2024 ANNUAL REPORT

Arab Regional Payments Clearing and Settlement Organization

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2024

ANNUAL REPORT

EMPOWER ARAB ECONOMIES

Streamline trade relationships of the Arab countries with major partners.

TABLE OF CONTENTS

01

WHO WE ARE ?

1.1 INTRODUCTION

Buna is the cross-border payment system operated by the Arab Regional Payments Clearing and Settlement Organization "ARPCSO," which is owned by The Arab Monetary Fund "AMF". Buna aims to enable financial institutions and central banks in the Arab region and beyond to send and receive payments in local currencies as well as key international currencies in a safe, cost-effective, risk-controlled, and transparent environment. Buna offers its participants modern payment solutions that comply with international standards and compliance requirements.

With its cross-border payment system, Buna strengthens opportunities for economic and financial integration in the Arab region, contributes to higher financial Inclusion, and supports investment ties with global trading partners. Buna welcomes the inclusion of all financial institutions that meet the criteria and conditions for participation, primarily the standards and procedures of compliance aspects.

1.2 OBJECTIVES

BUNA AIMS TO:

- Empower Arab economies.
- Streamline trade relationships of the Arab countries with major partners.
- Facilitate financial inclusion and regional integration.
- Promote cross-border payments and make them as efficient as domestic ones.
- Promote usage of regional currencies.
- Strengthen compliance standards, and adherence to relevant international principles.

1.3 MISSION AND VALUES

OUR MISSION

To provide payment solutions that empower Arab economies and promote regional integration.

WHO WE ARE

OUR VALUES

To reinforce the organization's identity, shape organization culture, assist in decision making, influence employee behavior and ensure growth. Buna's values are the following:

EXCELLENCE:
we always aim to deliver a superior level of quality in any aspect of our services.

INTEGRITY:
we work in honesty and devotion, with consistent adherence to our mission.

COMMITMENT:
we are driven and motivated by our mission, constantly targeting to realize the strategic objectives of our organization

ACCOUNTABILITY:
we are always eager to meet our obligation and take full responsibility for our actions.

RELIABILITY:
we do what we say, and we communicate and act in a transparent way.

02

SUMMARY OF 2024 PERFORMANCE

SUMMARY OF 2024 PERFORMANCE

In 2024, the number of transactions across all six currencies surpassed 110K, reflecting 340% growth compared to the previous year. Since launch, transactions have exceeded 150K in number and USD 4.6 billion in value. The number of participants reached 116, and the number of accounts in different currencies reached 341. Revenues reached USD 408K in 2024, which is a substantial 350% increase compared to 2023 although it remained below the initial forecast.

The slower-than-expected growth is attributed to two key factors: delays in the onboarding process and the suboptimal currency activations where net sending participants open accounts in certain currencies, while the net receiving participants do not have matching accounts in the same currencies or vice versa, which creates a situation of misalignment with the natural flow of payments in the respective corridors and therefore limit the transaction volumes.

To address onboarding challenges, Buna intensified its engagement with banks through bilateral meetings, community workshops, industry conferences, and the Advisory Group. Additionally, support tools such as tailored project plans and documented guidelines were introduced to streamline the process.

Regarding the suboptimal currency activations, Buna continued to address this by providing participants with regular data-driven insights on currency utilization trends, enabling them to optimize cross-border transactions by ensuring currency choices align with the natural flow of payment between net senders and net receivers in the respective corridors.

Whilst these efforts demonstrated tangible results during 2024 with transaction volumes growing multifold as participants who implemented the recommendations experienced the business value firsthand. However, ensuring wider adoption across the entire community remains a key priority for Buna in 2025 and beyond.

Furthermore, enhancements were made to support broader participation, including a major step with the agreement to introduce starting from January 2025 a more competitive pricing structure which unifies fees for Arab and international currencies and generalizes value bracket-based pricing (tiers). The new structure continues ensuring zero upfront or recurring charges and covering message charges (SWIFT fees).

Another key initiative in 2024 was the implementation of a roadshow dedicated to raising awareness and sharing information related to compliance matters. It was conducted with commercial and central banks, and covered compliance statistics, transaction screening, KYC diligence, and FAQs regarding international currency frameworks. This initiative reinforced community confidence in Buna's adherence to international compliance standards.

To ensure long-term financial sustainability, Buna focused on promoting the new services to drive transaction volumes and revenues, in particular the Instant Payment Service (IPS) and the Leg-in / Leg-out scheme.

The Instant Payment Service (IPS) enables instant 24/7 cross-border remittances at competitive rates. In 2024, five major commercial banks from the UAE, Egypt, and Morocco (First Abu Dhabi Bank, Mashreq, National Bank of Egypt, Banque du Caire, and Bank of Africa) signed expressions of

SUMMARY OF 2024 PERFORMANCE

interest. Additionally, a strategic partnership was established with the State Bank of Pakistan to interlink "Buna IPS" with Pakistan's "Raast" system, facilitating seamless remittances between the Arab world and Pakistan. As for the Leg-in / Leg-out service, it enables financial institutions to connect external networks to Buna's payment system efficiently. In 2024, Mastercard became the first participant aiming at leveraging its network and money transfer capabilities by interlinking them with the Buna network through the Leg-in / Leg-out scheme. This collaboration, set to launch in 2025, will enhance cross-border payment flows in and out of the Arab region.

In addition to the ambitious growth initiatives, strict cost controls were maintained throughout 2024. Multiple reprioritization efforts resulted in a 20% reduction in operational costs compared to initial plans, without compromising service delivery or efficiency.

Overall Buna made significant strides in 2024, achieving strong growth in transactions and revenues, enhancing multiple dimensions of its services, launching new strategic initiatives, and reinforcing compliance efforts. Based on these achievements, the revised financial plan reinstates confidence that the growth observed until now and the additional actions that we are taking will allow Buna to reach a breakeven point and ensure its financial sustainability in the upcoming 3 to 5 years.

TOTAL ASSETS: USD 22.52 MILLION
AUTHORIZED CAPITAL: USD 150 MILLION

03

HIGHLIGHTS

HIGHLIGHTS

The number of transactions grew 340% exceeding 110,000 transactions

The number of live participants is 104

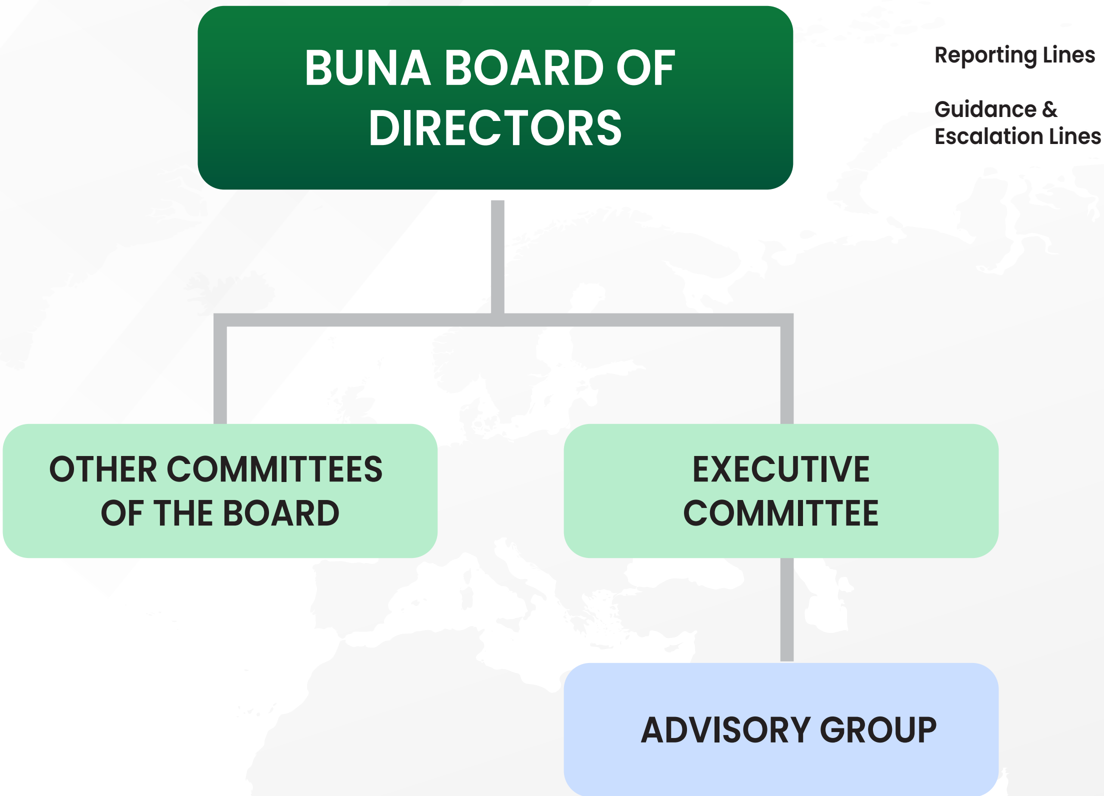
Currencies remained at 6 currencies

04

ADVISORY GROUP ACTIVITIES

ADVISORY GROUP ACTIVITIES

During 2024, the Advisory Group continued reinforcing the involvement of the users in Buna's governance. The Advisory Group objective is to support the Executive Committee (ExCo) in making informed decisions that consider users' interest. The Advisory Group also serves as a forum for dialogue and exchange on key industry topics. The group was expanded to 31 members including 24 participants and 7 international observers.



Some of the key topics addressed during 2024:

- Changes in Buna rules and procedures to support new service and industry development
- Beneficiary banks charges and fees transparency among the community
- Operational incidents, impact and resolutions
- Compliance framework, key compliance findings analysis and statistics
- New pricing scheme and associated benefits
- ISO20022 migration and the progress achieved by the community
- Central Banks oversight framework
- Service and product enhancements, future products and long-term developments
- Latest trends and dynamics in the industry, including the status and latest development in relation to the G20 roadmap to enhance cross-border payments, the ongoing activities and key milestones to meet the roadmap's targets, including regulatory aspects, market practices, technical standards and harmonization efforts, and collaboration between public and private sector.

05

THE STATEMENT OF HIS EXCELLENCY

THE STATEMENT OF HIS EXCELLENCY FAHAD M. ALTURKI.

Having served as Chairman for more than a year, I am proud of the progress we have made in strengthening our market position in the payments industry and advancing our strategic initiatives. Over this time, I have overseen key developments that reinforce our commitment to excellence and innovation, and I have witnessed our organization achieving significant milestones that reflect our vision and dedication to enhance cross-border payments in the Arab region and beyond.

Today, payments are no longer just an operational necessity; they are the backbone of economic growth, financial inclusion, and international collaboration. From trade and investments to remittances and humanitarian aid, payments play a crucial role in shaping the global financial landscape.

The Arab region stands at the forefront of this transformation. With $25 trillion in annual cross-border flows, the region has proactively modernized its payments infrastructure. Buna stands as a testament to this commitment. Established as a strategic initiative by the Arab Central Banks in partnership with the Arab Monetary Fund, Buna facilitates seamless cross-border transactions and covers today already over 15 countries and 100 institutions, including central banks and commercial banks.

Furthermore, our collaboration with diverse regional and global organizations including Central Banks and regulatory bodies, the Gates Foundation, the Bank for International Settlements, Swift, MasterCard, and others is a step toward fostering technological innovation and supporting regulatory compliance and policies.

THE STATEMENT OF HIS EXCELLENCY FAHAD M. ALTURKI.

While Buna operates independently, its governance structure has been primarily driven by a public-private sector partnership model, with major regional commercial banks represented on its Board of Directors. As Buna continues to evolve into a global hub, the need for a stronger public-sector role has become increasingly clear.

It is imperative to adapt Buna's governance model to reflect its expanding role in the global financial landscape. The growing importance of cross-border payments calls for an approach that balances innovation with stability, efficiency with security, and private-sector agility with public-sector oversight. This evolution will ensure that Buna continues to be a driving force in modernizing payments, enhancing financial integration, and unlocking economic opportunities across the Arab region and beyond.

As we move forward, a governance model that includes enhanced representation from central banks and the public sector will provide critical oversight, ensuring that Buna remains aligned with its broader economic objectives. This evolution is essential to maintain regulatory confidence and reinforce public-private collaboration by creating stronger synergies to drive sustainable growth for the broader financial ecosystem.

In closing, on behalf of the board, I would like to thank Mehdi Manaa, Buna's CEO and his team for their hard work and dedication to achieve the objectives of Buna. I would also like to express our greatest appreciation to the Arab Central Banks Governors for their constant belief in Buna.

06

CEO MESSAGE

MESSAGE FROM THE CEO, MEHDI MANAA

As we reflect on 2024, it is evident that it has been a transformative year for Buna, marked by significant achievements, continued resilience, and strategic advancements. Our mission to provide seamless cross-border payment solutions that empower Arab economies and foster regional integration remains steadfast. This year, we achieved substantial growth, with transactions reaching more than 110,000 across all six currencies, a 340% increase compared to the previous year. Our revenue also grew significantly, reaching $408K, reflecting our ongoing commitment to expanding adoption and usage among financial institutions.

While these achievements were significant, they did not fully meet our forecasted targets. This prompted us to take proactive actions to enhance performance and achieve greater impact.

We implemented stringent cost controls, through strategic reprioritization, and achieved 20% reduction in operational costs compared to initial plans while preserving service quality and efficiency. Moving forward, we remain committed to this disciplined approach to maximize value for our stakeholders. We also took a major step with the introduction of a more competitive pricing structure which unifies fees for Arab and international currencies and generalizes value bracket-based pricing (tiers). The new pricing reflects our commitment to maximizing value for our participants and we expect it to bring also tangible results to Buna starting from 2025.

Innovation remains a priority as we shape the future of cross-border payments. Our Instant Payment Service (IPS) is set to transform remittances by enabling instant, cost-effective, and 24/7 transactions. Pioneering participants from the UAE, Egypt, and Morocco are currently onboarding for launch next year. We also advanced payment system interlinking, laying the groundwork for Buna-Raast connectivity with Pakistan, and for other similar initiatives that are currently progressing with Europe, China, and India. Additionally, we introduced the Leg-in/Leg-out service in collaboration with Mastercard, which subscribed in 2024 as the first participant in this service

In parallel, we continued to engage with our broad community. We took actions to ensure stronger ties across the ecosystem, starting with expanding the Advisory Group, which now includes 31 members from key financial institutions. This group plays a vital role in guiding our strategic direction, ensuring that stakeholder interests remain at the heart of our decision-making process. We have also reinforced our role by launching the first edition of our flagship community event, the Arab Payment Week 2024 (APW 2024). The event brought together government leaders, central bankers, and financial industry experts from around the

MESSAGE FROM THE CEO, MEHDI MANAA

world. The week highlighted the Arab region's growing capabilities and showcased Buna's pivotal role in fostering regional integration and strengthening economic ties.

Furthermore, ensuring compliance with international standards remains fundamental to our operations. In 2024, we launched an extensive compliance roadshow to engage with financial institutions and regulators, reinforcing trust and transparency in our system.

Looking ahead to 2025, we will capitalize on the aforesaid strategic initiatives that we have undertaken to lay a strong foundation for sustained growth. We will be scaling our services and expanding our network to streamline trade and remittances between Arab world and its key partners. We are confident in Buna's trajectory towards breakeven and long-term financial sustainability by 2028.

We remain aware that none of our achievements would be possible without the trust of our participants, and the unwavering support of Arab Central Banks and other regulatory bodies. I extend my sincere gratitude to all of them for their contributions to Buna's success. Together, we are shaping the future of cross-border payments, reinforcing economic integration, and unlocking new opportunities for growth. Most importantly, I would like to thank all my colleagues at Buna for their great efforts and hard work, as we build a more resilient organization, and continue to make 'Payment as it should be!'

07

OPERATIONAL PERFORMANCE

OPERATIONAL PERFORMANCE

7.1 BUSINESS OPERATIONS

OPERATING WINDOW

We continued to provide our services on 6 days a week, from Sunday to Friday with the possibility to submit payment around the clock. With a 12-hour settlement window, from 9:00 am to 9:00 pm (GST).

Operating Days and Settlement Windows

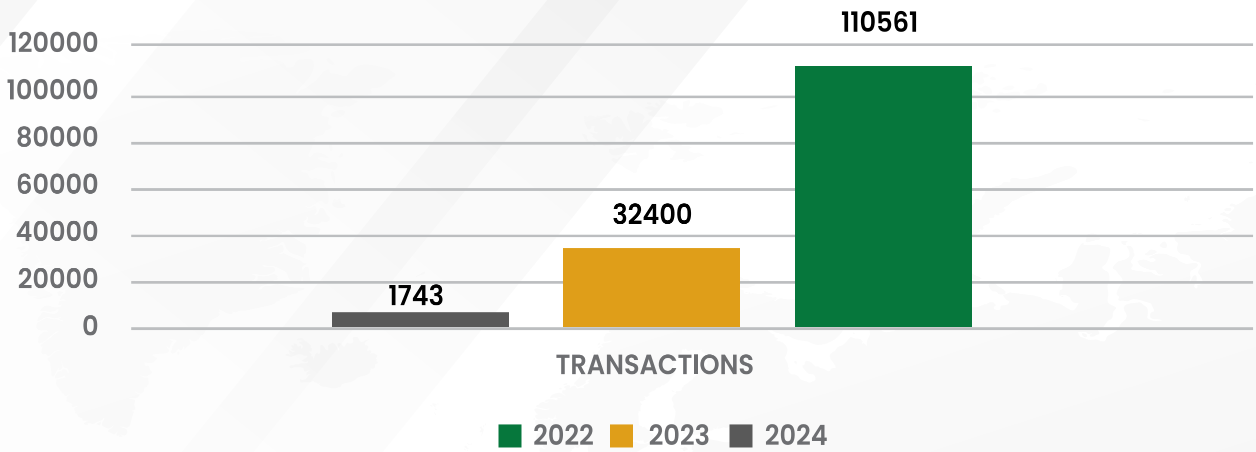
TRANSACTIONS VOLUMES

In 2024 the transaction volume processed through Buna demonstrated consistent growth, exceeding 110,000 transactions across all six currencies, with a growth of 340% compared to 2023. The total value of transactions processed in 2024 of almost USD 3.2 Billion and exceeded USD 4.5 Billion since the launch of Buna till the end of 2024.

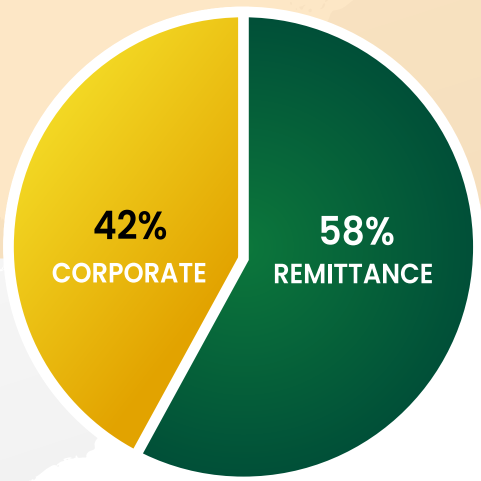
Buna continued to support a wide range of use cases, demonstrating its versatility and adaptability to meet the diverse requirements of its participants and their clients. This appears in the types of transactions processed on Buna as shown in the below figure indicating that remittance payments represent 58% of the transactions, while corporate payments represent 42% of the transactions.

OPERATIONAL PERFORMANCE

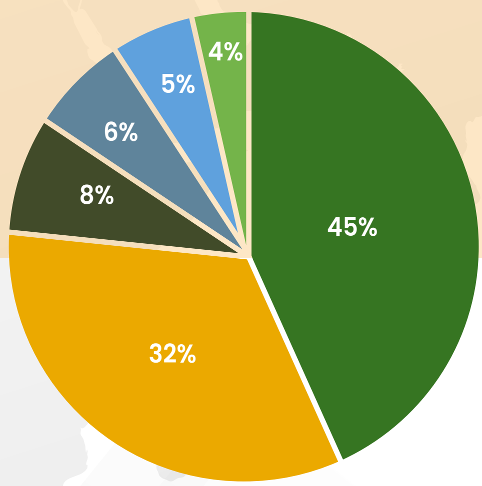
TRANSACTION STATISTICS



PAYMENT TYPES IN BUNA BASED ON TRANSACTION VOLUME



VALUE BRACKETS OF TRANSACTION CLEARED IN USD EQUIVALENT



It's also worth mentioning that 45% of the transactions volume have values less than USD 1,000, while 32% have a value from USD 1,000 to 5,000, while the rest of the transactions have a value higher than USD 5,000.

7.2 IT OPERATIONS

TECHNOLOGY PANORAMA FOR 2024

We enhanced stability and resilience in 2024 by surpassing the core application availability target of 99.7% and achieving resolution of incidents within the committed SLA.

61
Upgrades

61 successful upgrade changes

Successful implementation of 61 upgrades / changes to enhance core platform and infrastructure capability for better resilience, security, performance and stability

100%
Major Inciden Resolution

100% of major incidents resolved

100% of critical/high priority incidents resolved within the committed SLAs without transaction loss.

438K
Blocked Network Detection

Cyber Security

Successfully blocked 438K ilegitimate network traffic to prevent from unauthorized access attempt to ddigital assets for better safety and security.

99.9%
Application Avalibility

99.9% Core application availibility

Achieved 99.9% uptime for core application avalibility to enhance accesibility of our payments system by participants

99.9% Network Availibility

Achieved 99.9@ uptime for network & data centers and conducted successful test for failover to secondary data center for buiness continuty.

99.9%
Network Availibility

99.1% Service Request Resolution

1460 IT service requests from participants and internaal users were attended and completed successfully within the committed SLA for user statisfaction.

99.1%
Service Requests

OPERATIONAL PERFORMANCE

SERVICE AVAILABILITY

Buna achieved enhanced core application availability of 99.98% and 99.99% network availability in 2024, showcasing the resilience of its payment solution and its capability to ensure transaction processing even amidst unexpected events. This accomplishment ensures the continuous operation of critical business functions, by reducing downtime to support Buna's business objectives.

TECHNOLOGY UPGRADES

A total of 61 upgrades were successfully executed across various domains, including applications, network, platform, and security. These upgrades were carried out to ensure optimal performance and efficiency, achieving the following objectives:

Enhanced Security: Multiple enhanced hardening controls were applied, and several upgrades were implemented to address software vulnerabilities and strengthen the security of Buna's infrastructure and applications.

Improved Network Efficiency and Security: We maximised network performance, security, and capabilities through multiple upgrades on our core network components to improve efficiency, reduce latency, and increase throughput, thus benefiting all users and applications relying on our network.

Improved User Experience: Introduced new and enhanced features to improve the end-user experience, including a Knowledge Management module on the Buna Portal and end-user satisfaction surveys to gather feedback and refine our services accordingly.

Core Application Upgrades: Incorporated new and enhanced features to optimize core application performance, streamline payment flows, and reinforce Buna's compliance capabilities.

INCIDENT RESOLUTION

In 2024, there was a significant reduction in the number of high-priority incidents compared to 2023. The total dropped from 22 incidents in 2023 to just 9 in 2024, achieving more than 50% reduction.

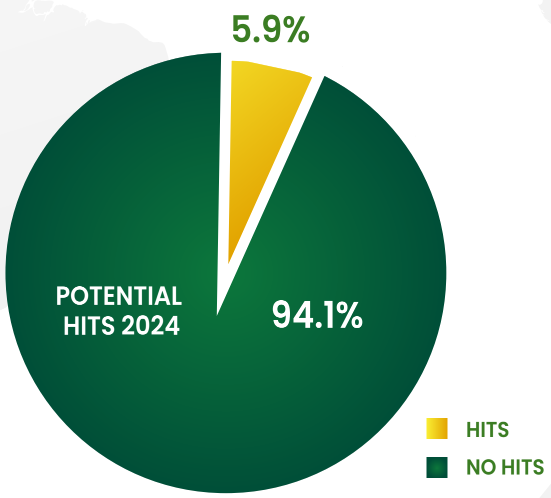
SERVICE REQUESTS RESOLUTION

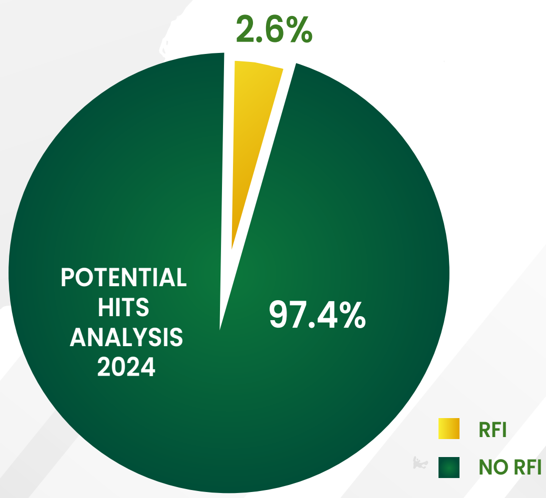
In 2024, 99.1% of all logged service requests were resolved within the committed SLA, demonstrating Buna's commitment to operational efficiency and reliability. These requests encompassed a wide range of needs and were submitted by both participants and other stakeholders. This summed to a total of more than 1,460 requests which were completed successfully during the whole year.

7.3 COMPLIANCE OPERATIONS

Buna conducts end-to-end due diligence and Know Your Customer (KYC) checks through ongoing direct engagement with the compliance functions within our community. This is performed as part of the adopted FCC Due Diligence process that targets continuous monitoring and enhancement of BUNA's ecosystem and its participants' safety. In 2024, Buna compliance conducted the following activities:

- Onboarding KYC checks and cyclical risk-based periodic and event-driven reviews were conducted.
- Sanctions Screening: In 2024, Buna Transaction Monitoring team encountered 5.9% potential hits through our real time Sanction Screening tool. The increase in volumes of transactions among participants required, in certain cases, interaction between Buna's and Participants' Compliance teams in the form of RFI process.
- Fraud Detection: In 2024, No violation or Real Fraud was identified. All potential alerts were investigated and marked as False Positive.
- AML Transaction Monitoring: In 2024, No violation or Real Money Laundering activity was identified. All potential alerts were investigated and marked as False Positive.





08

OUR INTERNAL CONTROL FRAMEWORK

8.1 SECURITY AND AVAILABILITY

At Buna, we always target uninterrupted services for excellent proficiency and productivity. Incident management is vital in encouraging efficient workflow to achieve greater availability with the fastest resolution of issues. We prioritized our focus on cybersecurity throughout the year, ensuring the resilience and continuous availability of the payment system. Our strategic initiatives included fortifying the overall cybersecurity position with effective 24X7X365 SOC (Security Operation Centre) and successfully renewing the ISO 27001 & Swift CSP (Customer Security Program) certifications. These measures emphasize our commitment to proactive threat management and industry-leading security standards.

8.2 EMBEDDED RISK MANAGEMENT

Our risk management framework has been reinforced by the Risk Appetite Statement which defines the parameters guiding the operations of Buna. The main purpose of the Risk Appetite Statement is to facilitate concise presentation of the amount of risk the organization is prepared to take in its key activities. The statement sets the appropriate thresholds for diverse types of risks that could have adverse financial, reputational, and operational impacts.

At Buna, we have an overall conservative risk appetite. We continuously act in accordance with this appetite to achieve strategic objectives and remain a leading payment system, supported by an efficient infrastructure for cross-border payments, in alignment with the Principles for Financial Market Infrastructures (PFMIs).

We employ sound risk management principles, transparent decision-making, and effective communication to prioritize risks. The organization manages the following set of interrelated risks to effectively supervise and continuously enhance Buna's efficiency, safety and stability as a Payment System.

We have:

- No appetite for: Compliance Risk, Fraud Risk (internal and external), Reputational Risk, Information Security Risk, and Legal Risk.
- Low appetite for: Custody Risk, Strategic Risk, General Business Risk, Financial Stability Risk, Third-party Risk, and Operational Risks.

09

DISCLOSURE FRAMEWORK

OPERATIONAL PERFORMANCE

The Central Bank of the UAE, as the lead overseer, has established a Cooperative Oversight Framework exercised by a dedicated Oversight Committee that is open to the Central Banks whose currencies are processed in Buna.

In parallel, we have developed our Disclosure Framework, which will be published based on the results of the review conducted by the Oversight Committee. The framework is designed to promote greater transparency, objectivity, and comparability of the assessments of observance of the PFMI.

10

SERVICE ENHANCEMENTS

OPERATIONAL PERFORMANCE

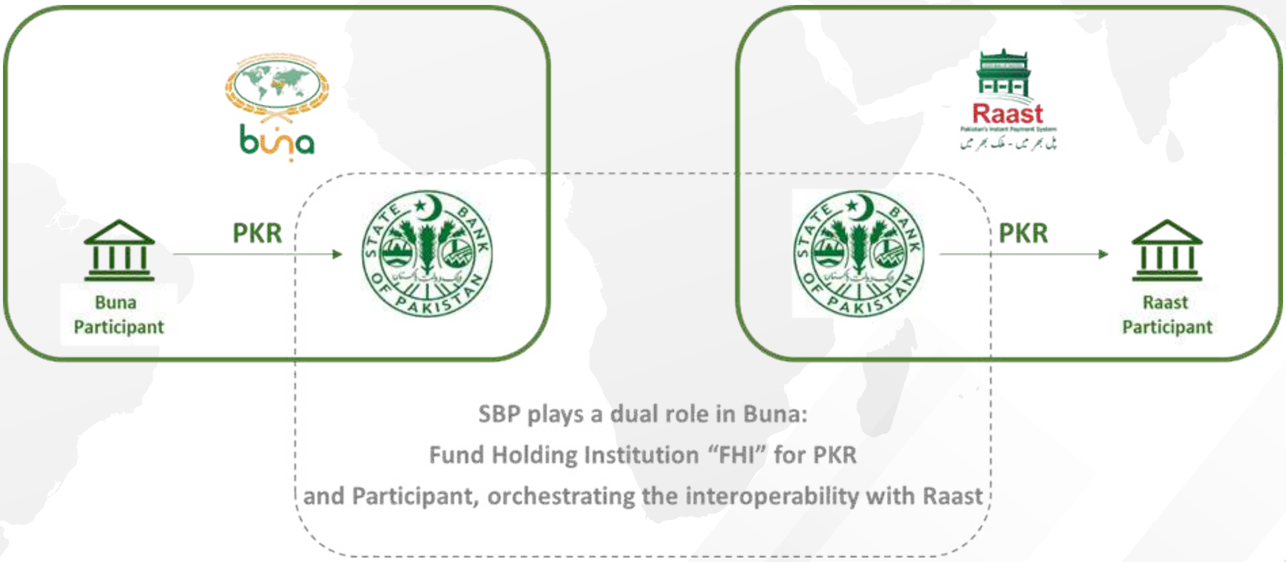
The payment world is in constant evolution and innovation. Buna is no exception to that. We progressed with our new services that pave the way for long-term growth in volumes and revenues. Here are some of the key developments in 2024:

10.1 INSTANT PAYMENT SYSTEM (IPS)

The IPS enables participants to address the price-sensitive and time-sensitive use cases by offering their clients instant 24x7 cross-border remittances and payments at very competitive rates. During 2024, (5) major commercial banks have joined from UAE, Egypt and Morocco by signing the expression of interest document, namely (First Abu Dhabi Bank, Mashreq, National Bank of Egypt, Banque du Caire, and Bank of Africa). More banks are expected to join in the course of 2025.

10.2 INTERLINKING

Another important dimension of IPS service is the connectivity with key trade and remittance partners of the Arab world. During 2024, Buna signed participation agreement with State Bank of Pakistan to enable instant payments between Arab World and Pakistan via the interlinking between "Buna IPS" and "Raast", the system owned by State Bank of Pakistan. Buna also signed Funds Holding Institution "FHI" agreement with the State Bank of Pakistan to include the Pakistani Rupee (PKR) as a settlement currency in Buna system.



The first of its kind service which is expected to be launched in early 2026, will enable frictionless remittances for the expatriate Pakistanis living in the Arab countries, and provide tangible business value to Buna and its participant banks.

The initiative is being seen as a benchmark for payment systems interlinking around the world and has been highlighted in different forums by the BIS Committee on Payments and Markets Infrastructure "CPMI" and The United Nations Capital Development Fund (UNCDF). The initiative is taking place in partnership with the Gates Foundation.

Similar arrangements have been developing during 2024 with other key partners including (Europe, China, and India), and are expected to continue progressing along the interlinking with Pakistan.

10.3 LEG-IN / LEG-OUT PAYMENTS

The "Leg-in / Leg-out" service enables participants to link other financial institutions or network of financial institutions, including own branches and subsidiaries, and channel their payment to Buna in a transparent and efficient way.

During 2024, the first participant in this service joined, namely MasterCard. With anticipated launch in 2025, the collaboration combines Mastercard money transfer capabilities and extensive network with Buna's cross-border payment system to facilitate seamless cross-border payments into and out of the Arab region.

10.4 USD PAYMENT SERVICE EXPANSION

During 2024, Buna announced a new stage for facilitating USD transactions that took effect on January 2025. After the completion of the initial phase, Buna expanded the service to 30 sending participants for USD payments, including both commercial and treasury payments. The service enables real-time settlement for 12 hours x 6 days, including US holidays. Like other currencies, the service follows book-entry settlement and achieves immediate finality.

10.5 COMPETITIVE PRICING MODEL

As Buna business continues to grow and considering the financial outlook and breakeven target which continues to be confirmed, Buna has taken proactive steps to develop a more competitive pricing model considering multiple factors including the market dynamics, the global expansion, and the community voice.

During 2024, Buna announced a more competitive fee structure for its services that took effect on January 1st, 2025. The structure comprised multiple features including unification of fees for Arab and international currencies, enablement of value bracket-based pricing, maintaining different pricing for RTGS and IPS services, and unification value brackets for RTGS and IPS services. The model maintains zero upfront or recurring charges, with message charges (SWIFT fees) being encompassed in the Buna fees.

10.6 PAYMENT VS PAYMENT FOR FX SETTLEMENT (PVP)

The Payment vs Payment Service (PvP) for FX settlement continues to provide more efficient and secure ways of conducting settlement of foreign exchange transactions, in line with the G20 roadmap for enhancing cross-border payments. Representing nearly 2% of the value settled on Buna system, the service combines a modern and efficient FX marketplace with the PvP mechanism that provides safer settlement for foreign exchange (FX) trades. It ensures that settlement in one currency occurs if and only if the settlement of the other currency occurs simultaneously.

11

KEY EVENTS, COMMUNITY ENGAGEMENTS & AWARDS

KEY EVENTS, COMMUNITY ENGAGEMENTS AND AWARDS

11.1 BUNA OFFICIAL INAUGURATION

In February 2024, Buna was officially inaugurated at the World Government Summit in Dubai with strong recognition from high government officials from the UAE, Arab Region, and abroad. The inauguration was made under the patronage of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, in the presence of senior officials from various countries, including H.E. Mohamed bin Hadi Al Hussaini, UAE Minister of State for Financial Affairs, H.E. Khaled Mohamed Balama, the Governor of the Central Bank of the UAE (CBUAE), H.E. Dr. Fahad M. Alturki, Chairman of the Buna Board of Directors, and Mehdi Manaa, CEO of Buna. The event also featured a keynote address by H.E. Fabio Panetta, Governor of the Bank of Italy.

The inauguration of Buna received strong support from various central banks and financial regulators across the region who were actively involved in its launch, emphasizing the alignment of Buna with national and regional goals. The government's backing underscores the system's importance in facilitating cross-border payments, enhancing financial integration, and promoting economic growth. The support from governmental bodies positions Buna as a vital player in fostering regional economic cooperation and stability.

11.2 ARAB PAYMENT WEEK

In February 2024, we launched the first edition of our flagship community event, the Arab Payment Week 2024 (APW 2024), with high-level participation of industry experts from (Regulators, Banks, Financial Markets Infrastructure, and Fintech).

The Arab Payment Week 2024 marked a significant milestone in the Arab region's financial integration and innovation. The event brought together +200 participants including government leaders, central bankers, and financial industry experts from more than +50 institutions and +25 countries. The week showcased Buna's pivotal role in enhancing cross-border payments, fostering economic development, and strengthening financial ties within the Arab world and beyond.

The Arab Payment Week 2024 highlighted the region's growing capabilities, the importance of seamless payment systems, and the collaborative spirit necessary for fostering long-term economic success across the Arab world.

11.3 UNCDF REPORT SHOWCASING BUNA

In September 2024, the United Nations Capital Development Fund (UNCDF) published a report titled (Policymaker's Guide to Enabling Low-Value Remittances in Cross-border Payment Systems) during the United Nations General Assembly.

The publication specifically highlights Buna for its transformative role in cross-border payments, with the platform's contribution to enhancing the efficiency and inclusivity of payment systems. Buna's innovative approach to enabling seamless cross-border transactions plays a critical role in improving remittance services, reducing costs, and supporting financial inclusion across regions.

This recognition further underscores the platform's importance in fostering financial integration and boosting economic opportunities for individuals and businesses through its cross-border payment solutions. The publication can be downloaded here

11.4 LEADERS IN PAYMENTS AWARD 2024

In September 2024, Buna received the MEA Finance Magazine's award "Landmark Innovation in Cross-Border Payments " at the MEA Finance Leaders in Payments Awards 2024 event held in Dubai, UAE. Buna was recognized for its contribution to enhancing cross-border payments in the region and beyond. The award highlighted Buna's innovative approach in streamlining financial transactions and fostering greater efficiency and connectivity in the global payment ecosystem.

12

OUR STRATEGY

OUR STRATEGY TO TRANSFORM CROSS-BORDER PAYMENTS.

OUR STRATEGY TO TRANSFORM CROSS-BORDER PAYMENTS.

In line with our 2030 vision, our 3-year strategy for 2024-2026 has 4 pillars as detailed below:

SINGLE WINDOW FOR INTRA-ARAB WORLD

- Capture tangible market share of cross-border payments in the intra-Arab world region by 2026.
- Top 25 Arab corridors in (P2P, Trade)
- Top banks (holding +60% market share)
- Top 3 currencies per bank (Local, USD, EUR)

INNOVATION LEDERSHIP

- Enable 24x7 Cross-Border Instant Payments via a combination of direct onboarding of banks and interlinking with the top 5 Arab instant payment systems
- Enable single API capability for participants to consume all Buna services via a single connectivity
- Launch developer portal facility for the tech/fintech community to support and innovate using Buna APIs

PREFERRED BRIDGE WITH TRADE PARTNERS

- Capture tangible market share of cross-border transactions with key partner geographies by 2026
- Interlink with national payment systems in the top 13 partner geographies (India, China, Pakistan, Europe, Africa, US, UK, Japan, South Korea, Turkey, Singapore, Indonesia, and Philippines)

COMPLIANCE LEADERSHIP

- Establish a framework for Risk and Compliance Awareness with the Central Banks and Participants
- Ensure they are familiar with Buna's Risk and Compliance Program and its measures to combat Money Laundering, Terrorism Financing, and the Proliferation of Mass Destruction Weapons
- Explore new technologies to advance existing compliance capabilities

We continued to progress with our strategy during 2024 with developments contributing to the performance of the strategy such as the progress with banks onboarding, the multifold transactions growth, the partnerships announced with State Bank of Pakistan and MasterCard, the progress made with onboarding banks to IPS service, the expansion of USD sending banks, the launch of new pricing model, the launch of a compliance roadshow and the publication of the compliance framework, the launch of Arab Payment Week flagship event, and the continuous engagements with our community through the Advisory Group and other forums, among other actions.

13

CONTRIBUTING TO THE G20 AGENDA TO ENHANCE CROSS-BORDER PAYMENTS

CONTRIBUTING TO THE G20 AGENDA TO ENHANCE CROSS-BORDER PAYMENTS

Buna's vision aligns with the Group of Twenty (G20) roadmap for enhancing cross-border payments as it continues to address and solve the identified frictions. We collaborate continuously with relevant authorities and stakeholders from around the world to meet the goal of making cross-border payments faster, more cost-efficient, more transparent, and to promote financial inclusion. The alignment between Buna and the G20 Roadmap for enhancing cross-border payments is visible in many areas. For example:

- Under the roadmap's building block 17 (Consider the feasibility of new multilateral platforms and arrangements for cross-border payments). Buna has implemented a straightforward multilateral model that connects payers and payee directly and processes settlement in real-time and provides finality and irrevocability with immediate access to funds in six currencies (AED, SAR, EGP, JOD, USD, and EUR).

- Under building block 12 (Extending and aligning operating hours of key payment systems). Buna operates an extended settlement window in the six currencies which is 6-days per week (09:00 am - 09:00pm, UAE time), and is gradually moving towards 24X7 operation. Additionally, the Buna system supports settlement for the payments with holidays value date.

- Under building block 9 (Facilitate increased adoption of PvP "Payment vs Payment"). Buna supports PvP service for FX settlement which is available in all the six currencies.

- Under building block 14 (Adopt a harmonized ISO-20022 version for message formats). Buna was built natively in ISO 20022 since its launch, and we've been actively working to guide and support our participants, investigating best options and optimized plans for their adoption of ISO 20022. Buna is engaged with CPMI in various workgroups to promote ISO20022 harmonization of different market guidelines and practices.

- Under building block 13 (Seek to enhance the existing payment ecosystem, by pursuing interlinking between existing systems). Buna is in the process of interlinking with various national instant payment systems to streamline cross-border payments, including Raast instant payment system in Pakistan.

14

OUR APPROACH TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

OUR APPROACH TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

At Buna, we are conscious of the criticality and importance of the impact of Environmental, Social and Governance (ESG) considerations. In 2023, we initiated actions to address ESG concerns, that resulted in the formulation of a comprehensive policy. Its objectives include, but are not limited to:

- Promoting sustainability by encouraging activities in environmentally and socially responsible projects, companies, and sectors.
- Enhancing stakeholder engagement by providing a framework for dialogue and collaboration with Participants, Central Banks, Employees, and other stakeholders.
- Improving financial performance by identifying opportunities for cost savings, risk reduction, and revenue generation through sustainable practices.
- Complying with the highest standards related to Environmental, Social, and Governance principles.

ENVIRONMENTAL INITIATIVES:

- **Carbon Neutrality Commitment:**

Buna remains steadfast in its commitment to combat climate change. In 2023, with the approval of our Sustainability Policy, we established the foundation of our commitment toward our goal of carbon neutrality by implementing energy-efficient practices, using renewable energy sources, and minimizing carbon emissions.

- **Sustainable Operations:**

We look to enhance the sustainability of our operations by adopting eco-friendly technologies and practices. This includes the implementation of waste reduction strategies, water conservation measures, and responsible sourcing of materials to minimize our environmental footprint.

SOCIAL RESPONSIBILITY:

- **Diversity, Equity, and Inclusion (DEI):**

Buna recognizes the importance of diversity, equity, and inclusion in fostering a positive workplace culture. We plan to implement targeted initiatives to enhance DEI, including training programs, mentorship opportunities, and recruitment strategies that promote a diverse and inclusive workforce.

GOVERNANCE EXCELLENCE:

- **Transparent Governance Practices:**

Buna upholds the highest standards of corporate governance. We are committed to transparency, accountability, and ethical conduct. In 2023, we continued to enhance our governance framework, ensuring that our stakeholders trust the integrity of our decision-making processes.

OUR APPROACH TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

SOCIAL RESPONSIBILITY:

- **Risk Management:**

Buna recognizes the importance of robust risk management. We continued to strengthen our risk management processes to identify, assess, and mitigate potential risks, ensuring the long-term resilience and stability of our operations.

- **Stakeholder Engagement:**

Buna values open and constructive dialogue with its stakeholders. In 2023, we deepened our engagement with participants, central banks, and the broader community, seeking feedback and input to ensure informed decision-making process.

Buna remains committed to its ESG principles, recognizing that sustainability and responsible business practices are integral to our long-term success. By aligning our operations with environmental, social, and governance considerations, we aim to create lasting value for our stakeholders and contribute positively to the global community.

We will continue to evolve and innovate, ensuring that Buna remains committed to its ESG goals.

15

OUTLOOK FOR 2025

15.1 PROGRESSING ON INSTANT PAYMENTS SERVICES (IPS)

In 2025 we plan to progress on onboarding banks directly to Buna IPS service as well as building interoperability bridges to further streamline cross-border payments within the Arab world and with trade partner regions, which is expected to increase the number of participants, the volume of transactions and the revenues.
The direct onboarding of banks to Buna IPS will include participants from various Arab countries such as UAE, Egypt and Morocco.

15.2 INTERLINKING

Buna also plans to launch the IPS interlinking with the Instant Payment Network (IPN) in Egypt in collaboration with Central Bank of Egypt, the European (TIPS) system in collaboration with the European Central Bank (ECB) and continue to progress on the Buna-Raast connectivity project in Pakistan in collaboration with the State Bank of Pakistan in preparation for the launch in early 2026.

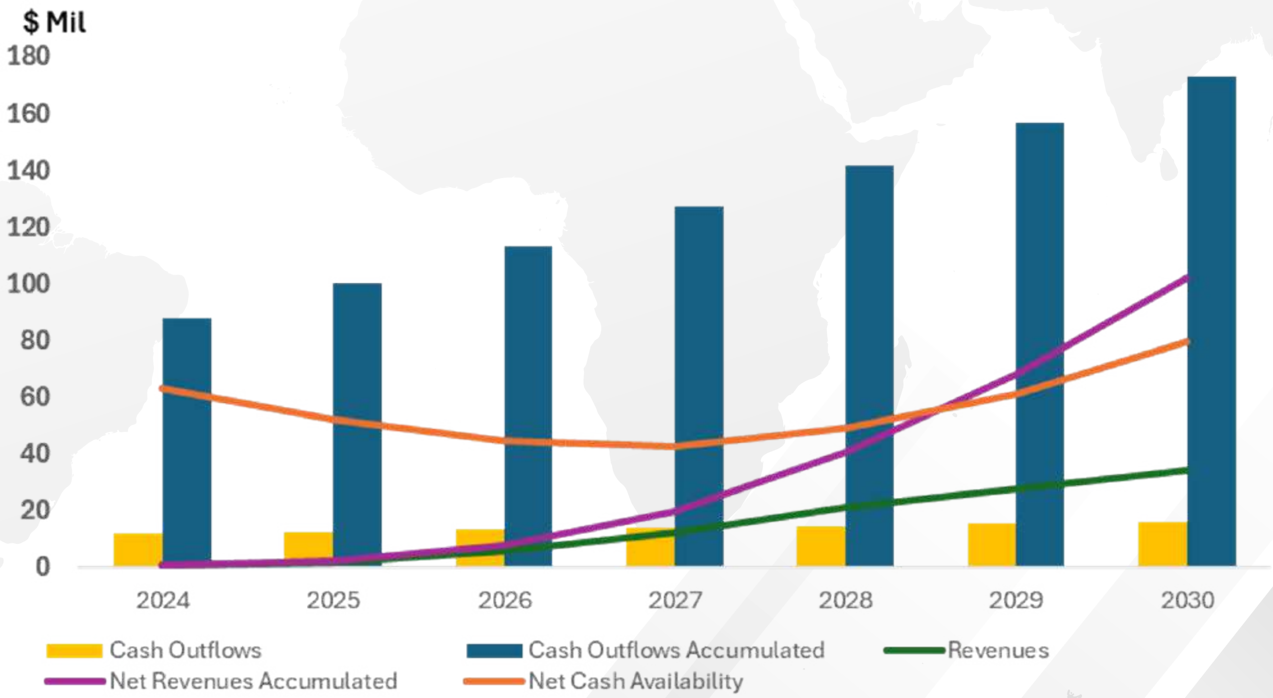
OUTLOOK FOR 2025

15.3 MIGRATING PARTICIPANTS TO THE ISO20022 STANDARD

Buna system has been natively using ISO 20022 since inception. During 2024 Buna has conducted various bilateral and community-level engagements to support participants who are preparing to migrate to ISO 20022 standard and invited them to subscribe to Buna's Close User Groups (CUG) which are free of Charge. As of today, Buna is ready to send and receive ISO 20022 messages to and from the migrated participants. The deadline for the participants to migrate is Nov 2025.

15.4 FINANCIAL OUTLOOK

Following the multifold growth observed in 2024, we built the volumes forecast for 2025 in consistency with the actions we took to prioritize certain elements of our strategy. As a result, a base line scenario has been established for the transaction volumes in 2025 and considered as reference for our 2025 budget. The scenario anticipates nearly (493 K) transactions volumes with a revenue of ($1.67 M). The updated forecast continues to be aligned with Buna's market validation and sustainability study conducted in 2023 and which anticipated to achieve breakeven in 2028.



16

BOARD OF DIRECTORS

BOARD OF DIRECTORS

H.E. FAHAD M. ALTURKI CHAIRMAN

H.E. Fahad M. Alturki, Ph.D. joined on 27 of November 2023 the Arab Monetary Fund "AMF" as Director General Chairman of the Board of Executive Directors. In this capacity, he serves also as the Chief Executive Chairman of the Board of Directors of the Arab Trade Financing Program "ATFP" and Chairman of the Board of the Arab Regional Payments Clearing and Settlement Organization "BUNA".

Dr. Alturki has previously held several leadership positions, including Vice-President of the King Abdullah Petroleum Studies and Research Center (KAPSARC), where he oversaw KAPSARC's research programs strategically focused on impacts within the Kingdom of Saudi Arabia, both regionally and globally.

Dr. Alturki also serves as an independent board member of the Islamic Corporation for the Development of the Private Sector (ICD). He also serves as a member of board of trustees of Riyadh Economic Forum and a member of several associations concerned in Economics, Finance, and Energy. He frequently presents papers at several high profile local, regional, and international conferences, participates in roundtable discussions and is a well-known economic figure in Saudi Arabia and overseas.

Dr. Alturki also held a position of the chief economist and head of research at Jadwa Investment Company in Riyadh, where he managed the economic research department and published regular reports on issues related to the Saudi and global economies and the world oil market. He was also the chairperson of the Public Funds Board, a board member of the Jadwa REIT Al Haramain Fund and Jadwa REIT Saudi Fund, and a member of Jadwa's executive management committee.

Dr. Alturki has a proven track record in economics, with more than 20 years of experience in the field. Before joining Jadwa, Dr. Alturki was the chief economist at Barclays, Saudi Arabia. Prior to that, Dr. Fahad was an economic specialist at the Saudi Arabian Monetary Authority, where he worked for 11 years in the Economic Research and Statistics Department. Dr. Alturki has also worked as an economist at the Middle East and Central Asia Department of the International Monetary Fund.

Dr. Alturki is a Saudi National, holds a B.A. in Business Administration from King Saud University in Saudi Arabia and Master's and Ph.D. degrees in economics from the University of Oregon (Eugene, United States).

MR. ABDULAZIZ ALONAIZAN
BOARD MEMBER

Mr. Abdulaziz AlOnaizan, is CEO and member of the Board of Directors and Executive Committee of Bank Albilad. He is also Chairman of the Board of Enjaz Payment Services Company and Vice-Chairman of the Board and Member of the Executive Committee of Albilad Capital.

Mr. AlOnaizan is a seasoned banker with over 30 years of experience in the field of treasury, investment, risk, credit, strategy, and leadership. Since taking the helm in 2016, Bank Albilad has consistently returned double-digit growth and grown faster than market.

Outside the Bank Albilad Group, Mr. AlOnaizan is a Board Member of the Advisory Board of the Zakat, Tax and Customs Authority (ZATCA). He is a Board Member and Chairman of Governance and Cybersecurity of the Real Estate Development Fund (REDF) and Board Member and Chairman of the Executive Committee of the Human Resources Development Fund (HRDF). He sits on the Board of Buna (Arab Regional Payments Clearing and Settlement Organization) as Saudi Arabia's representative.

Mr. AlOnaizan obtained his Bachelor's Degree in Research Methodology and Quantitative Methods from King Saud University College of Business Administration

MRS. HANA AL ROSTAMANI
BOARD MEMBER

Mrs. Hana Al Rostamani is the Group Chief Executive Officer at First Abu Dhabi Bank (FAB).

As the only female Group Chief Executive Officer of a major UAE-headquartered bank and publicly listed corporation within the UAE, Hana is recognized for being a change leader and for her forward-thinking vision with a focus on embedding a culture of innovation and diversity and inclusion in her leadership.
A seasoned C-suite executive with more than 20 years of experience in banking and financial services, Hana previously served as Deputy Group Chief Executive Officer and Head of Personal Banking at FAB, responsible for leading the transformation of FAB's consumer bank, instilling a customer and digital-first mindset.
A graduate of George Washington University in the US, Hana is currently Chair of the Global Council on the Sustainable Development Goals, with a key interest in development goal 7; 'Affordable and Clean Energy'. She is also a member of MasterCard Advisory and has served as an independent director in Emirates Integrated Telecommunication Company (Du) and vice-chairperson of the Emirates Institute for Banking and Financial Services.

Her most recent accolade includes her nomination in Forbes Middle East, being ranked third as featured in 'Middle East's Power Business' Women 2021' list.

MR. KHALID NASR
BOARD MEMBER

Mr. Khalid Nasr is the Executive General Manager of BANK OF AFRICA - BMCE Group, in charge of CIB & Morocco.

Thus, he oversees Retail Banking activities in Morocco, Corporate & Investment Bank, International subsidiaries (including BANK OF AFRICA United Kingdom, BANK OF AFRICA Europe and BANK OF AFRICA Shanghai) and debt recovery.

Mr. Khalid Nasr is Member of the Group Executive Committee and the Presidential Committee of BANK OF AFRICA - BMCE Group. He is also Chairman of the Management Board of BMCE Capital, the Group's Investment Banking Division (Asset & Wealth Management, Markets & Services, Advisory & Private Equity, Real Estate, Research).
He holds several mandates within the Group's entities, especially BOA Group - as Board Member -, BOA Capital - as Chairman of the Board -, Maghrebail - as Board Member - and BANK OF AFRICA UK - as Board Member.

MR. MOHAMED MAHMOUD AHMED EL-ETREBY
BOARD MEMBER

Mohamed Eletreby is the Chief Executive Officer of the National Bank of Egypt (NBE). He also serves as the chairman of several boards, including the Union of Arab Banks (UAB) and the Federation of Egyptian of Banks (FEB), and he is a board member of the New Administrative Capital Holding Company and Arab Contractors.

With an extensive career spanning over 45 years, Mr. Eletreby is a seasoned banker who has consistently demonstrated leadership in driving sustainable growth in financial institutions, spearheading digital transformation, and modernizing business infrastructures.

Before joining the National Bank of Egypt in 2024, Mr. Eletreby held the position of the Chairman of Banque Misr, where he led a massive expansion for the bank to serve over 13 million clients in 12 countries, and successfully modernized its business operations and services infrastructure. His leadership has been pivotal in aligning the bank's strategic objectives with its growth and transformation agenda.

Throughout his career, Mr. Eletreby held prestigious senior and board positions at prominent organizations over more than 22 years, including the Egyptian Gulf Bank, the Egyptian Arab Land Bank, the Arab Investment Bank, the Arab African International Bank (AAIB), and Misr International Bank (currently known as Qatar National Bank Alahli, QNB). His visionary leadership, unwavering commitment, and strategic insights have

significantly contributed to the development and success of these institutions.

Mr. Eletreby holds a bachelor's degree in commerce from Ain Shams University.

MR. CHONG-TEE ONG
INDEPENDENT BOARD MEMBER

Mr. Chong-Tee Ong was with the Monetary Authority of Singapore (MAS) for 35 years and held various senior central banking roles as Deputy Managing Director.

He headed the Financial Supervision Group in MAS and was a member of the Basel Committee on Banking Supervision before retiring in 2021.

Mr. Ong has also served various external boards of statutory bodies and university research institutes.

MR. JEAN-MICHEL GODEFFROY
INDEPENDENT BOARD MEMBER

Since 2015, Mr. Jean-Michel Godeffroy has been a senior international consultant based in Paris. His field of competence is payments and market infrastructure from a central bank perspective. From 1988 until 2014, he was Director General at the European Central Bank where he played a key role in the preparation and the operation of TARGET2, the RTGS system of the euro area, of T2S, the securities settlement system for 20 European countries, and of the Single Euro Payments Area (SEPA).

Jean-Michel was also the chairman of several Eurosystem Committees and a member of the Committee on Payments and Settlement Systems (CPSS) of the G10 (now the Committee on Payments and Market Infrastructure in the G20 context).

Jean-Michel Godeffroy graduated from the Institut d'Etudes Politiques de Paris (Sciences Po) and from the Pantheon-Sorbonne University.

MR. WILLIAM (BILL) COEN
INDEPENDENT BOARD MEMBER

Mr. William (Bill) Coen served as Secretary General of the Basel Committee on Banking Supervision from 2014 to 2019 where he had overall responsibility for the work of the BCBS including its Basel III post-crisis reforms.

He joined the BCBS's Secretariat in 1999 from the Board of Governors of the Federal Reserve System. Prior to that, Bill was a bank examiner for the US Office of the Comptroller of the Currency, and he began his career as a credit officer of a New York City-based bank.

He currently serves on various boards of directors and advisory boards, providing advice and recommendations on regulatory and supervisory matters; payments and settlements; risk and risk management; business strategy; and group-wide management and governance.

17

EXECUTIVE MANAGEMENT

MEHDI MANAA
CHIEF EXECUTIVE OFFICER

In January 2020, Mr. Mehdi Manaa was appointed as the Chief Executive Officer of Buna. Prior to his appointment, Mr. Manaa served as the Deputy Director-General of the Market Infrastructure and Payments Directorate General at the European Central Bank (ECB).

During his 12-year tenure at the ECB, Mr. Manaa held several other roles, including heading the Market Infrastructure Development Division as well as the T2S Program, a program in which he was involved since its inception. Prior to his career at the ECB, Mr. Manaa held various managerial and advisory positions in the private sector focusing on payment solutions and financial market infrastructures.

MANUEL IGLESIAS
CHIEF RISK AND COMPLIANCE OFFICER

In March 2020, Mr. Manuel Iglesias was appointed as the Chief Risk & Compliance Officer of Buna.

Mr. Iglesias has over 20 years of experience in the financial sector, with an extensive background covering corporate governance, regulatory, prudential, and financial crime compliance.

Prior to joining Buna, Mr. Iglesias held several senior compliance positions with Deutsche Bank and JPMorgan in Spain and acted as Compliance Director/MLRO with ADS Securities/ADS Investment Solutions in Abu Dhabi, United Arab Emirates.

Mr. Iglesias holds a bachelor's degree in law from the University of Santiago de Compostela (Spain) and is a Certified

NAHLA ISKANDARANI
CHIEF TECHNOLOGY OFFICER

Mrs. Nahla Iskandarani is the Chief Technology Officer of Buna. With a career spanning 20 years, Mrs. Iskandarani has over 12 years of experience as a technology leader with a proven track in building and leading cross-functional teams, streamlining IT operations, and fostering continuous improvement.

Mrs. Iskandarani has a deep commitment to operational excellence, reflected in expertise with international frameworks like ITIL and PMI, and plays a pivotal role in overseeing critical IT functions, driving strategic technology initiatives, and ensuring the delivery of high-performing and resilient technology solutions.

Mrs. Iskandarani received her bachelor's degree in computer science from the American University in Cairo and completed multiple Technology certificates in the ITIL and Project Management domains.

FAISAL AL HIJAWI
CHIEF STRATEGY AND DEVELOPMENT OFFICER

Mr. Faisal Alhijawi has been the Chief of Strategy and Development Officer of Buna since October 2020. His responsibilities at Buna include leading strategy & planning, business and products development, communications and marketing.

Prior to joining Buna, Mr. Alhijawi held several roles at Western Union Financial Services in Dubai, UAE, including the Director of Account Payout Network, and earlier to that he was the Director of Global Payments.

During his 8 years tenure at Western Union, Mr. Alhijawi has led several initiatives to build end-to-end cross-border payment services by creating strategic partnerships with diverse classes of organizations including banking, fintech, and government institutions.

Prior to that, Mr. Alhijawi held various techno-business positions for 12 years in the private sector focusing on online and mobile payment solutions.

AHMED EL HEFNAWY
CHIEF BUSINESS SERVICES OFFICER

Mr. Ahmed El Hefnawy is the Chief Business Service Officer of Buna. During his 25 years of experience in the payment industry he has held various positions of increasing responsibility in the Payment field and banking sector. Prior to joining Buna,

Mr. El Hefnawy spent 10 years at the National Bank of Egypt, as Payment System Manager and PMO Deputy General Manager, and was a board member at Misr Real Estate Assets Company.

Mr. El Hefnawy played major roles in different organizations across the Middle East and GCC regions ranging from Solution Providers, National Switches, Islamic and Conventional Banks, Card Processors, and Consultancy Firms.

Mr. El Hefnawy holds a bachelor's degree in communications and Electronics Engineering from Ain Shams University and holds a Master of Business Administration (MBA), major in marketing management, from Maastricht School of Management, the Netherlands.

He is a certified PRINCE2 Practitioner. Mr. El Hefnawy enriched his business and leadership knowledge and skills by acquiring a graduate school banking program diploma and executive leadership diploma from the University of Wisconsin - Madison in the United States.

18

AUDITORS' REPORT AND FINANCIAL STATEMENTS

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Report and financial statements
for the year ended 31 December 2024

Deloitte.

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax: +971 (0) 2 408 2525
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arab Regional Payments Clearing and Settlement Organization (the "Organization"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Organization's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Organization for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 6 March 2024.

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

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION (CONTINUED)

Responsibilities of management and those charged with governance for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if. individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No. 5482
3 March 2025
Abu Dhabi
United Arab Emirates

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Statement of financial position at 31 December 2024

	Notes	2024 USD	2023 USD
Assets			
Current assets			
Cash and cash equivalents	5	393,186	67,495
Prepaid expenses and other receivables	6	1,966,738	2,967,049
Total current assets		2,359,924	3,034,544
Non-current assets			
Property and equipment	7	418,269	1,546,257
Intangible assets	8	19,744,088	21,584,977
Total non-current assets		20,162,357	23,131,234
Total assets		22,522,281	26,165,778
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Capital (Authorized USD 150 Million)	11	85,259,319	75,749,115
Accumulated losses		(64,745,795)	(50,905,149)
Total Shareholders' Equity		20,513,524	24,843,966
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	9	689,319	632,968
Current liabilities			
Accrued expenses	10	1,319,438	688,844
Total liabilities		2,008,757	1,321,812
Total shareholders' equity and liabilities		22,522,281	26,165,778

Mehdi Manaa
Chief Executive Officer

The accompanying notes form an integral part of these financial statements.

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	2024 USD	2023 USD
Revenue			
Revenue from operations	**12**	**408,212**	117,920
Total revenue		**408,212**	117,920
General and operating expenses			
Employee salaries and allowances	**13**	**(4,230,329)**	(4,440,116)
General and administrative expenses	**14**	**(7,317,365)**	(6,809,500)
Impairment of intangible assets	**8**	-	(3,403,000)
Depreciation and amortization expenses	**15**	**(2,991,897)**	(3,228,509)
Total general and operating expenses		**(14,539,591)**	(17,881,125)
Other income	**16**	**290,733**	-
Loss and total comprehensive loss for the year		**(13,840,646)**	(17,763,205)

The accompanying notes form an integral part of these financial statements.

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

Statement of changes in equity
for the year ended 31 December 2024

	Capital USD	Accumulated Losses USD	Total USD
Balance at 1 January 2023	63,547,080	(33,141,944)	30,405,136
Additional contributed capital (note 11)	12,202,035	-	12,202,035
Total comprehensive loss for the year	-	(17,763,205)	(17,763,205)
Balance at 1 January 2024	75,749,115	(50,905,149)	24,843,966
Additional contributed capital (note 11)	9,510,204	-	9,510,204
Total comprehensive loss for the year	-	(13,840,646)	(13,840,646)
Balance at 31 December 2024	**85,259,319**	**(64,745,795)**	**20,513,524**

The accompanying notes form an integral part of these financial statements.

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Statement of cash flows
for the year ended 31 December 2024

	Notes	2024 USD	2023 USD
Cash flows from operating activities			
Loss for the year		**(13,840,646)**	(17,763,205)
Adjustments for:			
Depreciation of property and equipment	**7**	**1,151,008**	1,144,928
Amortization and impairment of intangible assets	**8**	**1,840,889**	5,501,581
Provision for employees' end of service benefits	**9**	**174,150**	240,457
Operating cash flows before changes in operating assets and liabilities		**(10,674,599)**	(10,876,239)
Decrease/(increase) in prepaid expenses and other receivables	**6**	**1,000,311**	(1,156,354)
Increase/(decrease) in accrued expenses	**10**	**630,594**	(69,343)
Employees' end of service benefits paid		**(117,799)**	(8,543)
Net cash flows used in operating activities		**(9,161,493)**	(12,110,479)
Cash flows from investing activities			
Purchase of property and equipment	**7**	**(23,020)**	(27,034)
Net cash flows used in investing activities		**(23,020)**	(27,034)
Cash flows from financing activities			
Capital injection	**11**	**9,510,204**	12,202,035
Net cash flows from financing activities		**9,510,204**	12,202,035
Net increase in cash and cash equivalents		**325,691**	64,522
Cash and cash equivalents at the beginning of the year		**67,495**	2,973
Cash and cash equivalents at the end of the year		**393,186**	67,495
Non-cash transaction:			
Reversal of intangible assets under procurement	**8**	-	15,000

The accompanying notes form an integral part of these financial statements.

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Notes to the financial statements for the year ended 31 December 2024

1 Legal status and activities

The Arab Regional Payments Clearing and Settlement Organization ("The Organization") is a regional Financial Organization established pursuant to the Board of Governors of Arab Monetary' Fund resolution No. (4) of 2018, in implementation of the resolution of the Council of Governors of Arab Central Banks and Arab Monetary Institutions No. (10) of 2017, and it is wholly owned by the Arab Monetary Fund (AMF). The Organization's Articles of Establishment stipulates the Organization's objectives, which include contributing to support opportunities for economic and financial integration among Arab Countries and with the trading partners of the Arab Countries through the establishment, management and operation of a platform (BUNA platform) that provides the necessary services for payments clearing and settlement among the Arab Countries and other financial intuitions.

The Organization operates from Abu Dhabi, United Arab Emirates according to an agreement between the Arab Monetary Fund and the government of the United Arab Emirates signed on 19 October 2020 and ratified by Federal Decree No. (50) of 2021 dated 11 April 2021 (inception date).

2 Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRS Accounting Standards) ("IFRSs")

2.1 New and amended IFRSs that are effective for the current year

2.1 New and amended IFRSs that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these separate financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 17 *Insurance Contracts* (including the June 2020 and December 2021 Amendments to IFRS 17)
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*
- Amendments to IAS 8 *Definition of Accounting Estimates*
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules – Application of the exception and disclosure of that fact*

2 Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRS Accounting Standards) ("IFRSs") (continued)

2.2 New and revised IFRSs in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these separate financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's separate financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely
Amendments to IAS 21 *Lack of Exchangeability*	Effective 1 January 2025
Amendments to IFRS 9 *Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments*	Effective 1 January 2026
IFRS 18 *Presentation and Disclosure Financial Statements Issued*	Effective 1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	Effective 1 January 2027

Management believes that the above-stated new standards and amendments are not expected to have any significant impact on the separate financial statements of the Company.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the separate financial statements of the Company.

3 Material accounting policy information

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), under the historical cost convention. In accordance with the Articles of Establishment and the financial regulations of the Organization, the financial statements are expressed in US Dollars as the base currency.

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

Notes to the financial statements
for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

Basis of preparation (continued)

The preparation of the financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The assumptions of these estimates are based on factors that are believed to be reasonable under the current circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure appropriate valuations of assets and liabilities and recognition of results in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies and methods of calculation have been consistently applied for periods presented in these financial statements.

Going concern

The Management have, at the time of approving the financial statements, a reasonable expectation that the Organization have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year ended 31 December 2024, the Organization has reported losses amounting to USD 13,840,646 (2023: losses USD 17,763,205) and the accumulated losses as of 31 December 2024 amounts to USD 64,745,795 (2023: losses USD 50,905,149). the financial statements have been prepared on a going concern basis as the Ultimate parent Arab Monetary fund has undertaken the funding of capital and operating costs incurred by the organization as part of its contribution in the capital of the organization to enable it to meet its obligations as they fall due.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Organization.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Organization uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

3 Material accounting policy information (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Organization determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Organization's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

Where applicable, external valuers are involved for valuation of significant assets. Involvement of external valuers is determined annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Organization's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in the period in which they are incurred.

ARAB REGIONAL PAYMENTS CLEARING AND SETTLEMENT ORGANIZATION

Notes to the financial statements for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Furniture and fixtures	3 -5
Information Technology Hardware	3 - 5

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition and are recognised separately from goodwill. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any.

Amortisation is charged on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

	Years
Information technology application and software (Buna Platform Software)	15

Effective from 1 January 2023, the Group has revised its estimate on the useful lives of the intangible asset from 8 years useful life to 15 years, this change in estimate is accounted for prospectively and has no impact on the current year's profit or loss of the Group.

Notes to the financial statements
for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

Impairment of non-financial assets

At each reporting date, the Organization reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Organization estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Organization of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Organization bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Organization's CGUs to which the individual assets are allocated.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of any outstanding bank overdrafts as they are considered an integral part of the Organization's cash management.

3 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the Organization expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for employees' benefits

The Organization provides end of service benefits to its expatriate employees. The entitlement of these benefits is based upon the employee's final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is also made for the full amount of end of service benefits due to employees in accordance with the Organization's policy and based on their internal system. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Organization's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost, if both the following conditions are met:

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

3 Material accounting policy information (continued)

Financial instruments (continued)

a) Financial assets (continued)

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

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

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Organization may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

b) Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Organization determines the classification of its financial liabilities at the initial recognition.

All financial liabilities are classified and subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies
- financial guarantee contracts
- commitments to provide a loan at a below-market interest rate

At initial recognition, the Organization may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a Company of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Organization is provided internally on that basis to the entity's key management personnel.

3 Material accounting policy information (continued)

Financial instruments (continued)

b) Financial liabilities (continued)

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

c) Reclassification of financial assets and financial liabilities

Where the Organization changes its business model for managing financial assets, it reclassifies all affected financial assets but does not reclassify any financial liability.

d) Measurement of financial assets and liabilities

Initial measurement

At initial recognition, financial assets and financial liabilities are measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure a financial asset in accordance with its classification at:

- amortised cost less impairment;
- fair value through other comprehensive income less impairment; or
- fair value through profit or loss.

Impairment is assessed on the financial assets measured at amortised cost and at fair value through other comprehensive income as disclosed below.

Hedge accounting requirements disclosed below applies to financial assets designated as hedged item.

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

Notes to the financial statements
for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

e) Impairment of financial assets

In relation to the impairment of financial assets, the Organization applies the Expected Credit Loss ("ECL") model as opposed to an incurred credit loss model. Under the expected credit loss model, the Organization accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised.

A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income. The financial assets subject to impairment requirements of IFRS 9, include:

- bank balances; and
- trade receivables

The Organization has adopted the simplified approach for measuring the impairment on trade receivables, lease receivables and contract assets. Under the simplified approach, the Organization measures the loss allowance at an amount equal to lifetime ECL.

For all other financial instruments, the Organization recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Organization measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Organization compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Organization considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Organization presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Organization has reasonable and supportable information that demonstrates otherwise.

3 Material accounting policy information (continued)

Financial instruments (continued)

e) Impairment of financial assets (continued)

Despite the foregoing, the Organization assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Organization considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

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

The Organization considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are highly doubtful of collection, unless the Organization has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Organization, in full.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are Companyed for the assessment of the expected credit loss. The Companying is regularly reviewed by management to ensure the constituents of each Organization continue to share similar credit risk characteristics.

3 Material accounting policy information (continued)

Financial instruments (continued)

f) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Organization's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Organization has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Organization has transferred substantially all the risks and rewards of the asset, or (b) the Organization has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Organization has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Organization continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Organization also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Organization has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Organization could be required to repay.

Revenue recognition

The Organisation recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Organisation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Organisation allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Organisation expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Organisation satisfies a performance obligation.

3 Material accounting policy information (continued)

Revenue recognition (Continued)

The Organisation satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Organisation's performance does not create an asset with an alternate use to the Organisation and the Organisation has an enforceable right to payment for performance completed to date.
- The Organisation's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Organisation's performance as the Organisation performs.

For performance obligations where any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of allowances. The Organisation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Organisation's activities.

g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4 Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property and equipment and intangible assets

The Organization's management determines the estimated useful lives of its property and equipment intangible assets for calculating depreciation and amortization. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually and the future depreciation and amortization charge would be adjusted where management believes that the useful lives differ from previous estimates. Management is satisfied that no changes is necessary on property and equipment and intangible assets useful lives.

Notes to the financial statements
for the year ended 31 December 2024 (continued)

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment of property and equipment and intangible assets

Property and equipment and intangible assets are assessed for impairment based on the assessment of cash flows on individual cash generating units when there is an indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that no impairment provision is necessary on property and equipment and intangible assets for the year ended 31 December 2024.

Corporate tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law is applicable to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period).

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

According to the Federal Decree No. (50) of 2021 dated 11 April 2021 between the Government of the United Arab Emirates and the Arab Monetary Fund, the Organization was deemed exempted from Corporate Tax.

5 Cash and cash equivalents

Cash and cash equivalents represent a current account held with a local bank in the name of Arab Monetary Fund (the shareholder) for the economic benefit of the Organization.

6 Prepaid expenses and other receivables

	2024 **USD**	2023 USD
Fees receivables	**139,069**	56,548
Prepaid system licenses and subscriptions	**1,338,469**	2,467,527
Staff loans	**266,294**	389,618
Prepaid of staff expenses	**222,906**	53,356
	1,966,738	2,967,049

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

**Notes to the financial statements
for the year ended 31 December 2024 (continued)**

7 Property and equipment

	Information Technology Hardware USD	Furniture and Fixture USD	Total USD
Cost			
At 1 January 2023	4,486,777	74,508	4,561,285
Additions	24,837	2,197	27,034
At 1 January 2024	4,511,614	76,705	4,588,319
Additions	23,020	-	23,020
At 31 December 2024	**4,534,634**	**76,705**	**4,611,339**
Depreciation			
At 1 January 2023	1,854,027	43,107	1,897,134
Charge for the year	1,114,362	30,566	1,144,928
At 1 January 2024	2,968,389	73,673	3,042,062
Charge for the year	1,151,008	-	1,151,008
At 31 December 2024	**4,119,397**	**73,673**	**4,193,07٠**
Carrying Amount			
At 31 December 2024	**415,237**	**3,032**	**418,269**
At 31 December 2023	1,543,225	3,032	1,546,257

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

Notes to the financial statements
for the year ended 31 December 2024 (continued)

8 Intangible assets

	Software USD
Cost	
At 1 January 2023	34,140,750
Reversal of under procurement	(15,000)
At 1 January 2024	34,125,750
At 31 December 2024	**34,125,750**
Amortization and Impairment	
At 1 January 2023	7,054,192
Amortization for the year	2,083,581
Impairment for the period	3,403,000
At 1 January 2024	12,540,773
Amortization for the year	1,840,889
At 31 December 2024	**14,381,662**
Carrying Amount	
At 31 December 2024	**19,744,088**
At 31 December 2023	21,584,977

Notes to the financial statements
for the year ended 31 December 2024 (continued)

9 Provisions for employees end of service benefits

The movement in the provision for employees end of service benefits is as follows:

	2024	2023
	USD	USD
Opening Balance	**632,968**	401,054
Charge for the year (note 13)	**174,150**	240,457
Paid during the year	**(117,799)**	(8,543)
	689,319	632,968

10 Accrued expenses

	2024	2023
	USD	USD
Technical support services	**230,204**	184,490
Software licenses	**607,397**	-
Staff provisions	**224,489**	210,863
Board remuneration	**45,774**	105,205
Other accrued expenses	**211,574**	188,286
	1,319,438	688,844

11 Capital

Based on the resolution of the Council of Governors of Arab Central Banks and Arab Monetary Organizations No. (10) of 2017, which was approved by the Board of Governors of Arab Monetary Fund Resolution No (4) of 2018, Arab Monetary Fund (The "Fund") was assigned to establish a regional organization to administer the regional system for clearing and settling of cross border payments, and considering the costs incurred by the Fund as part of its capital contribution. Paid up capital represents the amounts incurred by the Fund on behalf of the Organization up to the date of these financial statements within the context of the authorized capital amounting to US Dollar 100 million, which was increased by US Dollar 50 million to reach to US Dollar 150 million per Arab Monetary Fund Board of Governors resolution No. (04) of 2023. During the year ended 31 December 2024, an amount of US Dollar 9,510,204 was incurred by the Fund on behalf of the Organization (31 December 2023: US Dollar 12,202,035).

	2024 **USD**	2023 USD
Capital	**75,749,115**	63,547,080
Additional contributed capital	**9,510,204**	12,202,035
	85,259,319	75,749,115

12 Revenue from operations

The organization generated USD 408,000 (2023: USD 117,920) in revenue during the year, primarily from transaction fees based on a predefined pricing list applicable to participating financial institutions. Revenue is recognized at a point in time, as fees are charged upon the execution of transactions, reflecting the completion of the corresponding service.

13 Employee salaries and allowances

The organization has a total number of 26 employees as at 31 December 2024 (31 December 2023: 28 employees). Compensation of key management personnel for the year ended 31 December 2024 amounted to US Dollar 494,421 (31 December 2023: US Dollar 440,918).

	2024 **USD**	2023 USD
Staff cost	**4,007,700**	4,147,413
End of service benefits	**174,150**	240,457
Freight on joining & termination	**43,205**	50,850
Accumulated leave	**5,274**	1,396
	4,230,329	4,440,116

ARAB REGIONAL PAYMENTS CLEARING
AND SETTLEMENT ORGANIZATION

Notes to the financial statements
for the year ended 31 December 2024 (continued)

14 General and administrative expenses

	2024 USD	2023 USD
System licenses, subscriptions & support	**3,388,578**	2,725,631
Platform management, information security, desk service and swift fixed costs	**1,681,293**	2,059,761
Data centers & communication	**1,137,250**	1,079,259
Board of Directors meetings remuneration and expenses	**395,165**	451,339
Arab Monetary Fund (AMF) support services	**254,558**	239,456
Missions, events, media, & related costs	**128,272**	55,073
Professional fees	**172,728**	30,854
Office rent	**93,388**	93,388
Others	**66,133**	74,739
	7,317,365	6,809,500

15 Depreciation and amortization

	2024 USD	2023 USD
Depreciation of property & equipment (note 7)	**1,151,008**	1,144,928
Amortization of intangible assets (note 8)	**1,840,889**	2,083,581
	2,991,897	3,228,509

16 Other income

	2024 USD	2023 USD
Staff cost recovered*	**287,189**	-
Reversal of accruals	**3,544**	-
	290,733	-

* Actual staff cost recovered from Bill and Melinda Gates foundation in relation to Pakistan Regional Integration Project in accordance with the agreement signed on 17 November 2021. The grant purpose was to conduct an assessment of the feasibility to deploy an interoperable instant and inclusive payment between Pakistan and countries in Middle East and North Africa region.

17 Risk management

The main risk arising from the Organization's financial instruments is currency risk. The management reviews and agrees policies for managing this risk which are summarized below.

Foreign currency risk

Foreign currency risk is the risk that a financial instrument will fluctuate due to change in foreign exchange rates which is limited since a significant portion of the monetary assets and liabilities are in UAE Dirhams and US Dollars. As the UAE Dirham is pegged to the US dollar, balances in UAE Dirham are not considered to represent significant currency risk.

Capital management

Capital is managed in a manner that will achieve the Organization's main objective as disclosed in note 1.

The Organization manages its equity and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2024. Capital comprises of capital and accumulated losses and is measured at USD 20,513,525 as at 31 December 2024 (2023: USD 24,843,966).

18 Approval of financial statements

The financial statements were approved by management and authorised for issue on 3 March 2025.

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