued operations of ALL, which have been included in the profit for the year, were as follows:

	2024 (USD)	2023 (USD)
Net income		
Commodity Murabaha and Wakala placements	-	-
Income from associate	-	246,829
Other income	-	136,353
Net income	-	383,182
Operating expenses		
Staff costs	-	(136,909)
Other administrative expenses	-	(81,602)
Depreciation	-	(8,458)
Financing costs	-	(6,358)
Total operating expenses	-	(233,327)
Net operating income before impairment charges	-	149,855
Reversal of impairment loss	-	-
Net income for the year before taxation	-	149,855
Income tax	-	(31,780)
Net income for the year	-	118,075

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The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	31 December 2024 (USD)
Cash and cash equivalents	**285,908**
Other assets	**686,655**
Total assets classified as held for sale	**972,563**
Total liabilities associated with assets classified as held for sale	**(322,563)**
Net assets	**650,000**

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash used in operating activities	**(437,434)**	316,755

c) ICD Money Market Fund LLP ("MMF")

ICD and ICD Asset Management Labuan (entirely owned by ICD), as limited partners in the ICD Money Market Fund LLP (MMF), reached an agreement with all the unit holders to redeem their entire investment units from the fund. Consequently, ICD and ICD Asset Management Labuan completed their redemption by receiving full amounts in May 2024 and June 2024, respectively. As of the redemption date, ICD held 81.69% of MMF. Following this redemption, the fund was liquidated and dissolved.

The results of the discontinued operations of ICD Money Market Fund LLP (MMF), which had been included in the profit for the year, were as follows:

	2024 (USD)	2023 (USD)
Net income		
Income from commodity placement	-	1,091,965
Income from Sukuk investments	-	672,381
Other expense	-	(153,562)
Net income	-	1,610,784
Operating expenses		
Other administrative expenses	-	(544,140)
Total operating expenses	-	(544,140)
Net operating income before impairment charges	-	1,066,644
Impairment reversals	-	182,930
Net income for the year	-	1,249,574

The major classes of assets and liabilities of ICD Money Market Fund LLP (MMF) at the date of redemption are as follows:

	At the date of redemption (USD)
Assets	
Cash and cash equivalents	45,939,462
Placements with banks and financial Institutions	13,885,785
Investments in Sukuk	23,691,178
Other assets	3,002,162
Total assets	86,518,587
Liabilities: Accrued and Other Liabilities	690,272
Total liabilities	690,272
Net assets redeemed	85,828,315

d) Azerbaijan Leasing ("AZL")

During 2024, the Group entered into an arrangement to dispose its 100% investment in AZL for USD 6,500. The legal formalities for the sale are in process.

The results of the discontinued operations of Azerbaijan Leasing, which have been included in the profit for the year, were as follows:

	2024 (USD)	2023 (USD)
Net income		
Other Income	-	11,176
Total income	-	11,176
Financing cost		(12,454)
Net (loss)/income	-	(1,278)
Operating expenses		
Staff costs	-	(79,923)
Other administrative expenses	-	(13,914)
Depreciation	-	(3,388)
Total operating expenses	-	(97,225)
Net operating loss before impairment charges	-	(98,503)
Impairment reversals	-	-
Net loss for the year	-	(98,503)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	31 December 2024 (USD)	31 December 2023 (USD)
Cash and cash equivalents	**6,054**	6,054
Other assets	**334,059**	334,059
Total assets classified as held for sale	**340,113**	340,113
Total liabilities associated with assets classified as held for sale	**(432,145)**	(432,145)
Net liability	**(92,032)**	(92,032)

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash from operating activities	-	(33,019)

e) Taiba Titrisation SA ("TTS")

In March 2024, the Group sold its 100% equity stake in Taiba Titrisation SA (TTS), which had a carrying value of USD 1.04 million, for USD 0.97 million resulting in a loss of USD 0.07 million.

The results of the discontinued operations of TTS, which have been included in the profit for the year, were as follows:

	2024 (USD)	2023 (USD)
Net income		
Income from Sukuk investments	-	57,813
Other income	-	138,023
Net income	-	195,836
Operating expenses		
Staff costs	-	(59,768)
Other administrative expenses	-	(90,548)
Total operating expenses	-	(150,316)
Net operating loss before impairment charges	-	45,520
Impairment loss	-	-
Net income for the year before taxation	-	45,520
Income tax	-	(695)
Net income for the year	-	44,825

f) Halic Finansal Kiralama A.S ("HFK")

In April 2024, the Group sold the equity stake in Halic Finansal Kiralama A.S (HFK), which had a carrying value of USD 1.9 million, for USD 0.45 million resulting in a loss of USD 1.45 million.

The share of profit from the discontinued operations of HFK included in the statement of income is USD Nil (2023: USD 69,581).

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash from operating activities	-	-

g) Albania Leasing ("AL")

During the year, the Group entered into an arrangement to dispose its 36% investment in AL for USD 1.291 million. The legal formalities for the transfer are in process.

The share of loss from the discontinued operations of AL included in the statement of income is USD Nil (2023: USD 130,973). The carrying value of investment of USD 573,000 has been classified as held for sale.

The cash flow from discontinued operation is as follows:

	2024 (USD)	2023 (USD)
Net cash from operating activities	**(72,380)**	(40,319)

h) Royal Atlantic Resident ("RAR")

During 2023, the RAR, which had a carrying value of USD 1.15 million, in which the Corporation owned a 25% equity stake, sold for USD 2 million, resulting a gain of USD 849,938 in the consolidated financial statements.

37 Authorization for issue

The financial statements were authorized for issue in accordance with the resolution of the Board of Directors dated 19 March 2025 (corresponding to 19 Ramadan 1446 AH.

Annex 5 IsDB Group Shari ’ah Board Annual Report

FOR 1445/1446H

IsDB Group Shari ’ah Board Annual Report 1445H/1446H

All praise is due to Allah, the Lord of the Universe; and may blessings and peace be upon Prophet Muhammad and upon his household and companions.

H.E. Chairman of the Board of Governors,
Honorable Members of the Board of Governors,

Assalamu alaikum warahmatullahi wabarakatuh

According to the regulations of the Shari’ah Board of the Islamic Development Bank Group (IsDB Group), we are required to submit an annual Shari’ah report to the honorable Board of Governors on the extent to which the transactions and activities conducted by the IsDB Group comply with Shari’ah, in light of the fatwas and resolutions issued by the IsDB Group Shari’ah Board and its Subcommittee. We have reviewed the activities of the IsDB Group for the year 1445/1446 through the Subcommittee – in accordance with the approach practiced by the IsDB Group Shari’ah Board - which involved an overall Shariah audit of the applied principles and contracts pertaining to the transactions and applications that have been presented to us.

The review covers the following:

- IsDB Group (Ordinary Capital Resources),
- The Special Account Resources Waqf Fund (Waqf Fund),
- The Islamic Corporation for the Insurance of Investment and Export Credit,
- The Islamic Corporation for the Development of the Private Sector,
- The International Islamic Trade Finance Corporation,
- The Islamic Solidarity Fund for Development,
- The Awqaf Properties Investment Fund,
- The World Waqf Foundation, and,
- All funds managed by IsDB during the year ending on 31 December 2024G (30 Jumada I 1446H).

We have undertaken the required review with the help of Sahri’ah Affairs Division to express an independent opinion on whether the IsDB Group has complied with the rules and principles of the Shari’ah as well as the specific Fatwas, resolutions, rulings, and guidelines that we have issued.

It is noteworthy that responsibility of ensuring IsDB Group's compliance with the Shari’ah rules and principles lies with the management of the IsDB Group, while our responsibility is limited to expressing an independent Shari’ah opinion based on our Shariah review of the IsDB Group’s operations.

We preformed our Shari’ah review by examining and verifying the procedures followed by the IsDB Group, inspecting each type of operation. Our Shariah review was planned and executed to obtain all necessary facts and explanations thereby providing sufficient evidence to reasonably confirm that the IsDB Group has not contravened the rules and principles of the Shari’ah.

Accordingly, it is our opinion that:

1. The IsDB Group has followed the procedures required to comply with the contracts that we prepared and audited.
2. The dividends paid and the losses incurred on the investment accounts are in conformity with the basis that we adopted in line with the rules and principles of the Shari’ah.
3. All gains achieved from transactions or methods prohibited by Shari’ah have been set aside in accordance with the resolutions we issued in preparation for spending them for charitable purposes with our clearance.
4. The IsDB Group is not obligated to pay Zakat because the sources of its assets are either from public or Waqf funds. As for the funds of other institutions, IsDB Group does not pay Zakat on behalf of their owners without their authorization. Accordingly, the payment of Zakat of these funds is the sole responsibility of their owners.

We pray that Allah the Almighty enables the IsDB Group to follow the right path in the interest of the Ummah.

Wassalamu alaikum warahmatullahi wabarakatuh

Jeddah, 11 Shaaban 1446H
(10 Feb 2025)

His Eminence Dr. Mohamed Ali Elgari
Chairman of the Shari’ah Board

His Eminence Dr. Nizam Yaqoobi
Deputy Chairman of the Shari’ah Board

His Eminence Dr. Aznan Hasan
Member of the Shari’ah Board

His Eminence Dr. Sa’id Adekunle Mikail
Member of the Shari’ah Board

His Eminence Dr. Mufti Muhammad Hassaan Kaleem
Member of the Shari’ah Board

Dr. Abdallahi Mohamed
Manager, the Sharia Affairs Division

Together, we will continue to transform challenges into opportunities, support businesses and communities in achieving their potential, and contribute meaningfully to sustainable development. With your continued support, ICD is ready to embark on this exciting chapter with renewed purpose and determination.

Eng. Hani Salem Sonbol
ICD, Acting Chief Executive Officer

ICD Annual Report

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The Islamic Corporation for the Development of the Private Sector (ICD) is the private sector arm of the Islamic Development Bank Group (IsDBG). We promote the economic development of IsDBG member countries by providing financial assistance and advisory solutions to private sector projects in accordance with the principles of shariah law.

IsDB
البنك الإسلامي للتنمية
Islamic Development Bank

ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR • SOCIÉTÉ ISLAMIQUE POUR LE DÉVELOPPEMENT DU SECTEUR PRIVÉ • المؤسسة الإسلامية لتنمية القطاع الخاص •

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