FOUR NOMINATIONS AND TWO WINS

TDB’s achievements recognized at the African Bankers Awards

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Gloria Mamba, TDB Southern Africa Coverage Executive and Asset Management Executive
Mary Kamari, TDB Corporate Affairs and Investor Relations Executive

MOBILIZING EQUITY
AfDB Invests Another USD 25 Million in Equity

SUSTAINABLE DEVELOPMENT
The Role of DFIs in the Fight against Climate Change
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The East African and Indian Ocean Seabed: a New LNG Global Hub?
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AFRICAN BANKER OF THE YEAR

The African Banker of the Year accolade celebrates influential and inspirational captains of Africa’s banking industry; those who demonstrate outstanding integrity, and who, through their leadership and outstanding vision, are exceptionally agile in achieving a strong financial performance and playing an active role in enhancing socioeconomic development and empowerment in the region they serve.

President Tadesse was recognized as the kind of a leader building on the foundation laid by his predecessor, Dr. Gondwe who played an instrumental role in guiding the Bank through its keening years. Working closely with a committed board and talented management team, Mr. Tadesse has elevated TDB into the world-class African development finance institution it is today.

Equipped with a very real vision and capacity for action, he succeeded in delivering a complete volte-face to TDB, notably in growing assets almost 6-fold during his tenure at the Bank, but growing impact.

Mr. Tadesse has also managed to attract world-class executives and talented professionals from several continents, and has fostered a positive and motivating work environment, where substance, initiative, results and excellence are the focus and basis for advancement and rewards. Everyone at TDB feels like they are part of an exceptional institution.

Likewise, TDB’s President has successfully crafted and spearheaded groundbreaking reforms in the Bank’s governance and organizational structure, with centres of excellence in risk management, treasury, investor relations and human capital management, among others, which have enabled the Bank to multiply several fold in capital base and lending capacity, and grow a more diversified and de-risked loan portfolio.

As captain, Mr. Tadesse has steered the TDB ship in the right direction, by putting his shoulders to the wheel, as he would say and inspiring others to join in, with impact.

WHY TDB’S A WINNING INSTITUTION

Arthritis, African Bankers Awards. In addition to these two wins, TDB was also nominated in the categories ‘African Bank of the Year’ and ‘Deal of the Year’ – Debt. For USD 1.2bn syndicated sovereign loan facility to the Government of Kenya.

This is not the first time TDB is being recognized for its achievements. The Bank won EMA Finance’s ‘Best Supranational Syndicated Loan’ in 2019 and 2018; Global Trade Review’s ‘Best Trade Finance Bank in East Africa’ in 2015; Capital Finance International’s ‘Best NGO Private Bank’ in 2015; Africa’s Global Transport Finance’s ‘Best Aircraft Deal of the Year in Africa’ in 2014; and was awarded the Industry Peer Award for the best performing DFI in Africa 2018 among 49 institutions by the World Bank.

These recognitions in the form of awards are a testament to the Bank’s unique ability to respond to the context in which it operates. The African Bankers Awards, now renowned as the Oscars of African banking, is organized on a yearly basis, to highlight the good work done in the African banking industry. TDB’s profile has increased in recent years, and this award is a recognition of the Bank’s growing impact.

Mr. Tadesse sees this as a call for action for DFIs and overall the investor community. “The call for action is to partners can drive impact in Eastern and Southern African countries with a lower risk.”

TDB’s achievements recognized at the African Bankers Awards

working with partners from around the globe, TDB has come to be seen as the catalyst through which global partners can drive impact in Eastern and Southern African countries with a lower risk.

The Race for the 2019 African Bankers Awards came to an end on the night of the 11th of June in Malabo, Equatorial Guinea, at a high profile gathering of bankers and financial sector stakeholders. This is where TDB jointly received with Crédit Agricole the 2019 ‘Infrastructure Deal of the Year’ award, and where the Bank’s President and Chief Executive, Admassu Tadesse took home the African Banker of the Year accolade, one of the top two most prestigious of the competition.

Infrastructure Deal of the Year

The Infrastructure Deal of the Year accolade recognized TDB’s co-financing of the groundbreaking Coral South Floating Liquified Natural Gas (FLNG) project in Mozambique, where TDB collaborated closely with its natural partner, Banco Nacional de Desenvolvimento (BNDE), among others, on this strategic national investment. The Bank’s USD 92.4M Senior Loan Facility towards Mozambique’s Coral South FLNG project – part of one of the largest subscription tickets for which Crédit Agricole was the lead arranger – is a game-changer both in terms of technology used as well as for Mozambique’s economy. TDB is the only DFI among other African banks to have participated in the lending of the project.

As a result of the USD 8bn project, the Government of Mozambique is expected to generate up to USD 25bn in income in the form of royalties, taxes and dividends during the commercial life of the project. Likewise, Coral South will help create thousands of direct and indirect jobs, enable technical and vocational skills development, knowledge and technology transfer, and boost the country’s competitiveness in the international area.

The success of Coral South has served as a catalyst for securing two additional mega energy (LNG) projects led by Andarko and ExxonMobil with an aggregate capital cost of close to USD 50bn.
IN-FOCUS INTERVIEW

MEET TDB’S SOUTHERN AFRICA COVERAGE EXECUTIVE AND ASSET MANAGEMENT EXECUTIVE, GLORIA MAMBA

GLORIA MAMBA WHO HEADS TDB’S REGIONAL MISSION FOR SOUTHERN AFRICA

SHARED WITH THE TDB NEWSLETTER TEAM WHAT THE NEXT OPPORTUNITIES FOR GROWTH ARE IN THE REGION SHE COVERS, AS WELL AS SOME NEW DEVELOPMENTS IN TDB’S ASSET MANAGEMENT BUSINESS

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Q. Broadly-speaking, can you tell us about yourself and your role at TDB?

GM: My primary responsibility as Coverage Executive is to oversee the origination of new business for the Bank by building, strengthening and deepening relationships with clients and stakeholders in TDB’s African Member States in Southern Africa – Eswatini, Malawi, Zambia and Zimbabwe.

This requires me to have a deep understanding of our clients’ needs and potential, to see how the Bank can best serve them, and ultimately how together we can further develop the region in a sustainable way. It is a commitment to building long-term relationships in the region.

In order to do so, I have to make it easy for clients to interact with the Bank by providing a single, primary point of contact, while coordinating with other TDB departments such as Lending Operations, Legal, Credit Risk, and others, to provide customized and innovative solutions to clients.

I have spent most of my time working with my TDB Harare Office with diverse backgrounds in investment banking, trade finance, infrastructure finance, and business development, as well as extensive experience working on the continent and globally.

Q. As Coverage Executive for the Southern African Region, can you describe the region you cover, and what differentiates it from the rest of regions TDB serves?

GM: When you look at the map, the Southern African region is the second largest in terms of book size. It is a very diversified portfolio in terms of sectors – everything from agribusiness, power, manufacturing to financial services and private education.

While average loan sizes in Southern Africa are smaller that averages across the Bank, their quality is very high and our overall NPL ratio is very low. We also have strong relations with our sovereigns and are significant lenders to most of them.

The pipeline in Southern Africa is solid and growing – we expect to onboard new clients at our countries in a range of sectors including agriculture, financial services, mining, tourism, transport & logistics and infrastructure later this year. Many of these transactions will not only be with new clients but also new structures, cross-border and cross-regional initiatives that bring together companies from different parts of the TDB region, in line with the fulfillment of our mandate to facilitate trade.

It’s not only about the new. We continue to expand badly to partners with whom we have worked before, helping them to achieve their expansion and diversification targets, and deepening development impact as they expand.

Q. What do you think are the biggest opportunities for investment and growth in Southern Africa?

GM: Some of the most important opportunities for growth in Southern Africa, especially non-traditional sectors, are the diversification of trade partners, and improvement of beneficiation capacity and linkages. Our focus is on identifying opportunities in agriculture, power, transport and logistics and aligning the trade finance focus with aligned to these opportunities.

Q. Asset Management also falls under your purview. What does this portfolio entail and how does it feed into the rest of the Bank’s business?

GM: After I joined the Bank in 2017, my primary responsibility was to review the opportunity in what was then called ‘Funds Management’, and to see how we could develop it into a first-class offering for the Bank. That is a critical segment in our current Corporate Plan to 2022 focusing on TDB’s role as a trusted intermediary of capital between other parts of the world and Africa. In this regard, the bank has developed several important partnerships, especially in the area of climate change.

The name of the Department changed to Asset Management in early 2018 in order to indicate the broader range of services it was intended to offer.

In addition, the Department has developed and launched an innovative SME pilot program, which was launched in October 2018 in Harare. The program has exceeded many of its milestones and timelines which were established at that time and we expect to have fully disbursed the seed funding for the programme by the end of 2019 in Burundi, Ethiopia, Kenya and Zimbabwe. As we continue to build our pipeline, we expect to further expand transactions in several new member economies in 2020.

Again, I have to recognize that fabulous team with whom I work on the initiative from the Harare Office. It is a deep understanding of the needs of the “missing middle” wide network in this sector and the entrepreneurial spirit with which they have driven this initiative have been key to our success.

In terms of how this feeds into the Bank’s business, Asset Management will bring meaningful impact by creating new partnerships and new revenue streams.

Q. What are your shorter and longer-term plans for the portfolios you manage?

GM: On the Coverage side, our short-term goals are to keep getting better at understanding and impacting the opportunities in this market and as a result expand and increase clients’ access to the Bank’s services in the region.

In terms of my Asset Management responsibilities, the key short-term goal is to see through the successful conclusion of our SME pilot programme and see it become a stand-alone unit in the Bank.

In the long-term, it is to see Southern Africa develop and increase our contribution to the rest of the region in terms of facilitating access to finance, empowering a range of economic actors and adding to the Bank’s revenue and profitability.

Q. On a lighter note, what might someone be surprised to know about you?

GM: Only because the Bank has grown so much, there will be many people who will be surprised to know that I was the first citizen of the Kingdom of Eswatini to become an employee of the Bank.
MOBILIZING EQUITY

AFDB INVESTS ANOTHER USD 25 MILLION IN EQUITY

TDB Has received an additional equity investment of USD 25m in Class B shares from the African Development Bank (AfDB).

This investment builds on a successful fourteen-year relationship with AfDB. The TDB is a major investor in the Bank, with a long-term shareholding in the amount of USD 100m, and a good track record of supporting development projects across the region. The AfDB shareholding expansion strategy has enabled the Bank to grow its capital base and lending capacity, incorporate better-rated debt, crowd-in blended finance, and grow a more diversified shareholding portfolio, much of which is of institutional investors.

As at Q1 2019, the total amount of equity raised from Class B shares, including share premium, was USD 190m.

SHARE PREMIUM, WAS USD 190M.

TDB President and Chief Executive Adviser Tadesse and AfDB President Adesina at a meeting in Abidjan, Côte d'Ivoire, earlier this year.

THE EAST AFRICAN AND INDIAN OCEAN SEABED: A NEW LNG GLOBAL HUB?

Many countries have actively been developing methods to produce greener energy to reduce climate risks and get in line with COP21 and SDG commitments, while reducing electricity prices and enhancing their energy security.

Despite the various advances in this direction, it is clear that the world is nowhere near out of the woods as far as the use of hydrocarbons – oil, gas and coal – is concerned.

As such, the most important challenge facing today’s global energy system, and perhaps, humanity overall, is satisfying our need for more energy to power global expansion while dramatically reducing carbon emissions to ensure our survival.

Natural gas is the cleanest of all burning fossil fuels. It has significantly less polluting emissions than the other hydrocarbons, reduces almost completely emissions of Nitrogen Oxides (SOx), sulphide, dust and particles, and generates 50-60% less carbon dioxide (CO2) than oil and 30% less than coal.

In this context, it is reassuring to see that by 2040, natural gas will be the 2nd most important fuel consumed worldwide, supported by industry’s gradual move away from coal fuels, and growth in renewables. This is also true in the case of Africa.

By then, global natural gas production is expected to grow by 45% to 5,370 BCM, 15% of which will come from Africa. As well, African energy production will have grown by 54% and its natural gas production by 109% – although overall, the continent’s share in global production will nevertheless remain low at 7%.

At the moment, according to IEA data, in terms of production, Africa accounts for just over 6% of the total natural gas produced, with Algeria, Egypt and Nigeria – the world’s 10th, 15th and 17th top natural gas producers – leading the way.

LNG Export Projections (Bcm)

LNG Import Projections (Bcm)

Source: BP 2040 Outlook (2019)

INFRASTRUCTURE BUILDING

TRADING NATURAL GAS AND THE RISE OF LNG

Interestingly, inter-regional trade in natural gas accounts for just 26% of the total traded globally, the rest being consumed at home. As part of the latter, 46% is exported through LNG trade and 54%, pipeline trade.

At home in Africa, about 40% of the natural gas produced is exported, 45% of which via pipeline, and 40% via Nigeria, Algeria and Angola’s LNG trade. At the moment, African LNG exports represent about 13% of global LNG exports.

Fast-forward to 2040, LNG is expected to cater to 13% of the global gas demand, and to overtake pipeline trade before 2030. And Africa will be exporting more LNG than Australia, currently the 2nd most important LNG exporter after Qatar.

LNG will overtake pipeline trade because converting natural gas into its liquid form reduces its volume 600 times making it easier, cheaper and safer to store and transport to distant offshore markets, which are unviable for pipeline trade. Furthermore, in case of an LNG spill, there would be no damage on the ground nor any residues as it

Dr. Diopre Ndiaye, TDB Coverage Executive, France- Lusophone Africa, who along with other executives, worked on realizing the Novaquale LNG project in Senegal.

Share of Primary Energy

Source: BP 2040 Outlook (2019)
reserves in smaller onshore fields at Moma Bay and Sunga Songa. It is suspected that Tanzania has at least 57 TCF in offshore reserves, which with 56 TCF of which could be recoverable. Various international oil companies (IOCs), including Shell, Eni, and ExxonMobil, have assessed the offshore Tanzania’s hydrocarbon potential. Tanzania’s natural gas potential.

Gazprom, with Total and Eni have recently taken three blocks in Kenya’s offshore basin for oil and gas exploration. Likewise, the CIA says that Somalia fields in 2.7 TCF in natural gas.

Recent Indian Ocean basins’ maritime borders, Norway’s TGS and China’s BG have prioritized various blocks, which are not within the Montanera’s Morroco Basin, attractively located in the Mozambique Channel. In the Mozambique, UK-based Oceanic operators and Total oil GNL have entered into a production sharing contract for 3 blocks in an area of 100,000 km², which apart from resource potential of up to 2 TCF, will also contain 1.1 TCF of gas.

Given the potential of the Indian Ocean seabed, its strategic geography, the future of LNG and the need to diversify the region’s energy mix, TDB has been contributing to the region’s LNG initiatives in various ways.

CORAL SOUTH FNG

All up to the efforts of the US-based Montanera, explorer and logistics company, who has made Al-Hajri, the FLNG (Floating Storage and Regasification) project in Mozambiqua – set to be the world’s first subaqueous FLNG on

The proposed ESG framework would also include a focus on long-term sustainability and social impacts. This would involve setting targets for carbon emissions reduction, renewable energy incorporation, and community engagement. Additionally, the framework would aim to promote local employment and inclusive growth in the countries where the projects are located. The ESG framework would be monitored and reported annually to ensure alignment with the company’s values and commitments.

In summary, this proposed ESG framework reflects the company’s commitment to responsible business practices and sustainability. It aims to create value for all stakeholders while addressing the challenges posed by climate change and ESG risks. The framework is designed to be flexible and adaptable, allowing for continuous improvement and alignment with evolving standards and regulations.

In conclusion, TDB’s focus on sustainable development and responsible business practices demonstrates its commitment to contributing positively to the energy landscape and promoting long-term value. The proposed ESG framework reflects this approach, and it is anticipated that the company will play a leading role in shaping the future of the energy sector while ensuring responsible and inclusive growth.


**Prepared Natural Gas Reserves 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Gas Reserves 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congo (Kinshasa)</td>
<td>0.04 TCF</td>
</tr>
<tr>
<td>Benin</td>
<td>0.04 TCF</td>
</tr>
<tr>
<td>Morocco</td>
<td>0.05 TCF</td>
</tr>
<tr>
<td>Somalia</td>
<td>0.20 TCF</td>
</tr>
<tr>
<td>Tanzania</td>
<td>0.23 TCF</td>
</tr>
<tr>
<td>Uganda</td>
<td>0.50 TCF</td>
</tr>
<tr>
<td>Oman</td>
<td>0.80 TCF</td>
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<tr>
<td>Ethiopia</td>
<td>0.88 TCF</td>
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<tr>
<td>Gabon</td>
<td>0.92 TCF</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1.00 TCF</td>
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<tr>
<td>Côte d’Ivoire</td>
<td>1.00 TCF</td>
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<tr>
<td>Rwanda</td>
<td>2.00 TCF</td>
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<tr>
<td>Namibia</td>
<td>2.20 TCF</td>
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<tr>
<td>Côte d’Ivoire</td>
<td>2.30 TCF</td>
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<tr>
<td>Sudan</td>
<td>3.00 TCF</td>
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<tr>
<td>Congo (Kinshasa)</td>
<td>3.20 TCF</td>
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<td>Cameroon</td>
<td>4.77 TCF</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>5.12 TCF</td>
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<tr>
<td>Angola</td>
<td>14.91 TCF</td>
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<tr>
<td>Libya</td>
<td>53.14 TCF</td>
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<tr>
<td>Egypt</td>
<td>63.00 TCF</td>
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<tr>
<td>Mozambique</td>
<td>159.05 TCF</td>
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<tr>
<td>Algeria</td>
<td>198.71 TCF</td>
</tr>
<tr>
<td>Nigeria</td>
<td>198.71 TCF</td>
</tr>
</tbody>
</table>

**Given the potential of the Indian Ocean seabed, its strategic geography, the future of LNG and the need to diversify the region’s energy mix, TDB has been contributing to the region’s LNG initiatives in various ways.**

**CORAL SOUTH FNG**

All up to the efforts of the US-based Montanera, explorer and logistics company, TDB has been contributing to the region’s LNG initiatives in various ways.

According to an Offshore Engineer article from last February, there would be a total of 8 FNGs which have been completed, including Australia’s Duqm, Mozambique’s FNGO Sole, and Cameroon’s H4 Episys, and Angola’s. Andi, which is not yet operational, and these new companies are looking to Mozambique and Coral South. The same source states that there are currently 28 FNG projects under various stages of planning and design, 11 of which are in Africa.

The Coral South FNG project, led by Eni, involves the development, financing, construction, operation, maintenance, and ownership of a FNG facility that will liquify the gas produced in the offshore fields of the Mozambique Channel, Mozambique, Benin, and Nigeria. Coral South is being implemented under an Exploration and Production Concession Contract which was awarded to Coral South FLNG Joint Venture, a 50:50 joint venture between Total E&P SA, which is the operator, and ENI, which has a 50% interest.

Coral South FLNG Project

Coral South FLNG is a joint venture between Total and Eni, with participation from South Africa, Mozambique, and Zambia. The project involves the development of an FLNG facility located on the Mozambique Channel, which will produce natural gas from the Coral South field, transport it through an offshore pipeline, and regasify it onshore before exporting it to consumers around the world.

**The Coral South FLNG project is one of the largest and most complex in the world.**

**Besides the monetary returns, the Coral South project will help to create thousands of direct and indirect jobs, enable technical and vocational skills development, as well as knowledge and technology transfer.**

**Together with the new ExxonMobil/Era and Atlantic oil ventures, Coral South will be a major driving force in transforming Mozambique into a leading global exporter of LNG in the same league as Qatar and Australia.**

**Indian Ocean: FNRU**

The project will be developed as a Floating Regasification Unit (FNRU) located in the Indian Ocean. The FNRU will be used to receive LNG from the Coral South FLNG Facility and regasify it before onloading it to a LNG tanker for transportation to customers.

** Besides the monetary returns, the Coral South project will help to create thousands of direct and indirect jobs, enable technical and vocational skills development, as well as knowledge and technology transfer.**

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KENYAN WINDS OF CHANGE

Lake Turkana Windmill Project: Africa’s Largest Wind Farm

Located in North Eastern Kenya, near Loiyangalani Town in Marsabit County, approximately 10 km east of Lake Turkana, the Lake Turkana Windmill Project (LTWP) is Africa’s largest windfarm with an installed capacity of 310 MW and comprising 365 wind turbines. With a total project cost of USD 750M, making Kenya’s largest private sector investment, LTWP provides cleaner, cheaper and more reliable energy to Kenyans.

The project is located on 40,000 acres and only 0.2% of the site is occupied by physical structures. The rest of the land representing 99.8% of the project site is opened to the public and continues to be used by the local population for grazing of their livestock.

LTWP began transmitting into the national grid in September 2018 and operates so efficiently that it has so far averaged a capacity factor of above 80%. Most wind farm projects around the world average between 28%-40% of the installed capacity.

The LTWP was inaugurated by Kenyan President Uhuru Kenyatta on 9th of July 2019, during a ceremony which also marked the commissioning of the 438 km Kenyatta this past 19th of July 2019, during a ceremony.

Impact

The LTWP has created over 1,000 jobs for workers during peak construction times and over 110 jobs during its operational phase. Besides the power plant itself, the 438 km power evacuation transmission line from the project to the substation in Marsabit has also created several jobs. These have resulted in the increase in the economic power of people in the Lake Turkana region.

As well, due to the remote nature of the site, about 200 km of off-grid road upgrades have been commissioned, in addition to an 11 km onsite road network, which will catalyse development in the area. A windfarm village was also put up on house construction and operations staff.

In terms of skills transfer, local engineers will undertake short training in Europe to study best practises in wind farm management, which will contribute to enhancing the local skills base.

In addition to enhancing Kenya’s power generation capacity, the project supports the government’s local economic development programme and the overall sustainability of power supply - grid stability, to the country’s various industries.

The LTWP produces 100% clean and renewable energy at a cost lower than other sources of electricity and will lead to the reduction of up to 270,000 metric tons of carbon dioxide equivalent per year.

TDB was one of the primary co-financiers of this landmark project with a combination of long-term financing and quasi-equity.

Michael Awori, TDB Lending Operations Executive, heads the department which, in collaboration with other key executives of the Bank, transforms leads into transactions.
Q. As Corporate Affairs and Investor Relations Executive of TDB, can you talk to me more about what is that you do and what role the department you head plays at TDB?

Monitoring closely with the President, the Corporate Affairs and Investor Relations Department – CAIR – raise capital and equity from sovereign and institutional shareholders, develops and manages strategic partnerships and networks, and oversees the corporate communications and marketing functions of the Bank.

In line with the Board of Governors’ guidance, the department drives the membership expansion of the Bank. Since the department was created, TDB’s shareholder base has increased from 19 to 37 sovereign and institutional investors. The most recent Member States to have joined the Bank in the last 18 years include Mozambique, Zambia, South Sudan, and Madagascar. Several institutional investors that include pension funds, insurance companies, and regional development finance institutions, have joined as well. Moreover, the Bank rebranded from PTA Bank, its former name, to TDB – the Eastern and Southern African Trade and Development Bank.

Q. You have joined TDB in 2012, the same year the Bank’s transformational ownership structure reforms took effect. Can you brief us about those reforms, what they mean in terms of equity mobilization, and the impact they have had on TDB and the Region it serves?

MK. The Bank was established as the financial arm of a regional economic bloc – the Common Market for Eastern and Southern Africa (COMESA), formerly the Commonwealth Trade Area for Eastern and Southern Africa (PTA). In 2002, the Bank’s Charter was revised and TDB started its transformation, rebooting itself to serve as a specialized trade and development financial institution while tapping new Trade Area spanning COMESA, the East African Community (EAC) and the Southern African Development Community (SADC), also covering the interregional Authority on Development (IARD) and the Indian Ocean Commission (IOC).

This expanded geographic area made the Bank stronger and more relevant to its region. Most importantly, the expansion provided an opportunity for the Bank to mobilize new sovereign shareholders. Member States in the transition region, in addition to new non-regional member countries with strategic interests in the region. This opportunity also served as a model to attract investors from the region and globally.

Several reforms have taken place since I joined the Bank in 2012. The reforms have been in the areas of operations and corporate governance, to name a few. Moreover, the Bank rebranded from PTA Bank, its former name, to TDB – the Eastern and Southern African Trade and Development Bank. As formalised in the Charter, a new class of shares was created – Class B – to mobilize institutional investors, which would support the development of the region while earning a financial return. To date, 13 institutional investors own over Class B shares.

The introduction of the new category of shareholders not only generated capital and return but also transformed the Bank’s risk profile, which, along with the other reforms, ultimately led to the Bank’s current investment grade rating.

What are TDB’s plans in terms of membership expansion – in terms of Member States and member-country investor relations? What does TDB look for in its Class B equity mobilization efforts?

MK. During the last Corporate Plan 2012-2017, we were very successful in mobilizing capital and equity from our existing and new Member States, as well as new institutional investors. Who also had a good successful rate of capital share collections from our Member States that subscribed to the capital increase. I can truly say that we have strong support from our Member States, who demonstrate their backing through such commitments.

In terms of membership expansion plans, our current Corporate Plan 2018-2022, membership expansion and equity continue to be key target initiatives. Geographic expansion has been one key driver of the Bank’s loan and profit growth, which, in turn, have made the Bank more attractive to new investors, whether sovereigns or institutional investors.

In order to expand its market, increase its revenue base and strengthen regional economic integration, the Bank will continue to engage, pursue Member States and other countries that were approved by our Board of Governors. These countries include Member States of the PTA region as well as potential member countries from Europe, India, Asia, the Middle East, and others which have strong trading relations with our region. With this expanded footprint, the Bank will deliver more growth opportunities for the Member States, and the Bank as a whole. Simultaneously, we will continue to target institutional investors in our region as well as vertically-oriented investors around the globe.

Q. Does TDB look for in its Class B equity mobilization efforts?

MK. The plan is to attract large long-term investors and well- rated institutions that will come in with long-term capital as shareholders. Now, these have grown capital, and dividends to institutional investors. The Bank’s target for Class B shares are African institutions, sovereign wealth funds and pension funds, insurance companies, and central banks. We have raised over USD 900M from 13 Class B shareholders – including some who have invested in additional equity, significantly exceeding our previous corporate plan target of USD 100M.

Q. What would you tell someone or an institution who is thinking about investing in capital and Africa and specifically in the region TDB serves?

MK. TDB is a world-class financial institution serving a fast-growing African region. Most of TDB’s Member States’ economies are growing at mid to high single-digit rates, and as a bloc, TDB’s footprint offers a very diversified exposure, with some countries being driven by commodity exports, like Mozambique or Zambia, while others, by services or agriculture like Kenya or Rwanda. Through TDB, investors can benefit from a diversified exposure to fast-growing economies.

Under the leadership of the President, Mr. Admassu Tadesse, the Bank has continuously delivered strong growth in profits while also improving the quality of the Bank’s assets, allowing us to reach investment grade status for the first time in 2017. For Member States, joining TDB is not only a profitable investment, but also gives them access to the Bank’s loans and services that have been instrumental in promoting economic and social development as well as regional integration in Eastern and Southern Africa. For institutional investors, Class B shares are very attractive, with our NAV growing at double-digit rates as we continue to be a globally recognized institution.

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Q. What are the key factors that investors look for in TDB’s equity mobilization efforts?

MK. As formalised in the Charter, a new class of shares was approved by our Board of Governors. These countries include Member States of the PTA region as well as potential member countries from Europe, India, Asia, the Middle East, and others which have strong trading relations with our region. With this expanded footprint, the Bank will deliver more growth opportunities for the Member States, and the Bank as a whole. Simultaneously, we will continue to target institutional investors in our region as well as vertically-oriented investors around the globe.

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Q. On a lighter note, what might someone be surprised to know about you?

MK. This is an interesting question! My team will tell you, I am always keen on a good laugh and social engagements once in a while. I have an open-door policy where colleagues knock on my door to share any issue, good or bad news or social engagements once in a while. Indeed, Class B shares offer significant developmental impact through the Bank’s investments in projects and infrastructure and support for the security and supply of strategic commodities in its Member States.

TDB is a multilateral institution benefitting from privileges and exemptions that make it a safe investment.

Q. Your department oversees communications and marketing; How do these functions drive TDB growth?

MK. Our marketing and communications are key to the positioning of the bank at the world level, specialized financial institution. Our products are attractive, and we are a client-centric organization. These are facts that have to be communicated clearly to clients and stakeholders.

The team supports both corporate and business departments in profiling the products of the Bank at the same time as enhancing the overall image. The marketing exercise was transformative, and the TDB brand is now well established in Africa and beyond. It was an effort deployed over several years and one that we are gratified by our Board’s guidance and commitment to stick in tough times.

The team works closely with business departments in organizing, sponsoring and events and targeted communication to market the Bank brand as well as the country’s need to potential lenders, funders, and investors. CAA also obtains feedback from the market and our partners by conducting a customer and partner satisfaction survey on an annual basis, which informs the Bank’s corporate strategy.

Q. Stakeholder relations and strategic partnership development are also part of your work. What kind of partners does TDB look to sign MOUs with? What are these relationships based on?

MK. The department lead establishes and manages the Bank’s partnerships with large networks of stakeholders such as the International Monetary Fund, the Organisation for Economic and Social Development (OECD), the Corporate Council on Africa (CCA), the African Economic Research Consultant (AERC), and other strategic partners.

Through a transparency and access to information, our partnership with our stakeholders is managed in line with the Bank’s corporate strategy and development agenda and deliver the transformative change that our Member States and region requires. We establish our partnerships by engaging MOUs. These MOUs, collaborations and partnerships secure more funding for financing the development needs of our region and also allow us to benefit from the most salient knowledge and resources for economic development.

Q. What would you tell someone or an institution who is interested in investing in capital and Africa and specifically in the region TDB serves? What do these relationships offer to potential investors?

MK. As formalised in the Charter, a new class of shares was approved by our Board of Governors. These countries include Member States of the PTA region as well as potential member countries from Europe, India, Asia, the Middle East, and others which have strong trading relations with our region. With this expanded footprint, the Bank will deliver more growth opportunities for the Member States, and the Bank as a whole. Simultaneously, we will continue to target institutional investors in our region as well as vertically-oriented investors around the globe.

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THE ROLE OF DFIS IN THE FIGHT AGAINST CLIMATE CHANGE

Climate change poses one of the greatest emerging threats of the twenty-first century, with imperilable damage already being made.

In 2005, the UNCCD parties reached an agreement to combat climate change, by keeping the rise in global temperatures in check, below 2 degrees Celsius pre-industrial levels, and to aim to limit it to 1.5 degrees. To date, the 2015 Paris Agreement has not been ratified by 168 parties out of 197. According to the World Meteorological Organization, while climate science is as robust as it has ever been, “the physical signs and socio-economic impacts of climate change are accelerating as record greenhouse gas concentrations drive global temperatures towards dangerously dangerous levels”.

In fact, extreme weather events were ranked by the World Economic Forum’s Global Risks Report as the largest and most threatening large-scale climatic stimuli and their effects or impacts.

The UN Framework Convention on Climate Change (UNFCC) states that:

“Climate change means a change of climate which is attributed directly or indirectly to human activity, that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”

“Human activities have been substantially increasing the atmospheric concentrations of greenhouse gases, that these increases enhance the natural greenhouse effect, and that it will result in a change in the additional warming of the Earth’s surface and atmosphere and may very likely affect major ecosystems and human welfare.”

WHAT IS CLIMATE CHANGE?

For DFIs to align their work to the Paris Agreement, blended finance is vital. Through the blinding of development funds with other financial instruments, an increasingly aware and committed private sector will be incentivised to invest in projects which would otherwise be considered too risky, or simply unattractive.

UNEP tells us that Arctic mean winter temperatures will rise by 3-5°C by 2050, and the Brookings Institute, that about USD 800 billion in carbon-sensitive infrastructure will need to be built by 2040— even if Paris Agreement parties honour their commitments. In the absence of action, by 2050, global warming will have reached 4°C – 4.5°C above pre-industrial levels. Progress is happening.

Climate change mitigation and adaptation responses are getting stronger and in science hanker. Renewable capacities are gaining considerable grounds as a share of global energy mix. Ecological economics are changing our views on even how GDP should be calculated to reflect real economic performance. But the challenge is huge, and more needs to happen.

TDB RESPONSE TO CYCLONES IDAI AND KENNETH

The impacts of floods and drought in TDB Member countries have been referred to by some as being of ‘biblical proportions’. Such trends are likely to increase in the coming years.

The recent widespread in Southern Africa has affected more than two million people in Malawi, Mozambique, and Zimbabwe, since the rains began in early March 2019. Cyclone Idai and then Cyclone Kenneth struck, affecting the livelihoods of millions, killing over 1,000 and overall leaving destruction behind in all these Southern African Member States.

Many people have lost family members and friends, their homes and possessions, and seen their communities devastated. Health providers have reported increases in water-borne infections due to poor living conditions. While food stocks last and many areas of crops destroyed, widespread hunger is looming.

A worldwide emergency response is taking place in affected areas. The main force has been on food and nutrition supply, water and sanitation, household goods and shelter assistance, health and protection, and now rebuilding.

In Mozambique, TDB is working with Phoenix and holds驼’s credit line with Mozambique to supply much-needed relief items to affected populations. In Zimbabwe, the Bank is working with Save the Children on water, sanitation and hygiene facilities for affected schools.

There is therefore a need for rapid short-term response to climate change–provoked disasters in addition to longer-term actions to help Member States deal with these risks. In addition to taking action to address climate change it’s core operations, TDB is committed to support the region where disaster strikes. ■
ACROSS OUR REGION, MISES (MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES) have an important role to play as drivers of economic growth and long-term sustainability.

Despite Africa’s growing need for the services, employment and inclusivity generated by MSMEs, they face unique growth challenges, with research indicating access to finance as the major constraint to enterprise growth. A World Bank Group study suggests there are between 365 to 645 million MSMEs in emerging markets, of which 25-30 million are formal, and that the credit gap confronting these MSMEs is defined as formal about USD 1bn. Globally, moreover, the African Development Bank estimates the Sub-Saharan Africa MSME finance gap at USD 30bn, with women enterprises accounting for USD 42bn.

In addition to their problems accessing finance, MSMEs typically also lack economies of scale, with limited ability to invest in fixed capital and technology. Likewise, having to deal with information asymmetries and less bargaining power than their larger counterparts, MSMEs proportionally incur higher compliance costs.

THE MISSING MIDDLE

A key challenge MSMEs are facing is basic access to finance. A DFID Impact Market survey on Sub-Saharan Africa in 2015 revealed that many promising enterprises seeking capital are unable to get themselves to point where they are ready to receive investment. Despite the large number of impact investors in the region, the capital they provide does not adequately span the capital they provide does not adequately span the

THE 3-YEAR PILOT PROGRAM IS PART OF TDB’S ASSET MANAGEMENT ACTIVITIES (…) TO PROVIDE APPROPRIATE FINANCE AND TECHNICAL ASSISTANCE TO SELECTED SMEs – PARTICULARLY THOSE LED BY YOUTH AND WOMEN.

In the near future, Asia has become key player in the global economy, due to its mineral wealth and natural resources. Many emerging economies, including Nigeria, Indonesia, and Vietnam, are becoming key players in the global economy, due to their high growth rates and large populations. These countries are likely to be the most important drivers of future global growth. As Asia continues to grow, it is important for other regions to adopt similar growth strategies.

The value of the global fashion industry currently stands at around USD 2.4 trillion, with an annual growth rate of about 5.5%. Yet, Africa accounts for only 0.6% of global fashion sales, which is significantly lower than its share in the global economy. This gap is particularly pronounced in Sub-Saharan Africa, where the fashion industry is still in its early stages of development. However, there are signs of hope on the horizon. In recent years, several African countries have started to implement policies and initiatives to support the growth of the fashion industry. For example, in Kenya, the government has launched the “Made in Kenya” program, which aims to promote local production and exports. The program has been successful, with exports of clothing and footwear increasing by more than 50% between 2015 and 2017.

The African fashion industry is a key driver of economic development and job creation in Africa. It has the potential to be a major export earner, with the continent’s 1.2 billion people and growing middle class providing a large market for fashion products. The industry is also a source of pride and identity for many Africans, who see it as a way to express their culture and identity.

The非洲时尚产业是一个关键经济驱动力。它具有潜力成为一个主要出口赚取者，与大陆的12亿人口和不断增长的中等收入群体提供一个大市场为时尚产品。这个行业也是一个表达其文化和身份的方式，非洲人看到它作为。
TDB’S EUROBOND SUCCESSES

TDB has achieved a rare negative pricing in its 500MN USD- denominated Eurobond transaction in 2017. To achieve this, the Bank employed a pricing strategy that is lower than the yield curve, which allowed it to close the offering at a yield of 5.000% and a 4.875% coupon. This was achieved with order book of USD 1.65bn. The Notes were listed on the Irish Stock Exchange in Dublin on the 4th of July 2019, a first for an African Eurobond issuer for the year. Following this success, the Bank made a secondary listing of this benchmark 2024 USD-denominated Eurobond on the Stock Market of Mauritius (SEM) on the 23rd of May 2019.

TDB’s successful track record of having bonds listed on SEM, as well as the recent flexibility in listing laws, reflects the Bank’s commitment to increasing access to the global Eurobond market through their own stock market. This also serves as a testament to TDB’s quality growth, and driver of the growing sub-region and Africa. This followed intense road shows to several financial centres, led by Admassu Tadesse, President and Chief Executive Officer, and David Ramglo, General Counsel and Senior Executive. Following this success, the Bank made a secondary listing on the benchmark 2001 USD-denominated Eurobond on the Stock Market of Mauritius (SEM) on the 4th of July 2019, a first for an African Eurobond issuer for the year. Following this success, the Bank made a secondary listing of this benchmark 2024 USD-denominated Eurobond on the Stock Market of Mauritius (SEM) on the 4th of July 2019, a first for an African Eurobond issuer for the year. Following this success, the Bank made a secondary listing on the benchmark 2001 USD-denominated Eurobond on the Stock Market of Mauritius (SEM) on the 4th of July 2019, a first for an African Eurobond issuer for the year.

In Africa, in addition to this secondary listing, some of TDB’s latest capital market issuances in local currencies include a T32,304m facility in Tanzania, a USD 15bn bond in Uganda, and a KES 1bn bond. The SEM is also the only exchange in Africa, and one of the few exchanges worldwide, that can list trade and settle securities in multiple currencies, USD, EUR, GBP, TZS and KES, as well as trade and settle transactions in the issuer’s securities in those five currencies. This provides a natural hedge against currency risks and eliminates currency conversion costs – rendering the SEM very attractive to both international issuers and investors. In addition to SEM’s flexible provisions with regard to secondary listings and the fungibility of traded securities, TDB will be able to benefit from the stock exchange’s diversified range of products and platforms to raise new capital. Once USD 3bn has been raised by international issuers on the SEM so far, and 200+ securities are listed on SEM.

On top of improving countries’ current account balances and overall, their capacity to respond to shocks, well-developed bond markets increase countries’ abilities to withstand global capital flows, reduce forex risks, and, with intensified international participation, to maintain sound fiscal and monetary policies, and stable political environments. TDB’s ratings were upgraded to investment grade by Moody’s and Global Credit Ratings (GCR) in 2017, a testament to TDB’s quality growth, and driver of the growing appetite of global investors for TDB’s offerings.

JAPAN

TDB has signed a 3-year Export Credit Facility Agreement with the Japan Bank for International Cooperation (JBIC) signed this past May. As a 3-year export credit line, the largest of its kind, the bank hopes to have “been successful in both the Bank and JBIC,” TDB President and Chief Executive Officer, Tadesse says. JBIC and TDB have agreed to cooperate in facilitating project and infrastructure development, and to leverage Japan’s innovative experience in infrastructure and urban development through KIN. This can be seen in Japan’s approach to support infrastructure projects, as well as in its ability to move towards building infrastructure transactions to a bankable stage.

Infrastructure development is one of the key areas where the Bank deploys its development financing and policies to raise incentives to enhance the economic development, integration and prosperity of its region. Among others, TDB has invested in ports, power generation plants, ICT infrastructure, tourism, as well as agribusiness and transportation. The Bank has also arranged USD 4.2bn in sovereign loans, which are dedicated to finance various infrastructure projects, which include the Bank’s commitment to support global public-private partnerships and infrastructure and urban development for sustainable growth in emerging markets.

KOREA

TDB and the Korea Overseas Infrastructure & Urban Development Corporation (KOICA) signed this past July 2019 a memorandum of understanding (MoU) via technical as well as financial advisory assistance, to support infrastructure projects, as well as feasibility studies to bring infrastructure transactions to a bankable stage.

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FINANCING AND PARTNERSHIPS FOR GROWTH

ASIAN ENGAGEMENTS: TDB CONTINUES ON ITS FRUITFUL JOURNEY WITH THE ORIENT

As it is the case with other partners around the globe, TDB’s cooperation and partnerships with the world’s fastest growing region are growing.

FINANCING AND PARTNERSHIPS FOR GROWTH
According to an Ernst and Young 2018 survey of Tunisian enterprises, 27% of Tunisian businesses are looking at Sub-Saharan Africa for future development in the short-term, and 18% say they are already present.

TDB is delighted with the excellent meetings held this past June in Tunis, Tunisia, and thankful for the warm welcome of its delegation led by TDB COO Dr. Frannie Léautier by: H.E. Zied Ladhari, Minister of Development, Investment and International Cooperation; H.E. Mohamed Ridha Chalghoum, Minister of Finance; H.E. Omar Behi, Minister of Trade; H.E. Samir Taieb, Minister of Agriculture, Hydraulic Resources and Fisheries; H.E. Sabri Bachtobji, Secretary of State for Foreign Affairs; Mr. Beligh Ben Soltane, Chairman of the Tunis Investment Authority; and Youssef Ben Romdhane, General Director of Maritime Transport and Ports at the Ministry of Transport.

TDB is also delighted to have participated to the Tunisia Investment Forum 2019 and to have sponsored the Africa Blue Economy Forum.

Tunisia joined the Common Market for Eastern and Southern Africa (COMESA) in 2018 and offers to its private sector many opportunities for expansion in the region TDB serves, and likewise, opportunities to African companies in its territory. Key sectors of cooperation to keep an eye on include financial services, agribusiness, pharmaceuticals/cosmetics, textile value chain, ICT, 3rd cycle education, health, and aviation/automotive (parts).

Earlier this year, in what was the bank’s largest-ever transaction as an Initial Mandated Lead Arranger (IMLA), TDB, successfully assisted the Government of Kenya with a USD 1.25bn syndicated sovereign loan.

Meant to cover some maturing debt and infrastructure development expenditure, TDB, alongside the Standard Bank of South Africa (SBSA) as Senior Mandated Lead Arranger and Société Générale, NED Bank, ABSA, Citi Bank, SMBC and RMB also made history by providing Kenya with the first-ever USD 1bn plus commercial sovereign facility entirely arranged and underwritten by African financial institutions.

The funds will allow the East African nation to refocus some of its debt to rehabilitating roads and airports and give it wherewithal to diversify the currency of its external debt from a mostly U.S. dollar concentration to the Euro. Typically, African countries – even those with macroeconomic fundamentals as favorable as Kenya’s – have had to grapple with refinancing short-term commercial debt within short periods. Overall, TDB exceeded its Member Country’s expectations by arranging a loan with a tenure of up to 10 years. Going forward, Kenya will have overall breathing room to refocus some of its budget to economic development and better mitigate against the inherent risk of shorter-term refinancing.

Continuing to serve a regional first point of call for large ticket deals, TDB has arranged over USD 4.2bn in sovereign loans in the region. As stipulated in its current Corporate Plan, TDB intends to serve as the ideal intermediary of both regional and global capital flowing into the region. Thus, a syndicated sovereign loan facility as transformative as the one to Kenya speaks to a bright future of innovative and more sustainable financing for regional economic development.
THIS IS NO LION, NO BEAR AND NO BULL.

EACH YEAR, MILLIONS OF WILDEBEESTS NAVIGATE THE AFRICAN SAVANNAH - WEATHERING ELEMENTS & ENRICHING THE CIRCLE OF LIFE AS THEY GO FORTH.

LIKE THESE VIBRANT CREATURES, WE SYNERGIZE WITH OUR ECOSYSTEM, GROWING IN LEAPS & BOUNDS. WE INFUSE A WORLD-CLASS BLEND OF FINANCING & SUSTAINABILITY AS WE INTERMEDIATE REGIONAL AND GLOBAL CAPITAL INTO AFRICA.*

*TDB IS A SPECIALIZED INVESTMENT GRADE BANK FINANCING TRADE & PROJECTS IN EASTERN AND SOUTHERN AFRICA

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