



AWQAF PROPERTIES INVESTMENT FUND **ANNUAL REPORT 2020**

Islamic Financial Sector Development Department (IFSDD)
Awqaf Investment Funds (AIF) Division
Awqaf Properties Investment Fund (APIF)

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ABBREVIATIONS

Term used	Definition
AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
Awqaf	Plural of Waqf
The Fund	Awqaf Properties Investment Fund (APIF)
Approval	Amount approved by the Mudarib for financing a project or operation
Bank/IsDB	Islamic Development Bank
Beneficiary	A recipient of APIF or IsDB financing
Equity	Participant's contribution to the capital of the fund
Leasing	Sale of usufruct of an asset for which the lessor retains the ownership, together with all rights and responsibilities
Istisna'a	A contract whereby a manufacturer agrees to produce and deliver a good, at a given price on a given date according to the specification
LIBOR	London Inter-Bank Offered Rate
Mark-up	Profit margin earned on financing operations
MC	Management Committee
MCs	Member Countries
NMCs	Non-Member Countries
Mudarib	Islamic Development Bank, as Manager of the Fund
NAV	Net Asset Value
Nazir	Trustee or Manager of a waqf
Sukuk	Asset-backed Shariah-compatible bond
Waqf	An asset being donated for general charitable purposes such as the relief of poverty, the relief of the needs of the aged, the relief of sickness or distress, the advancement of religion, the advancement of education and other purposes beneficial to the Islamic community.
WWF	World Waqf Foundation
SDGs	Sustainable Development Goals
ISFD	Islamic Solidarity Fund for Development
IFSD	Islamic Financial Sector Development Department

IsDB BOARD OF EXECUTIVE DIRECTORS



H.E. Dr. Bandar Hajjar
Chairman, IsDB Group



H.E. Dr. Hamad Bin Suleiman Al Bazai



H.E. Bülent Aksu



Hon. Bader Ahmed Al Emadi



Hon. Bakhodir Alikhanov



Hon. Ahmad Jefri Abd Rahman



Hon. Péma Guilavogui



Hon. Sami Mohamed Hameed



Hon. Ms. Zeina Toukan



Hon. Abbas Memar Nejad



Hon. Ms. Fatima Yasmin



Hon. Fredrick Tabura Twesiime



Hon. Dr. Nada Massoud



Hon. Khalaf Sultan Al Dhaheri



Hon. Aboulie Jallow



Hon. Abdul Ghani Ahmad
Mohamed Al-Ftissi



Hon. Abdulghaffar Al Awadhi



Hon. Mohammed Gambo Shuaibu



Hon. Ms. Faouzia Zaaboul

2020 HIGHLIGHTS



During 2020, APIF approved

5

New projects
with a total
value of

**US\$ 51.47
million**

These approvals included:



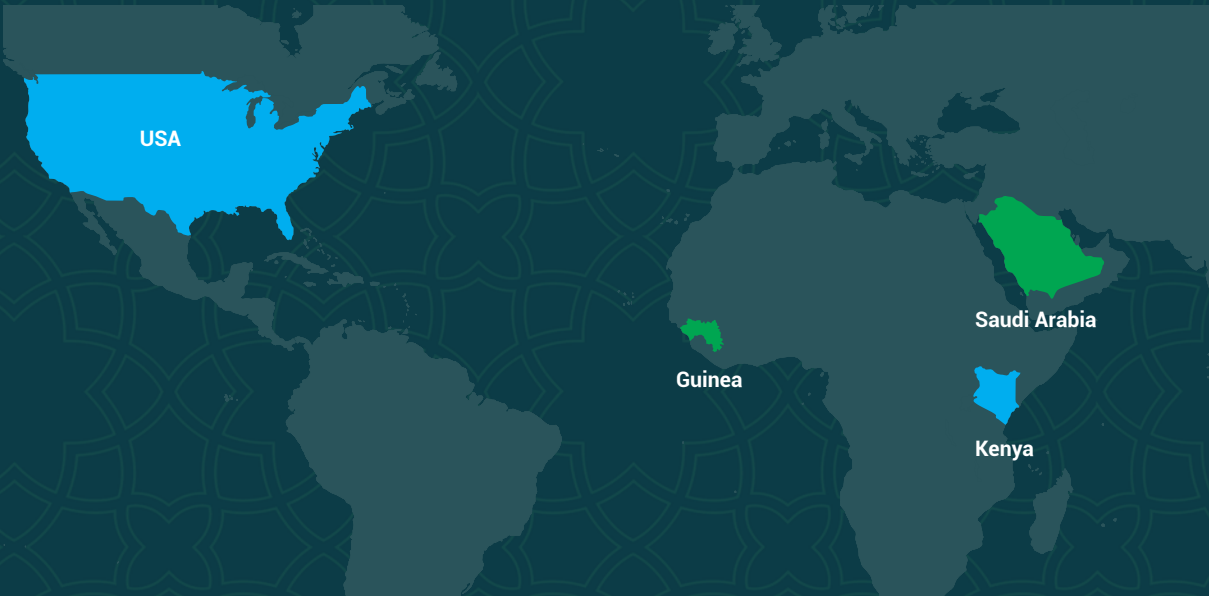
3

projects in MCs (2 in Saudi
Arabia and 1 in Guinea)



2

projects in NMCs
(USA and Kenya)



● MCs

● NMCs

Total repayments for 2020 amounted

US\$ 4.63 million



The Total Certificate Holders' Equity increased by

24%

rising from 2019's US\$ 92.50 million to

US\$ 114.24 million.

This was mainly due to the contributions from new certificate holders which amounted to US\$ 21.59 million for 1,865 certificates issued

(Direct Aid Society, Islami Bank Bangladesh Limited, Badan Pengelola Keuangan Haji (BPKH) and World Assembly of Muslim Youth).



Total disbursements for the year 2020 from APIF and APIF line amounted

US\$ 32.58 million

of which APIF share amounted

US\$ 12.75 million

APIF committees cleared the proposal to pay

2.6%

dividends to its participants despite the markets underperformance due to global recession and the impact of COVID-19 pandemic.

Total assets grew by

23%

reaching the amount of

US\$ 116.83 million

compared to 2019's

US\$ 94.85 million

Net Assets value (NAV)

per certificate rose to US\$ 11.589 from US\$ 11.574 in 2019

2019
US\$ 11.574

2020
US\$ 11.589

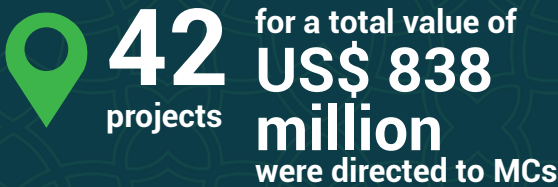


THE APIF PORTFOLIO

As of the end of 2020, APIF has approved



Out of the 57 approved projects,



Approvals by Mode of Financing



Leasing



Istisna'a



Others



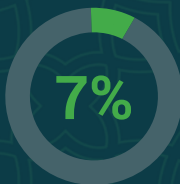
Murabaha



Forward
Leasing



Installment
Sale



SOCIAL IMPACT OF APIF PROJECTS

On average, APIF projects generate **US\$ 1 million** in annual sustainable income for the beneficiary organizations.

This amount is used for various human development activities:



18

projects

are supporting various charitable and relief activities



17

projects

are supporting education (universities, schools and research activities)



18

projects

are supporting religious education and Awqaf institutions



02

projects

are supporting youth development and empowerment



02









projects

are supporting health sector

The previous philanthropic projects support the following SDGs:



APIF empowers its beneficiary organizations to have a sustainable impact on the end beneficiaries. The table below provides four different examples from the APIF portfolio.

Waqf Beneficiary Institutions	Number of Long-Term Beneficiaries	Total Number of Beneficiaries	Proportion Funded by Waqf	Other/Notes	SDGs
IsDB-BISEW (Bangladesh)	 7,000 completed IT and vocational training and placed in jobs; all other beneficiaries are in long-term-oriented programs	43,000	Full	92% job placement for program graduates, many in life-changing career jobs	
Fujairah Welfare Association (UAE)	 6,000 empowered via vocational training, workshops, and Productive Families Program	9 Million	Partial	50,000 annual sponsorships (orphans, students, families, special needs); and many one-time spot interventions	
Towfiq Welfare Society (Somalia and Kenya)	 20,000 orphans, students, and instructors supported	400,000	Partial	Operate social infrastructure institutions, including 7 schools and 1 university with its hospital	
High Authority of Waqf (Senegal)	 12,500 students in the major daras (Quranic schools) to benefit	12,500	Partial	64 daras (Quranic schools) to be supported	

APIF has proven to provide an excellent multiplier effect, maximizing the impact of invested resources. In fact, every dollar invested has had the following triple financial impact on the availability of development resources:



It has directly supported the financing of major real estate projects with a lasting income-generation potential:

The average total size of approved projects is US\$ 18.9 million;



It has mobilized and crowded-in additional financial resources from IsDB, the beneficiary organizations, and/or philanthropists:

APIF's resource mobilization ratio is 5.5:1; and



It has revitalized previously endowed properties, unlocking massive untapped resources:

nearly 1 million square meters of built-up area has been financed.

THE FINANCIAL PERFORMANCE OF APIF

Over the last 5 years, the fund was approving 5 new projects on average:



Number of Projects



Approvals (US\$ million)



Disbursements (US\$ million)

	Number of Projects	Approvals (US\$ million)	Disbursements (US\$ million)
2020	5	51.47	32.90
2019	4	38.53	8.43
2018	5	217.50	13.95
2017	6	89.65	7.92
2016	5	84.05	10.58
2015	6	35.81	7.50

APIF generated an annual return of around 3% to 4% per annum



Total Assets US\$ million



Return on Equity



Return on Assets

	Total Assets US\$ million	Return on Equity	Return on Assets
2020	116.83	2.59%	2.41%
2019	94.85	3.85%	3.24%
2018	94.11	2.78%	2.37%
2017	88.74	3.63%	3.6%
2016	90.01	3.77%	3.07%
2015	87.04	2.79%	2.80%



As of the end of 2020, the NAV is **US\$ 11,589** as compared to **US\$ 10,000** at inception of the fund



APIF has consistently paid dividends between **2.5% to 5%** of the share capital over the last 10 years.

STATEMENT OF **THE MUDARIB**

"In the name of Almighty Allah, The Most Beneficent and The Most Merciful"

The Honorable Members of the Participants Committee of the Awqaf Properties Investment Fund

Dear Brothers and Sisters,

Assalamu Alaikum Warahmatullahi Wabarakatuh

On behalf of the Islamic Development Bank (IsDB), the Mudarib of the Fund, I am pleased to present the nineteenth Annual Report of the Awqaf Properties Investment Fund (APIF) for the year ending on 31st December 2020.

The report was prepared in accordance with Article 17 of the Fund's regulations and it provides an overview of the Fund, its approved operations and audited financial statements as of the end of 2020.

Since its inception, the Fund has approved a total of 57 projects in 29 countries valued at US\$ 1.22 billion. The social impact of the financed projects



is significant as the income generated is used to support comprehensive human development in education and health, as well as other charitable activities, thereby meeting the wishes of waqf (APIF donors/investors). These projects also provide jobs for people and ensure sustainability of livelihoods for them and their families. Furthermore, the value of the developed Waqf properties have increased many times as they have turned into quality income generating assets.

In terms of performance, the Fund has approved five new projects for a total value of US\$ 51.47 million during the period from 1/1/2020 to 31/12/2020.

These approvals included three projects in Member Countries (two in Saudi Arabia and one in Guinea) and two projects in Non-Member Countries (United States of America and Kenya).

Financially, the Fund has achieved satisfactory results and the net income for the year amounted to US\$ 2.55 million. The IsDB is pleased to announce the decision of the Board of Executive Directors to distribute dividends amounting 2.6% of the paid-up capital of the Fund.

All these achievements reflect APIF's team efforts, with the support of the participants, particularly towards portfolio diversification, deployment of resources in different geographical locations and penetration into new markets for the development of the waqf sector.

APIF has achieved these objectives in line with its clear strategy for continuous growth, and it will, InshAllah, continue to pursue all possible efforts to meet the objectives set by its shareholders.

Therefore, we should all take pride in the leading role that APIF is playing in the revival of the Sunnah of Waqf and raising awareness about this noble cause.

Finally, I take this opportunity to express my sincere thanks and deep appreciation to the IsDB Board of Governors and Executive Directors for their insightful vision and guidance, our APIF Members for their contribution and support, and all staff for their commendable performance and commitment.

Thank you for your continued support.

Yours sincerely,



Dr. Bandar M.H. Hajjar

**Chairman of the Supervisory Committee of
the Awqaf Properties Investment Fund and
President of the Islamic Development Bank Group**

SHARI'AH ADVISOR'S REPORT - 2020

**"In the name of Almighty Allah,
The Most Beneficent and The Most Merciful"**

**Shari'ah Advisor's Report - 2020
Awqaf Properties Investment Fund**

To: The Chairman and Honourable Members of the Participants
Committee of the Awqaf Properties Investment Fund

Assalamu Alaikum Warahmatullahi Wabarakatuh

In accordance with the second principle of the governance statement of the Awqaf Properties Investment Fund (the Fund) which stipulates that the Fund shall ensure its commitment to Shari'ah through an independent Shari'ah Advisor, I hereby submit the report in fulfillment of my duties and responsibilities as a Shari'ah Advisor.

I have examined the applicable principles used and contracts governing the transactions and the applications developed by the Fund during the period. I have carried out the necessary audit to express my opinion as to whether the Fund has complied with Shari'ah principles in conformity with resolutions issued by the International Islamic Fiqh Academy and decision. (fatawa) made by the Shari'ah Board of the Islamic Development Bank Group.

I have reviewed projects approved and the financing agreements signed during the period 1/1/2020 to 31/12/2020. I have also listened to the clarifications presented by the management which confirmed that it applied the Bank's approved contracts in accordance with Shari'ah principles.

The management of the Fund bears the responsibility to ensure that its operational activities are carried out in accordance with the principles of Shari'ah. My responsibility

is limited to express an independent opinion based on my audit following the review of all the necessarily information which is sufficient for making a reasonable assertion that the Fund has not contravened Shari'ah rules and principles, In my opinion:

- a) The contracts, operations and transactions concluded by the Fund during the period 1/1/2020 to 31/12/2020 and which I have reviewed have been implemented in conformity with Shari'ah rules and principles
- b) The distribution of dividends and charging of losses to the investment certificates comply with the approved rules in accordance with Shari'ah principles.
- c) There were no gains derived from sources or prohibited means that may be spent on charitable purposes.

- d) Since the Management of the Fund is not authorized to give Zakat, it is the responsibility of the institutions and bodies of the private sector to do so. Government and Waqf organizations are exempted from Zakat as their financial resources are utilized for the interests of the public or charitable purposes.

I pray to Allah Almighty to grant the Fund and its founders success in their endeavours.



Aboubcar Salihou KANTE
Shari'ah Advisor, APIF

Islamic charitable endowments (Awqaf) are an important institution of the Islamic social finance supported by the Islamic Development Bank (IsDB). Beyond Islamic heritage, the concept of Waqf / Awqaf is highly relevant to modern international development practice. Thus, through its unique Awqaf Properties Development Fund (APIF), IsDB is seeking to operationalize the role of Awqaf in development.

Background on Awqaf

Awqaf (singular Waqf, also spelled Awkaf and Wakf) is an Arabic word meaning assets that are donated, bequeathed, or purchased for being held in perpetual trust for general or specific charitable causes that are socially beneficial. In many ways, the concept of Waqf is similar to the Western concept of endowment. The strong emphasis placed on the perpetuity of Awqaf has led, over the years, to a considerable accumulation of societal wealth, such that Awqaf has become an important economic sector dedicated to the improvement of the socio-economic welfare in Member and Non-Member Countries of IsDB with Muslim communities/populations.

The beneficiaries supported by Awqaf are not limited to a finite list but mainly include poverty alleviation programs, disaster relief, free health services, imparting religious and contemporary education, heritage, culture, and environment. Thus, in addition to being a religiously significant institution, the idea underlying Awqaf can be of significance to the larger development community.

Indeed, historically, Awqaf have played a major role in providing sustainable finance for many social services, including but not limited to education and health. In fact, it has been estimated that during the Umayyad and Abbasid Caliphates, more than 60 percent of public services were carried out via the institution of Waqf¹. First, Awqaf financed the basic social services (and infrastructure) of education and health as well as sustenance or social security for the needy. Second,

beyond these basic needs, Awqaf played an important role in the development of cultural and scientific life as they financed the production of books, the construction of libraries, as well as supporting scholars of various religious and secular sciences.

Furthermore, many modern Western institutions, most notably major universities, depend heavily on their endowments. In fact, scholars have argued that the West emulated and benefited from the experience of Islamic Awqaf in the development of educational institutions, designing Western educational institutions with endowments since the West's contact with the Ottoman civilization.



The beneficiaries supported by Awqaf are not limited to a finite list but mainly include poverty alleviation programs, disaster relief, free health services, imparting religious and contemporary education, heritage, culture, and environment.

1 Wael B. Hallaq, 1955-. The Impossible State: Islam, Politics, and Modernity's Moral Predicament. New York: Columbia University Press, 2013.

It is therefore not surprising that many of the most prestigious universities today in the West (such as Oxford, Cambridge, the London School of Economics and Political Science, Harvard and Stanford) are all supported by major endowments. For example, the Massachusetts Institute of Technology (MIT) has more than US\$ 11 billion in charitable endowments funding its research.

Operationalization of Awqaf Support within IsDB

APIF represents IsDB's attempt to operationalize its support to the Awqaf Sector. In fact, APIF promotes Awqaf as a social-finance-based instrument of development while observing relevant principles of jurisprudence. With its mandate to finance the establishment and/or development of Islamic real estate endowments, APIF is a unique fund among MDBs with a strong focus on long-term, intergenerational financial sustainability.

APIF operates by financing (via Sharia-compliant modes of finance) the construction or purchase of physical real estate assets that would generate a return.

These returns will then be used to make repayments to the fund, with residual amounts used to support the activities of the beneficiary during the repayment period. After this period, the asset is registered as a Waqf and all income generated accrues to the beneficiary, helping to provide a sustainable source of income for the beneficiary's socially desirable activities.

As a mechanism for operationalizing Awqaf to achieve their development impact, APIF has succeeded in providing a proof of concept, which is now ready to be scaled-up. Indeed, with a total paid-up capital of US\$ 98.57 million supplemented by a line of financing from IsDB of US\$ 100 million, APIF's portfolio includes 57 projects in 29 Member Countries (MCs) and Non-Member Countries (NMCs) of IsDB worth a total of US\$ 1.22 Billion. These projects have proven that Awqaf in general and the APIF model in particular can play a very significant development role. Although scientific documentation of impact is beyond the scope of this publication, especially given its retrospective nature, an idea of the thematic areas of impact achieved is contained in this report. Furthermore, in some instances, specific impact has indeed been established.

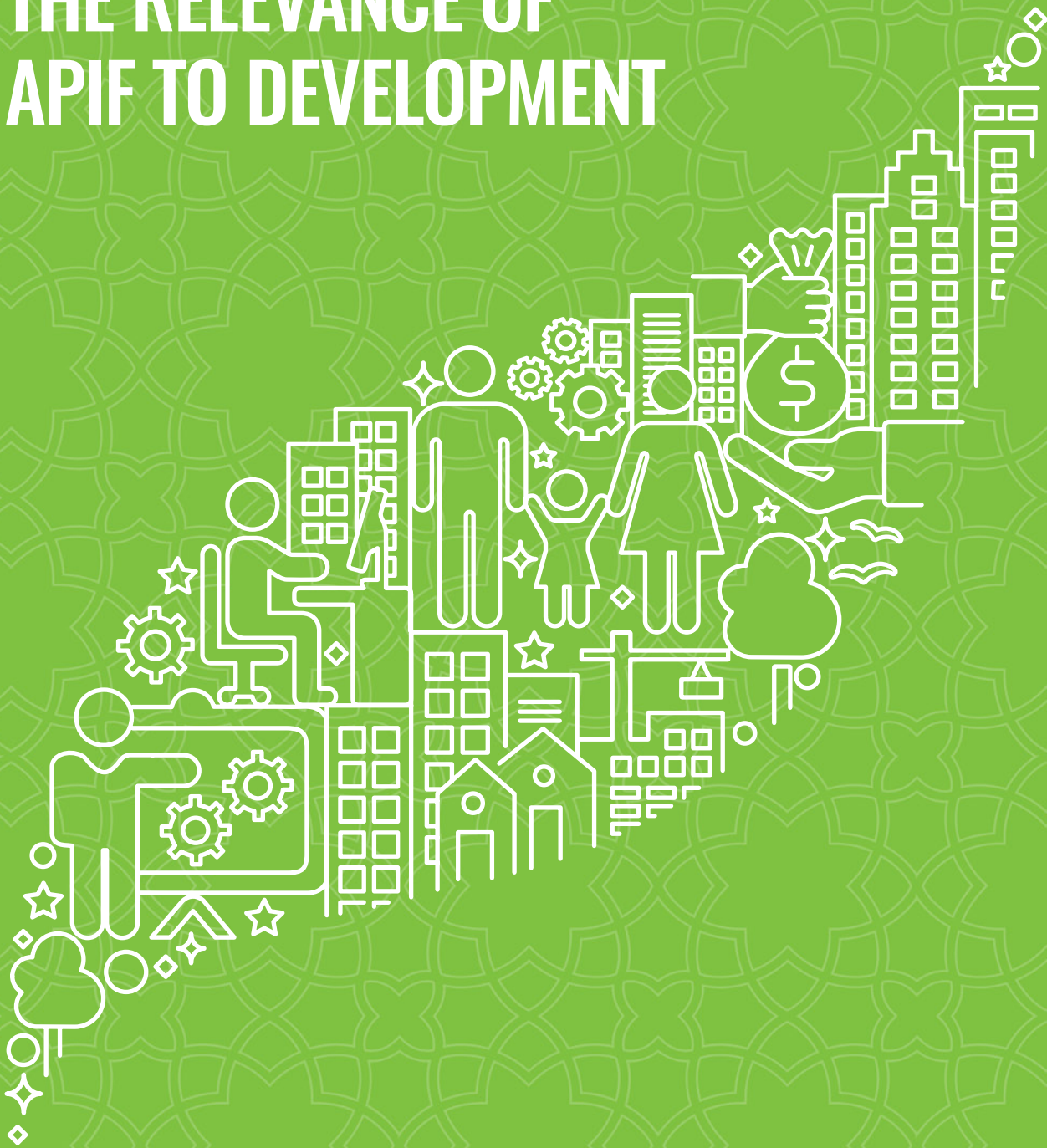




Students in Noyanogor Madrasah Source: IsDB-BISEW Management Office.

CHAPTER 02

THE RELEVANCE OF APIF TO DEVELOPMENT



At the highest level, the Awqaf Properties Investment Fund (APIF) is relevant to the international development landscape in two major ways – namely through:

- (1) the relevance of its mandate and**
- (2) its innovative operating mechanism.**

APIF has the unique mandate of supporting the establishment and/or development of endowments (Awqaf), promoting the concept of Waqf. Furthermore, APIF's operational mechanism is designed as an impact investment fund, which pays social as well as financial dividends. The conceptual relevance of Awqaf as well as impact investing to international development is further developed in the following sections.

A. The Role of Awqaf in Development

The concept of Waqf holds great potential for development practice. This concept could help decentralize development decision making, financing and implementation. As a hybrid institution with elements of both the private and public sectors, Waqf is designed to seek profit in the market under independent private management, generating income to be utilized in supplying public services. A deeper look at the characteristics of Waqf as an institution for economic development is presented in the first subsection, below.

To begin with, prior to considering the relevance of Awqaf financing to development practice in general, APIF's mandate has special significance for countries with an Awqaf heritage, which was in fact its *raison d'être*. Providing a source of financing dedicated to the revitalization of society's idle or underutilized Awqaf properties can unlock the potential of a significant amount of un- or under-productive accumulated intergenerational wealth, as well as encourage the diverting of new savings away from consumption and towards the pool of public wealth.

Beyond this limited relevance, however, introducing the concept of Waqf as a development tool could have broad significance for development practice in general, with both long-term and short-term

development impacts. In the short run, it could help achieve financial independence and sustainability both of local development partners (organizations) as well as development projects. Indeed, it could help empower NGOs and civil society organizations providing social services by providing them with a sustainable source of income. Furthermore, it could relieve fiscal pressures on government by providing post-completion operational expenses, when Waqf components are included in larger social infrastructure projects. Examples of synergy with other ISDB efforts towards empowering civil society and relieving fiscal pressure are presented in the second and third subsections below, respectively.



In the long-run, the concept of Waqf could have the profound impact of decreasing dependence on official development assistance, substituting this with domestically generated social wealth



Students at Study in the Nayanagar Nesaria Islamia Dakkhal Madrasah
 Source: IsDB- BISEW Management Office.

In the long-run, the concept of Waqf could have the profound impact of decreasing dependence on official development assistance (ODA), substituting this with domestically generated social wealth.

B. The Role of APIF as an Impact Investment Fund

The concept of impact investment holds great potential for development finance. This concept could help fill the large funding gap required to achieve the Sustainable Development Goals (SDGs) of the 2030 Global Agenda. It could also help crowd-in private-sector investment to support public goods that are not intrinsically attractive to private investment by focusing on developing

income-generating Awqaf as 2nd-degree development interventions that can in fact be profitable.

Achieving the 2030 Sustainable Development Goals agenda has become the priority of the Development Community wherein IsDB is a main player. In fact, attaining the 17 SDGs requires yearly funding of US\$ 5 trillion to US\$ 7 trillion. The total of all allocated financial resources from governments, Multilateral Development Institutions and other main actors combined is insufficient and requires innovative financing mechanisms to fill the funding gap estimated at US\$ 3 trillion yearly. Engaging and mobilizing resources from the private sector is the key in achieving the targeted developmental goals. Therefore, the Development Community is considering today among the innovative financing tools, Impact

Investing, as a tool to inject resources from the private sector towards the 2030 agenda².

Impact Investing is defined as the deployment of funds to generate social and environmental impact as well as a financial return³ and is considered today as one of the main drivers of the 2030 agenda. Private Debt and Equity account for almost 65 percent of impact investments where bonds are the main instrument. High Net Worth Individuals and Development Finance Institutions also play a major role. However, with its deeply rooted ethical and social foundations, Islamic Finance boasts a good track record in achieving and completing the objectives of Impact Investing. In fact, both models target value-based Investment universes with a moral purpose⁴. One of these Islamic Finance Instruments that IsDB presents as an efficient tool for impact investing is the Awqaf Properties Investment Fund (APIF).

In fact, APIF has been engaged in fulfilling this double mandate of achieving a sustainable financial and social impact since the beginning of its operations in 2001. APIF provides financing to the entities holding or managing Waqf properties in accordance with the principles of Sharia to develop these properties based on financial feasibility and social return generally associated with the concept of Waqf (or endowments). APIF provides its participants or “shareholders” an opportunity to generate income returns from property development as well as social returns in the form of assistances to Waqf property holders to develop the properties whose income is used for various developmental and charitable goals.

APIF has been generating a net distributable return of 3-4 percent annually over the last five years. A portion of the return is distributed in the form of dividends and the remaining portion is reinvested in APIF and reflects capital gains for APIF participants. As of the end of 2020, the share value of APIF reached US\$ 11.589 as compared to US\$ 10,000 at inception. As for dividend distribution, APIF has consistently paid dividends of between 2.5 percent to 5 percent of the share capital over the last 10 years.



Achieving the 2030 Sustainable Development Goals agenda has become the priority of the Development Community wherein IsDB is a main player

Over the years, APIF has financed projects to help generate additional income for diverse beneficiaries, including the following: Governments; Awqaf institutions (Islamic endowments); research centers; endowment funds; charitable NGOs; and Orphanages and Universities.

Indeed, APIF currently provides low-cost and high-impact financing to establish Awqaf for organizations that ultimately serve various Sustainable Development Goals (SDGs). Specifically, these include Poverty Alleviation (SDG No. 1), Good Health and Well-Being (SDG No. 3), Quality Education (SDG No. 4), Decent Work and Economic Growth (SDG No. 8), Empowerment of Women (SDG No. 10), Sustainable Cities and Communities (SDG No. 11) and Partnership for the Goals (SDG No. 17).

IsDB intends to increase the volume of Awqaf operations to US\$ 2 billion in 10 years. The goal is to scale up its contributions to the development of Waqf properties, encouraging the revival and usage of the concept of Waqf, which will be instrumental in globally promoting human development, impact investing and contributing to the United Nations' Sustainable Development Goals (SDGs) of which the IsDB is a signatory.

² UNCTAD, World Investment Report, Geneva, 2014

³ Global Impact Investing Network (GIIN), thegiin.org

⁴ UNDP, I for Impact : Blending Islamic Finance and Impact Investing for the Global Goals, Istanbul, 2017.

Recognizing the important development potential of Awqaf, IsDB pioneered the financing of a number of Waqf projects prior to the establishment of the Awqaf Properties Investment Fund (APIF). These projects represent IsDB's earliest efforts to provide material support to the concept of Awqaf.

Subsequently, APIF was established based on the approval of the 6th meeting of Awqaf Ministers of Member Countries of the Organization of Islamic Cooperation (OIC) in Jakarta, Indonesia in 1997.

APIF helped institutionalize IsDB's approach to Awqaf promotion via financing the development of Awqaf real estate properties, with a special focus on the properties to be invested for the utilization of their income as per the condition(s) of the endower, since this form of Awqaf would be conducive to repaying the financing from the income of the property itself. As a fund that distributed dividends, APIF brought an element of impact investment to encourage resource mobilization for Awqaf.

A. The Resources of APIF

The IsDB along with nine other institutions created APIF in 2001 with total subscriptions of US\$ 50 million.

As of 31st December 2020, there are 17 participants in APIF comprising IsDB, Ministries of Awqaf, Awqaf Organizations, nonprofit organizations, and Islamic banks with a total paid-up capital of US\$ 98.57 million. A full list of participants in APIF is provided in **Annex 1**.

To augment APIF's resources, the IsDB has extended a line of financing of US\$ 100 million to be utilized in financing APIF projects. The breakdown of the financial resources of APIF is provided in chart below.

APIF Financial Resources Allocation





B. The Role of APIF

APIF participates in the financing of Waqf (or endowment) income generating commercial and residential real estate properties. It does not finance the construction of schools, universities, mosques, health facilities and the like.

The APIF portfolio, as of the end of 2020, includes 57 completed or active projects, totaling US\$ 1.22 billion in total value. Of this, IsDB's contribution includes US\$ 194 million from APIF and US\$ 270 million from the IsDB line of financing and the remaining is from the beneficiaries.

APIF helps Awqaf and charitable organizations fulfil their mandate by providing required resources to develop Waqf land owned by these organizations, renovate Waqf properties, and/or purchase property to be utilized as Waqf. Supported Waqf institutions or charitable organizations are then expected to utilize the rental income generated by such projects to support their social and charitable activities.



APIF's Mission

APIF aims at reviving the Islamic Sunnah of Waqf by developing Awqaf properties around the world to increase their returns and thereby contribute to the sustainable socio-economic development of the Ummah.



APIF's Objective

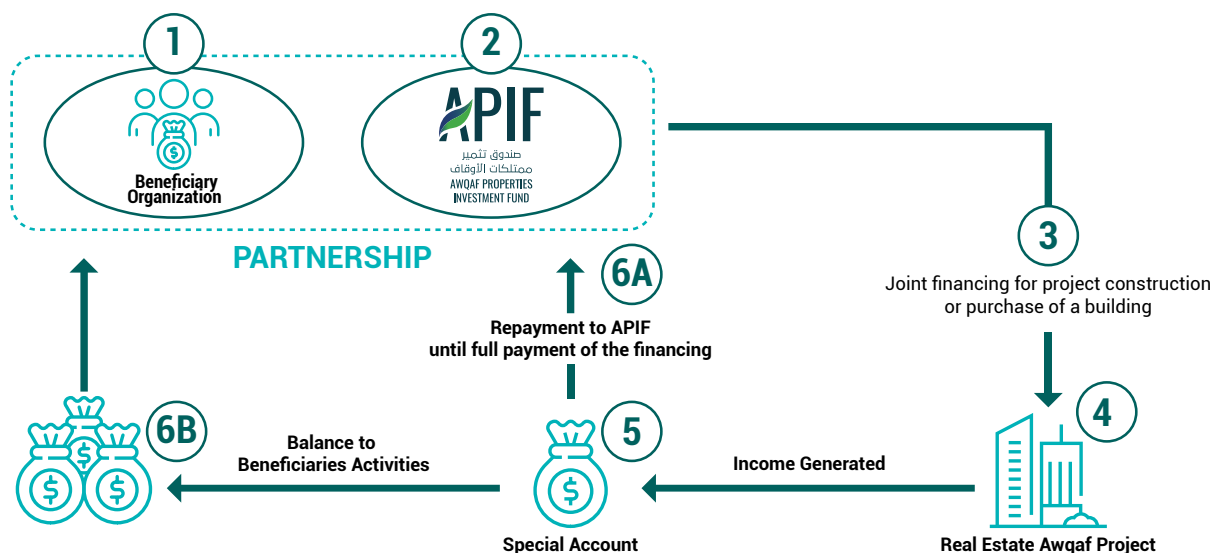
The objective of APIF is to ensure the sustainability, financial independence and social development of philanthropy organizations for the benefit of the Islamic Ummah.

APIF's strategy relies on extending financing to develop and invest in accordance with the principles of Islamic Sharia, in Awqaf real estate properties, such as residential and commercial buildings, that are socially, economically, and financially viable, in either Member or Non Member Countries. Thus, the value of the Waqf properties is increased and, from being idle, they are transformed into fully income-generating assets of high standing.

C. Operational Model of APIF and the Project Life Cycle

In a nutshell, APIF helps organizations engaged in activities of a developmental value achieve financial sustainability through financing the development of Waqf land or facilitating the establishment of entirely new charitable endowments. With a financial contribution of at least 25 percent of the total project cost or a suitable plot of land (in case of a greenfield project) provided by the beneficiary, APIF finances the construction, renovation and/or purchase of an income-generating real estate asset. Typically, the project is designed such that the repayments on APIF financing are made entirely from the income of the project itself, ideally with a significant amount remaining to support the beneficiary's activities during the repayment period. After the financing is repaid, all income generated goes to support the beneficiary's activities in perpetuity. This model is summarized in **Figure1**, below.

Figure 1: APIF Conceptual Model.



The life cycle of APIF projects is mostly similar to other development projects executed by IsDB, with a few notable exceptions. First, unlike sovereign projects, the initiating document can be a formal request from either a non-sovereign or a sovereign entity. Indeed, APIF is one of the few sources of financing within IsDB that does not require a sovereign guarantee.

Second, APIF can consider requests from organizations operating in MCs and NMCs, alike.

Third, emphasis is placed on early legal and compliance (KYC) due-diligence. This is because APIF projects are designed to financially empower organizations already engaged in developmentally usefully activities through providing them with financial sustainability. Thus, the legality and merit of the beneficiary's activities as well as the integrity of its key members must be established early-on, as APIF does not intervene in the specific development activities of the organization.

A further distinguishing feature of the APIF project lifecycle is the financial metrics of interest during the appraisal stage. Here, the crucial metrics are the Financial Internal Rate of Return (FIRR) as well as the Debt Service Coverage Ratio (DSCR). Indeed, unlike typical sovereign development projects, most APIF projects are expected to depend on income from the project itself for repayment and are otherwise unjustified if they fail

to cover debt installments (since the sole purpose of the projects is income generation). Ideally, beyond providing a factor of safety, the DSCR should be large enough to allow income over-and-above the installment amounts to be available to support beneficiary activities even during the repayment period.

The full life cycle of APIF projects is depicted in **Figure 2**, below.

Figure 2: APIF Project Life Cycle. Source: APIF team



D. Information Relevant to Potential APIF Impact Investors

Generally, APIF provides a secure avenue for investing with a social impact. Indeed, its relatively low dividend (averaging 3.5 percent of the invested amount annually since inception, with a minimum distributed dividend of 2.5 percent) is offset by its social dividend, its low-risk nature, in addition to appreciation in the value of its shares.

APIF is established as a U.S.-Dollar denominated fund managed by the Islamic Development Bank in accordance with the Islamic concept of Mudarabah and the regulations of APIF.

The IsDB undertakes the role of Mudarib acting as Manager and Custodian of APIF. As such, APIF benefits from the high-quality support functions provided by IsDB (e.g. procurement, legal, risk management, KYC, and financial control), the management expertise of a AAA-rated institution, as well as the general Islamic-finance-based development ecosystem provided by IsDB.

The Mudarib (Fund Manager), IsDB, applies very prudent measures for extending financing out of APIF's resources. These measures include, among others, thorough project due diligence, the requirement of Government guarantees, first class bank guarantees, mortgage or insurance cover from renowned credit insurance companies.



APIF currently provides low-cost and high-impact financing to establish Awqaf for organizations that ultimately serve various Sustainable Development Goals (SDGs).

Subscription to APIF's capital is open to Awqaf ministries, directorates, and institutions in addition to Islamic banks and financial institutions as well as philanthropic/donor institutions and individual investors. Given the diversity of potential participants, various options for investing and donating are available. Full detailed information for prospective investors can be found in **Annex 3**.

E. Information Relevant to Potential Beneficiaries of APIF Financing

APIF provides a competitive source of financing for income-generating real estate assets (Awqaf) with the objective to serve charitable organizations. Specifically, APIF finances any of the following:



new construction (i.e. greenfield projects)



existing property enhancement, and/or



existing property purchase

The main condition for financing any project is that at the end of the financing period, the project will be registered as a Waqf where possible or otherwise as an equivalent legal status (e.g. trust), to ensure perpetuity thereby achieving the APIF mandate.

Consideration for APIF financing is open to Awqaf ministries and institutions as well as charitable organization/trusts operating in accordance with Waqf principles in IsDB MCs and NMCs. However, the beneficiary is expected to provide at least 25 percent of the total project cost or a plot of land for the project (in case of a greenfield project).

Full information of interest to prospective beneficiaries, including how to benefit from APIF financing, can be found in **Annex 4**.

During the year 2020, and despite the COVID-19 pandemic, APIF has performed quiet well.

APIF was also successful in attracting four new investors with a total investment value of US\$ 21.59 million for 1,865 certificates issued (Direct Aid Society, Islami Bank Bangladesh Limited, Badan Pengelola Keuangan Haji (BPKH) and World Assembly of Muslim Youth).

The Fund was able to approve financing for five projects having total value of US\$ 51.47 million in Saudi Arabia, Guinea, United States of America and Kenya.

Financial Performance of the Fund

Assets of the Fund

APIF remains in a firm financial position underpinned by its strong balance sheet and the improved quality of its earnings, though the task ahead is to improve the return on capital.

The total assets of the Fund amounted to US\$ 116.83 million at the end of year 2020 compared to US\$ 94.85 million at end of Year 2019, or an increase of 23%. The

increase in total assets is funded by new capital injections from four new shareholders for 1,865 new certificates for a total amount of US\$ 21.59 million.

In terms of asset composition, there is a slight change from last year, with assets moving into real estate property assets, Istisnaa and liquid funds, with both Sukuk and ijarah assets witnessing an outflow, hence, resulting into 61% the total assets deployed in investments (Ijarah and sukuk, real estate and Musharaka assets), versus 68% last year. The table below summarizes the asset composition at 31/12/2019 and 31/12/2020:

Table 1: Asset Composition

(US\$ million)

	As at 31/12/2020		As at 31/12/2019	
	Amount	%	Amount	%
Cash & Cash Equivalent	8.075	6.9%	2.475	2.6%
Commodity murabaha placements	19.105	16.4%	14.543	15.3%
Investments–Ijarah Muntahia Bittamleek	29.750	25.5%	29.607	31.2%
Investments–Islamic Ijarah Sukkuks	29.749	25.5%	29.545	31.2%
Investments–Islamic Lease Fund	3.445	2.9%	3.283	3.5%
Investments–Real Estate	6.368	5.5%	0.000	0.0%
Investments–Musharakah	2.025	1.7%	2.289	2.4%
Receivables–Line of Financing	0.000	0.0%	0.353	0.4%
Receivables–Istisna'a	12.201	10.4%	7.771	8.2%
Receivables – Instalment Sales	4.567	3.9%	4.542	4.8%
Due from related parties	1.549	1.3%	0.438	0.5%
Accrued Income and Other Assets	0.000	0.0%	0.000	0.0%
Total Assets	116.834	100%	94.85	100%

Financial Indicators

The financial performance indicators of the Fund for the year 2020 in comparison with the period of 2019 are presented in the following Table:

Table 2: Financial Indicators

(US\$ million)

Financial Indicators	31/12/2020	31/12/2019
Net Assets	114.24	92.50
Net Income before Mudarib's share	2.83	3.42
Mudarib's share of net income (10%)	0.28	0.34
Transfer to General Reserve (15%)	0.461	0.336
Dividend	2,398	1,998
Dividend/Paid-up Capital - Declared Dividend	2.6%	3%
Average LIBOR (%)	0.69%	2.33%
Net Asset Value Per Certificate	11.589	11.574

The earning per certificate, after Mudarib's share of net income amounted to US\$ 259 in 2020.

Dividend distribution

In accordance with Article 19 of the Fund's Regulations, the Fund has declared a dividend of 2.6% of the paid-up capital for the year ended 31/12/2020.

Operational Performance

During the year 2020, the Fund has approved five projects having a total project amount of US\$ 51.47 million in four different IsDB member and non-member countries. The table below provides the details:

Table-3: List of APIF Projects Approved in 2020

(Amounts in US\$ million)

#	Project Name	APIF	IsDB Line	IsDB Group	Beneficiary & others	Total (USD)
1	Construction of a Mixed-Use Commercial Center in Minneapolis, USA to be used as a Waqf for Abubakar As-Saddique Islamic Center, Minnesota (AAICM)	2.50	2.50	-	2.50	7.50
2	Construction of Al-Furqan Mixed Use Waqf Building, Nairobi, Kenya in Favor of Maahad Daawah Organization	1.80	1.80	-	2.90	6.50
3	Construction of Phase 2 of the "Cite Waqf City" Commercial and Residential Complex in Favour of the IsDB-Guinea Waqf In Conakry, Guinea	-	-	16.00	7.70	23.70
4	Construction of A Hotel in the Central Region of Al Madinah Al Munawarah to Be Utilized As Waqf For Al Bayan Charitable Foundation For Education, Saudi Arabia (Supplementary Financing)	0.70	0.70	-	-	1.4
5	The Purchase of a Commercial Property in Jeddah, Saudi Arabia as an Investment for the Benefit of APIF	6.37	6.00	-	-	12.37
Total Amount		11.37	11.00	16.00	13.10	51.47

A brief description of each project is given below:

1. Mixed Use Commercial Center in Minneapolis, Minnesota, USA.

The objective of this project is to generate regular income for the AAICM (Abubakr As-Saddique Islamic Center) to help it enhance its activities and operation in the social, educational, and religious fields. Through the construction of a charter school, gymnasium, adult education center, and a restaurant in Minneapolis, Minnesota, USA, this objective will be met.

The project comprises the development of a charter school (with gymnasium) with a built-up area of 26,464 sqft, an adult education center with a built-up area of 13,869 sqft, and a restaurant with a built-up area of 1,420 sqft. The three components of this project account for a total area of 41,753 sqft and lie on a piece of land that will be designated as waqf land.

The total cost of the project, including land value, rests at US\$ 7.5 million, IsDB will provide via the Istisna'a financing mode will provide US\$ 5 million. Two companies were selected to participate in the execution of this project, Loeffler Construction and Consulting—with its extensive

experience in the construction of educational facilities—as the general contractor for civil works and Mohagen Hansen—selected and fully financed by AAICM—as the designer of the project.

The projected tenor of financing is 14 years and the repayments will be made in 28 semi-annual installments.



2. Al-Furqan Mixed Use Waqf Building

The objective of this project is to generate income to support the educational and social activities of Maahad Daawah Organization, specifically the sustainability of its Al-Furqan Training Institute.

The project entails the construction of a mixed use commercial and residential complex in Nairobi, Kenya. On a piece of land 827 m² in area and with a total construction area of 11,300 m², the complex will have a basement and 14 floors that include 3 retail stores, 2 office floors, and 10 residential floors.

The total cost of the project is US\$ 6.5 million, IsDB will provide US\$ 3.6 million (US\$ 1.80 million from APIF and US\$ 1.80 million from APIF Line) through Istisna'a mode of financing.

The Maahad Daawah Organization is project's beneficiary, sponsor and executing agency of the project.

The project will be implemented in 18 months. The projected income of the complex indicates that over 29 consecutive semi-annual installments, the project will be able to meet its debt serving obligations.



3. Construction of Phase 2 of the "Cite Waqf City" Commercial and Residential Complex in Favor of the IsDB-Guinea Waqf in Conakry - Guinea

The objective of this project is to construct a mixed-use commercial and residential complex comprising an underground parking, a shopping center of three floors, and three towers with offices, residential apartments, and serviced apartments that will generate a stable income for the IsDB-Guinea Waqf's (WBG), which will be used on education and health related activities.

WBG was established jointly by IsDB and the Government of Guinea in 1998 to support the educational and health sectors in Guinea.

The project land lies in the Kaloum Region in Conakry and has a total area of 17,284 m².



It was allocated by the Government of Guinea through a Presidential Decree, which was later registered under the name of the WBG.

WBG is the beneficiary and executing agent of this project, which is an independent waqf organization providing support to the educational and health systems in Guinea.

The total cost of the project Phase 2 is US\$ 23.7 million out of which the ISFD will provide US\$ 16 million, while the Guinean government contributes US\$ 7 million to a part of civil works, supervisory services, the Project

Management Unit, and the furnishing of the serviced apartment tower. The WBG will contribute a smaller amount of US\$ 0.7 million to technical control services and preoperational costs.

The project, which aligns with IsDB and ISFD strategies, is to be executed within 2.5 years of the effectiveness of the financial agreements. Generating income for the WBG will ensure it continues providing numerous social services including education and health services and contributing to the overall economic development of the country.

4. Hotel in Central Madinah (Al-Bayan Charitable Foundation for Education)



The project entails construction of a four star hotel comprises of a 12-storey building with 2 basements with a total construction area of 8,500 m².

The project will be constructed on awqaf land in Madinah Munawarah. The total cost of the project is around US\$ 40 million, including supplementary financing, wherein US\$ 10.2 million to be financed by APIF and APIF Line.

The project will support the Al Bayan Charity Foundation's educational institutions, including the Prince Murqin bin Abdul-Aziz University in Madinah which currently provides education for over one thousand students. Offering Bachelor's Degrees in Engineering, Business Administration, and Computer and Information Technology, the University's first batch of students have graduated during the academic year 2018/2019.

Because the hotel will be located

within close proximity to Majid Nabawi and since it lies in the main commercial district in Madinah, it offers various demand drivers.

With core objectives that align with IsDB strategies, like human development, empowerment of women through

education, development of Islamic financing, and economic development of IsDB-member countries, the construction of a hotel for Al-Bayan Foundation presents promising yields for the educational sector in Madinah.

5. The Purchase of a Commercial Property in Jeddah, Saudi Arabia



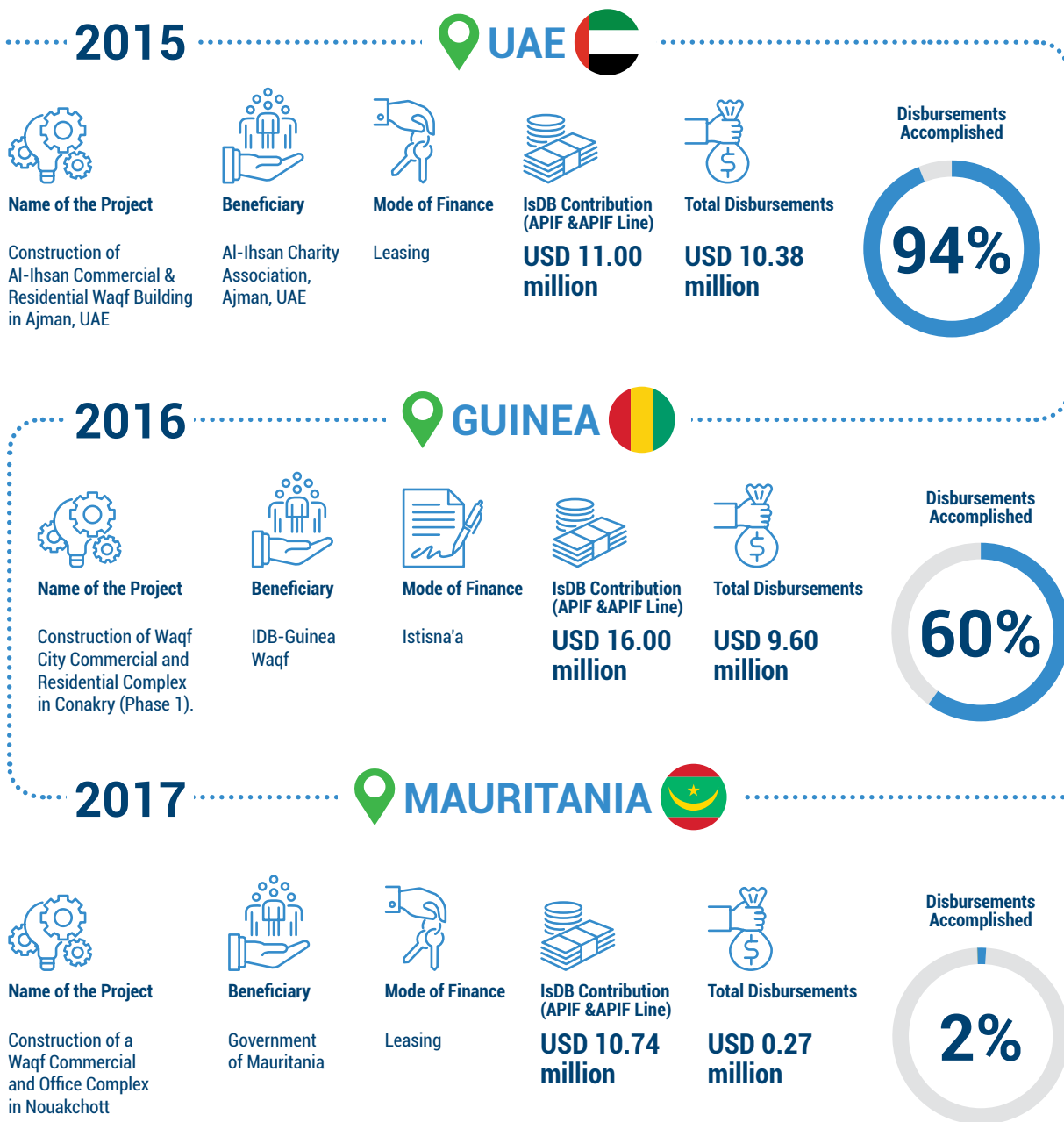
The objective of this project is to generate additional revenue for APIF to boost its profitability. The project entails the purchase of a commercial center with 8 fully rented showrooms and a rented roof area covering a length of 63 meters along Prince Sultan Street, Jeddah. With a total built-up area of 1956 m² over a land area of 2040 m², the project was approved on May 6th, 2020 by the APIF Management Committee for a total cost of US\$ 12.37 million, including consultancy and ownership transfer costs. APIF will target to exit this investment

after 10 years in order to benefit from the appreciation of the asset value.

By increasing APIF's resources, the project will help the fund fulfil its mandate, the support of the third-sector and charitable organizations to achieve financial sustainability. Located in a very prime zone in Prince Sultan Street in Jeddah and with the increasing popularity of the area, the project is promising due to its accessibility and the strong growth potential of the northern part of Jeddah.

APIF Projects in the Implementation Process

The design below provides details of some of the projects under implementation:



2017

SAUDI ARABIA



Name of the Project

Construction of Zamzam Health Waqf-3 in Makkah Al-Mukaramah



Beneficiary

Zamzam Society for Voluntary Health Services, Saudi Arabia



Mode of Finance

Forward Leasing



IsDB Contribution (APIF & APIF Line)

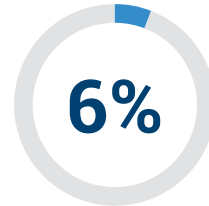
USD 12.00 million



Total Disbursements

USD 0.75 million

Disbursements Accomplished



2019

KENYA



Name of the Project

Construction of a Mixed-use Building in Nairobi, Kenya



Beneficiary

Zamzam Foundation, Somalia



Mode of Finance

Istisna'a



IsDB Contribution (APIF & APIF Line)

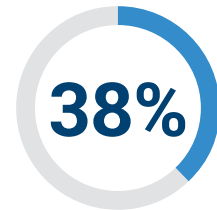
USD 6.50 million



Total Disbursements

USD 2.48 million

Disbursements Accomplished



2019

UGANDA



Name of the Project

Construction of a Waqf Residential Complex in Kampala, Uganda



Beneficiary

Mogadishu University Foundation, Uganda



Mode of Finance

Istisna'a



IsDB Contribution (APIF & APIF Line)

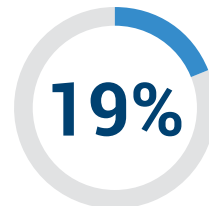
USD 10.66 million



Total Disbursements

USD 1.99 million

Disbursements Accomplished



2019

SAUDI ARABIA 



Name of the Project

Construction of a Hotel in the Central Region of Al Madinah Al Munawarah, Saudi Arabia



Beneficiary

Al Bayan Charitable Foundation for Education



Mode of Finance

Istisna'a



IsDB Contribution (APIF & APIF Line)

USD 8.80 million



Total Disbursements

USD 1.78 million

Disbursements Accomplished

20%

2020

USA 



Name of the Project

Construction of a Dormitory Project in New York, USA



Beneficiary

Turken Foundation



Mode of Finance

Istisna'a



IsDB Contribution (APIF & APIF Line)

USD 35.00 million



Total Disbursements

USD 9.28 million

Disbursements Accomplished

27%

2020

USA 



Name of the Project

Construction of a Mixed-Use Commercial Center in Minneapolis, Minnesota, USA



Beneficiary

Abubakar As-Saddique Islamic Center, Minnesota (AAICM)



Mode of Finance

Istisna'a



IsDB Contribution (APIF & APIF Line)

USD 5.00 million



Total Disbursements

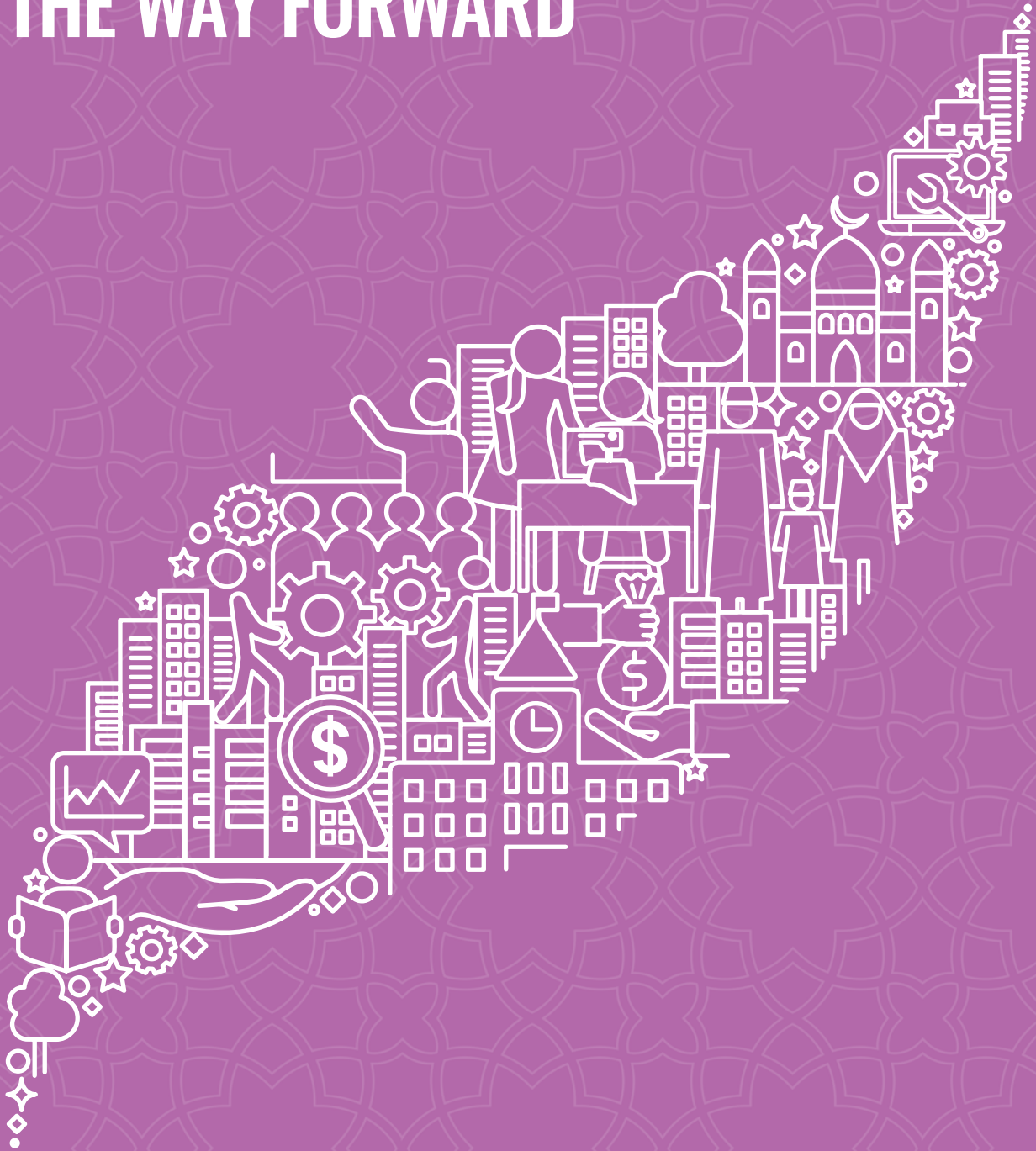
USD 2.47 million

Disbursements Accomplished

49%

CHAPTER 05

THE WAY FORWARD



The Awqaf Properties Investment Fund (APIF) was established for the development of Waqf properties globally. APIF played a pivotal role in the development of Waqf sector by providing technical and financial assistance for the promulgation of Waqf laws in the IsDB member countries. Additionally,

since its inception in 2001, APIF has approved



57
projects



worth
US\$ 1.22
Billion



in **29** IsDB
member and non-
member countries

Despite its limited resources, APIF has achieved numerous accomplishments and milestones; nonetheless, there remain Awqaf properties worth billions of dollars that could be effectively used to fight poverty and promote human development.

In consideration of the above, a new vision was adopted in early of 2019 to achieve an operational volume of US\$ 2 billion for APIF within a period of 10 years. In this regard, APIF is currently on the process of revamping its internal policy and processes, resource mobilization strategy, marketing strategy and image building, and staffing as well. Such positive changes are expected to further enhance the returns and impact of APIF investment, thereby boosting its attractiveness to investors. In 2020 APIF successfully attracted 4 new investors, namely: Direct Aid Society, Islami Bank Bangladesh Limited, Badan Pengelola Keuangan Haji (BPKH) and World Assembly of Muslim Youth with a total investment value of US\$ 21.59 million.

Pursuant to the achievement of the new vision, the IsDB has hired a consultancy Firm in 2018 to develop the fundraising strategy for APIF and define the targeted capital size for APIF. The consultancy Firm has indicated that operations for APIF tune of US\$ 1.6 billion is achievable within the period of 10 Years. This

would be achievable through raising APIF's resources to approximately US\$ 700 million during the same period.

As per the recommendations of the consultants, the proposed authorized capital increase would also allow APIF to consider targeting larger investors base. In addition to the current focus on institutional investors, targeting high-net-worth individuals could also be considered. Furthermore, larger-scale marketing campaigns could be justified, as APIF would have



Despite its limited resources, APIF has achieved numerous accomplishments and milestones; nonetheless, there remain Awqaf properties worth billions of dollars that could be effectively used to fight poverty and promote human development

the required capacity to absorb larger investments. It is significant to mention that in February 2020, IsDB's Board of Executive Directors approved an increase of APIF's authorized capital from US\$ 100 million to US\$ 500 million, enabling APIF to target a wider spectrum of investors.

Beyond traditional investors, APIF is also considering new, innovative methods to attract investments/raise capital. APIF has begun actively seeking the incorporation of disruptive technology and innovative methods to enhance resource mobilization (e.g. via crowdfunding and Issuing Awqaf Sukuk). For the time being, APIF is in the process of implementing crowdfunding to support the delayed projects on the account of overdue, but it aims to keep crowdfunding as a mechanism of funding for future projects as well.

Additionally, APIF will consider issuing Awqaf Sukuk, developing and utilizing capital market vehicles in the field of Awqaf.

Within the framework of its new vision and strategy, APIF has implemented a number of new initiatives aiming at enhancing awareness and strengthening the



APIF has begun actively seeking the incorporation of disruptive technology and innovative methods to enhance resource mobilization via crowdfunding and Issuing Awqaf Sukuk

impact of APIF's activities. Started in 2019, these initiatives include, Adoption of New APIF Brand Identity, Publication of Impact Report, creation of APIF Animated Video and development of the website. In 2020, APIF launched the crowdfunding initiative and started designing e-courses for capacity building of the entities and NGOs involved in that sector.



Some of the achievements of the APIF can be highlighted as follows:



Adoption of New APIF Brand Identity

Since APIF is growing and evolving as part of its new strategy, APIF has redesigned its logo and adopted a new brand identity that aligns with the IsDB's new strategic direction.



Development of APIF Animated Video



As part of expanding knowledge and awareness about APIF model, activities, and achievements, APIF has developed an animated video into the bank three official languages for the benefit of the APIF's stakeholders and general public.



Publication of Impact Report



To utilize the communication tools, mobilize resources, generate additional funds, and expand the outreach of its activities, APIF has launched its publication to strengthen stakeholder engagement and attract new stakeholders and beneficiaries.



Development of APIF website



In order align with the banks' global strategy and its new business model, APIF has developed a website that showcases APIF's model and achievements and attracts new investors and beneficiaries, as well as created a knowledge center to help NGOs build capacity, replicate a similar development model as APIF, and improve their existing models; moreover, the knowledge center can also provide the public with valuable information that can be used for educational purposes.

www.isdb.org/apif

APIF is also partnering with the Islamic Solidarity Fund for Development (ISFD), which has already entered into special agreements with several IsDB member countries allowing ISFD to receive Waqf lands for their development into revenue generating assets. Additionally, a pipeline of high quality waqf projects associated with the philanthropic organizations, NGOs and Ministries based in IsDB member and non-member countries has also been developed. These projects will assist the governments and the philanthropic organizations to perform their human development role in a sustainable way.

In order to enhance its outreach and benefits at regional level, the IsDB has decided to launch similar funds to APIF but at country level. In this regard, the Awqaf Financing Fund (AFF) Saudi Arabia was approved by the BED in February

2020 with capital value of SAR 1 billion. The fund will serve to finance the development of Waqf properties in the Kingdom. Upon its successful implementation, the model will be replicated in other regions.



In 2020, APIF has also adopted a new pricing policy.

Corporate Governance Statement

IsDB is a leading advocate of sound corporate governance. As the Mudarib and being the responsible entity for APIF, it has established the best principles and practices of corporate governance for the Fund. It has adopted systems of control and accountability as the basis of the administration and management of the Fund. This statement outlines the main corporate governance practices that were in place or adopted during the year.



Principle 1: Lay Solid Foundations for Management and Oversight

The Bank manages the Fund in accordance with the principles of Mudarabah. Thus, the Fund is managed as a financially and administratively separate organization with due regard to all of the Fund's stakeholders and its role in Awqaf affairs. IsDB's functions as Mudarib include custody of the Fund's assets and monitoring the Fund's operations to ensure compliance with the Regulations. It is also responsible for the strategic direction and management of the Fund's portfolio, as well as the day to day administration of the Fund.

The Board of Executive Directors

The Bank's Board of Executive Directors has the overall responsibility of the business of the Fund. It validates and approves business strategy and business plans, reviews business results and monitors budgetary controls and ensures compliance with the Fund's Regulations, the policies and the approved investment guidelines and compliance with the rulings of the International Islamic Fiqh Academy, the standards of AAOIFI and the regulations of the various jurisdictions where it operates.

Participants Committee

The Participants Committee has the advisory and control powers to ensure implementation of the provisions of

the Fund's Regulations and the guidelines for investment of the Fund's financial resources, in addition to reviewing and approving the Annual Report and final accounts of the Fund. The Members of the Participants Committee during the year are listed in Annex-I.

Supervisory Committee

The Supervisory Committee is composed of the President of the Bank, three members of IsDB Board of Executive Directors, two members nominated by every participant holding certificates with a nominal value of US\$ 10 million or more and a member for each participant holding certificates with a nominal value of US\$ 5 million or more but less than US\$ 10 million. This Committee is responsible for examining the quarterly accounts of the Fund and for proposing guidelines and policies for the Fund. This Committee is also responsible for periodic review of the performance of the Fund and for submitting reports on such performance to the Participants Committee and the Board of Executive Directors. The Members of the Supervisory Committee are listed in Annex II.

Management Committee

The Management Committee (MC) is chaired by the Vice President (Country Programs) and includes senior staff from the various departments of the Bank. The MC has the responsibility to ensure full compliance with the Regulations and Investment Guidelines, and

the requirements of the statutory authorities in the countries of the Fund's operations. In addition, the MC considers due diligence reports and issues relating to the Fund's investments. The members of the Management Committee are listed in Annex-IV.

Technical Review Committee

The Technical Review Committee (TRC) is responsible to review every project proposal submitted to APIF covering, inter alia, financial, legal and risk related issues, prior to submission of the projects to the Management Committee (MC) for clearance. The members of the Technical Review Committee are listed in Annex-V.

Other Committees

Other committees are established from time to time as required to consider matters of special importance including capital strategies, major investments and commitments, capital expenditure, staff appointments and the allocation of resources.



Principle 2: Ensure Shariah Compliance

The Bank's policy and practice is not to deviate from the Shariah in any way. Shariah compliance of the Fund is assured by the Shariah Auditor who reviews each transaction for compliance with the rulings and decisions of the International Islamic Fiqh Academy and the fatwas of the Shariah Committee of the Bank. As a fund with a mission, every project must be properly justified as a service to the Ummah.



Principle 3: Internal Audit and Control

The Fund's internal audit function is a component of the Bank's internal control environment. Internal audit operates within the framework of the Bank's policy on

internal audit which aims at ensuring the continuous and effective operation of internal controls across the IsDB Group. The policy gives authority to the internal audit function based on the principles of independence, compliance with standards, internal control, and practice methodologies, reporting and external audit liaisons within which internal audit operates.

The Group Internal Audit Department (GIAD) of IsDB liaises with the Management of the Fund to identify areas of procedural efficiency and improvement. The GIAD has direct access to all employees (and the external auditors) without management interference.

In addition, the external audit is also undertaken by the external auditors once at the end of the financial year.



Principle 4: Promote Ethical and Responsible Decision Making

Staff members are required to meet high standards of honesty and integrity. IsDB has adopted a "Code of Conduct" that outlines standards of behaviour to be met by all employees. The rules of the Code of conduct are published in the IsDB three working languages. These rules require the observance of strict ethical guidelines. They cover personal conduct, honesty, relations with investors and borrowers, prevention of fraud, conflict of interest and disclosure.



Principle 5: Risk Management

The Mudarib of the Fund has a formal Group-wide risk management program, based on proactive rather than reactive management of risk. This program is supported by IsDB's Risk Management Policy which has been endorsed by the Board of Executive Directors. The Group Risk Management Department overviews and monitors the risk profile of existing and future business operations. Each investment operation is screened for viability and

is protected by adequate guarantees and insurance programs. The internal audit team reports to the Audit Committee of the Mudarib on the nature and materiality of risks. The external auditor also reports findings on relevant risk issues to the Board of Executive Directors and the Participants Committee.

Principle 6: Make Timely and Balanced Disclosures

The Mudarib has a commitment to a high level of disclosure to the market and its participants. As a result, to this commitment and rigorous internal procedures, quarterly actual results of the Fund are reported against budget and monitored by Management. The Fund reports to the Supervisory Committee on quarterly basis and to the Participants Committee on yearly basis.

The Fund's liquid balance and foreign exchange positions are managed by the IsDB Treasury Department, which, after consultation with the Fund, determines position taking with external organizations. Funding, cash management, financial instruments and commodity

hedging tools are managed through policies, procedures and limits that are subject to internal and external review.

Principle 7: Post Evaluation of Completed Operations

The Mudarib's Operations Evaluation Department (OED) is responsible to enhance the development effectiveness of the IsDB Group's interventions by promoting learning and accountability. In this regard, the GOE Department conducts post-evaluation of completed operations for assessing the development results and drawing lessons and recommendations that feed into the planning of new projects for effective development efforts.

As such, the OE Department is involved in conducting post-evaluation of APIF operations and communicates evaluation results and impact of APIF interventions, identifies lacking areas/gaps and lessons learned, and makes recommendations to the Management for improvements, as required, towards achieving the targeted goals with quality and efficiency.

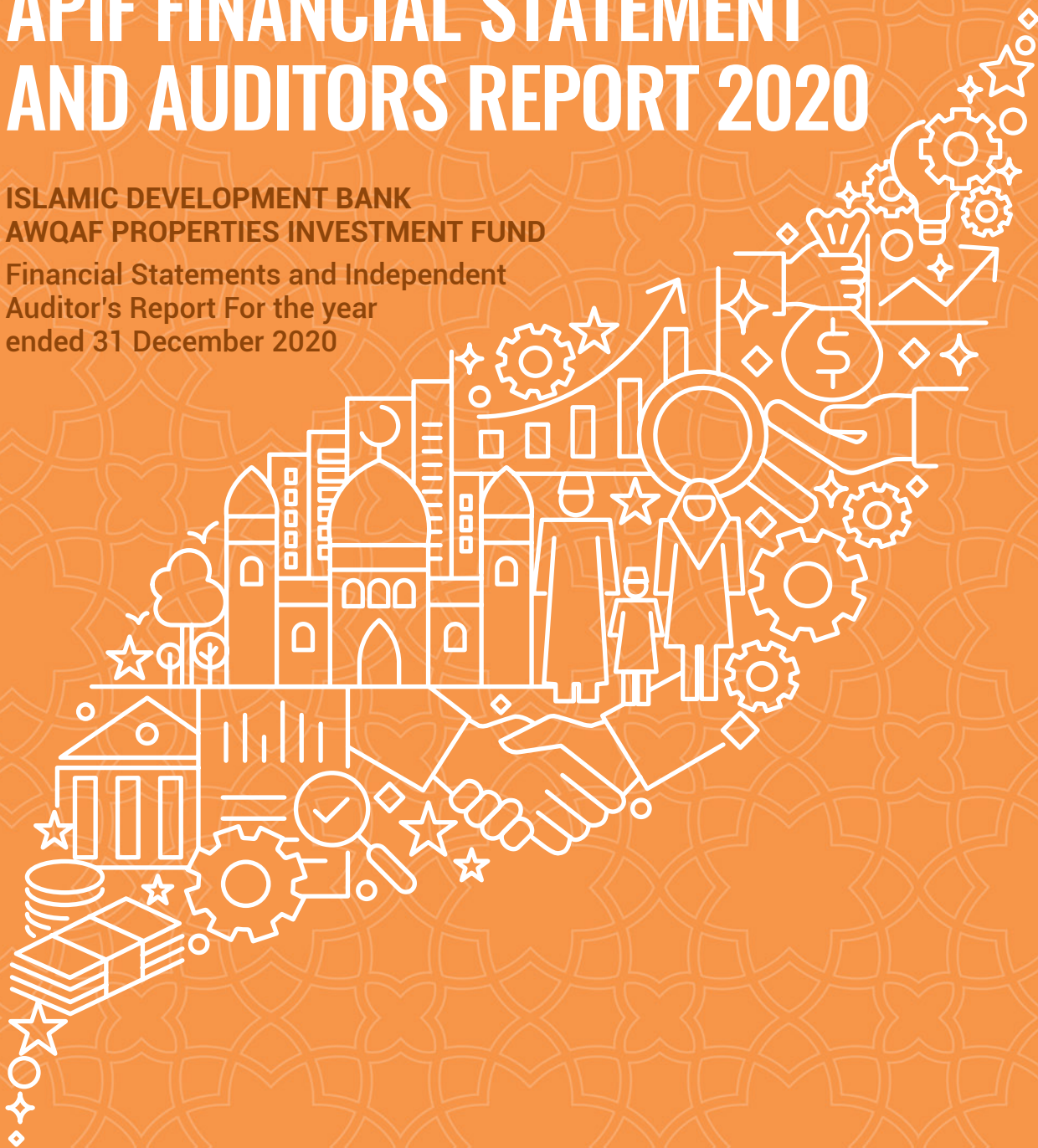


CHAPTER 07

APIF FINANCIAL STATEMENT AND AUDITORS REPORT 2020

**ISLAMIC DEVELOPMENT BANK
AWQAF PROPERTIES INVESTMENT FUND**

Financial Statements and Independent
Auditor's Report For the year
ended 31 December 2020





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INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Board of Governors
Islamic Development Bank
Jeddah
Kingdom of Saudi Arabia

Report on the financial statements

We have audited the accompanying statements of net assets and portfolio investments and receivables of Islamic Development Bank – AWQAF Properties Investment Fund (the "Fund") as at 31 December 2020, and the related statements of operations, changes in net assets, cash flows and financial highlights for the year then ended. These financial statements and the Fund's undertaking to operate in accordance with Islamic Shari'ah are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2020, and the results of its operations and its cash flows for the year then ended in accordance with the Islamic Shari'ah Rules and Principles as determined by the Shari'ah Board of the Islamic Development Bank Group and the financial accounting standards issued by the AAOIFI.

For Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. 356

11 May 2021
29 Ramadan 1442H
Jeddah



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF NET ASSETS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	Note	31 December 2020	31 December 2019
ASSETS			
Cash and cash equivalents	3	8,075	2,475
Commodity murabaha placements	4	19,105	14,543
Investments:			
Ijarah assets, net	5	29,750	29,607
Sukuk investments	6	29,749	29,545
Islamic lease fund & line	7	3,435	3,283
Musharaka	8	2,025	2,289
Real Estate	9	6,368	-
Receivables:			
Istisna'a	10	12,201	7,771
Project murabaha		4,567	4,542
Advance for musharaka, accrued income and other receivables		10	353
Due from related parties	11	1,549	438
TOTAL ASSETS		116,834	94,846
LIABILITIES			
Accrued expenses, dividend payables and other payables		2,314	1,703
Due to related parties	11	-	303
Accrued mudarib's share of income		283	342
TOTAL LIABILITIES		2,597	2,348
NET ASSETS		114,237	92,498
NET ASSETS REPRESENTED BY:			
Certificate holders' contribution	12	98,570	79,920
Premium on certificates		4,766	1,830
General reserve		6,714	6,253
Retained earnings		4,187	4,495
TOTAL CERTIFICATE HOLDERS' EQUITY		114,237	92,498
NUMBER OF CERTIFICATES OUTSTANDING	12	9,857	7,992
NET ASSET VALUE PER CERTIFICATE		11.589	11.574

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND STATEMENT OF PORTFOLIO INVESTMENTS AND RECEIVABLES

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	31 December 2020		31 December 2019	
	Amount	% age of Portfolio	Amount	% age of Portfolio
INVESTMENTS				
Ijarah assets, net	29,750	33.8%	29,607	38.4%
Sukuk investments	29,749	33.8%	29,545	38.3%
Real Estate	6,368	7.2%	-	-
Islamic lease fund	3,435	3.9%	3,283	4.3%
Musharaka	2,025	2.3%	2,289	3.0%
RECEIVABLES				
Istisna'a	12,201	13.8%	7,771	10.1%
Project murabaha	4,567	5.2%	4,542	5.9%
TOTAL	88,095	100%	77,037	100%

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF OPERATIONS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
INCOME FROM INVESTMENTS AND RECEIVABLES			
Investments:			
Ijarah assets, net		1,767	1,424
Sukuk investments		1,188	1,553
Islamic lease fund		79	80
Real Estate		3	-
		3,037	3,057
Receivables:			
Istisna'a		536	426
Project murabaha		246	185
		782	611
Total income from investments and receivables		3,819	3,668
Income from commodity murabaha placements			
Other income		61	55
Impairment provision, net	5, 8 & 10	(1,423)	(516)
Administrative expenses		(106)	(149)
Exchange gain/ (loss)		243	(48)
Net income before mudarib's share of income		2,834	3,416
Mudarib's share of net income		(283)	(342)
Increase in net assets representing net income for the year		2,551	3,074
Earning per certificate		0.259	0.385

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF CHANGES IN NET ASSETS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	Note	Certificate holders' contribution	Premium on certificate	General reserve	Retained earnings	Total
Balance at 1 January 2019		79,920	1,830	5,917	3,755	91,422
Net income for the year before						
Mudarib's share		-	-	-	3,416	3,416
Mudarib's share of net income		-	-	-	(342)	(342)
Dividends*		-	-	-	(1,998)	(1,998)
Transfer to general reserve*		-	-	336	(336)	-
Balance at 31 December 2019	11	79,920	1,830	6,253	4,495	92,498
Contributions During the Year		18,650	2,936	-	-	21,586
Net income for the year before						
Mudarib's share		-	-	-	2,834	2,834
Mudarib's share of net income		-	-	-	(283)	(283)
Dividends*		-	-	-	(2,398)	(2,398)
Transfer to general reserve*		-	-	461	(461)	-
Balance at 31 December 2020	11	98,570	4,766	6,714	4,187	114,237

* Represents appropriations of the net income of the previous year. Appropriations from net income of the current year will be reflected in the first day of the following year.

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
OPERATING ACTIVITIES			
Net income after mudarib's share of net income		2,551	3,074
Adjustments of non-cash items:			
Depreciation of ijarah assets	5	2,276	2,089
Mudarib's share of net income		283	342
Unrealized fair value loss on sukuk investments	6	(151)	(517)
Amortization of discount	6	(53)	(52)
Impairment charge	5,8&10	1,423	516
Changes in operating assets and liabilities:			
Commodity murabaha placements		(4,562)	(14,543)
Accrued income and other receivables		343	2,388
Due from related parties		(1,111)	1,287
Due to related parties		(303)	303
Accrued expenses and other payables		611	(734)
Cash from/(used in) operations		1,307	(5,847)
Mudarib's share of income paid		(342)	(248)
Net cash from/(used in) operating activities		965	(6,095)
INVESTING ACTIVITIES			
Ijarah assets		(3,658)	(3,850)
Islamic lease fund & line		(152)	(2,236)
Project murabaha		(25)	(3,599)
Istisna'a		(4,350)	915
Real Estate Investments		(6,368)	-
Net cash (used in) investing activities		(14,553)	(8,770)
FINANCING ACTIVITIES			
Capital Contribution		21,586	-
Dividends paid		(2,398)	(1,972)
Net cash from / (used in) financing activities		19,188	(1,972)
Net change in cash and cash equivalents		5,600	(16,837)
Cash and cash equivalents at the beginning of the year		2,475	19,312
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		8,075	2,475

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF FINANCIAL HIGHLIGHTS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars)

	For the year ended 31 December 2020	For the year ended 31 December 2019
DATA PER CERTIFICATE		
Net Assets value – beginning of the year	11.574	11.439
Units issued	0.057	-
Net Income before mudarib's share of Income	0.288	0.428
Less: mudarib share of Income	(0.029)	(0.043)
Net Income after mudarib's share of Income	0.259	0.385
Dividends	(0.300)	(0.250)
Net assets value – end of the year	11.589	11.574

The data per certificate is calculated using the number of certificates outstanding at 31 December 2020 and 31 December 2019, which were 9,857 and 7,992 certificates respectively at each reporting date.

	For the year ended 31 December 2020	For the year ended 31 December 2019
FINANCIAL RATIOS/SUPPLEMENTARY DATA:		
Net assets - end of the year	114,237	92,498
Average of net assets	103,368	91,960
Ratio of expenses to average of net assets	3.68%	2.99%
Annual rate of return	2.74%	3.71%

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

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020 (Expressed in thousands of US Dollars unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

The Fund is a trust fund established under Article numbers 2 and 23 of the Articles of Agreement of Islamic Development Bank ("IsDB" or the "Bank") based in Jeddah, Saudi Arabia and pursuant to the memorandum of understanding between the Bank and Awqaf Ministries and Institutions of Islamic countries in 1422H (corresponding to 2001). The certificate holders in the Fund are the Bank, participating institutions and religious authorities in the Muslim countries. The Fund commenced operations on 1 Rajab 1422H (corresponding to 19 September 2001). The Fund operates within certain conditions and restrictions as stipulated in its regulations.

The objective of the Fund is to invest in financially viable projects for the development of Awqaf real estate properties in the member countries of the Organization of the Islamic Cooperation ("OIC") and other countries. The Fund has been established for an extendable period of thirty years, unless terminated earlier, in accordance with the conditions laid down in its regulations.

The Fund is managed by the Bank as Mudarib in accordance with the Rules and Principles of Islamic Shari'ah. The Fund has Supervisory Committee ("the Committee") selected by the founding members of the Fund. The Committee oversees the actions of the Mudarib and the general policies of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The financial statements of the Fund are prepared in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"). For matters which are not covered by AAOIFI standards, the Fund seeks guidance from the relevant International Financial Reporting

Standards (IFRS) issued by the International Accounting Standards Board (IASB), provided they do not contradict the Rules and Principles of Islamic Shari'ah as determined by the Shari'ah Board of the IsDB Group.

b) Accounting convention

The financial statements are prepared under the historical cost convention using the accrual basis of accounting and the going concern concept, except for sukuk investments and musharakah carried at fair value. The financial statements have been presented in thousands of US Dollars, unless otherwise stated.

c) Sukuk investments

Sukuk are certificates of equal value representing undivided share in ownership to tangible assets, usufructs, services or (in the ownership) of assets of a particular project, classified as either measured at amortised cost or at fair value through income statement (statement of operations).

Sukuk is measured at amortised cost only if it is managed on a contractual yield basis or it is not held for trading and has not been designated at fair value through the income statement (statement of operations).

Sukuk classified and measured at fair value through income statement (statement of operations) are initially recognized at fair value at the date the contract is entered into 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 income statement (statement of operations). Transaction costs are expensed immediately on the date the contract is entered into.

d) Ijarah Assets

This represents assets purchased by the Fund and leased to beneficiaries for their use under Ijarah Assets agreements whereby the ownership of the assets is transferred to the beneficiaries at the end of the lease term and the completion of all payments

under the agreement without consideration or at a nominal price. The assets are stated at their acquisition cost less accumulated depreciation up to the reporting date. Ijarah assets are depreciated on the estimated usage basis.

Ijarah assets under construction are stated at the cost of asset's manufacturing or acquisition. Assets under construction are not depreciated. No rental income is recognised on the assets during the period of construction/manufacturing.

A provision for doubtful receivable is made if, in the opinion of management, the outstanding rentals net of security, are doubtful of recovery.

e) Investment in Real Estate

Investment in real estate represents the acquisition price of a commercial building held for periodical rental, or for capital appreciation purposes, or both, and is classified as investment in real estate. Investments in real estate are recorded at cost in accordance with the cost model per FAS 26, being the fair value of the consideration given and acquisition charges associated with the Property, less impairment.

f) Istisna'a

Istisna'a is an agreement whereby the Fund sells to the customer an asset which is either constructed or manufactured with agreed-upon specifications, for an agreed-upon price.

Istisna'a assets in progress represent disbursements made as well as accrued income against assets being either constructed or manufactured.

After completion, the Istisna'a asset is transferred to the Istisna'a receivable account and is carried at the value of amounts disbursed, plus income accumulated over the construction / manufacturing period, less repayments received and provision for impairment.

g) Project murabaha

Project murabaha agreements are deferred sale agreements whereby the fund sells an asset, which it has purchased and acquired based on a promise from the customer to buy. The selling price comprises the cost, plus an agreed profit margin. Amounts receivable from the Project murabaha transactions are stated at selling price, less unearned income, less repayments and provision for impairment (if any)..

h) Musharaka

Musharaka is partnership in which the Fund contributes a certain percentage of capital, and is entitled to share profits or loss proportionately. Musharaka is stated at fair value being the cost (expected to be recovered) less amounts of Musharaka capital returned.

i) General reserve

In accordance with the regulations of the Fund, the Mudarib is authorized by the Participants, before paying any dividends, to set aside, from the net income of the Fund such sums as it thinks proper, as general reserve to strengthen and support the Fund, provided it does not exceed 20% of the net income of the year, until such reserve equals 50% of the Fund's capital.

j) Foreign currencies

Transactions in foreign currencies are recorded in US Dollars at the rate of exchange ruling at the date of the transaction. Any monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of operations.

k) Revenue recognition

Sukuk Investments

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

Ijarah Assets

Income from ijarah assets is recognised using the effective yield basis (which represents ijarah rental net of depreciation against the ijarah asset).

Istisna'a

Income from istisna'a is recognized using the effective yield over the period of respective transaction.

Project murabaha

Income from Project murabaha are recognized using the effective yield over the period of respective transaction.

Musharaka

Income on Musharaka is recognized when the right to receive payment is established or on distribution. The Fund's share of loss is recognized in the period in which the losses are deducted from its share of Musharaka capital.

Commodity murabaha placements

Income from placements with other Islamic banks and Islamic windows of conventional banks is recognized using the effective yield over the period of the contract based on the principal amounts outstanding.

l) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced through the use of an allowance account. When a financial asset is not considered recoverable, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to the statement of operations. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

m) Cash and cash equivalents

For the purpose of Statement of Cash Flows, "cash and cash equivalents" consist of cash at bank and short-term investments with original maturities of three months or less.

n) Zakat and tax

The Fund is considered a Bait-ul-Mal (public money), hence is not subject to Zakat or any Taxes.

o) Subsequent event

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are

authorized for issue, provided they give evidence of conditions that existed at the reporting date.

Critical accounting judgments and estimates

The preparation of financial statements in accordance with FAS issued by AAOIFI requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and incomes and expenses. It also requires Management to exercise its judgment in the process of applying the Fund'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 judgments and estimates are summarised below:

Significant Judgments

Functional and presentation currency: Since most of the operations are conducted in USD and disbursements are made in USD, Fund's functional and presentation currency is USD.

Going concern: The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund 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 Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Significant estimates

Provision for impairment of financial assets: The Fund exercises judgment in the estimation of provision for impairment of financial assets. The methodology for the estimation of the provision is set out in the Significant Accounting Policies section "Impairment of financial assets".

Fair value of financial Instruments: The fair values of financial instruments that are not quoted in active markets is measured by using valuation techniques which require a certain degree of judgement and estimation.

3. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash in bank	1,185	-
Short-term commodity murabaha placements with banks (note 4)	6,890	2,475
Cash and cash equivalents	8,075	2,475

Commodity murabaha placements included within cash equivalents are those interbank placements, which have an original maturity equal to or less than three months.

4. COMMODITY MURABAHA PLACEMENTS

	31 December 2019	31 December 2019
Commodity murabaha placements	25,990	16,975
Accrued income	5	43
Commodity murabaha placements with maturities less than 3 months (note 3)	(6,890)	(2,475)
Cash and cash equivalents	19,105	14,543

Commodity murabaha placements with an original maturity above three months are held with Islamic banks.

5. IJARAH ASSETS, NET

The movement in Ijarah Assets during the year is as follows:

	For the Year ended 31 December 2020	For the Year ended 31 December 2019
Cost		
Assets under construction:		
Balance at beginning of the year	15,897	13,994
Additions	1,722	1,903
Transfer to assets in use	(5,227)	-
Balance at end of the year	12,392	15,897
Assets in use:		
Balance at beginning of the year	70,136	67,430
Transfer from assets in construction period	5,227	-
Other transfers	429	2,706
Balance at end of the year before impairment provision	75,792	70,136
Total costs	88,184	86,033
Accumulated depreciation:		
Balance at beginning of the year	59,323	54,343
Other transfers	-	2,891
Charge for the year	2,276	2,089
Balance at end of the year	61,599	59,323
Net book value	26,585	26,710
Plus: Ijarah overdue receivables & accruals	4,347	3,114
Less: impairment provision	(2,009)	(770)
Accrued Income	827	553
Total Investment In Ijarah assets	29,750	29,607

The movement in allowance for impairment against Ijarah assets is summarized as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Balance at the beginning of the year	770	402
Charge / (Reversal)	1,239	368
Balance at the end of the year	2,009	770

The net ijarah income is summarized as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Rental Income	4,043	3,513
Depreciation Expense	(2,276)	(2089)
Net Rental Income	1,767	1,424

6. SUKUK INVESTMENTS

Investment in Sukuk certificates represents a share in the Sukuk issued by various governments, financial institutions and certain other entities.

Investments in Sukuk are classified as follows:

	31 December 2020	31 December 2019
Governments	24,479	24,281
Other Entities	5,270	5,264
	29,749	29,545

Investments in Sukuk as at 31 December comprised the following:

	31 December 2020	31 December 2019
Sukuk classified as fair value through income statement (statement of operations)	14,888	14,739
Sukuk classified at amortised cost	14,861	14,806
Total	29,749	29,545

The movement during the year is as follows:

	For the Year ended 31 December 2020	For the Year ended 31 December 2019
Balance at beginning of the year	29,545	28,976
Fair value gain	151	517
Amortization of discount	53	52
Balance at end of the year	29,749	29,545

Credit Ratings

	31 December 2020	31 December 2019
A-	20,131	20,070
AA-	5,344	5,256
Unrated	4,274	4,219
Total	29,749	29,545

7. ISLAMIC LEASE FUNDS & LINE

	31 December 2020	31 December 2019
Bank Bosnia International Leasing line	2,227	-
Malaysia Shariah Courthouse lease Funds	1,388	3,682
Foreign Currency Revaluation	(180)	(399)
Total	3,435	3,283

8. MUSHARAKAH INVESTMENT

	31 December 2020	31 December 2019
Investment in Musharakah	2,486	2,486
Less: Impairment Provision (8.1)	(461)	(197)
Total	2,025	2,289

The Fund entered into a partnership agreement with a local contactor on a musharaka basis with the establishment of a Special Purpose Entity (SPE). The project was subsequently cancelled. The amount reported net of impairment is expected to be collected in full.

8.1 - The movement in allowance for impairment against musharakah investment is summarized as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Balance at the beginning of the year	(197)	1,018
(Charge) /Reversal	(264)	(821)
Balance at the end of the year	(461)	197

The increase of the impairment provision is to cover the shortfall in distributable net assets of the investee upon liquidation.

9. INVESTMENT IN REAL ESTATE

	31 December 2020	31 December 2019
Building	4,559	-
Less: Accumulated Depreciation	(10)	-
Net Book value of Building	4,549	-
land	7,813	-
Share of Syndicate member	(5,994)	-
Total	6,368	-

Investment in real estate comprises of properties acquired in 2020 for rental and capital appreciation over time. These are located in the Kingdom of Saudi Arabia.

10. ISTISNA'A

	31 December 2020	31 December 2019
Istisna'a	13,090	8,740
Less: Impairment Provision	(889)	(969)
Total	12,201	7,771

The movement in impairment provision against Istisnaa assets is summarized as follows:

	31 December 2020	31 December 2019
Balance at the beginning of the year	(969)	-
Reversal/(charge)	80	(969)
Balance at the end of the year	(889)	(969)

11. RELATED PARTY BALANCES AND TRANSACTIONS

As per the regulations of the Fund, IsDB is entitled to 10% share of net income of the Fund as Mudarib, which is separately shown in the statement of operations.

Under the terms of the Fund's Regulations, in its capacity as Mudarib, IsDB provides certain administration facilities and personnel to the Fund for which no separate charge is made to the Fund.

As at 31 December 2020 and 31 December 2019, IsDB held 2,950 of the subscribed certificates.

The Fund is managed by the IsDB and its transactions are done through the IsDB. Principal arrangements managed by IsDB include investment in Sukuk, commodity murabaha placements with various institution and others.

The net balance due from/to related parties at end of the year are as follows:

Due from related parties	31 December 2020	31 December 2019
IsDB – OCR	1,497	438
Waqf Fund	52	-
	1549	438

12. CERTIFICATE HOLDERS' CONTRIBUTION

Certificate holders' contributions at 31 December comprise the following:

Authorized: 50,000 certificates of US \$ 10,000 each
(2019-50,000 certificates of US \$ 10,000 each)

Issued, subscribed and paid-up:

8,857 certificates of US \$ 10,000 each
(2019- 7,792 certificates of US \$ 10,000) each

	31 December 2020	31 December 2019
	500,000	200,000
	88,570	79,920

13. CREDIT RISK

Credit risk is the risk that one party to a financial contract will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund manages credit risk by monitoring credit exposures, and continually assessing the creditworthiness of counterparties.

14. CONCENTRATION OF CREDIT RISK

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographic location. The Fund seeks to manage its credit risk exposure through diversification of financing activities to avoid undue concentration of risk with individuals or customers in specific locations or industry sectors.

Concentration of assets by geographical areas at 31 December is analyzed as under:

Description	31 December 2019				
	Cash and cash equivalents	Investments	Receivables	Others	Total
Africa	-	14,662	9,382	-	24,044
Asia	27,180	56,665	7,386	1,559	92,790
Total Assets	27,180	71,327	16,768	1,559	116,834

Description	31 December 2019				
	Cash and cash equivalents	Investments	Receivables	Others	Total
Africa	-	13,381	7,609	-	20,990
Asia	2,475	51,343	4,704	15,334	73,856
Total Assets	2,475	64,724	12,313	15,334	94,846

An analysis of the Fund's assets by industry at 31 December is as follows:

Description	31 December 2020				
	Real estate	Public utilities	Financial institutions	Other	Total
Cash and cash equivalents	-	-	8,075	-	8,075
Commodity murabaha placements	-	-	19,105	-	19,105
Investments	34,358	15,921	-	19,023	69,302
Receivables	16,768	2,025	-	-	18,793
Accrued income and other assets	-	-	-	1,559	1,559
Total assets	51,126	17,946	27,180	20,582	116,834

Description	31 December 2019				
	Real estate	Public utilities	Financial institutions	Other	Total
Cash and cash equivalents	-	-	2,475	-	2,475
Commodity murabaha placements	-	-	14,543	-	14,543
Investments	26,216	18,446	-	20,062	64,724
Receivables	12,313	-	-	-	12,313
Accrued income and other assets	-	-	-	791	791
Total assets	38,529	18,446	17,018	20,853	94,846

15. LIQUIDITY RISK

Liquidity risk is the risk that the Fund will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to cease immediately. To guard against this risk, assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents.

The table below summarizes the maturity profile of the Fund's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period from, the reporting date to the contractual maturity date.

The contractual maturities of the Fund's assets and liabilities according to their respective periods to maturity are as follows:

Description	31 December 2019					Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Maturity Period not Determined	
Assets						
Cash and cash equivalents	8,075	-	-	-	-	8,075
Commodity murabaha placements	-	9,600	9,505	-	-	19,105
Investments	1,119	1,606	21,962	38,247	6,368	69,302
Receivables	-	911	5,366	12,516	-	18,793
Accrued income and other receivables	1,559	-	-	-	-	1,559
Total assets	10,753	12,117	36,833	50,763	6,368	116,834
Liabilities						
Accrued expenses and other payables	-	2,314	-	-	-	2,314
Accrued Mudarib's share of income	283	-	-	-	-	283
Total liabilities	283	2,314	-	-	-	2,597
Net Assets	10,470	9,803	36,833	50,763	6,368	114,237

Description	31 December 2019					Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Assets						
Cash and cash equivalents	2,475	-	-	-	-	2,475
Commodity murabaha placements	9,543	5,000	-	-	-	14,543
Investments	1,194	2,686	23,335	37,509	-	64,724
Receivables	-	-	-	12,313	-	12,313
Accrued income and other receivables	3	-	350	-	-	353
Due from related parties	438	-	-	438	-	438
Total assets	13,653	7,686	23,685	49,822	-	94,846
Liabilities						
Accrued expenses and other payables	-	1,623	-	-	-	1,623
Accrued Mudarib's share of income	-	342	-	-	-	342
Dividends payable	-	80	-	-	-	80
Due to related parties	303	-	-	-	-	303
Total liabilities	303	2,045	-	-	-	2,348
Net Assets	13,350	5,641	23,685	49,822	-	92,498

16. CURRENCY RISK

Currency risk is the risk that value of a financial asset of the Fund will fluctuate due to changes in foreign exchange rates. The Fund did not undertake significant transactions in currencies other than US Dollars, during the year, and therefore it was not exposed to significant currency risk.

17. OPERATIONAL RISK

The fund defines operational risk as the risk of loss resulting from inadequate or failed processes, people and systems; or from external events. This also includes possible losses resulting from Sharia non-compliance risks, failure in fiduciary responsibilities and legal risk.

Operational risk management forms part of the day-to-day responsibilities of management at all levels. The fund manages operational risk based on a consistent framework that enables the fund to determine its operational risk profile and systematically identify and assess risks and controls to define risk mitigating measures and priorities.

Shariah non -compliance risk (SNCR)

The fund attaches value in safeguarding its operations from Shari'ah non-compliance risk (SNCR) as part of its operational risk management. Islamic Shari'ah compliance forms an integral part of the fund's purpose of establishment. Consequently, the fund effectively manages SNCRs through leveraging on the IsDB Group wide robust framework of procedures and policies. The business or risk-taking unit, as the 1st line of defence, embeds a culture of Shari'ah compliance, while the Shari'ah Compliance function of IsDB Group serves as the 2nd line of defence to strategically manage and monitor SNCRs pre-execution of transactions/ operations. The IsDB Group Internal Shari'ah Audit function provides independent reasonable

assurance as the 3rd line of defence post-execution of transactions/operations adopting a risk based internal Shari'ah audit methodology.

18. SEGMENTAL INFORMATION

The main activity of the Fund is to invest in projects for the development of Awqaf real estate properties in the member countries of the Organization of the Islamic Cooperation ("OIC") and other countries and the management views its investments and financing as one segment. Therefore, any segmentation of operating income, expenses, assets and liabilities is not applicable to the Fund.

As at 31 December 2020, the undisbursed commitment relating to ijarah and istisna'a amounted to USD 40.78 million (2019 USD: 32.94 million).

19. FAIR VALUES OF FINANCIAL ASSETS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable and willing parties in an arm's length transaction.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

20. COMMITMENTS

31 December 2019

Assets

Financial assets at fair value through income statement (statement of operations):

Investments in sukuk

Total

Level 1	Level 2	Level 3	Total
14,888			14,888
14,888			14,888

31 December 2019

Assets

Financial assets at fair value through income statement (statement of operations):

Investments in sukuk

Total

Level 1	Level 2	Level 3	Total
14,738			14,738
14,738			14,738

21. SHARI'AH BOARD

The Fund's business activities are subject to the supervision of the IsDB Group Shari'ah Board consisting of members appointed by the Chairman of the IsDB Group in consultation with the Board of Executive Directors of IsDB. The Group Shari'ah Board was established pursuant to a Resolution of the Board of Executive Directors of IsDB. The members of the Board are appointed for 3 years and may be reappointed.

The Board has the following functions:

- to consider all products introduced by the Bank, its affiliates and trust funds for use for the first time and rule on their conformity with the Rules and Principles of the Islamic Shari'ah, and lay down basic principles for drafting of related contracts and other documents;
- to give its opinion on the Islamic Shari'ah alternatives to conventional products which the Bank, its affiliates and trust funds intend to use, and to lay down basic principles for drafting of related contracts and other documents and contribute to their development with a view to enhancing the Bank's, its affiliates' and trust funds' experience in this regard;

- to respond to the Islamic Shari'ah related questions, enquiries and explications referred to it by the Board of Executive Directors or the management of the Bank, its affiliates and trust funds.
- to contribute to the Bank, its affiliates and trust funds programme for enhancing the awareness of its staff members of Islamic banking and deepen their understanding of the fundamentals, principles, rules and values relative to Islamic financial transactions; and
- to submit to the Board of Executive Directors of the Bank, its affiliates and trust funds a comprehensive report showing the measure of the Bank's, its affiliates' and trust funds' commitment to the Rules and Principles of Islamic Shari'ah in the light of the opinions and directions given and the transactions reviewed.

22. AAOIFI STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new financial accounting standards of The Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") have been issued except for FAS 29 "sukuk issuances" which

is in the stage of exposure draft and is expected to be issued in near future. The Fund intends to adopt these financial reporting standards when they become effective and is currently assessing the impact of these new financial accounting standards on its financial statements and systems.

(i) Financial Accounting Standard – 29 “Sukuk Issuances”

The standard aims to provide guidance for accounting, classification and presentation for Sukuk issuances primarily based on the Sukuk structure, which may include on balance sheet, as well as, off balance sheet accounting. These classifications depend on the control of such assets comprising of power to control and nature of control i.e. for risks and rewards as well as varying benefits to the institution or the fiduciary responsibility on behalf of the Sukuk-holders. This standard shall be applied for accounting and financial reporting for Sukuk issuance in the books of the issuer.

(ii) Financial Accounting Standard – 30 “Impairment and credit losses”

FAS 30 will be replacing FAS 11 “Provisions and Reserves” and has been developed on the new approach towards identification and recognition of impairment and credit losses, in particular the forward-looking expected losses approach, as introduced under International Financial Reporting Standard (IFRS) 9 “Financial Instruments”. FAS 30 shall also apply to off-balance sheet exposures.

This standard became effective from the financial periods beginning on or after 1 January 2021, with earlier adoption permitted. The Fund is currently assessing its impact of this FAS on the 2021 financial performance.

(iii) Financial Accounting Standard – 31 “Investment Agency (Al-Wakala Bi Al-Istithmar)”

This standard intends to define the accounting principles and reporting requirements for investment agency (Al-Wakala Bi Al-Istithmar) transactions and

instruments to be in line with the ever-changing global best practices, in hand of both the principal and the agent.

This standard shall be applicable on the financial statements of the Fund for the periods beginning on or after 1 January 2021, with early adoption permitted.

The standard requires the principal to evaluate the nature of the investment as either a) a pass-through investment or b) wakala venture.

A pass-through investment is an investment in which the involvement of the agent, as well as the options for transferability of the instrument are limited and the investor principally takes a direct exposure on the underlying assets. An investor shall apply the pass-through investment approach for its investments in an investment agency instruments, unless it opts to apply the wakala venture.

Under this approach, the principal shall initially recognize the assets underlying the wakala arrangement in its books of account applying the initial recognition principles as applicable in line with respective FAS.

The principal may opt to apply the wakala venture approach if, and only if, the investment agency contract meets any of the conditions required under certain conditions.

Under this approach, an investment shall be accounted for in the books of the investor applying the “equity method of accounting”; where the investment shall be recognized initially at cost and subsequently shall be measured at the end of the financial period at carrying amount and shall be adjusted to include the investor’s share in profit or loss of the wakala venture.

From the agent perspective, the standard requires that at inception of the transaction the agent shall recognize an agency arrangement under off-balance sheet approach since the agent does not control the related assets / business. However, there are exceptions to off-balance sheet approach whereby

virtue of additional considerations attached to the instrument based on investment agency may mandate the same to be accounted for as on-balance sheet.

An agent may maintain multi-level investment arrangements. Under such arrangement, the Fund will reinvest Wakala funds into a secondary contract. Such secondary contracts shall be accounted for in line with the requirements of respective FAS in the books of the agent.

There are no wakala placements whereby the Fund acts as either muwakkil or wakeel. Therefore, management does not expect any impact of FAS 31 on the Fund.

(iv) Financial Accounting Standard – 32 “Ijarah”

This standard intends to set out principles for the classification, recognition, measurement, presentation, and disclosure for Ijarah (asset Ijarah, including different forms of Ijarah Muntahia Bittamleek) transactions entered into by the Islamic Financial Institutions on both ends of the transaction i.e. as a lessor and lessee.

This standard shall be applicable on the financial statements of the Fund for the periods beginning on or after 1 January 2021, with early adoption permitted. The Fund believes the FAS 32 shall not have any material impact on the Fund's financial statements as it primarily affects lessee accounting.

(v) Financial Accounting Standard – 33 “Investment in Sukuk, shares and similar instruments”

This standard improves upon and supersedes the AAOIFI's Financial Accounting Standard (FAS) 25 “Investment in Sukuk, Shares, and Similar Instruments” issued in 2010. This standard aims at setting out principles for the classification, recognition, measurement, presentation and disclosure of investment in Sukuk, shares and other similar instruments of investments made by Islamic financial institutions (IFIs / the institutions).

The standard defines the key types of instruments of Islamic Shari'ah compliant investments and defines

the primary accounting treatments commensurate to the characteristics and business model of the institution under which the investment is made, managed and held.

This standard shall be applicable on the financial statements of the Fund for the periods beginning on or after 1 January 2021, with earlier adoption permitted. The Fund is already in compliance with the provisions of FAS 33 and does not expect any financial impact from its application.

(vi) Financial Accounting Standard – 34 “Financial reporting for Sukuk-holders”

This standard intends to prescribe the accounting principles and reporting requirements for underlying assets of the Sukuk instrument. The objective of this standard is to establish the principles of accounting and financial reporting for assets and business underlying the Sukuk to ensure transparent and fair reporting to all relevant stakeholders particularly Sukuk-Holders.

This standard shall be applicable to Sukuk in accordance with the Islamic Shari'ah Rules and Principles issued by an Islamic Financial Institution or other institution (called “originator”), directly or through the use of a Special Purpose Vehicle (SPV) or similar mechanism. In respect of Sukuk which are kept on-balance sheet by the originator in line with the requirements of FAS 29 “Sukuk in the books of the originator”, the originator may opt not to apply this standard. This Standard shall be effective from the financial periods beginning on or after 1 January 2021. Since the Fund does not issue sukuk, this FAS is not applicable.

(vii) Financial Accounting Standard – 35 “Risk Reserves”

The objective of this standard is to establish the principles of accounting and financial reporting for risk reserves established to mitigate various risks faced by stakeholders, mainly the profit and loss taking investors, of Islamic financial institutions. This standard shall apply to risk reserves that are

established by an IFI entity, to mitigate the credit, market, equity investment, liquidity, rate of return or displaced commercial risks faced by stakeholders. On the other hand, operations risk is the responsibility of the IFI itself, so this standard shall not be applied on any risk reserve created to mitigate the operational risk.

This standard complements FAS 30 "Impairment, Credit Losses and Onerous Commitments" and they shall be adopted simultaneously. Both of standards FAS 30 and FAS 35 together supersedes the earlier FAS 11 "Provisions and Reserves".

This standard shall be applicable on the financial statements of the Fund for the periods beginning on or after 1 January 2021. Early adoption is permitted, only if the IFI decided to early adopt FAS 30 "Impairment, Credit Losses and Onerous Commitments". FAS 35 is not applicable to the Fund given it does not attract resources from profit and loss taking investors.

23. IMPACT OF COVID

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the globe including Saudi Arabia. During the year ended 31 December 2020, the Saudi Arabian government rightly took many initiatives to contain the spread of virus, which included restrictions on travel, gathering of people and enactment of curfew timings. This resulted in many non-essential businesses to curtail or suspend activities until further notice.

Considering these factors, the Fund's management carried out an impact assessment on the overall Fund's operations and business aspects including factors like dealing with stakeholders, continued day to day business activities, financing, investment and collection as well as working capital projections, etc. and concluded that, as at the issuance date of these financial statements, the Fund did not have significant adverse impact on its operations and businesses due to COVID-19 pandemic and no

significant changes are required to the judgements, assumptions and key estimates.

To preserve the health of the employees and support the prevention of contagion in the operational and administrative areas, the Fund took measures, in line with the recommendations of the World Health Organisation and Ministry of Health - Kingdom of Saudi Arabia, such as working from home, social distancing at work place, rigorous cleaning of workplaces and staff accommodation, distribution of personal protective equipment, testing of suspected cases, limiting non-essential travel, self-health declarations and measuring body temperature. In addition, the Fund's nature of activities facilitated seamless operations during the pandemic.

The operational and financial impacts of the COVID-19 pandemic to date have been reflected in these financial statements. The strong financial position, including access to funds, nature of activities coupled with the actions taken by the Fund to date and the continued operations ensures that the Fund has the capacity to continue through the challenges caused by impacts of the COVID-19 pandemic. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

24. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform to current year's presentation.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorized for issue in accordance with a resolution of the Board of Executive Directors on 27 February 2021 (corresponding to 15 Rajab 1442H).

ANNEXES



ANNEX 01

CURRENT INVESTORS IN APIF

1. APIF PARTICIPANTS AND THEIR CONTRIBUTION IN THE PAID-UP CAPITAL AS OF 31/12/2020

No.	Name of Participant	Country	Paid-up Capital (US\$ Million)	Percentage
1	Islamic Development Bank	Saudi Arabia	29.50	29.46%
2	OIC – Islamic Solidarity Fund	Saudi Arabia	15.51	15.49%
3	Islami Bank Bangladesh Limited	Bangladesh	10.00	11.56%
4	General Authority for Awqaf	Saudi Arabia	7.50	7.49%
5	Faisal Islamic Bank	Egypt	6.76	6.75%
6	Kuwait Awqaf Public Foundation	Kuwait	5.00	4.99%
7	Kuwait Finance House	Kuwait	5.00	4.99%
8	Direct Aid Society	Kuwait	4.46	4.45%
9	Badan Pengelola Keuangan Haji	Indonesia	4.32	4.31%
10	Iran Endowment Fund	Iran	2.90	2.90%
11	Social Islamic Bank Bangladesh	Bangladesh	1.75	1.75%
12	Al-Baraka Islamic Bank	Bahrain	1.00	1.00%
13	Bahrain Islamic Bank	Bahrain	1.00	1.00%
14	Tadamon Islamic Bank	Sudan	1.00	1.00%
15	Jordan Islamic Bank	Jordan	1.00	1.00%
16	Ministry of Awqaf and Islamic Affairs	Jordan	1.00	1.00%
17	World Assembly of Muslim Youth	Saudi Arabia	0.87	0.87%
Total			98.57	100%

2. BRIEF PROFILE OF THE INVESTORS IN APIF BESIDES ISDB



OIC – Islamic Solidarity Fund⁵

The Islamic Solidarity Fund, a subsidiary organ of the OIC was established in pursuance of a resolution of the Second Islamic Summit Conference, held in Lahore, in Safar, 1394H (February 1974). The Fund is located at the General Secretariat of the OIC in Jeddah, Kingdom of Saudi Arabia. It has the following objectives: to take all possible steps to raise the intellectual and moral levels of the Muslims in the world; to provide required material relief in case of emergencies such as natural catastrophes and man-made disasters, that may befall the Islamic States; and to grant assistance to Muslim minorities and communities so as to improve their religious, social and cultural standards.



Islami Bank Bangladesh Limited⁶

The Islami Bank Bangladesh Limited (IBBL) is a Joint Venture Public Limited Company focused in commercial banking business on the basis of Islamic Sharia. Among private sector banks in Bangladesh, IBBL has the largest branch network with a total of 373 branches, 162 sub-branches, and 2283 agent outlets. Established on the 13th of March in 1983, IBBL is the first Islamic bank in Southeast Asia. The IBBL aspires to establish Islamic banking by promoting a welfare-based banking system and ensuring equity in economic activity. By investing in developmental executions in the less developed areas of the country, IBBL fuels socio-economic levitation and financial stability in rural areas particularly. Besides adhering to Islamic teaching, IBBL adopts a welfare-oriented approach in its projects, prioritizing client welfare, investing in poorer areas of the economy, recruiting highest-caliber human resources, providing stellar work environments, allowing no tolerance of negligent work, and promoting renewable energy usage.



General Authority for Awqaf⁷

The General Authority for Awqaf in Saudi Arabia is a public body with legal personality enjoying financial and administrative independence, linked to the Prime Minister based in Riyadh. The General Authority was established in 1431 and its regulations were issued in 1437. The Authority aims at organizing, maintaining, and developing awqaf in a manner that achieves the requirements of the waqf, and enhances its role in economic and social development and social solidarity, in accordance with the purposes of Islamic Sharia and regulations.



Faisal Islamic Bank⁸

Faisal Islamic Bank of Egypt (FIBE) is the first Egyptian Islamic and commercial bank. The Bank officially started its operations on 5/7/1979. The goal of the founders was to establish a bank in Egypt operating in accordance with the Islamic Sharia to serve as a model for Islamic banking all over the world. His Royal Highness Prince Mohammed Al-Faisal Al-Saud - Chairman of the board of directors - presented the idea before a number of Egyptian figures and officials. The Bank was incorporated under Law No. 48 of 1977 which was then endorsed by the Parliament and the Bank was licensed as an economic and social institution taking the form of an Egyptian joint-stock company operating in compliance with the rulings of Islamic Shari'ah. There was a great demand for the bank's shares, resulting in successive increases in the Bank's capital till it reached \$ 500 million as an authorized

5 Source: https://www.oic-oci.org/page/?p_id=64&p_ref=33&lan=en

6 Source: <https://www.islamibankbd.com/> 7 Source: <http://www.faisalbank.com.eg/FIB/english/about-us/incorporation-history.html>

7 Source: <http://careers.awqaf.gov.sa/EN/content.php?ulid=272128-about-awqaf>

8 Source: <http://www.faisalbank.com.eg/FIB/english/about-us/incorporation-history.html>

capital against \$ 367 million as an issued and fully paid-up capital. The Bank manages about 2 million accounts. Total assets of the Bank reached EGP 90 billion. Today, His Royal Highness Prince Amr Al-Faisal is the Chairman of the Board of Directors as a successor to the late His Royal Highness Prince Mohammed Al-Faisal Aal Saud.



Kuwait Awqaf Public Foundation⁹

The Kuwait Awqaf Public Foundation was established by virtue of the Emiri Decree of 13 November 1993, which stipulated that the Foundation would exercise the mandated powers of the Ministry of Awqaf and Islamic Affairs in the field of Awqaf to oversee the affairs of Awqaf at home and abroad. The General Secretariat of Awqaf is specialized in promoting Waqf and supporting all aspects related to its affairs, including the management of its funds and investment and disbursement of its proceeds within the conditions of the Waqf. It aims to achieve the legitimate purposes of the Awqaf and to support the development of society culturally and socially as well as to alleviate the burden on the needy in society.

بيت التمويل الكويتي
Kuwait Finance House



Kuwait Finance House (KFH)¹⁰

Kuwait Finance House (KFH) is considered a pioneer in the banking phenomenon known as Islamic Finance or Shari'a Compliant Banking. KFH is the first Islamic bank established in 1977 in the State of Kuwait and today it is one of the foremost Islamic financial institutions in the World and one of the biggest lenders in both the local and regional markets. KFH (KSE: KFIN) is a publically listed company on the Kuwait Stock Exchange (KSE). Its largest shareholders include: Kuwait Investment Authority (Direct), Kuwait Awqaf Public Foundation (Direct), Public Authority for Minors' Affairs (Direct), The Public Institution for Social Security (Indirect), as of 31-December-2014. KFH provides a wide range of banking Shari'a compliant products and services, covering real estate, trade finance, investment portfolios, commercial, retail and corporate banking and is available in Kuwait, Kingdom of Bahrain, Kingdom of Saudi Arabia, United Arab Emirates, Turkey, Malaysia, and Germany.



Direct Aid Association¹¹

Direct Aid Association, previously the African Muslims Agency, launched its activity in 1981 as a non-profit NGO with the objective of elevating the quality of life in the most deprived areas of Africa. Interested in the greater good, Direct Aid executes its projects professionally and focuses on large-scale work rather than individual cases. Direct Aid considers education of all types a central element in the process of ameliorating the tragic circumstances in Africa. Rejuvenating Islamic principles and the Prophet's Sunnah, Direct Aid was one of the earliest charitable organizations to establish endowment projects in the Islamic World. Aiming at the neediest social groups, like the sick, orphaned, and stricken by disaster or famine, Direct Aid focuses on developmental projects that target sustainability and promote every sense of righteousness and wellbeing.



Badan Pengelola Keuangan Haji¹²

Badan Pengelola Keuangan Haji (BPKH) is an institution specialized in the management of Hajj Finance. Based on sharia principles, transparency, and accountability, Hajj Financial Management at BPKH is non-profit and aims to make the Hajj pilgrimage experience more efficient and works to benefit Muslims generally. Taking into account security, prudence, and professionalism, BPKH creates a comprehensive and accountable governance and work system through developing complimentary human resources. BPKH's functions include the implementation, governance, and reporting the development and expenditure of Hajj finance.

9 Source: <http://www.awqaf.org.kw/EN/Pages/Establishment.aspx>

10 Source: <https://www.kfh.com/en/home/Personal/aboutus/story.html>

11 Source: <https://direct-aid.org/donate/en/>

12 Source: <https://bpkh.go.id/>

Iran Endowment Fund¹³

The Iran Endowment Fund (IEF) is the investment and operating arm of the Waqf and Charity Organisation (WCO) in Iran. WCO was established in 1984 as the official body under the Ministry of Culture and Islamic Guidance to oversee, promote, manage and carry out activities and projects that are founded as Awqaf. IEF's objectives are to develop, revive, expand, reconstruct and rehabilitate Awqaf properties, and provide social assistance as directed by the Waqf and Charity Organisation.



Social Islami Bank Bangladesh¹⁴

The SOCIAL ISLAMIC BANK LTD (SIBL) is a second-generation commercial bank, operating since 22nd November, 1995 based on Sharia Principles. Today, it has 155 branches spread over Bangladesh with two subsidiary companies - SIBL Securities Ltd. & SIBL Investment Ltd. Targeting poverty, SOCIAL ISLAMIC BANK LTD, is indeed a concept of 21st century participatory three-sector banking model in one. In the formal sector, it works as an Islamic participatory commercial bank with a human-face approach to credit and banking on a profit and loss sharing basis. It has a Non-formal banking sector as well with informal finance and investment packages that empower and humanize very poor families and create local income opportunities and discourages internal migration. The Bank has another sector to monetize the voluntary sector and management of Waqf, Mosque properties and it has introduced a cash Waqf system for the first time in the history of banking. In the formal corporate sector, this Bank offers the most up-to-date banking services based on a participatory, Sharia-compliant approach.



Al-Baraka Islamic Bank¹⁵

As a leading financial institution, Al Baraka Islamic Bank (AIB) has helped to build the infrastructure and reputation of the Islamic finance industry since its establishment in 1984, via its innovative and Sharia-compliant products. Al Baraka Islamic Bank is a retail Islamic bank, licensed by the Central Bank of Bahrain and registered with Bahrain's Ministry of Industry, Commerce, and Tourism, under Commercial Registration No. 14400. It has an authorized capital of 600 million USD, and an issued and paid-up capital of 122.5 million USD. AIB is a banking unit of Al Baraka Group (ABG), a joint stock company listed on the Bahrain stock exchange and NASDAQ Dubai. ABG offers treasury services, as well as retail, corporate, and investment banking, all in accordance with Islamic Shari'a. The authorised capital of ABG is 2.5 billion USD, and total equity amounts to around 2.5 billion USD. ABG's geographical presence is wide, in the form of subsidiary banking units and representative offices in 16 countries, with all 675 branches providing Shari'a-compliant banking products and services.



Bahrain Islamic Bank¹⁶

Bahrain Islamic Bank (BisB) was incorporated in 1979 as the first Islamic bank in the Kingdom of Bahrain, and the fourth in the GCC. It has played a pivotal role in the development of the Islamic banking industry and the Kingdom's economy, as it continues to lead innovation. The Bank operates under an Islamic Retail Bank license from the Central Bank of Bahrain and is listed on the Bahrain Bourse. Guided by Islamic principles, BisB has established itself as a pioneer of the Islamic industry and the leading provider of Sharia-compliant integrated financial solutions in the Kingdom of Bahrain. BisB continues to elevate the standards of Islamic banking within the Kingdom, bettering the lives of society as a result.

13 Source: <http://www.icrjournal.org/icr/index.php/icr/article/download/106/102>

14 Source: <https://www.sibld.com/home/profile>

15 Source: <https://albaraka.bh/en-gb/our-story/>

16 Source: <https://www.bisb.com/en/about-bisb>



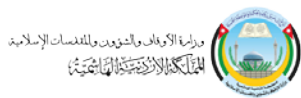
Tadamon Islamic Bank¹⁷

The first meeting of the founders of the Tadamon Islamic Bank was held on the 24th of Jumada II 1401H - 28 April 1981 and appointed a preliminary board of directors from among the members who supervised the early stages of the establishment. The final approval of the Bank to be operational as the second Islamic bank in Sudan came in 1983, headquartered in Parliament Street and ceremonially opened by former President Gaafar el-Nimeiri. The Bank was established as a private sector institution without being part of any group, but it succeeded in strengthening its links with other banks. The Bank has provided a practical model for an Islamic bank that performs all banking activities such as investment operations and other services in a Sharia-compliant manner. Furthermore, the Bank established a Fatwa and Research Department as a unique approach to rooting the banking business in fatwas and research. The Bank's contribution to the Islamic banking business has been to contribute to the development of Islamic banking and the formulation of alternatives in this field, including investment forms and so on.



Jordan Islamic Bank¹⁸

Jordan Islamic Bank was established in 1978, as a public shareholding limited company to carry out all kinds of banking, financing and investment business operations in compliance with Sharia' and in accordance with the provisions of Jordan Islamic Bank's Special Law, which was superseded by one chapter on Islamic banks in the Banks' Law which was in effect as of 2nd August, 2000. The Bank's first branch commenced its business on 22/9/1979, with a paid up capital of about JD (2) million from its authorized capital that reached JD (4) million. The Bank's capital increased to JD(200) million. In 2010, the Bank changed launched its new corporate identity in order to be unified with the subsidiaries of AlBaraka banking group. The Bank offers its banking, financing and investment services through its (78) branches and (29) cash offices in the different locations in the country, as well as through the Bonded office. The Bank was able to grow rapidly and enhance its position among Jordanian banks, given its focus on Sharia-compliant products.



Jordanian Ministry of Awqaf Islamic Affairs and Holy Places¹⁹

The Ministry of Awqaf and Islamic Affairs and Holy Places in the Hashemite Kingdom of Jordan was established as a ministry in current form by the temporary law No. (23) for the year 1970. This became permanent under the law No. (28) for the year 1972 after being approved by the National Assembly. The definition of "Awqaf, Islamic affairs and holy places" has been established in these laws by stating that this term means the Islamic Awqaf in the Kingdom, mosques, schools, religious institutes, orphanages and legal colleges that are supported by the budget of the Ministry, Islamic cemeteries, the affairs of Hajj and Issuing Fatwas, as well as mosques that are not supported by the budget of endowments



Wamy²⁰

Wamy is a non-profit organization established in 1972 in Saudi Arabia. With 359-member philanthropic organizations and NGOs, Wamy aims to promote peace and union amongst people of different cultures by educating Muslim youth and developing their understanding of various communities and their sense of common good. Wamy holds various interactive workshops and communication campaigns with these objectives. In 1997, Wamy became an agent of the United Nations.

17 Source: <http://tadamonbank-sd.com/index.php/ar/pages/details/8>

18 Source: <https://www.jordanislamicbank.com/en/content/bank-establishment>

19 Source: <http://www.awqaf.gov.jo/Pages/viewpage.aspx?pageID=147>

20 Source: <https://wamy.org/>

ANNEX 02

APIF COMMITTEES

I. MEMBERS OF THE PARTICIPANTS COMMITTEE OF APIF AS OF 31 DECEMBER 2020

Chairman

Mr. Abdulhamid Abu Mousa

Governor, Faisal Islamic Bank of Egypt

Member

Dr. Bandar M.H. Hajjar

President, Islamic Development Bank Group,
Saudi Arabia

Member

H.E. Ambassador Nasser Bin Abdallah Hamdan Al-Zaabi

Chairman of the Council of the
OIC-Islamic Solidarity Fund

Member

Prof. Mr. Nazmul Hassan,

Ph.D Honorable Chairman,
Islami Bank Bangladesh Limited

Member

Mr. Rayan Saleh Al Rashid

Executive Director, Financial Investments
The General Authority for Awqaf, KSA

Member

Eng. Nasir Ahmad Al Kheder

Director of Real Estate Investment Department Kuwait
Awqaf Public Foundation, Kuwait

Member

Mr. Meshal Abdulaziz Al Nassar

Assistant Vice President, International Real Estate
Investment, Kuwait Finance House, Kuwait

Member

Dr. Abdullah Abdul Rahman Al Sumait

General Manager of Direct Aid Association – Kuwait
Director of Investments and Awqaf of
Direct Aid Association

Member

Dr. Hurriyah El Islamy

Executive Board Member, Foreign Investment and
International Relations Badan Pengelola,
Keuangan Haji, Indonesia

Member

Mr. Faris frayhat

Minister of Awqaf, Islamic Affairs and
Holy Places, Jordan

Member

Mr. Abbas Abdulla Abbas

General Manager, Tadamon Islamic Bank, Sudan

Member

Mr. Hassan Amin Jarrar

Chief Executive Officer,
Bahrain Islamic Bank

Member

Mr. Hamad Al-Eqab

Chief Executive Officer and Board Member,
Al Baraka Islamic Bank, Bahrain

Member

Mr. Golam Kibria

First Asst. Vice President,
Social Islami Bank, Bangladesh

Member

Mr. Musa Abdel Aziz Shihadeh

Chairman of the Board of Directors and
Director General, Jordan Islamic Bank, Jordan

Member

Mr. Abdulreda Abed

Managing Director, Iran Endowments Reclamation
Development Institute, Tehran, Iran

Member

Dr. Mohammed H. Al-Sari

Executive Director, World Assembly for
Muslim Youth

II. MEMBERS OF THE SUPERVISORY COMMITTEE OF APIF AS OF 31 DECEMBER 2020



Chairman

H.E. Dr. Bandar M.H. Hajjar
President, IsDB Group,
Islamic Development Bank



Member

**H.E. Ambassador Nasser Bin
Abdallah Hamdan Al-Zaabi**
Chairman of the Council of the
OIC-Islamic Solidarity Fund



Member

Hon. Fauzia Ziaaboul
Executive Director,
Islamic Development Bank



Member

**Mr. Ibrahim Abdullah Al-
Khuzayem**
Executive Director OIC-Islamic
Solidarity Fund



Member

**Hon. Mohammed Gambo
Shuaibu**
Executive Director,
Islamic Development Bank



Member

Prof. Mr. Nazmul Hassan, Ph.D
Honorable Chairman
Islami Bank Bangladesh Limited



Member

Hon. Dr. Abbas Memar Nejad
Executive Director,
Islamic Development Bank



Member

Mr. Mohammed Monirul Moola
Managing Director & CEO
Islami Bank Bangladesh Limited



Member

Mr. Rayan Saleh Al Rashid
Executive Director, Financial
Investments, The General
Authority of Awqaf, Saudi Arabia.



Member

**Dr. Abdullah Abdul Rahman
Al Sumait**
General Manager, Direct Aid
Association – Kuwait



Member

Mr. Abdulhamid Abu Mousa
Governor, Faisal Islamic Bank of
Egypt, Egypt



Member

Dr Hurriyah El Islamy
Executive Board Member,
Foreign Investment and
International Relations at Badan
Pengelola Keuangan Haji,
Indonesia



Member

Mr. Nasir Ahmad Al Kheder
Secretary General, Kuwait Awqaf
Public Foundation, Kuwait



Member

Mr. Faris fryhat
Director of the Endowments
Department, Ministry of Awqaf,
Islamic Affairs and Holy Places,
Jordan



Member

**Mr. Meshal Abdulaziz
Al-Nassar**
Assistant Vice President, Real
Estate Investment,
Kuwait Finance House, Kuwait



Member

Mr. Abass Abd Allah Abass
General Manager
Tadamon Islamic Bank

III. MEMBERS OF THE IsDB GROUP SHARIAH BOARD AS OF 31 DECEMBER 2020



Chairman
His Eminence
Shaikh Dr. Hussein
Hamed Hassan



Member
His Eminence
Ayatollah Shaikh
Mohammad Ali Taskhiri



Vice Chairman
His Eminence
Shaikh Dr. Abdulsattar
Abughuddah



Member
His Eminence
Shaikh Dr. Mohamed
Raougui



Member
His Eminence
Shaikh Abdulla Bin
Sulaiman AlManea



Member
His Eminence
Shaikh Dr. Muhammad
Syafii



Member
His Eminence
Shaikh Muhammad
Taqi Usmani

IsDB has, unfortunately, lost three of its Shari'ah Board members; **Shaikh Dr. Hussein Hamed Hassan**, **Ayatollah Shaikh Mohammad Ali Taskhiri**, and **Shaikh Dr. Abdulsattar Abughuddah**; who have passed away in 2020.

IV. MEMBERS OF THE MANAGEMENT COMMITTEE OF THE AWQAF PROPERTIES INVESTMENT FUND AS OF 31 DECEMBER 2020



H.E. Dr. Mansur Muhtar
Vice President (Country Programs)
Islamic Development Bank

Chairman



Dr. Waled AlWahaeb *
Director General, Islamic Solidarity Fund for Development

Member



Br. Adil AlSharif
Advisor to the President, Al Aqsa and Palestine Funds

Member



Dr. Mansur. A. Noibi
Director , Legal Department

Member



Dr. Mohamed Ali Chatti
Acting Director, Islamic Financial Sector Development Department

Member

* Member until (31/10/2020)



Br. Abdullah Al-Laham *
Director, Resilience and Social Development Department

Member



Br. Zaki Mansour
Director, Global Partnership and Resource Mobilization Department

Member



Br. Fawaz Abdulnoor
Officer in Charge, Crowd Engagement and External Funds Management Department

Member



Br. Abdourabbih Abdouss
Director, Risk Management Department

Member



Br. Aboubacar Kante
Head, Shari'ah Compliance Section

Member

* Member until (15/11/2020)

V. MEMBERS OF THE TECHNICAL REVIEW COMMITTEE OF THE AWQAF PROPERTIES INVESTMENT FUND AS OF 31 DECEMBER 2020

Br. Fawaz Abdulnoor Crowd Engagement and External Funds Management Department	Chairman
Dr. Mohamadou Gamdji Legal Division	Member
Br. Sami Faruqi Economic and Social Infrastructure Department	Member
Br. Sharol Razi Treasury Department	Member
Br. Mohammad Rizwan Eunos Group Risk Management Department	Member
Br. Syed Muhammad Asim Raza Islamic Financial Sector Development Department	Member
Br. Aboubacar Kante Head, Shari'ah Compliance Section	Member

VI. APIF STAFF MEMBERS



Dr. Mohamed Ali Chatti
Acting Director for the Islamic
Financial Sector Development
Department



Hassan Mahfooz
Senior Awqaf Investment
Specialist



Dr. Mohamed Ahmed Salem
Lead Awqaf Investment
Specialist



Yoseph Ataa Alsawady
Awqaf Investment Specialist



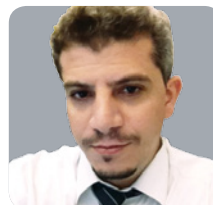
Syed Muhammed Asim Raza
Lead Awqaf Investment
Specialist



Abdullah Eissa
Technical Assistant



Mohamed Guermazi
Lead Awqaf Investment
Specialist



Farouk Al Ghazzi
Technical Assistant



Faisal AlShami
Senior Awqaf Investment
Specialist



Bayan Atallah Almazroui
Technical Assistant

ANNEX 03

INFORMATION FOR APIF INVESTORS

THE FOLLOWING INFORMATION IS USEFUL FOR POTENTIAL INVESTORS:

1	Nature & Legal Form	<p>APIF is established as a U.S. Dollar denominated fund managed by the Islamic Development Bank in accordance with the Islamic concept of Mudarabah and the Regulations of APIF. The IsDB undertakes the role of Mudarib acting as Manager and Custodian of APIF. As such, APIF benefits from the high-quality support functions provided by IsDB (e.g. procurement, legal and KYC, and financial control) as well as the general Islamic-finance-based development ecosystem provided by IsDB.</p> <p>The Islamic Development Bank (IsDB), the Mudarib (fund Manager) is a multilateral development financing institution headquartered in Jeddah, Saudi Arabia. It was founded in 1973 as a specialized institution of the Organization of Islamic Cooperation (OIC). It has 57 shareholding Member Countries.</p>
2	Shareholders (Participants)	<p>Subscription to APIF's capital is open to Awqaf ministries, directorates, and institutions in addition to Islamic banks and financial institutions as well as individual investors.</p>
3	Organization Structure	<p>APIF has a Participants Committee, which oversees implementation of the Regulations and the Guidelines for Investment of APIFs financial resources, in addition to looking into the Annual Report and Final Accounts of APIF after their approval by IsDB's Board of Executive Directors.</p> <p>APIF has a Supervisory Committee (a subcommittee of IsDB's Board of Executive Directors) which is responsible for examining the quarterly accounts of APIF and for proposing policies and guidelines to the BED. It is also responsible for the periodic review of APIFs performance and submission of related reports to the Participants Committee and IsDB's Board of Executive Directors.</p> <p>As per APIF regulations, representation on APIF committees is as follows:</p> <ul style="list-style-type: none">• All the shareholders investing more than US\$ 1 million (the minimum investment amount) may attend the Participants Committee Meeting of APIF;• The shareholders investing between US\$ 5 million (the minimum investment amount) and US\$ 10 million have one representative in the Supervisory Committee; and• The shareholders investing more than US\$ 10 million have two representatives in the Supervisory Committee.

4	Capital Structure and Resources	<p>The authorized capital of APIF is US\$ 100 million divided into 10,000 "A" Certificates with a par value of US\$ 10,000 each.</p> <p>The Mudarib may mobilize additional resources for APIF for investing in specific projects, through syndication, co-financing, or issuing of "B" Certificates that can take the form of Muqarada Certificates, Ijara (Leasing) certificates, etc. The Participants may purchase "B" certificates.</p> <p>To augment the resources of APIF, the IsDB has extended a US\$ 100 million line of financing for APIF to be utilized for the financing of APIF's projects.</p>										
5	Profitability	<p>Notwithstanding the noble cause for which APIF was established, its operations are market oriented to secure a reasonable return for its investors. The overriding consideration, however, is to ensure continuity of APIF by aiming at building a strong General Reserve to the tune of 50 percent of paid-up capital before ensuring high dividend payout ratios to investors.</p>										
6	Profit Distribution	<p>Up to 20 percent of any year's net income can be transferred by the Mudarib to the General Reserve. The total scheme of profit appropriations is, therefore, as follows:</p> <table border="1" data-bbox="642 846 1315 1046"> <thead> <tr> <th>Particulars</th> <th>Percent of Total</th> </tr> </thead> <tbody> <tr> <td>Mudarib (Management) Fees</td> <td>10%</td> </tr> <tr> <td>General Reserve</td> <td>0% - 20%</td> </tr> <tr> <td>Distributable Dividends</td> <td>70% - 90%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>	Particulars	Percent of Total	Mudarib (Management) Fees	10%	General Reserve	0% - 20%	Distributable Dividends	70% - 90%	Total	100%
Particulars	Percent of Total											
Mudarib (Management) Fees	10%											
General Reserve	0% - 20%											
Distributable Dividends	70% - 90%											
Total	100%											
7	Exit Mechanism	<p>The IsDB undertakes, from the fourth financial year of APIF, to purchase from holders of "A" Certificates not more than 50 percent of the certificates held by each of them provided that such purchase shall not result in the holder being a holder of certificates the aggregate par value of which is less than one million U.S. Dollars.</p>										
8	Security	<p>The Mudarib (the IsDB) applies very prudent measures for extending financing out of APIFs resources. These measures include, among others, the requirement of Government guarantees, first class bank guarantees, mortgage or insurance cover of renowned credit insurance companies.</p> <p>To guard against concentration of risk, APIF strives to diversify its financing portfolio by setting ceilings for countries and beneficiaries within one country.</p>										
9	External Auditors	<p>APIF is audited by an internationally reputed audit firm that provides a review and audit of APIF's financial statements.</p>										

ANNEX 04

INFORMATION FOR APIF BENEFICIARIES

THE FOLLOWING CLARIFIES HOW TO BENEFIT FROM APIF FINANCING:

Scope	APIF Interventions: <ul style="list-style-type: none">• New construction• Existing property enhancement• Existing property purchase Including projects in the following sectors: <ul style="list-style-type: none">• Residential,• Commercial,• Retail, and• Mixed-use facilities.
Eligible for APIF Financing	<ul style="list-style-type: none">• Awqaf Ministries/Institutions• Charitable Organization/Trusts operating in accordance with Waqf principles in IsDB Member Countries and Non-Member Countries• Beneficiary contribution:<ul style="list-style-type: none">o Minimum 25 percent of financing; oro Project land
Main Condition of Financing	At the end of the financing period, the project will be registered as a Waqf where possible or otherwise as an equivalent legal status (e.g. trust).
Mode of Financing	<ul style="list-style-type: none">• Leasing,• Murabaha, or• Any other Sharia-compliant mode of financing
Project Value	Above US\$ 5.0 million (Including land value)
Terms of Financing	The maximum tenor is 15 years including gestation period not exceeding 3 years
Collateral Security	Depends on the nature of the project (Sovereign guarantee, bank guarantee, mortgage, etc.)
Pricing/Mark-up	On a case-by-case basis
Currency of Financing	US Dollars
Documents Required to Apply	<ul style="list-style-type: none">• Financing request (letter) including objective of the Waqf, project brief, estimated cost and income.• Registration of the Organization and its By-laws.• Organization Brief (objectives & activities of the organization and its board members).• Land Deed Document (up to date deed with permanent ownership or long-term lease).• Financial statements of the organization for the last 3 years.



صندوق تميمير
ممتلكات الأوقاف
AWQAF PROPERTIES
INVESTMENT FUND



The APIF Investment Guidelines
سياسة الاستثمار و الخطوط الإرشادية
المعدلة لصندوق تميمير ممتلكات الأوقاف



The APIF Financing Guidelines
سياسة التمويل و الخطوط الإرشادية
المعدلة لصندوق تميمير ممتلكات الأوقاف