

# THE NAME of ATJAH

2023

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#### Intrduction

Al-Amal Microfinance Bank (AMB) has, for one and a half decades, continued with the attainment of steadily progressive growth. In the meantime, it devised strategies to keep up with the expected results of each phase of the Bank's development, thereby contributing to the cementation of AMB's status as the First microfinance bank in the MENA region. AMB further asserted itself as an inspiring experience producing new concepts in the microfinance sector in Yemen and the Arab region.

In 2023, as part of AMB's habitual achievements and successes, AMB launched its three-year strategic plan (2023 – 2025) with an innovative vision, inclusive development-based mission, and humanitarian and social values that pave the way to making transformations meeting customers' growing needs in highly efficient and effective ways, and increasing efficacy and sustainability of AMB's financial and non-financial services through innovation, digitization, and maximum outreach capacity.

In 2023, AMB rolled out its operational plan for the first year of AMB's three-year strategic plan, during which AMB faced numerous challenges, which AMB handled with a high degree of responsibility reflecting AMB's status. In the meantime, AMB experienced successes and achievements, which reflect the great efforts expended during 2023, and which constituted an extension to those successes AMB has made throughout the past 15 years. During the next two years (2024 and 2025), AMB's leadership and staff seek to achieve the strategic goals, which collectively focus on supporting the most vulnerable groups and making sustainable growth.



## **Founders**

AMB was established by Private Law No. (23) of 2002, as the first microfinance bank in the MENA region, as the fruition of the joint efforts of the Government of Yemen, represented by the Social Fund for Development (SFD), and Arab Gulf Program for Development (AGFUND), as well as the contribution of the private sector.

Al-Amal Microfinance Bank began its actual business in January 2009. AMB is a non-dividend organization seeking to offer sustainable financial and non-financial services to limited and low-income households in Yemen, particularly entrepreneurs running lucrative small and micro enterprises (SMEs).

AMB also provides inclusive financial services to target groups that have been unable to access such services in the formal banking sector. AMB's capital at the time of inception was YER 1B.





# Our Vision

Innovative financial empowerment for a productive and sustainable society



# **Our Mission**

AMB aspires to contribute effectively towards the development of sustainable SMEs through the provision of inclusive and integrated financial and non-financial services meeting the community needs, with emphasis on economically marginalized groups, relying on qualified staff, innovative technologies, and strategic partnerships, thus becoming a leading and sustainable institution according the best international practices.



# Our Values



Word by the Chairman of the Board of Directors



**Eng. Abdullah Ahmed Bugshan**Chairman of the Board of Directors

The year 2023 is considered to be the first strategic turning point for Al-Amal Microfinance Bank (AMB). AMB drew up the pathway of this turning point within its strategic plan for 2023 – 2025. During the past year, AMB maintained a series of previously attained successes with a high degree of operational resilience, which helped AMB adapt to all changes and meet all challenges locally and internationally. AMB competently responded to those challenges and focused on the actualization of its strategic plan to support economic and social development in the country.

During 2023, AMB has put emphasis on achieving its objectives as drawn up by its Board of Directors by contributing to strengthening the national economy, promoting financial governance, and ensuring financial outreach to remote communities. In addition, AMB has spared no effort to establish sustainable empowerment by developing new products, re-organizing existing products in compliance with new legislation and the Central Bank of Yemen (CBY) trends, improving internal operations, simplifying procedures, and reinforcing governance principles and internal controls. Despite the challenges experienced by the Arab Region, which have always impacted the scale and nature of donor organizations' interventions, AMB still maintains a relationship with donors through the implementation of humanitarian assistance projects in the form of social cash transfers, the indicators of which demonstrated increasing growth in the volume of cash assistance. That is considered to be the exceptional performance of AMB amid the scaling down of assistance provided by donor states and organizations to Yemen.

Despite the challenges, the international status of AMB is still at its height, as AMB has won, during 2023, four special international awards in financial technology, which is deemed to be one of the main targets for all financial institutions worldwide. This technology is also deemed to be a key element of AMB's strategic plan.

Hence, we are pleased to present to you AMB's Annual Report (2023), which displays AMB's initiatives, achievements, and contributions to sustainable financial empowerment for all segments of Yemeni society. We also take the opportunity to thank all those who had a role in these achievements, including the Board of Directors, Executive Management, all staff, agents, and partners of AMB. We pray to Allah to guide us all into the goodness, advancement, and prosperity of Yemen.

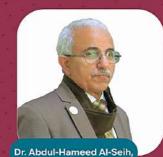
# Members of the Board of Directors (BOD)



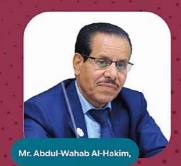
Mr. Omar Abdul Rahman Ba-Jarsh
Deputy Chairman of the BOD;
Elected Member
Private Sector Representative



Member of the BOD, AGFUND Representative



Member of the BOD, SFD Representative



Member of the BOD, SFD Representative



Member of the BOD, AGFUND Representative



Member of the BOD, SFD Representative



Mr. Mohammed Al-Saleem

Member of the BOD, AGFUND Representative



Member of the BOD, SFD Representative





Mr. Mohammed Saleh Al-Lai Chief Executive Officer (CEO) Al-Amal Microfinance Bank (AMB) started its first strategic year (2023) with a new vision and strategic operational and financial objectives, all of which concentrate on attaining sustainable development and empowering Yemeni society financially and economically. By the end of the year, AMB attained distinguishable performance indicators amid market changes in terms of new legislation and multi-sector competition, as well as regional changes, which have overshadowed donor-funded humanitarian and development interventions.

At the strategic level, AMB implemented 21 strategic projects stemming from the strategic plan 2023 - 2025, which covered all strategic thematic areas in relation to service development and financial, technical, and institutional capacity strengthening, as well as promoting marketing aspects and consolidating local and international partnerships.

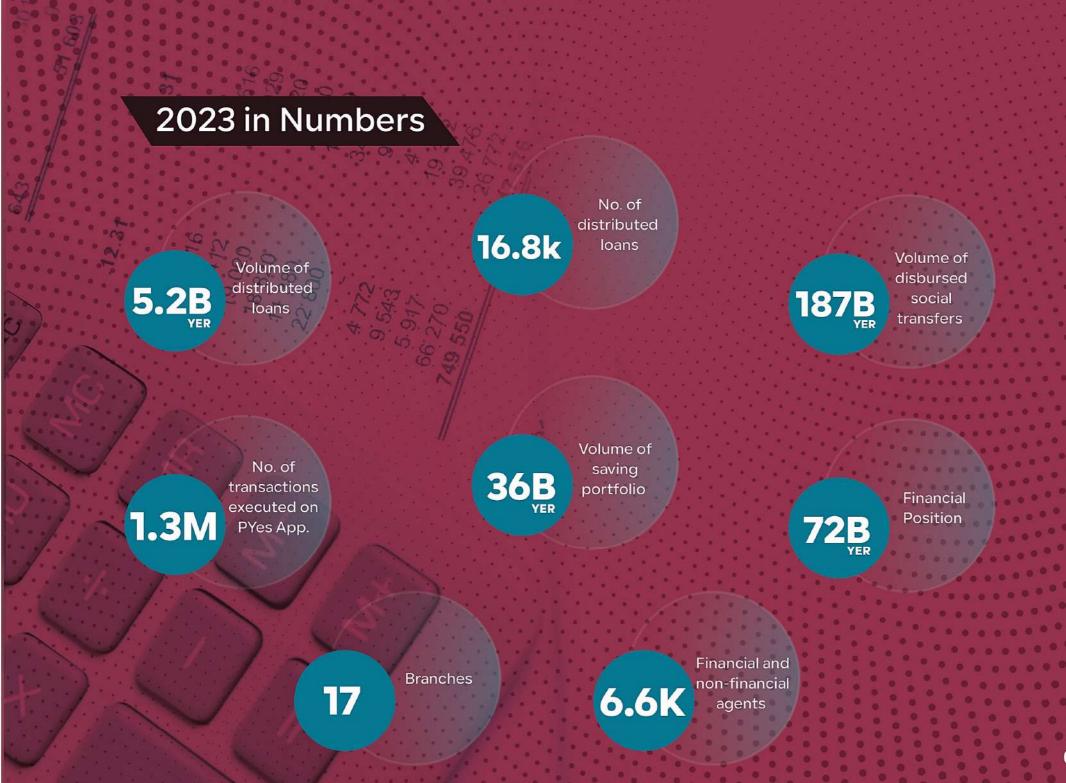
At the operational level, represented by the operational and financial performance indicators reached by AMB despite the external challenges, primarily the issuance of the law preventing usurious transactions, which impacted the financial and operational aspects of the banking sector in general – the Executive Management, with continual support from the Board of Directors, has been able to reduce their negative impacts by redesigning loan products, activating e-payment, social cash transfers as well as internal and external transfers, and continuing with institutional development operations at all levels, remarkably a pilot roll-out of the new banking system, which would contribute to opening new horizons and markets in the future.

Therefore, our annual report for this year summarizes all AMB's achievements with a new structure based on five key areas and transformations related to the strategic plan 2023 - 2025. This is represented by community services and contribution, financial capacity, governance and institutional development, technical capacity, and marketing and partnerships. Still, we highly appreciate the endless support of AMB's Board of Directors, which has so far enabled us to make all those achievements during 2023. My special thanks to all sincere and dedicated staff of the Bank, without whom, AMB would not have reached this degree of distinction at the national and international level.

# **AMB's Executive Management**









AMB started in 2023 a new phase in its march of development through its strategic plan 2023 – 2025, which is targeted at achieving a range of strategic transformations for AMB to maintain its leading status in the Yemen microfinance market. In preparing this three-year strategy, AMB relied on a range of foundations, which primarily include: utilizing its accumulative experience in planning and its leading role in the microfinance market, in addition to its being guided by several exemplary practices in strategic planning of similar banks and financial institutions (MFIs), and finally applying a strategic planning approach commensurate with the level and diversity of the AMB's activities and its institutional privacy.

Involving different thematic areas, this plan guarantees AMB's preparedness to respond to many of the local and international changes and global trends in the pursuit of new policies with a positive and direct impact on the Bank's activities and local and international relationships. Those thematic areas are:



We, at AMB, are proud of contributing to the building of a sustainable and prosperous future, as we align our ideas and plans with the global SDGs - 2030.



In preparing the plan, AMB pursued a time-bound work plan, which involved all departmental managers and heads of units in the plan development based on the jurisdiction and nature of tasks of each department, and according to a clear planning methodology, which included the following:

#### Methodology

Approved the 'See-Think-Draw' approach, of which the frame involves:

- Making a list of challenges and ambitions for three years ahead and analyzing AMB's competitive capacity and institutional culture.
- Establishing the strategic trend (vision, mission, and values).
- Strategic analysis, which included SWOT analysis, PESTEL analysis, and performance indicators analysis, all of which was done through a breakdown of the analysis into five topics, coming out with the analysis results and having them all interconnected across topics.
- Establishing strategic objectives determining targets, comparing them with the analysis results, and then identifying necessary interventions (projects).
- Establishing the strategic plan matrix, monitoring and evaluation mechanism, and related documents (risk plan, fundraising plan, and technical assistance plan).
- Implementing a number of workshops and meetings to promote collaboration.

#### **Planning Governance**

### Plan preparation governance through:

- Creating a plan to control the plan development pace.
- Selecting the work teams and defining their roles, which included (Supervision, leadership, planning team, four assisting teams, and a consultant) to ensure broader participation in the planning.
- Establishing inclusive and interconnected planning policies and forms/ templates for all steps of the action and complying with them.



#### **Planning Quality Control**

## Approved a mechanism for planning quality control, which involves:

- An agreement on quality criteria: inclusivity and diversity of the analysis, verification through evidence and facts (indicators), interconnection criteria between analysis and planning, and ensuring that each strategic objective and intervention established has a basis in the analysis.
- Designating a card for each project to ensure there is sufficient data for possible implementation of the project, potential risks, and implementation requirements.
- Verifying that the targets established were reflected in projects and that the results and outcomes of projects would achieve those targets on the ground within the determined timeframe.

# Ā O

Through the provision of diverse and inclusive financial and non-financial services meeting community needs, empowering the community to improve their standard of living, and generating an income for them to improve quality of life.

Designing products and services

corresponding to needs and

making an added value that is

reflected in positive impacts on

beneficiaries, and cares about

best

practice

the

using

technology.

Financial empowerment

Innovative

Sustainable

Having a culture and components of sustainability in the activities it exercises and focuses on projects promoting green and blue economies, ensuring environmental protection and sustainability of resources, and achieving SDGs.

**Our Vision** 

Innovative financial empowerment for a productive and sustainable society

An economically active community involving different groups (men, women, youth, Muhamasheen, persons with disability, ...etc) that contribute to improving their economic situation.

For productive society

### **Our Mission**

To contribute effectively towards the development of sustainable SMEs through the provision of inclusive and integrated financial and non-financial services meeting the community needs, with emphasis on economically marginalized groups, relying on qualified staff, innovative technologies, and strategic partnerships, thus becoming a leading and sustainable institution according to the best international practices.

To contribute effectively

To achieve a tangible impact on the situation of the benefited community.

Towards the development of sustainable enterprises

To focus on successful and developable businesses/enterprises, and achieve ongoing benefits with positive environmental and economic impact.

Through the provision of inclusive and integrated financial and non-financial services

Inclusive banking and business development services for achieving economic empowerment, which integrate with each other to maximize the added value, and which are diversely cover different beneficiary needs in one place.

Meeting the community's needs

The provided services reflect the different financial and non-financial needs of the community and correspond to the needs of each group.

Relying on qualified staff

Hiring highly skilled and efficient staff, and working towards their career development and retention

Innovative technologies

Paying attention to technology for easier and quicker service delivery, thereby achieving added value

And strategic partnerships

Working towards creating and developing a relationship of alliance based on mutual benefit from the capacity of both parties and which serves common goals of both parties.

Thus, becoming a leading and sustainable institution

Leading the microfinance market in Yemen and at the regional level through constructive thoughts and innovative practices, from which various MFIs benefit and possess self-reliance components to continue with growth and development in performance.

According to the best international practices.

Pursuing the best practices in microfinance, banking, and social performance, in addition to making use of them, not only by keeping up with them but also by going beyond that to the extent of developing them and extracting added value from them while pursuing them.

# Strategic Goals

Governance and Institutional Development

Creating a supportive environment for the principles of governance, effective controls, and ongoing development that contributes to reaching high AMB performance levels.

Community Services and Contributions

Increasing AMB's contribution through innovative financial and non-financial services that support economic empowerment in line with sustainable development trends.

Financial Capacity

Strengthening financial capacity required for the sustainability of AMB's activity. Technical Capacity

Maximizing
benefits from
available technical
capacities, and
developing them
for automating
AMB's operations
and improving the
quality of AMB's
services.

Partnerships and Marketing

Building diverse partnerships based on common interests, which support AMB's trends, strengthen its capacity, and develop its strategies and quality marketing instruments, which achieve wider outreach and effective access to various target groups and influencers.

#### Transformations and added value

#### Targeted by AMB's Strategic Plan

2023 - 2025

AMB's Strategic Plan aims to achieve added value within seven key transformations, focused on the Bank's vision, as described below:

Innovative services effectively contributing towards sustainable development

02

Digital transformation

03

Contributing to economic recovery and reconstruction.

04

Integration of partnerships

Implementing economic empowerment interventions in green banking, in addition to updating and developing environment-friendly financial and non-financial services, supports rural activities in a way that contributes to environmental protection.

Attaining a competitive feature for AMB, represented by the digitization of AMB's services and operational transactions, and transiting to a new banking system corresponding to the development and expansion of AMB's activities.

Highlighting AMB's contribution to national and international efforts aimed at reconstructing Yemen through the implementation of economic empowerment and recovery interventions and the provision of a package of social and humanitarian services with a direct impact on improving the economic and living conditions of Yemeni society.

Establishing local and international partnerships for the implementation of development and economic interventions, building partnerships for the development of financial and non-financial services, and strengthening AMB's institutional capacity.

05 Improving outreach to customers

Improving the quality of services, achieving a good level of outreach to customers via new branches and offices in areas with high population density, expanding the network of AMB's agents and points of sale (POS) into all governorates of Yemen, strengthening research and development mechanisms, and pursuing up-to-date marketing modalities to reach a maximum and more diverse segment of customers.

06

Consolidating financial sustainability

Strengthening financial capacity and making optimal use of them to ensure growth of the financial position and maintain a competitive cash situation, in addition to strengthening the capacity of branches to guarantee operational sustainability of its basic activity, and expanding the network of correspondent banks.

An enabling management environment for high-performance

Providing quality institutional components that support the attainment of high-performance levels by means of investing in the training of AMB's staff, improving monitoring and evaluation processes, building an integrated and advanced system for research and development, developing new primary and backup information centers, increasing response for handling risks, updating and finalizing internal business policies and adopting institutional quality criteria.

## AMB's Key Strategic Targets for 2023 - 2025

The plan involved several operational, institutional, and financial performance indicators and targets, which AMB seeks to attain during the plan period. The following diagram shows key strategic targets, which would create an added value that AMB seeks from the Strategic Plan 2023 – 2025.

2.5M Number of transfers Volume of Distributed
Social Cash Transfers

63 (s)

Volume of Saving Portfolio

21 (\$)

Volume of Active Portfolio

Volume of Distributed Loans

50K Number of Distributed Loans

New Branches/ offices/PoS

New Financial Services

30% Share of Rural Loans

Number of Letters of Credit AMB's Agents out of Total Licensed Currency Dealers

150K Number of Active E-accounts

100%
Transition into Sophisticated and Integrated Banking System

46
Local and International Partnerships

25 (\$)
Volume of Donor Support

Proj ects

Economic

Empowerment Projects

Number of Correspondent Banks

20K
Agents/PoS

100%

AMB's Services Coverage across all Yemen Governorates

30%
Average Market Share among the Microfinance Industry

156 M (\$)
Financial Position

200K
job opportuniteis

Techincal Assesment & ISO certificates

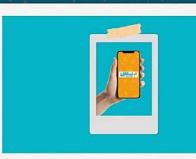
70% of AMB's Services are Digitalized



# Services and Community Contributions

The goals of successive strategic plans, by which AMB made consecutive successes and achievements, collectively focused on making progress in community empowerment and capacity building and development. They were conducive to making a new hope for entrepreneurs and beneficiaries through a package of financial and non-financial services. In the same context, based on its humanitarian and social mission, AMB formulated its Three-Year Strategic Plan (2023 – 2025), which, in aggregate terms, aims to support and finance SMEs / businesses, promote financial inclusion and digitization, and absorb and meet changing community needs, as well as maintain AMB's leading status as an MFI with a valuable social mission.





















To Continue with making hope, we seek to empower our customers and adapt their ambitions for a productive and sustainable society

Over one and a half decades, AMB has sought to make itself a landmark in the microfinance sector by directing its services towards a large segment of Yemeni society, who feels that only material poverty prevents them from making their dreams come true despite their cognitive wealth, limitless ambition and eagerness to assert themselves and fight their poverty in search for decent livelihoods for themselves and their families. Therefore, AMB has during 2023 sought to serve new customers, while retaining current customers, for the purpose of increasing its active loan portfolio. During the first quarter of 2023, AMB distributed 2,968 loans worth more than YER 2 B to 2,297 customers. With the passing of the law preventing usurious transactions in late March 2023, the loan index dropped down due to a halt to the Murabaha Product, which had previously been the key AMB's loan product, pending the review and adjustment of all loan formulas in use to comply with the new law, development of guidelines, forms, and contracts for the new loan formulas, and development of new Islamic Sharia-compliant loan formulas in the banking system. AMB launched the Musawama [bargaining] product and prepared two new products scheduled for roll-out in 2024. By the end of 2023, AMB distributed 16,777 loans worth YER 5.2 B to 9,280 customers.

# 16,777

No. of Loans

# YER 5.2 B

Value of Loans

Governorate
lbb
Al Hudaydah
Amanat Al Asimah
Taiz
Hajjah
Hadramaut
Dhamar
Aden
Amran
Marib
Grand Total

	Number	
	1,725	
	3,056	
	2,843	
	1,809	
	2,617	
	539	
, Te	1,438	
	1,070	
7.	1,252	
8.,	428	(8
	16,777	
_		ť

,	/alue (YER)
5	543,457,500
	627,647,922
1,	535,457,250
	411,300,260
	459,874,335
	154,014,850
	334,184,410
	123,737,050
(	926,029,497
+ 0	119,129,169
5,	234,832,243
10	



9,280

**Customers** 



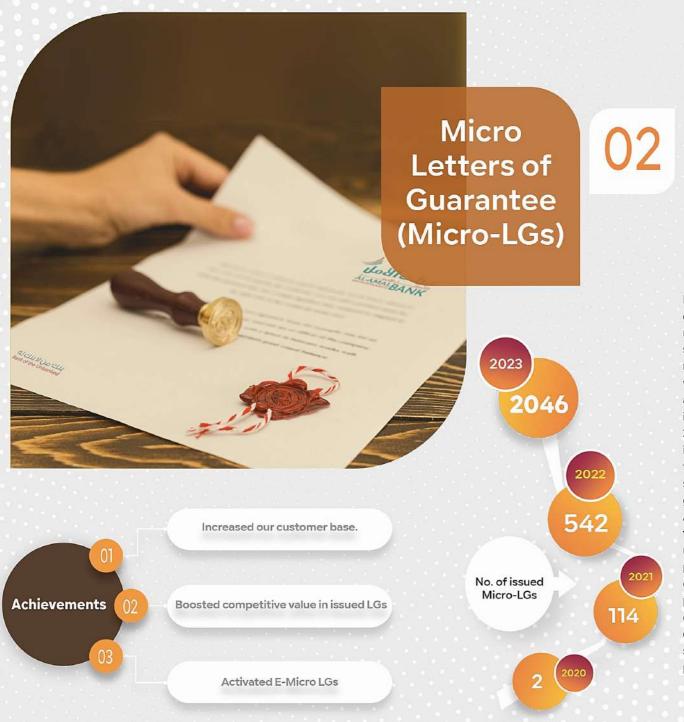




# Altaf's dream of having a tailor shop came true



Altaf is a talented tailor as she has always dreamt of having a tailor shop. However, she lacks financial subsidy to make her dream come true, particularly amid the currently dire economic situation that prevented her from making her dream come true like it did for many of her counterparts. Poverty did not make Altaf lose love for making her dream come true. She had been continuously looking for a means of subsidy in order for her dream to come true until she was guided into taking a loan from AMB. At this point in time, optimistic Altaf made it to the Taiz Branch of AMB where she applied for a loan. Once her application was accepted, she was given a loan worth YER 200,000, thereby starting her journey of dressmaking and marketing the products. Due to the increasing demand for her products, Altaf applied for another loan. She was loaned an amount of YER 500,000, which enabled her to expand her business and hire three workers to help her meet the growing demand for wear. Altaf today manages her tailor shop, which includes other employees as well. She feels that her determination, love for the trade, and AMB funding are key factors in pulling those people out of unemployment. She looks forward hopefully and ambitiously in the wake of a journey that made her dream come true. Altaf does not only enjoy financial autonomy but is also a role model for ambitious women entrepreneurs in the Yemeni society.



We are keen on designing products and services corresponding to needs, making added value, and using technology to the maximum possible extent.

Keen on making progressive improvements and diversifying banking services offered to the microfinance sector and micro-entrepreneurs small-scale contractors in a way fitting their needs, AMB exerted specific efforts and made well-thought updates, which were conducive to achieving significant growth in the Micro-LGs indicators. AMB has issued over the past year 2,046 LGs worth YER 4.5 B, which marked a 277% increase from 2022. In this regard, it pursued a fully automated process aimed at facilitating the service access procedures. To contribute to the growth and expansion of customers' businesses, AMB launched E-Micro LGs, as a quality E-service the first of its kind in the region, to enable micro-entrepreneurs (small-scale contractors), particularly in rural areas, to enter into competitive tenders bidding for small-scale projects/interventions and community-based committees in rural areas, where it has been difficult to deliver financial services due to a scattered population pattern, uneasy access and poor infrastructure.

We are committed to laying down robust foundations for financial inclusion applicable to all segments of the Yemeni society.

03

Saving

AMB provides a package of saving products designed to meet customers' needs in a way that reflects AMB's ongoing and progressive effort to promote financial inclusion in Yemeni society. AMB proudly took the lead in the inclusion of the poor and limited income groups to enjoy the benefits of bank accounts and contribute to financing their peers from the group requirements, which are adopted by traditional banks, and replaced them with a culture of 'Saving for All', which increases financial outreach to the poor by connecting them to the banking sector. Accordingly, the Bank established a modality of 'the poor financing the poor'. It also contributed to the creation of a new banking concept aimed at involving all groups of Yemeni society in fostering economic growth indirectly.

Committed to the provision of the best financial services to customers, and exerting tireless efforts to improve the quality of saving to develop the financial sector, on one hand, and establish financial inclusion, on the other, AMB offered diverse saving accounts directed towards male and female and various age groups, as well as companies and organizations, for short and long terms and in different currencies. In numbers, the saving portfolio experienced in 2023 an 87% growth, with a total volume of YER 36 B, compared to YER 20 B in 2022. While the numbers reflect the distinctive growth attained, continuity remains a paramount goal of AMB. Also, its responsibility has increased in view that AMB has turned out to be a safe destination for the deposits of a large customer base. This encouraged AMB to further dedicate its energy and resources to adding benefits and facilities, thereby making itself a trustworthy financial institution.



#### Type of account

Current accounts

Saving accounts

Deposit accounts

Investment funds

Total

**Entities** 2,000

**YER 32,5 B** 

#### Total No. of accounts

96,764

55,585

390

152,748

Female

**YER 642 M** 

#### **Balance**

31,514,792,324

729,234,122

3,513,141,212

149,010,000

35,906,177,657 YER

Male

95,060

**YER 2.7 B** 



Internal and External **Transfers** 

We have kept up with the significant growth in money transfers with flexible, fast, and safe transfer mechanisms locally and internationally.

As part of its efforts to provide distinctive payment services to customers, AMB has stepped up efforts during 2023 to prepare conditions ensuring the expansion of internal transfer service delivery and provision of quality service to customers in a way compliant with laws and legislations related to internal and external transfers.

AMB has since the beginning of 2023 mobilized its energy to increase its market share of the internal and external transfers, taking into consideration that the service would represent an income-boosting source amid the current economic and legal changes, which in turn contributed to the attainment of this growth. In particular, it:

- Developed Al-Amal Express System, which corresponds to the requirements of the transfers market, in a way competing with systems of exchange companies in
- Launched the transfer service and Al-Amal Express Network.
- Expanded AMB's agent network, which hit a record of 6,668 financial and non-financial agents.
- Made contracts with entities and companies for paying their staff salaries and other entitlements via Al-Amal Express.
- Networked with the most reputable global transfer companies (UPT, SHIFT, Western Union, SWIFT, and Alawneh Exchange Co. - Jordan).
  - Opened windows in AMB's branch offices for work during the afternoon shift to serve customers beyond official working hours.

#### Accomplishments during 2023

Internal transfers 1,494,897 External transfers 3,215 Accumulative number of financial agents 4354 Accumulative number of non-financial agents 2314 Entities issuing individual transfers 35









Number

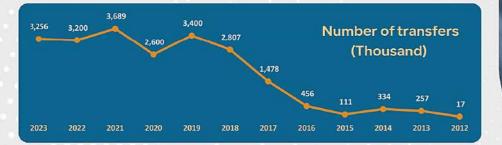


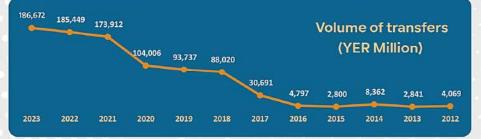


We dedicated all our resources to the comfort, safety, and dignity of beneficiaries, stemming from AMB's values and mission.

05







At a time when the role of financial institutions was restricted to profit maximization, AMB adopted a new concept in support of its social mission. Through this concept, AMB intends to alleviate the suffering of the poorest households by playing a responsible and significant role in the delivery of cash assistance, provided by international and local donors and organizations to beneficiaries targeted by their humanitarian interventions. Being the first bank in Yemen that was in close contact with the poorest groups, understood their needs, and tailored its services to these needs, AMB has turned out to be a central and safe destination for the delivery of entitlements to beneficiaries from these groups. AMB's outreach and expansion into

all areas of Yemen have had a great impact on easing beneficiaries' access to payment sites to pick up their entitlements via branch offices, agents, or PoS. In the same context, home outreach payment teams deliver entitlements to beneficiaries who live far away from fixed payment sites, as well as to those who could not show up to get their entitlements – be they people with special needs, elderly people, or pregnant women. The home outreach payment teams passed through rough roads for long distances, including unsafe areas, to deliver entitlements to target beneficiaries, stemming from AMB's humanitarian mission, which requires exertion of all those efforts and more.

Capable of taking the lead in the added value to the service, AMB made tangible progress in the digitization of service by paying social transfers via E-Money (PYes). This progress translates to AMB's efforts for promoting financial inclusion that is aimed at spreading the digital culture/practice among all community segments without exception.

During 2023, AMB distributed 3,256,420 transfers worth YER 186.6 B.



## **E-Money** (PYes)

We keep up with up-to-date technology for the provision of digital banking services that make our customers' lives easier than ever.

Indicator

Number of accounts Volume of transactions Number of agents Number of PoS

Key achievements expansion of E-Money (PYes) activity

2023

169,582 111,550,808,439 YER 6,668 9,772

worth YER 111 B. That was accompanied by the growth in the number of customers (account holders) as e-accounts totaled

169,582.

During 2023, AMB has seen remarkable progress in E-Money (PYes). This achievement comes as part of AMB's efforts towards implementing its strategy in digital transformation and supporting financial inclusion via PYes Portfolio as a digital window for the banking services that AMB delivers to customers as a way of contributing to empowering all community groups to access different financial services that meet their needs at a minimal cost, in the right time and as quickly as possible. The countryside is no longer an obstacle for the rural population to enjoy a decent banking experience, in addition to the fact that women represent 25% of customers under this portfolio. All customers, without exception, have become definitely able to manage their funds and control their expenditures wherever they live via AMB's branches and financial and non-financial agents. Those efforts yielded remarkable growth in the

number of transactions implemented during 2023, which exceeded 1.3 M transactions

associated with the

PYes for

micro-entrepreneurs (small-scale contractors) to expand the scope of service delivery into all areas and the promotion of financial inclusion.

payment of bills on PYes App for entities and

loans by the end of

exceeded 9,772 PoS.

# Economic Empowerment Projects

Partnership and Empowerment for a Sustainable Future

AMB has a significant record of contributions to social responsibility, which drew the attention of donors, who perceived AMB as being an appropriate and reliable channel for the provision of services to poor households in rural or urban areas. AMB also enjoys a long experience of more than one and a half decades in economic empowerment interventions. Moreover, it has maintained wide-scale outreach countrywide, which is why it has so far been the closest MFI to the needs of the poor and the most knowledgeable about their concentration areas.

## 15 Years

of mutual trust with

humanitarian and development

action partners

# 01>



## Yemen Emergency Electricity Access Project (YEEAP)

As part of AMB's efforts towards sustainable livelihoods by improving prospects of the poor and disadvantaged groups' access to electricity, with funding from the United Nations Office for Project Services (UNOPS), AMB implemented a project aimed at providing high-quality solar home systems (SHS) for the poor households in rural, remote and peri-urban areas that lack access to electricity. Target groups include those households that do not have an SHS, those households that rely on traditional means for illumination such as gasoline, among others, which are harmful to health and the environment, or those households that have small SHS sets that are not enough to meet their needs in target areas and districts. To complete Phases IV and V, an agreement was made for the distribution of 100,000 SHS sets in all governorates of Yemen from 2023 through 2025. All those joint efforts focus on supporting the achievement of SDG 7 (Affordable and clean energy).

Support to Youth
Entrepreneurship and
Financial Inclusion (SYEFI)











In extension to the success made in Phase I of the project, AMB and funding partners signed an agreement of Phase II of the project for another three years 2024 through 2025 at a total amount of € 8,959,000 for a total of 17,918 beneficiaries, which would contribute to the creation of 54,880 job opportunities. Phase II was funded by the European Union (EU), Silatech, and AGFUND for the provision of cash and training grants to youth with SME businesses that have been totally or partially damaged by the war to help them reinstate their businesses and revive income sources for themselves and their families. The project in this Phase is projected to support poverty alleviation efforts as part of support to improving livelihoods and creating lucrative job opportunities for youth and women.





#### **Bardees**

#### Her ambition is greater than her challenges

Bardees is a passionate young woman. The 35-year-old woman was born in a socially conservative environment, overwhelmed by poverty and limited opportunities. She has faced several obstacles since an early age. With her persisting determination for success, she overcame these barriers and insisted on not letting circumstantial restrictions shape her future.

Bardees is a beneficiary of the Economic Empowerment Component in the UNICEF-funded Integrated Model of Social and Economic Assistance and Empowerment (IMSEA), which was carried out by Reyadah, for beneficiary capacity building. The IMSEA capacity-building program comprises life skills, financial literacy, and entrepreneurship.

Through IMSEA, Bardees could have changed herself. She could have explored her skills and developed them. She could identify the capacity she has. Consequently, she employed her skills and capacity to select the best 'My-Future-Project' idea for her SME to provide for herself and her family.

The intervention was an incentive for her transformation. She was strongly passionate about change and learning. Stemming from her belief in her capacity to empower her own community, she initiated her small business from scratch with simple stuff and resources. She said: "A journey of a thousand miles begins with a single step".

Bardees had previously felt that she was leading an aimless and meaningless life. Now, she feels being an esteemed woman with high self-confidence. Her dream came true after she had earned numerous skills, which enabled her to initiate her small business, even with minimum resources, and to manage and develop her business correctly to make a better future for herself and her family...to lead a decent life.



Broader Financial Inclusion .. Comprehensive and Sustainable Growth

Al-Amal Foundation for Training & Entrepreneurship (Reyadah)



Non-financial services
contribute to supporting AMB's
efforts toward economic
empowerment and financial
inclusion with a tangible impact
on our customers.

As a part of its community contributions and improving requirements of loans given to customers, AMB provides, through Reyadah, non-financial business development services to small and medium enterprises and entrepreneurs with a responsible and informed emphasis on non-financial impacts to achieve sustainable development. Reyadah preemptively works on eliminating barriers that may prevent the success of the SME business of new entrepreneurs. It therefore builds their capacity and enables them to conduct market research and feasibility studies, promote products, and manage their financial operations, thereby overcoming whatever may hinder the success of SME businesses. In doing so, it formulates another face of loaning, which reflects the expansion of AMB's role in the creation of added value to the financial services rendered to them.

Reyadah has gone beyond training and capacity building to absorbing the enterprises of male and female entrepreneurs into a business incubator called "Al-Amal Hub", which is equipped with integrated services and multiple choices that serve entrepreneurial businesses. It included training, financial, marketing, and legal counseling, and guidance. Indicators of 2023 were as follows:







#### Mohammed Hassan...

The educational e-platform saved his business.

Mohammed Hassan is an ambitious young man, who endured consecutive economic crises in the country. His grocery was impacted as a result. However, he did not resign but rather continued operating his grocery which turned out to be his single income source. He observed that his poor skills in the management of expenditure and income were a problem that prevented the development of his business, in addition to the poor customer turnout to his grocery. When he received a text message on his cellphone from a friend, that was a window of hope he was waiting for. The text message's content was merely a link to register in Al-Amal Learn platform. Mohammed did not waste time. He rushed to register on the platform and attended many training sessions in financial inclusion, debt management, and saving basics, which increased his knowledge about the methods of SME management and the control of cash flow to his grocery. Having successfully passed the e-platform training, Mohammed obtained e-finance as an additional income source, which contributed to boosting his income due to increasing customer turnout to his grocery. Following the financial stability and higher income attained him, Mohammed thought with a much more open mind of an ambitious entrepreneur, and he, therefore, grew tomatoes on a piece of land he had. Previously, poverty was an impediment to him cultivating the land and growing crops. Mohammed still aspires to make his dreams come true, having turned to enjoy financial literacy and stability, which enabled him to relentlessly proceed with making his dreams come true.

# A LAMAL LEARN

It is an educational web platform specialized in financial literacy and entrepreneurship. It provides a broad range of visual training and educational sessions in areas and topics related to the handling of funds, debt management, and banking services, in addition to life skills and entrepreneurship. Through this web platform, a subscriber can access e-finance and other banking services provided by AMB to start up an SME business or expand an existing one.

Al-Amal Learn



# Al-Amal Learn aims to

Increase access to financial services on cell phones.

Build the capacity of youth & empower them in entrepreneurship and SME management.

Promote the self-learning concept.

Develop life and personal skills of youth and SME entrepreneurs.

Strengthen youths' capacity in the creation of job opportunities.

Improve financial planning capacity.

Raise awareness about loans and banking services provided by AMB.

#### **Al-Amal Platform Content**

- Financial inclusion
- Banking services
- Life skills
- Entrepreneurship
- Counselling and guidance (finance, marketing, law, strategy, vision study, and work plans)



AMB has since its inception dedicated all its strategic plans to the execution of its social mission, stemming from its belief in the necessity of maintaining a balance between economic and social performance. It devoted its resources to the provision of complementary social financial and non-financial services with the aim of giving the chance to the most vulnerable and most marginalized groups in the community to take part in development by means of empowering them economically and socially in a way that meets their needs. The objective of this approach is to help members of these groups secure a decent living for themselves and their dependents, based on its faith that inclusive development starts with the establishment of social equity and equal opportunity.

### Focus on Women



AMB believes that Yemeni women are an example that deserves the exertion of maximum possible efforts towards their empowerment and support. In this context, AMB has since inception directed its vision and mission towards adopting a number of development interventions for economically active women, either in rural areas or in urban areas. AMB found that poverty was a preventing factor for women to achieve their expectations. Through the various interventions, AMB made out of women a financially autonomous entity that, in one way or another, contributes to improving the standard of living for themselves and their families as well. Below are indicators related to women-targeted interventions during 2023:



# **02** Focus on Youth



AMB bears in mind that youth are transformation leaders, reconstruction partners, and a key development instrument for the wellbeing and development of nations. In this regard, and deriving from its social responsibility, AMB has borne responsibility for empowering youth socially and economically. Therefore, it dedicated its strategic plans to their support and encouragement utilizing providing loans to their SME businesses, training them, and providing them with guidance in joint and fruitful cooperation with donors, whose programs and activities intersect with AMB's mission and goals. All maximum possible efforts have been exerted for directing their energy, bracing their passion, engaging in realizing their ambition, and changing them into entrepreneurs, who contribute, in one way or another, to supporting Yemen's efforts for the attainment of sustainable development. Below are indicators related to youth-targeted interventions during 2023:



# **03** Refugees and Internally Displaced People (IDPs)



The war in Yemen has impacted the most vulnerable groups in society, specifically refugees and IDPs, whose suffering has been exacerbated. The total number of IDPs exceeded 4.5 M, according to 2022 estimates by the United Nations Population Fund (UNFPA). In response to their dire situation, AMB made a quantum leap to mitigate the war impact on these groups as part of its social responsibility utilizing distributing donor-funded cash assistance to them. AMB was involved in the effort as a financial party trusted by international donor organizations for the distribution of entitlements to these vulnerable groups. AMB makes these efforts under projection and livelihoods support programs, capitalizing on its large-scale outreach across all districts and villages via branch offices, agents, and outreach payment teams.



# **04** Targeting of Rural Areas



The outreach of financial services to rural areas is considered to be a big challenge, particularly amid obstacles that prevent rural populations from accessing minimum financial services. These obstacles, which include poor infrastructure, a scattered population pattern, and poor financial awareness, drive up the degree of risk and the operating cost to an extent impacting the financial feasibility associated with financial service provision in rural areas.

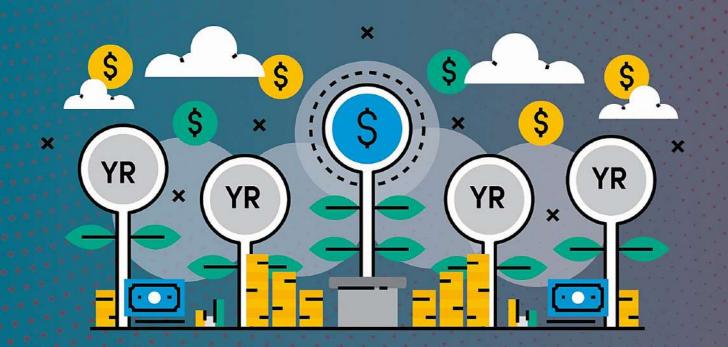
However, AMB's social mission makes it inevitable for AMB to be keen on providing financial services to poor areas, while creating mechanisms for addressing challenges associated with the high operating cost employing increasing outreach, and applying cellphone-enabled technology for the provision of timely and safe services to rural areas. Below are indicators related to rural interventions during 2023:







# Financial Capacity



# Financial Performance

2023

AMB has kept its mission on amid external challenges and threats, which had significantly impacted its activity during 2023. The Key challenges included a law preventing usurious transactions, increased competition for payment and transfer activities, and a decline in donors' funding because of the current situations in the region. Consequently, 2023 was a challenging year for the Bank to maintain the same level of financial performance. Hence, AMB focused on digitized payments and internal and external transfers, which have experienced remarkable growth in 2023. In the meantime, it has worked towards strengthening institutional and technical capacity and internal developing business mechanisms amid AMB's move to apply a new banking system, of which development was completed in 2023. These efforts were entirely reflected in the attainment of an operational self-sufficiency ratio of 407%, besides remarkable growth in financial safety indicators, as follows:

#### • Robust and Sound Financial Position

During 2023, AMB has continued to enhance the robustness and soundness of its financial position, which totaled YER 72 B by the end of the year. In addition, the balanced leverage ratios maintained by AMB contributed to increasing its assets to an extent that strengthened AMB's capacity to encounter encompassing risk associated with drastically changing currency exchange rates or the law preventing usurious transactions. This would not have been accomplished without balanced financial performance, which is attributed to the conservation of assets with return adaptable to the status quo and capacity to deal with increasing pressure on the banking sector. All these measures helped AMB to adapt to emergency and unforeseeable circumstances.



Funding Structure	
External funding	Self-funding
<b>37</b> %	63%

### **02** Sustainability

Operational and financial sustainability is the key AMB's priority. Therefore, AMB makes every possible effort to provide diverse banking services and innovative financial services reliant on digitization, which play a role in making sustainable returns, in addition to managing and controlling financial and operational expenses. This enabled AMB to maintain distinctive financial and operational performance during 2023, which is clear through profitability and sustainability indicators attained by AMB over the past year.



#### **03** Capital Adequacy Ratio

AMB has raised its capital adequacy ratio (CAR) to 126% by the end of 2023, making it nearly 10 times higher than the minimum limit (12%) set by CBY for microfinance banks. This shows how able AMB is to encounter potential risks to its business in an effective way, as well as deal with unforeseeable challenges and misfortunes associated with the current crisis, which has deeply impacted the banking sector. This gives an indication of assurance for those who deal with it, including the general public audience, shareholders, investors, depositors, and regulatory authorities, that AMB has a robust capital base and high financial capacity. Furthermore, these strengths enable the Bank to continue with and expand service delivery to customers despite challenges.



2023

182% Leverage Ratio

Coan-to-Cost Ratio

Financial Soundness Indicators

153% Liquidity Ratio

% Risk Coverage Ratio

Loan Write-Off Ratio

# Increased Relationships with External Banks and Currency Exchange Companies

During the past year, AMB has been able to increase its local and international partnerships, thanks to the ongoing efforts made by AMB's management towards expanding international relationships and opening new channels, which enable AMB to further expand the scope of its service delivery. These efforts culminated with the opening of two bank accounts with Jordanian banks: Capital Bank - Jordan, which has a wider outreach in the Arab World, and Bank of Jordan. AMB also finalized the signing of an agreement and opened an account with Bank of Beirut - London, to secure external outlets for banking cooperation in Europe. In addition, it initiated dialogue with another group of Saudi banks, with which AMB's management is still in contact to finalize procedures for the opening of accounts. Moreover, it launched a business relationship with Alawneh Exchange Co., which holds more than 80% of the money transfer market in the Hashemite Kingdom of Jordan. It started actual transactions of external transfers via this company in a way that met AMB's customers' expectations to a great extent.



# Governance and Institutional Development

AMB, represented by its Board of Directors and Executive Management, applies an integrated governance framework, of which objectives are aligned with institutional governance in the banking sector. The framework involves a range of defense lines, which in turn, constitute a legitimate and legal cover, and a security fence against different types of risk. AMB's control environment enjoys autonomy, which authorizes it to apply parameters of transparency, disclosure, and justice, stemming from AMB's belief in the significant and central role good governance plays towards strengthening AMB's strategic transformations and creating an institutional culture that incentivizes all involved parties to perform the tasks assigned to them efficiently and competently. This progress is considered to be an important step towards institutional building, improving performance, and achieving AMB's objectives, along with conserving the interests of all parties involved.



#### **Human Resources**

AMB strongly believes that human capital efficiency is a nucleus for success, a baseline for advancement, and a maker of achievements. As a result, AMB has, as clearly seen today, maintained an outstanding presence in the banking sector. This is the yield of AMB's compliance with institutional governance policy built on justice, transparency, accountability, and responsibility, as well as its commitment to the application of the highest criteria of professional performance. This exercise has been made out of AMB a long-standing banking entity its staff feels proud of affiliating with. Key AMB activities in human resources development for 2023 included the following:

- O1 Improving the internal recruitment process by advancing the criteria of candidate selection for job vacancies or new job openings. To this end, it verifies that [eligible] candidates have promising capacity and skills, and accurately defines job responsibilities in line with the capacity of each individual employee to upgrade the overall performance of AMB.
- **Q2** Applying equal opportunity, aside from personal considerations and/or conflict of interest, and creating opportunities for promotion in AMB, while giving full and fair consideration to gender. Consequently, women accounted for 22% of the total new employees this year.
- 03 Attracting the best banking and managerial staff from skilled, experienced, and efficient people to keep up with the outreach and expansion plan for the network of branches.
- O4 Automating staff services by launching a cellphone-enabled app for requests to take a leave carry over a leave balance, or assume an assignment online, and a recruitment system for easier screening of options. In this regard, AMB also developed travel allowance, overtime, and hiring/contracting software.



New employees



Staff with banking experience and efficiency attracted to AMB



Total number of staff by December 2023.

# **Staff Training and Capacity Building**

AMB seeks to build a qualified team capable of meeting current and future requirements of the Bank. Therefore, it has provided during 2023 a package of training programs for building staff capacity, earning them new skills, and providing them with new updates in the banking business in a way contributing towards efficiency and effectiveness of performance. Nearly 89% of AMB's staff were enrolled in 127 training programs [a total of 8,204 training hours]. In the meantime, AMB's management ensures that training programs are commensurate with AMB's trends and in line with internal and external developments, and best banking practices.

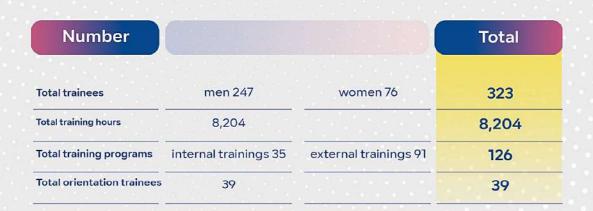


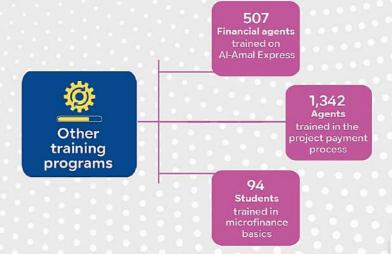
Banking and Finance







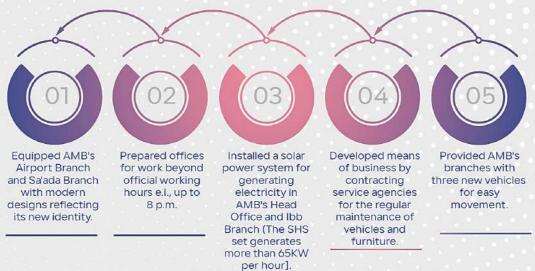




# Outreach and Infrastructure

During 2023, AMB has conducted a number of improvements, updates, and expansions in AMB's infrastructure, and increased its outreach. These actions are part of an effort to finalize AMB's strategy and expansion plans aimed at maximizing geographic outreach and expansion across all governorates of Yemen to keep up with the increase in its customer base and translate AMB's efforts into fruitful action promoting financial inclusion.



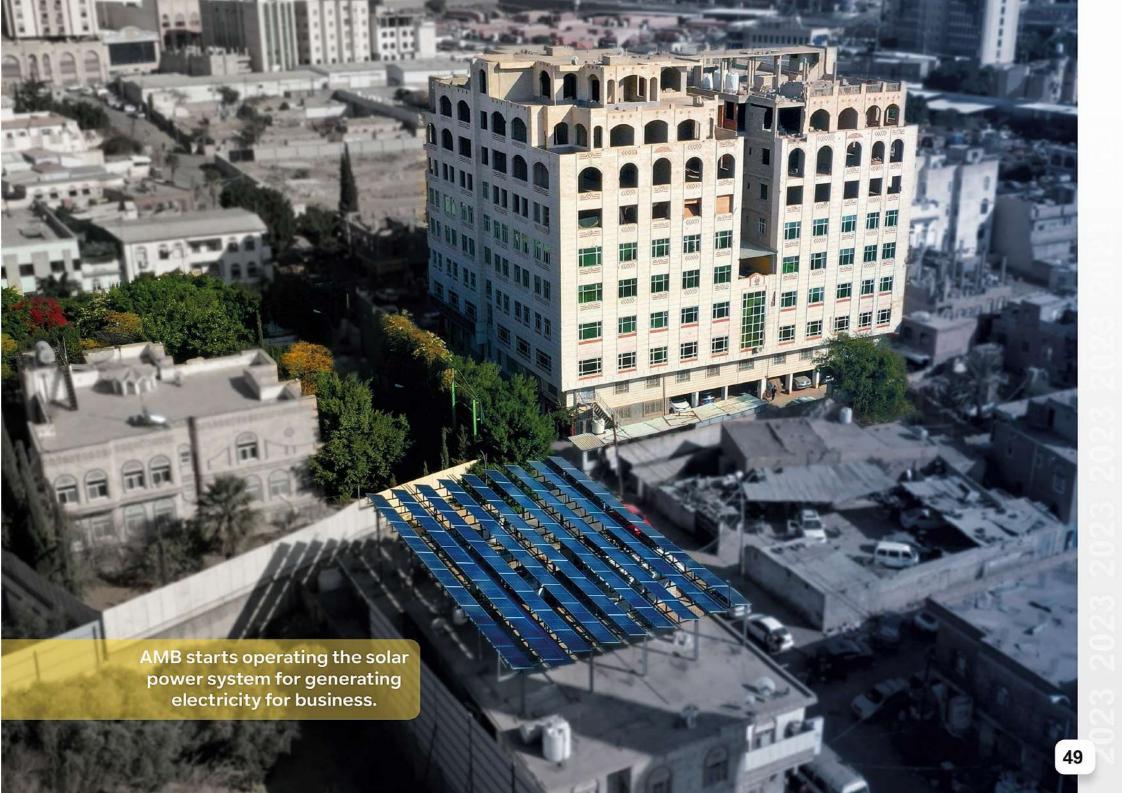


#### A new office for Hajjah Branch

Under the auspices of Hajjah Governor Mr. Mohammed Al-Qadhi, AMB opened a new office for its branch in Hajjah. The event was attended by the Managing Director of Social Fund for Development Mr. Hameed Al-Namis, Head of the Office of the Ministry of Social Affairs and Labor (MOSAL) Dr. Haitham Al-Jabri, Executive Director of Social Welfare Fund Mr. Mohammed Hadi



Al-Qanari and AMB's CEO Mr. Mohammed Saleh Al-Lai, as well as Mr. Belal Gholis, AMB's Banking Service Manager, and Mr. Anwar Al-Hajouri, Manager of AMB Branch in Hajjah. The new office's inaugural event coincided with the launch of Cycle 15 payments of the Unconditional Cash Transfers Project (UCTP).



# Customer Relationship Management (CRM) equipped in line with the best international standards

Keen to provide services tailored to customers' needs according to responsible financing principles and requirements of local and international entities to create a CRM so that customers can make complaints and suggestions, which are essential for service development, AMB launched in 2023 an updated CRM in line with international standards. Highly appreciated by many local and international entities/organizations, the recently updated CRM section represents an added value to AMB. In addition, it enables the Bank to better communicate with customers. The Key CRM updates include the following:







- Installation of Switch Vox, which is an integrated global Canadian call system for managing incoming and outgoing calls with up-to-date technology and international standards in relation to call centers (Interactive Voice Response /IVR). It is easy for the IVR system to expand, keep up with software technology, and connect with other AMB systems.
- Installation of a CRM system for managing customer and beneficiary interactions, and handling and addressing complaints and questions.
- > Connection of Switch Vox to the CRM to track down all incoming and outgoing calls with customers via multiple channels in one place.
- > Application of chatbot on WhatsApp, Facebook, and other apps, and real-time interaction with an unlimited number of users.
- > Development of a real-time dashboard that displays Call Center standards and manages calls in line with global standards related to Call Center management and staff performance details.
- Development of a real-time dashboard to visualize Call Center performance metrics and manage calls in accordance with global Call Center management standards and employee performance benchmarks.
- Development of CRM staff performance evaluation system, which allows for assessing the quality of incoming and outgoing calls, and how compliant staff are with performance evaluation criteria, as well as evaluating staff against these criteria.
- > Endorsement and probe for configuring primary services and secondary services, preparing topics intended for endorsement and probe, user account management, and reporting.

### **Legitimate Control**

AMB has since its inception been keen on providing the best banking services and products, according to Islamic Sharia Law Provisions. To this end, Legitimate Control plays a central role in ensuring the development of loan products that meet customers' needs in a way compliant with Islamic Sharia Law. During 2023, the Legitimate Control has sought to deal with encompassing developments utilizing strengthening compliance with the Law preventing usurious transactions, which was passed in March 2023, and it, therefore, evaluated AMB's products and engaged with relevant departments to verify the legitimacy of their products, in addition to the preparation of new products. All those rapid responses to changes are parts of AMB's meticulousness to assure the general public audience dealing with the Bank about the lawfulness of practice from an Islamic Sharia perspective.

#### Legitimate Control's Achievements during 2023

Legitimate review of products launched in 2023

01

Preparation of new products for launch in 2024.

02

Training AMB's staff and raising awareness about financial products compliant with Islamic Sharia Law.

03

Completion of a thorough review of current products to ensure compliance with Islamic Sharia Law principles and the law preventing usurious transactions.

Dissemination of many awareness messages and general guidelines to promote socially responsible investments that are compliant with Islamic financing principles

# 05

#### **Internal Audit**

The Internal Audit Department plays an important and central role in supporting and strengthening AMB's governance. This department has throughout 2023 been keen on monitoring the enforcement of policies and procedures on all tasks and operations across branches and different staff levels without exception. Also, its responsibility included monitoring efforts to absorb and address auditing comments, ensuring they are executed and taken into consideration. The Key achievements of the Internal Audit Department for 2023 included the following:

#### **Internal Audit Section**

- Conducted reviews in 17 AMB's branches as per the section's risk-based plan.
- Conducted reviews for 25 projects of various AMB departments and sections as per the section's risk-based plan.

#### **Monitoring Section**

- Developed departmental and branch monitoring reports for completion of agreed-upon remedies (in 24 reports), as per the Monitoring Section's plan.
- Reviewed AMB's compliance with laws and legislation, and CBY's instructions.
- Monitored results of internal controller's work in branches on a monthly basis (12 reports)
- Maintained ongoing control of 53 operations in AMB's departments and sections in different banking, financial, electronic, and loan areas, ...etc.
- Assessed AMB's governance for 2023.
- Conducted self-evaluation of the Internal Audit Department.

#### Audit Team Capacity Building

- 78 online training sessions for more than 137 training hours.
- 28 internal training sessions for more than 222 training hours.

### **Risk Management**



AMB had its plan focused on formulating effective strategies for risk management from a strategic perspective and an operational perspective, stemming from its meticulousness to operate safely and responsibly with the aim of protecting AMB from different risks and enabling AMB to keep risk to a minimum despite changing economic, security and market circumstances. In this regard, it takes into consideration risk-encompassing loans highly efficiently and meticulously, which was conducive to maintaining the trust of involved parties in AMB's capacity to manage risk effectively.

Key achievements of the Risk Department for

2023



- Developed Liquidity Risk Management Manual.
- ➤ Updated the Risk Matrix.
- ➤ Developed Risk Department's strategic mechanism related to AMB's Strategic Plan 2023 2025.
- Updated business continuity and crisis management plan.
- Added the assessment of environmental and social risk to the list of AMB's Risk Department's responsibilities.
- Updated the levels of credit and market risk aptitude and their indicators.



### Compliance

- Conducted necessary amendments to internal policies and procedures in relation to local and international legislative /legal references.
- Issued a set of procedures and instructions in relation to money laundering and due diligence process.
- ➤ Updated operational manuals and forms in relation to the due diligence process, and updated customers' data.
- Monitored developments on local and global blacklists.
- Trained AMB staff in Anti-Money Laundering and Competing Financing Terrorist.

Thanks to the Risk
Department's strategies, trust
and stability are enhanced,
sustainable growth is attained,
and financial services are
rendered confidently and safely.



### The file of the Issue

# AMB's Risk Management and Compliance

AMB Risk Department has a special nature of work due to the nature of AMB's business, which operates within a banking sector regulated by local and international policies and legislation. However, it provides services directed towards the poor given that it is a microfinance institution with different risks than those of other banking institutions. Therefore, this compilation requires ongoing follow-up and monitoring of a complicated grid of risks, either related to the banking business or operational risks associated with the nature of services provided in the microfinance sector. It also requires ongoing attention to compliance with all banking laws and the pursuit of the best international practices in the microfinance sector.

# Risk Compliance Credit Risk 01 Operational Risk 02 Laws and legislation 01 Liquidity Risk 03 External Risk 04 Anti-money laundering 02

# 01 Risk Department

AMB pays special attention to risk management at all levels of operations. The risk Department is an integral part of AMB's business and decision-making within the bank. The department assesses, controls, monitors, and manages risks, and then files a report thereon to the senior management.

#### Risk Identification, Monitoring, and Control

Risk identification at AMB is a fundamental aspect of executing operations and activities by all its employees under the supervision of the Risk Management Department. Risks are identified through a range of quantitative and qualitative measurement and evaluation tools, integrated with various internal control departments within the bank. These risks are then translated into a measurable and monitorable risk matrix to control and monitor them. Regular reporting to senior management is also conducted to raise awareness of high-risk areas. Additionally, periodic assessments of the effectiveness of control measures are carried out to enhance risk control capabilities. The Risk Management Department continuously endeavors to strengthen AMB's risk management framework through the following:

Improving measuring and evaluation tools according to the best practices.

Carrying out self-assessment of risk on a period basis.

Updating the risk matrix by adding new risks and defining risk levels based on evaluation results to ensure the mapping of all risks that face AMB's activity, which is likely to reduce its capacity for attaining its objectives.

Activating and updating the risk aptitude levels in a way commensurate with business-related changes.

Determining the credit risk early warning indicators.

Developing the liquidity and credit risk management policy.

Defining AMB's risk reporting framework.

AMB operates according
to a robust system and
structure for risk
management, and a
framework maintaining a
balance between risks and
returns, and achieving
social objectives...

to ensure the verification of the effectiveness of measures taken to mitigate and control risk. This framework comprises a comprehensive package of policies, criteria, procedures, and operations designed for identifying, measuring, monitoring, and reducing risks, and then declaring them in a consistent and effective manner to ensure that appropriate decisions are made at the right time.

#### Liquidity Risk

AMB has since its inception operated amid changing economic conditions. The banking sector has so far experienced numerous changes as a result of political events Yemen has gone through since 2011, which created high risks to liquidity management amid the changing financial market. Therefore, AMB believes that prudent management of liquidity is essential to ensure business continuity and provide services to customers, including loans to SMEs while maintaining sustainability and profitability. To this end, AMB works towards:

Gauging liquidity risk according to Basle III Requirements: Liquidity Coverage Ratio (LCR) / Net Stable Funding Ratio (NSFR, according to the risk aptitude levels aligned with CBY's and Basle's requirements.

Monitoring minimum liquidity that must be secured in AMB's branches to cover the customers' needs and secure necessary liquidity for operations.

Monitoring AMB's Forex Position to maintain a balanced exchange position as per CBY's requirements and AMB's risk aptitude levels.

Analyzing the sources and uses of funds to maintain a bilateral balance in terms of the maturity period and concentrations to maintain a balanced financial performance and avoid financial risks.

AMB's Treasury and Investment Department is primarily responsible for managing liquidity in accordance with the policies approved by the Board of Directors. Also, the Treasury and Investment Department manages day-to-day liquidity as per the activity needs and strengthens liquidity risk control to ensure that AMB's resources are sufficient in terms of quality and diversity to an extent absorbing planned and unplanned increases in funding requirements smoothly with no negative material impact on the Bank.

#### Credit Risk

AMB manages credit risk through a framework made up of forms/templates, policies, procedures, and risk aptitude levels, which serve as guidelines for credit risk management. In this regard, AMB puts emphasis on the total separation of tasks between managing credit relationships with customers on the front line and the function of analyzing and reviewing

credit risk through a number of stages, the credit process goes through (Credit request, credit risk case study, scrutiny onsite visit, making decision on credit request, credit transaction implementation, periodic visits and control on the quality of credit) to ensure proper assessment, analysis, approvals, credit management and documentation, guarantee management, and credit concentrations across various customer groups and geo-economic sectors through the following:

Measuring the degree of credit risks to the extent of reaching a quantifiably and qualitatively-gauged degree to determine the risk of credit risks AMB is exposed to.

Having the credit transaction/process reviewed by different committees according to the levels of authority delegated to the committees.

Determining risk aptitude levels for different indicators of credit portfolio, having them approved by the senior management, and making sure they are within tolerable limits.

Defining the credit risk early warning indicators.

Monitoring the credit concentration risk periodically.

Updating credit study, onsite visit, and period control forms/templates.

Developing necessary reports to enable the senior management to make decisions in relation to credit portfolio.

#### **Operational Risk**

AMB strengthens the operational risk framework regularly by means of supporting infrastructure for business continuity and post-crisis business continuity positions. AMB also continues to improve the quality of data and develop reports on the key risk indicators to keep operational risk to a minimum utilizing the following:

Conducting risk self-assessment periodically to absorb operational risk and assess controls to ensure efficient risk control Apply the most appropriate regulatory frameworks and comply with regulatory authority instructions that are in agreement with AMB's strategy in a way that raises awareness about operational risk management.

Maintaining transparency through the application of clear rules and responsibilities as per the authority matrix approved.

Ensuring the ongoing control and review of operational risk framework.

Verifying the effectiveness of the business continuity plan to deal with any risk that may impact AMB's business continuity.

Analyzing the operational episodes in terms of the potential impact on AMB, customers, regulatory authorities, reputation, and legal aspects, according to international standards requirements, to guarantee efficiency and accuracy of information gathering for an in-depth and thorough presentation of risks.

Verifying the effectiveness of protection and security measures related to information technology within AMB.

Assessing the level of response to cybersecurity episodes periodically to ensure the effectiveness of the measure.

Assessing the security level in IT services by means of checking security gaps and IT tests.

Overseeing the compliance with regulatory guidelines and laws issued in this regard, and making sure that cybersecurity controls are applied.

Updating the business continuity plan so that it covers all potential risks encompassing AMB's activity.



#### **Environmental and Social Risks**

In 2023, AMB Risk Department's framework has been updated to cater to the environmental and social risks by taking into account environmental and social considerations/factors when making decisions related to financing and internal operations in order to achieve AMB's objectives and apply the concept of responsible and sustainable financing in accordance with the international customer protection standards through the following:

Adding the assessment of environmental and social risk to credit study and credit granting forms/templates.

Adding environmental risks to AMB's risk matrix.

Reviewing all business-related forms/templates in AMB to cover environmental and social aspects.

# 02 Compliance

#### **Complying with Laws and Legislation**

AMB's compliance function plays a primary role towards guaranteeing compliance with all its policies, manuals, and procedures, as well as with instructions issued by the local and international regulatory entities, global codes of professional conduct, and all that is related to anti-money laundering and combatting financing terrorism, in addition to ensuring that they are observed by all AMB's staff across different employment levels.

The compliance function assumes a number of general tasks and responsibilities that aim to promote the spirit culture of compliance and good behavior, which represents a key priority for AMB's management. In particular, compliance involves the following functions:



Being a financial banking institution,

AMB has effective control

mechanisms for overseeing the Bank's

compliance with local and
international laws and regulations,
which conserves AMB's reputation
and defends it against any sanctions.
In addition, it pursues the best
regional and international
microfinance practices, which
contribute to protecting customers
and maximizing benefits from
AMB-provided financial services.

# A Robust Anti-Money-Laundering and Combatting Financing Terrorism (AML & CFT) Framework

AMB keeps working towards updating procedures for fighting money laundering and terrorist financing, and financial fraud and crimes by adopting an integrated compliance and risk-based framework. In the meantime, it supports this framework with updated manuals and policies developed in line with the best international practices.

The risk-based approach is a key source AMB relies on to identify and eliminate potential risks. Consequently, AMB's staff apply EDD for KYC verification, as a mandatory action on all high-risk accounts.

#### **Know Your Customer (KYC)**

AMB follows advanced mechanisms for verifying customer identity (KYC) according to regulatory guidelines on anti-money laundering and anti-terrorist financing, which are applied locally and internationally, irrespective of the amount of money involved in a transaction.

It is also committed to applying strict measures in relation to KYC policy and KYC confirmation at all levels. These forms/templates are updated periodically.

#### **Customer Due Diligence (CDD)**

As part of CDD, AMB verifies all details related to customers to ensure that transactions are made in line with customers' personal profiles and commercial activities. AMB's main focus always revolves around ensuring the legitimacy of the sources of funding and verifying the purpose of a financial transaction.

#### **Enhanced Due Diligence (EDD)**

EDD is considered to be part of the additional measures to know more about customers and sources of funding and ensure that transactions made by customers are within the limits of their resource capacity. In addition, AMB verifies the legitimacy of the funds and that they are connected with any criminal or suspicious acts, by means of obtaining further original copies of the customer-related documents, which must support the publicized and main goal.

#### **Ongoing Training and Capacity Building**

AMB strongly believes in the importance of empowering staff at all employment levels to do their jobs in line with the risk-assessment principle through periodic training on anti-money laundering and anti-terrorist financing procedures. New employees are also trained on anti-money laundering and anti-terrorist financing procedures within the first 30 days from the date of joining the Bank. Monitored on an annual basis, this training includes all staff who are in direct contact with customers or who are authorized to execute cash and non-cash transfer transactions.



#### Law No. 1 of 2010 concerning Anti-Money Laundering and Combating Financing Terrorism (AML & CFT) and its amendments

In accordance with Law No. 1 of 2010 concerning AML & CFT and its amendments, AMB's Board of Directors approved 'The Compliance Function Manual', 'Anti-Money Laundering and Combating Financing Terrorism (AML & CFT) Manual' and 'Anti-Fraud Manual'. The primary goal of the compliance framework is to strengthen the system of internal controls for the fight against financial crimes and prevent their spread. Put into practice in AMB's Head Office and branches, this framework includes and is not limited to the following:

- ➤ Preventing the involvement in correspondence or relationship with unreal banks or with their correspondent banks.
- Prohibiting the opening of bank accounts for unidentified or anonymous persons or entities.
- Maintaining compliance with KYC.
- Identifying and assessing potential risks of AML & CFT crimes across all AMB's services and products.
- Maintaining compliance with the local and international laws and regulations in relation to AML & CFT.
- Maintaining compliance with KYC rules and CDD process, and identifying the real beneficiaries of accounts.
- Identifying and assessing the potential risk of high-risk customers (Politically exposed persons /PEPs).
- Keeping records and documents related to the opening of customers' accounts and banking transactions for the legally determined period.
- ➤ Establishing plans for periodic training of AMB's staff in AML & CFT, in coordination with the Human Resources Department.
- ➤ Notifying the CBY's Information Gathering Unit (IGU) about any unusual /suspicious transactions in accordance with the relevant laws.
- > Establishing internal controls and updating them regularly.
- Conducting continuous office and field assessments of compliance functions across AMB's branches and departments.

Key certifications obtained by AMB in anti-money laundering and Combating Financing Terrorism

(AML & CFT):

Anti-Money Laundering and Combating the Financing of Terrorism

Frankfurt School Finance and Management (Bank Akademie /HFB)





Certified Anti-Money Laundering Specialist (ACAMS)

The Association of Certified Anti-Money Laundering Specialists

#### Compliance with the best international practices in microfinance

AMB makes continuous efforts towards guaranteeing responsible and sustainable financing, in accordance with relevant international practices, by means of:

#### Establishing adequate controls to avoid over-indebtedness:

AMB has been committed to taking practical steps to ensure that credit is given only to borrowers with sufficient repayment capacity and determining the loan amount that is commensurate with the customers' income and outstanding obligations to ensure that a customer is not subjected to over-indebtedness. In addition, AMB made proposals for empowering limited income groups to access noncredit financial products that are commensurate with customers' needs such as savings and investment funds, among other financial services by means of:

- Providing training to customers before they get a loan with the aim of educating them financially and building their capacity in SME management and feasibility studies.
- Relying on accurate borrower case study forms (Contribution Acceptance Process /CAP Model), which involves studying the customer's capacity and interest in repayment. This model examines the financial and operational indicators of the customer, including through onsite visits and financial data assessment.
- Verifying and inquiring about customers' indebtedness through the microfinance customer credit inquiry system (Social Fund for Development-SFD), as well as the banking customer credit inquiry system (Central Bank of Yemen-CBY).
- Strengthening the role of regulatory entities for detecting policy-violating cases to conduct surprise and random checks, and visits to branches.
- Allowing customers an optimal repay period in a way commensurate with the nature of cash flows to activities without prejudice to the potential of SME continuity.
- Pursuing the Ascend Finance policy with customers to enable them to secure sustainable income sources without indebtedness that normally ends up with a business loss.
- Ensuring that customers get SME requirements in the form of commodities (operating capital, or fixed assets), i.e. in-kind rather than in cash to guarantee that an SME business funds are not spent on consumables that do not add value to the business.
- Reducing consumable loans to a minimum.

### Building a sustainability model through interconnection between financial and non-financial services:

The SME sector is one of the most vulnerable economic sectors that are simply impacted by any economic or security instabilities. Additionally, its entrepreneurs more often face business loss risks or difficulty in managing a business due to inefficacy of management capacity, which is required for SME's continuity, particularly in rural areas that face a lack of training, capacity building, and literacy, or any essential counseling related to SME businesses or public life. Also, youth lack guidance when planning to establish a lucrative SME business due to poor knowledge about the basics of feasibility study, market research methodology, and SME inception planning.

AMB has so far spared no effort towards addressing this challenge by providing non-financial services, which help entrepreneurs sustain and manage their SME businesses efficiently, as well as have access to training, capacity building, financial literacy, and necessary counseling. These opportunities are provided by Al-Amal Foundation for Training and Entrepreneurship (Reyadah), which AMB established in partnership with AGFUND and Arabian Bugshan Group, as the first non-profit organization specializing in entrepreneurship and business development services (BDS). Reyadah provides services in three thematic areas:

#### Capacity Building

Specialized vocational and management training.

#### SME and Entrepreneurship

Training and counseling for SME entrepreneurs.

#### **Business** Incubator

An integrated support center involving SME business development services, counseling and networking, and easing access to financing and market.

#### Support to War Affected SME Businesses

Due to harm inflected on a large portion of SME businesses because of the war in Yemen, which, according to the most recent international statistical data, caused partial damage to nearly 74% of the overall SME businesses in the county, and nearly 25% of the overall SME businesses were shut down. By the end of 2015, SME businesses lost nearly 75% of their customers. Also, 70% of the small enterprises and 38% of the micro-enterprises laid off nearly half of their workforce. AMB's interventions in this area included empowering SME entrepreneurs to restore their businesses by means of:

- ► Entering into partnership with donors for an intervention of recovery to impacted AMB's customers, who lost an SME business or faced a drop in return from business during the war in Yemen.
- Securing sources of support in the form of nonrefundable grants enables SME entrepreneurs to restore a business.
- Securing sources of subsidy for SME entrepreneurs to repay default loans to ensure they are not burdened with additional debts that restrict their capacity to restore and sustain a business.
- ➤ Encourage youth into SME enterprising through training and financial grants.
- > Bringing the above-said entrepreneurs back to the financial sector through access to saving and loan renewal.

Focus on environmental protection and achievement of SDGs by means of:



- Raising awareness about environment-friendly behavior and compliance with environmental requirements when financial services are provided.
- Applying environmental and social standards to all AMB's activities.
- ➤ Ensuring the finance for environment-friendly business opportunities and supporting green loans.
- Encouraging all AMB's customers, borrowers, and SME entrepreneurs into the adoption of measures that promote the positive impact of environment-friendly enterprises.
- ▶ Encouraging customers to get green loans through the provision of interest-free loans.

#### Ensuring AMB staff's and agents' compliance with good conduct:

AMB's staff and agents are committed to high ethical standards while dealing with customers by means of:

- ➤ Adopting ethical codes according to the best international practices that ensure the dignity and rights of the customer.
- ➤ Training all AMB's staff and agents on ethical codes. Accordingly, 277 staff and 5,334 agents were trained on customer rights protection policy in line with the codes of ethics.
- Strengthening preventive and concurrent control systems to detect and correct any misbehavior or insult towards customers.

#### Enabling customers to make complaints and suggestions for service improvement:

AMB established a customer protection framework via the CRM and Call Center that receives phone calls at the toll-free number 8000006 to enable customers to submit complaints, thereby ensuring immediate response to customers' complaints and resolving their problems through the following:

- Describing the Call Center and its capacity, and the benefit of easy access to the Bank via the center.
- Explaining the complaint uptake mechanism and how complaints are addressed.
- ➤ Creating statistical data related to CRM outcomes.









Within the frame of its strategic plan 2023 – 2025, AMB rolled out its 2023 plan that aimed to digitize more of AMB's products, as a key digital transformation target, which strengthens and prompts AMB's efforts towards supporting financial inclusion in Yemeni society. In this context, AMB is keen on absorbing advanced updates in the banking sector by capitalizing on the new banking system and advanced IT infrastructure, which is conducive to the attainment of further competitive benefits in service delivery methods and upgrading customers' experience to an extent meeting their expectations, on one hand, and on the other, living up to the status of AMB as a leading financial institution.

#### IT Infrastructure Development for 2023

As a part of its strategic trend for developing and maximizing the use of available IT capacity, AMB implemented in 2023 a number of activities related to IT infrastructure updating and development with the aim of creating an efficient operational environment conducive to high-performance levels and attainment of AMB's strategic objectives. In addition, AMB carried out fundamental and important tasks that contribute to fair allocation of workload and authority, ensure quick transmission of data and sharing of information, ease technical assistance, and rapidly responds to any problems that may arise in AMB's Head Office or branches. These updates are positively reflected in the banking service delivery to customers in line with the banking standards, which further strengthen AMB's status in the banking sector. They included:

Developing the mechanism of synchronization, archiving, and data storage for staff laptops through the installation of modern servers and application of AMB institutional memory.

Developing the server backup system and updating its license (Veeam Backup & Replication).

Developing AMB's surveillance framework by procuring additional surveillance cameras for old branches adding backup hard disks for data storage, and equipping the Office of Security and Control with up-to-date technology and real-time [LCD] monitors.

Developing the inter-branch communication grid (IP telephone) for new branches established during the year.

Developing the internet connectivity and data transmission network between the Head Office and branches, increasing data transmission speed, and introducing fiber-optic data transfer technology into many branches.

Installing new sophisticated servers for intranet access and internal emailing of the Bank.

Activating virtualization for preparing the servers and operating the different AMB systems on with HA technology.

Strengthening and developing remote work mechanism /telecommunicating for all AMB's staff, securing access and Mac connection.

Updating data security software according to up-to-date issuances, along with procuring backup equipment to strengthen data protection and ensure continuity of service delivery.

Completing online connection with a large network of currency dealers/exchangers and activating synchronization for all exchangers.

Expanding and transferring AMB's external email hosting through new and increased hosting capacity.

Equipping three new AMB branches and offices with the best network connection technology and up-to-date IT supplies.

Developing and updating the call center, and introducing new technology and new software for service delivery.









AMB is keen on keeping up with up-to-date technology in line with its digitization strategy, which allows for digital delivery of AMB's services and products, thus meeting customers' expectations. The digitization of AMB's services and products is a turning point for financial inclusion, on the one hand, and on the other, promoting digital financial literacy among all community groups without an exception. In addition, AMB automated several internal operations connected to the responsibilities of AMB's staff across different departments. During 2023, the Bank has made the following software updates:

#### Services

- Interconnection with CBY-run Payment and Settlement System (PASS).
- Launch of Al-Amal Express (transfers and E-Money).
- Development of new financing formulas (Musawama (Bargaining), participation and lease-to-ownership).
- Addition of entertainment services to PYes App.
- Development of Micro-LGs software.
- Connection of AMB's transfers with the networks of local transfers and external banks.
- Development of a mechanism for PYes App connection with different external systems.

### **Operations**

- Launching an automated strategic planning system.
- Developing contractual system.
- Developing web reporting for [partner organizations].
- Updating agent transfer synchronization.
- Developing an agent transfer issuing mechanism.
- Developing PYes-enabled services on office software.
- Developing an automated connection with agent/entity software via API.
- Developing a mechanism for database backup operations.

# **New Banking System**

In response to the ongoing and dramatic developments in the financial and banking sector, and in keeping with the future vision of AMB's leadership, AMB launched in 2023 a pilot test of the new banking system, a platform for absorbing updates and related digitation of banking services and products, which would enable AMB's customers to enjoy banking experience that does not exclude any social group or geographic area.

The final launch of the system is scheduled to take place in 2024.



# **Marketing and Partnerships**

Marketing has received significant attention in AMB's strategic plan 2023 – 2025, which stems from AMB's belief in the fundamental role marketing plays towards scaling up AMB's achievements and successes, as well as its role towards raising awareness about sustainable development and restructuring the concept of individuals' and communities' involvement in development. Still, the concept of marketing has gone beyond that to the establishment of international partnerships, which are, in aggregate terms, based on international donors' review of AMB's record of achievements in social and humanitarian areas, and its central role in economic empowerment as a means for building relationships and stretching bridges of cooperation to achieve SDGs.



#### **Local and International Events and Participation**

AMB
participation in
COP28 - Duba,
20203



AMB, represented by its CEO Mr. Mohammed Al-Lai, has participated in the Climate Change Conference (COP28), which was held in Dubai, UAE, from 30 November to 12 December 2023. The conference is considered to be a key international event bringing together world leaders and institutions to discuss climate change issues and create plans and strategies to deal with this global challenge. The conference aimed to enhance international cooperation and reach an agreement between the participating countries in areas like reducing greenhouse gas emissions, environmental protection, and sustainability promotion. AMB's participation in this conference is part of the Bank's interest in climate change issues and its effective role towards promoting sustainability and sustainable development through innovative banking services it provides to a large segment of customers, in addition to inclusive finance for SMEs that contribute to sustainable development. AMB also plays a role towards national capacity building, stemming from its belief in the right of Yemenis to growth and development, which requires dealing with climate change and reducing poverty rates, as two inseparable issues. AMB's participation reiterates its responsible compliance with reducing the impacts of climate change and promoting environmental sustainability. This participation is projected to contribute to the opening of new horizons and determining new ways for promoting sustainable finance and upgrade environmental projects in Yemen.





AMB's participation in the Arab SMEs Summit, Marrakesh



AMB took part in the Arab SMEs Summit in Marrakesh, Morocco, 2023, which was held on 12 – 14 December 2023. The summit aimed to strengthen and empower Arab SME entrepreneurs through the creation of opportunities for access to regional and international markets, diverse sources of financing, and the regional and international network, in addition to enhancing growth and expansion capacity. The summit was attended by nearly 1,300 participants, including key experts and actors in the business world, as well as SME entrepreneurs, investors, influencers in the business world, political decision-makers, economists, journalists, international governmental and non-governmental organizations.





AMB took part in a scientific symposium entitled "Entrepreneurship and its Role Towards SME Continuity", which was organized by Ar-Razi University in cooperation with Business Support Center in Yemen. The symposium was attended by a number of SME entrepreneurs and students from the College of Management and Human Science. During the event, AMB presented its experience in the provision of financial and non-financial services, and economic empowerment interventions for youth, entrepreneurs, and the SME sector.

AMB's
participation in
Symposium on
Entrepreneurshi
p and its Role
Towards SME
Continuity

AMB's
participation in
the First Meeting
of the Financial
Inclusion Working
Group, organized
by WSBI

AMB, represented by CEO Mr. Mohammed Saleh Al-Lai, participated in the First Meeting of the Financial Inclusion Working Group, organized by the World Savings and Retail Banking Institute (WSBI). During the meeting, Al-Lai made a presentation on AMB's experience in the provision of banking services via the banking agent network. The presentation also made a mention of AMB's mechanism in building agent networks according to financial and institutional selection criteria, and strengthening agent capacity through training in relation to AMB's services and criteria of compliance with anti-money laundering and combating financing terrorism laws, in addition to other topics related to agent network management in terms of software and applications used by agents, liquidity management issues and boosting agent profitability from different AMB's services.





AMB, represented by CEO Mr. Mohammed Al-Lai, took part in a virtual symposium organized by the Central Bank of Jordan and the Group of United Nations Organizations. The symposium included a presentation of AMB's efforts toward promoting financial inclusion through the provision of banking services to refuge seekers, vulnerable groups, and elderly people. The discussion displayed key challenges faced by these groups and conveyed their struggle to access traditional financial services due to lack of formal ID proofs and limited movement capacity, and highlighted AMB's role in overcoming difficulties posed to them as part of its social responsibility through which the Bank seeks to establish equal opportunities in access to banking services without an exception.

AMB's participation in Special Symposium on Provision of Banking Services to Refuge Seekers, Vulnerable Groups and Elderly People AMB's participation in an IFC-sponsored Symposium on Banks' role in Empowering Marginalized Communities

AMB, represented by its International Partnerships Manager Mr. Bandar Albadwi, participated in a virtual symposium aimed at highlighting the role of banks in empowering marginalized communities and owners of small and medium-sized house holdings, which are considered to be significant parts of the global economy. Organized by HADIRA and sponsored by the International Finance Corporation (IFC), the symposium featured AMB's role in providing microcredits and SME-related banking services as a part of its efforts towards promoting innovation and providing technical assistance and counseling.





AMB took part in the Global Money Week event, which was held in Sana'a University's Faculty of Commerce and Economy on 19-21 March 2023 under the slogan: "Financial Services for All". The event was sponsored by CBY and the President of Sana'a University, and attended by a number of banks and e-portfolios. This participation comes as a part of AMB's social responsibility and ongoing education about financial inclusion and financial technology, as well as raising university students' awareness of using financial technology.

AMB's participation in Global Money Week 2023

AMB's
Commemoration
of International
Youth Day, 12
August 2023

AMB and Reydah commemorated International Youth Day, which coincides with 12 August every year by giving honors to a number of outstanding young people from e-finance customers in all AMB's branches in recognition of their efforts and brilliance in using banking e-services to attain their financial goals. The distribution of honors/rewards stems from AMB's faith in the power of youth to make change and shape the future by being the driving force for development and their contribution to building nations.





AMB participated in the "#Be\_Safe" Awareness Campaign, which was organized by the Yemeni Banks Association in February 2023. Involving all Yemeni banks, the campaign intended to raise community awareness about the importance of money transactions with the banking sector for fostering development and attaining a high level of security for funds of those dealing with the banking sector.

AMB's
participation in
"#Be\_Safe"
Awareness
Campaign



## Blogs and Posts

Being the first microfinance bank in the MENA region, AMB is keen on sharing its experience and exporting its social mission and vision through digital posting on the blog on AMB's website or on other websites related to this sector with internal and local popularity as a part of its effort to give space for researchers, those interested in AMB's activities and customers from different categories to review, search and evaluate.

- Published on the CGAP website a study on AMB's role in driving innovative and sustainable projects towards financial inclusion resilience in Yemen.
- Published a study on the CGAP website on AMB's role in supporting youth entrepreneurship and financia inclusion.
- O3 Posted on AMB's website a blog titled "Success Story & Leadership Despite Persistent Crises".
- O4 Posted a blog describing AMB's contribution to environmental protection and SDGs achievement.

# Awards 2023

## Best Financial Inclusion Payments Initiative

AMB won this award in recognition of its efforts towards outreach to financially excluded groups in low-income communities, which are deprived of banking services, with a package of innovative financial services and products.



#### Honorable Mention in the SME Financer of the Year – MENA

This is one of the prominent awards AMB won. The award is granted by the SME Finance Forum with an honorable mention in SME Financer of the Year 2023 in MENA. It is one of the awards given to global SME financers for 2023.



#### Internal Audit Awareness Heroes



AMB won the Internal Audit Awareness Heroes award from the Institute of Internal Auditors (IIA) in recognition of the AMB's Internal Audit Department's role towards raising internal audit awareness. AMB also received a letter of congratulations from IIA Chief Executive Officer Anthony J. Pugliese.

## Digital Bank of the Year in the Middle East.



AMB won this notable title in recognition of its digital financial and non-financial services, which makes visible its reliance on technology and digitalization for the provision of the best banking experience to customers.

# Digital Banker of the Year in the Middle East.



AMB's Chief Executive Officer won the Digital Banker of the Year in the Middle East award, which is given to forerunners and leaders of distinguished banks in the provision of digital services to customers. He was given the award in recognition of his ongoing efforts leading AMB's march in the provision of digital banking services in line with AMB's goals for the realization of financial inclusion.



