BRINGING SMART POLICIES TO LIFE

ANNUAL REPORT 2025

WELCOME TO THE 2025 AFI ANNUAL REPORT

Cover image: Alliance for Financial Inclusion

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Lake Duluti, Rift Valley, Tanzania. (antony trivet photography / Shutterstock)

Bottom-up view of forest. (Gergitek / Shutterstock)

PART ONE

THE AFI NETWORK

MESSAGE FROM THE CHAIR

MDM. SORAYA MUNYANA HAKUZIYAREMYE
Governor, National Bank of Rwanda
Chair, AFI Board of Directors

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In 2025, the Alliance for Financial Inclusion (AFI) demonstrated both strategic resolve and collective resilience, advancing its mandate amid global economic uncertainty, evolving development priorities, and intensifying pressure on international funding. The AFI network continued to show unity and purpose, reinforcing its relevance as the leading global platform for financial inclusion policymaking.

AFI’s membership remained strong and engaged throughout the year, comprising 90 active member institutions from 84 countries across seven regions. This breadth and diversity remain among AFI’s greatest strengths. The steady collection of membership fees, surpassing annual targets, reflects not only members’ confidence in AFI’s value proposition, but also their collective commitment to sustaining the network over the long term.

”

A defining milestone of the year was the successful convening of the 2025 Global Policy Forum in Swakopmund, Namibia, co-hosted by the Bank of Namibia under the theme “Empowering Society, Enabling Growth.” The Forum brought together more than 700 policymakers, regulators, and stakeholders, reaffirming AFI’s role as a trusted convener for peer learning and global dialogue. The endorsement of the Swakopmund Call to Action, alongside the launch of a renewed Working Groups Strategy for 2026–2028, underscored the network’s shared ambition to deepen policy impact, strengthen leadership, and respond proactively to emerging risks and opportunities.

Throughout 2025, AFI continued to expand its global voice. High-level engagements with member institutions and international partners reinforced AFI’s credibility and influence on issues at the intersection of financial inclusion, stability, integrity, and sustainability. At the same time, AFI strengthened its engagement with standard-setting bodies and global forums, helping ensure that the perspectives and realities of emerging and developing economies remain firmly embedded in international policy discussions. This momentum has also contributed to strengthening AFI’s policy leadership alliance, as member institutions work collectively to advance innovative policy solutions and reinforce the network’s role in driving inclusive, resilient, and sustainable financial systems.

Amid these advances, 2025 also called for frank and deep reflection on AFI’s long-term institutional sustainability. While progress was made in advancing the organization’s institutional strengthening agenda, including the continued exploration of AFI’s potential evolution into an intergovernmental organization, it was equally clear that the external funding environment remains constrained. In this context, the establishment of the Funding Mobilization from Members Special Committee marked an important step toward reinforcing member ownership and exploring diversified, resilient funding pathways for the network.

As I assume the role of Chair of the AFI Board of Directors, I am deeply committed to carrying forward this mandate with a strong focus on impact, inclusiveness, and institutional resilience. My priority will be to work closely with members and partners to ensure that AFI continues to deliver tangible policy outcomes, strengthens its governance and financial sustainability, and remains responsive to the evolving needs of its diverse membership, in particular the shift toward the promotion of financial health and financial resilience. Guided by the collective vision of the network, I look forward to advancing AFI’s mission with integrity, collaboration, and a clear emphasis on results that improve the financial well-being of underserved populations.

I would also like to express my sincere appreciation to the outgoing Chair, Governor Ariff Ali of the Reserve Bank of Fiji, for his exemplary leadership and guidance during his term. Under his stewardship, AFI navigated a period of significant global uncertainty while maintaining unity, strategic focus, and steady progress across its core priorities. His contribution has laid a strong foundation upon which the network will continue to build.

On behalf of the AFI Board of Directors, I would like to express sincere appreciation to our members, partners, and the AFI Management Unit for their dedication and collaboration throughout the year. The achievements of 2025 reflect the collective effort of a network that remains committed to advancing inclusive, stable, and sustainable financial systems.

As we move into 2026, AFI is poised to build on this momentum with clarity of purpose, strengthened governance, and collective determination to deepen impact where it matters most.

ABOUT THE AFI NETWORK

AFI is a global policy leadership alliance governed by its member central banks and financial regulatory institutions from developing and emerging economies, with the shared objective of advancing financial inclusion at country, regional and international levels. As a member-owned network, AFI promotes practical policy solutions, facilitates the implementation of impactful policy changes and advocates for sustainable and inclusive policies through its cooperation model centered on peer learning and knowledge exchange. AFI also partners with developed countries regulators, international organizations, and private sector organizations to enable its members to achieve their financial inclusion policy objectives and goals. AFI's operations and programs are sustained through membership subscriptions and contributions from external partners.

VISION

That everyone, regardless of their economic status or background, has access to and can benefit from financial services.

MISSION

Empowering policymakers to increase access and usage of quality financial services for the un-served and underserved through formulation, implementation, and global advocacy of sustainable and inclusive policies.

Woman in tea plantation in Nuwara Eliya, Sri Lanka. (Sergii Figurnyi / Shutterstock)

MEMBERSHIP

As of the end of 2025, AFI's membership base is comprised of 90 member institutions, with 75 Principal and 15 Associate members, and one (1) Observer. Regionally, Sub-Saharan Africa accounts for the largest proportion of our members (44), followed by the Arab Region (12), Latin America & the Caribbean (11), Asia (10), Eastern Europe & Central Asia (7), and the Pacific (6).

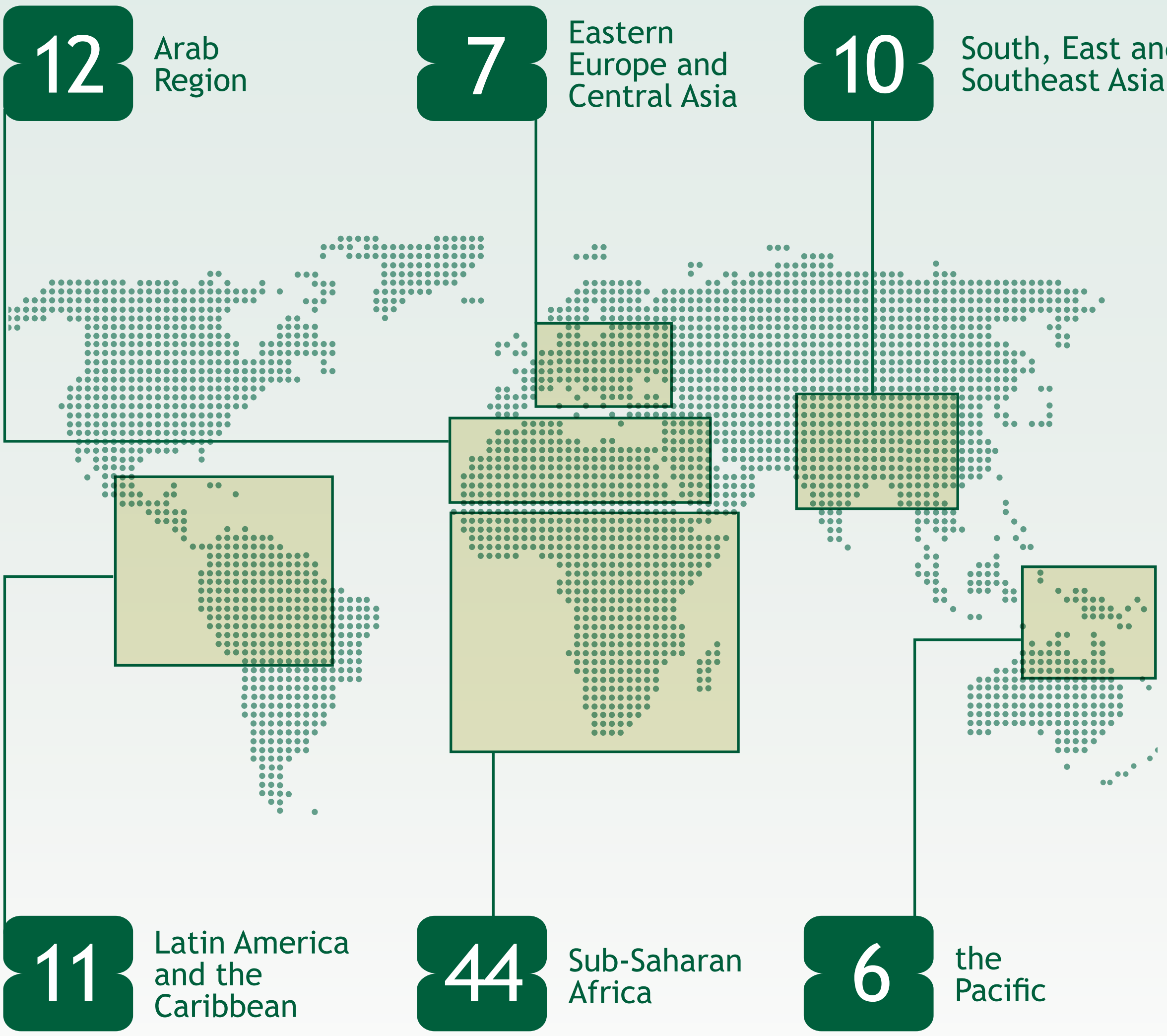
90 MEMBER INSTITUTIONS

84 COUNTRIES

75 PRINCIPAL MEMBERS

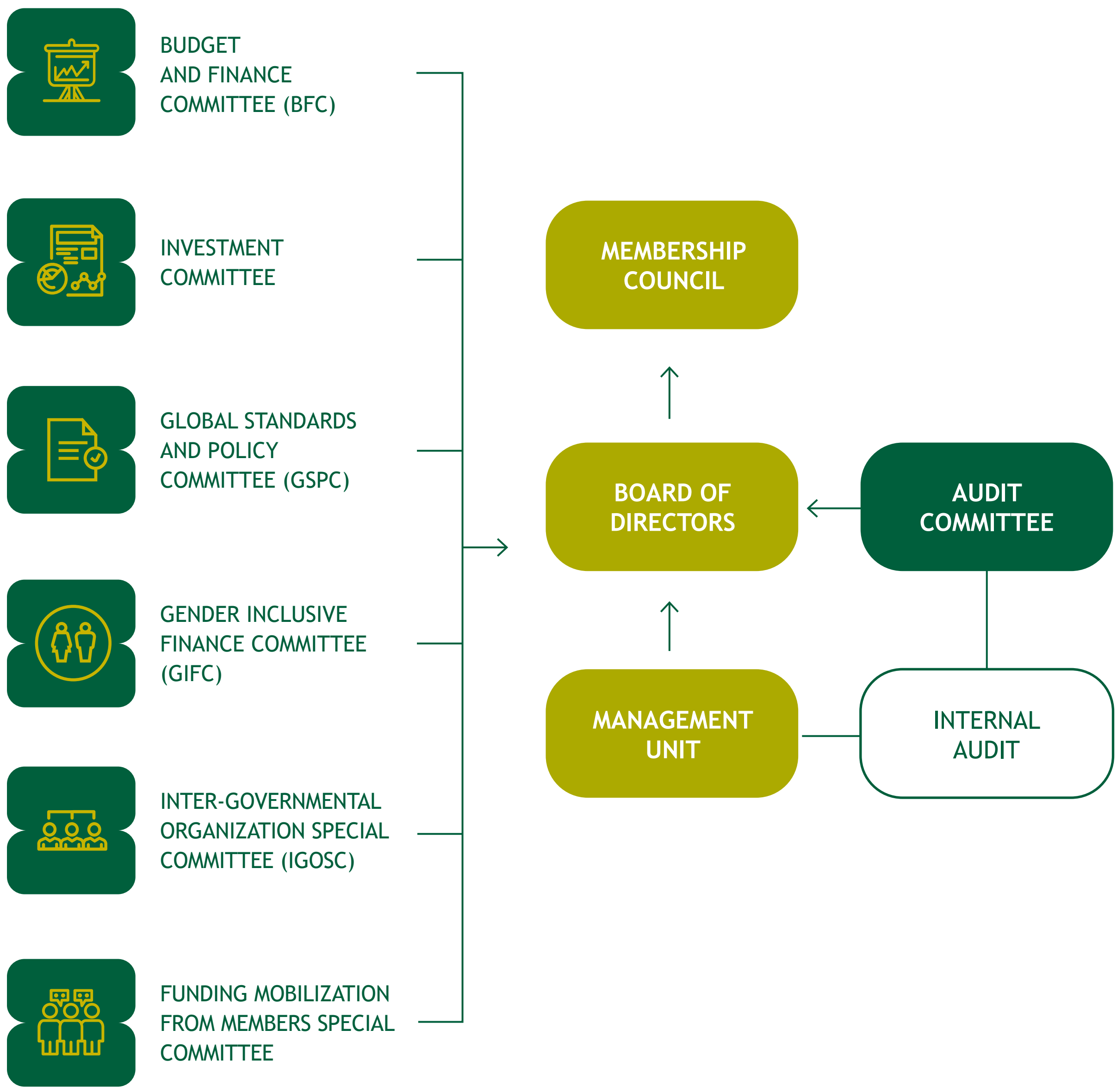
15 ASSOCIATE MEMBERS

1 OBSERVER



GOVERNANCE

AFI's GOVERNANCE STRUCTURE



Note: The IGO Special Committee and Funding Mobilization from Members Special Committee are non-permanent committees of the Board.

MEMBERSHIP COUNCIL

AFI's Membership Council comprises of Principal and Associate Members and meets once a year at the Annual General Meeting (AGM). All members have the right to attend the AGM, but only Principal Members can vote on decisions at the AGM and serve on AFI's Board of Directors and Board Committees. Observer institutions may attend, but not vote at, the AGM.

At the AGM, the Membership Council receives the AFI's performance report, ratifies appointments of Board and Committee members, ratifies Financial Inclusion Policy Models developed by AFI's Working Groups, and approves strategic decisions.

BOARD OF DIRECTORS

The AFI network is led by AFI's Board of Directors, which provides strategic guidance to AFI's Management Unit, and oversight of the organization's direction and activities. Board Members serving in the current term (September 2025 to September 2027) are:

CHAIR

1 SORAYA MUNYANA HAKUZIYAREMYE
Governor, National Bank of Rwanda

VICE-CHAIR

2 TIMUR ISHMETOV
Chairman, Central Bank of the Republic of Uzbekistan (Vice-Chair)[1]

3 DOUGLAS PABLO RODRIGUEZ
President, Banco Central de Reserva de El Salvador

4 RONALD GABRIEL
Governor, Banque de la République d'Haiti

5 JAMEEL AHMAD
Governor
State Bank of Pakistan

6 M. ABDELLATIF JOUAHRI
Governor, Bank Al-Maghrib

7 ELIZABETH GENIA
Governor, Bank of Papua New Guinea

8 DR. AHSAN H. MANSUR[2]
Governor, Bangladesh Bank

9 LEONIE DUNN
Deputy Governor,
Bank of Namibia

10 DR. ALFRED HANNIG
Chief Executive Officer,
Alliance for Financial Inclusion

(Non-voting member and Secretary of the AFI Board of Directors)

The AFI network acknowledges the following members who rotated out from the Board of Directors at the conclusion of the AGM held in September 2025 after serving two consecutive terms:

1. **ARIFF ALI,** Governor, Reserve Bank of Fiji
2. **MARTIN GALSTYAN,** Governor, Central Bank of Armenia
3. **DR. SEREY CHEA**, Governor, National Bank of Cambodia
4. **DR. KARAMO KABA,** Governor, Banque Centrale de la Republique de Guinée

1 Appointed on 5 December 2025 and will be presented for ratification at the 2026 Annual General Meeting.
2 Dr. Ahsan H. Mansur served until 25 February 2026. Following the change in Governor, the Board seat remains with Bangladesh Bank, currently represented by the Deputy Governor.

BOARD COMMITTEES

AFI's Board Committees provide specialized support to the Board of Directors in overseeing AFI's governance, strategic direction and activities.

AUDIT COMMITTEE (AC)

The Audit Committee supports the Board by providing oversight on process assurance, risk management, and internal control practices of AFI.

Members serving in the current term (September 2024 to September 2026) are:

AC Members	Term
Central Bank of Lesotho (Chair)	Second term
Bank of Zambia (Vice-Chair)	First term
Central Bank of Jordan	Second term
Bank of Sierra Leone	Second term
Maldives Monetary Authority	Second term

BUDGET AND FINANCE COMMITTEE (BFC)

The BFC provides oversight of AFI's financial strategy and resource management to ensure that AFI remains well-resourced and financially sustainable.

Members serving in the current term (September 2024 to September 2026) are:

BFC Members	Term
Bank of Tanzania (Chair)	First term
Banco de Moçambique (Vice-Chair)	First term
Palestine Monetary Authority	Second term
Banque Centrale de Madagascar	First term
Central Bank of the Solomon Islands	First term
French Development Agency (External Non-Voting Member)	First term

GLOBAL STANDARDS AND POLICY COMMITTEE (GSPC)

The GSPC provides quality assurance on high-impact policy practices recommended by AFI's Working Groups to be endorsed as Policy Models for members' voluntary adoption, as well as guidance and advice on AFI's programmatic direction and engagement with International Standard-Setting Bodies (SSBs).

Members serving in the current term (September 2024 to September 2026) are:

GSPC Members	Term
Bank Negara Malaysia (Chair)	Second term
Central Bank of Egypt (Vice-Chair)	First term
Central Bank of Jordan	Second term
Central Bank of Nigeria	Second term
Comisión Nacional de Bancos y Seguros de Honduras	First term
Ministry of Finance and Economic Development Zimbabwe	First term
Banco Central de Paraguay (efective 30 May 2025)	First term

AFI acknowledges the Superintendencia de la Economía Popular y Solidaria of Ecuador, which served until its decision to pause its membership with AFI in January 2025. The resulting vacancy was filled by Banco Central del Paraguay, whose nomination was approved by the Board on 30 May 2025, and subsequently ratified by the Membership Council at the 2025 AGM.

GENDER INCLUSIVE FINANCE COMMITTEE (GIFC)

The GIFC provides leadership on advancing and promoting women's financial inclusion in the AFI network and the strategic implementation of the Denarau Action Plan.

Members serving in the current term (September 2024 to September 2026) are:

GIFC Members	Term
Central Bank of Egypt (Chair)	First term
State Bank of Pakistan (Vice-Chair)	First term
Central Bank of Eswatini	First term
Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)	First term
Banque Centrale de la République de Guinée	First term
Central Bank of the Republic of Uzbekistan	First term
Comisión Nacional de Bancos y Seguros Honduras (effective 30 May 2025)	First term

AFI acknowledges the Superintendencia de la Economía Popular y Solidaria of Ecuador, which served until its decision to pause its membership with AFI in January 2025. The resulting vacancy was filled by Comisión Nacional de Bancos y Seguros Honduras, whose nomination was approved by the Board on 30 May 2025, and subsequently ratified by the Membership Council at the 2025 AGM.

INVESTMENT COMMITTEE (IC)

The Investment Committee oversees the governance and management of the AFI's Endowment Fund, and supports the Board in monitoring the investment strategies, performance, and effectiveness of the AFI Endowment Fund, in line with Board-approved guidelines.

Members serving in the current term (September 2025 to September 2027) are:

IC Members	Term
Bank of Tanzania (Chair)	First term
Central Bank of Armenia (Vice-Chair)	Second term
Bangladesh Bank	First term
Bank of Zambia	First term
Banco Central de Reserva de El Salvador	First term

AFI acknowledges the Central Bank of Seychelles which served as the Chair of the IC, Nepal Rastra Bank which served as the Vice-Chair of the GIFC, as well as the Central Bank of the Bahamas and the Central Bank of Egypt which served as members of the IC for the immediate past two terms from September 2023 to September 2025, rotating out of the Committee after serving two consecutive terms.

INTERGOVERNMENTAL ORGANIZATION SPECIAL COMMITTEE (IGOSC)

The IGOSC is a non-permanent Committee which oversees the process of transitioning AFI to IGO status and provides strategic guidance to the Board and Management Unit on the legal form and structure of the prospective IGO.

The members serving in the Committee are:

IGOSC Members	Term
Bank Al-Maghrib Morocco (Chair)	Non-permanent
Banque de la République du Burundi (Vice-Chair)	Non-permanent
Banco Nacional de Angola	Non-permanent
Bangladesh Bank	Non-permanent
Central Bank of Nigeria	Non-permanent
Centrale Bank van Suriname	Non-permanent
National Bank of Tajikistan (effective 30 May 2025)	Non-permanent

AFI acknowledges Nepal Rastra Bank which served as a member of the IGOSC from September 2022 to July 2024, and which withdrew its membership in August 2024. The resulting vacancy was filled by National Bank of Tajikistan, whose nomination was approved by the Board on 30 May 2025 and subsequently ratified by the Membership Council at the 2025 AGM.

FUNDING MOBILIZATION FROM MEMBERS SPECIAL COMMITTEE (FMSC)

The FMSC is a non-permanent Committee, established during the 2025 AGM on the recommendation of the AFI Membership Council, which called for the establishment of a high-level task team or committee to analyze options and provide recommendations for AFI members to mobilize additional financial resources to strengthen AFI's financial independence and long-term sustainability.

The members serving in the Committee are:

FMSC Members	Term
Central Bank of Eswatini (Chair)	Non-permanent
Banco Central de Reserva de El Salvador (Vice Chair)	Non-permanent
Banque de la République d'Haïti	Non-permanent
Banque de la République du Burundi	Non-permanent
Banco de Moçambique	Non-permanent
Central Bank of Egypt	Non-permanent
Centrale Bank van Suriname	Non-permanent

The FMSC commenced its work in the first quarter of 2026.

For the AFI Articles of Association and Committees' Terms of Reference, visit **Governance.**

REGIONAL LEADERSHIP

Regional Initiatives bring AFI closer to its members and strengthen regional cooperation on financial inclusion by closely monitoring developments and trends at the global and regional levels. Each region presents its own set of challenges, requiring tailored and context-specific solutions. Accordingly, AFI's Regional Initiatives ensure that macro-level policies developed through the Working Groups are translated into practical programs that respond to the specific needs and priorities of AFI members within each region.

Each Regional Initiative is guided by a Leaders' Roundtable, composed of heads of institutions and responsible for providing strategic guidance and input towards regional priorities, initiatives and projects.

3 In 2025, in line with AFI Phase IV Strategic Plan (2024-2028), the structure and scope of Regional Initiatives was reviewed with the objective to improve efficiencies and continued value to members. The review led to the introduction of a more flexible and member-driven approach for the regional initiatives whereby in some regions, the Experts Group on Financial Inclusion Policy (EGFIP) shall be sunset and technical policy work transitioned to Working Groups.

To learn more, please visit AFI's **Regional Initiatives**.

AfPI African Financial Inclusion Policy Initiative

FILAC Financial Inclusion Initiative for Latin America and the Caribbean

PIRI Pacific Islands Regional Initiative

ECAPI Eastern Europe Central Asia Policy Initiative

SARFII South Asia Region Financial Inclusion Initiative

ARFIPI Arab Region Financial Inclusion Policy Initiative

A group of fishermen launch a large fishing boat, Nouakchott. Mauritania. (kaikups / Shutterstock)

POLICY LEADERSHIP THROUGH AFI WORKING GROUPS

AFI's Working Groups are the primary mechanism for generating and sharing knowledge within the network, providing a structured platform for peer learning and technical exchange. Through the Working Groups, policymakers and regulators collaborate to share experiences, deliberate on policy challenges, and deepen their understanding of financial inclusion issues. Each Working Group functions as a community of practice, drawing on insights and lessons from member institutions and the wider AFI network.

Working Group membership comprises technical officials from AFI member institutions. Members contribute practical expertise through the development of policy guidance, participation in peer reviews of draft policies and regulations, and support for in-country implementation activities. Each Working Group designates Gender Focal Points to ensure that Gender Inclusive Finance (GIF) considerations are systematically integrated into discussions and deliverables, in line with the aspirations of the Denarau Action Plan (DAP).

Each Working Group is led by a leadership team comprising a Chair and two Co-Chairs, supported by Gender Focal Points, in accordance with AFI's Working Groups Strategy. Leadership teams are elected by Working Group members for fixed terms to strengthen continuity, accountability, and strategic direction. AFI currently has seven Working Groups, reflecting members' evolving policy priorities and areas of technical collaboration.

To learn more,
please visit
AFI Working Groups

CONSUMER EMPOWERMENT AND MARKET CONDUCT (CEMC) **WORKING GROUP**

DIGITAL FINANCIAL SERVICES (DFS) **WORKING GROUP**

FINANCIAL INCLUSION DATA AND IMPACT (FIDI) **WORKING GROUP**

FINANCIAL INCLUSION STRATEGY (FIS) **PEER LEARNING GROUP**

GLOBAL STANDARDS PROPORTIONALITY (GSP) **WORKING GROUP**

SME FINANCE (SMEF) **WORKING GROUP**

INCLUSIVE GREEN FINANCE (IGF) **WORKING GROUP**

GENDER INCLUSIVE FINANCE

Gender Inclusive Finance (GIF) is integrated as a cross-cutting policy area across all seven AFI Working Groups.

Advancing women's financial inclusion through gender-responsive financial policy and regulation has been a core priority of AFI's policy agenda since the adoption of the Denarau Action Plan (DAP) by members in 2016, and its renewal in 2022. Strategic guidance and leadership for advancing GIF across the AFI network are provided by the high-level AFI Gender Inclusive Finance Committee (GIFC).

Mother with baby in a sling, Philippines. (StanislavBeloglazov / Shutterstock)

PARTNERSHIPS

AFI engages and collaborates systematically with several types of partners and stakeholders in the financial inclusion space: (a) funding partners; (b) private sector partners; (c) financial regulators from developed countries; and (d) other financial inclusion stakeholders.

FUNDING PARTNERS AND FUNDING MOBILIZATION

Funding partners provide financial, intellectual and technical contributions that support AFI in advancing its mission and scaling up services to members. AFI formalizes partnerships with funding partners through funding agreements that support the delivery of AFI's strategic priorities.

AFI continued to secure external funding to support the implementation of its strategic priorities under the Phase IV Strategic Plan (2024–2028). Key funding partnerships in 2025 included:

- AFI partnership with the **African Development Bank (AfDB)** to develop an enabling financial policy and regulatory environment for women-led SMEs in Africa.
- AFI's partnership with the **Gates Foundation (GF)** in areas of digital financial services regulations and competition, strengthening AFI's capacity to address emerging technology topics.
- AFI's partnership with **ClimateWorks Foundation** to strengthen AFI's global voice and advocacy in Inclusive Green Finance (IGF).
- AFI 's partnership with the **European Commission (EC)** to advance AFI support to members in Sub-Saharan Africa in digital financial services, youth financial inclusion, gender inclusive finance, and Public-Private Dialogue.
- AFI's partnership with the **French Development Agency (AFD)** to advance AFI's global Inclusive Green Finance workstream.
- AFI's collaboration with **Germany's Federal Ministry for Economic Cooperation and Development (BMZ).** In addition to the on-going support to advance financial inclusion policies in Africa and the Arab region, BMZ provided support to pilot a cybersecurity initiative in Africa during the year.
- AFI's partnership with the **German Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN)** to support the global Inclusive Green Finance workstream.
- AFI's partnership with **Habitat for Humanity**, focusing on financial inclusion and affordable and sustainable housing.
- AFI's partnership with **Canada's International Development Research Centre (IDRC)** on the 'Inclusive Green Finance initiatives for MSMEs' project. AFI signed an agreement with IDRC to support AFI's Research Initiative on Complementarity between financial inclusion and financial stability.
- AFI's partnership with the **Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade of Luxembourg** to advance financial inclusion in Latin America and the Caribbean Region, with a focus on Inclusive Green Finance, Gender Inclusive Finance, and FinTech innovation, as well as the in-country project led by the Palestine Monetary Authority and AFI to advance Gender Inclusive Finance and Digital Financial Services in Palestine.
- AFI's partnership with the **Swedish International Development Cooperation Agency (Sida)** to advance AFI's Gender Inclusive Finance workstream.
- AFI's partnership with the **UK Foreign, Commonwealth & Development Office (FCDO)** to advance Digital Financial Services in the Pacific and South Asia regions.

FUNDING PARTNERS' CONSULTATIVE COUNCIL

AFI activated its Funding Partners' Consultative Council (FPCC) in September 2025. The Council provides a platform for AFI's funding partners to engage with each other, as well as with AFI's leadership and Board, and to participate in consultative discussions that advance sustainable value for AFI members and enable AFI's mission and organizational sustainability.

PRIVATE SECTOR PARTNERS

AFI's private sector partners provide the network with a combination of technical expertise, innovation, market and policy-relevant insights, and targeted financial contributions to support specific AFI policy areas and activities. These partnerships are facilitated through AFI's Public-Private Dialogue (PPD) Platform, which operates on a cost-sharing basis with partners and is governed by formal PPD Partnership Agreements.

As a strategic partner of AFI's PPD Platform, Mastercard continued to engage with AFI members during 2025. The collaboration supported structured policy dialogue, knowledge exchange, and capacity-building activities across priority thematic areas, including digital financial services, inclusive green finance, cybersecurity, and emerging policy issues. Mastercard co-led substantive sessions during the AFI Global Policy Forum 2025 in Swakopmund, Namibia, and contributed to advancing dialogue between regulators and private sector stakeholders on innovation, risk management, and resilient digital financial ecosystems.

During 2025, GSMA continued its engagement with AFI as a global partner under the PPD Platform. AFI and GSMA advanced public-private dialogue through joint activities, technical exchanges, and participation in regional and global forums. The partnership focused on digital financial services, cybersecurity, mobile money ecosystems, and inclusive digital finance, including collaboration under the Africa Cybersecurity Project funded by BMZ/GIZ. GSMA also expressed interest in expanding capacity-building support for AFI members through targeted training activities planned for 2026.

OTHER STRATEGIC COLLABORATIONS

AFI engages with a broad range of stakeholders, including academic institutions and international organizations, as strategic knowledge resource partners. These partnerships provide valuable insights to support AFI members in policy development and implementation, while also strengthening the global voice of the network.

In its role as Implementing Partner of the **G20 Global Partnership for Financial Inclusion (G20 GPFI)**, AFI continued its engagement with the G20 process during 2025. AFI contributed to GPFI discussions under South Africa's G20 Presidency, supporting policy dialogue and analytical work aligned with the Presidency's priorities, including solidarity, equality, and sustainability.

AFI continued its collaboration with the **Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)**, including the co-hosting of the 17th G-24/AFI Policymakers' Roundtable held on the sidelines of the IMF–World Bank Annual Meetings in October. The dialogue focused on complementarity of financial inclusion and stability, with sharing of emerging empirical evidence and exchange of insights among global institutions and G-24 and AFI members and partners.

AFI continued its engagement with the **Financial Action Task Force (FATF),** contributing to consultations and participating in technical dialogues related to financial inclusion, proportionality, and risk-based approaches.

Also, as an observer to the **Financial Action Task Force Style Regional Bodies (FSRBs),** AFI continued to amplify members' perspectives across regional and global platforms, including the Asia/Pacific Group on Money Laundering (APG), the Financial Action Task Force of Latin America (GAFILAT), and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA).

Woman working in a street market in Nairobi, Kenya. (Fresnel / Shutterstock)

AFI maintained its engagement with the **Bank for International Settlements (BIS) and the Financial Stability Institute (FSI)**, contributing to discussions aimed at ensuring that financial inclusion perspectives are reflected in global standard-setting and supervisory work. In parallel, AFI strengthened its collaboration with the **BIS Innovation Hub**, exploring opportunities for joint work on innovation-related topics relevant to AFI members, including fraud, scams, and digital financial services.

AFI continued its engagement with the **United Nations Secretary-General's Special Advocate for Financial Health (UNSGSA),** participating in high-level dialogues with standard-setting bodies and financial inclusion stakeholders, including engagements convened by the BIS and UNSGSA leadership.

AFI advanced its research collaboration with the **University of Luxembourg** on the complementarity between financial inclusion and financial stability. Findings from Phase 1 of AFI's Complementarity Research Initiative were shared at the 2025 Global Policy Forum, with a working paper to be published in early 2026.

AFI continued to support the **Leadership and Diversity Program for Regulators (LDR),** delivered in partnership with Women's World Banking, in line with the objectives of the Denarau Action Plan. The program continued to strengthen leadership capacity among women regulators and policymakers across the AFI network, with the 2025 cohort concluding during the year.

AFI also continued to deliver the Certified Expert in Financial Inclusion Policy (CEFI) program, jointly offered with **Frankfurt School of Finance & Management.** The program provides a comprehensive overview of financial inclusion policy and continues to attract participants from AFI member institutions, the Management Unit, and partner organizations.

AFI also engaged in technical and intellectual partnerships across Europe, such as with policymaking and regulatory institutions including Luxembourg's Commission de Surveillance du Secteur Financier (CSSF), Czech National Bank, Bank of England, Banque de France, De Nederlandsche Bank, Riksbank, Bank of Italy, and Bank of Spain, to enhance capacity building and related member services and offerings.

Woman making crafts for tourists in Farmers and craft market in Fiji. (Photos BrianScantlebury / Shutterstock)

PART TWO

PERFORMANCE

Fisherman fixing nets, Angola. (Fabian Plock / Shutterstock)

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

DR. ALFRED HANNIG
Chief Executive Officer, AFI

“In 2025, the AFI Management Unit delivered its mandate in a year that required both operational discipline and strategic adaptability. As global development financing tightened and policy expectations continued to expand, our focus was on ensuring that AFI remained relevant, responsive, and practically useful to its members.”

Across the year, AFI translated member priorities into concrete outputs through its Working Groups, Regional Initiatives, and implementation platforms. These delivery engines continued to evolve, not only in volume of activity, but in how policy work is designed, led, and applied. The adoption of a renewed Working Groups Strategy marked an important step toward sharper mandates, stronger leadership accountability, and clearer pathways from peer learning to policy action.

AFI's knowledge agenda increasingly emphasized how policy works in practice. In 2025, policy guidance moved beyond principle-setting towards tools that support proportionality, implementation sequencing, and institutional decision-making. This shift was reinforced by growing demand for evidence-based policymaking, including AFI's complementarity research, which is helping reposition financial inclusion as an enabler of financial stability and economic resilience, rather than a competing objective.

Capacity building and leadership development remained central to AFI's operating model. Through regional training, joint learning programs, online platforms, and professional certification, AFI invested in strengthening regulatory capability across its membership. These efforts were designed to support regulators not only in acquiring knowledge, but in applying it within increasingly complex financial systems shaped by digitalization, climate risk, and evolving consumer needs. New platforms such as AFI Engage further strengthened peer networks and leadership pipelines within the network.

At the national level, AFI expanded its In-Country Implementation support, enabling members to advance reforms aligned with their own policy contexts and institutional capacities. These engagements reflect AFI's continued shift toward impact-oriented support—bridging global policy dialogue with national execution and measurable outcomes.

2025 was also a year of preparing AFI for a more constrained and complex operating environment. While demand for AFI's services continues to grow, funding realities require sharper prioritization, diversified resource mobilization, and stronger alignment between ambition and sustainability. Management therefore focused not only on delivery, but on strengthening the institutional foundations needed to support AFI's work in the years ahead.

In this context, AFI Management Unit initiated efforts to position AFI as a future-ready and sustainable institution. Through the AFI Renovate initiative, we began reviewing key dimensions of AFI's business model, including developing a new approach to funding mobilization, examining how member contributions can play a stronger role, and taking a closer look at AFI's services to focus on the most impactful activities. These efforts are intended to strengthen AFI's long-term sustainability while ensuring that the organization remains responsive to the evolving needs of its members.

I would like to thank AFI members and partners for their trust and engagement, and the AFI Management Unit for its professionalism, adaptability, and commitment throughout the year. In 2026, Management will remain focused on execution with purpose, supporting members to navigate change, implement effective policies, and advance inclusive financial systems that are resilient, responsible, and future-ready.

2025 AFI Global Policy Forum (AFI)

HIGHLIGHTS OF KEY ACTIVITIES

GOVERNANCE

MEMBERSHIP COUNCIL AND BOARD OF DIRECTORS

- Ratified the appointment of the AFI's Board of Directors for the term from September 2025 to September 2027.
- Ratified the appointment of Committee members to fill vacancies for the Committee term from September 2024 to September 2026.
- Ratified the appointment of Committee members for the Committee term from September 2025 to September 2027.
- Ratified and accepted the Annual Report and Audited Financial Report of AFI for the Financial Year ended 31 December 2024.
- Received the performance report on the implementation of AFI's activities in line with the Board-approved Corporate Scorecard and operating budget for AFI for 2025.
- Approved the Swakopmund Call to Action: Empowering Societies and Enabling Growth through Inclusive Finance
- Approved to extend the members' consultation period until March 2026 with regards to the Intergovernmental Organization (IGO) draft treaty, for the purpose of seeking their approval of the treaty and to submit the treaty as a working document for the next step of consultation with the national government of members' countries.
- Approved the AFI's Corporate Scorecard and Budget for 2026.
- Approved the establishment of a Special Committee on Funding Mobilization from Members, following the recommendation of the Membership Council at the 2025 AGM.

AUDIT COMMITTEE

> Reviewed the Audited Financial Report of AFI for Financial Year ended 31 December 2024 which was certified as an unqualified report by external auditors.

> Reviewed the progress and reports of internal audits.

BUDGET AND FINANCE COMMITTEE

> Reviewed the annual Corporate Scorecard, Operating Budget, year-to-date financials and mid-year budget forecast for 2025.

> Reviewed the corporate scorecard, operational plans, and budget for the Financial Year 2026.

> Reviewed operational policies including finance policy.

GENDER INCLUSIVE FINANCE COMMITTEE

> Provided strategic oversight and guidance to advance Gender Inclusive Finance (GIF) across the AFI network, aligned with the Denarau Action Plan and AFI's Phase IV Strategic Plan.

> Provided strategic guidance on the Gender Inclusive Finance Mapping Exercise – Phase II.

> Advanced global advocacy and thought leadership on gender inclusive finance through high-level engagements with international platforms.

> Contributed to global dialogue on financial inclusion trends.

> Supported AFI's International Women's Day 2025 campaign, amplifying member initiatives, leadership voices, and policy progress in advancing women's financial inclusion across the network.

GLOBAL STANDARDS AND POLICY COMMITTEE

> Provided oversight of the pilot Financial Inclusion Country Assessment program, and recommendations to the Board of Directors on next steps

> Guided AFI's engagements with the global standard setting bodies (SSBs) including AFI network inputs into the revised Financial Action Task Force Recommendation 1, Recommendation 16, and updated guidance on AML-CFT and Financial Inclusion, leading to a greater explicit recognition of financial inclusion in the FATF standards and the Mutual Evaluation assessment methodology.

> Provided guidance to the AFI Management Unit on the development of the new AFI Working Group Strategy.

> Provided oversight to the AFI complementarity research initiative, contributing to the existing evidence base on the relationship between financial inclusion and financial stability.

INVESTMENT COMMITTEE

> Provided guidance to Hong Leong Asset Management Bhd (outsourced professional Investment Manager) in the planning, execution and monitoring of the investment portfolio for the AFI Endowment Fund.

> Provided recommendations to the Board in the revision of AFI's Endowment Fund Investment Guidelines.

INTERGOVERNMENTAL ORGANIZATION SPECIAL COMMITTEE

> Provided guidance and support in the process of assessing the feasibility of IGO status for AFI, including the recommendation to the Board for their proposal to the Membership Council to extend the consultation period and the IGO Outreach Session for members.

2025 AFI Global Policy Forum (AFI)

MEMBERSHIP

Membership fee collection remained strong during 2025. As of December 2025, 82 member institutions had paid their annual membership fees, supporting AFI's operations and the delivery of services aligned with members' financial inclusion objectives.

MEMBER ENGAGEMENT

Member engagement was robust over the year, with 95 percent of paid members utilizing at least two or more AFI services across working groups, regional initiatives, capacity-building programs, and in-country implementation activities. Members also continued to play a central role in AFI's governance, with broad participation in leadership positions across the network, reflecting sustained ownership and commitment to AFI's member-driven model.

MEMBER SATISFACTION

The 2025 Member Needs Assessment (MNA) survey indicated a high overall level of satisfaction among AFI members, with an overall satisfaction rating of 8.77 out of 10 (with 10 indicating "very satisfied"). Members' satisfaction is reflected in the dimensions delivered by AFI:

i. being a unique platform to meet and exchange with peers on financial inclusion;
ii. being a center of technical excellence on financial inclusion policy and regulation;
iii. providing a platform for dialogue to address the evolving mandate and role of financial regulators; and
iv. enhancing member capacity to measure impact.

Vendor standing behind a colorful stall of tropical fruit, Kuala Lumpur, Malaysia. (Afi Jamal / Shutterstock)

POLICY CHANGES

In 2025, AFI member institutions continued to translate financial inclusion commitments into concrete policy action. 27 member institutions reported 71 policy and regulatory reforms, demonstrating continued progress in strengthening enabling regulatory environments for inclusive finance. These reforms were closely aligned with member-endorsed AFI Accords, ensuring that national initiatives contribute to shared global priorities. Key areas of policy activity included National Financial Inclusion Strategies (NFIS), consumer empowerment and market conduct, and Inclusive Green Finance (IGF). Together, these developments highlight the commitment of AFI members to advancing inclusive, resilient, and sustainable financial systems.

POLICY PROGRAMS AND INITIATIVES

AFI continued to deliver its programs and services in support of members' policy priorities throughout 2025. The 2025 AFI Global Policy Forum (GPF), held in Swakopmund, Namibia, served as the network's principal annual convening and drew strong participation from AFI members and external stakeholders. Working Groups and Regional Initiative meetings were also conducted during the year, enabling members to advance policy guidance, peer learning, and implementation efforts across priority thematic areas.

AFI continued to generate knowledge products reflecting members' experiences and policy lessons across the network's thematic areas. Demand for in-country policy implementation support remained strong, with 16 member institutions benefiting from new grants and technical support for policy implementation during the year. Capacity building programs, delivered through AFI's peer-learning and practice-oriented model, also remained in high demand, supporting members across regions through a range of training and learning offerings.

Detailed updates on AFI's activities implemented during 2025 under the Phase IV **Strategic Plan (2024-2028)** are provided in the next section.

Herero Woman in traditional clothes making a doll, Namibia. (Oleg Znamenskiy / Shutterstock)

STRATEGIC OBJECTIVES AND PERFORMANCE

2025: Implementation of AFI's Phase IV Strategy (2024-2028)

In 2025, AFI continued to advance its Phase IV Strategic Plan (2024-2028), with a focus on strategic initiatives to further strengthen its position as a global policy leadership alliance. AFI's work during the year was guided by four strategic objectives:

1. **KNOWLEDGE**
delivering unique and relevant knowledge for financial inclusion policymaking

2. **PRACTICE**
supporting the implementation of impactful and scalable policy solutions

3. **IMPACT**
fostering a culture of impact across the AFI network

4. **SUSTAINABILITY**
ensuring an agile and sustainable network

Local fisherman setting his net, Ambrym Island, Vanuatu. (Laszlo Mates / Shutterstock)

1 STRATEGIC OBJECTIVE

Knowledge: deliver unique and relevant knowledge for financial inclusion policymaking

ACHIEVEMENTS

AFI members continued to advance financial inclusion in their jurisdictions through generating unique, practical and relevant policy guidance for members on both emergent and long-standing financial inclusion policy topics. Various strategic initiatives were implemented to enhance the capacity of members and foster a robust knowledge-sharing environment.

KEY ENABLERS

1. POLICY GUIDANCE

To date, AFI has issued and endorsed seven Financial Inclusion Policy Models, the latest being the Financial Inclusion Policy Model for Gender Inclusive Finance, ratified by the AFI Membership Council at the 2024 AGM.

In 2025, the Global Standards and Policy Committee continued to provide strategic guidance on the dissemination and implementation of Policy Models. This included advancing the pilot of the Financial Inclusion Country Assessment (FICA) service with two member institutions. FICA aims to support members in assessing the state of implementation of Policy Models, and to self-evaluate their state of progress in advancing financial inclusion.

AFI's **Working Groups** continued to serve as the primary platforms for peer learning, technical exchange, and policy development across the network during 2025. Through plenary meetings, technical sessions, peer reviews, and subgroup work, members advanced policy guidance and implementation efforts across AFI's seven thematic areas. All seven Working Groups convened during the GPF, endorsed the new Working Group Strategy for 2026–2028, elected new leadership, and advanced a wide range of technical priorities across consumer protection, digital financial services, financial inclusion data, green finance, sustainable finance standards, and SME finance.

Working Group activities supported members in sharing practical experiences, undertaking peer reviews, and developing policy tools aligned with member-endorsed AFI Accords. Peer reviews and technical exchanges continued to be conducted across multiple policy areas, supporting members in strengthening regulatory frameworks and supervisory practices. Working Groups also continued to generate knowledge products reflecting members' policy experiences and implementation lessons. 28 **knowledge products** were published during the year by AFI (see Annex 1 for full list).

Gender Inclusive Finance (GIF) remained embedded as a cross-cutting priority across all Working Groups, supported by designated gender focal points to ensure that gender considerations were systematically integrated into discussions and deliverables.

Key thematic progress areas across the Working Groups included:

CONSUMER EMPOWERMENT AND MARKET CONDUCT (CEMCWG)

with continued focus on consumer protection regulation, market conduct supervision, financial well-being, fraud mitigation, and gender-sensitive approaches to consumer protection.

DIGITAL FINANCIAL SERVICES (DFSWG)

including work on governance of instant payment systems, digital financial infrastructure, fintech regulation, open finance, regulatory sandboxes, and supervisory data for market intelligence.

FINANCIAL INCLUSION DATA AND IMPACT (FIDI)

with expanded emphasis on measuring policy impact, financial health, and the use of regtech and suptech to strengthen data systems.

FINANCIAL INCLUSION STRATEGY (FISPLG)

supporting peer learning on national financial inclusion strategies, implementation financing, and thematic policy areas such as housing finance.

GLOBAL STANDARDS PROPORTIONALITY (GSPWG)

advancing dialogue on proportionate implementation of global standards, financial stability, consumer protection, and sustainable finance.

SME FINANCE (SMEFWG)

supporting policy development for MSME access to finance, including Islamic finance, start-up finance, and use of policy dashboards.

INCLUSIVE GREEN FINANCE (IGFWG)

advancing policy work on green taxonomies, sustainable finance roadmaps, MSME transition measures, and inclusive green finance implementation.

Through these activities, the Working Groups continued to play a central role in translating peer learning into practical policy guidance and supporting members in advancing inclusive, proportionate, and sustainable financial sector policies.

A man is cutting skin to make leather goods in a shop in Fez, Morocco. (JHVEPhoto / Shutterstock)

2. CAPACITY BUILDING

AFI continued to offer practical capacity-building programs in response to members' needs and evolving priorities, with a focus on equipping member institutions to address emerging and complex policy challenges.

Capacity building initiatives remained grounded in the knowledge products developed by AFI's Working Groups, ensuring that learning activities were closely aligned with practical policy guidance. Member feedback confirmed that AFI capacity building provides practical and relevant solutions, receiving an average score of 4.6 out of 5 for successfully meeting overall objectives, and 4.6 out of 5 for session quality.

During 2025, AFI's capacity building programs reached a broad cross-section of membership, with strong participation across regions resulting in over 80 percent of member countries and 88 percent of member institutions attending capacity building events. Participation by women remained high at 51 percent across all CB services, reflecting AFI's continued commitment to inclusive learning and leadership development. AFI now offers ten online courses through the AFI Educate Platform, and delivers the Certified Expert in Financial Inclusion Policy (CEFI) program in collaboration with the Frankfurt School of Finance & Management.

AFI further expanded its delivery formats to meet members' practical learning needs. In-country training and webinars continued to be used to support targeted learning requests from member institutions, enabling participants to translate policy guidance into concrete next steps. Webinars also served to bridge theoretical knowledge gained through online courses with real-world policy application, supporting AFI Educate learners and alumni.

In addition, AFI continued to facilitate knowledge exchange activities with selected private sector partners. These engagements focused on strengthening mutual understanding between regulators and service providers, including areas such as supervisory preparedness and emerging technologies relevant to financial inclusion.

3. CONVERGENCE

Increasing global alignment of policy priorities across jurisdictions, including digital finance, cybersecurity, inclusive green finance, financial integrity, and financial health, creates opportunities for AFI to engage more deeply with regulators and policymakers from developed economies, private sector partners, standard-setting bodies, and other stakeholders.

During the reporting period, AFI leveraged this convergence to strengthen structured dialogue, expand practical collaboration, and position members' perspectives more prominently in global policy processes.

PUBLIC-PRIVATE DIALOGUE (PPD) PLATFORM

The Public–Private Dialogue (PPD) Platform remained a central mechanism for structured engagement between AFI members and private sector stakeholders. Building on reforms introduced in 2024, AFI continued to move away from single, generic roundtables toward more focused, technically oriented deep-dive sessions co-hosted with selected partners. This approach enabled more substantive engagement and was positively received by both members and partners.

During the period, **PPD sessions** were delivered in collaboration with Mastercard and GSMA. Mastercard-led sessions focused on advancing real financial inclusion through innovation, trust, and interoperability in digital payment systems, drawing on international case studies and governance frameworks to support members' policy development on inclusive digital infrastructure. GSMA-led sessions emphasized digital financial literacy, consumer protection, and the closing of persistent gender and usage gaps, particularly in low-literacy and rural contexts.

These engagements were conducted at major AFI convenings, including the 2025 AFI Global Policy Forum, African Financial Inclusion Policy Initiative (AfPI) meetings in Accra, and selected regional and global events. At AfPI 2025, partner-led PPD sessions and training addressed real-time and faster payments as well as cybersecurity regulation, promoting "resilience-by-design" approaches and underscoring the importance of trust and robustness in digital financial ecosystems.

Woman selling traditional carved wood souvenir at local tourist street market in city of Mbabane, Eswatini. (Jens_Bee / Shutterstock)

In addition, AFI convened a **high-level PPD on Inclusive Green Finance: Leveraging Investment for Implementation** at the sidelines of the 2025 IMF–World Bank Spring Meetings in Washington, D.C. Co-hosted with Mastercard, the session brought together policymakers, funders, and private sector representatives to explore regulatory clarity, blended finance structures, and data-driven approaches to scaling inclusive green finance. The dialogue also provided a platform for partners and members to exchange views on the implications of evolving geopolitical developments, with strong reaffirmation of support for AFI's mission and the centrality of financial inclusion to inclusive economic growth.

AFI also worked with Mastercard and GSMA on joint initiatives beyond convenings, including collaboration on the **Africa Cybersecurity Project**, supported by BMZ/GIZ and developed in coordination with selected developed-country regulatory partners.

In parallel, AFI initiated the design of PPD 2.0, a renewed partnership framework structured around three pillars: who AFI engages with, what value propositions and priorities are pursued, and how partnerships are structured. This framework aims to introduce more flexible engagement modalities, including donor-funded projects, fee-based partnerships, and structured engagement with asset managers and impact investors, while reinforcing alignment with AFI's strategic objectives and long-term sustainability.

STRATEGIC PARTNERSHIPS

AFI continued to adopt a targeted, member-driven approach to strategic partnerships, prioritizing collaboration that delivers concrete value to members through policy implementation support, knowledge generation, and global advocacy.

During 2025, AFI strengthened its collaboration with the International Labour Organization (ILO), culminating in the development of a joint policy paper on financial inclusion and job creation in Africa. The paper explores how financial regulators can contribute to employment outcomes, particularly for youth and MSMEs, while remaining within their mandates, reinforcing AFI's commitment to inclusive and human-centered economic development.

AFI also advanced partnerships aligned with inclusive green finance. At the 2025 UN Financing for Development Forum (FfD4), AFI partnered with the Centre for Sustainable Finance at SOAS University of London to co-host a side event on ensuring that green finance policies do not exclude vulnerable populations and MSMEs, reinforcing AFI's leadership on just and inclusive transitions.

As part of the deepening relationship with UN Women during the Commission on the Status of Women, Mastercard hosted AFI, UN Women, Swedish Sida, GSMA, ConsumerCentrix and the Associated Country Women of the World for a roundtable on Driving Women's Economic Empowerment through Enabling Policy and Private Sector Engagement. The discussion explored how public and private sector actors can work together through policy and partnership to advance women's economic empowerment.

AFI participated in the ADB-convened CRPP Partnership Forum 2025 in Bangkok, which brought together governments, development partners and researchers to explore community-led climate resilience in Asia and the Pacific. Discussions highlighted the role of financial inclusion, social protection and locally led adaptation in helping vulnerable communities, especially women and marginalized groups, respond to climate risks. AFI contributed perspectives on Inclusive Green Finance, emphasizing the role of regulators in enabling safe and inclusive financial systems that support resilience, consumer protection and access to climate-relevant finance.

DEVELOPED-DEVELOPED AND DEVELOPING COUNTRY DIALOGUE (3D PLATFORM)

The Developing-Developed Countries Dialogue (3D) Platform continued to serve as a cornerstone of AFI's engagement with regulators and policymakers from developed economies. Leveraging AFI's European Representative Office, the platform facilitated structured exchanges on converging policy priorities, including cybersecurity, digital payments, financial health, and climate-related financial risks.

During the reporting period, engagement was sustained across three tiers of partners: highly active long-term partners such as Deutsche Bundesbank, Banque de France, Banca d'Italia, and Luxembourg's Commission de Surveillance du Secteur Financier (CSSF); moderately engaged institutions including the Banks of Spain and Portugal; and prospective or re-engaged partners from other European jurisdictions. Collaborations included structured exchanges with Banque de France on integrating financial inclusion into capacity-building curricula, and a high-level dialogue with Deutsche Bundesbank on alignment with the Network for Greening the Financial System (NGFS).

A highlight was the 3D session at AfPI 2025, co-organized with CSSF Luxembourg and Banca d'Italia, titled "Enhancing Cyber Resilience in Payment Systems: Lessons from Developed and Developing Economies." The session convened cybersecurity experts from African and European central banks to address shared vulnerabilities and adaptive regulatory approaches, reinforcing the 3D Platform's role as a trusted channel for collaborative innovation and peer learning. Preparatory work is underway for a pilot virtual knowledge-exchange initiative connecting European regulators with selected AFI members, expected to commence in 2026.

In 2025, AFI launched the Euro-Global Inclusive Policy Dialogue Series, a new platform to strengthen knowledge exchange between AFI members and European stakeholders on key financial inclusion priorities. The inaugural dialogue focused on Women's Leadership and Gender Inclusive Finance, bringing together global leaders from financial regulation, development finance, academia, and the private sector. Discussions highlighted the importance of gender-responsive financial systems, stronger leadership pipelines for women in financial institutions, and the strategic use of sex-disaggregated financial data to inform policymaking. Participants also emphasized the role of digital innovation, climate-gender solutions, and stronger multi-stakeholder partnerships in accelerating progress in gender inclusive finance. A key outcome of the dialogue was the recognition of the need for a shared and harmonized gender data repository to improve the availability, comparability, and use of sex-disaggregated financial data to support evidence-based policymaking.

ENGAGEMENT WITH STANDARD-SETTING BODIES (SSBS)

AFI continued to engage strategically with the **Bank for International Settlements (BIS)** and global standard-setting bodies to ensure that financial inclusion considerations are reflected in the development and application of global standards. These efforts align with AFI's SSB Engagement Strategy approved by the Global Standards and Policy Committee, and the Manila Manifesto endorsed by the membership.

Engagement with the **Financial Action Task Force (FATF)** remained a key priority, and AFI continued to provide technical input into FATF consultations to ensure proportionality and financial inclusion considerations were reflected in evolving global standards. During the year, AFI contributed extensively to FATF consultations, including revisions to Recommendation 1 (Risk-Based Approach), Recommendation 16 (Payments Transparency), and the revised FATF guidance on financial inclusion and AML/CFT adopted in June 2025. The resulting revisions to Recommendation 1, the updated FATF Financial Inclusion Guidance, and the changes to Mutual Evaluation methodology to embed the concept of financial exclusion risk mark a significant shift in FATF's recognition of financial inclusion considerations within its mandate. AFI also participated for the first time in FATF's Private Sector Collaborative Forum. A recorded video address from the FATF President which was shown at the GPF Plenary and the FATF President also participated as a guest speaker at the 17th G-24/AFI Policymakers' Roundtable at the IMF/World Bank Annual Meetings in October. A joint blog by the FATF President and AFI CEO was published in November, which argues that financial inclusion is vital in the fight against illicit finance.

AFI continued engagement with FATF-Style Regional Bodies (FSRBs), including the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Asia/Pacific Group on Money Laundering (APG), and FATF Latin America (GAFILAT). In collaboration with ESAAMLG, AFI co-organized a virtual sensitization workshop on de-risking, aimed at harmonizing regional responses, strengthening AML/CFT/CPF capacity, and enhancing collaboration with the private sector. The workshop was attended by more than 600 public and private sector participants. AFI also participated in and presented its work on inclusive financial integrity at the 49th Task Force of Senior Officials' Meeting held in Kampala, Uganda, at the APG annual meetings held in Tokyo, and APG typologies workshop in Bangkok. At the GIABA meetings, AFI led a dedicated technical session on virtual assets policy and regulation, whilst at GAFILAT plenaries, AFI presented AFI's policy brief on virtual assets, and special report on financial inclusion and migration.

AFI sustained enhanced cooperation with the BIS Financial Stability Institute (FSI), including participation in thematic workshops on open finance, financial inclusion, and financial health, as well as annual "check-in" meetings under the enhanced cooperation framework. AFI members also participated alongside AFI management in these engagements, reinforcing peer visibility and influence.

AFI further strengthened engagement with the Basel Consultative Group, the International Association of Deposit Insurers (IADI), and the BIS Innovation Hub, contributing to dialogue on proportionality, cross-border payments, fraud and scams, and emerging innovation-related risks. Engagement with the International Sustainability Standards Board (ISSB) was also enhanced, reflecting AFI's focus on ensuring proportionate implementation of sustainability standards in member jurisdictions.

Man making a door in a carpentry factory, Angola.
(Andre Silva Pinto / Shutterstock)

4. FUTURE OF CENTRAL BANKING AND FINANCIAL REGULATION

AFI continued to provide thought leadership on emerging issues related to the future of central banking and financial regulation, enabling members and relevant stakeholders to engage in forward-looking dialogue and address critical questions linked to financial inclusion.

AFI'S RESEARCH INITIATIVE ON COMPLEMENTARITY OF STABILITY AND INCLUSION

The AFI Research Initiative on Complementarity of Stability and Inclusion aims to generate robust empirical evidence on the relationship between monetary stability, financial stability, and financial inclusion. The first phase of the research, conducted in partnership with the University of Luxembourg, demonstrated a positive relationship between financial inclusion and financial sector soundness. Updated findings integrating World Bank and IMF data were discussed at the 2025 AFI Global Policy Forum and the G-24/AFI Policymakers' Roundtable at the IMF-World Bank Annual Meetings in October 2025 (see below). This emerging evidence reaffirms AFI members' position that responsible financial inclusion can strengthen financial stability and support sustainable economic growth when accompanied by strong supervision, financial literacy, and safeguards against fraud and misuse.

The second phase of the initiative, which includes five in-depth country case studies examining both inclusion-stability linkages and the impact of financial inclusion on monetary policy effectiveness, as well as a synthesis report, was initiated in 2025 in partnership with the Florence School of Banking and Finance. On-going collaboration with the University of Luxembourg will continue in parallel, focused on global dataset analysis. Interim findings from the on-going work shall be shared with members at the Global Policy Forum 2026 in Papua New Guinea, and a planned Roundtable at the IMF/WBG Annual Meetings in Bangkok.

LEADERS' DIALOGUES ON THE FUTURE OF CENTRAL BANKING AND FINANCIAL REGULATION

AFI leveraged the **Annual G-24/AFI Policymakers' Roundtable** to discuss topics related to the future of central banking and financial regulation. AFI and the G-24 organized a high-level Roundtable at the IMF and World Bank Group Annual Meetings in Washington DC in October 2025, on the complementarity of financial stability, monetary stability, and financial inclusion. Participants concurred that there is strong emerging evidence at both global and country level that responsible financial inclusion can reinforce financial stability as well as benefitting economic growth.

Woman at a small fruit shop in Petaling Street, Kuala Lumpur, Malaysia. (eedafizie / Shutterstock)

2 STRATEGIC OBJECTIVE

Practice: implement impactful and scalable policy solutions

ACHIEVEMENTS

AFI continued supporting the implementation of financial inclusion policies through its Regional Initiatives and In-Country Implementation (ICI) program.

The ICI program provides financial and technical resources to eligible Principal Members, enabling them to undertake customized, country-level initiatives to support the development and implementation of financial inclusion policies. Regional Initiatives continued to bring AFI closer to its members and to strengthen regional cooperation on financial inclusion. Through these initiatives, AFI enhanced its ability to support members in addressing region-specific priorities, facilitating the exchange of regional knowledge, and translating global financial inclusion policy discussions into practical implementation at both regional and national levels.

KEY ENABLERS

1. IN-COUNTRY POLICY IMPLEMENTATION SUPPORT

AFI's ICI program provides customized and relevant support to members to advance their financial inclusion priorities at the national level. Through a combination of grants and technical assistance, it supports members in translating policy commitments and peer learning into concrete regulatory and policy implementation.

In 2025, AFI supported 16 member institutions to implement national financial inclusion policy initiatives. Projects supported include:

1. **Central Bank of Sri Lanka** - Assessing the impact of the initial National Financial Inclusion Strategy (NFIS) and strategic development of NFIS Phase II
2. **State Bank of Pakistan** - Climate-smart agriculture financing guideline
3. **National Bank of Rwanda** - Strengthening the use of mobile money to address women's financial needs
4. **Bank of Namibia** - Development of a Sustainable Finance Roadmap for Namibia
5. **Bank Negara Malaysia** - Study visit on behavioral economics and evidence-based policymaking
6. **Maldives Monetary Authority** - Pilot testing of the green taxonomy
7. **Financial Regulatory Commission, Mongolia** - Inclusive Green Finance for women-led SMEs of savings and credit cooperatives
8. **Central Bank of Liberia** - Review of Liberia's NFIS and drafting of the National Financial Inclusion and Education Strategy (NFIES) 2026-2030
9. **Banque Centrale des Comores** - Capacity building for the coordination and implementation of a NFIS (SNIF) of Comoros
10. **Central Bank of The Gambia** - FinScope Survey in The Gambia
11. **Microcredit Regulatory Authority, Bangladesh** - Landscape assessment on gender-inclusive microfinance products
12. **National Reserve Bank of Tonga** - Development of an Inclusive Green Finance Roadmap for Tonga
13. **Central Bank of Lesotho** - Greening the financial sector in Lesotho: a strategic roadmap for resilience and sustainable development
14. **Central Bank of Suriname** - Advancing Suriname's National Financial Inclusion and Education Strategy (NFIES) through stakeholder engagement, governance and implementation workshops
15. **Central Bank of Egypt** - Study tour on digital lending solutions for MSMEs
16. **Ministry of Finance, Côte d'Ivoire** - Development of an Inclusive Green Finance Roadmap

During the year, AFI published the In-Country Implementation Report 2025. The report aims to amplify innovative and replicable projects implemented by AFI members. It also responds to growing member demand for practical insights drawn from peers' implementation experiences and highlights AFI's role in translating policy commitments into tangible outcomes. To learn more about AFI's ICI portfolio and projects, see here.

In-Country Implementation Report 2025

2. REGIONAL INITIATIVES

AFI's Regional Initiatives continued to play a central role in advancing regional policy dialogue, peer learning, and implementation. By bringing AFI closer to its members through Regional Offices and structured regional governance mechanisms, these initiatives strengthened coordination among members, addressed region-specific financial inclusion challenges, and translated global policy priorities into practical regional and national actions.

In 2025, in line with AFI's Phase IV Strategic Plan (2024-2028), the structure and scope of Regional Initiatives were reviewed with the objective of improving efficiencies and continued value to members. The review led to the introduction of a more flexible and member-driven approach for the regional initiatives, whereby in some regions, the Experts Group on Financial Inclusion Policy (EGFIP) shall be sunset and technical policy work transitioned to Working Groups. Project and purpose specific task teams shall be established to drive implementation of regional projects and initiatives. The Leaders Roundtable shall be preserved and continue to provide strategic guidance and inputs towards the regional policy agenda.

AFRICAN FINANCIAL INCLUSION POLICY INITIATIVE (AFPI)

AfPI remained a cornerstone platform for advancing regional collaboration in the Africa region, with a strong emphasis on cybersecurity, digital financial services, inclusive economic development, and the role of financial regulators in supporting job creation.

Over the year, AfPI convened multiple meetings at expert and leadership levels. The AfPI EGFIP convened its 15th and 16th meetings virtually in April and May 2025, deliberating on the revised workplan and advancing discussions on the establishment of an Africa-led information-sharing and peer-learning mechanism to strengthen cybersecurity across the region.

The AfPI Annual Meetings were held in June 2025 in Accra, Ghana, co-hosted by the Bank of Ghana, and including an EGFIP sessions, two Regional Training sessions, PPD and 3D sessions, and the 14th Leaders' Roundtable. Discussions centered on the implications of geopolitical developments for financial inclusion and explored methods for strengthening the resilience of Africa's financial systems against cyber threats, and modalities for establishing a regional cybersecurity information-sharing and peer-learning initiative. As a follow-up, AfPI leaders reconvened in September 2025 during the GPF in Swakopmund, Namibia, where the Cybersecurity Information Sharing and Peer Learning Initiative for Digital Financial Services in Africa was officially launched. The meeting also advanced discussions on how financial regulators can contribute to job creation, supported by the release of the AFI-ILO policy brief on the role of central banks and regulators in employment generation. The policy brief benefited from data from the first version of the job creation dashboard, that simulates the relationship between financial inclusion and employment.

PACIFIC ISLANDS REGIONAL INITIATIVE (PIRI)

PIRI continued to advance region-specific financial inclusion priorities through regular leadership and technical engagements focused on digital financial services, supervisory innovation, climate resilience, and consumer protection.

The 12th and 13th PIRI Leaders' Roundtables were held in June 2025 and September 2025. Members reviewed progress under the 2025–2026 Workplan, endorsed Phase II of RegTech and SupTech implementation in the Pacific, and supported Papua New Guinea's bid to host the 2026 Global Policy Forum. Key priorities included protecting customer funds in mobile money schemes, strengthening supervisory approaches for non-bank financial institutions, and advancing regional RegTech and SupTech initiatives.

A milestone was the endorsement and publication of the Nuku'alofa Pledge for Inclusive Innovation, Climate Resilience and Shared Prosperity in June 2025, reaffirming the Pacific region's commitment to inclusive innovation and inclusive green finance. PIRI also convened a Pacific Policy Symposium on Financial Inclusion for Sustainable Growth in Tonga in June 2025.

FINANCIAL INCLUSION INITIATIVE FOR LATIN AMERICA AND THE CARIBBEAN (FILAC)

FILAC continued to support regional policy dialogue, knowledge development, and peer learning across Latin America and the Caribbean, with a focus on digital financial services, consumer protection, financial education, gender inclusive finance, and inclusive green finance.

During the year, FILAC delivered regional activities including knowledge exchanges, webinars, training programs, and awareness campaigns. The 12th FILAC EGFIP meeting was held from 9–11 June 2025, co-hosted by the Central Bank of Suriname, advancing discussions on regional data collection, consumer complaints in digital financial services, and regulatory and educational responses tailored to regional needs as well as financial inclusion of migrant population.

At the 9th FILAC Leaders' Roundtable held in September 2025 at the AFI Global Policy Forum in Swakopmund, members reviewed progress under the 2025 Workplan and endorsed the Paramaribo Roadmap to Inclusive Green Finance in Latin America and the Caribbean.

EASTERN EUROPE AND CENTRAL ASIA POLICY INITIATIVE (ECAPI)

ECAPI strengthened regional cooperation through a combination of in-person and virtual engagements focused on financial innovation, inclusive green finance, and policy coordination.

The 15th ECAPI meeting was held in Samarkand, Uzbekistan in May 2025. The meeting centered on advancing MSME finance and Inclusive Green Finance (IGF) in the region through peer-learning and knowledge sharing among financial regulators. A regulatory hackathon led to members coming up with several practical policy solutions to further advance MSME finance and formalization, including simplified tax regimes, digital platforms for awareness, automated lending, gradual onboarding to tax obligations, and establishing cross-agency verification groups to monitor program efficiency. Additionally, members advanced work on an ECAPI IGF Declaration.

In September 2025, ECAPI members convened in person during the AFI Global Policy Forum in Swakopmund, where they approved a revised ECAPI Charter, welcomed the Central Bank of Bosnia and Herzegovina as a new member and Vice-Chair, reviewed progress under the Workplan, and discussed the draft Inclusive Green Finance Declaration. The first ECAPI Special Report on Financial Innovations for Financial Inclusion was launched during the GPF, and a virtual regional training on Inclusive Green Finance for MSMEs was delivered in October 2025.

SOUTH ASIA REGION FINANCIAL INCLUSION INITIATIVE (SARFII)

SARFII continued to support members to develop policies to extend access and usage of quality financial services, as well as initiatives towards creating stable and inclusive economies and to improving people's overall financial wellbeing.

The 6th SARFII Leaders' Roundtable was held in February 2025 in Kathmandu, Nepal. The meeting focused on shaping a long-term SARFII regional strategy and included a capacity-building program on Enhancing Cyber Resilience and Consumer Protection in Digital Payments.

T'boli T'nalak master weaver wearing traditional dress, Koronadal, Philippines. (lisyl / Shutterstock)

The 7th SARFII Leaders' Roundtable was held during the GPF in Namibia, where Nepal Rastra Bank (NRB) was welcomed as the new Chair. During the meeting, SARFII Leaders endorsed SARFII's Strategic Action Plan (SAP) 2026-2030 and amendments to the SARFII Charter. The 2026 SARFII Workplan was also presented to the leaders for information and approval.

SARFII members plan to undertake several regional activities, such as developing supply-side financial inclusion indicators, stock taking exercises on credit scoring models, assessment of Microfinance Digital Transactions (MDT), and virtual knowledge exchange sessions.

ARAB REGION FINANCIAL INCLUSION POLICY INITIATIVE (ARFIPI)

ARFIPI continued to consolidate its governance and implementation framework during the reporting period. Following the endorsement of its first action plan at the 2024 AFI Global Policy Forum, ARFIPI convened virtual meetings in December 2024 and February 2025 to advance implementation planning.

The first in-person in-region ARFIPI meeting was held in June 2025 in Casablanca, Morocco. During the period, ARFIPI established a Financial Inclusion Data and Impact Taskforce, delivered a virtual regional training on Inclusive Green Finance, and initiated work toward the development of a regional financial inclusion data platform. Additionally, in-person training on Policy for Enhanced Access and Usage of Finance by Women-Led MSMEs was held at the sidelines of the ARFIPI meeting in June 2025 in Casablanca.

During the 2025 AFI Global Policy Forum, ARFIPI members welcomed the Central Bank of Egypt as the new Chair, approved the ARFIPI Workplan for 2025–2027, and advanced work to operationalize the Arab Regional Data Platform. By the end of 2025, ARFIPI members had agreed on almost all indicators to collect the data for the Data Platform, with plans to start the implementation in 2026.

EAST ASIA AND SOUTHEAST ASIA ENGAGEMENT

During the year, AFI engaged member institutions in East Asia and Southeast Asia through targeted country-level collaboration, thematic policy support, and capacity-building activities. Engagements focused on financial health and financial stability fintech, consumer protection, supervisory technology (SupTech), behavioural economics, and evidence-based policymaking.

AFI organized a capacity building program on 'Emerging Digital Payment Trends: Embedded Finance for Innovation, Inclusivity and Shared Growth' in China, in collaboration with Tsinghua PBCSF. The collaboration is expected to continue in 2026 to enable peer-learning amongst members, especially on the digital finance ecosystem in China.

3 STRATEGIC OBJECTIVE

Impact: foster a culture of impact across AFI

ACHIEVEMENTS

In 2025, AFI continued to support members in translating policy commitments into measurable outcomes, and expanded tools and initiatives that capture both quantitative and qualitative dimensions of financial inclusion.

AFI's work under this Strategic Objective focused on sustaining momentum under the Maya Declaration platform, amplifying members' achievements through impact-focused storytelling, and piloting new instruments, such as FICA, to assess the effectiveness of financial inclusion policies at country level.

KEY ENABLERS

1. MAYA DECLARATION

AFI members continued to demonstrate strong engagement with the Maya Declaration Commitment platform, reflecting sustained momentum in advancing financial inclusion policy reforms. By the end of 2025, 79 countries had made a total of 1,469 Maya Declaration targets across multiple financial inclusion policy areas. Of these targets, 50 percent were reported as completed, indicating steady progress in implementation.

Four institutions made Maya Declaration commitments for the first time during the reporting period: Central Bank of Sri Lanka, Central Bank of Eswatini, Financial Services Regulatory Authority of Eswatini, and the Microfinance Regulation Department of Uganda (formerly known as the Uganda Microfinance Regulatory Authority, UMRA). This brings the total number of institutions with Maya Declaration commitments to 88.

Members also continued to pledge and update targets related to SME finance, national financial inclusion strategies, and policies for disadvantaged populations.

The Maya Declaration
Commitments you can bank on

79 COUNTRIES

1,469 TARGETS

50% TARGETS REPORTED AS COMPLETE

4 MEMBERS MADE COMMITMENTS FOR THE FIRST TIME

The most prominent thematic areas receiving updates were:

15%	Sasana Accord on quantitative financial inclusion targets
13%	Sochi Accord on Fintech and Digital Financial Services
7%	Sharm El Sheikh Accord on Climate Change and Green Finance
6%	Denarau Action Plan on Gender Inclusive Finance

2025 Maya Declaration Progress Report

During the reporting period, AFI published the 2025 Maya Declaration Progress Report, which documents progress under the platform, highlights innovative practices and implementation experiences, and distills lessons learned across the network. A recognition session was held at the during the 2025 AFI Global Policy Forum in Swakopmund, acknowledging members that completed targets in 2025 and those that contributed to the Maya Declaration for the first time.

2. IMPACT INITIATIVE

FINANCIAL INCLUSION IMPACT STORIES

AFI expanded the scale and scope of its Impact Story initiative as a core qualitative tool to complement quantitative policy tracking. These short, accessible videos document how members' financial inclusion policies and regulatory reforms are translating into tangible outcomes for individuals, communities, and entire nations.

In 2025, AFI published 19 Impact Story videos featuring AFI member institutions. These cover a broad range of policy themes and target groups, including gender inclusive finance, inclusive green finance, digital payments, digital financial literacy, MSME finance, and financial inclusion for forcibly displaced people.

FINANCIAL INCLUSION COUNTRY ASSESSMENTS

Two members, Bangko Sentral ng Pilipinas (BSP) and the Bank of Zambia, are participating in the pilot phase of the Financial Inclusion Country Assessment (FICA) program. Assessment teams have been drawn from members of two AFI Working Groups, the GSPWG and the FISPLG. Desk research, key informant interviews and report production have been completed for both countries, and the respective reports submitted to the assessed members for their review and clearance.

In parallel, AFI is developing an online FICA assessors training course, which will ensure a consistent and high-quality application of the FICA methodology by requiring potential assessors to obtain formal certification prior to being formally appointed. The course is expected to be finalized by Q2 2026. Two further FICA assessments will be initiated in 2026 following the AFI Board's acceptance of the GSPC's recommendation to continue with the pilots, given strong member demand.

4 STRATEGIC OBJECTIVE

Sustainability: Ensure an Agile and Sustainable Network

AFI is operating in a global environment where geopolitical uncertainty, shifting donor priorities and tighter development budgets are affecting the availability and structure of external funding.

These trends underscore the importance of strengthening AFI's long-term financial sustainability while preserving its member-driven character. A presentation on the funding outlook at the 2025 AGM in Swakopmund, Namibia, outlined the challenges in the operating environment, implications for AFI's financial future, and strategic measures that can be taken to secure organizational sustainability. Key strategic measures include adaptation of AFI's funding mobilization approach to seek longer-term and more flexible partnerships, exploring the growth of its Endowment Fund, further diversification of funding, and scoping for funds for demand-driven initiatives aligned with member priorities.

At the AGM, AFI members agreed to explore options to provide additional contributions to AFI, especially the Endowment Fund. Complementing these efforts, AFI will undertake a review of its business model, operations and service delivery to ensure the organization remains financially resilient, efficient and well positioned to continue advancing global financial inclusion.

CROSS-CUTTING STRATEGIC OBJECTIVE

Voice and strategic communication: AFI continued to elevate members' voice at global fora and promote its visibility and global positioning through strategic communications.

VOICE

Global Advocacy - AFI at Global Forums

AFI continued to position its members as global leaders on Inclusive Green Finance (IGF). During **COP30** in Belém, Brazil, AFI elevated members' global voice on Inclusive Green Finance by co-hosting three high-level side events with strategic partners. These engagements positioned AFI as a leading policy convener on climate-inclusive finance, bringing together central banks, regulators, development partners, and experts to demonstrate how inclusive, proportionate financial policies can drive a just green transition, particularly for MSMEs and vulnerable communities. AFI highlighted the collective leadership of more than 70 developing-country regulators advancing IGF through climate-smart policy tools, blended finance approaches, and targeted regulatory interventions. COP30 also marked AFI's first year as an official observer to the UNFCCC, reinforcing its growing credibility and influence in shaping global climate finance and regulatory discourse from an inclusion lens.

As an Implementing Partner of the **G20 Global Partnership for Financial Inclusion (GPFI),** AFI participated in three physical GPFI meetings held in South Africa in March, May, and September 2025. AFI contributed to two key deliverables under the South African G20 Presidency: a policy framework on enhancing effective usage of financial services and a mapping of innovative technologies that can improve the quality dimension of financial inclusion, developed in collaboration with CGAP and the Gates Foundation.

AFI supported and participated in several AFI member-hosted events during 2025, including the Second Inclusive FinTech Forum held in Kigali, Rwanda, in February 2025; the symposium "The Role of the Financial Industry in Reaching the Last Mile" hosted by the Central Bank of the Kingdom of Eswatini on 19 May 2025; the International Symposium on Central Bank Credibility and Monetary Policy held in Maputo, Mozambique, on 17 May 2025; and the launch of National Financial Inclusion Strategies in Honduras and Iraq in June 2025.

AFI further engaged with the United Nations Secretary-General's Special Advocate (UNSGSA) for Financial Health through participation in a high-level delegation visit to South Africa led by Her Majesty Queen Máxima of the Netherlands, aimed at supporting the country's efforts to advance financial health, inclusive finance, and regulatory innovation.

2025 AFI Global Policy Forum (AFI)

AFI GLOBAL POLICY FORUM

The 2025 AFI Global Policy Forum (GPF), co-hosted by the Bank of Namibia, took place from 2 to 5 September 2025 in Swakopmund, Namibia. The GPF convened nearly 700 global leaders, policymakers, and financial sector experts, representing 71 AFI member institutions across 61 countries and other stakeholders in the global financial inclusion ecosystem.

Held under the theme "Empowering Society, Enabling Growth," the GPF served as a vibrant platform for sharing experiences, best practices, and innovative financial solutions aimed at advancing financial well-being and inclusion. A highlight was the endorsement of the Swakopmund Call to Action, urging members to move beyond financial access toward achieving effective and equitable impact.

The 2025 GPF marked a historic milestone with the welcoming of Governor Soraya M. Hakuziyaremye of the National Bank of Rwanda as AFI's first female Board Chair, underscoring AFI's commitment to inclusive and transformative leadership.

The 2025 GPF celebrated the graduation of the first cohort of the **AFI Engage** program and witnessed the adoption of the **Working Group Strategy 2026–2028**, which aligns technical workstreams with AFI's Phase IV Corporate Strategic Plan. The 2025 GPF also featured the 2025 A**FI Global Financial Inclusion Awards** and the Fifth Edition of the Inclusive **FinTech Showcase**, recognizing member institutions, policymakers, and innovators advancing inclusive finance globally.

The 2025 GPF concluded with the announcement of the Bank of Papua New Guinea as the next GPF co-host, with the 2026 GPF scheduled to take place from 1-4 September 2026.

2025 AFI Global Policy Forum (AFI)

STRATEGIC COMMUNICATIONS AND VISIBILITY

In 2025, AFI continued to strengthen its strategic communications, steadily increasing both the quantity and breadth of its outputs to amplify members' voices, and reinforce AFI's global positioning as a policy leadership alliance for financial inclusion.

During 2025, AFI produced 132 news articles, 43 opinion pieces, 79 videos, 1,460 social media posts, and 24 newsletters. AFI's monthly LinkedIn newsletter reached over 26,000 subscribers by end-2025, while dedicated e-mail newsletters were produced for each of AFI's Regional Initiatives.

AFI's digital audience continued to grow strongly throughout 2025. Collective followers on social media grew by 37.5% year-on-year, with the total audience exceeding **100,000** by end-2025. Website traffic shows sustained year-on-year growth: the annual number of website visitors increased from 120,000 in 2023 to 162,000 in 2024 (+35 percent), followed by a further 33 percent rise to **216,000** in 2025.

During 2025, AFI devised and ran a series of targeted social media campaigns, including for International Women's Day, World Environment Day, COP, World Refugee Day, International Day of Persons with Disabilities, and World MSME Day. These campaigns featured multimedia content spotlighting members' policies and initiatives, as well as relevant AFI news, knowledge products and events.

NEWS ARTICLES

AFI and partners explore how to advance women's leadership and gender-inclusive finance at Luxembourg event

AFI and partners put IGF front and center at COP30

OPINION PIECES

Financial health means starting early: lessons from Egypt's 'School Bank' initiative

Papua New Guinea's green finance journey is helping to build climate resilience

IMPACT STORIES

Digital Payments are Driving Financial Inclusion in Nepal

Supporting women-led MSMEs in the Dominican Republic

Micro loans, big dreams: Tonga's path to inclusive growth

Zambia: How Women Entrepreneurs Are Building the Nation | AFI Impact Story

PART THREE

FINANCIAL REPORT

Farmer watering plantation, Cabinda, Angola. (Andre Silva Pinto / Shutterstock)

STATEMENT BY THE MANAGEMENT UNIT

We, Alfred Hannig and Chee Soo Yuen, being members of the Management Unit of Alliance for Financial Inclusion ("the Organisation"), state that, in the opinion of the Management Unit, the financial statements set out on pages 5 to 36 are drawn up in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Organisation as of 31 December 2025 and of its financial performance and cash flows for the financial year ended on that date.

Dr. Alfred Hannig
Chief Executive Officer

Chee Soo Yuen
DCEO and Chief Operations Officer

25 May 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE FOR FINANCIAL INCLUSION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Alliance For Financial Inclusion ("the Organisation"), which comprise the statement of financial position as at 31 December 2025, and the statement of income and expenditure and statement of cash flows of the Organisation for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards.

BASIS OF OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Organisation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

RESPONSIBILITIES OF THE MANAGEMENT UNIT FOR THE FINANCIAL STATEMENTS

The Management Unit of the Organisation is responsible for the preparation of financial statements of the Organisation that give a true and fair view in accordance with MFRSs and IFRS Accounting Standards. The Management Unit is also responsible for such internal control as the Management Unit determines is necessary to enable the preparation of financial statements of the Organisation that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Organisation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Organisation.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Unit.

(d) Conclude on the appropriateness of the Management Unit's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Organisation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Organisation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

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

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

OTHER MATTERS

This report is made solely to the members of the Organisation, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013
(LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
25 May 2026

Lum Chiew Mun
03039/04/2025J
Chartered Account

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 USD	2024 USD
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	87,916	57,582
Right-of-use asset	8	22,374	32,831
		110,290	90,413
CURRENT ASSETS			
Receivables	9	1,596,093	1,174,180
Cash and bank balances	10	13,895,695	12,389,493
Short term funds	11	1,628,510	1,519,459
		17,120,298	15,083,132
TOTAL ASSETS		17,230,588	15,173,545
FUND AND LIABILITIES			
FUND			
Accumulated funds	12	9,998,834	8,836,952
TOTAL FUND		9,998,834	8,836,952
LIABILITIES			
Non-current liability			
Lease liability	8	18,355	16,397
Current liabilities			
Deferred income	13	5,369,842	4,750,271
Other payables and accruals	14	1,816,873	1,546,264
Lease liability	8	26,684	23,661
		7,213,399	6,320,196
TOTAL LIABILITIES		7,231,754	6,336,593
TOTAL FUND AND LIABILITIES		17,230,588	15,173,545

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

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 December 2025

	Note	2025 USD	2024 USD
INCOME			
Donor funder		**11,324,913**	8,631,709
Donor - Public Private Dialogue ("PPD") partner		**200,000**	196,667
Membership subscription fee		**5,037,500**	4,901,500
Fixed deposit interest		**445,673**	413,940
Observer fee		**57,930**	53,843
		17,066,016	14,197,659
OTHER INCOME			
Other income		**28,658**	30,982
Gain on disposal of property, plant and equipment		**715**	-
Unrealised gain on foreign exchange rates		**10,046**	-
Reversal of impairment loss on trade receivables		**36,389**	-
Gain on remeasurement of lease interest		**453**	429
		17,142,277	14,229,070
EXPENDITURE			
Auditors' remuneration:			
- audit fees		**16,400**	15,600
- non-audit fees		**40,141**	41,000
- under/(over) provision in prior years		**(4,699)**	580
Bank charges		**19,368**	18,408
Communication, publication and media cost		**155,994**	178,202
Contract services fee		**1,252,619**	612,798
Depreciation of property, plant and equipment	7	**27,750**	44,545
Depreciation of right-of-use asset	8	**37,546**	30,760
Equipment expense		**5,306**	22,238
Event and logistic expenses		**200,768**	229,106
Grant disbursement		**1,097,733**	684,883
Interest expense on lease liability	8	**2,020**	2,152
Impairment loss on trade receivables	9(b)	**-**	9,022
Office and general supplies		**62,241**	54,997
Other indirect costs		**1,917**	1,546
Professional fees		**140,757**	227,063
Fund Manager Fee		**2,447**	1,306
Realised loss on foreign exchange rates		**39,450**	12,623
Recruitment fees and expenses		**19,940**	46,551
Repair and maintenance expenses		**209,032**	202,855
Staff costs	16	**8,471,644**	7,609,386
Telecommunication expenses		**22,968**	32,376
Travel expenses - staff		**1,339,521**	1,345,861
Travel expenses - sponsorship		**2,849,226**	2,536,111
Unrealised loss on foreign exchange rates		**4,136**	15,955
TOTAL EXPENDITURE		**(16,014,225)**	(13,975,924)

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

STATEMENT OF INCOME AND EXPENDITURE (continued)

For the financial year ended 31 December 2025

	Note	2025 USD	2024 USD
SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAXATION FOR THE FINANCIAL YEAR (CONTINUED)		**1,128,052**	253,146
TAXATION	15	**-**	-
SURPLUS OF INCOME OVER EXPENDITURE AFTER TAXATION FOR THE FINANCIAL YEAR		**1,128,052**	253,146
OTHER COMPREHENSIVE INCOME			
ITEM THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIOD			
Fair value gain of other investments at fair value through other comprehensive income FVTOCI”)		**33,830**	6,230
Other comprehensive income, for the financial year, net of tax		**33,830**	6,230
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**1,161,882**	259,376

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 USD	2024 USD
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**8,494,187**	8,805,496
RECEIPTS			
Cash receipts from donors and membership fee		**16,773,802**	14,018,883
Proceed from disposal of property, plant and equipment		**715**	-
Interest received		**717,582**	566,142
Net cash flows from fixed deposits with a licensed bank with maturity over three months		**(274,847)**	(801,303)
		17,217,252	13,783,722
LESS: PAYMENTS			
Auditor’s remuneration		**51,873**	29,897
Bank charges		**19,836**	17,883
Contract services fee		**1,405,042**	627,358
Communication, publication and media cost		**166,110**	159,170
Event and logistic expenses		**203,593**	259,837
Grant disbursement		**804,129**	785,144
Lease payment		**23,675**	25,556
Other indirect costs		**995**	250
Office and general supplies		**13,750**	17,935
Purchase of property, plant and equipment		**50,804**	9,525
Professional fees		**185,619**	174,188
Repair and maintenance expenses		**226,416**	295,969
Recruitment fees and expenses		**10,276**	4,861
Realised foreign exchange rates		**24,289**	33,720
Staff costs		**8,375,271**	7,659,172
Travel expenses - staff		**1,466,998**	1,251,075
Travel expenses - sponsorship		**2,819,784**	2,715,220
Telecommunication expenses		**28,386**	28,271
		15,876,846	14,095,031
NET DECREASE IN CASH AND CASH EQUIVALENTS		**1,340,406**	(311,309)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10(c)	**9,834,593**	8,494,187

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

The Alliance For Financial Inclusion ("the Organisation") is managed by the Management Unit of the Alliance For Financial Inclusion. The Alliance For Financial Inclusion is declared by regulations, as an international organisation under the International Organisations (Privileges and Immunities) Act 1992 [Act 485] in Malaysia.

The registered office of the Organisation is located at Sasana Kijang, 2, Jalan Dato Onn, Kuala Lumpur, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The financial statements were authorised for issue in accordance with Board of Directors meeting on 25 May 2026.

2. PRINCIPAL ACTIVITIES

The Organisation is principally engaged in the activities of promoting and developing evidence-based policy solutions that help to improve the lives of the poor. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Organisation set out on pages 5 to 36 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of the adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

The financial statements of the Organisation have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Organisation, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use.

The principal annual rates used for this purpose are as follows:

> Office equipment 20%
> Office renovation 20%
> Computer software 20%
> Computer hardware 20%
> Computer IT equipment 20%

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

4.2 LEASES

The Organisation accounts for a contract, or a portion of a contract, as a lease when it conveys the right-of-use to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) there is an identified asset;
(b) the Organisation obtains substantially all the economic benefits from use of the asset; and
(c) the Organisation has the right to direct use of the asset.

The Organisation considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Organisation obtains substantially all the economic benefits from use of the asset, the Organisation considers only the economic benefits that result from the use of the asset.

In determining whether the Organisation has the right to direct use of the asset, the Organisation considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Organisation considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Organisation applies other applicable MFRSs rather than MFRS 16.

In determining the lease term, the Organisation considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Organisation reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Organisation and affects whether the Organisation is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in the lease term results in a remeasurement of lease liabilities.

All leases are accounted for by recognising right-of-use assets and lease liabilities except for:

(a) leases of low value assets; and
(b) leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Organisation's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(a) amounts expected to be payable under any residual value guarantee;
(b) the exercise price of any purchase option granted in favour of the Organisation if it is reasonably certain to exercise that option; and
(c) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(a) lease payments made at or before commencement of the lease;

(b) initial direct costs incurred; and

(c) the amount of any provision recognised where the Organisation is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Organisation revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate which is the interest rate implicit in the lease for the remaining lease term, if the rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. The carrying value of the lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining revised lease term.

When the Organisation renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

(a) if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

(b) in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and

(c) if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect partial of the full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Organisation to use an identified asset and require services to be provided to the Organisation by the lessor, the Organisation has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and their useful life.

Lease term for the current and the comparative periods are as follows:

> Office premises .... 2 years

4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to reduce the carrying amount of the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.4 FINANCIAL ASSETS

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Organisation determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Organisation had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries, associates and joint ventures at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Organisation's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Organisation in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

4.5 FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Organisation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Organisation that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Organisation's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 IMPAIRMENT OF FINANCIAL ASSETS

The Organisation recognises an allowance for expected credit loss ("ECL") for all debt financial assets not held at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due in accordance with the contracts and all the cash flows that the Organisation expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the assets.

Impairment losses for receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime ECL. During this process, the probability of non-payment by the receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those in which the credit risk has not increased significantly since initial recognition of the financial assets, 12-month ECL is recognised. For those in which credit risk has increased significantly, lifetime ECL is recognised.

The Organisation defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays more than 30 days past due in making contractual payments and past due information.

The probabilities of non-payments by other receivables adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the 12-month or lifetime ECL for the other receivables.

4.7 EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Organisation.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Organisation.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Organisation makes contributions to a statutory provident fund and pension fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.8 FAIR VALUE MEASUREMENTS

The fair value of an asset or a liability, except for lease transactions; is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Organisation measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Organisation has considered the following characteristics when determining fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.9 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the Organisation operates ("the functional currency"). The financial statements are presented in United States Dollar, which is the functional and presentation currency of the Organisation.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Organisation recognises revenue when (or as) it transfers control over of the asset.

Farmer working with oxen in the rice field, Baguio, Philippines. (sezer66 / Shutterstock)

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Membership fee
Membership fee is recognised on annual basis over the membership period.

(b) Donations

(i) Donor funder
Donations from corporations and foundations are recognised on the accrual basis.

(ii) Donor - PPD partner
AFI's Public-Private Dialogue (PPD) platform represents a unique, global collaboration of public and private sector decision-makers working together to advance financial inclusion. The parties are interested to engage in intellectual exchange within the framework of the PPD platform that raises awareness of private sector insights, unique know-how, and technical expertise to support AFI Members in designing and implementing financial inclusion policies. AFI's PPD partners are committed to the financial sustainability of the PPD Platform and contribute technical and financial resources to ensure that sustainability, as well as to strengthen delivery of select aspects of AFI's Capacity Building and Technical Training program for policymakers and regulators. These contributions are recognised on accrual basis.

4.11 INTEREST INCOME

Interest income is recognised as it accrues, using the effective interest method.

5. ADOPTION OF NEW MFRSS AND AMENDMENT TO MFRSS

5.1 NEW MFRSS ADOPTED DURING THE CURRENT FINANCIAL YEAR

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

TITLE	EFFECTIVE DATE
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025

Adoption of the above Amendments did not have any material effect on the financial statements of the Company.

5.2 NEW MFRSS THAT HAVE BEEN ISSUED, BUT ONLY EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2026

TITLE	EFFECTIVE DATE
Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to MFRS 121 Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Company is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 CHANGES IN ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Management Unit are of the opinion that there are no significant changes in estimates since the end of the reporting period.

6.2 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

There are no critical judgements made by management in the process of applying the Organisation's accounting policies that have a significant effect on the amounts recognised in the financial statements.

6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The Organisation estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

(b) Impairment of receivables

The Organisation uses the simplified approach to estimate a lifetime expected credit loss allowance for all receivables. The Organisation develops the expected loss rates based on the payment profiles of past payment trends and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

7. PROPERTY, PLANT AND EQUIPMENT

2025	Balance as at 1.1.2025 USD	Additions USD	Depreciation charge for the financial year USD	Balance as at 31.12.2025 USD
Carrying amount				
Office equipment	12,022	52,651	(8,965)	55,708
Office renovation	1,215	-	(456)	759
Computer software	600	-	(599)	1
Computer hardware	43,745	-	(17,549)	26,196
Computer IT equipment	-	5,433	(181)	5,252
	57,582	58,084	(27,750)	87,916

	31 December 2025		
	Cost USD	Accumulated depreciation USD	Carrying amount USD
Office equipment	81,833	(26,125)	55,708
Office renovation	33,640	(32,881)	759
Computer software	115,213	(115,212)	1
Computer hardware	155,620	(129,424)	26,196
Computer IT equipment	5,433	(181)	5,252
	391,739	303,823	87,916

7. PROPERTY, PLANT AND EQUIPMENT *(continued)*

2024	Balance as at 1.1.2024 USD	Additions USD	Depreciation charge for the financial year USD	Balance as at 31.12.2024 USD
Carrying amount				
Office equipment	16,429	-	(4,407)	12,022
Office renovation	2,578	-	(1,363)	1,215
Computer software	14,686	-	(14,086)	600
Computer hardware	58,909	9,525	(24,689)	43,745
	92,602	9,525	(44,545)	57,582

	31 December 2024		
	Cost USD	Accumulated depreciation USD	Carrying amount USD
Office equipment	88,610	(76,588)	12,022
Office renovation	33,640	(32,425)	1,215
Computer software	115,213	(114,613)	600
Computer hardware	155,620	(111,875)	43,745
	393,083	(335,501)	57,582

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

	Office premises	
Right-of-use asset	**2025 USD**	2024 USD
Carrying amount		
Balance as at 1 January	32,831	34,204
Addition	64,402	57,097
Remeasurement	(37,313)	(27,710)
Depreciation charge for the financial year	(37,546)	(30,760)
Balance as at 31 December	22,374	32,831

Lease liability	**2025 USD**	2024 USD
Balance as at 1 January	40,058	34,504
Additions	64,402	57,097
Remeasurement	(37,766)	(28,139)
Lease payments	(27,811)	(28,567)
Interest expense	2,020	2,152
Exchange adjustment	4,136	3,011
Balance as at 31 December	45,039	40,058
Represented by:		
Current liabilities	23,661	23,661
Non-current liability	18,355	16,397
Lease liability owing to non-financial institutions	45,039	40,058
(a) The following are amounts recognised in income and expenditure:		
Depreciation of right-of-use asset	**37,546**	30,760
Interest expense on lease liabilities	**2,020**	2,152
	39,566	32,912

(b) Right-of-use asset and lease liabilities are denominated in Euro.

(c) The total cash outflows for leases as a lessee for the current financial year amount to USD27,811 (2024: USD28,567).

9. RECEIVABLES

	2025 USD	2024 USD
Receivables		
Third parties	**1,418,891**	985,949
Less: Impairment losses	**(45,428)**	(81,817)
	1,373,463	904,132
Other receivables		
Other receivables	**169,977**	155,320
Total receivables, net of prepayments	**1,543,440**	1,059,452
Prepayments	**52,653**	114,728
	1,596,093	1,174,180

(a) Receivables are non-interest bearing and the normal credit terms of receivables granted by the Organisation ranged from 30 to 180 days (2024: 30 to 180 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

The Organisation did not renegotiate the terms of any receivables in the current financial year.

(b) Impairment for receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Organisation uses an allowance matrix to measure the expected credit loss of receivables from individual customers. Expected loss rates are calculated using the roll rate method based on their common credit risk characteristics which is age of customer relationship.
During this process, the probability of non-payment by the receivables is adjusted by forward looking information, i.e. gross domestic product and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statement of profit or loss and other comprehensive income. On confirmation that the receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by receivables and appropriate forward looking information.

The reconciliation of movements in the impairment losses on receivables are as follows:

	Receivables		
	Lifetime ECL allowance USD	Credit impaired USD	Total allowance USD
At 1 January 2025	11,717	70,100	81,817
Reversal during the year	-	(36,389)	(36,389)
At 31 December 2025	11,717	33,711	45,428
At 1 January 2024	2,695	70,100	72,795
Charge during the year	9,022	-	9,022
At 31 December 2024	11,717	70,100	81,817

10. CASH AND BANK BALANCES

	2025 USD	2024 USD
Cash and bank balances	**1,493,875**	**2,797,664**
Fixed deposits with licensed banks	**12,401,820**	**9,591,829**
	13,895,695	**12,389,493**

(a) Deposits with licensed banks of the Organisation have maturity periods ranging from 30 days to 365 days (2024: 30 days to 365 days).

(b) Deposits with licensed bank:

i) Deposits with Standard Chartered Berhad with interest rates ranging from 2.72% to 2.85% (2024: 3.34% to 3.55%) per annum; and

ii) Deposits with Malayan Banking Berhad with interest rates ranging from 3.67% to 4.15% (2024: 4.50% to 5.25%).

(c) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as the end of the financial year:

	2025 USD	2024 USD
Cash and bank balances	**1,493,875**	**2,797,664**
Short term funds (Note 11)	**1,628,510**	**1,519,459**
Fixed deposits with a licensed bank		
- not more than three months	**6,712,208**	**4,177,064**
- more than three months	**5,689,612**	**5,414,765**
Less:		
Fixed deposits with a licensed bank more than three months	**(5,689,612)**	**(5,414,765)**
Cash and cash equivalents included in the statement of cash flows	**9,834,593**	**8,494,187**

11. SHORT TERM FUNDS

	2025 USD	2024 USD
At fair value through profit or loss Investments in fixed income trust funds in Malaysia	**1,628,510**	**1,519,459**

(a) Investments in fixed income trust funds in Malaysia represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(b) Fair values of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period.

(c) Short term funds are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

12. ACCUMULATED FUNDS

	2025 USD	2024 USD
Non-distributable		
Accumulated funds balance brought forward	**8,836,952**	8,577,576
Surplus of income over expenditure after taxation for the financial year	**1,128,052**	253,146
Other comprehensive income, net of tax	**33,830**	6,230
Accumulated funds balance carried forward	**9,998,834**	8,836,952

13. DEFERRED INCOME

	Note	2025 USD	2024 USD
Advances from funders	(a)	**4,314,709**	3,860,214
Membership fees	(b)	**1,055,133**	890,057
		5,369,842	4,750,271

(a) Deferred income arose from funders are advances received for services rendered which are yet to be recognised as revenue due to performance obligation yet to be fulfilled by the Organisation at the end of the reporting period.

(b) Deferred income arose from members are advances received for Financial Year 2026 (2024: Financial Year 2025) membership fee.

(c) Deferred income at the beginning of the period recognised as revenue during the year amounting to USD4,686,284 (2024: USD4,438,548).

14. OTHER PAYABLES AND ACCRUALS

	2025 USD	2024 USD
Other payables	**403,651**	282,073
Accruals	**1,413,222**	1,264,191
	1,816,873	1,546,264

15. TAXATIONS

The income of the Organisation is tax exempt in accordance with the provisions of Section 44(6) of the Income Tax Act, 1967.

16. EMPLOYEE BENEFITS

	2025 USD	2024 USD
Salaries and bonus	**7,683,314**	6,964,169
Defined contribution plan	**498,655**	440,684
Other employee benefits	**289,675**	204,533
	8,471,644	7,609,386

17. RELATED PARTIES DISCLOSURES

Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Company.

The remuneration of key management personnel during the financial year was as follows:

	2025 USD	2024 USD
Wages and salaries	**1,270,334**	1,012,441
Short term employee benefits	**629,135**	573,323
Defined Contribution Plans	**66,209**	54,482
	1,965,498	1,640,246

Woman makes traditional baskets for sale at local market in Oaxaca, Mexico. (Jess Kraft / Shutterstock)

18. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Organisation is to ensure that the Organisation would be able to continue as a going concern. The Organisation monitors and manage its capital structure and makes adjustments to it, in light of changes in economic condition. The Organisation's policies and procedures involve obtaining funding from donors, partners and members to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Organisation is not subject to any externally imposed capital requirements.

(b) Categories of financial instruments

	2025 USD	2024 USD
Financial assets at amortized cost		
Receivables (excluding prepayments)	**1,543,440**	1,059,452
Cash and bank balances	**13,895,695**	12,389,493
Short term funds	**1,628,510**	1,519,459
	17,067,645	14,968,404
Financial liabilities at amortized cost		
Other payables and accruals	**1,816,873**	1,546,264
Lease liability	**45,039**	40,058
	1,861,912	1,586,322

(c) Method and assumption used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair values.

The carrying amounts of financial assets and financial liabilities, such as receivables and other receivables, other payables and accruals and lease liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

(ii) Lease liability accounted for as long term financial liability

The fair value of this financial instrument is estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

The carrying amounts of the lease liability is reasonable approximations of fair values due to the insignificant impact of discounting.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk management

The overall financial risk management objective of the Organisation is to ensure that it creates value for its members while minimising potential adverse effects on its performance. The Organisation is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk. Information on the management of the related exposures are detailed below:

(i) Credit risk

Cash deposits and receivables may give rise to credit risk which requires loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions, government agencies, corporation and other foundations. It is the Organisation's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Organisation is exposed to minimal credit risk.

The Organisation's primary exposure to credit risk arises through its receivables and deposits with financial institutions.

The Organisation applies the simplified approach to measure expected credit losses ('ECL') which uses a lifetime expected loss allowance for its receivables. To measure ECL, receivables have been grouped based on shared credit risk characteristics and the days past due. The Organisation considers any receivable having significant balances and more than 180 days overdue are deemed credit impaired.

The following table provides information about the exposure to credit risk and ECLs for receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount USD	Loss allowance USD	Net balance USD
2025			
Current (not past due)	1,385,180	(11,717)	1,373,463
Past due:			
More than 150 days	33,711	(33,711)	-
	1,418,891	**(45,428)**	**1,373,463**
2024			
Current (not past due)	903,400	(11,717)	891,683
Past due:			
More than 150 days	82,549	(70,100)	12,449
	985,949	**(81,817)**	**904,132**

Exposure to credit risk arises mainly from membership fee. The Organisation historical experience in the collection of account receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amount provided for collection losses is inherent in the Organisation's trade receivables.
No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Organisation. The maximum exposure of the Organisation to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

As at 31 December 2025, other than the amount owing by two (2024: three) major receivables constituting approximately 52% (2024: 48%) of the total receivables of the Organisation, the Organisation does not have any significant concentration of credit risk related to any individual customer or counterparty.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk

Liquidity risk arises mainly from general funding and business activities. The Organisation actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Organisation measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Organisation's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Organisation's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year USD	One to five years USD	Over five years USD	Total USD
As at 31 December 2025				
Other payables and accruals	1,816,873	-	-	1,816,873
Lease liabilities	27,923	18,615	-	46,538
	1,844,796	**18,615**	**-**	**1,863,411**
As at 31 December 2024				
Other payables and accruals	1,546,264	-	-	1,546,264
Lease liabilities	25,028	16,684	-	41,712
	1,571,292	**16,684**	**-**	**1,587,976**

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Organisation would fluctuate because of changes in market interest rates.

The exposure of the Organisation to the interest rate risk arises primarily from its interest bearing assets and liabilities. The Organisation manages its interest rate exposure on its fixed deposit and debts by maintaining mainly fixed rate deposits and lease liabilities.

Sensitivity analysis for fixed rate deposits placed with licensed banks and lease liability at the end of the reporting period is not presented as it is not affected by changed in interest rates.

The following tables set out the carrying amounts, the weighted average effective interest rate ("WAEIR") as at the end of each reporting period and the remaining maturities of the financial instruments of the Organisation that are exposed to interest rate risk:

	WAEIR %	Within 1 year USD	1 - 2 years USD	Total USD
As at 31 December 2025				
Fixed rates				
Fixed deposits with a licensed bank	3.47	12,401,820	-	12,401,820
Lease liability	3.77	26,684	18,355	45,039
As at 31 December 2024				
Fixed rates				
Fixed deposits with a licensed bank	4.50	9,591,829	-	9,591,829
Lease liability	4.66	23,661	16,397	40,058

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organisation is exposed to foreign currency risk on transactions that are denominated in currencies other than its functional currency. In mitigating foreign currency risk, the Organisation matches its foreign payable against receivables denominated in the same foreign currency. Movement in Foreign exchange rates are closely monitored to ensure the Organisation's exposures minimised.

Foreign currency exposure

	United States Dollar USD	Ringgit Malaysia USD	West African CFA Franc USD	Euro USD	Total USD
2025					
Financial assets					
Receivables	381,664	-	-	1,161,776	1,543,440
Cash and bank balances	13,218,697	94,840	4,570	577,588	13,895,695
Short term funds	1,628,510	-	-	-	1,628,510
	15,228,871	**94,840**	**4,570**	**1,739,364**	**17,067,645**
Financial liabilities					
Other payables and accruals	(1,816,873)	-	-	-	(1,816,873)
Lease liability	-	-	-	(45,039)	(45,039)
Net financial assets	**13,411,998**	**94,840**	**4,570**	**1,694,325**	**15,205,733**
Less: Net financial liability denominated in the entity's functional currencies	**(13,411,998)**	-	-	-	(13,411,998)
Currency exposure	**-**	**94,840**	**4,570**	**1,694,325**	**1,793,735**

	United States Dollar USD	Ringgit Malaysia USD	West African CFA Franc USD	Euro USD	Total USD
2024					
Financial assets					
Receivables	788,368	-	-	271,084	1,059,452
Cash and bank balances	12,075,120	49,531	9,012	255,830	12,389,493
Short term funds	1,519,459	-	-	-	1,519,459
	14,382,947	**49,531**	**9,012**	**526,914**	**14,968,404**
Financial liabilities					
Other payables and accruals	(1,546,264)	-	-	-	(1,546,264)
Lease liability	-	-	-	(40,058)	(40,058)
Net financial assets	**12,836,683**	**49,531**	**9,012**	**486,856**	**13,382,082**
Less: Net financial liability denominated in the entity's functional currencies	**(12,836,683)**	-	-	-	(12,836,683)
Currency exposure	**-**	**49,531**	**9,012**	**486,856**	**545,399**

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Organisation's surplus of income over expenditure after taxation to a reasonably possible change in the Ringgit Malaysia ("RM") and Euro ("EUR") exchange rates against the United States Dollar ("USD") respectively, with all other variables held constant. 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	2025 USD	2024 USD
Effect on Surplus of Income Over Expenditure After Taxation		
RM/USD		
- strengthen by 3%	2,162	57
- weaken by 3%	(2,162)	(57)
EUR/USD		
- strengthen by 3%	41,195	14,817
- weaken by 3%	(41,195)	(14,817)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.

20. MATERIAL LITIGATIONS

(a) In January and July 2022, the Organisation was served with two separate Statements of Claim by the Director General of Industrial Relations, made under Section 20(3) of the Industrial Relations Act 1967, arising from the dismissal of two separate claimants by the Organisation in March 2021. The case numbers are Kuala Lumpur Industrial Court Case No. 14/4-1215/22 and 15(6)/4-72/22. The claimants were employed by the Organisation for a fixed-term contract and were subsequently dismissed from service by the Organisation respectively in March 2021, on grounds of misconduct, after due inquiry.
The Organisation has engaged Zul Rafique & Partners Advocates & Solicitors to act as their representative in the abovementioned claims.

(b) In August 2023, the Organisation appealed against the decision of the Industrial Court via Industrial Court Interim Award, which dismissed the Organisation's application to strike off Kuala Lumpur Industrial Court Case No. 15(6)/4-72/22.
However, via the claimant's letter to the Court dated 28 April 2025, the claimant had officially terminated her claim against the Organisation. Pursuant to that, on 8 May 2025, the Industrial Court handed down an award to strike off the claim.

(c) In December 2023, the Organisation appealed against the decision of the Industrial Court via Industrial Court Interim Award, which dismissed the Organisation's application to strike off Kuala Lumpur Industrial Court Case No. 14/4-1215/22.
The Appeal came up for Decision on 7 January 2025 wherein the High Court dismissed the Appeal.

The Organisation then on 15 January 2025 appealed against the above Decision. The matter came up for case management on 11 March 2026, during which the Deputy Registrar confirmed that the Appeal is fixed for decision on 29 June 2026.

Both management and solicitors have expressed confidence for arguing against the claim. Consequently, as of the reporting period and up to the date of authorisation of the financial statements, the provision regarding the potential claim liability is not required in respect of the above claim, as it is not probable that any future outflow of economic benefits will be required.

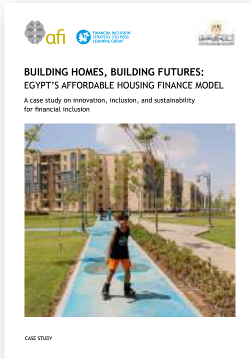
PART FOUR

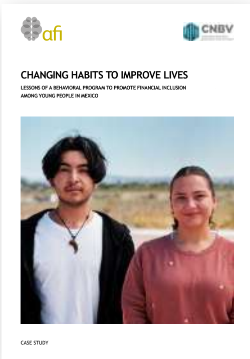
REFERENCES

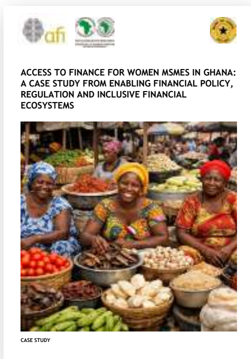
Man using a smartphone and computer, Mexico city, Mexico. (Light and Vision / Shutterstock)

AFI'S KNOWLEDGE PRODUCTS AND PUBLICATIONS IN 2025

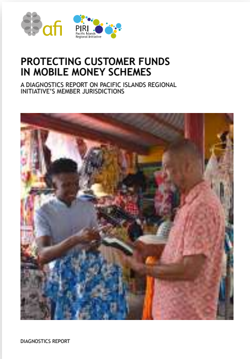
CASE STUDIES





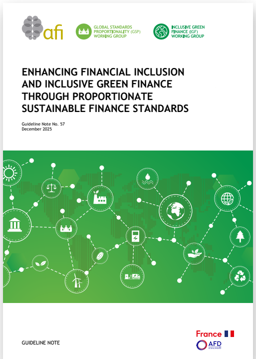


DIAGNOSTICS REPORT

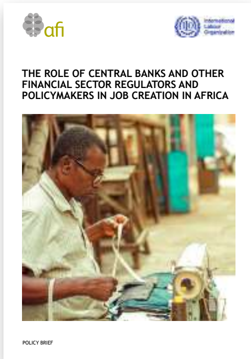


ASSESSMENT REPORT

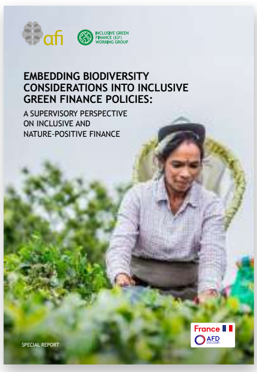
GUIDELINE NOTE



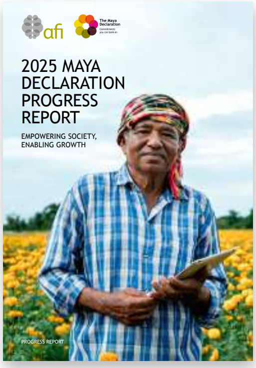
POLICY BRIEF



SPECIAL REPORT



PROGRESS REPORT



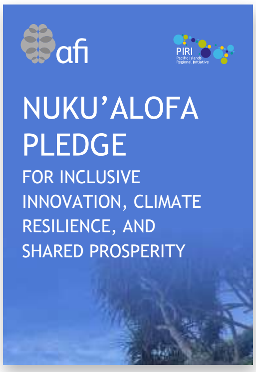
SURVEY REPORT

TOOLKIT

OTHER PUBLICATIONS

ANNUAL REPORT

FACTSHEET



PROGRESS REPORT

FORUM REPORT

SPECIAL REPORT

2025 AFI CALENDAR OF EVENTS

GOVERNANCE MEETINGS

15 February	Investment Committee Meeting	Virtual Meeting
4 March	Gender Inclusive Finance Committee Meeting	Virtual Meeting
15 April	Budget and Finance Committee Meeting	Virtual Meeting
15 April	Audit Committee Meeting	Virtual Meeting
13 May	Global Standards and Policy Committee Meeting	Virtual Meeting
26 May	Investment Committee Meeting	Virtual Meeting
30 May	Board of Directors Meeting	Dubai, United Arab Emirates
25 June	Intergovernmental Organization Special Committee Meeting	Virtual Meeting
10 July	Budget and Finance Committee Meeting	Virtual Meeting
5 August	Gender Inclusive Finance Committee Meeting	Virtual Meeting
6 August	Board of Directors Meeting	Virtual Meeting
14 August	Investment Committee Meeting	Virtual Meeting
2 September	Board of Directors Meeting	Swakopmund, Namibia
2 September	Intergovernmental Organization Special Committee Meeting	Swakopmund, Namibia
2 September	Gender Inclusive Finance Committee Meeting	Swakopmund, Namibia
2 September	Global Standards and Policy Committee Meeting	Swakopmund, Namibia
3 September	Annual General Meeting	Swakopmund, Namibia
3 September	Funding Partners Consultative Council Meeting	Swakopmund, Namibia
23 October	Special Board of Directors Meeting	Virtual Meeting
13 November	Budget and Finance Committee Meeting	Virtual Meeting
13 November	Investment Committee Meeting	Virtual Meeting
5 December	Board of Directors Meeting	Virtual Meeting

GLOBAL EVENTS

2 - 5 September	2025 Global Policy Forum	Swakopmund, Namibia
14 October	17th Annual G-24/AFI Policymakers' Roundtable	Washington D.C
11 - 14 November	COP 30	Belem, Brazil
24 November	Global Dialogue on Women's Leadership and Gender-Inclusive Finance	Luxembourg
25 November	Closed Session on AFI's Sustainability, Resource Mobilization, and Global Inclusive Green Finance Agenda	Luxembourg

WORKING GROUP MEETINGS

26 June	Webinar on PsyCap Blueprint on Strategies for Motivation and Successful Goal Attainment	Virtual
30 July	The Current State of Gender-Sensitive Financial Consumer Protection	Virtual

REGIONAL INITIATIVES MEETINGS AND EVENTS

17 - 20 February	6th SARFII EGFIP Meeting & NRB AFI Regional Training on Advancing Cyber Resilience and Consumer Protection in Digital Payments	Kathmandu, Nepal
26 - 28 May	Eastern Europe & Central Asia Policy Initiative (ECAPI) Meetings - EGFIP Meetings	Samarkand, Uzbekistan
3 - 6 June	13th Pacific Island Regional Initiative (PIRI) Meetings	Nuku'alofa,Tonga
9 - 12 June	Arab Region Financial Inclusion Policy Initiative (ARFIPI) EGFIP Meetings	Casablanca, Morocco
9 - 11 June	12th FILAC Experts Group on Financial Inclusion Policy (EGFIP) Meeting	Paramaribo,Suriname
16 - 20 June	African Financial Inclusion Policy Initiative (AfPI) Meetings - EGFIP Meeting	Accra, Ghana
24 July	Advancing Digital Financial Services for Financial Inclusion in Latin America and The Caribbean	Virtual
13 November	SARFII Learnovation Lounge Series 1.0 SBP's Asaan Mobile Account (AMA) Scheme	Virtual
26 November	Advancing Digital Financial Services for Financial Inclusion in Latin America and The Caribbean (Second webinar)	Virtual
3 December	Commemorating the 10-Year Partnership Anniversary of AFI & BNM	Kuala Lumpur, Malaysia
5 December	The Rise of Central Bank Digital Currency (CBDC) in China: Regulatory Approaches, Challenges and Future Prospects	Virtual

CAPACITY BUILDING PROGRAMS

3 - 6 February	BB-AFI Joint Learning Programme on Advancing Women's Financial Inclusion	Dhaka, Bangladesh
7 - 10 April	Second In-Country Housing Finance Workshop	Cairo, Egypt
6 - 7 May	AFI Virtual Regional Training on Implementing IGF in the Arab World - From Strategy to Action	Virtual
17 - 18 May	PBCSF Global Finance Forum	Shenzhen, China
19 - 20 May	PBCSF-AFI Workshop on Inclusive DFS	Shenzhen, China
1 - 4 July	RBM-AFI JLP on Empowering Women-led MSMEs through Financial Education Initiatives	Malawi
15 - 18 July	SBS PERÚ-AFI Member Training on Regulating for Competitive and Inclusive Digital Financial Services	Lima, Peru
22 - 25 July	CBE-AFI Regional Training on Greening of MSMEs and the Role of Regulators	Eswatini
7 - 10 October	NBR-AFI Regional Training on Leveraging Technology and Regtech for Enhanced Consumer Protection	Kigali, Rwanda
14 - 15 October	AFI Virtual Regional Training on IGF Products and Services - EECA Region	Virtual
28 - 31 October	BPNG-AFI Joint Learning Program on Inclusive Green Finance Policies Implementation	Port Moresby, Papua New Guinea
11 November	AFI Educate Webinar on SDD: The Data-to-Impact Playbook: Dashboards, Toolkits, and the AI Frontier	Virtual
18 November	AFI Educate Webinar on Mainstreaming Gender: From National Strategy to Market Impact	Virtual
26 November	AFI Educate Webinar on Driving Youth Financial Inclusion: From Co-Creation to Enabling Regulation for Impact	Virtual

GLOSSARY OF TERMS

3D	Developing-Developed Countries Dialogue
AC	Audit Committee
AFAWA	Affirmative Finance Action for Women in Africa
AfDB	African Development Bank
AFI	Alliance for Financial Inclusion
AfPI	African Financial Inclusion Policy Initiative
AGM	Annual General Meeting
APGML	Asia/Pacific Group on Money Laundering
BFC	Budget and Finance Committee
BMWK	German Federal Ministry for Economic Affairs and Climate Action
BMZ	Germany's Federal Ministry for Economic Cooperation and Development
CEFI	Certified Expert in Financial Inclusion Policy
CEMCWG	Consumer Empowerment and Market Conduct Working Group
DFSWG	Digital Financial Services Working Group
ECAPI	Eastern Europe and Central Asia Policy Initiative
EGFIP	Experts Group on Financial Inclusion Policy
ERO	AFI's Europe Representative Office
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FDPs	Forcibly displaced persons
FIDIWG	Financial Inclusion Data and Impact Working Group
FILAC	Financial Inclusion Initiative for Latin America and the Caribbean
FISPLG	Financial Inclusion Strategy Peer Learning Group
FMSC	Special Committee on Funding Mobilization from Members
FPCC	Funding Partners Consultative Council
FSB	Financial Stability Board
FSRBs	FATF-Style Regional Bodies
G20	Group of Twenty, consisting of governments and central bank governors from 20 major economies
G-24	Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development
GAFILAT	Financial Action Task Force of Latin America
GF	Gates Foundation
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GIF	Gender Inclusive Finance
GIFC	Gender Inclusive Finance Committee

GPF	Global Policy Forum
GPFI	Global Partnership for Financial Inclusion
GSPC	Global Standards and Policy Committee
GSPWG	Global Standards Proportionality Working Group
ICI	In-Country Implementation
IDRC	International Development Research Centre
IGF	Inclusive Green Finance
IGFWG	Inclusive Green Finance Working Group
IGOSC	Intergovernmental Organization Special Committee
MU	AFI Management Unit
NFIS	National financial inclusion strategy
PIRI	Pacific Islands Regional Initiative
PPD	Public-Private Dialogue
Sida	Swedish International Development Cooperation Agency
SMEFWG	SME Finance Working Group
SMEs	Small and Medium Enterprises
SSBs	Standard-Setting Bodies
UNSGSA	United Nations Secretary General's Special Advocate for Inclusive Finance for Development

Alliance for Financial Inclusion
AFI, Sasana Kijang, 2, Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia
t +60 3 2776 9000 **e** info@afi-global.org **www.afi-global.org**

Alliance for Financial Inclusion AFI.History @NewsAFI @afinetwork