

**ARAB BANK MENA FUND**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
AND CONDENSED INTERIM  
FINANCIAL INFORMATION  
PERIOD ENDED MARCH 31, 2024**

**ARAB BANK MENA FUND**

Directors

Mr. Ammar Zuhair Husni Saifi  
Mr. Mohammed Abdel Fattah Hamad Al Ghanamah  
Mr. Guy Elias Khoury  
Mr. Firas Jaser Jamil Zayyad

Registered Office

Gulf Custody Company B.S.C (c)  
P. O. Box 2400  
Manama, Kingdom of Bahrain

Fund Company

Arab Bank MENA Fund Company B.S.C. (c)  
P. O. Box 2400  
Manama, Kingdom of Bahrain

Investment Manager, Operator and Placement Agent

Al Arabi Investment Group  
P. O. Box 143156  
Amman 11814  
Hashemite, Kingdom of Jordan

Administrator, Custodian and Registrar

Gulf Custody Company B.S.C. (c)  
P. O. Box 2400  
Manama, Kingdom of Bahrain

Principal Banker

Arab Bank Plc

Auditors

Deloitte & Touche – Middle East  
P.O. Box 421  
Manama, Kingdom of Bahrain

Engagement Partner: Ronald Gardiner

**ARAB BANK MENA FUND**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unitholders  
Arab Bank MENA Fund  
Manama, Kingdom of Bahrain

### **Introduction**

We have reviewed the condensed interim statement of financial position of Arab Bank MENA Fund (the "Fund"), as at March 31, 2024, and the related interim statement of comprehensive income, interim statement of changes in net assets and interim statement of cash flows for the period then ended. The Directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.



Deloitte & Touche – Middle East  
Partner Registration No. 261  
Manama, Kingdom of Bahrain

May 30, 2024

**ARAB BANK MENA FUND**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT MARCH 31, 2024**

	Notes	March 31, 2024 USD (Unaudited)	September 30, 2023 USD (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash at banks	6	1,926,239	1,188,566
Dividend receivable		55,688	6,543
Interest receivable		1,167	18
Due from brokers		4,026,888	4,499,420
Financial assets at fair value through profit or loss	8	<u>8,389,581</u>	<u>8,919,419</u>
<b>Total assets</b>		<u>14,399,563</u>	<u>14,613,966</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Due to a related party	9	54,677	56,989
Other payables		<u>28,295</u>	<u>36,140</u>
<b>Total liabilities</b>		<u>82,972</u>	<u>93,129</u>
<b>Net assets attributed to unitholders of the Fund</b>		<u>14,316,591</u>	<u>14,520,837</u>
Unit capital	10	13,869,850	14,019,850
Unit surplus		9,506,810	9,510,199
Accumulated losses		<u>(9,060,069)</u>	<u>(9,009,212)</u>
<b>Total net assets attributed to unitholders of the Fund</b>		<u>14,316,591</u>	<u>14,520,837</u>
Net Asset Value (NAV) per unit at book value based on 1,386,985 units (2023: 1,401,985) outstanding		<u>10.3220</u>	<u>10.3573</u>

The condensed interim financial information from pages 2 to 11 was approved and authorized for issue by the Directors on May 30, 2024 and signed on their behalf by:

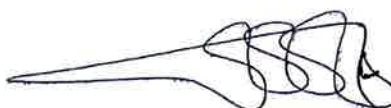


Mr. Mohammed Al Ghanamah  
Chairman



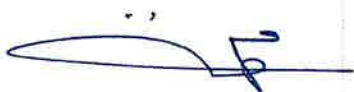
Mr. Ammar Zuhair Husni Saifi  
Director

The accompanying notes form part of this condensed interim financial information




**ARAB BANK MENA FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

	Notes	For the six months period ended March 31,	
		2024 USD (Unaudited)	2023 USD (Unaudited)
<b>Income</b>			
Dividend income		245,745	259,636
Interest income from banks		12,033	699
Net realised gain on investments	8	266,712	29,918
Net unrealised loss on investments	8	(166,936)	(292,673)
		<u>357,554</u>	<u>(2,420)</u>
<b>Expenses</b>			
Management fees	5 & 9	(108,370)	(105,065)
Custody and administration fees	5	(27,500)	(27,425)
Registrar fee	5	(2,329)	(2,510)
Professional fees		(10,982)	(10,779)
Bank charges		(630)	(659)
Other expenses		(24,028)	(20,035)
Net foreign exchange loss		(234,572)	(12,989)
<b>Total operating expenses</b>		<u>(408,411)</u>	<u>(179,462)</u>
<b>Loss for the period</b>		<u>(50,857)</u>	<u>(181,882)</u>
Other comprehensive income for the period		-	-
<b>Total comprehensive loss for the period</b>		<u>(50,857)</u>	<u>(181,882)</u>



Mr. Mohammed Al Ghanamah  
Chairman



Mr. Ammar Zuhair Husni Saifi  
Director

The accompanying notes form part of this condensed interim financial information




**ARAB BANK MENA FUND**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

	Number of units	Unit capital USD	Unit surplus USD	Accumulated losses USD	Total USD
Balance as at October 1, 2022 (Audited)	1,447,846	14,478,460	9,508,697	(9,723,419)	14,263,738
Redemptions of units	(16,646)	(166,460)	3,050	-	(163,410)
Total comprehensive loss for the period	-	-	-	(181,882)	(181,882)
Balance as at March 31, 2023 (Unaudited)	<u>1,431,200</u>	<u>14,312,000</u>	<u>9,511,747</u>	<u>(9,905,301)</u>	<u>13,918,446</u>
Balance as at October 1, 2023 (Audited)	1,401,985	14,019,850	9,510,199	(9,009,212)	14,520,837
Redemptions of units	(15,000)	(150,000)	(3,389)	-	(153,389)
Total comprehensive loss for the period	-	-	-	(50,857)	(50,857)
Balance as at March 31, 2024 (Unaudited)	<u>1,386,985</u>	<u>13,869,850</u>	<u>9,506,810</u>	<u>(9,060,069)</u>	<u>14,316,591</u>

The accompanying notes form part of this condensed interim financial information

**ARAB BANK MENA FUND**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN CASH FLOWS (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

	Notes	For the six months period ended March 31,	
		2024 USD (Unaudited)	2023 USD (Unaudited)
<b>Cash flows from operating activities</b>			
Loss for the period		(50,857)	(181,882)
<u>Adjustments for:</u>			
Dividend income		(245,745)	(259,636)
Interest income		(12,033)	(699)
Net realised gain on investments	8	(266,712)	(29,918)
Net unrealised loss on investments	8	166,936	292,673
		(408,411)	(179,462)
<u>Changes in operating assets and liabilities:</u>			
Decrease in due from brokers		472,532	626,021
Decrease in due to a related party		(2,312)	(1,392)
(Decrease) / increase in other payables		(7,845)	29,188
		53,964	474,355
Payments for purchase of investments	8	(886,135)	(795,649)
Proceeds from disposal of investments	8	1,515,749	214,375
Dividend received		196,600	64,130
Interest received		10,884	681
<b>Net cash generated from / (used in) operating activities</b>		<b>891,062</b>	<b>(42,108)</b>
<b>Cash flows from financing activities</b>			
Payments on redemption of redeemable units		(153,389)	(163,410)
<b>Net cash used in financing activities</b>		<b>(153,389)</b>	<b>(163,410)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
		737,673	(205,518)
Cash and cash equivalents at beginning of period		1,188,566	1,055,207
<b>Cash and cash equivalent at end of period</b>		<b>1,926,239</b>	<b>849,689</b>

The accompanying notes form part of this condensed interim financial information



**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

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**1. FORMATION AND OBJECTIVE OF THE FUND**

Arab Bank MENA Fund (the "Fund") is an open-ended investment fund established by Al Arabi Investment Group Co. (the "Operator" and the "Investment Manager"). The Fund is an Expert Fund under the collective investment undertakings regulations issued by the Central Bank of Bahrain ("the CBB") as contained in Volume 7 of the CBB Rulebook. The Fund Company has been registered at the Ministry of Industry, Commerce and Tourism on March 22, 2005. The Fund was launched on May 23, 2005. The address of the Fund's registered office is Flat no. 23, Building no. 4521, Road no.1010, Block no. 410, Sanabis, P. O. Box 2400, Kingdom of Bahrain.

The objective of the Fund is to provide income primarily from investments in equities with possible investment in bonds aiming to preserve capital during period of weak equity market performance and maximizing capital growth during period of strong equity market performance. The Fund may distribute dividends on an annual basis, upon the sole discretion of the Investment Manager.

The Fund is managed by Al Arabi Investment Group Co., a company incorporated in Jordan. The Fund is administered by Gulf Custody Company B.S.C. (c) (the "Administrator" and the "Custodian") (which also acts as the Custodian of the Fund), a closed joint stock company incorporated under the laws of the Kingdom of Bahrain. The Fund Company is incorporated as a closed joint stock company under the laws of the Kingdom of Bahrain and has been established to act as an umbrella vehicle for the Fund. Al-Arabi Investment Group Co. owns 99% shares of the Fund Company.

The condensed interim financial information represents the assets, liabilities, and operations of the Fund only. The Fund does not have any employees and utilizes the services of the Investment Manager, Administrator and Custodian to operate the Fund.

The Fund has been established for an indefinite period, but the Fund Company reserves the right to terminate the Fund at any time without penalty to any party involved. Such termination requires the prior written consent of the CBB and proposal to dissolve the Fund at an Extraordinary General Meeting of shareholders of the Fund Company for which three months' notice should be given to the Unitholders by the Directors of the Fund. Neither the death, bankruptcy, incapacity of a Unitholder in the Fund nor the bankruptcy or resignation of the Investment Manager will terminate the Fund or in any way affect its continuity.

The Fund must be liquidated if either:

- a- The Net Asset Value of the Fund declines for any reason to less than the Minimum Fund Size, and such decline continues for three consecutive months, or
- b- The Net Asset Value per Unit of the Fund drops below 50% of its highest recorded level, after adjustment for cash dividends if any, for a period of twenty-four months without reasonable justification.

**2. BASIS OF PREPARATION**

The condensed interim financial information has been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' ("IAS34").

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards. For more details, please refer to the audited financial statements for the year ended September 30, 2023.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending September 30, 2024.

**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies used in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Fund's financial statements for the year ended September 30, 2023.

**Standards affecting the disclosures and presentation in the current period**

None of the new and revised Standards that have been adopted in the current period which are effective for an annual period that begins on, or after October 1, 2023, have affected the disclosures and presentation in the financial information.

**4. JUDGEMENTS AND ESTIMATES**

The preparation of the condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended September 30, 2023.

**5. FEES**

**(a) Management Fee**

Under the Investment Management agreement, the Fund has to pay the Investment Manager for its on-going services a fee accruing on each Valuation Day at the annual rate of 1.5% of the NAV of the Fund, prior to the accrual of performance fees. Management fees accrue monthly and are payable quarterly in arrears by the Fund.

**(b) Custody and Administration Fee**

Under the Custody and Administration agreement, the Fund has agreed to pay the Administrator and Custodian as remuneration for its on-going services a fee accruing on each Valuation Day. The administration and custody fee are payable quarterly in arrears within seven (7) business days following the last day of each quarter and are calculated as follows:

- Investments that are made in the Gulf Cooperation Council (GCC) Countries: The Fund will be charged an annual custody and administration fee of 0.125% of the NAV that is held under custody in these countries, subject to a minimum annual fee of USD 25,000; and
- Investments that are made in Levant and North African Countries: The Fund is charged an annual fee of 0.175% of the NAV that is held under the custody in these countries, subject to a minimum annual fee of USD 30,000.

**(c) Registrar Fee**

Under the Registrar and Transfer Agent agreement, the Registrar and Transfer Agent's fee is being paid at USD 4,000 per annum up to 50 unitholders and additional charge of USD 50 per annum for every additional unitholder. The registrar fee will be accrued on each Valuation Day and will be payable quarterly in arrears within seven business day following the last revaluation day of each quarter.

**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

**6. CASH AT BANKS**

Cash at banks represent balances in current accounts and time deposits held at banks including related parties.

	Credit rating as per Moody's	March 31, 2024 USD (Unaudited)	September 30, 2023 USD (Audited)
<i><u>Current accounts with banks</u></i>			
Arab Bank Plc, UAE	Ba2	1,027,125	848,440
National Bank of Kuwait, S.A.K.P.	A3	53,641	53,491
Arab Bank Plc, Bahrain	Ba2	33,671	262,332
Arab Bank Plc, Syria	Ba2	2,037	2,194
Libyan International Securities	Ba2	7,875	7,795
Attijariwafa Bank	Ba3	3,101	3,033
Arab Bank Plc, Cairo	Ba2	1,775	1,953
Commercial Bank of Qatar (Q.S.C)	Ba1	1,523	1,591
Arab Bank Plc, Palestine	Ba2	411	417
Arab Bank Plc, Jordan	Ba2	358,482	12,492
		1,489,641	1,193,738
<i><u>Time Deposits with Banks</u></i>			
Arab Bank Plc, Egypt	Ba2	441,916	-
Arab Bank Plc, Syria	Ba2	2,557	2,623
		444,473	2,623
Total cash at banks		1,934,114	1,196,361
Less: expected credit loss allowance *		(7,875)	(7,795)
		1,926,239	1,188,566

6.1 Time deposits with Arab Bank Plc, Syria carry an interest rate of 11% per annum (2023: 11% per annum) and have original maturities of less than three months. For Time deposits Arab Bank Plc, Egypt carry an interest rate of 13.6% per annum (2023: nil % per annum) and have original maturities of less than three months.

**7. DUE FROM BROKERS**

	March 31, 2024 USD (Unaudited)	September 30, 2023 USD (Audited)
UBHAR Capital S.A.O.C	2,576,231	2,429,635
EFG Hermes UAE L.L.C	1,436,242	1,756,201
EFG Hermes International Securities Brokerage	316	313,509
Al Arabi Investment Group Company	-	52
Qatar National Bank (Q.S.C)	14,099	23
	4,026,888	4,499,420

Balances with due from brokers are all considered as stage 1 exposure and expected credit losses are considered insignificant.

**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Investments at fair value through profit or loss represent investments in equity securities quoted on various Gulf Cooperation Council (GCC) and Middle East and North Africa (MENA) stock exchanges.

	March 31, 2024	September 30, 2023
	USD (Unaudited)	USD (Audited)
Balance beginning of period / year	8,919,419	8,969,475
Purchases during the period / year	886,135	1,145,455
Proceeds from sales during the period / year	(1,515,749)	(1,804,972)
Net realised gain on disposal of investments during the period / year	266,712	362,846
Net unrealised (loss) /gain on investments during the period / year	(166,936)	246,615
Balance at end of the period / year	<u>8,389,581</u>	<u>8,919,419</u>

8.1 During the period, the Fund invested 58% of its total assets in MENA listed/traded securities, while the policy stated in the Investment Guidelines that the Fund shall invest at least 60% in MENA listed/traded securities.

**9. RELATED PARTIES**

Arab Bank MENA Fund Company B.S.C. (c) is a related party as it was incorporated to create the Fund.

Al-Arabia Investment Group Co. is a related party as it is the Operator, Investment Manager and Principal Shareholder of the Fund Company.

Arab Bank Plc is a related party as it is the ultimate parent of the Fund Company, correspondingly all branches of Arab Bank Plc are also considered as related parties. Ubhar Capital S.A.O.G is an affiliates of Arab Bank Plc.

The following related parties owned units in the Fund:

Related Party	Nature of Relationship	Number of units held as at	
		March 31, 2024	September 30, 2023
		(Unaudited)	(Audited)
- Arab Bank (Switzerland)	Subsidiary of Arab Bank Plc, Jordan	-	5,000
- Arab Bank plc, Wholesale Bank, Bahrain*	Branch of Arab Bank Plc, Jordan	875,035	875,035
- Oman Arab Bank S.A.O.C.	Affiliate of Arab Bank Plc, Jordan	50,000	50,000

**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

The Fund has the following balances with related parties:

Related Party	Nature of Transaction	Nature of Relationship	March 31, 2024 USD	September 30, 2023 USD
Arab Bank Plc, Dubai	Current account	Affiliate of Arab Bank Plc, Jordan	1,027,125	848,440
Arab Bank Plc – Wholesale Bank, Bahrain	Current accounts	Branch of Arab Bank Plc, Jordan	33,671	262,332
Arab Bank Plc, Jordan	Current account	Ultimate Parent of the Fund Company	358,482	12,492
Arab Bank Plc, Palestine	Current account	Branch of Arab Bank Plc, Jordan	411	417
Arab Bank Plc, Cairo	Current accounts	Branch of Arab Bank Plc, Jordan	1,775	1,953
Arab Bank Plc, Syria	Current account	Affiliate of Arab Bank Plc, Jordan	2,037	2,194
Ubhar Capital S.A.O.G	Due from brokers	Affiliate of Arab Bank Plc, Jordan	2,576,231	2,429,635
Arab Bank Plc, Egypt	Time deposit	Affiliate of Arab Bank Plc, Jordan	441,916	-
Arab Bank Plc, Syria	Time deposit	Affiliate of Arab Bank Plc, Jordan	2,557	2,623
Arab Bank Plc, Egypt	Interest receivable	Affiliate of Arab Bank Plc, Jordan	1,149	-
Arab Bank Plc, Syria	Interest receivable	Affiliate of Arab Bank Plc, Jordan	18	18
Arab Bank Plc, Jordan	Equity shares (2024: 66,240 shares) (2023: 66,240 shares)	Ultimate Parent of the Fund Company	409,845	401,491
Al Arabi Investment Group	Management fees payable	Investment Manager of Fund	54,677	56,989

The following is the transaction between the Fund and its related party:

Related Party	Nature of Transaction	Nature of Relationship	March 31, 2024 USD	September 30, 2023 USD
Al Arabi Investment Group	Management fee	Investment Manager of Fund	108,370	212,965

**ARAB BANK MENA FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**PERIOD ENDED MARCH 31, 2024**

**10. UNIT CAPITAL**

The unit capital of the Fund consists of redeemable units with a par value of USD 10 per unit, which do not carry voting rights. They are entitled to dividends and to a proportionate share of the Fund's net assets attributable to holders of redeemable units.

All issued redeemable units are fully paid. The Fund's capital is represented by these redeemable units. Quantitative information about the Fund's capital is provided in the statement of changes in net assets attributable to holders of redeemable units.

Each unit issued confers upon the unitholders an equal interest in the Fund and is of equal value. A unit does not confer any interests in any particular asset or investment of the Fund.

**11. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Investments at fair value through profit or loss are measured based on quoted bid prices in an active market. These are categorized within Level 1 in the fair value hierarchy.

The carrying values of financial assets and financial liabilities at amortized cost approximate their fair value due to their short-term nature.

There are no financial liabilities at FVTPL at the reporting dates.

The Fund's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Fair value as at		Fair value hierarchy
	March 31, 2024	September 30, 2023	
	USD	USD	
<b>Designated at fair value through profit or loss</b>			
Financial Institutions	3,077,024	3,197,209	Level 1
Telecommunication	1,481,884	1,481,345	Level 1
Services	1,548,086	1,454,263	Level 1
Industries	378,728	568,320	Level 1
Real Estate	1,903,859	2,218,282	Level 1
	<u>8,389,581</u>	<u>8,919,419</u>	