



Awqaf Properties Investment Fund

ANNUAL REPORT 2016



Islamic Development Bank





Awwqaf Properties Investment Fund

Fifteenth Annual Report-2016
(From 14/10/2015 to 31/12/2016)

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MISSION STATEMENT

Awqaf Properties Investment Fund (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 socio-economic development of the Ummah.

GLOSSARY



GLOSSARY

| Term used | Brief description |
|-------------|--|
| AAOIFI | Accounting and Auditing Organization for Islamic Financial Institutions |
| APIF / Fund | Awqaf Properties Investment Fund |
| Approval | Amount approved by the Mudarib for financing a project or operation |
| Awqaf | Plural of Waqf |
| Bank/IDB | Islamic Development Bank |
| Beneficiary | A recipient of APIF or IDB financing |
| Equity | Participant's contribution to capital |
| 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 |
| Mudarib | Islamic Development Bank, as Manager of the Fund |
| NAV | Net Asset Value |
| Nazer | Trustee or Manager of a waqf (also known as Mutawaili) |
| 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 community. |
| WWF | World Waqf Foundation |

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STATEMENT OF MUDARIB

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

**The Honourable Members of the
Participants Committee of the
Awqaf Properties Investment Fund**

Dear Brothers

Assalamu Alaikum Warahmatullahi Wabarakatuh

On behalf of the Islamic Development Bank, the Mudarib of the Fund, I am pleased to present to your Honourable Committee the Fifteenth Annual Report of the Awqaf Properties Investment Fund (APIF) for the year ended on 31 December, 2016. The report has been prepared in accordance with Article 18 of the Fund's Regulations and contains an overview of the Fund, its approved operations and audited financial statements.

As regards the overall performance since its inception, the Fund has approved 58 projects in 32 countries globally, having a total value of US\$ 1.17 billion. The impact of these projects is considerable. Firstly, their social impact is very significant as the income generated by them is used to support comprehensive human development in education, health and other social fields, as well as in humanitarian and charitable activities, thereby complementing the Will of the Waqf. Secondly, all these projects also provide jobs for people and ensure sustainability of livelihoods for them and their families. Thirdly, the value of the waqf property is increased many times and from being idle, the property is turned into fully income generating asset of high standing.

In terms of performance during the period from 14 October, 2015 to 31st December, 2016, the Fund has approved seven *waqf* projects for an aggregate value of US\$127.28 million. These approvals include five projects having a value of US\$110.28 million in member countries (Albania, Benin, Saudi Arabia, UAE and Uganda) and two projects having a value of US\$ 17.0 million in non-member countries (Congo and Kosovo). In addition, a project has also been appraised for Fiji Island. Financially also, the Fund has achieved satisfactory results and the net income for the year was US\$ 2.88 million. Accordingly, the Islamic Development Bank in its capacity as Mudarib of the Fund is pleased to announce the decision of the Board of Executive Directors for the distribution of a dividend of 3.02% of the paid-up capital of the Fund.

All these achievements reflect APIF's efforts, with the support of the Participants, particularly towards portfolio diversification, deployment of resources in different geographical locations and penetration into new markets for development of *waqf* sector. APIF has achieved these objectives within its clear strategy for continuous growth and will, Insha Allah, continue to pursue all possible efforts to meet the objectives set by the shareholders. As such, 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.

I take this opportunity to express my sincere thanks and deep appreciation to the IDB Board of Governors and Executive Directors for their vision and guidance, our Members for their active contribution and continuous support, and all staff for their work and commitment.

Thank you for your continued support.

Yours sincerely,

Dr. Bandar M.H. Hajjar
Chairman, Supervisory Committee of the
Awqaf Properties Investment Fund



SHARIAH AUDITOR'S REPORT - 2016

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

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

Assalamu Alaikum Warahmatullah 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 rules and principles in conformity with decisions made by the International Islamic Fiqh Academy and edicts (*fatawa*) issued by the the Islamic Development Bank Group Shari'ah Committee.

I have reviewed the data pertaining to the six projects of the Fund during the period 14/10/2015 to 31/12/2016. 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 rules and 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 necessary 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 14/10/2015 to 31/12/2016 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 rules and 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
IDB Group Internal Shari'ah Auditor



THE ROLE OF AWQAF IN IMPROVING THE SOCIO-ECONOMIC CONDITIONS OF THE MUSLIM UMMAH

Islamic institutions like Zakat and Awqaf are very important economic tools that, should they be implemented well, will not only help to eradicate poverty from the Muslim Communities but will reduce government spending, reduce the need for taxes and contribute towards better socio-economic justice and development. They have the potential to alleviate high unemployment and acute poverty, narrow the gap between rich and poor, and complement government's efforts in providing health, education and other social services to the population.

Historically, institutions like Zakat and Awqaf have contributed greatly to the advancement of knowledge, establishment of hospitals, orphanages, schools, universities, etc., in Muslim countries and led to a great civilization that spread from Indonesia to Andalusia.

Should these institutions be revived and reactivated, they may be able to contribute significantly in solving many of the socio-economic problems prevailing among Muslim societies, reduce the burden on government expenditures and lead to a better life for the communities and ultimately to the improvement of the socio-economic conditions of the Muslim Ummah.

Keeping in view the importance of the waqf sector, the IDB established the Awqaf Properties Investment Fund as a means to reviving the Sunnah of waqf. The Fund has, since its inception in 2001, helped to develop numerous idle waqf properties in various parts of the world, both in IDB member countries and non-member countries. Today, these properties are generating income that are being used for the welfare of the under-privileged segments of the society.

Legal status and management of Awqaf

From a legal point of view, the ownership of a waqf property is surrendered by the person who created the waqf. Some Muslim jurists argue that the right of ownership of waqf belongs to Allah Almighty, in the sense that the beneficiaries are not permitted to dispose of the property or use it in a way that is different from what was decreed by the founder. This underlies the perpetuity of the waqf that once an asset is registered as waqf, it remains a waqf forever.

In principle, the founder of the waqf (waqif) determines the type of management of the waqf. The waqf manager (nazer or mutawalli) has the responsibility to administer the waqf property in the best interests of the beneficiaries designated by the waqif. In many Muslim countries, government ministries/corporations or specialized agencies play the role of nazer. In countries where the waqf may be unfamiliar, Muslim communities have been able to organise and manage their awqaf in accordance with Islamic Shariah within the limits of prevailing laws and regulations governing foundations, trusts and charitable organisations.



ESTABLISHMENT OF THE FUND

During the 6th Conference of Awqaf and Islamic Affairs of OIC member countries which were held in Jakarta, Indonesia on 29th October 1997, the Islamic Development Bank articulated its vision of a global fund for the development of, and investment in, Islamic endowment properties. This vision came from the Bank's own mission as an Islamic developmental institution and its recognition of the important role that the waqf has played in the socio-economic development of the Islamic society in favour parts of the world. Nine other founding institutions shared the Bank's view and saw the opportunity to create a fund that would provide long-term financing support to the sector from a stable base and a global footprint.

During the Fund's inaugural meeting which took place on 9.11.1421H (3.2.2001G), all ten founding institutions signed the Memorandum of Understanding for the establishment of the Fund. Their total subscriptions amounted to US\$ 50 million. The door was left open for other organizations and institutions to subscribe to the Fund in accordance with the procedures provided in the byelaws of the Fund.

Purpose of the Fund

The purpose of the Fund is to invest in and develop, in accordance with the principles of Islamic Shariah, awqaf real estate properties that are socially and financially viable, in the member countries of IDB and Islamic communities in non-member countries.

As manager of the Fund, the Mudarib (IDB) certainly seeks to ensure that participants are well rewarded for their investment in a manner consistent with the risks involved and comparable with other similar investments, but APIF goes further than that. As a fund dedicated to the development of Islamic awqaf, it owes responsibility to the ultimate beneficiaries of the waqf, i.e. the needy, the destitute, the orphaned, the elderly and the handicapped.

Operational Strategies of the Fund

The Fund provides a full spectrum of real estate business opportunities from development and asset management to complex project financing initiatives. Its operations provide diverse investments spread over in various countries and financing platform across the risk/return dimensions tailored to the needs of awqaf institutions and charitable organizations worldwide. Key sectors include residential, commercial, retail and mixed use facilities.

The main focus of the Mudarib is the long term success of the Fund for the benefit of all stakeholders: waqifs, nazers, beneficiaries, unit holders and the public at large.

The following are the key elements of the Fund's strategy:

- **Global reach:** The geographical spread of APIF's operations which are not confined to IDB member countries, underlines the global platform for the Fund's operations.
- **Integrated services:** The Fund seeks to partner with capital providers: APIF's own capital resources, IDB departments and financing windows, other Islamic banks and financial institutions, conventional investors and BOT operators looking for developmental opportunities.

- **Financial packaging:** The Fund harmonizes the interplay between capital requirements, technical and design work, revenue and ongoing property management in order to optimize the facilities delivered to awqaf customers and enhance the returns to investors and eventually to the ultimate beneficiaries of the waqfs.

Financial Resources of the Fund

The Fund's Regulations set the initial capital of the Fund at US\$ 50 million, divided into 5,000 certificates, having a value of US\$ 10,000 each. The Regulations also provided for the minimum subscription in the Fund to be US\$ 1 million. The Participants' Committee has since approved increasing the capital of the Fund to US\$100 million.

The IDB Board of Executive Directors, in its 185th meeting, approved the subscription of IDB by an amount of US\$ 20 million representing 40% of the total subscribed capital of the Fund. Thirteen other participants including Ministries of Awqaf, Awqaf Organizations and Islamic banks have subscribed in the capital of the Fund. The paid up capital of the Fund as of end 31/12/2016 amounted to US\$76.40 million. The names of participants and the amounts subscribed are given in Annex-I.

IDB Support

To support the activities of the Fund, the IDB has provided a line of financing of US\$ 100 million to the Fund. In addition, the Bank has approved an amount of US\$ 475,000 for providing technical assistance for preparing feasibility studies and concept and preliminary design of qualifying projects.

IDB, as part of its commitment to the development of Awqaf properties, has made significant efforts on research and publications, and has also convened conferences aimed at the revival of the Sunnah of Waqf. IDB has also been instrumental in developing Awqaf as a modern institution at the macro level. It is also willing to assist its member countries to establish the appropriate level and financial framework to promote the development of the waqf sector in these countries. To support this objective, the IDB established the World Waqf Foundation (WWF) which aims to establish a network of waqf institutions that would undertake Shariah compliant charitable activities, support waqf institutions, contribute to the alleviation of poverty, etc.



Uganda – Waqf Commercial and Residential Building in Kampala



THE YEAR UNDER REVIEW

The Board of Governors of IDB passed a resolution BG/4-436 approving the use of the Solar Hijri calendar in determining the start and end dates of the financial year whilst maintaining the Lunar Hijri as the official calendar of the Bank. Thus, all future financial years of the Fund will cover the period from 1st January to 31st December.

The current financial statements cover a period of 444 days from 14th October 2015 to 31st December 2016. As a result, the comparative figures covering the Lunar Hijri period equivalent to 25th October 2014 – 13th October 2015 (equal to 353 days) are not comparable.

During the year 2016, the Fund has delivered good results especially on the operational side despite difficulties in obtaining co-financing for awqaf projects from other financial institutions.

Although it has been a challenging year, the Fund was able to approve financing for seven projects for an aggregate value of US\$ 127.28 million for Albania, Benin, Congo, Kosovo, Saudi Arabia, UAE and Uganda. In addition, a project for Fiji Island was fully appraised and is going through internal procedures for final approval. In the course of managing its liquidity, the Fund also invested in short-term murabaha operations, ijarah sukuk and non-waqf operations.

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. Total assets of the Fund amounted to US\$ 90,018 million at the end of 2016 compared to US\$ 87,047 million as at 13/10/2015, registering an increase of about 3.4%. The table below summarizes the asset composition at 31/12/2016 and 13/10/2015:

Table 1: Asset Composition

(US\$ '000)

| | 31/12/2016 | | As at 13/10/2015 | |
|--|---------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| Cash & Cash Equivalent | 8,031 | 8.9 | 17,345 | 19.9 |
| Investments–Ijarah Muntahia Bittamleek | 27,144 | 30.2 | 25,024 | 28.7 |
| Investments–Islamic Ijarah Sukkuks | 39,406 | 43.8 | 29,035 | 33.4 |
| Investments–Islamic Lease Fund | 1,087 | 1.2 | 1,261 | 1.4 |
| Receivables–Murabaha Syndications | 0 | 0 | 1,993 | 2.3 |
| Receivables–Line of Financing | 2,478 | 2.8 | 2,951 | 3.4 |
| Receivables–Istisna'a | 5,235 | 5.8 | 1,564 | 1.8 |
| Financing–Musharakah | 2,486 | 2.8 | 2,486 | 2.9 |
| Accrued Income and Other Assets | 3,933 | 4.3 | 1,972 | 2.3 |
| Due from IDB-OCR Resources | 218 | 0.2 | 3,416 | 3.9 |
| Total Assets | 90,018 | 100 | 87,047 | 100 |

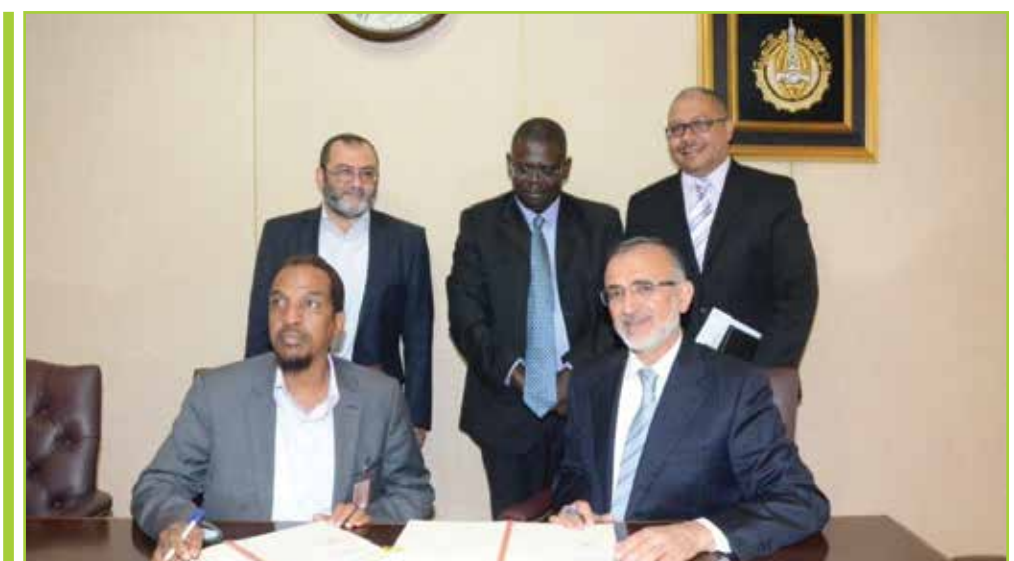
Financial Indicators

The financial performance indicators of the Fund for the year 2016 in comparison with the previous year are presented in the following Table:

Table 2: Financial Indicators

(US\$ '000)

| Financial Indicators | 31/12/2016 | 13/10/2015 |
|--|------------|------------|
| Net Assets | 86,636 | 85,662 |
| Net Income before Mudarib's share | 3,202 | 2,368 |
| Mudarib's share of net income | 320 | 237 |
| Transfer to General Reserve | 319 | 288 |
| Dividend | 1,908 | 1,908 |
| Dividend/Paid-up Capital - Declared Dividend | 2.5% | 2.5% |
| Average LIBOR (%) | 1.38% | 0.72% |
| Net Asset Value Per Certificate | 11,338 | 11,211 |



Kenya– Signing of Financing Agreement for the Residential and Commercial Complex Project in Nairobi

The earning per certificate, after Mudarib's share of net income amounted to US\$377 in 2016.

Dividend distribution

In accordance with Article 19.0 of the Fund's Regulations, the Fund has distributed a dividend of 2.5% for the year ended 31/12/2016. For the previous year, a dividend at the rate of 2.5% was distributed to the Unitholders.

Operational Performance

During the year 2016, the Fund has approved seven projects having a total project amount of US\$ 127.28 million for different IDB member and non-member countries. The table below gives the details:

**Table-3: List of APIF Projects Approved During the Period (13/10/2015 to 31/12/2016)**

(Amounts in US\$ million)

| No | Project Name | Total Cost | APIF | IDB Line | Others |
|---------------|--|---------------|--------------|--------------|--------------|
| 1. | Construction of a Waqf Residential and Commercial Building in Kampala, Uganda | 15.82 | 3.65 | 10.93 | 1.24 |
| 2. | Construction of Nama III Commercial and Residential Waqf Building, Fujairah – United Arab Emirates | 28.43 | 5.00 | 5.00 | 18.43 |
| 3. | Waqf City Commercial & Residential Complex in Cotonou, Benin | 27.40 | 2.00 | 4.00 | 21.40 |
| 4. | Construction of Prizren Commercial and Residential Waqf Complex in Kosovo | 6.40 | 1.60 | 3.00 | 1.80 |
| 5. | Construction of a Waqf Commercial Complex in Elbasan, Albania | 6.00 | 1.40 | 3.00 | 1.60 |
| 6. | Purchase of a Mixed-Use Building in Kinshasa, Congo to be used as Waqf | 10.60 | 3.00 | 4.80 | 2.80 |
| 7. | Construction of Zamzam Health Waqf-3 in Makkah Al-Mukaramah, Saudi Arabia | 32.63 | 4.00 | 8.00 | 20.63 |
| Total: | | 127.28 | 20.65 | 38.73 | 67.90 |

A brief description of each project is given below:

1. Construction of a Waqf Residential and Commercial Building in Kampala, Uganda.

The objective of the project is to generate income for the Islamic University in Uganda (IUIU), which will be used to finance part of its educational activities. The project is located in Kampala on a Waqf land having an area of 7.34 Hectares.

The project is planned to be constructed in three phases. At present, phase – I of the project will be constructed, which entails construction of multipurpose 12-level building comprising car parking, shops, offices and apartments. The other two phases include construction of two 17-level multipurpose buildings. The total cost of Phase-I of the project is estimated at US\$ 15.82 million. The building will have gross built-up area of 13,522 m².

The estimated cost of the project is US\$ 15.82 million with the contribution by APIF US\$3.65 million, APIF Line US\$10.93 million and the balance amount of US\$ 1.24 million will be financed by the beneficiary.

2. Construction of Nama III Commercial and Residential Waqf Building, Fujairah – United Arab Emirates

The objective of the project is to generate a regular income for the Fujairah Welfare Association, which will be used to finance part of its charitable activities.

The project is located on a Waqf land having an area of 1,200 m² in Fujairah, UAE. The project entails constructing a 28-storey commercial and residential building, which includes a ground floor, five car-parking floors, fitness club floor, technical floor and 20 upper recurring floors for apartments. The total built-up area will be around 37,182 m².

The estimated cost of the project is US\$ 28.43 million to be financed by APIF: US\$ 5.0 million, APIF Line: US\$ 5.0 million and the beneficiary will participate with US\$ 18.43 million.

3. Construction of Waqf City Commercial & Residential Complex in Cotonou Benin

In response to the ISFD Board of Governors' resolution No ISFD/BG/3-1433, which, inter alia, calls on member-states to support the Islamic Solidarity Fund for Development by allocating to it a suitable Waqf (land or building) that can be developed to generate revenue to support the Fund activities, the Government of Benin was the first to allocate a plot of land to the Islamic Solidarity Fund for Development in Cotonou. The land, measuring 10,004 m² has been allocated to the Fund in 2014.

The project aims at generating additional resources to the Islamic Solidarity Fund for Development that will support its activities aiming at poverty alleviation. The project aims also at intensifying the action of the Islamic Solidarity Fund for Development in Benin as at least 50% of the net revenues of the project will be invested within the Republic of Benin.

The project entails construction of a commercial building in the front part of the land located in Cotonou, Benin for retail and offices in addition to two 9-storey towers for furnished apartments at the back of the land. The overall built up area will be around 12,500 m².

The total cost of the project is estimated at US\$ 27.4 million. IDB participates in the financing of the project with an amount of US\$15.7 million (APIF: US\$ 2.0 million, APIF Line: US\$ 4.0 million and ISFD own resources: US\$ 9.7 million.) The remaining US\$ 6.0 million will be provided by a local bank that will also play the role of a full fledged partner for a successful implementation of the project.

4. Construction of Prizren Commercial and Residential Waqf Complex in Kosovo

The objective of the project is to generate a regular income for the Islamic Community of Kosovo (Mashiakha), that will serve to enhance its activities and operations in the educational, social and religious fields.

The project entails the construction of a mixed use commercial and residential complex on a piece of land having an area of 4,075 m². The complex will comprise an underground parking, a shopping center on two floors, and two towers of seven floors; one for Offices and one for residential apartments, above the shopping center. The complex will have a total construction area of 11,720 m².

The project is located in one of the main streets in Prizren city 2 km from the historic city center.

The Islamic Community of Kosovo (Mashiakha) is the beneficiary and executing agency of the project. It is responsible for the Islamic affairs of all Muslims in Kosovo. It is also responsible for Islamic education and Awqaf. At present, it is managing 817 Mosques, 5 Islamic schools and a Faculty of Islamic Studies.

The total cost of the project is estimated at US\$ 6.4 million. IDB will finance part of the cost of the project for an amount of US\$ 4.6 million (APIF: US\$ 1.6 million and APIF Line: US\$ 3.0 million).

5. Construction of a Waqf Commercial Complex in Elbasan, Albania

The objective of the project is to generate a regular income for the Albanian Muslim Community (Mashiaka) that will serve to enhance its activities and operations in the educational, social and religious fields. This will be achieved through the construction of a commercial building and renting the commercial spaces to generate a regular income flow for the Trust. The project land has an area of 4,500 m².

The project entails construction of a commercial complex comprising a basement (parking lots), a shopping mall at ground and first floors and four floors for offices on part of the building. The



complex will have a total construction area of 9,970 m².

The Albanian Muslim Community (Mashiaka) is the beneficiary and executing agency of the project. It is responsible for the Islamic affairs of Muslims in Albania as well as Islamic education and Awqaf. At present, it is managing 730 Mosques and 6 Islamic schools.

The total cost of the project is estimated at US\$ 6.0 million. IDB will finance part of the cost of the project for an amount of US\$ 4.4 million (APIF: US\$ 1.4 million and APIF Line: US\$ 3.0 million). The remaining amount of US\$ 1.6 million will be contributed by the Beneficiary.

6. Purchase of a Mixed-Use Building in Kinshasa, Congo to be used as Waqf

The objective of the project is to generate regular income to support the educational, health and social activities of the Muslim Community in Democratic Republic of Congo. This will be achieved through the purchase of a property in Kinshasa having a total land area of 8,600 m² with 6 existing buildings having total construction area of 8,745 m² and renting the commercial & residential units to generate a regular income, which will be used to finance part of its activities.

The Muslim Community in Democratic Republic of Congo is the sponsor and the executing agency of the project. It was established in 1972 and is currently managing 1,944 Mosques, 1,426 schools, 17 health centers and a Radio Station in local language.

The total cost of the project is estimated at US\$ 10.6 million. IDB will finance part of the cost of the project for an amount of US\$ 7.8 million (APIF: US\$ 3.0 million and APIF Line: US\$ 4.8 million). The Beneficiary will contribute the remaining amount of US\$ 2.8 million.

7. Construction of Zamzam Health Waqf-3 in Makkah Al-Mukaramah, Saudi Arabia

The objective of the project is to support the charitable activities of Zamzam Society for Voluntary Health Services, Saudi Arabia in the health sector. This will be achieved through the construction of subject project consisting of two towers and renting these spaces in order to generate a regular income flow for the Society.

The project entails the construction of two commercial towers, one with 15 floors and the other with 9 floors. Both will be constructed above a 3 storey joint basement for parking and services. The total construction area is 19,252 sq.m. The 2 towers will provide office spaces of different sizes in addition to spaces for retail on the ground and mezzanine floors. The total Waqf land area is 2173 m².

Zamzam Society for Voluntary Health Services was established in 1426H in Makkah Region. The Society is providing the following medical programs through its centers in Jeddah, Makkah, Taif and Al Qunfidhah: Mother and Child Care Program – Mobile Clinics – Charitable Clinics - Charitable Pharmacy – Haj Clinic – Health Awareness Program – Patients' Visit Program. An average of 34,000 persons have benefitted annually from the society's programs during the last three years.

The total cost of the project is estimated at US\$ 32.63 million. IDB will finance part of the cost of the project for an amount of US\$ 12.0 million (APIF: US\$ 4.0 million and APIF Line: US\$ 8.0 million). The Beneficiary will contribute the remaining amount of US\$ 20.63 million.

FUTURE PLANS AND OUTLOOK

APIF has a well-defined plan, strong balance sheet and a promising pipeline of business growth prospects. During 2016, it has maintained momentum in building a long term pipeline of high quality projects in IDB member and non-member countries. With development projects in the pipeline having total value of more than US\$ 275 million, the Fund is well positioned for future profit growth and operating synergies. The year 2017 is already shaping up as a very exciting one for APIF with a target approval of US\$ 108 million. The Mudarib and the Fund's management team have the strategy and commitment to ensure continued growth.

APIF will continue to respond to a range of needs and challenges. At the same time, it will continue to build a sector that is a relevant and vital part of the development of the Ummah. The strategic framework identifies the means by which the Fund will deliver on the promise of its mission through operational efficiency, managing its extensive portfolio and exploring innovative ways to develop the Fund.

With regard to expansion of its activities, APIF has started and will continue to explore the possibility of extending its activities to new geographical areas where a lot of idle or lost awqaf properties are located, specially in the Balkan Region and Asia. APIF will also continue to work with waqf and charitable organizations in Africa and provide them with necessary support to promote waqf sector.

IDB's future plans also include the establishment of a Fund similar to APIF for Saudi Arabia, with resources coming from local sources (investors and philanthropists). If successful, the model will be replicated in other countries and regions in the future.

IDB is also looking at innovative ways of mobilizing resources for the purpose of developing the waqf sector, such as cash waqf and crowd funding. These new methods, together with the use of modern technology, have the potential to take the waqf sector to a high level of development.

IDB is also planning to organize a major conference on waqf in order to raise awareness on waqf globally, create a brand around IDB's role as well as that of its member countries and attract additional resources from new players in this field.

Following the recent organizational restructuring in IDB, APIF will be able to focus more on investments in Awqaf real estate projects and in new sectors, while the mandate of creating the appropriate enabling environment for the development of the waqf sector has been assigned to Islamic Research and Training Institute (IRTI). APIF will work hand in hand with IRTI and other units and organizations, both within the IDB Group and outside it, in order to have a holistic approach to the development of the waqf sector across the world.



Guinea – Waqf City Commercial and Residential Complex in Conakry



CORPORATE GOVERNANCE

Corporate Governance Statement

IDB 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. IDB'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-II.

Supervisory Committee

The Supervisory Committee is composed of the President of the Bank, three members of IDB 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 III.

Management Committee

The Management Committee (MC) is chaired by the Vice President (Finance) and CFO, 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.



Benin - Residential and Commercial Complex in Cotonou



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 IDB 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 IDB 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. IDB 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 IDB 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 IDB'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.



Saudi Arabia – Zamzam Health Waqf - 3 Building in Makkah Al-Mukarramah

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

As such, the GOE 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.



**Niger - Commercial & Residential Complex in Niamey
(on the right, construction in progress)**





INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 2016



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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, receivables and financing of Islamic Development Bank – AWQAF Properties Investment Fund (the "Fund") as of 31 December 2016 and the related statements of operations, changes in net assets, cash flows and financial highlights for the period from 14 October 2015 to 31 December 2016. These financial statements and the Fund's undertaking to operate in accordance with 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 of 31 December 2016, and the results of its operations and its cash flows for the period from 14 October 2015 to 31 December 2016 in accordance with the Shari'ah Rules and Principles as determined by the Shari'ah Committee of the Islamic Development Bank and the accounting standards of AAOIFI.

Other matter

The financial statements of the Fund for the period ended 13 October 2015, were audited by another auditor who expressed an unmodified opinion on those statements on 9 March 2016.

For Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. 356

12 April 2017
15 Rajab 1438H

Jeddah

16/258/OO



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF NET ASSETS

AS OF 31 DECEMBER 2016

(Expressed in thousands of US Dollars)

| | Note | 31 December 2016 | 13 October 2015 |
|---|------|---------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 3 | 8,031 | 17,345 |
| Investments: | | | |
| Ijarah Muntahia Bittamleek, net | 4 | 27,144 | 25,024 |
| Islamic Ijarah Sukuk | 5 | 39,406 | 29,035 |
| Islamic Lease Fund | | 1,087 | 1,261 |
| Receivables: | | | |
| Murabaha syndications | | - | 1,993 |
| Istisna'a | | 5,235 | 1,564 |
| Financing: | | | |
| Line of financing | | 2,478 | 2,951 |
| Musharaka | | 2,486 | 2,486 |
| Accrued income and other receivables | | 3,933 | 1,972 |
| Due from related parties | 7 | 218 | 3,416 |
| TOTAL ASSETS | | 90,018 | 87,047 |
| LIABILITIES | | | |
| Due to a related party | 7 | 1,073 | - |
| Accrued expenses and other payables | | 1,385 | 736 |
| Accrued Mudarib's share of income | | 560 | 237 |
| Dividends payable | | 364 | 412 |
| TOTAL LIABILITIES | | 3,382 | 1,385 |
| NET ASSETS | | 86,636 | 85,662 |
| NET ASSETS REPRESENTED BY: | | | |
| Certificate holders' contribution | 6 | 76,410 | 76,410 |
| Premium on certificates | | 1,346 | 1,346 |
| General reserve | | 5,069 | 4,750 |
| Retained earnings | | 3,811 | 3,156 |
| TOTAL CERTIFICATE HOLDERS' EQUITY | | 86,636 | 85,662 |
| NUMBER OF CERTIFICATES OUTSTANDING | 6 | 7,641 | 7,641 |
| NET ASSET VALUE PER CERTIFICATE | | 11.338 | 11.211 |

The accompanying notes from 1 to 18 form an integral part of these financial statements



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF PORTFOLIO INVESTMENTS, RECEIVABLES AND FINANCING AS AT 31 DECEMBER 2016

(Expressed in thousands of US Dollars)

| | 31 December 2016 | | 13 October 2015 | |
|----------------------------|------------------|--------------------|-----------------|--------------------|
| | Amount | % age of Portfolio | Amount | % age of Portfolio |
| INVESTMENTS | | | | |
| Ijarah muntahia bittamleek | 27,144 | 35% | 25,024 | 39% |
| Islamic ijara sukuk | 39,406 | 51% | 29,035 | 45% |
| Islamic lease fund | 1,087 | 1% | 1,261 | 2% |
| RECEIVABLES | | | | |
| Murabaha syndications | - | | 1,993 | 3% |
| Istisna'a | 5,235 | 7% | 1,564 | 2% |
| FINANCING | | | | |
| Line of financing | 2,478 | 3% | 2,951 | 5% |
| Musharaka | 2,486 | 3% | 2,486 | 4% |
| Total | 77,836 | 100% | 64,314 | 100% |

The accompanying notes from 1 to 18 form an integral part of these financial statements

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF OPERATIONS FOR THE PERIOD FROM 14 OCTOBER TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

| | Note | For the period from 14 October 2015 to 31 December 2016 | For the period from 25 October 2014 to 13 October 2015 |
|--|------|--|---|
| INCOME FROM INVESTMENTS, RECEIVABLES AND FINANCING | | | |
| Investments: | | | |
| Ijarah Muntahia Bittamleek, net | | 6,249 | 4,778 |
| Islamic Ijarah Sukuk | | 1,435 | 1,028 |
| Islamic Lease Fund | | 112 | 68 |
| | | 7,796 | 5,874 |
| Receivables: | | | |
| Murabaha syndications | | 19 | 48 |
| Istisna'a | | 160 | 45 |
| | | 179 | 93 |
| Total income from investments, receivable and financing | | 7,975 | 5,967 |
| Expenses: | | | |
| Depreciation- Ijarah Muntahia Bittamleek | 4 | (3,809) | (3,187) |
| Administrative expenses | | (93) | (80) |
| Total expenses | | 3,902 | (3,267) |
| Net income from investments, receivables and financing | | 4,073 | 2,700 |
| Income from cash and cash equivalents | | 6 | 11 |
| Other income | | 50 | 128 |
| Provision for impairment | | (377) | - |
| Exchange loss | | (550) | (471) |
| Net income before Mudarib's share of income | | 3,202 | 2,368 |
| Mudarib's share of net income | 8 | (320) | (237) |
| Increase in net assets representing net income for the period | | 2,882 | 2,131 |
| Earning per certificate | | 0.377 | 0.279 |

The accompanying notes from 1 to 18 form an integral part of these financial statements



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

| | Note | Certificate holders' contribution | Premium on certificate | General reserve | Retained Earnings | Total |
|---|------|--------------------------------------|---------------------------|--------------------|----------------------|---------------|
| Balance at 29 Dhul Hijjah 1435H | | 76,410 | 1,346 | 4,750 | 1,025 | 83,531 |
| Net income for the period before Mudarib's share | | - | - | - | 2,368 | 2,368 |
| Mudarib's share of net income | 8 | - | - | - | (237) | (237) |
| Balance at 13 October 2015 | | 76,410 | 1,346 | 4,750 | 3,156 | 85,662 |
| Net income for the period before Mudarib's share | | - | - | - | 3,202 | 3,202 |
| Mudarib's share of net income | 8 | - | - | - | (320) | (320) |
| Dividends * | 8 | - | - | - | (1,908) | (1,908) |
| Transfer to general reserve * | | - | - | 319 | (319) | - |
| Balance at 31 December 2016 | | 76,410 | 1,346 | 5,069 | 3,811 | 86,636 |

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

The accompanying notes from 1 to 18 form an integral part of these financial statements

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016

(Expressed in thousands of US Dollars)

| | Note | For the period from 14 October 2015 to 31 December 2016 | For the period from 25 October 2014 to 13 October 2015 |
|---|------|---|--|
| OPERATING ACTIVITIES | | | |
| Net income after Mudarib's fee | | 2,882 | 2,131 |
| Adjustments of non-cash items: | | | |
| Depreciation of Ijarah assets | 4 | 3,809 | 3,187 |
| Mudarib's share of net income | | 320 | 237 |
| Provision for impairment | | 377 | - |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Murabaha syndications | | 1,993 | (1,993) |
| Accrued income and other receivables | | (1,961) | 6,596 |
| Due from related parties | | 3,198 | 598 |
| Due to a related party | | 1,073 | - |
| Accrued expenses and other payables | | 649 | 486 |
| Cash from operations | | 12,340 | 11,242 |
| Mudarib's share of income paid | | - | (551) |
| Net cash from operating activities | | 12,340 | 10,691 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Ijarah Muntahia Bittamleek | | (6,306) | (12,022) |
| Investment in leasing Funds | | 174 | 413 |
| Musharakah | | - | (2,951) |
| Istisna'a | | (3,671) | (1,350) |
| Islamic Ijarah Sukuk | | (10,371) | 4,917 |
| Line of financing | | 473 | - |
| Net cash used in investing activities | | (19,701) | (10,993) |
| FINANCING ACTIVITY | | | |
| Dividends paid | | (1,953) | (1,813) |
| Net cash used in financing activity | | (1,953) | (1,813) |
| Net change in cash and cash equivalents | | (9,314) | (2,115) |
| Cash and cash equivalents at the beginning of the period | | 17,345 | 19,460 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 3 | 8,031 | 17,345 |

The accompanying notes from 1 to 18 form an integral part of these financial statements



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE PERIOD FROM 14 OCTOBER TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

| | For the period from 14 October 2015 to 31 December 2016 | For the period from 25 October 2014 to 13 October 2015 |
|---|---|--|
| DATA PER CERTIFICATE: | | |
| Net assets value - beginning of the year | 11.211 | 10.932 |
| Net income before Mudarib's share of income | 0.419 | 0.310 |
| Less: Mudarib share of income | (0.042) | (0.031) |
| Net income after Mudarib's share of income | 0.377 | 0.279 |
| Dividends | (0.250) | - |
| Net assets value - end of the year | 11.338 | 11.211 |

The data per certificate is calculated using the number of certificates outstanding at 31 December 2016 and 13 October 2015, which were 7,641 certificates.

| | For the period from 14 October 2015 to 31 December 2016 | For the period from 25 October 2014 to 13 October 2015 |
|---|---|--|
| FINANCIAL RATIOS/SUPPLEMENTARY DATA: | | |
| Net assets - end of the year | 86,636 | 85,662 |
| Average of net assets | 86,149 | 84,597 |
| Ratio of expenses to average of net assets | 3.75% | 3.86% |
| Annual rate of return | 3.07% | 2.80% |

The accompanying notes from 1 to 18 form an integral part of these financial statements

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016

(Expressed in thousands of US Dollars)

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 (IDB 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 institution and religious authorities in the Islamic 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 Conference ("OIC") and other countries. The Fund has been established for an extended 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 principles of Shari'ah. The Fund has Supervisor 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.

The Fund is a specialized trust fund established to operate in accordance with the principles of Islamic Shari'ah.

The Board of Governors of IDB passed a resolution BG/4-436 approving the use of the Solar Hijri calendar in determining the start and end dates of the financial year whilst maintaining the Lunar Hijri as the official calendar of the Bank. Thus, all future financial years of the Bank and its trust and special funds will cover the period equivalent from 1st January to 31st December.

The current financial statements cover a period of 444 days from 14th October 2015 to 31st December 2016 ("period ended 31 Dec 2016"). As a result, the comparative figures covering the Lunar Hijri period equivalent from 25th October 2014 – 13th October 2015 ("period ended 13 Oct 2015") (equal to 353 days) are not comparable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The Fund adopts the Financial Accounting Standards 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).

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 Investment in Sukuk which is carried at fair value. The financial statements have been presented in thousands of US Dollars.



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Investment in Sukuk

Investments in Sukuk are debt-type instruments 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 Muntahia Bittamleek

This represents assets purchased by the Fund and leased to beneficiaries for their use under Ijarah Muntahia Bittamleek 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. 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) Participation in Murabaha syndication

The Fund's participation in Murabaha syndication is stated at amortized cost less provision for impairment.

f) Istisna'a contract

Receivable from Istisna'a contracts represents the disbursements made as of the reporting date against the assets acquired for an Istisna'a project plus income recognized.

g) Musharaka financing

Musharaka financing is partnership in which the Fund contributes capital. Musharaka financing is stated at cost less received amounts as a repayment of the Musharaka capital.

h) 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.

i) 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.

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue recognition

Islamic Ijarah Sukuk

Income from investments in Islamic Ijarah Sukuk is accrued on a time apportionment basis using the effective rate of return.

Ijarah Muntahia Bittamleek

Income from Ijarah Muntahia Bittamleek is recognised on a time-apportioned basis over the lease term.

Murabaha syndications

Income from investment in Murabaha syndications is accrued from the date of actual disbursement of the funds to the repayment date on a time apportionment basis.

Istisna'a

Income from Istisna'a is recognized using the percentage of completion method based on return stipulated in the Istisna'a agreement.

Musharaka

Income on Musharaka financing is recognised 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.

Cash and cash equivalents

Income from cash and cash equivalents is recognized when such income is earned. Income from short-term commodity transactions is accrued evenly over the period from actual disbursement date of the funds to the maturity date.

k) 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.

l) 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 90 days or less.

m) Zakat and tax

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



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Subsequent events: 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.

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 Bank 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 Bank'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 2016 | 13 October 2015 |
|---|---------------------|--------------------|
| Cash in bank | 8,031 | 15,772 |
| Investments in short-term commodity transactions with banks | - | 1,573 |
| Cash and cash equivalents | 8,031 | 17,345 |

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

4. IJARAH MUNTAHIA BITTAMLEEK, NET

The movement in Ijarah Muntahia Bittamleek during the period is as follows:

| | Period ended 31 December 2016 | Period ended 13 October 2015 |
|--|-------------------------------------|------------------------------------|
| Cost | | |
| Assets acquired, not yet in repayment period: | | |
| Balance at beginning of the period | 8,355 | 6,992 |
| Additions | 3,963 | 6,324 |
| Transfer | - | (4,961) |
| Balance at end of the period | 12,318 | 8,355 |
| Assets in repayment period: | | |
| Balance at beginning of the period | 57,686 | 52,725 |
| Adjustments | 3,494 | - |
| Transfer | - | 4,961 |
| Balance at end of the period before allowance for impairment | 61,180 | 57,686 |
| Total costs | 73,498 | 66,041 |
| Accumulated depreciation: | | |
| Balance at beginning of the period | 46,143 | 42,956 |
| Charge for the period | 3,809 | 3,187 |
| Balance at end of the period | 49,952 | 46,143 |
| Net book value of Ijarah assets on lease | 23,546 | 19,898 |
| Plus: Ijarah overdue receivables | 4,783 | 5,934 |
| Less: Allowance for impairment | (1,185) | (808) |
| Total Investment In Ijarah assets | 27,144 | 25,024 |

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

| | Period ended 31 December 2016 | Period ended 13 October 2015 |
|--|-------------------------------------|------------------------------------|
| Balance at the beginning of the period | 808 | 808 |
| Charge for the period | 377 | - |
| Balance at the end of the period | 1,185 | 808 |



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

5. INVESTMENTS IN ISLAMIC IJARAH SUKUK

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

Investments in Islamic Ijarah Sukuk as at 31 December 2016 comprise of the following:

| | 31 December 2016 | 13 October 2015 |
|----------------|---------------------|--------------------|
| Governments | 29,323 | 18,860 |
| Other Entities | 10,083 | 10,175 |
| | 39,406 | 29,035 |

Investments in Islamic Ijarah Sukuk are classified as follows:

| | 31 December 2016 | 13 October 2015 |
|--|---------------------|--------------------|
| Sukuk classified as fair value through income statement (statement of operations) | 24,754 | 29,035 |
| Sukuk classified at amortised cost | 14,652 | - |
| Total | 39,406 | 29,035 |

The movement in Islamic Ijarah Sukuk investments is summarized as follows:

| | Period ended 31 December 2016 | Period ended 13 October 2015 |
|--|-------------------------------------|------------------------------------|
| Balance at the beginning of the period | 29,035 | 33,952 |
| Additions during the period | 14,501 | - |
| Redemptions | (4,232) | (5,065) |
| Fair value (loss)/ gain | (49) | 148 |
| Coupon accrual on sukuk classified at amortised cost | 89 | - |
| Amortization of discount | 62 | - |
| Balance at the end of the period | 39,406 | 29,035 |

6. CERTIFICATE HOLDERS' CONTRIBUTION

Certificate holders' contributions comprise the following:

| | 31 December 2016 | 13 October 2015 |
|--|---------------------|--------------------|
| Authorized: 20,000 certificates of US \$ 10,000 each | 200,000 | 200,000 |
| Issued, subscribed and paid up: | | |
| 7,641 certificates of US \$ 10,000 each (13 October 2015 – 7,641 certificates of US \$ 10,000 each) | 76,410 | 76,410 |

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

7. RELATED PARTY TRANSACTIONS

As per the regulations of the Fund, IDB 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, IDB provides certain administration facilities and personnel to the Fund for which no separate charge is made to the Fund.

As at 31 December 2016 and 13 October 2015, IDB held 2,950 of the subscribed certificates.

The Fund is managed by the IDB and its transactions are done through the IDB and its related entities. Principal arrangements related to investment in Sukuk are between IDB and its related entities and counter parties. The bank account of the Fund is in the name of IDB.

In the ordinary course of its activities, the Fund has certain transactions with entities in the IDB - Ordinary Capital Resources (IDB-OCR) and Special Account Resources Waqf Fund (Waqf Fund) and Islamic Solidarity Fund for Development.

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

(i) Due from related parties

| | 31 December 2016 | 13 October 2015 |
|---|---------------------|--------------------|
| Waqf Fund | 164 | 3,362 |
| Islamic Solidarity Fund For Development | 54 | 54 |
| | 218 | 3,416 |

(ii) Due to a related party

| | 31 December 2016 | 13 October 2015 |
|-----------|---------------------|--------------------|
| IDB – OCR | 1,073 | - |

8. DISTRIBUTION OF NET INCOME

As per the Regulations of the Fund, subject to the transfer to general reserve as stated in note 2, the net income for each financial period shall be allocated as follows:

| | |
|---------------------|-----|
| Mudarib | 10% |
| Certificate holders | 90% |

9. 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.



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

10. 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.

10.1 Concentration of assets by geographical areas is analyzed as under:

| Description | 31 December 2016 | | | | |
|---------------------|---------------------------|---------------|---------------------------|--------------|---------------|
| | Cash and cash equivalents | Investments | Receivables and financing | Other | Total |
| Africa | - | 15,176 | - | - | 15,176 |
| Asia | 8,031 | 52,460 | 10,199 | 4,152 | 74,842 |
| Total assets | 8,031 | 67,636 | 10,199 | 4,152 | 90,018 |

| Description | 13 October 2015 | | | | |
|---------------------|---------------------------|---------------|---------------------------|--------------|---------------|
| | Cash and cash equivalents | Investments | Receivables and financing | Other | Total |
| Africa | - | 5,822 | - | - | 5,822 |
| Asia | 17,345 | 49,498 | 8,994 | 5,388 | 81,225 |
| Total assets | 17,345 | 55,320 | 8,994 | 5,388 | 87,047 |

10.2 An analysis of the Fund's assets by industry is as follows:

| Description | 31 December 2016 | | | | |
|---------------------------------|------------------|------------------|------------------------|---------------|---------------|
| | Real estate | Public utilities | Financial institutions | Other | Total |
| Cash and cash equivalents | - | - | 8,031 | - | 8,031 |
| Investments | 22,277 | 16,717 | 28,643 | - | 67,637 |
| Receivables and financing | 5,235 | 2,486 | - | 2,478 | 10,199 |
| Accrued income and other assets | - | - | - | 4,151 | 4,151 |
| Total assets | 27,511 | 19,202 | 36,674 | 11,411 | 90,018 |

| Description | 13 October 2015 | | | | |
|---------------------------------|-----------------|------------------|------------------------|--------------|---------------|
| | Real estate | Public utilities | Financial institutions | Other | Total |
| Cash and cash equivalents | - | - | 17,345 | - | 17,345 |
| Investments | 15,036 | 22,086 | 18,198 | - | 55,320 |
| Receivables and financing | 1,434 | 4,610 | - | 2,950 | 8,994 |
| Accrued income and other assets | - | - | - | 5,388 | 5,388 |
| Total assets | 16,470 | 26,696 | 35,543 | 8,338 | 87,047 |

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

11. 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 follow:

| Description | 31 December 2016 | | | | Total |
|-------------------------------------|--------------------|----------------|---------------|---------------|---------------|
| | Less than 3 months | 3 to 12 months | 1 to 5 Years | Over 5 year | |
| Assets | | | | | |
| Cash and cash equivalents | 6,057 | 1,974 | - | - | 8,031 |
| Investments | 5,948 | 2,336 | 11,183 | 48,170 | 67,637 |
| Receivables and financing | - | 39 | 2,478 | 7,682 | 10,199 |
| Accrued income & other receivables | 4,151 | - | - | - | 4,151 |
| Total assets | 16,156 | 4,349 | 13,661 | 55,852 | 90,018 |
| Liabilities | | | | | |
| Accrued expenses and other payables | - | 2,458 | - | - | 2,458 |
| Accrued Mudarib's share of income | - | 560 | - | - | 560 |
| Dividends payable | - | 364 | - | - | 364 |
| Total liabilities | - | 3,382 | - | - | 3,382 |
| Net Assets | 16,156 | 967 | 13,661 | 55,852 | 86,636 |

| Description | 13 October 2015 | | | | Total |
|-------------------------------------|--------------------|----------------|---------------|---------------|---------------|
| | Less than 3 months | 3 to 12 months | 1 to 5 Years | Over 5 year | |
| Assets | | | | | |
| Cash and cash equivalents | 17,345 | - | - | - | 17,345 |
| Investments | 6,169 | 7,075 | 20,448 | 21,628 | 55,320 |
| Receivables and financing | - | 1,994 | 4,514 | 2,486 | 8,994 |
| Accrued income & other receivables | 5,388 | - | - | - | 5,388 |
| Total assets | 28,902 | 9,069 | 24,962 | 24,114 | 87,047 |
| Liabilities | | | | | |
| Accrued expenses and other payables | - | 736 | - | - | 736 |
| Accrued Mudarib's share of income | - | 237 | - | - | 237 |
| Dividends payable | - | 412 | - | - | 412 |
| Total liabilities | - | 1,385 | - | - | 1,385 |
| Net Assets | 28,902 | 7,684 | 24,962 | 24,114 | 85,662 |



ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

12. 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 period, and therefore it was not exposed to significant currency risk.

13. 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 Conference ("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.

14. FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The fair values of the Fund's financial assets and liabilities are not materially different from their carrying values at the reporting date.

15. COMMITMENTS

As at 31 December 2016, the undisbursed commitment' amounted to USD 37.94 million (13 October 2015: USD 30.64 million).

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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).

ISLAMIC DEVELOPMENT BANK - AWQAF PROPERTIES INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD FROM 14 OCTOBER 2015 TO 31 DECEMBER 2016 (Expressed in thousands of US Dollars)

16. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

31 December 2016

Assets

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

- Investments in Sukuk

| Level 1 | Level 2 | Level 3 | Total |
|---------------|----------|----------|---------------|
| 24,754 | - | - | 24,754 |
| 24,754 | - | - | 24,754 |

13 October 2015

Assets

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

- Investments in Sukuk

| | | | |
|---------------|----------|----------|---------------|
| 29,035 | - | - | 29,035 |
| 29,035 | - | - | 29,035 |

17. PRIOR YEAR RECLASSIFICATION

Certain figures of comparative period were reclassified to be consistent with the classification followed during the current period.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorized for issue in accordance with a resolution of the Board of Executive Directors on 27 Jumad Thani 1438H (26 March 2017).



ANNEXES



ANNEX-I

APIF Participants and their Contribution in the Paid-up Capital as at 31/12/2016

(US\$ million)

| No. | Name of Participant | Country | Paid-up Capital | Percentage |
|-----|--|--------------|-----------------|-------------|
| 1 | Islamic Development Bank | Saudi Arabia | 29.50 | 38.60% |
| 2 | OIC – Islamic Solidarity Fund | Saudi Arabia | 15.50 | 20.29% |
| 3 | Ministry of Islamic Affairs, Awqaf, Da'wa and Irshad | Saudi Arabia | 7.50 | 9.82% |
| 4 | Kuwait Awqaf Public Foundation | Kuwait | 5.00 | 6.54% |
| 5 | Kuwait Finance House | Kuwait | 5.00 | 6.54% |
| 6 | Faisal Islamic Bank | Egypt | 4.00 | 5.24% |
| 7 | Iran Endowment Fund | Iran | 2.90 | 3.80% |
| 8 | Al-Baraka Islamic Bank | Bahrain | 1.00 | 1.31% |
| 9 | Bahrain Islamic Bank | Bahrain | 1.00 | 1.31% |
| 10 | Tadamon Islamic Bank | Sudan | 1.00 | 1.31% |
| 11 | Jordan Islamic Bank | Jordan | 1.00 | 1.31% |
| 12 | Ministry of Awqaf, Islamic Affairs and Holy Places | Jordan | 1.00 | 1.31% |
| 13 | Arab Islamic Bank | Palestine | 1.00 | 1.31% |
| 14 | Amanah Raya Bhd | Malaysia | 1.00 | 1.31% |
| | Total | | 76.40 | 100% |



ANNEX-II

Members of the Participants Committee of the Awqaf Properties Investment Fund

| | |
|--|-----------------|
| Mr. Abdulhamid Abu Mousa Governor, Faisal Islamic Bank of Egypt. | Chairman |
| H.E. Dr. Wael Arabiyat Minister of Awqaf, Islamic Affairs and Holy Places, Jordan | Member |
| Dr. Bandar M.H. Hajjar President of the 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 |
| Mr. Khalid bin Saleh Al Fareh Director General, General Department for Investment Ministry of Islamic Affairs, Awqaf, Da'wa and Irshad, KSA | Member |
| Mr. Raed Khalid Abdullah AlKharafi Secretary General, Kuwait Awqaf Public Foundation, Kuwait | Member |
| Mr. Meshal Abdulaziz Al Nassar Senior Investment Manager Kuwait Finance House, Kuwait | Member |
| Mr. Musa Abdel Aziz Shihadeh Chairman of the Board of Directors and Director General Jordan Islamic Bank, Jordan | Member |
| Mr. Hassan Amin Jarrar Chief Executive Officer, Bahrain Islamic Bank | Member |
| Mr. Mohamed Issa Al Mutaweh Chief Executive Officer and Board Member Al Baraka Islamic Bank, Bahrain | Member |
| Mr. Abbas Abdulla Abbas General Manager, Tadamon Islamic Bank, Sudan | Member |
| Mr. Waleed Toufiq Fakhouri Managing Director, Arab Islamic Bank, Ramallah, Palestine | Member |
| Mr. Abdolreza Abed Chairman, Iran Endowment Fund, Tehran, Iran | Member |
| Mr. Adenan Mohamad Yusof Group Managing Director, Amanah Raya Berhad, Malaysia | Member |



ANNEX-III

Members of the Supervisory Committee of the Awqaf Properties Investment Fund



H.E. Dr. Bandar M.H. Hajjar
President, IDB Group,
Chairman, Board of Executive Directors

Chairman



Hon. Bader Abdullah S. Abuaziza
Executive Director
Islamic Development Bank

Member



Hon. Mohammed Gambo Shuaibu
Executive Director
Islamic Development Bank

Member



Hon. Wisam Jasim Al-Othman
Executive Director
Islamic Development Bank

Member



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

Member



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

Member



Mr. Khalid bin Saleh Al Fareh
Director General,
General Department for Investment
Ministry of Islamic Affairs, Awqaf, Da'wah &
Irshad, Saudi Arabia.

Member



Mr. Raed Khalid Abdullah AlKharafi
Secretary General
Kuwait Awqaf Public Foundation, Kuwait

Member



Mr. Meshal Abdulaziz Al-Nassar
Senior Investment Manager
Kuwait Finance House, Kuwait

Member



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

Member



Mr. Abdel-Monem H. Abdullah Alhyari
General Manager
Ministry of Awqaf, Islamic Affairs and Holy
Places , Jordan

Member



ANNEX-IV

Members of the Management Committee of the Awqaf Properties Investment Fund



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

Chairman



H.E. Dr. Ahmet TIKTIK
Acting Vice President (Finance) & CFO
Islamic Development Bank

Member



Mr. Khalid Al-Aboodi
Chief Executive Officer & General Manager
Islamic Corporation for the Development
of Private Sector (ICD)

Member



Dr. Waleed Al-Wohaib
Director General
Islamic Solidarity Fund for Development
(ISF)

Member



Mr. Adil Al-Sharif
Executive Director
World Waqf Foundation

Member



Dr. Walid Abdelwahab
Director
Infrastructure Department

Member



Dr. Mansur. A. Noibi
Director
Legal Department

Member



Mr. Aboubakr Kaira Barry
Acting Director
Treasury Department

Member



Mr. Ahmed Arbee
Acting Director
Group Risk Management Department

Member



Mr. Diab Karrar Ahmed
Acting Director
Islamic Financial Services Department

Member



ANNEX-V

Members of the Technical Review Committee of the Awqaf Properties Investment Fund

| | |
|---|-----------------|
| Dr. Essamaldine Al-Kalyoubi Group Integrity & Compliance Office | Chairman |
| Mr. Sohail A. Mitha Infrastructure Department | Member |
| Mr. Ahmed Jabri Legal Department | Member |
| Mr. Muhammed Yasir Gorpe Treasury Department | Member |
| Mr. Mohammad Rizwan Eunus Group Risk Management Department | Member |
| Mr. Syed Muhammad Asim Raza Islamic Financial Services Department | Member |



UAE – Commercial and Residential Waqf Building (NAMA-III) in Fujairah



Islamic Development Bank Headquarters, Jeddah



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