International Islamic Trade Finance Corporation

15 YEARS OF ADVANCING TRADE, AND IMPROVING LIVES.

2008 - 2023

ANNUAL REPORT 2022

ITFC remains steadfast in delivering on its core mandate of supporting trade and trade development in Member Countries

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introduction.

LETTER OF THE BOARD OF DIRECTORS TO THE GENERAL ASSEMBLY

In the Name of Allah, the Merciful, the Compassionate

H.E. the Chairman
General Assembly of the International Islamic Trade Finance Corporation

Assalamu Alaikum wa Rahmatullahi wa Barakatuh

Pursuant to Article 26(1) of the Articles of Agreement of the International Islamic Trade Finance Corporation (ITFC), I have the honor to present to the esteemed Members of the General Assembly, on behalf of ITFC's Board of Directors, the Annual Report of ITFC for the year 2022. The report highlights ITFC's activities, achievements and audited financial statements for the year, which ended on 31 of December 2022.

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

Yours Sincerely,

Dr. Muhammad Sulaiman Al Jasser
Chairman, Board of Directors

Message from the Chief Executive Officer

> The total trade finance since 2008 reached **US$ 69 billion**

In the name of Allah, the Most Gracious and Merciful

It is with great honor to present to you the ITFC Annual Report for 2022, marking the 15th anniversary of our establishment. Despite the challenging environment, ITFC remained steadfast in delivering on its core mandate of supporting trade and trade development in Member Countries. The Corporation's Strategic 10-Year Plan, developed in 2017, has continued to honor this mandate through its vision to become "the leading provider of trade solutions for OIC Member Countries' needs." Through innovative yet prudent strategic planning, the Corporation has adopted a new five-year medium-term plan, known as ITFC Strategy 2.0, designed to address new growth opportunities as economies return to business as usual.

I am delighted to report that ITFC achieved commendable results in both the trade finance and trade development fronts since 2008. The total cumulative trade finance approvals and disbursements reached US$69 billion and US$57.5 billion, respectively. In terms of 2022 results, ITFC provided US$6.8 billion of trade finance approvals, an increase from US$6.5 billion in 2021, while disbursements reached US$7.4 billion, almost a 42% increase from last year's disbursements of US$5.2 billion.

ITFC also has placed private sector development at the forefront of its operations. In 2022, approvals reached US$ 757 million, making the total approvals since inception reach US$17.1 billion. In addition, ITFC has increased capacity, effectively attracting regional and worldwide banks to join ITFC's syndicated operations for Member Countries.

In the area of trade development, the Corporation continued to successfully collaborate with its regional and international partners in extending its services, technical assistance, and capacity building activities through the implementation of our flagship programs and targeted interventions. The Programs include the Arab Africa Trade Bridges Program (AATB), the second phase of the Aid for Trade Initiative for Arab States (AfTIAS 2.0), including several projects aimed at women and youth empowerment to ensure inclusivity in the global market in addition to the SME Development Program. Moreover, ITFC has embarked on a new flagship program for its six Member Countries in the CIS region. The objective of the program is to achieve inclusive economic growth, promote regional economic cooperation, and promote trade between the OIC CIS Member Countries and the rest of the world.

2022 also witnessed closer synergy among the Islamic Development Bank (IsDB) Group, ITFC has played an important role as the chair of the Group Synergy Facilitation Team, established to ensure the successful planning and implementation of the Group Synergy Enhancement Agenda. The strategic priorities of ITFC over the coming years will focus on several objectives, including building partnerships to create sustainable development impact through providing integrated trade finance and trade development solutions to Member Countries. Furthermore, as an active player on the global front, ITFC remains committed to efforts aimed at achieving the UN SDGs.

I would like to express my sincere thanks and appreciation to the Chairman and the Esteemed Members of the Board of Directors for their support and guidance. I would also like to thank all ITFC staff members for their dedication and service to the organization. With our collaboration, synergy and clear strategic direction, I am confident that we will move the Corporation towards greater achievements and become the leading provider of trade solutions for OIC Member Countries.

Eng. Hani Salem Sonbol
Chief Executive Officer

board of directors

Hon. Dr. Muhammad Al Jasser
Chairman, Board of Directors

Hon. Dr. Hamad Bin Suleiman Al Bazai
IsDB

Hon. Mrs. Anuska Ramdhani
IsDB

Hon. Murat ZAMAN
IsDB

Hon. Fahad Al-Saif
Saudi Arabia

Hon. Mr. Muhammed Humair Karim
Group A

Hon. Belgacem Ayed
Group B

Hon. Zul-Kifl Salami
Group B

Hon. Feras Al Khalifa
Group C

Hon. Mohammad Reza Rezaeipour
Group D

Hon. Ahmed Al-Ghannam
Group D

management team

Eng. Hani Salem Sonbol
Chief Executive Officer

M. Nazeem Noordali
Chief Operating Officer, Trade Solutions Complex

Ibrahima Sory Soumah
Chief Risk Officer, Risk Legal and Compliance

Abou Jallow
Senior Adviser to the CEO, General Manager, Operations Department

Mohammad Hafiz Emrith
General Manager, Strategy and Organization Performance

Ahmad Jafar Sabbagh
General Manager, Digital & Operational Excellence

Nasser M. Al-Thekair
General Manager, Trade & Business Development

Ahmed M. Yousef Jan
General Manager, Treasury

Abdihamid Aweis Abu
General Manager, Trade Finance

Najeeb Rana
General Manager, Internal Audit

Rana Hassan Fatani
General Manager, Human Resources

Saif Zawaneh
General Manager, Credit & Structuring

FINANCIAL AND OPERATIONAL HIGHLIGHTS
2008-2022

AUTHORIZED CAPITAL
US$3 BILLION

SUBSCRIBED CAPITAL
US$857.7 MILLION

PAID- UP CAPITAL (PAR VALUE)
US$745.6 MILLION

CUMULATIVE TRADE FINANCE APPROVALS SINCE 2008
US$69 BILLION

CUMULATIVE DISBURSEMENTS (2008-2022)
US$57.5 BILLION

TRADE FINANCE APPROVALS FOR 2022
US$6.8 BILLION

TRADE FINANCE DISBURSEMENTS FOR 2022
US$7.4 BILLION

TRADE FINANCE APPROVALS FOR 2022 BY SECTOR

ENERGY
US$4 BILLION

FOOD & AGRICULTURE
US$1.85 BILLION

FINANCIAL
US$719 MILLION

OTHERS
US$268 MILLION

CUMULATIVE TRADE FINANCE APPROVALS BY SECTOR (2008-2022)

ASIA & MIDDLE EAST
US$7.4 BILLION

AFRICA
US$3.4 BILLION

ASIA & MIDDLE EAST
US$35 BILLION

AFRICA
US$10.9 BILLION

CUMULATIVE TRADE FINANCE APPROVALS BY REGION (2008-2022)

ASIA & MIDDLE EAST

US$51.2 BILLION

AFRICA

US$17.3 BILLION

TRADE FINANCE APPROVALS FOR 2022 BY REGION

ASIA & MIDDLE EAST

US$4.8 BILLION

AFRICA

US$2 BILLION

PRIVATE SECTOR APPROVALS FOR 2022

US$757 MILLION

INTRA-OIC TRADE SUPPORT FOR 2022

US$4.86 BILLION

NUMBER OF MEMBER COUNTRIES SERVED

23

NUMBER OF OPERATIONS IN 2022

121

37% LEAST DEVELOPED MEMBER COUNTRIES PORTFOLIO SHARE IN 2022

+US$30 MILLION TRADE DEVELOPMENT CUMULATIVE INTERVENTIONS (2008-2022) -GRANT MOBILIZATION AND FUNDING

15 YEARS OF ITFC TIMELINE AND HIGHLIGHTS

Prioritizing energy and food security:
Supporting the Member Countries for the importation of essential and strategic commodities, i.e. petroleum, gas, staple food, agriculture, medicine & medical equipment, where 38% of the financing was extended to the LDMCs.

Meeting growing demand:
Gradual increase of approval and disbursement over the last 15 years.

Increase capacities:
Successfully attracting the regional & global banks and financial institutions to join ITFC's syndicated operations in favor of the Member Countries.

Expanding trade development:
Increased programs and initiatives over the years to cover new OIC regions, sectors, and changing priorities.

Supporting Intra and inter-regional trade to increase intra-OIC trade:
higher involvement over the years in addressing regional trade, market access and export capacities issues (AfTIAS 2.0, Arab-Africa Trade Bridge, Trade Connect Central Asia+ programs and AfCFTA) as a way to facilitate intra-OIC trade.

Supporting SMEs:
Providing trade financing facilities and capacity development programs to local and regional banks/ financial institutions and SMEs support bodies to support and facilitate the growth of SMEs, the engine of the economy in Member Countries.

Product and innovation:
Adding new products, i.e. Supplier Financing, Letter of Credit Confirmation, to meet the requirements of the Member Countries – LC Confirmation product was launched in 2021

Contribution to the 9 SDGs of UN's development goals:
Supporting the 9 SDGs by way of providing trade finance facility to the Member Countries.

Trusted friend at the time of crisis:
Proactively reached out to the most impacted Member Countries during the COVID-19 pandemic and arranged financing and technical assistance to meet the immediate requirements.

Financing trade development:
Explore new sources of funding (Trade development funds) to maximize development impact.

Integrating trade finance and trade development:
Expanding products offering to offer trade solutions to OIC member countries.

Tackling emerging trade issues through innovation:
digitalization, paperless trade.

Sharing experiences and expertise in trade acquired over 15 years:
advisory services

Being relevant:
Continuously updating the strategy (i.e. Strategy 2.0 was launched) to make ITFC relevant to the emerging needs of the Member Countries.

2008-2023 Milestone

In response to calls for an increase and acceleration of intra-OIC trade, as initially expressed by the Custodian of the Two Holy Mosques King Abdullah Bin Abdel Aziz Al Saud (during his tenure as Crown Prince) at the 10th OIC Summit held in Putrajaya, Malaysia in 1424H (2003G).

08

ITFC formally commenced its operations on 1st Muharram, 1429H

(January 10, 2008).

The Corporation successfully completed its first year of operations with total approvals exceeding

US$ 2.5 billion.

09

ITFC provided a whole range of customer-focused solutions, Trade Finance and Business Development units were established with the aim of innovating solutions and structures that respond effectively to Member Countries' unique requirements.

1st Strategy:

mission: "We exist to be a catalyst for the development of trade among OIC Member Countries and with the rest of the world". Vision: "to be a recognized provider of trade solutions for the OIC Member Countries' needs".

1st International recognition:

"Best trade finance bank"
in Global Trade Review's readers' poll.

"Best deal of the year"
of 2009 from three reputable magazines in favor of the Sugar Deal in Indonesia.

10

ITFC launched and implemented the Aid for Trade (AfT) Road Map under the United Nations Special Program for Economies of Central Asia (SPECA) Region in cooperation with the governments of Kyrgyzstan and Azerbaijan, UNDP, UNECE, ITC and UNIDO.

ITFC strengthened the overall governance by establishing an independent risk management within ITFC.

20 new clients were attracted

New sectors were penetrated, particularly in the non-oil sectors (such as coal, steel, grain, petrochemicals, soybean meal, corn, and palm oil).

ITFC managed to integrate the first of its kind Islamic Structured deal in Central Asia through financing Wheat in Kazakhstan.

GTR Global Trade Review

aftias Aid for Trade Initiative for the Arab States

11

ITFC added to its financing facilities the opening of Letters of Credit for its clients.

ITFC participated in the Third Global Review on Aid-for-Trade held in Geneva in July 2011.

ITFC conducted a Leadership Development Program, and an ITFC Transformation Project to build, update and transform core HR strategic processes.

ITFC also launched a comprehensive Information Technology Project, for optimizing the business processes as well as automating the core functions.

12

The Trade Cooperation and Promotion Program (TCPP) has been restructured to be program oriented in order to enhance its delivery and performance.

14 new clients were attracted including some from Sub-Saharan Africa - such as Senegal, Ghana, Rwanda, Burkina Faso, Togo, Sierra Leone, Niger and Nigeria,

Furthermore, new sectors, particularly in the non-oil sectors, such as leasing in Turkiye, have been penetrated.

US$ 235 million

from ITFC to Support the Egyptian Food and Energy Sectors

ITFC signed a

US$60 million

Syndicated Structured Finance with an Indonesian sugar refinery, PT Angels Products.

ITFC signed a

US$855 million

Agreement with The People's Republic of Bangladesh (represented by the Ministry of Power, Energy and Mineral Resources) and Bangladesh Petroleum Corporation (BPC), for the import of crude oil and refined petroleum products.

13

The Aid for Trade Initiative for the Arab States (AfTIAS) Program was launched, in collaboration with the United Nations Development Programme (UNDP), the International Labor Office (ILO), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO). Seven donors funded AfTIAS Program: Kingdom of Saudi Arabia, State of Kuwait, Kingdom of Sweden, Arab Republic of Egypt, UNDP, IDB and ITFC.

ITFC implemented the first Murabaha export financing facility.

The International Islamic Trade Finance Corporation (ITFC) Signs

US$358 million

Murabaha Agreement to Support Jordan's Energy and Petroleum Products Needs

14

ITFC launched a Business Process Re-engineering (BPR) project aimed at improving process flow, systems and tools in order to achieve the required business performance improvements.

ITFC implemented a new system (iMAL) in order to automate its trade finance operations.

The share of total portfolio in the MENA region grew from 28% in 2013 to 44% in 2014. Furthermore, ITFC was able to generate additional business of

US$789 million,

enabling the MENA region to cross the US$2 billion mark of approval for the first time with a growth rate of 60%.

New Africa Initiative Strategy was launched to have a special focus on Sub-Saharan Africa. The initiative aimed to scale up the Africa portfolio to US$ 1billion by 2019.

ITFC approved new financing Comoros Islands, Djibouti, Palestine and Kyrgyzstan for the first time in an effort to increase its support to LDMCs.

ITFC arranged a successful syndication of an aggregate amount of

US$320 million

for Tunisia to support the country's energy and industrial sectors.

ITFC made notable progress on its regional presence strategy with the successful activation of its regional offices in Dakar, Senegal and Istanbul, Türkiye

15

Framework Murabaha Agreements were signed with Egypt, Bangladesh, Jordan and Pakistan worth US$3 billion each for a period of three years, which resulted in the surge of trade finance approvals for these countries.

ITFC's operations in South and Southeast Asia regions received a major boost with the opening of regional offices in Jakarta, Indonesia and Dhaka, Bangladesh

ITFC reinforced its commitment to Suriname, a Member Country in South America, with operation approved for the country in support of improving access to energy.

16

Appointing New CEO – Eng Hani Salem Sonbol appointed as CEO ITFC during the 41st IsDB Annual Meeting in Jakarta.

The ITFC 10-Years Strategy Map was realigned in 1437H-1438H (2016) with the 10-Years IDB Group strategy framework to address the needs of ITFC's Member Countries.

Launching the Indonesian Coffee Export Development Program
in partnership with the Association of Indonesian Coffee Exporters (AICE), and SCOPI, the program, the first of its kind for ITFC, provides capacity building to the Indonesian Coffee Industry.

Significant Growth in Sub-Saharan Africa Portfolio
Following the launch of the Africa Initiative, the portfolio in Sub-Saharan Africa region witnessed remarkable growth, increasing by more than twofold, reaching US$ 760 million.

Supporting Cotton Producers in West Africa Expand their Export Markets
linking traders (buyers) of cotton to the producers (exporters) in Member Countries. ITFC linked one of its clients, Calik Cotton, a trader based in Türkiye, to major cotton exporters in West Africa. As a result of this linkage, Calik Cotton was able to expand its source for cotton buying and successfully concluded purchase contracts in Burkina, Cameroon, and Mali.

ITFC successfully positioned itself to be the leading cotton financier in West Africa.

AfTIAS:
"Training Program for Export and Employment-TREE"- a youth empowerment program designed to provide intensive training courses for youth in international trade so that they can acquire the knowledge and expertise required in the private sector.

With partnership with Industrial Training Council (ITC) of Egypt and the Foreign Trade Training Centre (FTTC).

1st Development Effectiveness Report

17

Export Launchpad Senegal: Trade Facilitation Office (TFO) of Canada and Export Promotion Agency of Senegal (ASEPEX)
aims at contributing to human resources development in the field of international trade and equip the ASEPEX with the capacity to deliver trade training and support services to Senegalese exporters and potential exporters.

Launching Forum of the Arab Africa Trade Bridges (AATB) Program, Morocco – 22-23 February 2017.

B2B Forum to Link West African Cotto Producers to Buyers in Asia
ITFC organized Business to Business (B2B) cotton forums in Bangladesh and Indonesia, where cotton ginners and exporters from Africa came together with Asian cotton importers, particularly from Bangladesh and Indonesia.

Moody's Rating

ITFC launched and implemented the Aflatoxin Mitigation Program in the Gambia in collaboration with National Food Security Processing and Marketing Cooperation (NFSPMC) to enhance the quality of Groundnuts for export into the European and other international markets.

18

ITFC hits its 10 Years of Operations with more than US$ 45 billion of total trade approvals

ITFC launches its first Annual Development Effectiveness Report (ADER)

Key Framework Agreements signed to support Member Countries vital sectors including, US$ 4.5 billion in favor of Pakistan and US$1.5 billion in favor of Tunisia and Burkina Faso each.

ITFC penetrates into SME financing market in Uzbekistan through its IFN award winning new line of finance structure, which enables financing SMEs in cooperation with conventional banks.

19

ITFC rolls out a new strategic plan that reflects the role and ambition to become a world class trade enabler and trade facilitator, and thereby become "the leading provider of trade solutions for OIC Member Countries' needs".
Key Framework Agreements signed to support Member Countries vital sectors. This includes US$ 500 million in favor of Uzbekistan, as a result of which Uzbekistan became a member of ITFC

ITFC opens an office in Cairo, Egypt

ITFC measures its developmental impact by continuing the process of moving towards a program-based integrated approach, where trade finance operations are integrated with trade development and capacity building, to multiply the development impact.

Afreximbank partners with ITFC to support AATB Program

Kyrgyz Republic and Tajikistan sign Framework Agreements with ITFC for the amount of US$ 150 million each, and pave the way for becoming the full members of the Corporation, ITFC signs its first deal with Microfinance Company in the Kyrgyz Republic to enable micro enterprises access needed funding.

20

When the pandemic hit, through the Rapid Response Initiative, ITFC announced US$300 million for emergency medical equipment and staple food, but ultimately ITFC provided over US$605 million in support to member countries in various regions.

ITFC launched the ITFC-IsDB AfCFTA Initiative to support efforts of ITFC Member Countries for intra-regional trade. The grant program support implementation of AfCFTA national Strategies in 7 Countries and facilitates harmonization of customs codes with new tariff provisions, application of rules of origin and training AfCFTA national stakeholders. It also involves research to anticipate potential changes and adapt to new requirements and prepare us to develop new products and new interventions.

21

ITFC's Recovery Response Program approved US$645.3 million out of the allocated US$550 million to address Member Countries' needs for vaccine procurement, private sector support, and SME development.

In collaboration with Afreximbank, BADEA, and ARSO, AATB launched the project for Harmonization of Standards for Pharmaceuticals and Medical Devices to unify standards and increase intra-African trade of medical and pharmaceutical products.

Launching of the second phase of the Aid for Trade Initiative for Arab States (AfTIAS 2.0)

SheTrades Egypt and SheTrades Morocco in addition to new program in Egypt targeting 50 women-owned SMEs in export-oriented value chains to enhance their competitiveness and their capacity to penetrate both local and regional markets

22

ITFC's engagement for environmental sustainability strengthen considerably with a participation in the Saudi Public Investment Fund's Voluntary Carbon Market Initiative Auction.

ITFC will contribute US$ 4.5 billion to the US$10 billion IsDB three-year Food Security Response Program (FSRP)

ITFC launches its first 2-year tenor syndication deal successfully to support food security and agriculture in Uzbekistan.

ITFC structures dedicated Line of Financing facility for the amount of US$ 12 million to support women entrepreneurship in Uzbekistan.

ITFC's number of bank and FI partners in CIS region reaches to 15.

Turkmenistan onboarded to ITFC membership and ITFC signs US$ 150 million Framework Agreement to commence its operations in the country.

ITFC launches the KSA SME Empowerment Program in partnership with Saudi EXIM Bank and Monsha'at

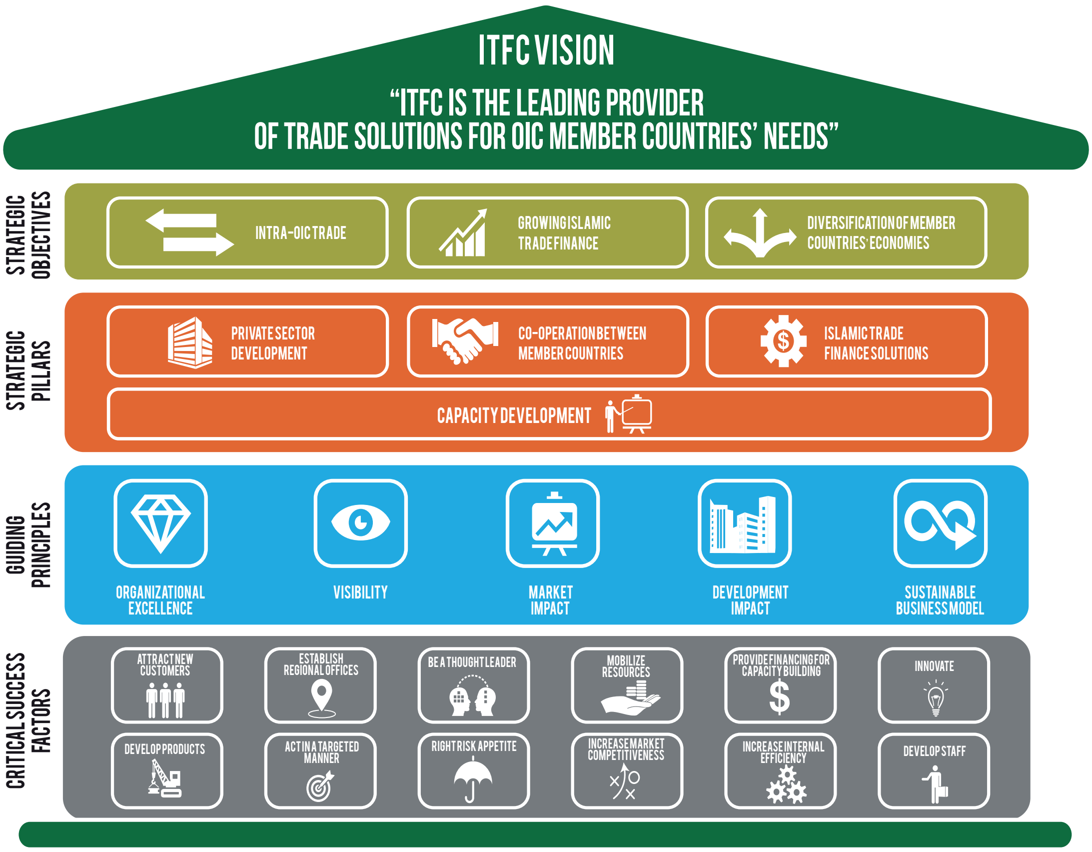
ITFC designs a new Flagship Program for its Member Countries in Central Asia and Azerbaijan aimed to achieve inclusive economic growth, regional economic cooperation and promote trade

ITFC Business Model & Strategy 2.0

ITFC 10-Year Strategic Plan

In line with the IsDB Group's mission to promote comprehensive human development, ITFC has remained continuously focused on financing trade transactions that promote inclusive growth while addressing the development needs of Member Countries. ITFC's contributions nurture the trade-led strategies of OIC Member Countries and help foster sustainable economic development and growth.

ITFC's mandate of advancing trade and improving lives is one that remains highly relevant in the global development agenda. The Corporation's Strategic 10-Year Plan, developed in 2017, has continued to honor this mandate through its vision to become "the leading provider of trade solutions for OIC Member Countries' needs. This vision is illustrated below in ITFCs Corporate Strategy Map.



In pursuit of this vision, ITFC embarked on a three-year journey of transformation between 2017 and 2020, focusing exclusively on delivering strategic initiatives to develop new capabilities across ITFC – and to build a platform for future growth. This transformative journey successfully established a new sustainable business model and built a strong foundation for organizational excellence, culminating in the achievement of the following five objectives:

i. Build a resilient business model for sustainable growth through integrated trade programs
ii. Increase ITFC's trade finance and trade development market impact across Member Countries
iii. Promote development impact through inclusive growth and contribution towards the SDGs
iv. Strengthen visibility to become a global hub for Islamic trade finance through decentralization and international communications
v. Achieve organizational excellence by creating a performance-driven culture across the institution

ITFC Strategy 2.0 (2021-2025)

Through innovative yet prudent strategic planning, the Corporation has adopted a new five-year medium-term plan, known as ITFC Strategy 2.0, designed to address new growth opportunities as economies return to business as usual. The following five strategic vectors have been prioritized as part of the plan to enhance ITFC's original 10-year strategic direction and business model.

Sovereign Market Strategy

ITFC's ability to capture a larger market share of sovereign clients will in part dictate the growth rate of the Corporation for the years to come. ITFC has developed a route-to-market strategy to facilitate the expansion of new large-ticket sovereign clients.

With the scope covering trade financing for non-fragile Member Countries, the expansion into sovereign opportunities, particularly across Member Countries not currently financed, opens new markets for ITFC to facilitate intra-OIC trade.

Diversification Strategy

A diversification strategy has been developed to expand ITFCs funded trade finance portfolio across sectoral and geographic markets, while rapidly scaling up the non-funded guarantee-based portfolio.

Over the coming years, ITFC aims to achieve a strategically diversified trade finance portfolio through a series of (1) product, (2) sector, and (3) geographic rebalancing activities. Diversification will take place across commercially attractive target markets within viable investment-ready Member Countries.

New Profit Formula Strategy

New business lines and commercial propositions have been identified to diversify ITFC's sources of income. This is expected to minimize profitability exposure to volatile oil commodity demand cycles and historically low levels of inter-bank lending rates. Furthermore, the new profit formula will strengthen the impact of interventions within Member Countries and attract new segments of markets and clients.

Funding Strategy

A set of new funding opportunities have been identified and is expected to result in additional on-balance sheet funding. It will also lead to more extensive diversification of funding resources to facilitate wider coverage of Member Countries' financing needs, and with bigger economic impact.

Enhanced Organizational Capacity Strategy

Enhancement of ITFC's organization structure, people, and process form part of the strategy to adapt to new ways of doing business in a post-COVID-19 landscape. It is essential in achieving the performance step-change necessary for the successful delivery of the Corporation's Strategy 2.0.

02

UNLOCKING INTERNATIONAL TRADE FLOWS AND CREATING MARKET IMPACT

Recent Economic Developments in OIC Countries

Analysis provided by SESRIC

The real GDP growth in developing economies reached 6.8 % in 2021 –the highest rate since 2010, as the impacts of the pandemic gradually diminished and as countries benefited from rising commodity prices and improving external demand. OIC countries, on average, contracted by 1.7 % in 2020, but in parallel with the global economic recovery, they grew by 5.8 % in 2021, the highest rate achieved since 2010. Thus, the real GDP in 2021 surpassed its pre-pandemic 2019 level by 4.0 %. Yet, the average growth rate registered by the OIC countries in 2021 was lower than the global average. In line with the global trends, the economic growth in OIC countries is expected to moderate in the next two years, to 4.9 % in 2022 and 4.2 % in 2023.

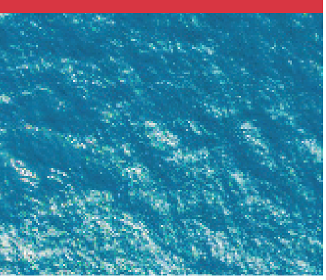
Falling by 17.3 % in 2020, merchandise exports of the OIC countries increased by 41.7 % in 2021. Similarly, merchandise imports increased by 25.8 % in 2021 following a drop of 9.9 % in the previous year. The OIC countries, on aggregate terms, became net exporter in merchandise trade in 2021, with a trade surplus amounting to US$ 135 billion as compared to a deficit of US$ 83 billion in the previous year. Despite the recovery, the services trade values in 2021 fell short of their pre-pandemic levels both in the OIC countries and in the world. This implies that the trade in services, which has been hit harder than the trade in goods, will take longer to fully recover from the pandemic crisis. On aggregate terms, OIC countries recorded a current account surplus of US$ 121 billion (1.4 % of GDP) in 2021, after a deficit of US$ 170 billion (2.4 % of GDP) in the previous year (SESRIC, 2022). The improvement in the balance of merchandise trade contributed significantly to the resulting current account surplus. Looking ahead, the IMF projections signal a widening surplus to over US$ 500 billion or 5.2 % of GDP in 2022.

On another front, following a fall of 16.2 % to US$ 97 billion in 2020, FDI flows to the OIC countries rebounded by 36.7 % and reached as high as US$ 132 billion in 2021. However, the lower growth in flows to the OIC countries resulted in a decrease in their share in global FDI flows to 8.3 % after peaking at a decade high of 10.0 % in 2020 (SESRIC, 2022).

Risks for 2023

As the world is slowly bringing the pandemic under control and the global economy continues to recover from COVID-19, the Russia-Ukraine conflict is anticipated to have a substantial impact on the post-pandemic global economic recovery and pose significant uncertainties to the outlook. The projection for 2023 has been revised down 0.9 percentage points to 2.9 %. The outlook for these years will depend on various risks: a possible worsening of conflict in Ukraine, a sharper-than-anticipated deceleration in China, renewed outbreak of the pandemic with the emergence of a new, more contagious virus strain, and a rise of social tensions because of higher food and energy prices (IMF, 2022).

Rising inflation has become a central concern worldwide. According to the IMF (2022), there is a rising risk that inflation expectations drift from central bank targets, prompting a more aggressive tightening response from central banks. As advanced economy central banks tighten policy and interest rates rise in those countries, developing countries could face a further withdrawal of capital and currency depreciations that could increase inflation pressures. The rising cost of living due to elevated inflation, particularly the increases in food and fuel prices, could escalate the risk of social unrest especially in developing countries.



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Advancing Intra-OIC Trade

Generating growth through trade is an essential part of the policy strategy of many member states of the OIC, especially in view of the extensive development benefits associated with increased trade, such as technological spillovers, increased employment opportunities and overall growth. The OIC has set a target for intra-OIC merchandise trade, relative to total OIC trade, to reach 25% by 2025, and while this share has been steadily increasing, more strategic efforts are required to reach these targets.

Contributing to this goal is central to ITFC's strategy to boosting intra-OIC trade through the provision of comprehensive trade finance solutions to its Member Countries. Over the past 15 years, the share of ITFC trade financing operations focused on facilitating trade between OIC Member Countries has been steadily increasing. Since its inception in 2008, the volume of intra-OIC trade supported by ITFC has reached US$ 43.6 billion, contributing to the socioeconomic well-being of OIC Member Countries. In 2022, more than 70% of ITFC trade financing approvals, representing US$ 4.86 billion, was directed towards facilitating trade between OIC Member Countries. This year's share of intra-OIC trade operations is up more than 17% from 2021.

Figure 1 - 2022 - ITFC Intra-OIC Trade by Region (US$ Mil.)

Regions	2021
Asia & Middle East	2,731
Africa & Latin America	1,291
Total	**4,022**

Source: ITFC Market Research & Monitoring

Figure 2 - ITFC Intra-OIC Trade by Region since Inception (US$ Mil.)

Regions	2008-2022*
Asia & Middle East	**31,963**
Africa & Latin America	**11,721**
Total	**43,684**

Source: ITFC Market Research & Monitoring

Cross Border Trade as a Recovery Development Tool for Member Countries

As the axis of economic activity, trade stimulates production, facilitates consumption, and generates savings for re-investment. Trade is the foundation for strong economic growth, and the driver of sustainable development and poverty reduction. Over the past 15 years, cumulative approvals from ITFC surpassed US$ 68 billion at the end of 2022, reflecting continued support towards building resilience, and driving recovery and sustainable growth amongst OIC Member Countries.

Building on the achievements of previous years, ITFC's Trade finance approvals in 2022 reached US$ 6.42 billion in comparison to US$ 6.52 billion in 2021. A total of 95 trade finance transactions were approved, up by 38% from the previous year, and benefiting 21 Member Countries. ITFC disbursed US$5.1 billion worth of trade finance, 30% of which was allocated to Least Developed Member Countries (LDMC).

ITFC continues to enhance its development impact by providing integrated trade solutions, where trade finance operations are integrated with trade development and capacity building to maximize development impact and assist Member Countries in meeting their needs.

As a catalyst of trade, ITFC continues to focus on sectors that are essential to economic and social development, particularly:

- Energy
- Food and Agriculture
- SMEs in the private sector

BOX 1

Testimonial
Murabaha Financing for fuel, food staples, medicines, and medical equipment in Maldives

The STO's close business relationship with ITFC over the past 14 years has played a significant role in company's growth today. ITFC has extended to us flexible terms and cost-efficient financing, which has allowed us to manage our fuel expenditure despite the global increase in fuel prices. Lower financing costs have resulted in reduced fuel prices that have been passed on to end customers, contributing to an overall reduction in the cost of living.

The swift responsiveness and availability of funds has ensured a steady supply of fuel, despite worldwide price increases, as well as food staples to meet the needs of the country. The trade solutions proffered by ITFC have helped us maintain smooth operations nationwide amidst challenging global economic conditions.

Husen Amru Mohamed Rashad,
Chief Executive Officer and Managing Director,
State Trading Organization PLC, Maldives

Manufacturing & Industrialization Through the Supply of Energy Products

Energy is a driver of social development and stability. With a strong correlation between energy consumption per capita and economic growth, access to electricity or other types of energy is crucial for least developing countries (LDCs) or low-income OIC countries to grow in terms of productivity, income, wealth, and living standards. Yet, many OIC countries, being among the LDCs, do not have adequate access to energy resources.

High energy prices in 2022 have put extra pressure on developing countries for importing energy resources, requiring external stakeholders such as developmental and multilateral financial institutions to play a bigger role in securing access to energy in vulnerable countries.

BOX 2

Maintaining and Stabilizing Energy in the Republic of Djibouti

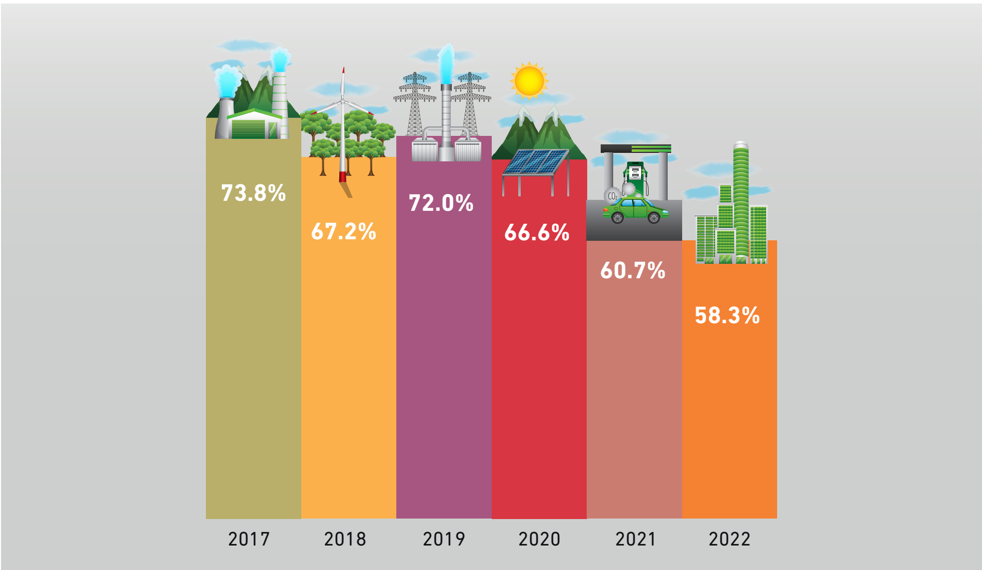
The International Hydrocarbons Company of Djibouti (SIHD) is a public company, which was created in 2000 to fulfill the missions assigned to it in its Articles of Association No. 2000-0029/PR/MERN decreed on February 3, 2000.

Financing granted by ITFC to the Djiboutian government in 2015 resulted in SIHD accomplishing its first mission to maintain and stabilize the imports of petroleum products in the country. The organization will continue to be able to secure fuel imports as a result of further financing facilities and technical assistance from ITFC, which has been guaranteed for seven successive years. The favorable financing terms and conditions accorded to SIHD has helped to control financial costs and improve sustainable economic impact through a series of long-term projects earmarked for the Djiboutian oil sector, while the technical assistance component will help develop the sector's human capital.

Mr. Dabar Adaweh Ladieh,
Director General
International Hydrocarbon
Company of Djibouti (SIHD)

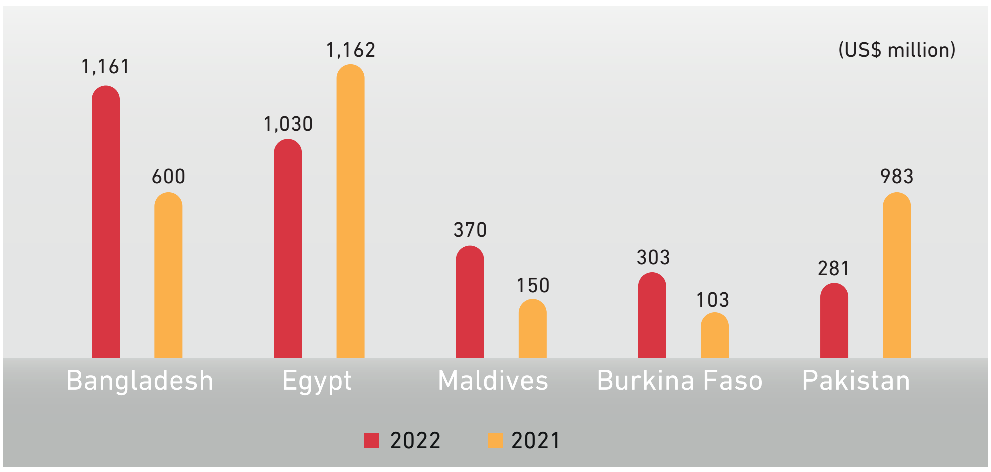
ITFC has historically played an important role in funding the critical energy importation needs of the least developed, low, and low middle-income OIC countries. In the first year of its operations, 62% of the financing were within the energy sector. ITFC's share of energy financing represented US$ 46 billion or 2/3 of overall financing since inception. Currently however, ITFC is aiming to reduce its role in energy financing provided the financing gap can be addressed by other financiers, especially in the least developed countries. Despite having a higher weight within ITFC's portfolio lately, energy financing reduced from 73.8% in 2017 to 58.3% in 2022. Nevertheless, the reduction in energy financing will be implemented gradually, with ITFC continuing to support Member Countries to meet their critical energy needs.

Figure 3 – Share of Energy Sector Financing in Overall Portfolio



In 2022, ITFC financed energy supply transactions for 15 Member Countries. The total energy sector financing in 2022 stood at US$ 3.98 billion when compared with US$ 3.96 billion in 2021. Maldives and Burkina Faso joined the list of top five beneficiaries of ITFC financing in the energy sector.

Figure 4: 2022 Top Five Beneficiaries in Energy Sector, with 2021 comparison



Source: ITFC Market Research & Monitoring

Securing Adequate Supply of Food Commodities – Food Security

In 2022, the global food insecurity issue became a critical threat for developing countries, including the 57 OIC Member Countries. Pandemic-related supply chains disruptions, geo-political tensions and rising protectionism, the increasing prevalence of natural disasters (especially drought and flooding) due to climate change, and the Russia-Ukraine conflict have exacerbated food supply scarcity and inflation.

According to a recent report from the US Department of Agriculture (USDA), the number of food-insecure people in 2022 was estimated at 1.3 billion, or 16% of the world's population. This represents an increase of about 118.7 million people, or an additional 10% compared to 2021 estimate.

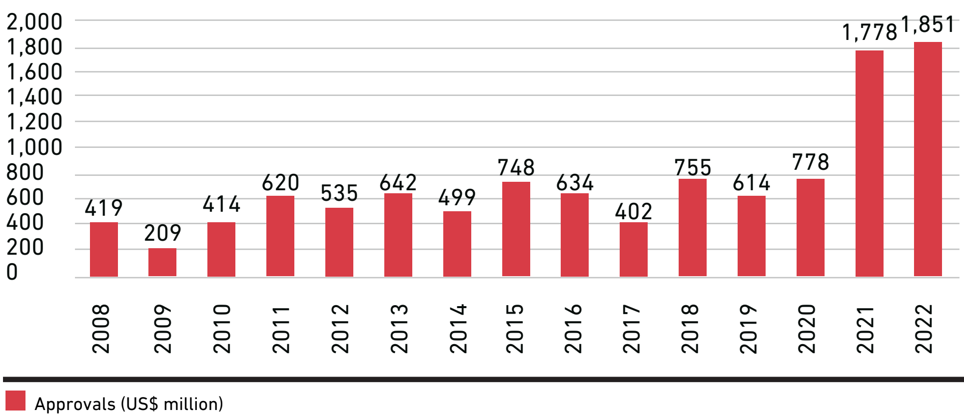
While the second UN Sustainable Development Goal (SDG #2), promulgated in 2015, targets to end hunger by 2030, global food security has indeed been deteriorating over the last years. This led international leaders to intensify discussions to curb that trend. One illustration is the COP27 UN Conference on Climate Change in Sharm El Sheikh, Egypt, which took place in November 2022, where discussions were held on the adaptation of agriculture in order to boost the resilience of food systems in the face of increased climate-change-driven natural disasters.

In July 2022, the Islamic Development Bank (IsDB) Group held an extraordinary meeting of the Board of Directors and endorsed a US$ 10.5 billion comprehensive Food Security Response Program (FSRP) package to support Member Countries in addressing the ongoing food crisis and, most importantly, scale up the Group's continued efforts to contribute to strengthening its members' resilience to food security shocks in the future.

As part of the IsDB Group comprehensive package, ITFC will contribute to the three-year program with up to US$ 4.5 billion in trade financing. The Corporation's funding will help ensure the sustainable supply of essential food and agricultural products in the local market at affordable prices. As of December 2022, ITFC had already made available US$ 1.8 billion, or 27.1% of the year's total approvals, to seven Member Countries in Africa and Asia in order to support the food and agriculture sector.

Since the inception of ITFC in 2008, the Corporation has approved more than US$ 10.8 billion to sustain food security in OIC Member Countries. Approvals for the Food and Agriculture Sector culminated at US$ 1.8 billion in 2022 from US$ 419 million in 2008. This represents a jump of 342% and illustrates the efforts that have been made by ITFC to support the vital sector since inception.

Figure 5: ITFC approvals for Food & Agriculture Sector: 2008-2022 (US$ million)



Helping SMEs and the private sector Recovery

The private sector plays a critical role in economic growth, job creation, and poverty alleviation. The importance of SMEs in this regard is even more pronounced in OIC Member Countries as they are estimated to account for more than 90% of jobs created and contribute on average 50% to the GDP of Member Countries. Despite their significant contribution to job creation and economic growth, SMEs and the private sector continue to lack access to finance as a means of growing their business.

ITFC supports OIC Member Countries by delivering integrated trade solutions programs through partnerships with local banks and financial institutions (FIs) to extend funded and unfunded financing solutions for the benefit of SMEs and the private sector. Funded transactions are supported primarily through ITFC's Line of Financing and Murabaha Financing schemes. In contrast, unfunded transactions are supported through LC confirmation, which is expected to favorably impact ITFC's diversification strategy going forward in terms of enhancing its private sector business volume.

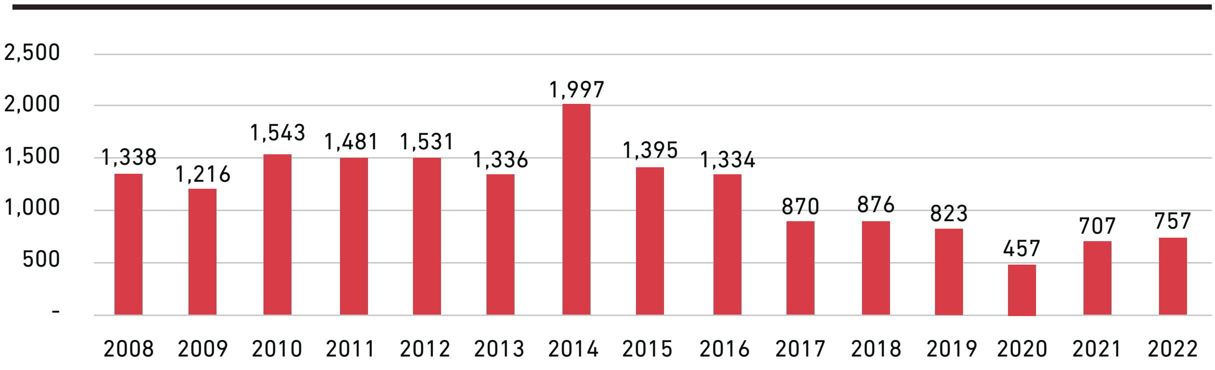
In 2022, ITFC added eight new banks to its list of partner institutions in Member Countries, bringing the total number of ITFC partner banks to 36 as of the end of 2022. Total financing approved for SMEs and the private sector in 2022 was US$ 757 million, a 10% increase from the prior year.

ITFC committed US$ 996.0 million to local banks, and disbursed US$ 670 million under this committed amount, for the recovery of SMEs and private sector clients as part of the Islamic Development Bank Group's US$ 2.3 billion 3Rs (Respond, Restore, Restart) Strategic Preparedness and Response Program (SPRP)for the COVID-19 pandemic.

Apart from FIs, ITFC also extended trade financing facilities to corporate clients whose manufacturing and export businesses contributed to job creation and earning of precious foreign exchange for the countries where these companies are domiciled. Furthermore, through its Integrated Trade Solutions offering, ITFC has also been promoting shariah-compliant trade financing in Member Countries and has organized training programs for commercial banks and central banks in various Member Countries in 2022.

Since inception in 2008, the cumulative approvals in favor of private sector and SME clients stands at US$ 17.1 billion, representing 25.0% of the trade finance portfolio. This support includes creating access to finance for SMEs, which are the backbone of the economies in Member Countries. The chart below illustrates ITFC approvals for SMEs and private sector clients since inception in 2008.

Figure 6 – ITFC Private Sector Approvals (US$ million)



BOX 3

Murabaha based line of financing in favor of JSCB «InFinBank»

JSCB "InFinBank" is a fast-growing private bank with 15 years of track record in the financial markets. The Bank provides a wide range of banking services to legal entities and individuals in Uzbekistan. The Bank has outstanding profitability and remarkable asset growth, significantly outpacing the growth of the local banking market. InFinBank provides a full range of products with the focus on retail and SME lending.

Within the framework of the partnership established between Invest Finance Bank (InFinBank) and ITFC, in 2022 InFinBank attracted a total of US$25 million from ITFC. ITFC's trade finance solutions enabled the Bank to serve the Sharia compliance trade finance needs of its existing clients and establish new customer relations.

The established cooperation between our entities has had a positive impact on expanding the boundaries of Islamic finance in Uzbekistan, advancing trade, and contributing towards SMEs access to finance. ITFC has supported our valued customers in the purchase of metal products, textile products, automobile spare parts, food and agriculture products and others in timely manner, and helped facilitate cross-border and international trade of our valued customers.

Mr. Pulat Salimov
Deputy Chairman of the Management Board

Since inception in 2008, the cumulative approvals in favor of private sector and SME clients stands at US$ 17.1 billion

03

SECURING SUSTAINABLE FUTURE

(Case Study)

Promoting Education, Women & Youth Empowerment

Supporting Women Across Employment and Entrepreneurship in Uzbekistan

The Development Strategy of New Uzbekistan for 2022-2026 defines supporting women and further increasing their activity in society as one of the strategic goals. To achieve this goal, the Decree of the President of the Republic of Uzbekistan "On measures to further accelerate work on systemic support for families and women" approved the National Program to increase the activity of women in various sectors of economy and social life of the country for 2022–2026.

In aligning with the development objectives of the Government of Uzbekistan, in 2022, ITFC collaborated with its partner banks in the country to extend Line of Trade Financing facilities to support women across employment and entrepreneurship.

In 2022 ITFC extended US$ 27 million to Orient Finans Bank (OFB), out of which US$ 12 million was earmarked for supporting women's employment and entrepreneurship.

SMEs owned by women or managed by women, employing around 130 women across sectors such as trade and retail, construction, manufacturing, food and agriculture, have benefitted from these financing facilities.

Going forward, ITFC will increase its focus on supporting women's employment and entrepreneurship in Uzbekistan though its Lines of Financing facilities and other interventions and programs.

(Case Study)

Providing Support to Farmers in Earning Income

Supporting farmers' incomes to alleviate rural poverty

The inclusion of farmers in contract schemes, which involves the provision of inputs on credit and an annual guaranteed price, provides them with much needed stability, esepcially in rural areas. Contract farming schemes with exporters are an important way to ensure that smallholders get their share from agri-food exports and the increased value in export sectors (FAO, 2016). The scheme ensures that farmers are able to access their input needs on credit. The inputs loans allow the exporters to access and to buy the harvest from the farmers.

ITFC is supporting contract farming schemes by providing pre-export finance to state-owned agricultural companies. Since 2008, the Corporation approved pre-export financing worth US$ 2.8 billion for groundnut and cotton export companies in West Africa. An estimated 600,000 farmers have benefitted on average from the financing each year.

2 ZERO HUNGER

Total agricultural pre-export financing :

US$ 2.8 billion

Burkina faso (Cotton) US$ 1.2 billion

Cameroon (Cotton) US$ 935 million

Senegal (Groundnuts) US$ 453 million

The Gambia (Groudnuts) US$ 188 million

Benin (Cotton) US$ 60 million

The financing is contributing to key sectors of the economy, including cotton and groudnnuts which are major sources of export revenues, and hence supporting the country's foreign exchange inflows and balance of payments. ITFC financing has also been fundamental in keeping producers motivated to cultivate the crops and to maintain the trust between stakeholders across the value chain. The financing allows ITFC clients to propose to the producers a fair price and ensure timely payment for their production, less than one month after collection, thereby better supporting farmers' incomes and livelihoods.

Main benefits for Producers:

01
Opportunity to sow larger areas with seed credit;

02
Attractive price offered by exporters;

03
Certainty of being paid at the right price and in a timely manner,

04
Creation of seasonal jobs for young people;

Main benefits for Exporters:

01
Establishment of a climate of trust with producers through a close relationship;

02
Better knowledge of the needs and expectations of producers;

03
Opportunity to source better quality seeds and ability to constitute a security stock in a short time to ensure the collection objectives;

04
Greater ability to overcome volatility and competition in the local market

Green Economic Growth to Mitigate Climate Change & Enhancement of ITFC's ESG Practice

ITFC's climate adaptation and resilience strategy is anchored around the mobilization and deployment of financing for climate-related projects to support Member Countries to reduce GHG emissions and increase resilience under their national commitments within the framework of the Paris Agreement. This is part of a broader effort to expand sustainable trade solutions and consists of the following three climate adaptation and resilience pillars.

Provide members with increased access to sustainable trade finance to enhance climate resiliency amongst local communities, leading to improved livelihoods through increased agriculture production, food security, and small business development.

Support the deployment of new technologies to expand the use of electronic trade transactions, traceability with blockchain, and efforts to decarbonize trade with both financing and technical assistance.

Develop climate and other ESG internal policies and practices to reinforce environmental and social sustainability in its development impact tracking and monitoring.

04

Advancing Development to Address Challenges in Member Countries

Fostering inter and intra-regional trade cooperation

From 2016, following the formulation of ITFC's 10-year strategy, it became increasingly apparent that trade financing alone was not sufficient to meet the needs of Member Countries. This led to the emphasis on Trade Development in addition to Trade Financing efforts as a means to maximize the impact of ITFC interventions and to further support the development objectives of OIC countries. Since the adoption of this strategy, the trade development component of ITFC has been strengthened significantly with the adoption of the FIT model - comprises Flagship Programs, Integrated Trade Solutions and Targeted Interventions. Under this model, several capacity building, business development, and technical assistance initiatives have been launched and implemented successfully to further enhance the support given by ITFC to its Member Countries.

Arab Africa Trade Bridge (AATB) Program

ARAB-AFRICA TRADE BRIDGES PROGRAM

AATB is Flagship Program launched in 2017 by ITFC with the aim of fostering trade and investment between Africa and the Arab World; AATB is currently comprising 20 Member Countries and institutions. In 2022, AATB Program successfully conducted 17 trade development activities in different areas like country programs, knowledge products, technical assistance, business matching and trade and investments events.

Country Programs

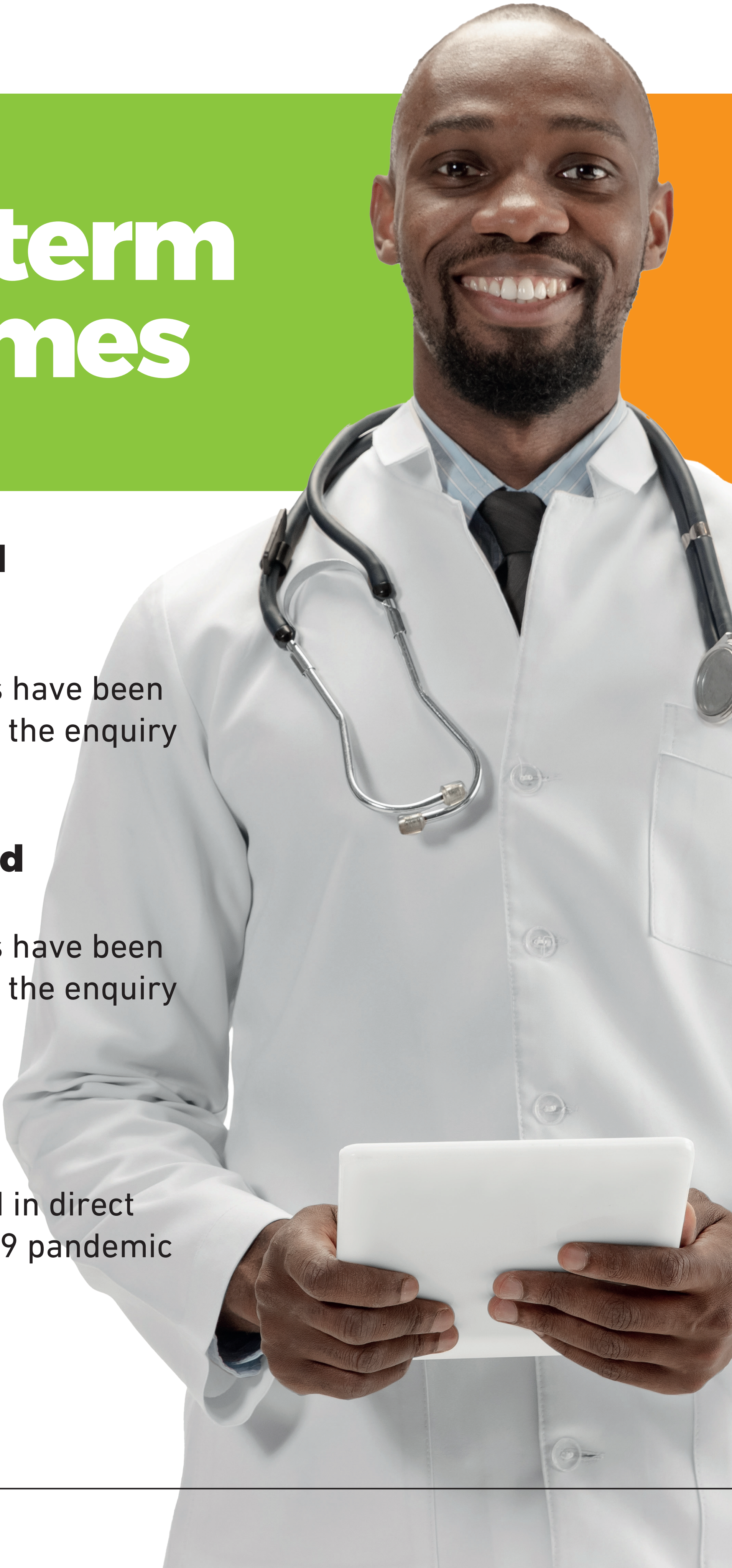
Country programs are one of the most effective AATB tools. The programs are series of interventions designed and tailored to the needs of a particular AATB member country. Since 2019, AATB Program has launched five country programs for Egypt, Tunisia, Benin, Senegal, and Togo.

Harmonization of Standards for Pharmaceuticals and Medical Devices (2020 - 2023)

The initiative was launched in 2020 as a partnership between ITFC, Afreximbank, BADEA and African Organization for Standardization (ARSO) to establish the state of pharmaceutical and medical devices manufacturing in Africa and to identify the requirements for African Member Countries to establish local manufacturing capabilities in the sector.

High-level Roundtable on the Harmonisation of Standards for Pharmaceutical Products and Medical Devices in Africa during IATF 2021 in Durban

Short-term outcomes



Medical devices and equipment:

76 out the 77 standards have been approved to be taken to the enquiry and balloting stages

Pharmaceuticals and medicinal products

38 out the 39 standards have been approved to be taken to the enquiry and balloting stages

African Traditional Medicine

6 standards were found in direct response to the covid-19 pandemic

B2B for Pharmaceutical and Medical Products

As part of the AATB Program, a partnership with the African Association of Essential Medicines Purchasing Centers (ACAME) led to the organization of a business to business (B2B) event held in first week of December 2022. The event attracted the participation of nearly 50 companies and institutions from public and private exporters and importers of pharmaceutical and medical products.

Pharmaceutical and medical products B2B Event in Tunisia, December 2022

CIS Trade Development Program

ITFC has embarked upon a new Flagship Program for its six Member Countries in CIS Region (Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan). The objective of the program is to achieve inclusive economic growth, regional economic cooperation and promote trade, between the OIC CIS Member Countries and the rest of the world.

The four key outcomes identified for the program are:

Outcome #1:
Improve production quality and consistency to be more competitive and attractive in regional markets.

Outcome #2:
Improve trade facilitation to lower the time and costs of regional trade.

Outcome #3:
Increase in regional business interactions to tap opportunities in regional and intra-OIC (GCC, Asia and Africa) markets.

Outcome #4:
Enhance regional competitiveness through trade policy reform and Trade Support Institutions (TSIs) efficiency.

CIS TDP Validation Workshop in Baku Azerbaijan December 2022

The African Continental Free Trade Area

ITFC-IsDB AfCFTA Initiative

The ITFC-IsDB AfCFTA Initiative was designed by ITFC to support the implementation of the free trade area in OIC African counties through the Corporation's trade development programs to support the recovery of OIC countries and through IsDB's Regional Cooperation and Integration strategy.

One of the landmark projects of the initiative is the joint project to support the operationalization of the AfCFTA, a partnership between the United Nations Economic Commission for Africa (ECA), the Enhanced Integrated Framework (EIF), the Islamic Development Bank (IsDB), the International Islamic Trade Finance Corporation (ITFC) and the Trade Development Fund.

BOX 4

The ECA has been tasked with formulating national country strategies to support the effective implementation of the AfCFTA. In this vein, ITFC has supported ECA to sensitize and train 600 actors including Government officials, trade facilitation committees, customs services, private sector including youth and women, and civil society from five countries (Burkina Faso, Guinea, Niger, Senegal and Togo) on the rules of origin, protocol and annexes of the AfCFTA and schedules of tariff concessions.

Ms Ngone DIOP,
Director ECA Subregional Office
for West Africa

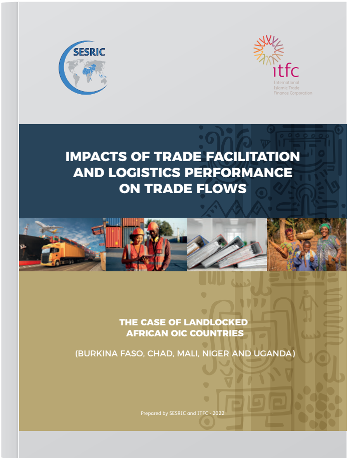
The joint project aims to strengthen the capacity of Burkina Faso, Guinea, Niger, Senegal, and Togo to support the effective implementation of the agreement. Thirty activities have been identified, including capacity building and sensitization on the AfCFTA; development of information tools on the AfCFTA; and development of policy instruments to support the implementation of the AfCFTA. Since the launch of the project in March 2022, 15 activities have been completed, and more than 700 public and private officials have benefited from the program in areas such as standardization of customs codes with new tariff provisions, application of rules of origin and trainings.

Guinea, Training workshop on Rules of Origins 60 Officials, May 19, 20 and 23, 2022 - Conakry

Senegal, Awareness campaign for private sector actors on the implementation of the AfCFTA, 50 participants, 16 February 2022, St Louis

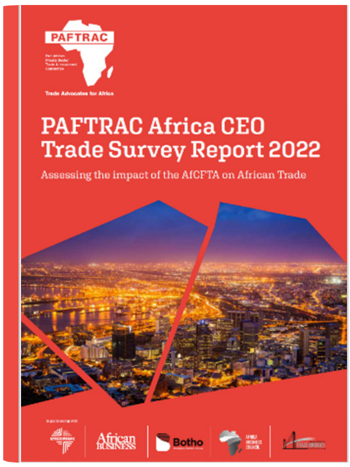
Senegal, Awareness campaign for private sector actors on the implementation of the AfCFTA, 50 participants, 15 February 2022, Kaolack

Burkina Faso, National consultation workshop for private sector actors on the implementation of the AfCFTA, 51 participants, May 11 and 12, 2022 - Ouagadougou



Research on the impacts of the AfCFTA on OIC African countries: Update

ITFC, in partnership with SESRIC, finalized the second series of a research trilogy on the Impacts of the AfCFTA on selected African OIC countries. This second research report, entitled the Impacts of Trade Facilitation and Logistics Performance on Trade Flows in African OIC Countries examines how trade facilitation policies yield important benefits at a lower cost for intra-OIC trade, if implemented adequately. The countries involved in the study include Burkina Faso, Chad, Mali, Niger and Uganda. The report was presented virtually on 8 June 2022 during the 25th Annual Conference on Global Economic Analysis of the University of Purdue Global Trade Analysis Project.



The Pan-African Private Sector Trade and Investment Committee (PAFTRAC)

The AATB Program in partnership with Afreximbank commissioned the Pan-African private sector trade and investment committee (PAFTRAC) to conduct Africa CEOs Trade Survey Report 2022. The topic of the survey was “Assessing the impact of the AfCFTA on African Trade”. The report surveyed the opinions of 800 respondent on African private sector sentiments on trading under the AfCFTA, exploring both opportunities and challenges, and their areas of interest in building trade and investment relationships with the Arab region.

Climate and AfCFTA: Egypt ICF

ITFC co-organized a session on the Development of Regional Value Chains under the AfCFTA as a Climate Resilient Initiative during the Egypt International Cooperation Forum (Egypt - ICF) in Cairo on 8 September 2022. The session examined how expanding intra-African trade under the AfCFTA can help reduce global emissions. Speakers discussed the potential business opportunities, and regional value chains, emanating from the AfCFTA that could collectively be pursued and which would reduce global emissions.

ITFC participation in the COP27

The 27th Session of the Conference of Parties (COP27) to the United Nations Framework Convention on Climate Change (UNFCCC) was held in Sham El Sheik, from 6 to 18 November 2022 under the Presidency of The Arab Republic of Egypt.

ITFC organized three important sessions during the COP:

- Climate Change and Food Security: Agricultural adaptation measures and the role of agri-tech innovation in creating a sustainable, food-secure world.
- Islamic Finance & Carbon Markets: Innovative Solutions and Collaboration to address Climate Change Challenges
- Egyptian and Sub-Saharan Africa Cotton Traceability for Resilience and Sustainability

Pakistan Trade Development

ITFC and The Commonwealth Secretariat in collaboration with the Pakistan Institute of Trade and Development (PITAD) and Pakistan's Ministry of Commerce, held a two-day training workshop on the Cost-Benefit Analysis of Free Trade Agreements (FTAs) from 7 to 8 November 2022 in Islamabad, Pakistan. The training was provided to 30 Ministry of Commerce and PITAD officials to enhance their technical capabilities to undertake trade policy negotiations and empirical analysis of the costs and benefits of Free Trade Agreements.

Training workshop on the Cost-Benefit Analysis of Free Trade Agreements (FTAs) from 7-8 November 2022 in Islamabad, Pakistan.

The Second Phase of the Aid for Trade Initiative for the Arab States (AfTIAS 2.0) Program

The Aid for Trade Initiative for the Arab States (AfTIAS) Program is a multi-donor, multi-country and multi-agency program managed by the International Islamic Trade Finance Corporation (ITFC) on behalf of the Islamic Development Bank (IsDB) Group.

The second phase of the Program, AfTIAS 2.0, which was launched on 27 October 2021, will be implemented from 2021 to 2026. To date, US$ 15.5 million has been mobilized from the Kingdom of Saudi Arabia (KSA), the Arab Republic of Egypt, the Islamic Republic of Mauritania, the People's Democratic Republic of Algeria, the Arab Organization for Agricultural Development (AOAD), the Islamic Development Bank (IsDB), the International Islamic Trade Finance Corporation (ITFC), and the Trade Development Fund (TDF).

AfTIAS 2.0 Program operates on the basis of five main facilities:

1. The Trade Development and Competitiveness facility;
2. The Inclusivity Support facility for disadvantaged groups – the poor, women, youth, and refugees and internally displaced persons;
3. The Regional Investment Proposal Preparation facility (RIPPF);
4. The Reverse Linkage facility, through a technical cooperation mechanism; and
5. Research and Surveys facility, which provides research necessary for the operation of AfTIAS 2.0.

Integrating Trade Finance and Trade Development

Since the inception of its 10-Year Strategy in 2017, ITFC has stepped up its efforts to support more resilient, inclusive, and sustainable development within the OIC region and beyond. Through its Integrated Trade Solutions (ITS), which combines trade finance with trade development, ITFC designed and implemented technical assistance projects to address some of the trade development issues and challenges for its selected Member Countries and key partners. Some of the key Integrated Trade Solutions (ITS) projects conducted during 2022 are underlined below:

Islamic Trade Finance Workshop in Turkmenistan

ITFC together with the State Bank for Foreign Economic Affairs of Turkmenistan (SBFEAT), organized a three-day workshop for local financial institutions and relevant public enterprises in Turkmenistan. The workshop aimed to promote Islamic finance and enhance trade opportunities in Turkmenistan and served as a platform to share knowledge and exchange ideas by bringing together representatives from government, non-government and private organizations.

Capacity Building for Women Entrepreneurs in Egypt – Promotion of Trade in Traditional and Handicraft Sectors

ITFC, jointly with the Ministry of Planning and Economic Development and the Medium, Small and Micro Enterprises Development Agency (MSMEDA), is conducting a technical assistance program to support inclusive economic growth and business development in Egypt for 50 women entrepreneurs to benefit from various capacity building, trade, and export promotion capacity development activities.

Indonesia Coffee Export Development Program (Phase 2)

ITFC, in partnership with the Sustainable Coffee Platform of Indonesia (SCOPI) has commenced the implementation of the second phase of its Indonesia Coffee Export Development Program in October 2021 as part of a five-year program designed to address the common challenges faced in selected Aceh and North Sumatra provinces - the two highest Arabica coffee-producing provinces in Indonesia.

The program has emerged from the needs and demands of producers, regional and national governments, and private companies along the value chain to support a more sustainable coffee sector. The program components involve provision of trainings to enhance knowledge and compliance with Good Agricultural Practices (GAP), increase average yield from current 700 - 750 Kilogram per hectare up to over 1000 Kilograms per hectare, improve the quality of production at the coffee farm level, and support the livelihoods of farmers through both supporting domestic production as well as enhancing cross-border trade.

BOX 5

ITFC and SCOPI Partner to Boost Indonesia's Coffee Trades and Exports

ITFC has partnered with the Sustainable Coffee Platform of Indonesia (SCOPI), to run a Master Trainer Upgrade Program (MUG). The MUG Program commenced in October 2021 and will end in September 2026, focusing on Central Aceh and Karo Regency. The program aims to achieve sustainable and impactful increase in the quantity and quality of coffee yields in Indonesia (targeting productivity increases of 15% at the end of the program) by extending capacity building for Master Trainers (MT) and promoting GAP to coffee farmers. The expected impact of the MUG Program is increasing smallholder farmers' productivity and income and ultimately boosting Indonesia's coffee trade and exports.

"Through the sustainable coffee training on Good Agriculture Practices (GAP) in the first year of the Master Trainer Upgrade (MUG) program, coffee farmers have realized how to maximize local resources for agri-inputs amid pricing uncertainties. Success stories from trained farmers automatically spread and inspire farmers in other areas to amplify the impact of sustainable coffee practices. Farmers need interventions in accessing the specialty coffee market in the future. The role of Master Trainers (MT) in assisting farmers can be optimized. With easy market access, farmers will be encouraged to enhance coffee productivity and quality."

Salman Pedemun
Master Trainer (MT) SCOPI of
Central Aceh Regency

Building Capacity and Supporting Transformation to International Financial Reporting Standards (IFRS) in Uzbekistan

Through ITFC's Integrated Trade Solutions (ITS), two banks in Uzbekistan - Turonbank and Agrobank - have been conducting relevant activities to upgrade their financial reporting system. Through adoption of the International Financial Reporting System (IFRS), the respective banks are expected to benefit from better accounting standards, greater transparency, improved investor confidence and extended debt financing.

Automated Warehouse Accounting and Workflow System in Tajikistan

Under the Integrated Trade Solutions (ITS) framework, ITFC has been supporting the ASMR (Agency on State Material Reserve (ASMR), which is tasked to support industries by intervening in the commodity market to close supply shortages and regulate and stabilize prices in Tajikistan. The aim is to automate warehouse accounting and workflow systems to improve the accounting and management method of Tajikistan's state reserve system. The full implementation of the project is expected to improve the efficiency of the accounting system by 40-50%, the personnel management system by 40% and the document management system by up to 65%.

Supporting SME and Private Sector Development

ITFC SME Program

WEST AFRICA SMEs PROGRAM

West Africa SMEs Program – Cote d'Ivoire

The West Africa (WA) SME Program is designed to offset the trade finance gap for SMEs and facilitate access to finance. It aims to have a positive impact both on banks and SMEs alike. For Banks, it will increase the offering of trade finance products, provide training and SMEs assessment tools to start or strengthen their SMEs lending practices. For SMEs, it will substantially increase the access to financing and build their capacity to decrease default rate on bank loans. After Burkina Faso in 2018-2019 and Senegal in 2020-2021, the West Africa SME Program has opened a new chapter in Côte d'Ivoire in 2021, in partnership with Bridge Bank, Agence Côte d'Ivoire PME and the Fonds de Garantie des Credits aux PME. The program will support access to finance to 120 SMEs over the course of 2022 and 2023.

برنامج تمكين أنشطة
التصدير للمنشآت الصغيرة
والمتوسطة في المملكة
العربية السعودية

SMEs Export Empowerment Program in KSA

One of the key objectives of Saudi Vision 2030 is to increase the contribution of small and medium enterprises (SMEs) to the Saudi GDP from a baseline of 20% to 35% by 2030. International expansion and export development is undoubtedly an effective method of expanding the Saudi SMEs sector. ITFC together with the Saudi Export and Import Bank (Saudi EXIM Bank), and the General Authority for Small and Medium Enterprises (Monsha'at) signed a Tripartite Memorandum of Understanding (MoU) in April 2022 to launch the KSA SME Development Program to increase non-oil exports through trade finance facilities and capacity-building initiatives for enterprises participating in the Program.

The program consists of the following four components:

- Export Finance
- Capacity Building
- Market Access
- Advisory Services

One of the first deliverables within the program was an introductory capacity building workshop in Riyadh in November 2022, focusing on export development essentials for Saudi SMEs with high growth potential.

Journey to Export Capacity Building Workshop
in Riyadh in November 2022

Advisory

ITFC has envisioned the establishment of an Advisory Services function that will offer expert Islamic financing and trade related advisory services to sovereigns and private sector entities in OIC Member Countries. Advisory Services will focus on the OIC Member Countries as the primary target market, where it will actively expend relationship-building, awareness and credential-building efforts, aimed at augmenting ITFC's vision in the market as the 'Leading Provider of Trade.

ITFC will offer 17 identified products and services to sovereign and private sector entities across multiple areas including trade policy reform, export initiatives, SME development, Islamic financing organizational setup, Islamic finance product development, risk and compliance assurance advisory, trade and operations process optimization, international trade structuring, digitalization, and sustainability amongst others.

Trade Related Technical Assistance (TRTA)

Guinea Reverse Linkages

This project supports enhancement of Guinea's mango and cashew nuts sectors through the Reverse Linkage mechanism, a technical cooperation arrangement introduced by the Islamic Development Bank Group (IsDB) to facilitate the transfer of knowledge and expertise, as well as sharing of best practices amongst partnering OIC Member States. Three inter-professional organizations in Kindia, Kankan and Boke have been established. It has also allowed immersion visits by export associations and national institutions, including the Agence Guineene pour la Promotion des Exportations (AGUIPEX) in Tunisia. Additionally, it will help reduce food losses and increase value along the value chain through acquisition and distribution of mango dryers to producer cooperatives in Kankan and Kindia.

BOX 6

Co-funding for Trade related Technical Assistance projects in Cameroon and Pakistan (TA)

ITFC, through its funding, has enabled the Commonwealth Secretariat to increase its trade competitiveness technical assistance support to two countries in 2022 with an ongoing partnership to expand the scope of the collaboration. The Commonwealth Secretariat has collaborated by co-funding the following TA projects, delivered in 2022.

1. Training provided to 30 Ministry of Commerce officials in Pakistan to enhance their technical capabilities to undertake trade policy negotiations and empirical analysis of the costs and benefits of Free Trade Agreements. It will help Pakistan in building strong trade relationships with its key trade partner countries.

2. Digital boot camp training provided to build the capacity of 100 women owned MSMEs in the areas of digital trade and e-commerce/online sales in Cameroon. It will allow the beneficiary enterprises build strong commercial relationship with their online customers and reach new customers in local and global value chains.

Rt. Hon Patricia Scotland,
Secretary General of Commonwealth

Women Economic Empowerment Initiatives

She Trades Egypt

SheTrades Egypt was launched in 2020 within the framework of the Aid for Trade Initiative of the Arab States (AfTIAS) program and with the support of the Islamic Development Bank (IsDB). The project was implemented by the International Trade Center (ITC) in collaboration with ITFC, IsDB, the Ministry of trade and Industry, Egypt Export Development Authority (EDA), Egypt Businesswomen Council and Egypt Handicrafts Export Council. The project aims to integrate Egyptian women-owned SMEs in the handicrafts sector into domestic and global value chains, enabling them to access new markets. A total of 35 women-owned SMEs are now equipped with the required skills in design, quality, packaging, marketing, access to finance and pricing to meet buyer requirements.

SheTrades Morocco

SheTrades Morocco has helped businesswomen boost their export capacity in the processed foods sector by producing value-added products in line with market requirements and linking them with targeted buyers through networking and business linkage events. Twenty-five selected Moroccan women-owned small and medium-sized enterprises (MSMEs) learnt to design and implement new marketing strategies to effectively position their products in local, regional and international markets. They also participated in one of the largest food products trade shows in the world, the Salon International de l'Alimentation (SIAL). The project also targeted Morocco's Investment and Trade Agency (AMDIE), the Association of Women Entrepreneurs of Morocco (AFEM), the National Federation of Agribusiness (FENAGRI) and the Moroccan Association of Exporters (ASMEX). These institutions were trained to upgrade their technical skills and know-how to provide better, effective and efficient business services to Moroccan women-owned small businesses.

SheTrades Morocco closing ceremony, Casablanca, 21 October 2022

Cameroon Digital Bootcamp

The Commonwealth Secretariat has partnered with the Islamic Trade Finance Corporation (ITFC) and Cameroon's Ministry of Trade to deliver the first of a series of digital boot camp training workshops to build the capacity of women-owned MSMEs across the west central African country.

The first of a series of two workshops was held in Douala between 9 August and 11 August 2022 and focused on building the innovative skills of women-owned MSMEs operating in agribusiness, including agro-processing, wholesale and retail trade, education, health and social services, arts and crafts, events management, food, and beverage, hospitality, and tourism. The second workshop is planned to be held in Yaounde in early 2023, with approximately 100 women owned MSMEs expected to be beneficiaries of the partnership with ITFC.

Cameroon Digital Bootcamp, Douala, 9 August 2022

Trade Development Funding Mechanisms

TRADE DEVELOPMENT FUND

The Trade Development Fund (TDFD) is a Waqf based fund, managed by ITFC, which aims to provide sustainable financial resources to support the design and implementation of Trade Development activities and projects in Member Countries. The Fund was established in 2018 and commenced operations in January 2020. The Fund aims to provide resources for the design and delivery of charitable trade-related interventions. Outcomes in 2022 include:

1. Establishment of a production facility to produce quality microfiber bedcovers for the local market as a starting point. It will support up to 100 unemployed women on a full and part time basis in rural areas in Egypt. This project was initiated and executed in collaboration with Misr El Kheir Foundation.

2. Provision of trade-related training on export strategies and international marketing with several foundations in KSA in terms of offering human and institutional building to enhance their ability to market their products.

Significant progress had been made in finalizing the investment directive that guides the investment of the Fund's capital to maximize returns while preserving capital. In 2021 and 2022, TDFD was able to invest its assets in relatively high-yielding financial instruments (Sukuk and Trade Finance Transactions), thus enhancing returns.

Innovation & Digitalization

ITFC recognizes that innovation is a key driving force for sustainability, growth, and leadership positioning. This includes digitalizing of existing businesses as well as leveraging innovation and digitalization to create new business opportunities that enhance and diversify ITFC income.

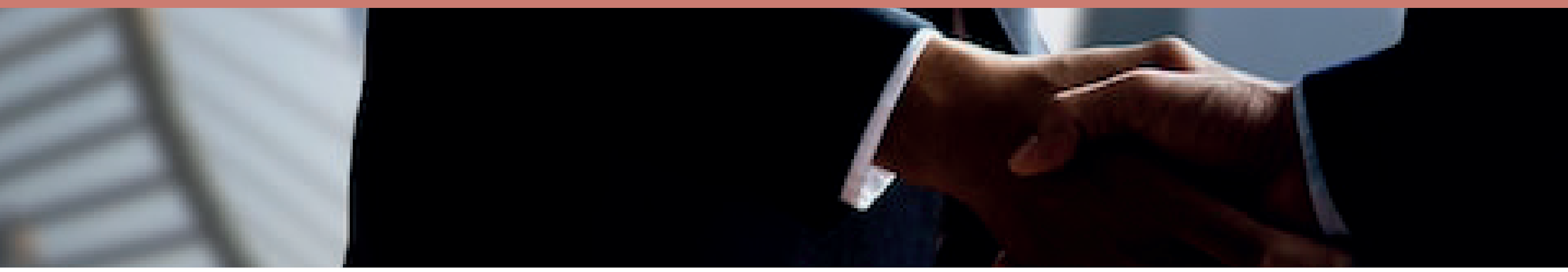
ITFC won the award for the 'Outstanding Use of Technology – Paperless Initiative' category at the MEA Innovation Awards 2022 held virtually on March 31, 2022. The award recognized ITFC's commitment to digitization and the promotion of innovation and paperless transactions in the banking and finance sectors.

ITFC finances Sofitex's cotton exports from Burkina Faso to Asia through European traders. The paper-based shipping documents are circulated among stakeholders via courier, which is costly and inefficient. The problem was exacerbated by Covid and very often the shipment arrives before the documents, which could lead to demurrage charges.

ITFC partnered with Bolero to use its digital platform solution that caters for electronic circulation of shipping documents in a secure, transparent and efficient manner, reducing transaction time from up to 21 days to just 5 days including payment processes.

05

STRENGTHENING PARTNERSHIPS & SYNERGY



Partnership with FIs - Building SME and Private Sector Resilience

The private sector plays a critical role in economic growth, job creation and poverty alleviation. The importance of SMEs in this regard is even more pronounced in OIC Member Countries as they are estimated to account for more than 90 % of jobs created and contribute on average 50 % to Member Countries' GDP. Despite their significant contribution to job creation and economic growth, SMEs and the private sector have consistently cited access to finance as one of their biggest challenges to reaching their full potential.

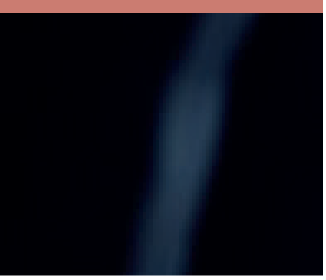
ITFC supports the development of the private sector in OIC Member Countries by delivering integrated trade solutions programs through partnership with local banks and FIs to extend funded and unfunded financing solutions for the benefit of SMEs and the private sector. Funded transactions are supported primarily through ITFC's Line of Financing and Murabaha Financing schemes while unfunded transactions are supported by LC confirmation products, which are expected to significantly impact ITFC's diversification strategy going forward in terms of volume of transactions and income.

In 2022, ITFC added eight new banks to its list of partner institutions in Member Countries, bringing the total number of ITFC partner banks to 36 as of end of 2022. Total financing approved for SMEs and the private sector in 2022 was $757 million, a 10 % increase from the prior year.

During 2022, ITFC committed US$ 996.0 million to local banks, and disbursed $670 million under the committed amount, for the recovery of SMEs and other private sector clients as part of the Islamic Development Bank Group's US$ 2.3 billion 3Rs (Respond, Restore, Restart) Strategic Preparedness and Response Program (SPRP) for the COVID-19 pandemic. ITFC's financing under the R2 initiative will continue to grow in the coming years to help SMEs and the private sector mitigate the economic impact of the pandemic.

Apart from FIs, ITFC also extended trade financing facilities to corporate clients whose manufacturing and export business contributed to job creation and earning of precious foreign exchange for the countries where these companies are domiciled. Furthermore, through its Integrated Trade Solutions offering, ITFC is also promoting shariah compliant trade financing in Member Countries. In 2022, ITFC organized Islamic Trade Finance training programs for commercial banks and central banks in various Member Countries.

Treasury Leveraging Partnerships with Financial Institutions



While ITFC Member Countries were still recovering, at varying pace, from the economic and social impact of the COVID-19 pandemic and disruption of supply chains around the world, the ensuing Russia-Ukraine war in late February 2022 significantly affected the supply of basic food commodities, such as wheat, and fuel, causing soaring prices not experienced for more than a decade.
While these disruptions severely affected ITFC Member Countries, financial markets had begun to regain momentum. ITFC has continued to support recovery in these markets, strengthening existing partnerships and building new one with financial institutions.

Leading Global Islamic Syndications Through Trade Partnerships

Throughout the year, ITFC continued to strengthen its relationship with syndicate partners who demonstrated perseverance and commitment to support ITFC's Member Countries and at the same time continued to pursue relationships. ITFC leverages international funding through Shariah compliant instruments, the most active of which is Syndication, which helps in the mobilization of funds to support trade financing in favor of Member Countries.

This year ITFC has been ranked by Refinitiv as the Top Bookrunner and leading Mandated Lead Arranger in Global Islamic Financing league tables. ITFC also ranked among the Top 2 Bookrunner and Mandated Lead Arrangers on the Bloomberg Islamic Financing League Tables.

Islamic Financing League Table
Top Bookrunner and MLA

2022: # 2
2021: # 1

Islamic Finance League Table
Top Bookrunner and MLA

2022: # 1
2021: # 1

This assessment of ITFC's syndicated trade finance operations recognizes the institution's leadership role in mobilizing capital from a diverse spectrum of investors and financial institutions for the Member Countries' financing needs. ITFC's syndications were successful and closed with volumes that far surpassed all initial projections and expectations as a result of these intense efforts.

As a fruit of these intensive efforts, ITFC's syndications that were raised successful and closed with volumes that far surpassed all initial projections and expectations. The participations coming from syndicate partners resulted in ITFC's Syndicated financing during 2022 is around:

US$ 5,517 million

to fund **38 operations**

in **14 member states**

The mobilized funds from the market represent 65% of the total trade financing provided by ITFC this year.

Leveraging Capital for Sustainable Business Model

The global recovery continued, but with the momentum slowing which raised uncertainty in financial markets regarding the inflation and interest rate policies. ITFC's strategy is to structure its leveraging activity in a manner to ensure sustainable funding of the growth of its trade finance portfolio.

The year 2022 proved to be a milestone as ITFC was encouraged to focus on building the internal capacity, exerting more efforts to expand the network of dependable treasury partners, as well as borrowing actively from the markets to establish ITFC's name as a solid and trustworthy borrower. ITFC was able to establish several new borrowing lines, introduced new borrowing instruments (committed contingent liquidity facility, and Islamic repos). Moreover, ITFC diversified its revenue streams generated from treasury activities.

In 2022, ITFC was able to borrow at better rates and volumes, confirming the confidence and trust of the treasury partners have for ITFC.

During this year, the ITFC continued to adhere to its prudent liquidity policy which has been praised by the rating agency and was among the key reasons that support the high credit rating enjoyed by ITFC.

Strengthening ITFC's Position in the Financial Markets

The disruptions caused by COVID-19 over the past three years have highlighted the need for new ways of working. ITFC's Investment function, introduced in the last year, covers a vast range of financial instruments designed to increase financial market liquidity in Member Countries, while enhancing ITFC's capabilities and overall engagement with financial markets.

ITFC has since made strides to connect with Member Countries and treasury partners to strengthen participation in the development of innovative financial markets structures with greener, more inclusive solutions.

IsDB Group Synergy

The IsDB Group entities have established a Technical Coordination Committee (TCC) and relevant business sub-teams under the TCC working in the areas of co-financing opportunities, and exchange of business pipelines and treasury activities. These are embodied in each entity's work program with joint Key Performance Indicators (KPIs), and quarterly meetings with the Chief Executive Officer to review progress.

ITFC focused on creating value synergies across the TCC, especially on cross-selling through joint products. ITFC has shared 28 financing deals and nine engagements with ICD and ICIEC in 2022 out of which 12 financing deals have been approved and nine joint activities organized. ITFC and ICD extended financing to cover the short and medium-term needs of members respectively, while ICIEC complemented ITFC financing with insurance cover.

The IsDB Board of Executive Directors has mandated the Chairman of the IsDB Group to drive the implementation of the Group Synergy Enhancement Agenda (GSA), leveraging the success of the TCC and the vision of the Chairman materialized through the motto "One Group, One Goal". ITFC has played an important role as the chair of the Group Synergy Facilitation Team

(GSFT), established to ensure the successful planning and implementation of the GSA in 2022, and has continued to actively contribute towards strengthening group synergy efforts across other platforms established by the IsDB, including the High-level Committee (HLC), and various Working Groups (WG) amongst others.

IsDB and Group Entities were key partners in the implementation of all ITFC Flagship Trade Development Programs including AfTIAS 2.0 and the AATB Program, bringing a holistic approach to trade development across the IsDB Group in 2022.

IsDB Group's Food Security Response Program (FSRP)

As part of the IsDB Group's Food Security Response Program, ITFC targets to provide US$4.5 billion over the coming 3.5 years (2022 July-2025) to address the immediate needs of Member Countries, including access and affordability of food staples. Key response initiatives include the design of capacity-building and technical assistance programs to mitigate food security challenges in Member Countries.

In 2022, ITFC approved 15 operations worth US$1.8 billion, which is 50% above the target set for that year. Total disbursements for these operations reached US$366 million. ITFC's financing under the FSRP was a balanced portfolio between the strategic import commodities (such as grains, edible oils, fertilizers, and other agriculture inputs) and the support of key export commodities.

06

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2022 (7 Jumada'II 1444H)

Deloitte and Touche & Co.
Chartered Accountants
Jeddah branch office
License #323/11/96/1
Date 24/4/1419
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The International Islamic Trade Finance Corporation (the "Corporation"), which comprise the statement of financial position as of December 31, 2022, and the related statement of income, statement of changes in members' equity, statement of cash flows and statement of changes in off-balance sheet assets under management for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022, and the results of its operations, changes in members' equity, its cash flows and changes in off-balance sheet assets under management for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

In our opinion, the Corporation has also complied with the Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Islamic Development Bank Group during the period under audit.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code"), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

These financial statements and the Corporation's undertaking to operate in accordance with Shari'ah Rules and Principles are the responsibility of the Corporation's management and the Board of Directors.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Accounting Standards issued by AAOIFI and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Deloitte.

Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT - Continued

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Auditing Standards for Islamic Financial Institutions issued by AAOIFI 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 financial statements.

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation'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 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 Corporation to cease to continue as a going concern.

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

Deloitte.

Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT - Continued

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

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

Deloitte and Touche & Co.
Chartered Accountants

Waleed Bin Moha'd. Sobahi
Certified Public Accountant
License No. 378

Shawwal 7, 1444H
April 27, 2023

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(Expressed in Thousands of US Dollars unless otherwise stated)

	Notes	**2022**	2021
ASSETS			
Cash and cash equivalents	4	**130,273**	127,955
Wakala placements (due from)	4a	**20,000**	25,000
Commodity murabaha placements (due from)	4b	**20,000**	20,000
Trade murabaha financing, net	6	**831,285**	790,240
Investments in sukuk	5 & 7	**363,794**	321,512
Accrued income and other assets	8	**12,084**	11,300
Property and equipment		**947**	1,003
TOTAL ASSETS		**1,378,383**	1,297,010
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Accruals and other liabilities	9	**29,747**	31,261
Due to related parties	10	**1,920**	3,495
Commodity murabaha payable	11	**288,678**	223,691
Employee benefit liabilities	12	**10,370**	36,915
TOTAL LIABILITIES		**330,715**	295,362
MEMBERS' EQUITY			
Paid-up capital	13	**746,318**	745,596
Paid-up share premium	13	**8,758**	8,540
General reserve	14	**325,642**	274,731
Actuarial losses on employee benefit liabilities		**(2,997)**	(29,172)
Fair value reserve		**(30,053)**	1,953
TOTAL MEMBERS' EQUITY		**1,047,668**	1,001,648
TOTAL LIABILITIES AND MEMBERS' EQUITY		**1,378,383**	1,297,010
UNDISBURSED COMMITMENTS	16		

The accompanying notes from 1 to 25 form an integral part of these financial statements

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of US Dollars unless otherwise stated)

	Notes	2022	2021
INCOME FROM:			
Trade murabaha financing		**37,205**	25,377
Mudarib share of profit		**7,747**	7,496
Syndication arrangement fee		**9,483**	9,115
Implementation fees		**13,623**	12,848
Letter of credit issuance fees		**16,001**	9,521
Investment income from sukuk		**9,156**	6,611
Income from commodity murabaha placements		**1,843**	631
Income from Wakala placements		**1,023**	361
Trade finance services		**917**	1,137
Advisory and other income		**20**	215
Foreign currency (loss)/ gain		**(46)**	345
		96,972	73,657
Financing cost		**(2,547)**	(675)
NET INCOME BEFORE EXPENSES		**94,425**	72,982
EXPENSES:			
Staff costs		**(30,108)**	(29,170)
Other administrative expenses	15	**(9,376)**	(8,208)
Depreciation		**(549)**	(587)
		(40,033)	(37,965)
Impairment allowance on financial assets	20	**(10,519)**	(4,064)
Recovery against written off receivables	6	**10,287**	-
NET INCOME		**54,160**	30,953

The accompanying notes from 1 to 25 form an integral part of these financial statements

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF CHANGES IN MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of US Dollars unless otherwise stated)

	Paid-up Capital	Paid-up share premium	General reserve	Actuarial deficit on employee benefit liabilities	Fair value reserve	Total members' equity
January 1, 2021	745,170	8,438	247,778	(31,616)	5,537	975,307
Actuarial gain on employee benefit liabilities	-		-	2,444	-	2,444
Capital contributed	426	102	-	-	-	528
Grant for the Corporation's trade business initiative (note 14)	-	-	(4,000)	-	-	(4,000)
Changes in sukuk fair value reserve (note 7)	-	-	-	-	(3,584)	(3,584)
Net income	-	-	30,953	-	-	30,953
December 31, 2021	**745,596**	**8,540**	**274,731**	**(29,172)**	**1,953**	**1,001,648**
Actuarial gain on employee benefit liabilities	**-**	**-**	**-**	**26,175**	**-**	**26,175**
Capital contributed	**722**	**218**				**940**
Grant for the Corporation's trade business initiative (note 14)	**-**	**-**	**(3,249)**	**-**	**-**	**(3,249)**
Changes in Sukuk fair value reserve (note 7)	**-**	**-**	**-**	**-**	**(32,006)**	**(32,006)**
Net income	**-**	**-**	**54,160**	**-**	**-**	**54,160**
December 31, 2022	**746,318**	**8,758**	**325,642**	**(2,997)**	**(30,053)**	**1,047,668**

The accompanying notes from 1 to 25 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of US Dollars unless otherwise stated)

	2022	2021
Cash flows from operating activities:		
Net income for the year	**54,160**	30,953
Adjustments for:		
Depreciation	**549**	587
Impairment allowance on financial assets excluding cash and cash equivalent	**10,519**	4,467
Grant accrual for the Corporation's trade business initiative	**3,249**	2,000
Cost of employee benefit liabilities	**2,770**	4,058
Realized loss / (gain) on disposal of sukuk	**108**	(737)
	71,355	41,328
Changes in operating assets and liabilities:		
Trade murabaha financing	**(47,381)**	(31,640)
Accrued income and other assets	**(784)**	(3,205)
Due to related parties	**(1,575)**	1,076
Accruals and other liabilities	**(4,763)**	15,677
Cash generated from operations	**16,852**	23,236
Employer contribution paid	**(3,140)**	(2,455)
Net cash generated from operating activities	**13,712**	20,781
Cash flows from investing activities:		
Investments in sukuk	**(101,016)**	(228,390)
Proceeds from disposal of sukuk	**22,423**	58,284
Commodity murabaha placement (due from)	**-**	(10,000)
Wakala placement (due from)	**5,000**	(15,000)
Purchase of property and equipment	**(493)**	(110)
Net cash used in investing activities	**(74,086)**	(195,216)
Cash flows from financing activities:		
Capital contribution	**940**	528
Grant for the Corporation's trade business initiative	**(3,249)**	(4,000)
Commodity murabaha payable	**64,987**	108,464
Net cash from financing activities	**62,678**	104,992
Net change in cash and cash equivalents	**2,304**	(69,443)
Cash and cash equivalents, January 1	**127,955**	197,398
Reversal of impairment allowance on cash and cash equivalents	**14**	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	**130,273**	127,955

The accompanying notes from 1 to 25 form an integral part of these financial statements

STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT
YEAR ENDED DECEMBER 31, 2022
(Expressed in Thousands of US Dollars unless otherwise stated)

	Notes	**January 1, 2022**	**Additions**	**Net disposals/ withdrawals**	**Mudarib's share of profit**	**Agency fee**	**December 31, 2022**
Net assets managed on behalf of syndication members	23	**3,274,473**	**6,035,037**	**(4,283,156)**	**7,747**	**-**	**5,034,101**
Net assets managed on behalf of Saudi Exim Bank	23	**216,956**	**3,255**	**-**	**-**	**(917)**	**219,294**
Net assets managed on behalf of Muwakkil	23	**11,721**	**78,490**	**(90,211)**	**-**	**-**	**-**
Total		**3,503,150**	**6,116,782**	**(4,373,367)**	**7,747**	**(917)**	**5,253,395**

	Notes	January 1, 2021	Additions	Net disposals/ withdrawals	Mudarib's share of profit	Agency fee	December 31, 2021
Net assets managed on behalf of syndication members	23	2,167,838	3,996,862	(2,897,723)	7,496	-	3,274,473
Net assets managed on behalf of Saudi Exim Bank	23	216,009	2,084	-	-	(1,137)	216,956
Net assets managed on behalf of Muwakkil	23	16,025	12,958	(17,262)	-	-	11,721
Total		2,399,872	4,011,904	(2,914,985)	7,496	(1,137)	3,503,150

The accompanying notes from 1 to 25 form an integral part of these financial statements

1. ORGANIZATION AND ACTIVITIES

The International Islamic Trade Finance Corporation (the "Corporation" or "ITFC") was established, pursuant to the decision taken by the Board of Governors ("BOG") of the Islamic Development Bank ("IsDB" or the "Bank") in their 30th meeting held on 24 June 2005 (17 Jumada-al-Awwal 1426H). The Corporation is governed by the terms of the Articles of Agreement of the Corporation. The Corporation is an international organization and derives its legal personality from public international law. As a result, it is able to enter into contracts, acquire and dispose of property, and take legal action. As an international institution, the Corporation is not subject to any external regulatory authority.

The purpose of the Corporation is to promote trade of member countries of the Organization of the Islamic Cooperation through providing trade finance and engaging in activities that facilitate intra-trade and international trade. Most the Corporation's operational assets are considered sovereign debts made to or guaranteed by the respective member countries or investments in member countries, which are guaranteed in a manner acceptable to the Corporation.

The Corporation carries out its business activities from the Bank's headquarters in Jeddah, Saudi Arabia. The financial statements of the Corporation are expressed in thousands of United States Dollars ("USD").

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and the Shari'ah rules and principles as determined by the Shari'ah Board of the Bank. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standard exists, the Corporation seeks guidance from generally accepted accounting principles as per the conceptual framework of AAOIFI provided they do not contradict the Rules and Principles of Islamic Shari'ah.

The financial statements are prepared under the historic cost convention except for the following items:

- Investments in Sukuk which are measured at fair value through equity.
- Employee benefit liabilities is measured using actuarial present value calculation based on projected unit credit method.

Accounting policies

a) Foreign currency

(i) Functional and presentation currency
These financial statements are presented in thousands of United States Dollars ("USD") which is the functional and presentation currency of the Corporation.

(ii) Transactions and balances
Foreign currency transactions are translated into USD 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 of monetary assets and liabilities denominated in foreign currencies at the reporting date exchange rates are recognized in the statement of income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate at the date of initial recognition.

b) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and other short term highly liquid investments having an original maturity of three months or less at the date of placement.

c) Wakala/Commodity murabaha placements (Due from)

- Commodity murabaha placements are made in Shari'ah compliant instruments with banks at a fixed profit. The buying and selling of commodities are limited by the terms of agreement between the Corporation and the various banks. The placements are initially recorded at cost, including acquisition charges and subsequently measured at cost less impairment (if any).
- The Wakala placements are accounted for under the Wakala Venture approach whereby the principal (hereinafter referred to as the "Muwakkil") initially recognizes the investment at cost and subsequently adjusts it to include Muwakkil's share in the profit or loss of the Wakala venture net of any agent's remuneration including any variable remuneration payable as of the reporting date.

d) Al-Wakala Bi Al-Istithmar

Al-Wakala Bi Al-Istithmar is used as a short to medium- and long-term working capital financing tool. The Corporation, in its capacity as the principal (hereinafter referred to as the "Muwakkil") appoints the client as its agent (hereinafter referred to as the "Wakil") to manage the investment amount (hereinafter referred to as the "Investment amount") in Shari'ah compliant activities that may be entered into, as agreed, by the Wakil on behalf of the Muwakkil. The prime objective of making such an investment is to generate profit from the business activities and get the Investment Amount paid back along with the profit amount, if any, on the investment maturity date based on the anticipated profit rate on the investments.

e) Trade murabaha financing

Trade murabaha is an agreement whereby the Corporation sells to a customer a commodity or an asset, which the Corporation has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.

Amounts receivable from trade murabaha financing are stated at the cost of goods sold or disbursements made to the beneficiaries plus profit recognized by the Corporation up to the reporting date, less repayments received and expected credit losses.

Unearned income represents the unamortized portion of total trade murabaha financing income committed at the time of actual disbursement of funds.

Commodities under trade murabaha are stated at cost, less impairment, if any.

f) Investments in sukuk

Investments in sukuk are classified at fair value through equity.

These investments are initially recognized at fair value plus transaction costs at the date the contract is entered and are subsequently re-measured to their fair value at the end of each reporting period with the resulting gain or loss recognized in the statement of changes in members' equity.

The Corporation exercises judgment to consider impairment on the financial assets including investments held at fair value through members' equity, at each reporting date. This includes determination of a significant or prolonged decline in the fair value of investments below cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Corporation evaluates among other factors, the normal volatility in share prices. In addition, the Corporation 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.

Any resulting impairment is recognized in statement of income.

g) Financial assets and liabilities

Financial assets and liabilities are recognized in the statement of financial position when the Corporation assumes related contractual rights or obligations.

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Corporation.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Corporation.

Financial assets comprise cash and cash equivalents, Wakala/Commodity murabaha placements (due from), trade murabaha financing, and investments in sukuk. These financial assets are measured at amortized cost less impairment except for investment in sukuk which are measured at fair value through members' equity.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include commodity murabaha payable and due to related parties and are initially measured at their values and thereafter stated at their costs.

h) Impairment of financial assets

Expected credit loss against financial assets held at amortized cost and at fair value through members' equity

The Corporation applies a three-stage approach to measuring Expected Credit Losses (ECLs) for financial assets measured at amortized cost and at fair value through members' equity. Financial assets migrate through the following three stages based on the change in credit risk since initial recognition.

i) Stage 1: 12-months ECL

Stage 1 includes financial assets that have not had a significant increase in credit risk (SICR) since initial recognition. The Corporation recognizes 12 months of ECL for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Corporation compares the risk of a default occurring on the financial asset as at the reporting date, with the risk of a default occurring on the financial asset as at the date of its initial recognition.

ii) *Stage 2: Lifetime ECL - not credit impaired*

Stage 2 comprises financial assets that have had a significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment. The Corporation recognizes lifetime ECL for stage 2 financial assets. For these exposures, the Corporation recognizes an allowance amount based on lifetime ECL (i.e. an allowance amount reflecting the remaining lifetime of the financial asset). A significant increase in credit risk is considered to have occurred when contractual payments are more than 180 days past due for sovereign assets and more than 90 days past due for non-sovereign assets.

iii) Stage 3: Lifetime ECL - credit impaired

Included in stage 3 are assets that have been categorized as credit impaired. The Corporation recognizes lifetime ECL for all net recoverable amount from the customer or from the resale of goods sold to that customer.

The expected credit loss allowance on financial assets at amortized cost is recognized in statement of income with corresponding effect to that financial asset. The expected credit loss allowance on financial assets at fair value through equity is recognized in statement of income with corresponding effect to fair value reserve of that asset in equity.

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 Corporation 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 FAS issued by AAOIFI, or for gains and losses arising from a group of similar transactions.

i) Fixed assets

Fixed assets are recorded at cost, less accumulated depreciation. Depreciation is charged to the statement of income, using the straight-line method, to allocate their cost to their residual values over the following estimated useful lives:

Office and computer equipment	4 years
Motor vehicles	5 years

Maintenance and repair costs which do not materiality extend the estimated useful life of an asset are expensed and charged to the statement of income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income.

j) Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably measured.

k) Revenue recognition

Trade murabaha financing
Income from trade murabaha financing is accrued on a time apportionment basis over the period from the date of the actual disbursement of funds to the scheduled repayment date of instalments.

Commodity murabaha placements
Income from placements is recognized on a time apportionment basis over the period from the actual disbursement of funds to the date of maturity.

Wakala placements
Income from placements is recognized on a time apportionment basis over the period from the actual disbursement of funds to the date of maturity.

Investments in sukuk
Income from investments in sukuk is accrued on a time apportionment basis using the rate of return advised by the issuing entities

Mudarib share of profit
Income from Mudarib's share of profit is recognized on a time apportionment basis over the period from when the right to receive payment is established to date of repayment of all the murabaha receivable.

Syndication arrangement income and implementation fee
Income from syndication arrangement and implementation fee is recognized when beneficiary and syndication arranger have agreed upon the syndication terms and conditions, and the financing facility is declared effective. As such, revenue is recognized at a point in time when related arrangement and implementation is completed

Letter of Credit issuance income
Letter of Credit fee income is recognized at a point in time when the related performance obligations are satisfied.

Earnings not approved by Shari'ah board
Any income from cash and cash equivalents and other investments, which is not approved by Shari'ah board, is not included in the Corporation's statement of income. Such income is transferred instantly to Trade Development Fund for onward disbursement to charitable needs, unless the Board of directors and Shari'ah Board decide otherwise

l) Zakat and income tax

The Corporation is not subject to Zakat or income tax. Any liability for zakat and income tax is the responsibility of the individual members.

m) Employee benefit liabilities

The Corporation 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.

Actuarial valuation results presented as of December 31, 2022 is based on a roll forward of the data as of 2021 (except for the SRMP plan actives, retirees and beneficiaries, data used to calculate their results are adjusted for the transfers to RMSP). For RMSP, a full valuation was performed based on data as of November 30, 2022. Movement during the month of December 2022 is not material to the financial statements.

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 income statement 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 statement of income in the period of plan amendment.

Actuarial gains or losses, if material, are recognized immediately in the reserves under members' equity in the year they occur. The pension liability is recognized as part of other liabilities in the statement of financial position. The liability represents the present value of the Corporation's defined benefit obligations, net of the fair value of plan assets.

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

n) Commodity murabaha payable

Commodity murabaha placements entails the purchase and sale of commodities at fixed profit. The buying and selling of commodities is limited by the terms of agreement between the Corporation and other Islamic and conventional financial institutions. Commodity murabaha placements are carried at amortized cost.

o) Wakala payable

A Wakala 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 investment Wakala agreement (the "Wakala").

The Corporation, acting as Wakeel decides in respect to the investments to be made from the Wakala Capital, subject to the terms of the Wakala agreement but in a fiduciary capacity and the Corporation bears no loss from and is not exposed to any variable returns except for the losses resulting from misconduct, negligence or violation of any of the terms of the Wakala agreements. Consequently, the Corporation does not control the underlying funds and therefore, does not recognize the Wakala capital and related investments on the statement of financial position.

Wakala fee is accrued on a time apportioned basis over the period of the contract based on the principal amounts outstanding.

Critical accounting judgements 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 Corporation'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:

Significant judgements

Business model assessment

Classification and measurement of financial assets depends on the results of the business model test. The Corporation determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Corporation monitors financial assets measured at fair value through equity. Monitoring is part of the Corporation's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Going concern

The Corporation's management has assessed the Corporation's ability to continue as a going concern and is satisfied that the Corporation has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Significant accounting estimates

Expected credit losses against financial 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 Corporation's Expected Credit Losses ("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:

i) The Corporation's internal credit grading model, which assigns PDs to the individual grades;
ii) The Corporation'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;
iii) Development of ECL models, including the various formulas and the choice of inputs
iv) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs and LGDs
v) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Employee benefit liabilities
The Corporation uses the projected unit credit method to determine the present value of its defined benefit plans and the related service costs. In this regard, the Corporation uses certain assumptions of discount rates, expected return on plan assets and rate of salary increases, which may differ from actual experiences. These estimates are updated on an annual basis and are subject to an evaluation by an independent actuary.

Effects of new and revised financial accounting standards

The following new FASs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements.

(i) Financial Accounting Standard – 36 "First Time Adoption of AAOIFI Financial Accounting Standards"

This standard provides principles of financial reporting for Islamic financial institutions, to be applied in the financial statements prepared for the first time according to the AAOIFI FASs, and to prescribe the transitional effects arising at the time of adoption.

There was no impact of the adoption of the above-mentioned standard on the Corporation as the Corporation has already adopted AAOIFI.

(ii) Financial Accounting Standard - 37 "Financial Reporting by Waqf Institutions"

This standard provides comprehensive accounting and financial reporting requirements for Waqf and similar institutions including general presentation and disclosures, specific presentation requirements (e.g. in case of Ghallah) and the key accounting treatments in respect of certain aspects specific to Waqf institutions.

There was no impact of the adoption of the above-mentioned standard on the Corporation as the Corporation is not a waqf or similar institution.

(iii) Financial Accounting Standard - 38 "Wa'ad, Khiyar and Tahawwut"

This standard intends to set out principles for measurement, recognition and disclosure of Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) transactions that are carried out by Islamic financial institutions.

There was no impact of the adoption of the above-mentioned standard on the Corporation as the Corporation does not engage in Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) transactions.

New and amended FAS in issue but not yet effective and not early adopted

At the date of authorization of these financial statements, the Corporation has not applied the following new and revised FAS that have been issued but are not yet effective:

(i) Financial Accounting Standard - 39 "Financial Reporting for Zakah"

This standard improves upon and supersedes the AAOIFI's FAS 9 "Zakah" issued in 1998. This standard aims at setting out the accounting treatment of Zakah in the books of an Islamic financial institutions.

This standard shall be applicable on the financial statements of the Corporation for the periods beginning on or after January 1, 2023.

FAS 39 shall not impact the financial statements as the Corporation is not zakah payer.

(ii) Financial Accounting Standard - 40 "Financial reporting for Islamic Finance Windows"

This standard improves upon and supersedes the AAOIFI's FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions" issued in 2002. This standard requires conventional financial institutions offering Islamic financial services through an Islamic finance window to prepare and present the financial statements of the Islamic finance window in line with the requirement of this standard, read with other AAOIFI FASs. This standard provides principles of financial reporting including the presentation and disclosure requirements applicable on Islamic finance windows.

This standard shall be applicable on the financial statements of the Corporation for the periods beginning on or after January 1, 2024.

FAS 40 shall not impact the financial statements as the Corporation is an Islamic finance institution.

(iii) Financial Accounting Standard - 1 (Revised 2022) "General Presentation and Disclosures in the Financial Statements"

The revised FAS 1 describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable on all the Islamic financial institutions and other institutions following AAOIFI FASs. This standard sets out the overall requirements for presentation of financial statements, the minimum requirements for the contents of the financial statements and a recommended structure of financial statements that facilitate faithful presentation in line with Shari'ah principles and rules and comparability with the institution's financial statements of previous periods, and the financial statements of other institutions.

This standard shall be effective on the financial statements of the institutions beginning on or after January 1, 2023 with early adoption permitted. The Corporation is currently evaluating the impact of this standard.

(iv) Financial Accounting Standard - 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 prescribes the set of financial statements that the institutions should periodically publish to satisfy the common information needs of users of financial statements. This standard also establishes the general principles for the presentation of information and adequately reflecting the rights and obligations of different stakeholders within Takaful business model. It stipulates the information that should be disclosed in the financial statements of Takaful institutions to achieve the objectives of accounting and financial reporting.

The standard shall be accompanied by, and read in conjunction with, FAS 43"Accounting for Takaful: Recognition and Measurement", which covers the significant aspects of accounting for Takaful products.

This standard shall be effective on the annual financial statements of the Takaful institutions beginning on or after 01 January 2025 with early adoption of the standard is permitted if adopted alongside FAS 43 "Accounting for Takaful: Recognition and Measurement", provided that FAS 1 "General Presentation and Disclosures in the Financial Statements" has already been adopted or is simultaneously adopted.

FAS 42 shall not impact the financial statements as the Corporation is not a Takaful institution.

(v) Financial Accounting Standard - 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.

(Expressed in Thousands of US Dollars unless otherwise stated)

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. Early adoption of the standard is permitted if adopted alongside FAS 42 "Presentation and Disclosure in the Financial Statements of Takaful institutions".

FAS 43 shall not impact the financial statements as the Corporation is not a Takaful institution.

3. IsDB GROUP SHARI'AH BOARD

The Corporation's business activities are subject to the supervision of the single Shari'ah Board of the IsDB Group. The members of the single Shari'ah Board of the IsDB Group have been appointed by IsDB Board of Executive Directors through Resolution No. BED/20/10/432/ (278)/125 for a renewable period of 3 years.

The Board of the Corporation through their resolution No. ITFC/BD/24/432(24)/5 delegated the authority to the President, IsDB Group, to implement the aforesaid Resolution of the IsDB BED, in the Corporation.

The functions of the Board include the following:

i. To consider all that are referred to it of transactions and products introduced by the Corporation for use for the first time and rule on its conformity with the principles of the Shari'ah, and to lay down the basic principles for the drafting of related contracts and other documents.
ii. To give its opinion on the Shari'ah alternatives to conventional products which the Corporation intends to use, and to lay down the basic principles for the drafting of related contracts and other documents, and to contribute to its development with a view to enhancing the Corporation's experience in this regard.
iii. To respond to the questions, enquiries and explications referred to it by the Board of Directors or the Management of the Corporation.
iv. To contribute to the Corporation's program for enhancing the awareness of its Staff Members of Islamic Banking and to deepen their understanding of the fundamentals, principles, rules and values relative to Islamic financial transactions.
v. To submit to the Board of Directors a comprehensive report showing the measure of the Corporation's commitment to principles of Shari'ah in the light of the opinions and directions given and the transactions reviewed.

4. CASH AND CASH EQUIVALENTS

	2022	2021
Cash at banks	**130,275**	95,971
Allowance for expected credit losses (4c)	**(2)**	(16)
	130,273	127,955

4a Wakala placements (due from) with original maturities of more than 3 months
Wakala placements are utilized in the purchase and sale of commodities. Trading is conducted by banks on behalf of the Corporation. The banks have discretion over buying and selling and investing the Corporation's funds, but this discretion is limited by the terms of the agreements between the Corporation and the banks, mainly relating to Shari'ah compliance. Since these placements are short-term maturing within a period of three months, therefore, the Corporation has applied Wakala Venture approach.

4b Commodity murabaha Placements (due from) with original maturities of more than 3 months
Commodity murabaha placements entails the purchase and sale of commodities at agreed profit rates. The buying and selling of commodities is limited by the terms of agreement between the Bank and other Islamic and conventional financial institutions.

(Expressed in Thousands of US Dollars unless otherwise stated)

4c Allowance for expected credit losses

As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Corporation's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

5. AL-WAKALA BI AL-ISTITHMAR

Pass through approach

Assets, equity reserves, revenues, and other comprehensive income are aggregated on a line-by-line basis in the financial statements. The aggregate amounts added in respective line items are:

	2022	2021
Investments in sukuk and related accrued income and other assets	**12,470**	14,735
Fair value reserve of sukuk held at fair value through equity	**(2,188)**	(203)
Investment income from sukuk	**314**	306

6. TRADE MURABAHA FINANCING, NET

a) Total receivable relating to financing are as follows:

	2022	2021
Net receivable under murabaha financing (note 6 (b))	**831,285**	784,731
Net receivable from commodities under murabaha (note 6 (c))	**-**	5,509
Trade murabaha financing, net	**831,285**	790,240

b) Receivable under murabaha financing

	2022	2021
Gross amounts receivable	**868,011**	817,225
Less: unearned income	**(30,459)**	(15,273)
	837,552	801,952
Receivable managed on behalf of investment account holder (Wakala arrangement)	**-**	(11,722)
Total murabaha receivable	**837,552**	790,230
Allowance for credit losses	**(6,267)**	(5,499)
Net receivable under murabaha financing	**831,285**	784,731

c) Commodities under murabaha – structured trade finance

	2022	2021
Total commodities under murabaha	**41,738**	41,679
Allowance for credit losses	**(41,738)**	(36,170)
Net receivable from commodities under murabaha	**-**	5,509

Net receivable from commodities under murabaha represented the estimated recoverable amount from sale of goods which were previously sold to a customer that later became delinquent and those goods are still under the possession of that customer. The Corporation has now recognized 100% provision against this receivable.

(Expressed in Thousands of US Dollars unless otherwise stated)

All goods purchased for resale under murabaha financing are made on the basis of specific purchase for resale to a specific customer. The promise of the customer is considered to be binding. Consequently, any loss suffered by the Corporation as a result of impairment of commodities or default by the customer prior to the sale of goods would be reimbursed by the customer. The Corporation also participates in syndicated murabaha financing as a lead syndicate manager. The net assets managed on behalf of syndicate member is presented in statement of changes in off-balance sheet assets under management.

The movement in the expected credit losses and exposure at default on trade murabaha financing at end of the reporting period is as follows:

Exposure at default

2022	**Stage 1: 12 - month ECL**	**Stage 2: Lifetime ECL not credit impaired**	**Stage 3: Lifetime ECL credit impaired**	**Total**
January 1	**790,230**	**-**	**41,679**	**831,909**
Net change for the year	**13,816**	**33,506**	**59**	**47,381**
December 31	**804,046**	**33,506**	**41,738**	**879,290**

Expected credit losses

2022	**Stage 1: 12 - month ECL**	**Stage 2: Lifetime ECL not credit impaired**	**Stage 3: Lifetime ECL credit impaired**	**Total**
January 1	**5,499**	**-**	**36,170**	**41,669**
Provision / (Reversal) during the year	**655**	**113**	**5,568**	**6,336**
December 31	**6,154**	**113**	**41,738**	**48,005**

Exposure at default

2021	Stage 1: 12 - month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total
January 1	759,023	-	41,667	800,690
Net change for the year	31,207	-	12	31,219
December 31	790,230	-	41,679	831,909

Expected credit losses

2021	Stage 1: 12 - month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total
January 1	8,219	-	29,807	38,026
Provision / (Reversal) during the year	(2,299)	-	6,363	4064
Reclassified to other financial assets	(421)	-	-	(421)
December 31	5,499	-	36,170	41,669

(Expressed in Thousands of US Dollars unless otherwise stated)

No income is accrued on the credit-impaired trade murabaha financing assets for the year ended December 31, 2022 and 2021.

During the year, the Corporation received an amount of USD 10.3 million as a partial recovery for trade murabaha receivable against the original receivable of USD 62.5 million which was originated in 2008 and subsequently written off in 2017.

There are no balances that are past due at the reporting date for which the Corporation has not recognized any allowance for expected credit losses.

7. INVESTMENTS IN SUKUK

The movement in investments in sukuk is summarized as follows:

	2022	2021
January 1	**321,512**	154,656
Investments during the year	**101,016**	228,390
Disposals during the year	**(22,423)**	(58,284)
Realized (loss) / gain on disposal	**(108)**	737
Unrealized loss on revaluation recognized in equity	**(32,006)**	(3,987)
Charge for impairment	**(4,197)**	-
December 31	**363,794**	321,512

Investments in sukuk as of December 31, 2022 and 2021 represent the sukuk issued by various governments and certain other entities, which have been measured at fair value through statement of changes in members' equity. The amortized cost of the investment in sukuk is USD 398 million (2021: USD 319.5 million).

The unrealized loss on revaluation recognized in equity is net of realized gain / (loss) on Investments in sukuk.

			Counterparty rating			
2022	**AAA**	**AA+ to AA-**	**A+ to A-**	**BBB**	**BB and below**	**Total**
Governments	**-**	**28,200**	**57,920**	**36,413**	**18,671**	**141,204**
Other entities	**39,275**	**18,938**	**151,854**	**12,523**	**-**	**222,590**
	39,275	**47,138**	**209,774**	**48,936**	**18,671**	**363,794**

			Counterparty rating		
2021	AAA	AA+ to AA-	A+ to A-	BBB	Total
Governments	-	21,178	247,050	32,984	301,212
Other entities	20,300	-	-	-	20,300
	20,300	21,178	247,050	32,984	321,512

8. ACCRUED INCOME AND OTHER ASSETS

	2022	2021
Accrued income on investments in sukuk	**2,503**	1,696
Accrued income from placements through banks	**299**	69
Employee advances	**5,585**	6,087
Other receivables	**3,700**	3,448
	12,084	11,300

(Expressed in Thousands of US Dollars unless otherwise stated)

9. ACCRUALS AND OTHER LIABILITIES

	2022	2021
Accrued and other expenses	**1,738**	2,261
Staff related provisions	**6,973**	5,110
Other creditors	**896**	14,703
Advances from customers and payable to syndicate members	**14,326**	4,009
Grant accrual for the Corporation's trade business initiative	**5,249**	2,000
Other payable	**565**	3,178
	29,747	31,261

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent Board of Governors, Directors and key management personnel of the Corporation, and affiliate entities of IsDB Group. In the ordinary course of its activities, the Corporation receives funds from IsDB and executes business transactions with related parties. The terms of the funding that is provided by IsDB and the transactions that are executed with related parties are approved by the Corporation's management and subject to current IsDB rules, regulations and guidelines.

(a) Significant transaction executed during the year are as follows:

	2022	2021
Mudarib's share of profit from affiliate	**1,571**	2,068
Trade murabaha income paid to affiliate members on their share in the syndicated Trade Murabaha	**19,408**	11,719

	2022	2021
IsDB - Ordinary Capital Resources	**1,735**	2,190
IsDB Medical Fund	**80**	3
IsDB Pension Fund	**77**	4
Islamic Corporation for the Development of the Private Sector	**28**	28
IsDB Special Account Resource Waqf fund	**-**	1,270
	1,920	3,495

(i) According to the IsDB's Board of Executive Directors' resolution number BED/27/12/428(249)/157, dated January 6, 2008 (27 Dhul Hijja 1428H), the Board resolved to allocate USD 1 billion of IsDB-OCR resources for the Corporation, wherein the Corporation will act as Mudarib under a Mudaraba agreement dated March 18, 2008 (10 Rabi al Awal 1429H).

(ii) As of December 31, 2022, the balance of USD 437.6 million (2021: 379.82 million) payable to related parties is presented in statement of changes in off-balance sheet assets under management (note 23).

(iii) The Corporation earns Mudarib's share of profit from IsDB group entities based on its agreed share of profit related to trade murabaha financing transactions.

(b) Key management compensation

The compensation to key management is as follows:

	2022	2021
Salaries and other benefits	**810**	683
Board of directors' fee	**754**	599

11. COMMODITY MURABAHA PAYABLE

Commodity murabaha financing is received from financial institutions under commodity murabaha facility agreements. The financings have original maturities ranging from a month to 1 year.

12. EMPLOYEE BENEFIT LIABILITIES

IsDB Group staff retirement plan comprises of defined benefit and hybrid plan within SPP, SRMP and 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 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).

SPP

SPP is a combination of both old defined benefit plan (Pillar I) and new hybrid pension plan (Pillar II) became effective on 1st Rajab 1399H (corresponding to May 27, 1979) and 17/05/1442H (01/01/2022G) 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 joining the Bank and its affiliates. Participation in the hybrid pension plan is limited to those who have less than five years of service as of December 31, 2021 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% (2021-11.1%) of the basic annual salary while the Bank and its Affiliates contribute 25.9% (2021-25.9%).

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 Define 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

(iv) 10% of Bank and its Affiliates contribution of 25.9%, and 5% of employees contribution of 11.1%, are used to fund the Define 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.

(v) 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

SRMP

Effective 1st Muharram 1421H (corresponding to April 6, 2000), the Bank established the medical benefit scheme for retired employee 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 employee towards their medical expenses.

The entitlements payable for each retired employee under the medical plan is 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.

RMSP

In February 2019, the BED approved, 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 RMSP. 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.

Members of RMSP started to receive benefits as from April 1, 2022 (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 August 1, 2021, employees started cash contributions to RMSP. These contributions cumulated before April 1, 2022 have been recognized as part of plan assets during the year.

Retirees didn’t contribute up until April 1, 2022 and received benefits under the SRMP 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, debt instruments 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.

(Expressed in Thousands of US Dollars unless otherwise stated)

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 SRPS' liability.

(a) The movement on plan assets and liabilities as follows:

	SRPP 2022	**SRMP 2022**	**RMSP 2022**	**Total 2022**	Total 2021
Fair value of plan assets as of January 1	**36,490**	**2,000**	**-**	**38,490**	36,379
Adjustment of fair value at beginning of the year	**127**	**(2)**	**-**	**125**	663
Accumulated opening contributions	**-**	**-**	**1,629**	**1,629**	-
Income on Plan Assets	**1,066**	**24**	**-**	**1,090**	959
Return on Plan Assets less than discount rate	**(1,285)**	**(99)**	**-**	**(1,384)**	(1,724)
Plan participants contribution	**1,124**	**3**	**452**	**1,579**	1,061
Employer contribution	**2,639**	**21**	**480**	**3,140**	2,454
(Decrease)/increase due to plan combination	**-**	**(1,107)**	**1,107**	**-**	-
Disbursements from Plan Assets	**(2,577)**	**(94)**	**(3)**	**(2,674)**	(1,302)
Fair value of plan assets as of December 31	**37,584**	**746**	**3,665**	**41,995**	38,490

	SRPP 2022	**SRMP 2022**	**RMSP 2022**	**Total 2022**	Total 2021
Benefit obligation as of January 1	**69,325**	**6,080**	**-**	**75,405**	74,134
Current service costs	**3,716**	**14**	**423**	**4,153**	3,765
Past service income	**-**	**-**	**(2,307)**	**(2,307)**	-
Cost on Defined Benefit Obligation ("DBO")	**1,966**	**50**	**123**	**2,139**	1,915
Plan participants contributions	**1,124**	**3**	**452**	**1,579**	1,061
Disbursements from Plan Assets	**(2,577)**	**(94)**	**(3)**	**(2,674)**	(1,302)
(Decrease)/increase due to plan combination	**-**	**(4,277)**	**4,277**	**-**	-
Net actuarial gain	**(23,038)**	**(372)**	**(2,520)**	**(25,930)**	(4,168)
Benefit obligation as of December 31	**50,516**	**1,404**	**445**	**52,365**	75,405
Funded status - net liability recognized in the statement of financial position representing excess of benefit obligation over fair value of plan assets	**12,932**	**658**	**(3,220)**	**10,370**	36,915

The above net liability mainly represents the cumulative actuarial losses resulting from the difference between the actual experience and the assumptions used in estimating the liability, which is recognized by the Corporation in the members' equity immediately in the year, it arises, if material.

(Expressed in Thousands of US Dollars unless otherwise stated)

(b) Based on the actuarial valuations, the pension and medical benefit expenses for the year 2022 comprised the following:

	SRPP 2022	**SRMP 2022**	**RMSP 2022**	**Total 2022**	Total 2021
Current service costs	**3,716**	**14**	**423**	**4,153**	3,765
Cost on DBO	**1,966**	**50**	**123**	**2,139**	1,915
Past service income	**-**	**-**	**(2,307)**	**(2,307)**	-
Income on assets	**(1,066)**	**(24)**	**-**	**(1,090)**	(959)
Other adjustments	**(127)**	**2**	**-**	**(125)**	(663)
Cost recognized in the statement of income	**4,489**	**42**	**(1,761)**	**2,770**	4,058
Actuarial gain due to change in assumptions	**(23,039)**	**(371)**	**(2,520)**	**(25,930)**	(4,168)
Return on plan assets greater than discount rate	**1,285**	**99**	**-**	**1,384**	1,724
Accumulated opening contributions	**-**	**-**	**(1,629)**	**(1,629)**	-
Gain recognized in the statement of changes in equity	**(21,754)**	**(272)**	**(4,149)**	**(26,175)**	(2,444)

(c) Principal assumptions used in the actuarial valuations dated 31 December 2022 are as follows:

	SRPP 2022	**SRMP 2022**	**RMSP 2022**	SRPP 2021	SRPP 2021	RMSP 2021
Discount rate	**5.1%**	**5.1%**	**5.01%**	2.85%	2.85%	-
Rate of expected salary increase	**4.5%-6.5%**	**4.5%-6.5%**	**4.5%-6.5%**	6.5%-4.5%	6.5%-4.5%	-

The discount rate used in determining the benefit obligations is selected by reference to the long-term rates on US AA rated Corporate Bonds. Rate of expected salaries increase for 2022 and 2021 was based on age i.e., 20-35 years – 6.5%, 35-50 years – 5.0% and above 50 years - 4.5%.

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is as follows:

	SRPP		**SRMP**		**RMSP**	
2022	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**	**+0.5%**	**-0.5%**
	(Decrease in liability)/increase in liability					
Discount rate	**(3,793)**	**4,306**	**(68)**	**74**	**(116)**	**146**
Rate of salary increase	**2,171**	**(2,010)**	**3**	**(3)**	**-**	**-**

	SRPP		SRMP		RMSP	
2021	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
	(Decrease in liability)/increase in liability					
Discount rate	(6,470)	7,498	(629)	734	-	-
Rate of salary increase	3,310	(3,220)	288	(266)	-	-

(Expressed in Thousands of US Dollars unless otherwise stated)

The following table presents the plan assets by major category:

	SRPP 2022	SRMP 2022	RMSP 2022	Total 2022	Total 2021
Cash and cash equivalent and commodity placements	**14,421**	**920**	**572**	**15,913**	19,047
Managed funds and instalment sales	**8,989**	**-**	**1,424**	**10,413**	4,964
Investments in sukuk	**10,607**	**77**	**717**	**11,401**	11,177
Land	**3,381**	**-**	**-**	**3,381**	2,967
Other (net)	**186**	**(251)**	**952**	**887**	335
Plan assets	**37,584**	**746**	**3,665**	**41,995**	38,490

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

2022	**SRPP**	**SRMP**	**RMSP**
Present value of defined benefit obligation	**53,159**	**1,391**	**1,132**
Fair value of plan assets	**(39,366)**	**(696)**	**(4,764)**
Plan deficit/(surplus)	**13,793**	**695**	**(3,662)**

2021	SRPP	SRMP	RMSP
Present value of defined benefit obligation	78,159	6,852	-
Fair value of plan assets	(39,433)	(1,928)	-
Plan deficit	38,726	4,924	-

SRPP
The expected employer contribution for year ended 31 December 2023 is USD 2,614 and expected costs to be recognized in profit or loss is USD 3,476.

SRMP
The expected employer contribution for year ended 31 December 2023 is USD 6 thousand and expected costs to be recognized in profit or loss is USD 43.

RMSP
The expected employer contribution for year ended 31 December 2023 is USD 433 and expected gain to be recognized in profit or loss is USD 21.

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

	SRPP 2022	SRMP 2022	RMSP 2022	Total 2022	Total 2021
January 1	**28,448**	**724**	**-**	**29,172**	31,616
Effect of changes in demographic assumptions	**-**	**-**	**-**	**-**	(1,416)
Effect of changes in financial assumptions	**(24,880)**	**(392)**	**(969)**	**(26,241)**	(2,716)
Effect of experience adjustments	**1,841**	**21**	**(1,551)**	**311**	(36)
Return on plan assets less than discount rate	**1,285**	**99**	**-**	**1,384**	1,726
Other adjustments	**-**	**-**	**(1,629)**	**(1,629)**	(2)
December 31	**6,694**	**452**	**(4,149)**	**2,997**	29,172

(Expressed in Thousands of US Dollars unless otherwise stated)

The expected maturity analysis is below:

2022	**SRPP**	**SRMP**	**RMSP**
Year 1	**3,864**	**96**	**(27)**
Year 2	**1,113**	**94**	**(23)**
Year 3	**1,513**	**93**	**(24)**
Year 4	**1,291**	**92**	**(23)**
Year 5	**3,666**	**108**	**(14)**
Next five years	**10,971**	**517**	**353**

2021	SRPP	SRMP	RMSP
Year 1	1,718	94	-
Year 2	2,947	114	-
Year 3	1,069	113	-
Year 4	1,437	117	-
Year 5	1,230	118	-
Next five years	11,159	768	-

13. PAID-UP CAPITAL

The capital of the Corporation at end of the reporting period comprised the following:

	2022	2021
Subscribed capital	**858,690**	857,690
Subscribed not yet called	**(26,550)**	(26,060)
Called-up share capital (Par Value)	**832,140**	831,630
Installment due but not paid	**(85,822)**	(86,034)
Paid-up Capital (Par Value)	**746,318**	745,596
Subscribed premium	**47,122**	42,936
Subscribed premium not yet called	**(9,117)**	(8,047)
Called up share premium	**38,005**	34,889
Installment due but not paid	**(29,247)**	(26,349)
Paid-up Capital (premium)	**8,758**	8,540
Paid-up Capital (Par Value Plus Premium)	**755,076**	754,136

14. GENERAL RESERVE

In accordance with Article 27 of the Articles of Agreement of the Corporation, the General Assembly shall annually determine the dividends to be distributed only after the reserve reaches 25% of the subscribed capital.

In accordance with General Assembly's resolution no. GA16/5-442 adopted on September 4, 2021 during the 16th meeting of General Assembly, the Corporation is required to allocate 6% of its net income but no less than USD 2 million annually and no more than USD 5 million annually for Corporation's trade development programs, initiatives, and other engagements for a period of next 5 years starting from 2020 net income. During the year, the Corporation has allocated USD 3.25 million for 2022 (2021: USD 2 million) for this purpose.

(Expressed in Thousands of US Dollars unless otherwise stated)

15. OTHER ADMINISTRATIVE EXPENSES

	2022	2021
Consultancy and marketing	**2,831**	2,588
Office rent	**1,034**	1,575
Communication and membership	**1,354**	898
Travel expenses	**1,254**	378
Support services	**990**	715
Meeting expenses	**1,005**	754
Other expenses	**908**	1,300
	9,376	8,208

16. UNDISBURSED COMMITMENTS

Undisbursed commitments are trade finance operations which are declared effective, and for which customers can call on for disbursement at any point in time. The items making up these undisbursed commitments are:

- Operations declared effective but disbursement yet to commence; and
- The undisbursed portion of those operations under active disbursement including Letters of Credit (L/Cs) issued, valid not yet drawn, unmatured Usance L/Cs and Standby L/Cs.

Undisbursed commitments comprised the following:

	2022	2021
Undisbursed commitments	**314,185**	296,057
LCs and standby obligations	**57,994**	106,416
	372,179	402,473

17. MATURITY PROFILE

Financial assets and liabilities according to their respective maturity periods or expected periods to cash conversion is as following:

2022	**Maturity period determined**					
	Less than 3 months	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Maturity period not determined**	**Total**
Assets						
Cash and cash equivalents	**130,273**	**-**	**-**	**-**	**-**	**130,273**
Commodity Murabaha placements (due from)	**10,000**	**10,000**	**-**	**-**	**-**	**20,000**
Wakala placements (due from)	**20,000**		**-**	**-**	**-**	**20,000**
Trade murabaha financing	**233,737**	**570,870**	**26,678**	**-**	**-**	**831,285**
Investments in sukuk	**-**	**18,665**	**211,809**	**133,320**	**-**	**363,794**
Total financial assets	**394,010**	**599,535**	**238,487**	**133,320**	**-**	**1,365,352**

(Expressed in Thousands of US Dollars unless otherwise stated)

2022	**Maturity period determined**					
	Less than 3 months	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Maturity period not determined**	**Total**
Liabilities						
Due to related parties	**1,920**	**-**	**-**	**-**	**-**	**1,920**
Commodity Murabaha payable	**133,151**	**155,527**	**-**	**-**	**-**	**288,678**
Total financial liabilities	**135,071**	**155,527**	**-**	**-**	**-**	**290,598**
Undisbursed commitments (note 16)	**85,746**	**286,433**	**-**	**-**	**-**	**372,179**

2021	Maturity period determined					
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Maturity period not determined	Total
Assets						
Cash and cash equivalents	127,955	-	-	-	-	127,955
Commodity Murabaha placements (due from)	-	20,000	-	-	-	20,000
Wakala placements (due from)	-	25,000	-	-	-	25,000
Trade murabaha financing	171,795	606,594	11,851	-	-	790,240
Investments in sukuk	-	10,077	166,066	145,369	-	321,512
Total financial assets	299,750	661,671	177,917	145,369	-	1,284,707
Liabilities						
Due to related parties	3,495	-	-	-	-	3,495
Commodity Murabaha payable	90,313	133,378	-	-	-	223,691
Total financial liabilities	93,808	133,378	-	-	-	227,186
Undisbursed commitments (note 16)	-	307,992	94,481	-	-	402,473

18. NET ASSETS IN FOREIGN CURRENCIES

	2022	2021
Saudi Riyal	**2,129**	2,118
Euro	**4,544**	4,185
AED	**9**	9

(Expressed in Thousands of US Dollars unless otherwise stated)

19. CONCENTRATION OF FINANCIAL ASSETS

The geographical distribution of net financial assets are as follows:

2022	Cash and cash equivalents	Commodity murabaha placements (due from)	Wakala placements (due from)	Trade murabaha financing	Investments in sukuk	Total
Bahrain	-	-	-	-	2,788	2,788
Bangladesh	-	-	-	115,747	-	115,747
Belgium	1,436	-	-	-	-	1,436
Burkina Faso	-	-	-	11,037	-	11,037
Cameroon	-	-	-	14,344	-	14,344
Comoros	-	-	-	8,181	-	8,181
Cote D'ivoire	-	-	-	2,098	-	2,098
Djibouti	-	-	-	13,458	-	13,458
Egypt	-	-	-	211,415	-	211,415
Gambia	-	-	-	15,143	-	15,143
Hong Kong	-	-	-	-	9,535	9,535
Indonesia	8,105	-	-	1,977	36,413	46,495
Kyrgyzstan	-	-	-	695	-	695
Kuwait	-	10,000	15,000	-	19,110	44,110
Malaysia	-	-	-	-	22,013	22,013
Maldives	-	-	-	56,387	-	56,387
Mali	-	-	-	20,198	-	20,198
Mauritania	-	-	-	49,234	-	49,234
Oman	-	-	-	-	6,667	6,667
Pakistan	-	-	-	102,117	-	102,117
Qatar	-	10,000	-	-	56,750	66,750
IsDB	-	-	-	30,637	39,275	69,912
Saudi Arabia	2,130	-	5,000	-	83,800	90,572
Senegal	-	-	-	54,886	-	54,886
Suriname	-	-	-	560	-	560
Tajikistan	-	-	-	11,780	-	11,780
Togo	-	-	-	27,289	-	27,289
Tunisia	-	-	-	22,531	-	22,531
UAE	9	-	-	-	87,443	87,452
Uganda	-	-	-	5,964	-	5,964
United Kingdom	118,593	-	-	-	-	118,593
Uzbekistan	-	-	-	55,607	-	55,607
TOTAL	130,273	20,000	20,000	831,285	363,794	1,364,994

(Expressed in Thousands of US Dollars unless otherwise stated)

2021	Cash and cash equivalents	Commodity murabaha placements (due from)	Wakala placements (due from)	Trade murabaha financing	Investments in sukuk	Total
Bangladesh	-	-	-	116,988	-	116,988
Belgium	76	-	-	-	-	76
Benin	-	-	-	24,324	-	24,324
Cameroon	-	-	-	6,700	-	6,700
Comoros	-	-	-	5,843	-	5,843
Djibouti	-	-	-	13,129	-	13,129
Egypt	-	-	-	195,873	-	195,873
Gambia	-	-	-	13,409	-	13,409
Hong Kong	-	-	-	-	10,706	10,706
Indonesia	114	-	-	15,218	30,429	45,761
Kyrgyzstan	-	-	-	366	-	366
Kuwait	20,000	-	10,000	-	24,771	54,771
Malaysia	-	-	-	-	25,243	25,243
Maldives	-	-	-	32,635	-	32,635
Mali	-	-	-	25,957	-	25,957
Mauritania	-	-	-	21,551	-	21,551
Morocco	-	-	-	5,511	-	5,511
Pakistan	-	-	-	154,955	-	154,955
Qatar	11,984	20,000	-	-	39,392	71,376
IsDB	-	-	-	-	20,300	20,300
Saudi Arabia	15,899	-	-	-	89,717	105,616
Senegal	-	-	-	43,565	-	43,565
Suriname	-	-	-	4,021	-	4,021
Tajikistan	-	-	-	21,070	-	21,070
Togo	-	-	-	13,007	-	13,007
Tunisia	-	-	-	51,360	-	51,360
UAE	9	-	15,000	-	80,954	95,963
United Kingdom	79,873	-	-	-	-	79,873
Uzbekistan	-	-	-	24,758	-	24,758
TOTAL	127,955	20,000	25,000	790,240	321,512	1,284,707

The geographical locations of assets reflect the countries in which the beneficiaries of the assets are located.

20. RISK MANAGEMENT

The Corporation's risk management is governed by various risk management policies, procedures and guidelines. The Risk Management Department ("RMD") is responsible for dealing with all risk policies, guidelines and procedures with a view to achieving sound, safe and sustainable low risk profile for the Corporation through the identification, measurement and monitoring of all types of risks inherent in its activities. The Corporation's management committee is responsible for reviewing the risk management policies, procedures, guidelines and defining the Corporation's risk management framework and appetite, with a view to ensuring that there are appropriate controls on all major risks resulting from the Corporation's activities and financial transactions.

Management level committees perform risk monitoring and oversight roles: the Asset and Liability Management Committee ("ALCO"), the Credit Committees ("CC") and Investment Committees ("IC") and Risk Management Committee ("RMC"). The ALCO is the oversight and control organ of the Corporation's finance and treasury risk management activities. CC and IC ensure effective implementation of the Bank's credit and investment policies and oversees all credit risk issues related to sovereign and non-sovereign operations. The RMC ensures that there is appropriate monitoring and oversight on all major risks arising from financing and investment operations through adopting relevant risk management frameworks, policies, guidelines and risk reports.

a) 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.

For all classes of financial assets held by the Corporation, the maximum credit risk exposure to the Corporation is their carrying value as disclosed in the statement of financial position. The assets which subject the Corporation to credit risk principally consist of Wakala / Commodity Murabaha placements (due from), trade Murabaha financing and investments in sukuk which are, in accordance with specific eligibility criteria and credit risk assessments. Trade Murabaha financing is covered, in most cases, by sovereign guarantees from Member Countries, or commercial bank guarantees from Corporations whose ratings are acceptable to the Corporation per its policies.

Credit risk includes potential losses arising from a counterparty's (i.e., countries and banks/financial institutions, corporates, etc.) inability or unwillingness to service its obligation to the Corporation. In this respect, the Corporation has developed and put in place comprehensive credit policies and guidelines as a part of the overall credit risk management framework to provide clear guidance on various types of financing. In addition, the Corporation has in place a counterparty's assessment criteria and detailed structured exposure limits in line with the best banking practices. As a matter of fact, an important element tool of credit risk management is the established exposure limits for single beneficiary or an obligor and group of connected obligors. In this respect, the Corporation has a well-developed limit structure, which is based on the credit strength of the beneficiary.

The Corporation maintains a comprehensive internal rating system for various classes of counterparties that are eligible for financing. While extending financing to its member countries, the Corporation should safeguard its interests by obtaining the relevant guarantees for its financing operations and has to ensure that the concerned beneficiaries as well as the guarantors are able to meet their obligations to the Corporation.

These policies and guidelines are clearly communicated within the Corporation with a view to maintain overall credit risk appetite and profile within the parameters set by Management. The credit policy formulation, credit limit setting, monitoring of credit exceptions/exposures and review /monitoring functions are performed independently by the RMD, which endeavors to ensure that business lines comply with risk parameters established by the Board of Directors ("BOD") and Management.

Country risk refers to the risks associated with the economic, social and political environments of the beneficiary's home country. Guidelines were developed for monitoring country exposure to safeguard the Corporation against undue risk. The country exposure limits are determined and periodically reviewed and updated taking into consideration the recent macro-economic, financial, and other developments in the member countries, and the status of their business relationship with the Corporation.

The allowance/(reversal of allowance) recognized during the year is as follows:

	2022	2021
Trade murabaha receivables	**6,336**	4,064
Investments in sukuks	**4,197**	-
Cash and cash equivalents	**(14)**	-
	10,519	4,064

b) Market and liquidity risks

The Corporation is exposed to following risks:

i) 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. The Corporation does not hedge its currency exposure by means of hedging instruments. The Corporation monitors the composition of its assets and liabilities and adjusts balances regularly to limit its exposure to fluctuations in foreign exchange rates. A significant portion of the Corporation's financing operations are USD-denominated, the same currency in which the Corporation resources - i.e., equity is denominated. Any financing denominated in currencies other than the functional currency is based on matched-funding principles or funded through external syndicate partners. The Corporation does not actively trade in currencies.

ii) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its net funding requirements. To guard against this risk, the Corporation adopts a conservative approach by maintaining high liquidity levels through investment in cash, cash equivalents, placements through banks and trade Murabaha financing with short-term maturity of three to twelve months. The maturity profile of the Corporation's financial assets and liabilities has been presented in note 17.

iii) Mark-up risk

Mark-up risk arises from the possibility that changes in mark-up will affect the value of the financial instruments. The Corporation is exposed to mark-up on its investments in placements through banks, and trade Murabaha financing. In respect of the financial assets, the Corporation's returns are based on a benchmark and hence vary according to the market conditions.

The sensitivity analysis has been determined based on the exposure to profit rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50-basis point change is used when reporting profit rate risk internally to key management personnel and represents management's assessment of the possible change in profit rates.

c) Operational risk

The Corporation leverages on risk & control self-assessment (RCSA), incident and collection of loss (event) data (IMDC), and monitoring of key risk indicators (KRI) for the identification and assessment of operational risks. The operational risk management function is fully integrated into the overall risk management structure and is based on a decentralized ownership model that relies on the following three lines of defense: (1) Business Line Management, (2) Operational Risk Management, and (3) Audit Independent Review.

d) Shari'ah non-compliance risks

The Corporation attaches value in safeguarding its operations from Shari'ah non-compliance risk (SNCR) which is considered a part of operational risks. Shari'ah compliance forms an integral part of Corporation's purpose in line with its Articles of Agreement. Consequently, the Corporation effectively manages SNCRs through robust framework of procedures and policies. The business or risk-taking unit embeds a culture of Shari'ah compliance within its procedures, as the 1st line of defense. The IsDB Group Internal Shari'ah Audit function provides independent reasonable assurance as the 3rd line of defense post-execution of transactions/operations adopting a risk based internal Shari'ah audit methodology.

(Expressed in Thousands of US Dollars unless otherwise stated)

e) Fair values of financial assets and liabilities

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of operational assets are not significantly different from the carrying values included in the financial statements.

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repackaging);

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

	Level 1	***Level 2***	***Level 3***
December 31, 2022			
Investments in sukuk	**363,794**	**-**	**-**
December 31, 2021			
Investments in sukuk	321,512	-	-

There were no transfers between the levels during the current and previous year.

21. SEGMENT INFORMATION

The Board of Directors approves the global allocation of resources for the different development activities of the Corporation. In order to ensure sufficient resources to enable it to meet its developmental objectives, the Corporation actively engages in treasury and liquidity management. Development initiatives are undertaken through a number of Islamic finance products as disclosed on the face of the Statement of Financial Position which are financed centrally through the Corporation’s capital. Management has not identified separate operating segments within the definition of FAS 22 "Segment Reporting" since the Board of Directors monitors the performance and financial position of the Corporation as a whole, without distinguishing between the developmental activities and the ancillary supporting liquidity management activities or geographical distribution of its development programs. Further, the internal reports furnished to the Board of Directors do not present discrete financial information with respect to the Corporation's performance to the extent envisaged in FAS 22. The geographical distribution of the Corporation's financial assets is set out in note 19.

22. COMPARATIVE FIGURES

During the year ended December 31, 2022, certain prior year amounts have been reclassified to conform with the presentation in the current year.

23. OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

The Corporation manages three categories of investment accounts/assets under management

1. The Corporation receives funds from external and related parties to provide trade Murabaha financing to its customers. These funds are received from syndicate members under the principles of Mudaraba whereby the Corporation does not have the authority over decisions with regards to the deployment of the funds received by the Corporation and, therefore, these are treated as quasi-equity of investment accountholders. The Corporation agrees a fixed profit rate ranging from 1% - 15% (2021: 1%-15%) of the profit earned on the trade Murabaha financing with the investment account holders and is presented as Mudarib share of profit in the statement of income.

Assets managed on behalf of related parties as of December 31, 2022 was USD 437.6 million (2021: 376.1 million).

2. The Corporation has a Wakala based arrangement with Saudi Export-Import Bank ("Saudi EXIM Bank") in which it provides investment management services to Saudi EXIM Bank and acts as its agent. The Corporation is not exposed to any variable returns on the investment of these funds and accordingly, does not control these funds. Therefore, the Corporation does not recognize these funds on its statement of financial position. During the year, the Corporation earned USD 0.9 million (2021: USD 1.13 million) as variable and fixed investment agent remuneration. The remuneration is agreed through the Framework Agreement between the Corporation and Saudi EXIM Bank.

3. The Corporation has also outstanding funds of USD NIL (2021: 11.7 million) under Wakala based arrangement from a related party. The Corporation has invested these funds in trade murabaha financing and acts as its agent. The Corporation is not exposed to any variable returns on the investment of these funds and accordingly, does not control these funds. Therefore, the Corporation does not recognize these funds on its statement of financial position.

24. LIBOR TRANSITION

The Corporation established the LIBOR Transition Taskforce in 2020 and participated in workshops organized by IsDB's cross-functional team responsible for devising the Libor transition strategy. ITFC's Libor Transition Taskforce undertook an assessment of risks stemming from the LIBOR transition and developed a detailed action plan to preempt any potential adverse effect.

As a result, the Corporation formulated a fallback language, adopted the CME Term SOFR as the preferred replacement rate to LIBOR by leveraging on the clearance provided to IsDB by the Shariah Technical Committee and devised an internal and external communication plan to achieve a smooth transition. ITFC's decision to select the CME Term SOFR accounts also for similarities to the LIBOR rate implying minimal operational impact.

Since March 2022, ITFC financing agreements are mandatory incorporating either the approved fallback language for existing transactions or the CME Term SOFR as the reference rate for new transactions. Further, ITFC started the process of transitioning all existing assets and liabilities going beyond June 30, 2023, with an objective to ensure a full transition before the deadline.

25. AUTHORIZATION OF FINANCIAL STATEMENTS

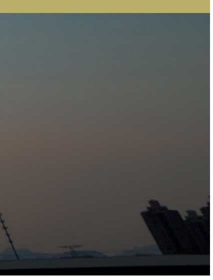
The financial statements were authorized for issue by the Corporation's Board of Directors on April 04, 2023 (corresponding to 13 Ramadan, 1444H) for submission to members of the General Assembly for approval.

07

APPENDICES

Appendix 1

CORPORATE PROFILE OF THE ISLAMIC DEVELOPMENT BANK



ESTABLISHMENT

The Islamic Development Bank (IsDB) is a Multilateral Development Bank established pursuant to Articles of Agreement signed in the city of Jeddah, Kingdom of Saudi Arabia, on 21 Rajab 1394H, corresponding to 12 August 1974. The Inaugural Meeting of the Board of Governors took place in Rajab 1395H (July 1975), and the IsDB formally began operations on 15 Shawwal 1395H (20 October 1975).

VISION

The Islamic Development Bank strives to become a world-class development bank, inspired by Islamic principles, that helps to significantly transform the landscape of comprehensive human development in the Muslim world and to restore its dignity.

MISSION

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and bringing prosperity to the people.

MEMBERSHIP

The IsDB has 57 Member Countries across various regions. The prime conditions for membership are that the prospective country should be a member of the Organisation of Islamic Cooperation (OIC), that it pays the first instalment of its minimum subscription to the Capital Stock of the IsDB, and that it accepts any terms and conditions that may be decided upon by the Board of Governors.

CAPITAL

At its 45th Annual Meeting, the IsDB's Board of Governors approved (via circulation) the 6th General Capital Increase of ID5.5 billion. As at the end of 2022, the subscribed capital of the IsDB stood at ID55.2 billion.

ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises five entities. The Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), and the International Islamic Trade Finance Corporation (ITFC).

HEAD QUARTER AND REGIONAL HUBS

The IsDB is headquartered in Jeddah, the Kingdom of Saudi Arabia, and has 10 Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Türkiye; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; and Rabat, Morocco with a Centre of Excellence in Kuala Lumpur, Malaysia.

FINANCIAL YEAR

The IsDB's financial year used to be the lunar Hijra Year (H). However, on 1st January 2016, the financial year was changed to the Solar Hijra year starting from 11th of Capricorn (corresponding to 1st January) and ending on 10th Capricorn (corresponding to 31st December of every year).

ACCOUNTING UNIT

The accounting unit of the IsDB is the Islamic Dinar (ID), which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund.

LANGUAGE

The official language of the IsDB is Arabic, but English and French are also used as working languages.

Islamic Development Bank Institute (IsDBi)

The Islamic Development Bank Institute (IsDBI), previously known as IRTI, is the knowledge beacon of the Islamic Development Bank Group. Guided by the principles of Islamic economics and finance, the IsDBI is mandated to lead the development of innovative knowledge-based solutions to support the sustainable economic advancement of the 57 IsDB Member Countries and various Muslim communities worldwide. https://isdbinstitute.org/

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

The ICIEC was established in 1415H (1994) by the Islamic Development Bank (IsDB) and Member Countries of the Organization of Islamic Cooperation (OIC) as an independent entity within IsDB Group. Its mandate is to: (i) help increase the scope of trade transactions of Member Countries; (ii) facilitate flow of foreign direct investments into Member Countries; and (iii) provide reinsurance facilities to Export Credit Agencies in Member Countries. ICIEC fulfils these objectives by providing appropriate Islamic Shariah-compliant credit and country-risk insurance and reinsurance instruments. https://iciec.isdb.org/

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

ICD was established in 1420H (1999) as an independent entity within IsDB Group and has been operational since 6 Rabi Thani 1421H (8 July 2000). The mission of ICD is to complement the role played by IsDB through development and promotion of the private sector as a vehicle for economic growth and prosperity in Member Countries. The main objectives of ICD are: (i) support economic development of its Member Countries through provision of finance aimed at promoting private sector development in accordance with the principles of Shariah; and (ii) provide advice to governments and private organizations to encourage the establishment, expansion and modernization of private sectors. https://icd-ps.org/

Appendix 2

ITFC Shareholders' Information

ITFC, International Islamic Trade Finance Corporation
Subscribed, Called-up, and Paid-up Capital As of 31/12/2022 (Sorted by Paid-up)

Number of Shares

Sr. No.	Member	Subscribed	Percent of Subscribed	Called-up	Percent of Called-up	Paid-up	Percent of Paid-up
1	Islamic Development Bank	26,637	31.02%	26,637	32.01%	26,637	35.69%
2	Saudi Arabia	14,557	16.95%	12,000	14.42%	12,000	16.08%
3	Saudi Fund for Development, Saudi Arabia	6,065	7.06%	6,065	7.29%	6,065	8.13%
4	Kuwait	4,821	5.61%	4,821	5.79%	4,821	6.46%
5	Republic of Turkiye	3,536	4.12%	3,536	4.25%	3,536	4.74%
6	Public Investments Fund, Saudi Arabia	3,000	3.49%	3,000	3.61%	3,000	4.02%
7	Malaysia	2,898	3.37%	2,898	3.48%	2,898	3.88%
8	Export Development Bank, Iran	2,500	2.91%	2,500	3.00%	2,486	3.33%
9	Egypt	1,513	1.76%	1,513	1.82%	1,513	2.03%
10	Nigeria	1,000	1.16%	1,000	1.20%	1,000	1.34%
11	Qatar	1,000	1.16%	1,000	1.20%	1,000	1.34%
12	Iraq	850	0.99%	850	1.02%	850	1.14%
13	Pakistan	843	0.98%	843	1.01%	843	1.13%
14	Albaraka Islamic Bank, Bahrain	818	0.95%	818	0.98%	818	1.10%
15	Faisal Islamic Bank of Egypt, Egypt	718	0.84%	718	0.86%	718	0.96%
16	Algeria	608	0.71%	608	0.73%	608	0.81%
17	Brunei Darussalam	582	0.68%	582	0.70%	582	0.78%
18	Tunisia	560	0.65%	560	0.67%	560	0.75%
19	Morocco	510	0.59%	510	0.61%	510	0.68%
20	Bank Mellat, Iran	500	0.58%	500	0.60%	500	0.67%
21	Indonesia	206	0.24%	206	0.25%	206	0.28%
22	Bangladesh	202	0.24%	202	0.24%	202	0.27%
23	Iran	8,692	10.12%	8,692	10.45%	192	0.26%
24	Bahrain	185	0.22%	185	0.22%	185	0.25%
25	Syria	185	0.22%	185	0.22%	185	0.25%
26	Palestine	184	0.21%	184	0.22%	184	0.25%
27	UAE	184	0.21%	184	0.22%	184	0.25%
28	Albaraka Investment Company, London	161	0.19%	161	0.19%	161	0.22%
29	Libya	139	0.16%	139	0.17%	139	0.19%
30	Jordan	130	0.15%	130	0.16%	130	0.17%
31	Jordan Islamic Bank	118	0.14%	118	0.14%	118	0.16%
32	Bank Keshavarzi, Iran	100	0.12%	100	0.12%	100	0.13%
33	EN Bank, Iran	100	0.12%	100	0.12%	100	0.13%
34	Mauritania	100	0.12%	100	0.12%	100	0.13%
35	Bank Melli, Iran	100	0.12%	100	0.12%	100	0.13%
36	Bank of Industry and Mine, Iran	100	0.12%	100	0.12%	100	0.13%
37	Yemen	100	0.12%	100	0.12%	99	0.13%
38	Cote D'Ivoire	85	0.10%	85	0.10%	85	0.11%
39	Sudan	93	0.11%	77	0.09%	77	0.10%
40	Burkina Faso	75	0.09%	75	0.09%	75	0.10%
41	Somalia	72	0.08%	72	0.09%	72	0.10%
42	Albaraka Turk Katilim Bankasi A.S. (Albaraka Turk Partticipation Bank)	69	0.08%	69	0.08%	69	0.09%
43	Lebanon	61	0.07%	61	0.07%	61	0.08%
44	Mozambique	60	0.07%	60	0.07%	60	0.08%
45	Bank Al baraka, Tunis	53	0.06%	53	0.06%	53	0.07%
46	Azerbaijan	50	0.06%	50	0.06%	50	0.07%
47	Bank Tejarat, Iran	50	0.06%	50	0.06%	50	0.07%
48	Benin	50	0.06%	50	0.06%	50	0.07%
49	Djibouti	50	0.06%	50	0.06%	50	0.07%
50	Gambia	50	0.06%	50	0.06%	50	0.07%
51	Suriname	50	0.06%	50	0.06%	50	0.07%
52	Uzbekistan	50	0.06%	50	0.06%	50	0.07%
53	Kyrgyzstan	50	0.06%	50	0.06%	50	0.07%
54	Uganda	49	0.06%	49	0.06%	49	0.07%
55	Senegal	48	0.06%	48	0.06%	48	0.06%
56	Nile Bank for Commerce & Dev. - Sudan	26	0.03%	26	0.03%	26	0.03%
57	Sudanese Islamic Bank, Sudan	26	0.03%	26	0.03%	26	0.03%
58	Tadamon Islamic Bank, Sudan	26	0.03%	26	0.03%	26	0.03%
59	Gabon	22	0.03%	22	0.03%	22	0.03%
60	Tajikistan	50	0.06%	34	0.04%	17	0.02%
61	Turkmenistan	50	0.06%	17	0.02%	17	0.02%
62	Maldives	50	0.06%	17	0.02%	17	0.02%
63	Cameroon	2	0.00%	2	0.00%	2	0.00%
64	Niger	50	0.06%	50	0.06%	-	0.00%
	Total	85,869	100%	83,214	100%	74,632	100%

Appendix 3

Governance, Legal and Risk Management

RISK MANAGEMENT

ITFC pursues its efforts to enhance and modernize risk management practices to further ensure the Corporation's ability to effectively address increasing credit, market, liquidity, and operational challenges and cope with the requirements of Strategy 2.0. In this context, the roadmap for the implementation ITFC's Enterprise Risk Management (ERM) has been finalized in 2022.

With core risk management policies and systems already in place, the focus of the Corporation is to further strengthen the risk management framework through its three pillars (working documents, systems & measurement tools, and people) and across the main risk clusters (Credit, Market, Liquidity and Operational risks) while consolidating the risk culture. Withinthis context, Moody's Investors Services, on September 20, 2022, issued it Credit Opinion on ITFC and affirmed A1 long-term issuer rating and Prime-1 short-term issuer rating with a stable outlook. The rating affirmation reflects ITFC's 'strong capital position', 'very robust liquidity position', 'nascent track record of accessing market financing' and the 'high strength of member support'.

For the effective implementation of the risk management framework at the corporate level, responsibilities are assigned at supervisory, management and department levels, which are described below.

AT SUPERVISORY LEVEL

(Board of Directors and Audit Committee of the Board)

The Board provides strategic direction for effective risk management and has the ultimate responsibility for managing all material risks that ITFC may be exposed to and ensuring that the required resources, systems, practices, and culture are in place to address such risks. In discharging these responsibilities, the Board has established the Audit, Risk and Compliance Committee.

AT MANAGEMENT LEVEL

(Management Committee, Risk Management Committee, Credit Committee, Assets & Liabilities Committee and Portfolio Assessment Committee)

The Management Committee and Risk Management Committee focus on corporate-wide risk-related issues in terms of policy and risk infrastructure. Credit Committee and Portfolio Assessment Committee are responsible for credit risk at transactional level. On the other hand, the Assets & Liabilities Committee (ALCO) focuses on liquidity and market risk related matters.

AT DEPARTMENT LEVEL

(Business Functions/Owners of Risk, Support Functions, Control Functions, & Compliance)

RISK MANAGEMENT DIVISION (RMD)

For effective implementation of the risk management framework, a dedicated Risk Management Division reporting to the Chief Risk Officer (CRO) operates within ITFC and focuses on credit, market, liquidity, operational and other risks. The RMD is independent from business and support functions.

COMPLIANCE

The objective of the compliance function is to put measures in place to identify and mitigate compliance risk, safeguarding ITFC from regulatory sanctions, financial and reputational loss. ITFC's Compliance function implements a risk-based AML Compliance

Program ("AML Program") designed to comply with international standards on AML and the laws and regulations of OIC Member Countrieswhere appropriate. Besides adopting various technology and software of reference and developing various policies, the compliance function shapes the culture through numerous in-person training and awareness sessions across the corporation.

For the effective implementation of the compliance framework at corporate level, responsibilities are assigned at supervisory, management and department levels, which are described below.

AT SUPERVISORY LEVEL

(Board of Directors and Audit, Risk and Compliance Committee of the Board)

AT MANAGEMENT LEVEL

(Compliance Acceptance Committee)

AT DEPARTMENT LEVEL

(Business Functions/Owners of Risk, Support Functions, Control Functions, & Compliance)

COMPLIANCE FUNCTION

For effective implementation of the compliance framework, a dedicated compliance function reporting to the Chief Risk Officer (CRO) operates within ITFC.

INTERNAL AUDIT OFFICE

The Internal Audit Office (IAO) adds value by providing independent, objective, insightful, risk-based assurance and advice to protect and enhance ITFC. It functionally reports to the Audit, Risk, and Compliance Committee and provides senior management and the Board with independent view and reasonable assurance that the risk management and governance processes are adequately designed and functioning effectively. Any control gaps noted are reported to the management and Audit, Risk and Compliance Committee and steps are agreed to make necessary changes,

The IAO conducts risk-based audits, as well as advisory assignments, covering operational and corporate functions. The IAO's work is carried out with reference to the Institute of Internal Auditors' (IIA's) International Professional Practices Framework.

The IAO is aligned with institutional strategy, stakeholder priorities, and key risks to deliver engagements in line with the available resources and internal Audit Plan approved by the Board Audit, Risk, and Compliance Committee.

Appendix 4

15 Years & 2022 Trade Finance Approvals for LDMCs

TRADE FINANCE APPROVALS FOR LDMCS SINCE INCEPTION – 2008-2022

Countries	Grand Total (US$ Mn.)
Bangladesh	16,450
Benin	127
Burkina Faso	2,631
Chad	11
Comoros	542
Djibouti	1,308
Ethiopia	40
The Gambia	656
Guinea	5
Malawi	55
Mali	619
Mauritania	855
Mozambique	20
Niger	45
Rwanda	5
Senegal	1,435
Sierra Leone	15
Sudan	126
Togo	407
Uganda*	10
Zambia**	25
Grand Total	**25,387**
* 2019	
** 2011	

2022 TRADE FINANCE APPROVALS FOR LDMCS (US$ million)

Bangladesh	1,281
Burkina Faso	496
Comoros	104
Djibouti	225
The Gambia	36
Mauritania	30
Senegal	313
Togo	47

Amount (US$ million)

Total LDMCs: 2,532

Total Approvals: 6,812

% of Total: 37%

Appendix 5

15 Years & 2022 Trade Finance Approvals by Sector

TRADE FINANCE APPROVALS BY SECTOR SINCE INCEPTION – 2008-2022

Amount (US$ billion)





	Energy Sector	Food & Agriculture	Financial Sector	Health Sector	Other Sectors	Total Approvals
Amount (US$ billion)	46.0	10.8	6.7	0.3	4.7	69
Share (%)	67%	16%	10%	0%	7%	100%

2022 TRADE FINANCE APPROVALS BY SECTOR (US$Mn.)

Energy Sector
2021 Actual
3,963 (61%)
2022 Actual
3,975 (58%)

Food & Agriculture
2021 Actual
1,778 (27%)
2022 Actual
1,851 (27%)

Financial Sector
2021 Actual
663 (10%)
2022 Actual
719 (11%)

Health Sector
2022 Actual
105 (2%)
2020 Actual
- (-%)

Other Sectors
2021 Actual
15 (0.23%)
2022 Actual
267 (4%)

Total Approvals (2021 Actual)
6,524 (100%)
Total Approvals (2022 Actual)
6,812 (100%)

Appendix 6

Awards

Best Trade Finance Organization Africa 2022

US$75 million in support of International Hydrocarbons Company of Djibouti (SIHD) as the IFN Sovereign & Multilateral Deal of the Year 2022.

US$ 100 million ITFC-led Syndicated Murabaha for Wheat Purchases in Uzbekistan

Appendix 7

Acronyms & abbreviations

ITFC	International Islamic Trade Finance Corporation
OIC	Organization of Islamic Cooperation
SMEs	Small and medium-sized enterprises
ESG	Environmental, social, and governance
TRTA	Trade-Related Technical Assistance
Fis	Financial Information System
IsBD	Islamic Development Bank
FSRP	Food Security Response Program
LDMCs	Least Development member countries
LC	Letter of Credit
SDGs	the Sustainable Development Goals
AfTIAS	Aid for Trade Initiative for the Arab States
CIS	Collective investment schemes
AfCFTA	The African Continental Free Trade Area
Aft	Aid for Trade
SPECA	Special Program for Economies of Central Asia
UNDP	United Nations Development Program
UNECE	United Nations Economic Commission for Europe
ITC	International Trade Centre
UNIDO	and the United Nations Industrial Development Organization
TCPP	Trade Cooperation and Promotion Program
HR	Human Resources
BPC	Bangladesh Petroleum Corporation
UNCTAD	United Nations Conference on Trade and Development
ILO	International Labor Office
BPR	Business Process Re-engineering
MENA	The Middle East and North Africa
AICE	Association of Indonesian Coffee Exporters
FTTC	Foreign Trade Training Centre
TFO	Trade Facilitation Office
ASEPEX	The Senegalese Export Promotion Agency
AATB	Arab Africa Trade Bridges
B2B	Business to business
NFSPMC	National Food Security Processing and Marketing Cooperation
ADER	Annual Development Effectiveness Report
BADEA	Arab Bank for economic development in Africa
ARSO	African Regional Organization for Standardization
SESRIC	Statistical, Economic and Social Research and Training Centre for Islamic Countries
GDP	Gross Domestic Product
FDI	Foreign Direct Investment
IMF	The International Monetary Fund
PLC	Public limited company
LDCs	Least developed countries
SIHD	International Hydrocarbon Company of Djibouti
USDA	United States Department of Agriculture
SPRP	Strategic Preparedness and Response Program
OFB	Orient Finans Bank
FAO	Food and Agriculture Organization
GHG	Greenhouse Gas
IATF	Inter-Agency Task Force
ACAME	African Association of Essential Medicines Purchasing Centers
CIS	Commonwealth of Independent States
GCC	Gulf Cooperation Council
TSIs	Trade Support Institutions
TDP	Trading and Development Partnership
ECA	United Nations Economic Commission for Africa
EIF	Enhanced Integrated Framework
PAFTRAC	The Pan-African Private Sector Trade and Investment Committee
ICF	Ministry of International Cooperation
COP27	The 27th Session of the Conference of Parties
UNFCCC	he United Nations Framework Convention on Climate Change
PITAD	the Pakistan Institute of Trade and Development
FTAs	Free Trade Agreements
AfTIAS 2.0	Phase 2 of Aid for Trade Initiative for the Arab States
AOAD	Arab Organization for Agricultural Development
TDF	Trade Development Fund
RIPPF	The Regional Investment Proposal Preparation Facility
ITS	Integrated Trade Solutions
SBFEAT	State Bank for Foreign Economic Affairs of Turkmenistan
MSMEDA	Medium, Small, and Micro Enterprises Development Agency
SCOPI	Sustainable Coffee Platform of Indonesia
GAP	Good Agricultural Practices
MUG	Master Trainer Upgrade Program
MT	Master Trainers
IFRS	International Financial Reporting Standards
ASMR	Agency on State Material Reserve
WA	West Africa
PME	Presidency of Meteorology and Environment
EXIM	Saudi Export and Import Bank
MoU	Tripartite Memorandum of Understanding
AGUIPEX	Agence Guineene pour la Promotion des Exportations
TA	Technical Assistance
MSMEs	Micro, Small & Medium Enterprises
EDA	Egypt Export Development Authority
SIAL	the Salon International de l'Alimentation
AMDIE	Morocco's Investment and Trade Agency
AFEM	the Association of Women Entrepreneurs of Morocco
FENAGRI	the National Federation of Agribusiness
ASMEX	the Moroccan Association of Exporters
MEA	Middle East and Africa
MLA	Mandated Lead Arranger
TCC	Technical Coordination Committee
KPIs	Key Performance Indicators
ICD	Islamic Corporation for the Development of the Private Sector
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
GSA	Group Synergy Enhancement Agenda
GSFT	Group Synergy Facilitation Team
HLC	High-level Committee
WG	Working Groups
IsDBI	the Islamic Development Bank Institute
ID	Islamic Dinar
SDR	Special Drawing Right
ERM	Enterprise Risk Management
ALCO	Assets & Liabilities Committee
RMD	Risk Management Division
CRO	Chief Risk Officer
AML Program	Anti-money Laundering Program
IAO	Internal Audit Office
IIA'S	Institute of Internal Auditors'
IFN	Islamic Finance News

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