

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. IMPAIRMENT ALLOWANCE

The movement in the allowance is as follows:

	Project Finance Loans USD	Trade Finance Loans USD	Low Credit Risk Assets USD	Off-Balance Sheet Commitments USD	Total Allowance USD
At 1 January 2018	30,427,993	59,593,328	1,501,887	-	91,523,208
(Credit)/charge for the year	(68,469)	20,359,633	1,258,541	1,607,250	23,156,955
- Amount written back	(1,437,556)	-	-	-	(1,437,556)
- Provisions	1,369,087	20,359,633	1,258,541	1,607,250	24,594,511
At 31 December 2018	30,359,524 =====	79,952,961 =====	2,760,428 =====	1,607,250 =====	114,680,163 =====
As at 1 January 2019	30,359,524	79,952,961	2,760,428	1,607,250	114,680,163
Amounts written-off	-	(33,882,206)	-	-	(33,882,206)
(Income)/charge for the year	10,298,449	24,408,620	5,416,406	1,362,147	41,485,622
- Amount written back	-	-	-	-	-
- Provisions	10,298,449	24,408,620	5,416,406	1,362,147	41,485,622
At 31 December 2019	40,657,973 =====	70,479,375 =====	8,176,834 =====	2,969,397 =====	122,283,579 =====

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19. EQUITY INVESTMENTS

(i) Equity participation

	Beginning Cost USD	Additions at cost USD	Total Ending Cost USD	Investment Carrying Value at year End USD	Investment Carrying Value Previous Year USD	Fair value adjustment for day 1 USD	Fair value adjustment for the year USD
<i>At fair value through other comprehensive income:</i>							
As at 31 December 2019							
African Export Import Bank	2,364,160	-	2,364,160	7,431,000	6,589,000	-	842,000
ZEP Reinsurance	31,938,654	-	31,938,654	39,191,000	38,886,000	-	305,000
Tononoka	628,653	-	628,653	519,000	1,835,000	-	(1,316,000)
Tanruss	1,755,000	-	1,755,000	213,000	276,000	-	(63,000)
Africa Trade Insurance Company	1,000,000	-	1,000,000	939,000	1,015,000	-	(76,000)
Gulf African Bank	1,978,734	-	1,978,734	2,086,000	2,243,000	-	(157,000)
Pan African Housing Fund	677,730	79,120	756,850	756,850	677,730	-	-
	<u>40,342,931</u>	<u>79,120</u>	<u>40,422,051</u>	<u>51,135,850</u>	<u>51,521,730</u>	<u>-</u>	<u>(465,000)</u>
	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2018							
African Export Import Bank	2,364,160	-	2,364,160	6,589,000	2,364,160	4,224,840	-
ZEP Reinsurance	31,938,654	-	31,938,654	38,886,000	31,938,654	6,947,346	-
Tononoka	628,653	-	628,653	1,835,000	628,653	1,206,347	-
Tanruss	1,755,000	-	1,755,000	276,000	1,755,000	(1,691,000)	212,000
Africa Trade Insurance Company	1,000,000	-	1,000,000	1,015,000	1,000,000	(223,000)	238,000
Gulf African Bank	1,978,734	-	1,978,734	2,243,000	1,978,734	264,266	-
Pan African Housing Fund	592,756	84,974	677,730	677,730	592,756	-	-
	<u>40,257,957</u>	<u>84,974</u>	<u>40,342,931</u>	<u>51,521,730</u>	<u>40,257,957</u>	<u>10,728,799</u>	<u>450,000</u>
	=====	=====	=====	=====	=====	=====	=====

The Group's main equity investments are in ZEP-RE (PTA Reinsurance Company), African Export-Import Bank, Tanruss, Africa Trade Insurance Agency and Gulf African Bank. In addition, the Group has subscribed to the equity of various projects in its Member States. The Group's participation is expressed in US Dollars. As at 31 December 2019, all investments were carried at fair value as per provision of IFRS 9 adopted in January 2019. In the previous years, these investments were carried at cost, except for Pan African Housing Fund which has always been carried at fair value. The Group does not intend to dispose the shares in the short term, and none of the shares have been derecognized. The dividends received in respect of these investments are disclosed in note 8.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
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FOR THE YEAR ENDED 31 DECEMBER 2019

		GROUP AND BANK	
		2019	2018
		USD	USD
19.	EQUITY INVESTMENTS (Continued)		
ii)	Instalments paid:		
	Total subscribed capital*	41,865,201	41,865,201
	Less: Instalments not due – Note 19 (iii)	(1,443,150)	(1,522,270)
		<hr/>	<hr/>
	Instalments paid as at end of year – Note 19 (i) and (iv)	40,422,051	40,342,931
		=====	=====
	*Total subscribed capital includes paid up capital and unpaid subscriptions		
iii)	Unpaid subscriptions expressed in US Dollars at year-end rates comprised:		
	African Export-Import Bank*	1,200,000	1,200,000
	Pan African Housing Fund*	243,150	322,270
		<hr/>	<hr/>
	*Unpaid subscriptions are payable on call.	1,443,150	1,522,270
		=====	=====
iv)	Movement in the instalments paid:		
	At beginning of year	40,342,931	40,257,957
	Net additions at cost – Note 19 (i)	79,120	84,974
		<hr/>	<hr/>
	At end of year	40,422,051	40,342,931
		=====	=====

20. INVESTMENT IN JOINT VENTURE

The Bank has a 50% interest in Eastern and Southern African Infrastructure Fund (ESAIF). The joint venture was incorporated in 2016 and its principal place of business is Ebene, Mauritius. ESAIF is a vehicle that will raise and manage the Infrastructure Fund. The Bank's voting rights in the joint venture is equal to its ownership interest. The Bank's interest in the joint ventures is accounted for using the equity method in the financial statements. No quoted market price exists for the investment. ESAIF has a 31 December year end for reporting purposes.

Summarised financial information of the joint venture is set out below:

		GROUP AND BANK	
		2019	2018
		USD	USD
	Current assets - cash and cash equivalents	634,021	773,988
	Non-current assets	-	-
		<hr/>	<hr/>
	TOTAL ASSETS	634,021	773,988
	Liabilities		-
		<hr/>	<hr/>
	Equity	634,021	773,988
		=====	=====
	Bank's carrying amount of the investment	317,010	386,994
		=====	=====

20. INVESTMENT IN JOINT VENTURE (Continued)

ESAIF is yet to start operations. The joint venture had no contingent liabilities or capital commitments at 31 December 2019. ESAIF cannot distribute its profits without the consent from the venture partners.

	GROUP AND BANK	
	2019	2018
	USD	USD
Movement in joint venture:		
At 1 January	386,994	369,493
Additional investment*	-	17,501
Reduction in investment**	(69,984)	
	<hr/>	<hr/>
At 31 December	317,010	386,994
	=====	=====

* The movement relates to additional investment in ESAIF.

** The movement relates to classification of investment in Eastern and Southern African Trade Advisers Limited - ESATAL (See Note 20) to a subsidiary after TDB gained control over the entity. TDB's share capital in ESATAL is USD 69,984.

21 INVESTMENT IN SUBSIDIARY

The Bank has a 50% plus 1 share interest in Eastern and Southern African Trade Advisers Limited (ESATAL). ESATAL was incorporated in 2015 as a joint venture between TDB and GML Capital, with each party controlling 50% interest in the joint venture. In August 2019 ESATAL became a subsidiary of TDB after the Bank obtained control. The principal place of business of ESATAL is Ebene, Mauritius. ESATAL is an investment Manager for The East and Southern African Trade Fund – "ESATF". ESATAL has a 31 December year end for reporting purposes.

	BANK	
	No of Share	Ordinary Share
		USD
As at 31 December 2019:		
Total issued and fully paid	139,967	139,967
	=====	=====
TDB's share -50% + 1 share	69,984	69,984
	=====	=====

The ordinary shares have the following rights:

- i. One vote per share on all resolutions and matters falling to the determination and approval of shareholders under the Mauritius Companies Act 2001 and the Constitution
- ii. The right to an equal share of dividends as may be declared and paid by the company
- iii. The right to an equal share in the distribution of the surplus assets of the Company

21 INVESTMENT IN SUBSIDIARY (Continued)

The relevant activities of subsidiary are determined by its Board of Directors based on simple majority votes where each director carries one vote. Therefore, the Directors of the Group concluded that the Group has control over ESATAL and the results are consolidated in these financial statements.

Set out below is the summarised financial information for the subsidiary with non-controlling interest:

	BANK	
	2019	2018
	USD	USD
Summarised statement of financial position		
Total assets	400,411	141,877
Total liabilities	131,311	97,530
	<hr/>	<hr/>
Net assets	269,100	44,347
	=====	=====
Non-controlling interest	50%	50%
	=====	=====
Summarised statement of profit and loss and other comprehensive income		
Profit before taxation	228,247	(29,474)
Taxation charge	(3,494)	-
	<hr/>	<hr/>
	224,753	(29,474)
	=====	=====
Profit for the year is attributable to owners of the Bank	112,376	-
Profit for the year is attributable to non-controlling interest	112,377	(29,474)
	<hr/>	<hr/>
Total comprehensive income for the year	224,753	(29,474)
	=====	=====
Summarised statement of cash flows		
Net cash from/(used in) operating activities	183,312	(40,045)
Net cash from financing activities	-	60,000
	<hr/>	<hr/>
Net increase in cash and cash equivalents	183,312	19,955
Cash and cash equivalents at beginning of year	109,671	89,716
	<hr/>	<hr/>
Cash and cash equivalents at end of year	292,983	109,671
	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
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FOR THE YEAR ENDED 31 DECEMBER 2019

22. INVESTMENTS IN GOVERNMENT SECURITIES

	GROUP AND BANK	
	2019	2018
	USD	USD
Held at amortised cost:		
Treasury Notes and Treasury Bonds:		
At 1 January	-	57,275,058
Additions: Treasury Bonds*	44,897,636	-
Matured securities: Treasury Notes**	-	(57,275,058)
	<hr/>	<hr/>
At 31 December	44,897,636	-
	=====	=====

*TDB participated in Zambian treasury bonds by investing in tenors of 2 years, 3 years and 5 years providing a yield to maturity of 26%, 29.5% and 33% respectively. The bonds are held as investments in Zambian Kwacha equivalent.

**The treasury notes were issued by the Government of Malawi and held as investments in Malawi Kwacha equivalent. They matured in 2019, hence the nil balance as 31 December 2019.

23. INVESTMENT IN TRADE FUND

	GROUP		BANK	
	2019	2018	2019	2018
	USD	USD	USD	USD
Investment in ESATF – at fair value through other comprehensive income				
At 1 January	-	-	-	-
Additions during the year	49,997,089	-	49,996,989	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	49,997,089	-	49,996,989	-
	=====	=====	=====	=====

Investment in trade fund comprises of equity investments in The East and Southern African Trade Fund – “ESATF”. The tenure of the investments is six months and therefore the cost of the investment approximates the fair value.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

24. OTHER RECEIVABLES	GROUP		2019	2018
	2019 USD	2018 USD	2019 USD	2018 USD
Down-sold assets*	70,000,000	70,000,000	70,000,000	70,000,000
Prepayments and other receivables**	48,797,741	44,886,422	48,690,413	44,886,422
Staff loans and advances***	1,047,994	1,216,404	1,047,994	1,216,404
Appraisal fees****	677,703	1,033,204	677,703	1,033,204
	<u>120,523,438</u>	<u>117,136,030</u>	<u>120,416,110</u>	<u>117,136,030</u>
	=====	=====	=====	=====
<i>Appraisal fees receivable****</i>				
As at 1 January	1,033,204	614,835	1,033,204	614,835
Accrued income	396,850	5,198,448	396,850	5,198,448
Receipts	(748,596)	(1,553,954)	(748,596)	(1,553,954)
Amounts written off (Note 11)	(3,755)	(3,226,125)	(3,755)	(3,226,125)
	<u>677,703</u>	<u>1,033,204</u>	<u>677,703</u>	<u>1,033,204</u>
	=====	=====	=====	=====
Amounts due within one year	120,330,250	116,834,370	120,222,922	116,834,370
Amounts due after one year	193,188	301,660	193,188	301,660
	<u>120,523,438</u>	<u>117,136,030</u>	<u>120,416,110</u>	<u>117,136,030</u>
	=====	=====	=====	=====

*Down-sold assets represent loan assets sold to the Group's counterparties on a non-funded basis. The amount will be settled within 6 months after year end. Down-selling receivable does not attract interest.

**Prepayments and other receivables comprise mainly of insurance costs on the Group's exposures and facility fees paid in relation to short term facilities extended to the Group by lenders.

***Staff loans and advances are granted in accordance with the Staff Rules and Regulations approved by the Board of Directors. These staff loans and advances have various repayment terms ranging from 3 to 36 months.

****Appraisal fees are recognized as income receivable on approval of a facility to the borrower by the Group.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

25. PROPERTY AND EQUIPMENT – GROUP AND BANK

Year ended 31 December 2019:	Freehold land US	Leasehold land USD	Building under construction USD	Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
COST								
At 1 January 2019	140,400	2,453,865	1,067,139	26,582,523	725,269	1,750,724	2,177,164	34,897,084
Additions	-	-	3,703,752	15,492	169,981	120,584	313,709	4,323,518
Disposals	-	-	-	-	(30,585)	(6,041)	(13,364)	(49,990)
Reclassification (Note 26)		(2,453,865)						(2,453,865)
At 31 December 2019	140,400	-	4,770,891	26,598,015	864,665	1,865,267	2,477,509	36,716,747
ACCUMULATED DEPRECIATION								
At 1 January 2019	-	76,419	-	7,749,159	497,423	998,888	1,865,085	11,186,974
Charge for the year	-	-	-	501,231	96,310	148,185	227,711	973,437
Disposals	-	-	-	-	(30,585)	(5,478)	(14,245)	(50,308)
Reclassification		(76,419)	-	-	-	-	-	(76,419)
At 31 December 2019	-	-	-	8,250,390	563,148	1,141,595	2,078,551	12,033,684
NET CARRYING AMOUNT								
At 31 December 2019	140,400	-	4,770,891	18,347,625	301,517	723,672	398,958	24,683,063

Leasehold Land:

Leasehold land refers to land that the Group owns and holds on a 99-year leasehold title. This was transferred to right-of-use asset upon adoption of IFRS 16 Leases.

Building Under Construction:

The Group is in the process of constructing an office building. Professional costs comprising contractors and consultants' fees have been incurred and in line with IAS 16, Property, Plant and Equipment, no depreciation has been charged on these costs until the building is ready for use.

None of the assets have been pledged to secure borrowings of the Group.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
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25. PROPERTY AND EQUIPMENT (Continued)

	Freehold land US	Leasehold land USD	Building under construction USD	Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
Year ended 31 December 2018:								
COST								
At 1 January 2018	140,400	2,453,865	463,157	22,699,181	588,349	1,551,287	2,043,603	29,939,842
Additions	-	-	603,982	3,883,342	136,920	210,023	145,302	4,979,569
Disposals	-	-	-	-	-	(10,586)	(11,741)	(22,327)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	140,400	2,453,865	1,067,139	26,582,523	725,269	1,750,724	2,177,164	34,897,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION								
At 1 January 2018	-	51,636	-	7,319,065	411,879	880,198	1,645,114	10,307,892
Charge for the year	-	24,783	-	430,094	85,544	127,335	231,001	898,757
Disposals	-	-	-	-	-	(8,645)	(11,030)	(19,675)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	76,419	-	7,749,159	497,423	998,888	1,865,085	11,186,974
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CARRYING AMOUNT								
At 31 December 2018	140,400	2,377,446	1,067,139	18,833,364	227,846	751,836	312,079	23,710,110
	=====	=====	=====	=====	=====	=====	=====	=====

Leasehold Land:

Leasehold land refers to land that the Group owns and holds on a 99-year leasehold title. Amortization is charged over the life of the lease.

Building Under Construction:

The Group is in the process of constructing an office building. Professional costs comprising contractors and consultants' fees have been incurred and in line with IAS 16, Property, Plant and Equipment, no depreciation has been charged on these costs until the building is ready for use.

None of the assets have been pledged to secure borrowings of the Group.

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26. RIGHT OF USE ASSET

The Group leases office space for its use. Approximately half of the leases expired in 2019 and were replaced with new leases for the same underlying properties. This resulted in a right-of-use asset of USD 1,406,642 (2018: nil). Information about the leases in which the Group is a lessee is presented below:

	GROUP AND BANK	
	2019	2018
	USD	USD
COST		
At the beginning of the year	-	-
Lease asset recognised	1,924,330	-
Reclassification (Note 25)	2,453,865	-
	<hr/>	<hr/>
At the end of the year	4,378,195	-
	<hr/>	<hr/>
ACCUMULATED AMORTISATION		
At the beginning of the year	-	-
Reclassification (Note 25)	76,419	-
Charge for the year	389,764	-
	<hr/>	<hr/>
At the end of the year	466,183	-
	<hr/>	<hr/>
NET BOOK VALUE		
At the end of the year	3,912,012	-
	=====	=====
Amounts recognized in profit and loss:		
Depreciation expense-right-of-use asset	364,981	-
Interest Expense	83,031	-
Expense relating to short term lease contracts	60,405	-
	<hr/>	<hr/>
	508,417	-
	=====	=====
27. INTANGIBLE ASSETS		
COST		
At beginning of year	4,276,392	3,338,765
Additions	737,437	937,627
Impairment	(1,394,909)	-
	<hr/>	<hr/>
At end of year	3,618,920	4,276,392
	<hr/>	<hr/>
AMORTISATION		
At beginning of year	2,422,648	2,000,735
Charge for the year	593,179	421,913
Impairment	(1,394,909)	-
	<hr/>	<hr/>
At end of year	1,620,918	2,422,648
	<hr/>	<hr/>
NET CARRYING AMOUNT		
At end of year	1,998,002	1,853,744
	=====	=====

Intangible assets relate to cost of acquired computer software.

Computer software are amortised over their estimated useful lives, which is 5 years on average.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

28. COLLECTION ACCOUNT DEPOSITS

	GROUP AND BANK	
	2019	2018
	USD	USD
At 1 January	119,576,580	127,796,131
Increase	6,893,456	43,519,141
Reduction	(30,647,425)	(51,738,692)
	<hr/>	<hr/>
At 31 December	95,822,611	119,576,580
	=====	=====

Collection account deposits represent deposits collected by the Group on behalf of the customers from proceeds of Group funded commodities to be applied on loan repayments as they fall due.

29. LEASE LIABILITY

	GROUP AND BANK	
	2019	2018
	USD	USD
Undiscounted future minimum lease payment under operating lease at 1 January	139,393	-
Impact of discounting	(3,927)	-
Leases not yet commenced at 1 January	1,887,220	-
	<hr/>	<hr/>
At 1 January	2,022,686	-
	=====	=====
The movement in the lease liabilities is as follows:		
At 1 January	2,022,686	-
Payment of lease liabilities	(585,250)	-
Interest on lease liabilities	83,031	-
	<hr/>	<hr/>
	1,520,467	-
At 31 December	=====	=====
Maturity Analysis of undiscounted cash flows		
Year 1	558,110	-
Year 2	619,586	-
Year 3	477,678	-
	<hr/>	<hr/>
Total discounted lease liabilities	1,655,374	-
	=====	=====

30. SHORT TERM BORROWINGS

(a) CERTIFICATES OF DEPOSITS

Lender

African Trade Insurance Agency	1,680,450	1,243,996
	=====	=====

Certificates of deposits relate to borrowings that are payable within one year.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

30. SHORT TERM BORROWINGS (Continued)

(b) OTHER SHORT-TERM BORROWINGS

	Date of renewal/ advance	Maturity Date	Currency	GROUP AND BANK	
				2019 USD	2018 USD
Syndicated Loan- Middle First Abu Dhabi Bank PJSC	Dec-19	Dec-22	USD	451,471,994	329,301,555
First Abu Dhabi Bank PJSC	Apr-19	Apr-20	USD	50,000,000	-
Standard Bank Isle of Man	Dec-19	Nov-20	EUR	56,015,000	-
Syndicated Loan - Citibank	Oct-18	Oct-21	USD	460,000,000	460,000,000
Syndicated Loan - Asia (I)	Jun-19	Jun-22	USD	400,000,000	340,000,000
The Bank of Tokyo Mitsubishi UFJ, Ltd	Jun-19	Jun-21	USD	150,000,000	75,000,000
Samurai Syndication	Dec-18	Dec-21	USD	146,763,016	146,220,401
Syndicated Loan - Asia (II)	Dec-17	Dec-20	USD	237,000,000	237,000,000
Mashreq Bank	Dec-19	Dec-20	USD	100,000,000	100,000,000
Citibank	Sep-19	Apr-20	USD	79,511,339	29,952,505
Mizuho Bank London	Dec-18	Nov-20	USD	75,000,000	75,000,000
Nedbank	Dec-18	Nov-21	USD	50,000,000	60,912,877
Sumitomo Mitsui Banking Corporation Euro KfW	Dec-19	Dec-20	USD	50,000,000	58,931,935
Africa 50 Financement de Projets	Oct-19	Mar-20	USD	31,446,755	39,761,916
NORFUND	Dec-19	Jun-20	USD	30,000,000	-
Bank One Ltd	Dec-19	Mar-20	EUR	22,406,000	22,871,000
Standard Chartered Bank London	Jul-19	Jun-20	USD	14,149,861	193,806,513
BHF BANK	Oct-19	Mar-20	USD	8,233,539	2,140,494
African Trade Insurance Agency	Jan-19	Sep-20	USD	4,242,949	3,677,350
Cargill Kenya Limited	Dec-17	Dec-19	USD	-	148,247,850
Standard Bank South Africa	Sep-18	Jan-19	USD	-	5,141,589
ABSA Bank	Oct-18	Apr-19	USD	-	4,632,718
Commerzbank Frankfurt am Main	Jul-18	Jan-19	USD	-	307,260
				<hr/>	<hr/>
Sub-total for other short-term borrowings				2,462,740,453	2,372,905,964
INTEREST PAYABLE				827,094	9,103,641
Certificate of Deposits (Note 30a)				1,680,450	1,243,996
				<hr/>	<hr/>
TOTAL SHORT-TERM BORROWINGS				2,465,247,997	2,383,253,601
				=====	=====

Borrowings are classified as short term or long term on the basis of the book of business that the Group funds i.e, Trade or Project loans, and not on the basis of contractual maturity of the liability

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
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31. LONG TERM BORROWINGS

Lender						GROUP AND BANK			GROUP AND BANK		
	Date of Renewal/ disbursement	Maturity Date	Currency	Amount in Currency	Balance outstanding USD	31 December 2019		Balance outstanding USD	31 December 2018		
						Amount due within one year USD	Amount due after one year USD		Amount due within one year USD	Amount due after one year USD	
African Development Bank	Nov-08	Feb-29	USD	207,500,000	207,500,000	18,750,000	188,750,000	158,746,264	11,250,000	147,496,264	
Africa Agriculture and Trade Investment Fund	Sep-12	Sep-19	USD	-	-	-	-	10,000,000	10,000,000	-	
China Development Bank	Dec-08	Dec-19	USD	-	-	-	-	20,000,000	20,000,000	-	
KBC Bank	Various	Various	USD	-	-	-	-	3,144,827	2,515,862	628,965	
Exim Bank of India Loan	Various	Various	USD	-	-	-	-	7,850	7,850	-	
US\$ 1.0 Billion Euro Medium Term Note Programme: Second Tranche	May-19	Mar-24	USD	750,000,000	750,000,000		750,000,000	700,000,000	-	700,000,000	
US\$ 1.0 Billion Euro Medium Term Note Programme: Third Tranche	Dec-13	Mar-22	USD	700,000,000	700,000,000	-	700,000,000	-	-	-	
Development Bank of Southern Africa	Mar-07	Jun-23	USD	14,062,500	14,062,500	9,375,000	4,687,500	23,437,500	9,375,000	14,062,500	
OPEC Fund for International Development	Mar-19	Aug-23	USD	20,000,000	20,000,000	2,925,278	17,074,722				
Private Export Funding Corporation	Aug-11	Oct-21	USD	11,155,339	11,155,339	5,949,514	5,205,825	17,104,853	5,949,514	11,155,339	
KfW	Dec-13	Dec-31	USD	151,428,572	151,428,572	5,714,286	145,714,286	107,142,857	5,714,286	101,428,571	
KfW IPEX	Sep-16	Dec-28	USD	109,747,199	109,747,199	13,364,622	96,382,577	123,111,820	13,364,622	109,747,198	
European Investment Bank	Aug-16	Sep-26	USD	82,239,046	82,239,046	11,749,333	70,489,713	88,120,000	5,874,667	82,245,333	
CDC Group	Oct-16	Dec-25	USD	72,727,273	72,727,273	16,267,380	56,459,893	81,818,182	14,889,746	66,928,436	
Standard Chartered Bank / USAID	Sep-17	Mar-24	USD	21,157,142	21,157,142	4,227,906	16,929,236	13,478,240	2,449,520	11,028,720	
Japan Bank for International Corporation (JBIC)	Jul-17	Feb-24	USD	29,204,255	29,204,255	6,696,563	22,507,692	20,306,413	7,365,175	12,941,238	
AFD -Agence Francaise De Development	Dec-17	Mar-32	USD	57,000,000	57,000,000	3,125,000	53,875,000	57,000,000		57,000,000	
The Exim -Import Bank of China	Dec-17	Dec-23	USD	250,000,001	250,000,001	-	250,000,001	250,000,001	25,274,725	224,725,276	
Tanzania local currency fixed rate bond	Jun-15	May-20	TZS	2,242,404,954	982,821	982,821	-	2,351,638	1,369,446	982,192	
Tanzania local currency floating rate bond	Jun-15	May-20	TZS	2,240,669,845	980,815	980,815	-	2,350,022	1,369,446	980,576	
IDC – Industrial Development Corporation	Mar-18	Dec-27	USD	87,156,493	87,156,493	13,408,691	73,747,802	100,565,184	11,173,909	89,391,275	
BADEA	Feb-18	Sep-27	USD	14,999,940	14,999,940	1,250,000	13,749,940	5,001,933	-	5,001,933	
Oldenburgische Landesbank AG	Various	Feb-20	USD	628,965	628,965	628,965	-	-	-	-	
African Economic Research Consortium	Nov-19	Nov-26	USD	2,993,975	2,993,975	-	2,993,975	-	-	-	
Sub-total for long term borrowings					2,583,964,336	115,396,174	2,468,568,162	1,783,687,584	147,943,768	1,635,743,816	
Interest payable					28,520,393	28,520,393	-	25,024,959	25,024,959	-	
Total					2,612,484,729	143,916,567	2,468,568,162	1,808,712,543	172,968,727	1,635,743,816	
Deferred Expenditure					(20,955,831)	(8,677,535)	(12,278,296)	(26,682,475)	(26,682,475)	-	
Total long-term borrowings					2,591,528,898	135,239,032	2,456,289,866	1,782,030,068	146,286,252	1,635,743,816	

The Group repays these borrowings in either quarterly or semi-annual instalments. The Group has not given any security for the borrowings. It has not defaulted on any of them.
Borrowings are classified as short term or long term on the basis of the book of business that the Group funds i.e. Trade or Project loans, and not on the basis of contractual maturity of the liability.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

32. OTHER PAYABLES	GROUP		BANK	
	2019 USD	2018 USD	2019 USD	2018 USD
Accrued expenses	4,197,989	9,374,066	4,197,989	9,374,066
Accrued fees-Trade Finance	401,256	850,382	401,256	850,382
Provident fund*	7,492,768	1,243,471	7,492,768	1,243,471
Other creditors**	102,089,407	54,008,954	101,961,590	54,008,954
Accrued reward & recognition	5,552,242	4,971,407	5,552,242	4,971,407
Accrued fees-Project Finance	24,478	1,370	24,478	1,370
Rental deposit	51,622	51,622	51,622	51,622
Dividends payable (Note 34)	11,475,872	2,357,693	11,475,872	2,357,693
Accrued Long Term Incentive Scheme	4,939,849	-	4,939,849	-
Accrued Syndication fees	2,507,304	-	2,507,304	-
	<u>138,732,787</u>	<u>72,858,965</u>	<u>138,604,970</u>	<u>72,858,965</u>
	=====	=====	=====	=====
Analysis of other payables by maturity:				
Amounts due within one year	134,555,523	65,535,685	134,427,706	65,535,685
Amounts due after one year	4,177,264	7,323,280	4,177,264	7,323,280
	<u>138,732,787</u>	<u>72,858,965</u>	<u>138,604,970</u>	<u>72,858,965</u>
	=====	=====	=====	=====

*Provident fund relates to the Group's contribution to the fund that is payable.

**Other creditors mainly relate to cash cover deposits by clients.

33. PROVISION FOR SERVICE AND LEAVE PAY

(i) PROVISION FOR SERVICE PAY

	GROUP AND BANK	
	2019 USD	2018 USD
At beginning of year	6,040,190	5,081,470
Increase in provision	1,099,333	1,155,218
Payment of service pay	(539,372)	(196,497)
	<u>6,600,151</u>	<u>6,040,191</u>
At end of year	6,600,151	6,040,191

(ii) PROVISION FOR LEAVE PAY

At beginning of year	1,788,449	1,477,218
Increase in provision	257,172	402,898
Payment of leave pay	(94,262)	(91,667)
	<u>1,951,359</u>	<u>1,788,449</u>
At end of year	1,951,359	1,788,449
TOTAL PROVISION FOR SERVICE AND LEAVE PAY	<u>8,551,510</u>	<u>7,828,640</u>
	=====	=====

Employees' entitlements to annual leave and service pay are recognized when they accrue to employees.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

34. SHARE CAPITAL

	GROUP AND BANK					
	As at 31 December 2019			As at 31 December 2018		
	CLASS 'A' SHARES USD	CLASS 'B' SHARES USD	TOTAL USD	CLASS 'A' SHARES USD	CLASS 'B' SHARES USD	TOTAL USD
Authorised capital:						
- 88,234 Class 'A' ordinary shares of USD 22,667 each	2,000,000,000	-	2,000,000,000	2,000,000,000	-	2,000,000,000
- 220,584 Class 'B' ordinary shares of USD 4,533.42 each	-	1,000,000,000	1,000,000,000	-	1,000,000,000	1,000,000,000
Less: Unsubscribed						
- Class 'A'	(57,755,436)	-	(57,755,436)	(166,443,703)	-	(166,443,703)
- Class 'B'	-	(872,565,554)	(872,565,554)	-	(895,282,523)	(895,282,523)
Subscribed capital:						
- 85,686 Class 'A' (2018: 80,891) ordinary shares of USD 22,667 each	1,942,244,564	-	1,942,244,564	1,833,556,297	-	1,833,556,297
- 28,110 Class 'B' (2018: 23,099) ordinary shares of USD 4,533.40 each	-	127,434,446	127,434,446	-	104,717,477	104,717,477
Less: Callable capital	(1,553,795,650)	-	(1,553,795,650)	(1,466,845,038)	-	(1,466,845,038)
Payable capital	388,448,914	127,434,446	515,883,360	366,711,259	104,717,477	471,428,736
Less: Amounts not yet due	(15,597,120)		(15,597,120)	(6,404,787)	-	(6,404,787)
Capital due	372,851,794	127,434,446	500,286,240	360,306,472	104,717,477	465,023,949
Less: subscriptions in arrears	(1,178,768)		(1,178,768)	(3,281,391)	-	(3,281,391)
Paid up capital	371,673,026	127,434,446	499,107,472	357,025,081	104,717,477	461,742,558
	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

34. SHARE CAPITAL (Continued)

	GROUP AND BANK					
	31 December 2019			31 December 2018		
	CLASS 'A' SHARES USD	CLASS 'B' SHARES USD	TOTAL USD	CLASS 'A' SHARES USD	CLASS 'B' SHARES USD	TOTAL USD
Movement in paid up share capital						
At beginning of year	357,025,081	104,717,477	461,742,558	333,838,490	97,386,936	431,225,426
African Economic Research Consortium	-	793,349	793,349	-	-	-
African Development Bank	485,074	10,880,209	11,365,283	1,128,817	-	1,128,817
BADEA – Arab Bank for Economic Development in Africa	-	-	-	-	4,352,084	4,352,084
Investment Fund for Developing Countries	-	7,910,819	7,910,819	-	-	-
National Social Security Fund- Uganda	-	367,207	367,207	-	389,875	389,875
Sacos Group Limited	-	13,600	13,600	-	-	-
Rwanda Social Security Board	-	1,967,504	1,967,504	-	376,274	376,274
TDB Staff Provident Fund	-	693,613	693,613	-	2,030,972	2,030,972
TDB Directors & Select Stakeholders Provident Fund	-	90,668	90,668	-	181,336	181,336
Belarus	122,402	-	122,402	1,222,205	-	1,222,205
Burundi	199,470	-	199,470	462,407	-	462,407
China	553,075	-	553,075	1,282,952	-	1,282,952
Comoros	22,667	-	22,667	40,801	-	40,801
Congo DRC	680,010	-	680,010	3,540,695	-	3,540,695
Djibouti	45,334	-	45,334	108,802	-	108,802
Egypt	870,413	-	870,413	2,012,830	-	2,012,830
Eritrea	49,431	-	49,431	45,216	-	45,216
Eswatini	414,353	-	414,353	409,820	-	409,820
Ethiopia	1,870,481	-	1,870,481	2,012,830	-	2,012,830
Kenya	9,067	-	9,067	2,012,830	-	2,012,830
Madagascar	405,286	-	405,286	400,753	-	400,753
Malawi	213,070	-	213,070	498,674	-	498,674
Mauritius	408,006	-	408,006	952,014	-	952,014
Mozambique	4,120,449	-	4,120,449	145,069	-	145,069
Rwanda	2,244,740	-	2,244,740	539,475	-	539,475
Seychelles	45,334	-	45,334	99,735	-	99,735
Somalia	65,496	-	65,496	59,912	-	59,912
South Sudan	276,537	-	276,537	13,600	-	13,600
Tanzania	99,735	-	99,735	1,944,829	-	1,944,829
Uganda	699,504	-	699,504	2,520,571	-	2,520,571
Zambia	748,011	-	748,011	1,731,754	-	1,731,754
	14,647,945	22,716,969	37,364,914	23,186,591	7,330,541	30,517,132
	371,673,026	127,434,446	499,107,472	357,025,081	104,717,477	461,742,558
	=====	=====	=====	=====	=====	=====

Payable capital is one fifth of the subscribed capital to Class 'A' shares. The remaining four fifths of the subscribed capital constitutes callable capital. The Group's Board of Governors may, on the recommendation of the Board of Directors, make a call only when the amount thereof is required to repay existing borrowings or to meet guaranteed commitments. Note 44 contains the status of subscriptions to the capital stock by member countries.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
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34. SHARE CAPITAL (Continued)

		GROUP AND BANK		
	Number of shares	Share value USD	Price paid USD	Share premium USD
Share Premium – Class B:				
As at 31 December 2019:				
At 1 January 2019	23,099	104,717,477	165,218,088	60,500,611
Additions during the year	5,011	22,716,969	53,925,406	31,208,437
At 31 December 2019	28,110	127,434,446	219,143,494	91,709,048
Share Premium – Class A:				
As at 31 December 2019:				
At 1 January 2019	80,891	-	-	-
Additions -Without Share Premium	3,329	-	-	-
Additions -With Share Premium	1,466	16,804,755	6,645,964	10,158,791
As at 31 December 2019	85,686	16,804,755	6,645,964	10,158,791
Total	113,796	144,239,201	225,789,458	101,867,839
	=====	=====	=====	=====
Share Premium – Class B:				
As at 31 December 2018:				
As at 1 January 2018:	21,482	97,386,936	150,355,414	52,968,478
Additions during the year	1,617	7,330,541	14,862,674	7,532,133
As at 31 December 2018:	23,099	104,717,477	165,218,088	60,500,611
	=====	=====	=====	=====

Class A and B shares

As at 31 December 2019, there were 85,686 'A' ordinary shares (2018: 80,891) and 28,110 Class 'B' ordinary shares (2018: 23,099). Class 'A' shares have a par value of USD 22,667 each (comprising 80% callable and 20% payable) and were issued only to Members, while Class 'B' shares have a par value of USD 4,533.40 each and are issued both to Members and other institutional investors. All ordinary shares have a right to receive dividends in the proportion of the number of shares held by each member, as and when declared by the Board of Governors.

Nature and purpose of the share premium

Class 'B' shares are issued at a premium of USD 7,679.81 (2018: USD 6,929.60) that is determined after a valuation of the Group's shares. The share premium is used to finance the operations of the Group. The share premium for class A shares was introduced in 2019 hence nil balance in 2018.

	2019 USD	2018 USD
<i>Dividends on ordinary shares declared and paid:</i>		
Final dividend for 2018: USD 315.93 per share (2017: 308.67 per share)		
-Declared and paid	20,208,849	25,049,089
-Declared and not paid/payable	11,475,872	2,357,693
	31,684,721	27,406,782
	=====	=====
<i>Proposed dividends on ordinary shares:</i>		
Dividend for 2019: USD 342.01 per share (2018: USD 315.93 per share)	36,313,155	31,684,721
	=====	=====

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognized as a liability as at 31 December.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

35. MANAGEMENT RESERVE

The management reserve is used to record appropriations from retained earnings to cushion the Group against future credit risk and other incidents of significant loss. Amounts recorded in management reserves cannot be reclassified to profit or loss and the transfers into and out of this management reserve are approved by the Board of Directors.

36. NOTES TO THE STATEMENT OF CASH FLOWS

	GROUP 2019 USD	BANK 2019 USD	GROUP AND BANK 2018 USD
(a) Reconciliation of profit for the year to net cash generated from/(used in) operations:			
Profit for the year	151,533,059	151,304,813	129,325,392
Adjustments:			
Depreciation on property and equipment (Note 25)	973,437	973,437	898,757
Depreciation of right of use asset (Note 26)	389,764	389,764	-
Amortisation of intangible assets (Note 27)	593,179	593,179	421,913
(Gain)/loss from disposal of property and equipment	(318)	(318)	2,652
Gain in foreign exchange	(5,178,281)	(5,178,281)	(16,301,220)
Interest received	(276,163,851)	(276,163,851)	(271,215,413)
Interest paid	212,690,235	212,690,235	182,199,807
Management reserve	-	-	19,842,913
Provision for impairment	41,485,622	41,485,622	23,156,955
Increase in provision for service and leave pay	89,236	89,236	981,788
Impairment of off-balance sheet items	(6,778,553)	(6,778,553)	(2,865,791)
Interest on lease liability	83,031	83,031	-
Profit before changes in operating assets and liabilities	119,716,560	119,488,314	66,447,753
<i>Working capital changes</i>			
Increase in other receivables	(3,355,301)	(3,280,080)	(10,658,542)
Decrease/(Increase) in hedging derivative instruments-Assets	13,993,599	13,993,599	(54,042,940)
Decrease in hedging derivative instruments-Liabilities	-	-	(4,797,549)
Increase in trade finance loans	(156,130,658)	(156,130,658)	(182,556,237)
Increase in project loans	(687,077,238)	(687,077,238)	(194,370,177)
Decrease in collection accounts deposits	(23,753,969)	(23,753,969)	(8,219,550)
Increase/(decrease) in other payables	51,054,792	54,270,135	(11,157,197)
Provision for service and leave pay paid	633,634	633,634	288,164
Interest received	276,163,851	276,163,851	271,215,413
Interest paid	(212,690,235)	(212,690,235)	(182,199,807)
Net increase in borrowings (Note 36 (b))	891,493,226	891,493,226	142,431,837
Net cash generated from/(used in) operations	273,403,562	273,110,579	(167,618,832)

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

36. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(b) Analysis of changes in borrowings

	GROUP AND BANK	
	2019	2018
	USD	USD
Short term borrowings:		
At beginning of year	2,383,253,601	2,314,562,284
Loans received	2,609,097,356	2,634,377,484
Repayments	(2,527,102,960)	(2,565,686,167)
	<hr/>	<hr/>
At end of year	2,465,247,997	2,383,253,601
	<hr/>	<hr/>
Long term borrowings:		
At beginning of year	1,782,030,068	1,708,289,548
Loans received	1,055,979,537	547,625,476
Repayments	(246,480,707)	(473,884,956)
	<hr/>	<hr/>
At end of year	2,591,528,898	1,782,030,068
	<hr/>	<hr/>
Total borrowings:		
At beginning of year	4,165,283,669	4,022,851,832
Loans received	3,665,076,893	3,182,002,960
Repayments	(2,773,583,667)	(3,039,571,123)
	<hr/>	<hr/>
At end of year	5,056,776,895	4,165,283,669
	<hr/>	<hr/>
Increase in total borrowings (Note 36(a))	891,493,226	142,431,837
	<hr/>	<hr/>

For purposes of the Statement of Cash Flows, borrowings received for on-lending are treated as normal operations of the Group and, therefore, are classified as cash generated from operations.

(c) Analysis of cash and cash equivalents

	GROUP		BANK	
	2019	2018	2019	2018
	USD	USD	USD	USD
Cash and balances with other banks - Note 14	1,382,403,564	1,145,918,378	1,382,110,581	1,145,918,378
	<hr/>	<hr/>	<hr/>	<hr/>

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

36. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Facilities available for lending

As at 31 December 2019 the following facilities were available to the Group for lending:

SHORT-TERM FACILITIES LENDER	Facilities available USD	GROUP AND BANK	
		Facilities utilised USD	Facilities unutilised USD
Syndicated Loan - Global	460,000,000	460,000,000	-
Syndicated Loan- Middle East	451,471,994	451,471,994	-
Syndicated Loan - Asia (I)	400,000,000	400,000,000	-
Syndicated Loan - Asia (II)	237,000,000	237,000,000	-
AFREXIM	168,045,000	-	168,045,000
Standard Chartered Bank London	150,000,000	43,369,843	106,630,157
The Bank of Tokyo Mitsubishi UFJ, Ltd	150,000,000	150,000,000	-
Samurai Syndication	146,763,016	146,763,016	-
ING Bank	136,762,266	136,762,266	-
Citibank	120,000,000	106,642,507	13,357,493
Mashreq Bank	100,000,000	100,000,000	-
Societe Generale	95,000,000	-	95,000,000
Mauritius Commercial Bank	90,000,000	-	90,000,000
Standard Bank South Africa	90,000,000	-	90,000,000
Mizuho Bank London	89,913,143	89,913,143	-
Commercial Bank of Africa	80,000,000	-	80,000,000
BNP Paribas Group	75,000,000	-	75,000,000
Deutsche Bank	60,000,000	-	60,000,000
Standard Bank Isle of Man	56,015,000	56,015,000	-
First Abu Dhabi Bank PJSC	50,000,000	50,000,000	-
Sumitomo Mitsui Banking Corporation	50,000,000	50,000,000	-
Rand Merchant Bank	50,000,000	-	50,000,000
Nedbank	50,000,000	50,000,000	-
KfW IPEX	46,500,000	46,500,000	-
BHF Bank	33,609,000	8,422,990	25,186,010
Africa 50 Financement de Projets	31,446,755	31,446,755	-
Natixis	30,000,000	-	30,000,000
NORFUND	30,000,000	30,000,000	-
KBC Bank	28,007,500	-	28,007,500
Bank One	22,406,000	22,406,000	-
Barclays/Absa Bank	20,000,000	8,249,457	11,750,543
DZ Bank	15,158,226	-	15,158,226
Banque de Commerce de placement	9,686,500	-	9,686,500
African Trade Insurance Agency	5,923,399	5,923,399	-
TOTAL	3,628,707,799	2,680,886,370	947,821,429
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

36. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Facilities available for lending (Continued)

	Facilities available USD	GROUP AND BANK Facilities utilised USD	Facilities unutilised USD
LONG TERM FACILITIES LENDER			
Eurobond	1,450,000,000	1,450,000,000	-
Japan Bank for International Corporation	430,000,000	7,275,000	422,725,000
African Development Bank	330,000,000	330,000,000	-
Export Import Bank of China	250,000,000	250,000,000	-
European Investment Bank	208,120,000	88,120,000	120,000,000
KfW	160,000,000	160,000,000	-
KfW- Ipex	133,135,287	133,135,287	-
Industrial Development Corporation	100,565,184	100,565,184	-
Exim Bank India	100,000,000	75,000,000	25,000,000
CDC Group	100,000,000	100,000,000	-
Development Bank of South Africa	95,000,000	95,000,000	-
Agence Francaise De Development	75,000,000	57,000,000	18,000,000
Development Bank of the Republic of Belarus	72,000,000	-	72,000,000
Private Export Funding Corporation	60,000,000	60,000,000	-
OPEC Fund for International Development	60,000,000	20,000,000	40,000,000
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	56,811,725	28,679,449	28,132,276
Oldenburgische Landesbank AG	51,403,510	36,854,139	14,549,371
Standard Chartered Bank / USAID	50,000,000	25,703,000	24,297,000
Tanzania Shillings Local Currency Bond	16,506,555	16,506,555	-
Arab Bank for Economic Development in Africa	15,000,000	15,000,000	-
African Economic Research Consortium	2,993,975	2,993,975	-
Exim Bank USA	No limit	-	-
TOTAL	3,816,536,236 =====	3,051,832,589 =====	764,703,647 =====
TOTAL FACILITIES: 31 December 2019	7,445,244,035 =====	5,732,718,959 =====	1,712,525,076 =====

Note:

Facilities utilised include outstanding letters of credit amounting to USD 346,981,327 (2018: USD161,393,239) as disclosed in note 39(b).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

36. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Facilities available for lending (Continued)

As at 31 December 2018 the following facilities were available to the Group for lending:

SHORT-TERM FACILITIES LENDER	Facilities available USD	GROUP AND BANK	
		Facilities utilised USD	Facilities unutilised USD
Asian Syndicated Loan 1	340,000,000	340,000,000	-
Middle East Syndication 2018 (First Abu Dhabi Bank PJSC)	329,301,555	329,301,555	-
Cargill Kenya	148,247,850	148,247,850	-
African Trade Insurance Agency	4,921,346	4,921,346	-
BHF Bank	34,306,500	4,972,880	29,333,620
AFREXIM	171,532,500	-	171,532,500
NIC Bank	40,000,000	-	40,000,000
Natixis	30,000,000	-	30,000,000
ING Bank	102,919,500	-	102,919,500
KBC Bank	28,588,750	-	28,588,750
DZ Bank	15,158,226	-	15,158,226
Standard Chartered Bank	330,000,000	221,419,972	108,580,028
Asian Syndication 11, 2018 (Standard Chartered Bank)	237,000,000	237,000,000	-
BNP Paribas Group	75,000,000	-	75,000,000
Mauritius Commercial Bank	90,000,000	-	90,000,000
Standard Bank South Africa	90,000,000	5,141,589	84,858,411
Deutsche Bank	60,000,000	-	60,000,000
Commercial Bank of Africa	80,000,000	-	80,000,000
Mizuho	80,000,000	75,000,000	5,000,000
Sumitomo Mitsui Banking Corporation	220,000,000	73,665,000	146,335,000
Rand Merchant Bank	50,000,000	-	50,000,000
Bank of Tokyo Mitsubishi	221,220,401	221,220,401	-
Banque de Commerce de placement	9,865,500	-	9,865,500
State Bank of Mauritius	25,000,000	-	25,000,000
Mashreqbank	100,000,000	100,000,000	-
FimBank	28,588,750	-	28,588,750
FBN Bank London	5,000,000	-	5,000,000
Societe Generale	95,000,000	-	95,000,000
Barclays/Absa Bank	24,000,000	23,358,811	641,189
Banque BIA, France	22,871,000	-	22,871,000
BMCE Bank	28,588,750	-	28,588,750
British Arab Commercial Bank	57,177,500	-	57,177,500
Citibank	65,000,000	49,554,598	15,445,402
Syndicated Loan Oct 2019 (Citibank)	460,000,000	460,000,000	-
Nedbank	85,000,000	64,098,885	20,901,115
United Bank Limited	5,000,000	-	5,000,000
Africa50	39,761,917	39,761,917	-
Bank One	22,871,000	22,871,000	-
KFW IPEX	40,000,000	40,000,000	-
TOTAL	3,891,921,045	2,460,535,804	1,431,385,241

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

36. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Facilities available for lending (continued)

	Facilities available USD	GROUP AND BANK Facilities utilised USD	Facilities unutilised USD
LONG TERM FACILITIES			
LENDER			
Eurobond	700,000,000	700,000,000	-
Exim Bank India	100,000,000	75,000,000	25,000,000
European Investment Bank	88,120,000	88,120,000	-
African Development Bank	330,000,000	270,000,000	60,000,000
Development Bank of South Africa	95,000,000	95,000,000	-
Private Export Funding Corporation	60,000,000	60,000,000	-
BKB Bank	51,403,510	36,854,139	14,549,371
Africa Agriculture Trade and Investment Fund	30,000,000	30,000,000	-
KfW	160,000,000	110,000,000	50,000,000
KfW- Ipex	133,135,287	133,135,287	-
China Development Bank	122,900,000	122,900,000	-
BHF Bank	18,000,000	7,300,000	10,700,000
Japan Bank for International Corporation	80,000,000	23,040,956	56,959,044
Tanzania Shillings Local Currency Bond	16,506,555	16,506,555	-
CDC Group	100,000,000	100,000,000	-
Arab Bank for Economic Development in Africa	15,000,000	5,000,000	10,000,000
Industrial Development Corporation	105,000,000	100,565,184	4,434,816
Standard Chartered Bank / USAID	50,000,000	14,703,000	35,297,000
Agence Francaise De Development	75,000,000	57,000,000	18,000,000
The Exim -Import Bank of China	250,000,000	250,000,000	-
OPEC Fund for International Development	60,000,000	-	60,000,000
Exim Bank USA	No Limit	-	No Limit
TOTAL	2,640,065,352 =====	2,295,125,121 =====	344,940,231 =====
TOTAL FACILITIES: 31 December 2018	6,531,986,397 =====	4,755,660,925 =====	1,776,325,472 =====

Note:

Facilities utilised include outstanding letters of credit amounting to USD 346,981,327 (2018: USD 161,673,239 USD as disclosed in note 39(b)).

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Net derivative financial instruments

Currency swaps, interest rate swaps and currency forward contracts are derivative products valued using a valuation technique with market-observable inputs. The most frequently applied valuation technique is the swap model using present value calculations. The model incorporates various inputs including foreign exchange spot and forward rates.

Financial instruments disclosed at fair value

Management assessed that the fair value of financial instruments not measured at fair value approximates their carrying amount.

Fair Value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data.

At 31 December 2019:	GROUP AND BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
ASSETS				
Net derivative financial instruments	-	40,049,341	-	40,049,341
Investment in Trade Fund	-	49,997,089	-	49,997,089
Equity investments at fair value through other comprehensive income	-	-	51,135,850	51,135,850
Investment in joint venture	-	-	69,984	69,984
	<hr/>	<hr/>	<hr/>	<hr/>
	-	90,046,430	51,205,834	141,252,264
	=====	=====	=====	=====
At 31 December 2018:				
LIABILITIES				
Net derivative financial instruments	-	54,042,940	-	54,042,940
Equity investments at fair value through other comprehensive income	-	-	51,521,730	51,521,730
Investment in joint venture	-	-	386,994	386,994
	<hr/>	<hr/>	<hr/>	<hr/>
	-	54,042,940	51,908,724	105,951,664
	=====	=====	=====	=====

The Group and Bank have not designated any loan or receivable or borrowings and payables as at fair value through profit or loss.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

Transfers between Level 1, 2 and Level 3:

As at 31 December 2019 and 31 December 2018, there were no transfers between the levels.

Valuation of financial Instruments recorded at fair value:

The Group uses widely recognised valuation models for determining fair values of interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2. The valuation is done in the Treasury Management System where these instruments are managed. The Group invests in private equity companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group contracts experts to value these investments. Valuation is done using International Private Equity Valuation Guidelines for these positions

Valuations of financial instruments are the responsibility of Management.

The valuation of derivative financial instruments is performed daily in the Treasury Management System, while that of equity investments is performed on a semi-annual basis by consultants who are contracted by the Financial Management Department. The valuations are also subject to quality assurance procedures performed by the Group's internal and external auditors. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the preceding periods. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by senior management. Appropriateness of valuation methods and inputs is considered and management may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Net changes in fair value of financial assets and financial liabilities -Level 3

	GROUP AND BANK					
	As at 31 December 2019			As at 31 December 2018		
	Realised USD	Unrealised USD	Total (losses) USD	Realised USD	Unrealised USD	Total gains USD
ASSETS						
Equity investments – at fair value through other comprehensive income	- =====	(465,000) =====	(465,000) =====	- =====	450,000 =====	450,000 =====

Quantitative information of significant unobservable inputs – Level 3:

Description	Valuation Technique	Unobservable input	Range (weighted average)	December 2019 USD	December 2018 USD
Equity investments – at fair value through other comprehensive income	Equity method-% of net assets	Professional Investment Managers Valuation	n/a =====	51,135,850 =====	51,521,730 =====

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

Description	Input	Sensitivity used	Effect on fair value GROUP AND BANK	
			2019 USD	2018 USD
Equity investments – at fair value through other comprehensive income	Professional Investment Managers Valuation	5%	2,556,793	2,576,087
		=====	=====	=====

Significant increases (decreases) in the equity of investee companies in isolation would result in a significantly (lower) higher fair value measurement

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	GROUP AND BANK	
	2019 USD	2018 USD
Balance as at 31 January	51,521,730	40,257,957
IFRS 9 adjustment	-	10,728,799
	=====	=====
Balance as at 31 January-Restated	51,521,730	50,986,756
FV gains and losses	(465,000)	450,000
Additions	79,120	84,974
	=====	=====
Balance as at 31 December	51,135,850	51,521,730
	=====	=====

38. SEGMENT REPORTING

The Group's main business is offering loan products, which is carried out in distinct geographic coverage areas. As such, the Group has chosen to organise the Group based on the loan products offered as well as coverage areas for segmental reporting. The main types of loan products are:

- Trade finance – Short term and structured medium-term financing in support of trading activities such as imports and exports in various member states.
- Project finance – Medium and long- term financing of viable and commercially oriented public and private sector projects and investments in various economic sectors or industries.

Other operations comprise other miscellaneous income like rental of office premises which cannot be directly attributed to the Group's main business. The Group also participates in the investment of Government securities and other unlisted equity investments. Transactions between the business segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, which form the majority of the statement of financial position.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB-formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 DECEMBER 2019

38. SEGMENT REPORTING (Continued)

For the year ended 31 December 2019	East Africa	North East Africa	Southern Africa	Franco / Lusophone	Multi - Regional	Total Lending Operations	Corporate	Subsidiary	Consolidated/ Bank Total
INCOME	USD	USD	USD	USD	USD	USD	USD	USD	USD
Interest income	119,335,164	102,046,112	91,043,323	5,598,800	54,399,757	372,423,156	33,302,878	-	405,726,034
Interest expense and other borrowing costs	(66,718,523)	(57,169,921)	(50,708,654)	(3,175,994)	(30,261,273)	(208,034,365)	(18,602,880)	-	(226,637,245)
				-					
Net interest income	52,616,641	44,876,191	40,334,669	2,422,806	24,138,484	164,388,791	14,699,998	-	179,088,789
Fee and commission income	34,447,645	3,629,308	20,611,034	8,483,507	5,219,176	72,390,670	-	-	72,390,670
Fair value gains on financial assets - derivatives	-	-	-	-	-	-	16,006,006	-	16,006,006
				-					
Net Trading Income	87,064,286	48,505,499	60,945,703	10,906,313	29,357,660	236,779,461	30,706,004	-	267,485,465
Risk Mitigation Costs	(13,535,724)	(2,759,791)	(15,742,527)	-	-	(32,038,042)	(3,941,501)	-	(35,979,543)
Other Income	2,449,063	-	2,910,000	-	-	5,359,063	650,739	272,968	6,282,770
Depreciation and amortisation	-	-	-	-	-	-	(1,956,380)	-	(1,956,380)
Operating expenditure	(963,651)	(553,993)	(541,216)	(945,118)	(3,351,349)	(6,355,327)	(32,361,648)	(410,780)	(39,127,755)
Impairment allowance on loans	(13,009,762)	(23,734,106)	(4,066,891)	(312,386)	(362,477)	(41,485,622)	-	-	(41,485,622)
Impairment on other assets	-	-	-	-	-	-	(3,755)	-	(3,755)
Net foreign exchange loss	-	-	-	-	-	-	(3,682,116)	(5)	(3,682,121)
PROFIT BEFORE TAXATION	62,004,212	21,457,609	43,505,069	9,648,809	25,643,834	162,259,533	(10,588,657)	(137,817)	151,533,059
Taxation	-	-	-	-	-	-	-	(3,494)	(3,494)
PROFIT FOR THE YEAR	62,004,212	21,457,609	43,505,069	9,648,809	25,643,834	162,259,533	(10,588,657)	(141,311)	151,529,565
	=====	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB-formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 DECEMBER 2019

38. SEGMENT REPORTING (Continued)

a) STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the Year ended 31 December 2018

	East Africa USD	North East Africa USD	Southern Africa USD	Franco / Lusophone USD	Multi - Regional USD	Total Lending Operations USD	Corporate USD	Consolidated/ Bank Total USD
INCOME								
Interest income	91,440,363	111,132,038	76,846,704	2,396,245	47,930,069	329,745,419	31,842,477	361,587,896
Interest expense and other borrowing costs	(50,559,206)	(63,454,029)	(44,238,902)	(1,381,908)	(27,331,490)	(186,965,535)	(18,227,206)	(205,192,741)
Net interest income	40,881,157	47,678,009	32,607,802	1,014,337	20,598,579	142,779,884	13,615,271	156,395,155
Fee and commission income	11,977,476	988,364	20,435,473	2,338,308	8,452,833	44,192,454	-	44,192,454
Fair value gains on financial assets - derivatives	-	-	-	-	-	-	23,974,890	23,974,890
Net Trading Income	52,858,633	48,666,373	53,043,275	3,352,645	29,051,412	186,972,338	37,590,161	224,562,499
Risk Mitigation Costs	(8,221,032)	(9,019,064)	(14,032,706)	-	(279,333)	(31,552,135)	(2,988,969)	(34,541,104)
Other Income	1,564,251	-	2,533,153	49,940	-	4,147,344	3,335,507	7,482,851
Depreciation and amortisation	-	-	-	-	-	-	(1,320,670)	(1,320,670)
Operating expenditure	(897,995)	(389,952)	(450,054)	(748,743)	(3,415,261)	(5,902,005)	(33,485,107)	(39,387,112)
Impairment allowance on loans	(11,012,333)	(1,103,071)	(7,233,548)	(638,737)	(1,910,725)	(21,898,414)	(1,258,541)	(23,156,955)
Impairment on other assets	(471,125)	-	-	(255,000)	-	(726,125)	(2,500,000)	(3,226,125)
Net foreign exchange loss	-	-	-	-	-	-	(1,087,992)	(1,087,992)
PROFIT FOR THE YEAR	33,820,399	38,154,286	33,860,120	1,760,105	23,446,093	131,041,003	(1,715,611)	129,325,392
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

38. SEGMENT REPORTING (Continued)

The table below analyses the breakdown of segmental assets, liabilities, income and expenses;

a) STATEMENT OF COMPREHENSIVE INCOME (Continued)

Year ended 31 December 2019	Trade finance USD	Project finance USD	Other USD	Subsidiary USD	Total USD
Gross interest income	209,703,194	162,719,962	33,302,878	-	405,726,034
Interest expense and other borrowing costs	(85,902,669)	(107,030,332)	(33,704,244)	-	(226,637,245)
Net interest income	123,800,525	55,689,630	(401,366)	-	179,088,789
Fee and commission income	36,968,485	35,422,185	-	-	72,390,670
Fair value gains on financial assets – derivatives	-	-	16,006,006	-	16,006,006
Risk mitigation costs	(19,705,323)	(12,102,304)	(4,171,916)	-	(35,979,543)
Other income	-	-	650,739	272,968	923,707
Other assets written-off	(3,755)	-	-	-	(3,755)
Other assets recovered	-	5,359,063	-	-	5,359,063
Operating expenses	(18,571,804)	(20,145,171)	-	(410,780)	(39,127,755)
Depreciation and amortisation	(908,477)	(1,018,846)	(29,057)	-	(1,956,380)
Impairment on assets	(24,408,620)	(10,298,449)	(5,416,406)	-	(40,123,475)
Impairment on off-balance sheet commitments	-	(1,362,147)	-	-	(1,362,147)
Net foreign exchange loss	(3,682,116)	-	-	(5)	(3,682,121)
Profit before taxation	93,488,915	51,543,961	6,638,000	(137,817)	151,533,059
Taxation charge	-	-	-	(3,494)	(3,494)
Profit for the year	109,495,239	51,543,961	(9,368,324)	(141,311)	151,529,565
	=====	=====	=====	=====	=====
Year ended 31 December 2018	USD	USD	USD	USD	USD
Gross interest income	204,323,254	125,422,165	31,842,477	-	361,587,896
Interest expense and other borrowing costs	(116,941,399)	(70,024,156)	(18,227,206)	-	(205,192,741)
Net interest income	87,381,855	55,398,029	13,615,271	-	156,395,155
Fee and commission income	31,206,418	12,986,036	-	-	44,192,454
Fair value gains on financial assets – derivatives	-	-	23,974,890	-	23,974,890
Risk mitigation costs	(23,385,321)	(7,905,473)	(3,250,310)	-	(34,541,104)
Other income	-	-	1,052,485	-	1,052,485
Interest on capital arrears	-	-	2,073,647	-	2,073,647
Other assets written-off	(2,500,000)	(726,125)	-	-	(3,226,125)
Other assets recovered	503,410	3,850,173	3,136	-	4,356,719
Operating expenses	(19,781,660)	(19,605,452)	-	-	(39,387,112)
Depreciation and amortisation	(662,813)	(657,857)	-	-	(1,320,670)
Impairment on assets	(20,359,633)	68,469	(1,258,541)	-	(21,549,705)
Impairment on off-balance sheet commitments	(744,814)	(862,436)	-	-	(1,607,250)
Net foreign exchange loss	(1,087,992)	-	-	-	(1,087,992)
Profit for the year	74,544,340	42,545,364	12,235,688	-	129,325,392
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

38. SEGMENT REPORTING (Continued)

The table below analyses the breakdown of segmental assets, liabilities, income and expenses;

b) REVENUE FROM MAJOR GROUPS

	2019 USD	2018 USD
Groups contributing 10% or more of revenue	196,183,199	223,371,145
All other customers	248,630,627	150,566,918
Total Revenue	444,813,826	373,938,063
	=====	=====

c) STATEMENT OF FINANCIAL POSITION

As at 31 December 2019	Trade finance USD	Project finance USD	Other USD	Total USD	Total USD
Assets					
Cash and balances held with other banks	34,091,881	-	1,348,018,700	292,983	1,382,403,564
Investment in Government securities	44,897,636	-	-	-	44,897,636
Investment in Trade Fund	49,996,989	-	-	100	49,997,089
Derivative financial instruments	40,049,341	-	-	-	40,049,341
Other receivables	-	-	120,416,110	107,328	120,523,438
Trade finance loans	2,865,166,921	-	-	-	2,865,166,921
Project loans	-	2,106,337,583	-	-	2,106,337,583
Equity investments at fair value	-	51,135,850	-	-	51,135,850
other comprehensive income					
Investment in Joint Ventures	-	317,010	-	-	317,010
Property and equipment	-	-	24,683,063	-	27,035,726
Right of use asset	-	-	3,9012,012	-	3,9012,012
Intangible assets	-	-	1,998,002	-	1,998,002
Total assets	3,034,202,768	2,157,790,443	1,499,027,887	400,411	6,691,421,509
	=====	=====	=====	=====	=====
Liabilities:					
Short term borrowings	2,465,247,997	-	-	-	2,465,247,997
Long term borrowings	-	2,591,528,898	-	-	2,591,528,898
Collection account deposits	95,822,611	-	-	-	95,822,611
Lease Liability	-	-	1,520,467	-	1,520,467
Provision for service and leave pay	-	-	8,551,510	-	8,551,510
Other payables	-	-	138,604,970	127,817	138,732,787
Current tax payable	-	-	-	3,494	3,494
Total liabilities	2,561,070,608	2,591,528,898	148,676,947	5,301,276,453	5,301,407,764
	=====	=====	=====	=====	=====
Equity	-	-	1,389,814,629	112,375	1,389,927,004
Non-controlling interest	-	-	-	86,741	86,741
	2,561,070,608	2,591,528,898	1,538,491,576	330,427	6,691,421,509
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

38. SEGMENT REPORTING (Continued)

c) STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2018	Trade finance USD	Project finance USD	Other USD	Total USD
Assets:				
Cash and balances held with other banks	56,296,236	-	1,089,622,142	1,145,918,378
Derivative financial instruments	54,042,940	-	-	54,042,940
Other receivables	-	-	117,136,030	117,136,030
Trade finance loans	2,733,444,885	-	-	2,733,444,885
Project loans	-	1,429,558,794	-	1,429,558,794
Equity investments at fair value other comprehensive income	-	51,521,730	-	51,521,730
Investment in Joint Ventures	-	386,994	-	386,994
Property and equipment	-	-	23,710,110	23,710,110
Intangible assets	-	-	1,853,744	1,853,744
Total assets	2,843,784,061	1,481,467,518	1,232,322,026	5,557,573,605
	=====	=====	=====	=====
Liabilities:				
Short term borrowings	2,383,253,601	-	-	2,383,253,601
Long term borrowings	-	1,782,030,068	-	1,782,030,068
Collection account deposits	119,576,580	-	-	119,576,580
Provision for service and leave pay	-	-	7,828,640	7,828,640
Other payables	-	-	72,858,965	72,858,965
Total liabilities	2,502,830,181	1,782,030,068	80,687,605	4,365,547,854
	=====	=====	=====	=====
Equity	-	-	1,192,025,751	1,192,025,751
	=====	=====	=====	=====
	2,502,830,181	1,782,030,068	1,272,713,356	5,557,573,605
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

39. CONTINGENT LIABILITIES AND COMMITMENTS

	GROUP AND BANK	
	2019 USD	2018 USD
(a) Approved capital expenditure		
Approved but not contracted	22,883,600 =====	17,294,830 =====
Approved and contracted	508,418 =====	10,105,737 =====
(b) Loans committed but not disbursed		
Project finance loans	490,097,321	263,569,643
Trade finance loans	184,214,397	265,445,719
	-----	-----
	674,311,718 =====	529,015,362 =====

In line with normal banking operations, the Group conducts business involving acceptances, guarantees and performances. The majority of these facilities are offset by corresponding obligations of third parties.

	GROUP AND BANK	
	2019 USD	2018 USD
Letters of credit – Project finance loans	2,286,780	280,000
- Trade finance loans	346,981,327	161,393,239
Guarantee	69,186,744	17,000,000
	-----	-----
	418,454,851 =====	178,673,239 =====

(c) Pending litigation

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Group has controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Group makes provisions to cater for any adverse effects which the claims may have on its financial standing.

As at 31 December 2019, there were no material legal proceedings involving the Group (2018 – NIL). No provision has been made as, in the opinion of the Directors and the Group's lawyers, it is unlikely that any significant loss will crystallise.

40. RELATED PARTY TRANSACTIONS

(a) Membership and governance

As a supranational development financial institution with a membership comprising:- Class A Shareholders- Twenty two COMESA /African States (the "Member States"), two non-African State and one institutional member;- Class B Shareholders – one non-African State and Fourteen institutional members,- subscription to the capital of the Group is made by all its Members. All the powers of the Group are vested in the Board of Governors, which consists of the Governors appointed by each Member of the Group, who exercise the voting power of the appointing Member. The Board of Directors, which is composed of Nineteen (19) Directors elected by the Members is responsible for the conduct of the general operations of the Group, and for this purpose, exercises all the powers delegated to it by the Board of Governors. The Group makes loans to some of its Member States. The Group also borrows funds from some of its Members. Such loans granted to Member States are approved by the Board of Directors.

40. RELATED PARTY TRANSACTIONS (Continued)

The following are the details of the transactions and balances with related parties:-

	GROUP AND BANK	
	2019 USD	2018 USD
(b) Loans to member states		
Outstanding loans at 1 January	1,802,387,616	1,907,869,877
Loans disbursed during the year	1,012,848,585	453,571,429
Loans repaid during the year	(417,832,378)	(559,053,690)
	<hr/>	<hr/>
Outstanding loan balances at 31 December	2,397,403,823 =====	1,802,387,616 =====

Loans to related parties are subject to commercial negotiations on the terms and conditions of varying interest rates and terms. Outstanding balances at year-end are secured by cash security deposits, sovereign undertakings/guarantees and insurance. The loans to Member States are performing and the Group has not made any specific provision for doubtful debts relating to amounts owed by related parties (2018: Nil). General provisions have been raised as applicable.

	GROUP AND BANK	
	2019 USD	2018 USD
(c) Borrowings from members		
Outstanding borrowings at 1 January	158,746,264	266,009,640
Borrowings received during the year	69,807,613	8,513,580
Borrowings repaid during the year	(21,053,878)	(115,776,956)
	<hr/>	<hr/>
Outstanding balances at 31 December	207,499,999 =====	158,746,264 =====

Borrowings from related parties are subject to commercial negotiations on the terms and conditions. The outstanding balances as at year-end are unsecured and there has been no guarantee provided by the Group for any borrowings from members. The borrowings are for an average period of ten years.

	GROUP AND BANK	
	2019 USD	2018 USD
(e) Income and expenses		
• Interest income from loans to Member States earned during the year	205,331,885 =====	180,127,858 =====
• Interest expense on borrowings from Member States incurred during the year	(9,154,252) =====	(9,367,901) =====
• Fees and commission earned from Member States during the year	40,025,185 =====	20,406,465 =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB – formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

40. RELATED PARTY TRANSACTIONS (Continued)

(f) Other related parties

The remuneration of members of key management staff during the year was as follows:

	GROUP AND BANK	
	2019	2018
	USD	USD
Salaries and other short-term benefits	4,340,442	4,520,153
Post employment benefits: Defined contribution: Provident Fund	266,610	705,313
Board of Directors and Board of Governors allowances	359,819	258,775
Other long-term employee benefits	671,857	279,153
	<hr/>	<hr/>
	5,638,728	5,763,394
	=====	=====

(g) Share capital

During the year, Class 'B' shares with a value of USD 1,176,054 (2018: USD 2,212,308) were issued to the TDB Staff Provident Fund and to TDB Directors and Select Stakeholder Provident Fund.

41. CURRENCY

The financial statements are presented in United States Dollars (USD). At the reporting date, the conversion rates between one USD and certain other currencies were as analysed below:

	2019	2018
British Pound	0.7623	0.7885
Euro	0.8926	0.8745
United Arab Emirates Dirham	3.6729	3.6729
Zambian Kwacha	13.9600	11.9500
South Africa Rand	14.1017	14.3717
Zimbabwe Dollar	16.7394	00.0000
Ethiopian Birr	31.9500	28.3273
Mauritian Rupee	36.4408	34.1500
Sudanese Pound	47.6100	28.8370
Kenya Shilling	101.3950	101.8000
Japanese Yen	108.8050	110.4350
Malawi Kwacha	732.7564	728.7700
Burundi Franc	1,866.0000	1,756.0000
Tanzania Shilling	2,281.6000	2,281.6000
Uganda Shilling	3,662.2500	3,726.2500
	=====	=====

42. EVENTS AFTER THE REPORTING DATE

From the beginning of the year after the reporting date (Q1-2020), the global economy has been adversely affected by the outbreak of the novel coronavirus of 2019 (“COVID-19”), which has been declared a pandemic by the World Health Organisation. The COVID-19 pandemic could result in a global economic downturn that will have an adverse impact on sovereign governments, with suppressed fiscal revenues, increases in health expenditure and reduced international trade negatively affecting government revenues and GDP. Consequently, unemployment as well as adjustments in fiscal and monetary policies to respond to the crisis will impact the regional economies.

Overall sovereign creditworthiness remains unaffected in the interim, but resilience may wane as growth rates decline and revenue targets remain unmet. The Bank’s gross portfolio exposure to Sovereigns including public enterprises constitute 67% (USD 3.60 billion).

It seems likely at this point that travel, tourism, entertainment, automotive, oil & gas and health sectors will be most affected due to disruptions in supply and demand. The current distribution of TDB’s gross loan assets by sector and the Bank’s top key sectors in gross percentage terms are as follows: Oil & Gas (28%), Agribusiness (23%), Infrastructure (23%), Banking and Financial Institutions (5%) and Transport & Logistics (6%).

From a credit perspective, the Bank is in the process of rapidly identifying sectors and clients most likely to be affected. The Bank is conducting periodic stress tests on its loan assets to assess requisite levels of preparedness, magnitude and potential negative impact. As the pandemic evolves, there is an expectation of repayment delays and/or requests to extend loan repayments due to adverse impacts on borrower cash-flows.

It is anticipated that the COVID-19 pandemic may impact the Bank’s profitability for the year ending 31 December 2020 in respect of interest income, risk mitigation costs, operating expenses and modification losses arising from IFRS 9 requirements.

The extent of the impact of COVID-19 on the Group’s business and financial results will depend largely on future developments, including the duration and spread of the outbreak and the related impact on consumer confidence and spending, all of which are highly uncertain and cannot be predicted.

43. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are as outlined below:

(a) INTRODUCTION

Risk is inherent in the Group’s activities, but is managed through a process of ongoing identification, measurement monitoring and reporting, subject to risk limits and other governance controls. This process of risk management is critical to the Group’s continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk (non-trading risks). It is also subject to country risk.

Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk appetite statement and risk management framework. As part of its governance structure, the Board of Directors has embedded a comprehensive appetite statement and risk management framework for measuring, monitoring, controlling and mitigation of the Group’s risks. The policies are integrated in the overall management information systems of the Group and supplemented by a management reporting structure.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees and other stakeholders understand their roles and obligations.

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) INTRODUCTION (Continued)

Risk management structure (Continued)

The Bank-Wide Integrated Risk Management Committee (BIRMC) is responsible for monitoring compliance with the Group's risk management policies and procedures and review of the adequacy of the risk management framework in relation to the risks faced by the Group. BIRMC undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Group also runs worst-case scenarios that would arise if extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on prudential limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept. In addition, the Group's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The notes below provide detailed information on each of the above risks and the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(b) CREDIT RISK

The Group defines credit risk as the risk that adverse changes in the credit quality of borrowers will negatively affect the Group's financial performance and financial condition. Credit risk arises from both client-specific risk and country risk. The Group, through its lending operations to private sector and public sector entities in its Member Countries, and to a lesser extent, treasury operations, is exposed to credit risk.

Credit Risk Appetite

The Group adheres to a defined credit risk appetite which considers the maximum credit losses the Group is prepared to absorb from its lending activities in pursuit of corporate objectives.

The credit risk appetite statement further defines risk-based lending mandates and limits to manage credit risk concentrations at single/group borrower, country and sector levels within expectations to minimise unexpected credit losses.

All limits were within approved risk appetite thresholds as at 31 December 2019

Risk Management Policies and Processes

The Group manages credit risk through an integrated risk management policy framework and processes which place great emphasis on rigorous screening of borrowers at loan origination.

The risk management policies and processes are designed to identify, measure, manage and control credit risk throughout the whole project cycle. The lending process follows a formalised system of strict procedures and processes and committee-based decision-making processes.

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) CREDIT RISK (Continued)

Client-Specific Risk

The Group uses credit assessment and risk profiling systems, including borrower risk rating models to evaluate the credit risk of the investment proposals both at loan origination and during the life of the loan.

The Group seeks to mitigate credit risk in its lending operations and calls for risk mitigating measures such as security in the form of real estate collateral, personal and corporate guarantees. Such collateral is re-valued every three years or earlier should there be any evidence of diminution in value.

Country risk

The Group considers country-specific political, social and economic events which may have an adverse impact on the credit quality of its borrowers. To mitigate such risks, the Group uses prudent country exposure management policies. In addition, the Group considers the economic, social and political profile of the country in which the investment project is domiciled before approval is granted. The investment proposal is also loaded with the risk premium that reflects the risk rating of the host country.

Notes 46 and 47 of the Financial Statements contain further country exposure analysis as at 31 December 2019 and 31 December 2018.

Credit-related commitment risks

The Group makes available to its customers guarantees that may require that the Group makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Group to similar risks to loans and are mitigated by the same control processes and policies. These are further disclosed under Note 35(b).

Credit quality

The following tables sets out information about the credit quality and credit risk exposure of financial assets measured at amortised cost (31 December 2019) and loans and receivables (31 December 2018). Unless specifically indicated, the amounts in the table represent gross carrying amounts. For loan commitments the amounts in the table represent the undrawn portion of amounts committed. Loan commitments are undisbursed facilities including letters of credit. Explanation of the terms 'Stage 1', 'Stage 2', 'Stage 3' and purchased originated credit impaired (POCI) assets is included in Note 2 (b) and 3 (j).

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43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Credit quality (Continued)

	31 December 2019				31 December 2018
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Total USD
<i>Project finance loans:</i>					
Pass/Acceptable	1,927,357,463	-	-	1,927,357,463	1,254,771,124
Special mention	-	171,275,360	-	171,275,360	180,999,353
Substandard, Doubtful & Loss	-	-	48,362,733	48,362,733	24,147,841
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,927,357,463	171,275,360	48,362,733	2,146,955,556	1,459,918,318
Loss Allowance	(4,611,448)	(8,649,252)	(27,397,273)	(40,657,973)	(30,359,524)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying Amount	1,922,746,015	162,626,108	20,965,460	2,106,297,583	1,429,558,794
	=====	=====	=====	=====	=====
<i>Trade finance loans:</i>					
Pass/ acceptable	2,711,660,871	-	-	2,711,660,871	2,527,025,580
Special mention	-	153,870,032	-	153,870,032	211,163,777
Substandard, Doubtful & Loss	-	-	70,115,393	70,115,393	75,208,489
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,711,660,871	153,870,032	70,115,393	2,935,646,296	2,813,397,846
Loss Allowance	(1,387,516)	(4,860,111)	(64,231,748)	(70,479,375)	(79,952,961)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying Amount	2,710,273,355	149,009,921	5,883,645	2,865,166,921	2,733,444,885
	=====	=====	=====	=====	=====
<i>Undisbursed commitments:</i>					
Pass/ Acceptable	607,732,507	-	-	607,732,507	566,479,040
Special mention	-	-	-	-	2,457,056
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	607,732,507	-	-	607,732,507	568,936,096
Loss Allowance	(864,399)	-	-	(864,399)	(1,544,636)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying Amount	606,868,108	-	-	606,868,108	567,391,460
	=====	=====	=====	=====	=====
<i>Letters of Credit:</i>					
Pass/acceptable	158,138,671	-	-	19,121,521	19,121,521
Special mention	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	158,138,671	-	-	158,138,671	19,121,521
Loss Allowance	(149,839)	-	-	(149,839)	(62,614)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying Amount	157,988,832	-	-	157,988,832	19,058,907
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB – formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
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43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

	31 December 2019				31 December 2018
Total off-balance sheet items	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Total USD
Pass/ Acceptable	765,871,178	-	-	765,871,178	585,600,561
Special mention	-	-	-	-	2,457,056
	765,871,178	-	-	765,871,178	588,057,617
Loss Allowance	(1,014,238)	-	-	(1,014,238)	(1,607,250)
Carrying Amount	764,856,940	-	-	764,856,940	586,450,367
	=====	=====	=====	=====	=====

Maximum Exposure to Credit Risk before Collateral Held:

Credit Exposures	GROUP AND BANK			
	2019 USD	% %	2018 USD	% %
<i>On – statement of financial position Items</i>				
Cash and Balances held with other banks	1,382,110,581	20	1,145,918,378	21
Investment in Government securities	44,897,636	1	-	-
Investment in Trade Fund	49,996,989	1	-	-
Other receivables	71,725,697	1	72,249,608	1
Derivative financial instruments	40,049,341	1	54,042,940	1
Loans and advances	5,082,641,852	76	4,273,316,164	77
-Project loans	2,146,995,556		1,459,918,318	
-Trade finance loans	2,935,646,296		2,813,397,846	
Sub Total	6,671,422,096	100	545,527,090	100
	=====	=====	=====	=====
<i>Off – statement of financial position Items</i>				
Letters of Credit	349,268,107	32	161,673,239	23
Loan Commitments not disbursed	674,311,718	62	529,015,362	75
Guarantees and Performance Bonds	69,186,744	6	17,000,000	2
Sub Total	1,092,766,569	100	707,688,601	100
	=====	=====	=====	=====
Total Credit Exposure	7,764,188,665		6,253,215,691	
	=====	=====	=====	=====

The above figures represent the worst-case scenario of credit exposure for the two years without taking into account any collateral held or other credit enhancements. Loan and advances and off-statement of financial position items took up 79.54% in 2019 (2018 – 79.66%) of the total maximum credit exposure.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Other than cash and bank balances amounting to USD 1,145,918,378 (2018 -USD 1,232,980,427) Investment in government securities of USD 44,897,636 (2018-USD 57,275,058) and investment in the trade fund of USD 49,996,989 (2018-NIL), all other credit risk exposures are secured by collateral in the form of cash liens, mortgages on land and buildings, securities charged over plant and machinery and third party guarantees.

As at 31 December 2019, the fair value of collateral held for impaired loans and advances was USD 102,156,645 (2018 – USD 251,217,197) and the gross exposure was USD 118,478,127 (2018-USD 100,614,870) after deducting the impairment allowances.

Classification of Loans and advances

Ageing of arrears for past due loans and advances not impaired

	2019 USD	2018 USD
Below 30 Days	314,171,355	49,728,080
31 to 90 Days	1,274,804	4,326,490
91-180 Days	1,895,403	4,153,855
181-360 Days	1,679,778	40,221,656
Over 360 Days	6,124,051	30,359,097
	<hr/>	<hr/>
Total arrears	325,145,392 =====	128,789,178 =====

Ageing of arrears for impaired loans and advances

Below 30 Days	2,143,130	195,265
31-90 Days	377,692	301,917
91-180 Days	10,266,824	739,049
181-360 Days	2,573,168	2,989,861
Over 360 Days	74,956,254	74,751,873
	<hr/>	<hr/>
Total arrears	90,317,068 =====	78,977,965 =====
Amounts not in arrears	28,161,059 <hr/>	13,823,888 <hr/>
Total	118,478,127 =====	100,614,870 =====

Loans and advances that are neither past due nor impaired

The Group classifies loans and advances under this category for borrowers that are up to date with their principal and interest payments and conforming to all the agreed terms and conditions. Such borrowers are financially sound and demonstrate capacity to continue to service their debts in the future. The Group classifies such loans as 'Low Risk-PTAR 1 and Satisfactory Risk-PTAR 2' in line with its Loan Classification Policy.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Classification of Loans and advances (Continued)

Loans and advances that are neither past due nor impaired

The Group classifies loans and advances under this category for borrowers that are up to date with their principal and interest payments and conforming to all the agreed terms and conditions. Such borrowers are financially sound and demonstrate capacity to continue to service their debts in the future. The Group classifies such loans as 'Low Risk-PTAR 1 and Satisfactory Risk-PTAR 2' in line with its Loan Classification Policy.

Past due but not impaired

Loans under this category are performing well but exhibit potential weaknesses which may, if not corrected in good time, weaken the borrower's capacity to repay. These weaknesses may also result in the Group's interest not being adequately protected. Such weaknesses include temporary cash flow constraints and deteriorating economic conditions. The Group classifies such loans as 'Fair Risk-PTAR 3 and Watch Risk- PTAR 4' in line with its Loan Classification Policy. Sovereign loans that are past due are not considered impaired unless otherwise approved by the Group's Board of Directors.

Impaired loans and advances

The Group, depending on the severity of default and deterioration of borrower's financial condition and collateral, classifies impaired loans into three categories 'Substandard-PTAR 5', 'Doubtful-PTAR 6' and 'Loss-PTAR 7'. Thus, impaired loans range from those that are not adequately protected by their current sound worth and paying capacity of the obligor to those that are considered uncollectible or of such little value that their continuance as bankable assets is not warranted.

Collateral Held

In addition to its rigorous credit risk assessments, the Group seeks to protect its interests in the event of unpredictable and extreme factors that negatively affect the borrower's capacity to service the Group's loan by calling for credit enhancement arrangements in need. In this regard, the Group calls for security such as mortgage interest on property, registered securities over financed or third-party assets and guarantees. The security cover required is, at least, one and a third times the loan amount that is disbursed. Such security is subject to regular reviews and, if necessary, revaluation every three years.

The Group does not hold security over deposits placed with other banks or financial institutions and government securities. However, the Group places deposits with well vetted and financially sound counterparties. In addition, the Group places limits on counter-party exposures which are set, monitored and reviewed by the Bank-Wide Integrated Risk Management Committee.

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43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Collateral held for loan portfolio

	2019 USD	2018 USD
(i) Total portfolio:		
Mortgages on properties	349,615,291	587,971,517
Fixed charge on plant and equipment	420,609,012	786,375,582
Cash security deposits	936,482,697	1,087,466,651
Sovereign undertakings	141,549,070	381,906,582
Insurance and Guarantees	2,494,249,874	2,979,738,078
Other floating all asset debenture	601,852,034	63,678,563
	<hr/>	<hr/>
Total security cover	4,944,357,978	5,887,136,973
	<hr/>	<hr/>
Gross portfolio	(5,082,641,852)	(4,273,316,164)
	<hr/>	<hr/>
Net cover	(138,283,874)	1,613,820,809
	=====	=====
(ii) Loans not impaired:		
Mortgages on properties	284,512,453	493,631,052
Fixed charge on plant and equipment	416,039,226	661,389,974
Cash security deposits	935,889,800	1,087,466,651
Sovereign undertakings	141,549,070	381,906,582
Insurance and Guarantees	2,462,358,750	2,947,846,954
Other floating all asset debenture	601,852,034	63,678,563
	<hr/>	<hr/>
Total security cover	4,842,201,333	5,635,919,776
	<hr/>	<hr/>
Gross portfolio	(4,964,163,725)	(4,172,701,294)
	<hr/>	<hr/>
Net cover	(121,962,392)	1,463,218,482
	=====	=====
(iii) Impaired loans:		
Mortgages on properties	65,102,838	94,340,465
Fixed charge on plant and equipment	4,569,786	124,985,608
Insurance and Guarantees	31,891,124	31,891,124
Cash security deposits	592,897	-
	<hr/>	<hr/>
Total security cover	102,156,645	251,217,197
	<hr/>	<hr/>
Gross portfolio	(118,478,127)	(100,614,870)
	<hr/>	<hr/>
Net cover	(16,321,482)	150,602,327
	=====	=====

Inputs, assumptions and techniques used for estimating impairment

Significant Increase in Credit Risk

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, expert credit assessment and forward-looking information.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

The Group uses the following criteria for determining whether there has been a significant increase in credit risk:

- Qualitative indicators;
- Project finance and Trade Finance loans rated PTAR 3 and 4; and
- a backstop of 30 days past due

Credit Risk Classification

The Group allocates each exposure to a credit risk classification using its Credit Risk Assessment System based on the exposures' risk attributes and their fair values accurately determined and reflected in the Group's books as well as applying experienced credit judgement. The Group uses these classifications in identifying significant increases in credit risk under IFRS 9. The risk classifications are defined using days past due, qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower. The Group goes through a credit appraisal process and determines the credit quality of each exposure on initial recognition based on available information about the borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk classification.

The table below provides an indicative mapping of how the Group's internal credit grades relate to PD.

Trade Finance loans

<i>Grading:</i>	12-month weighted average PD
Very Low risk	0.11%
Low risk	
Moderate risk	5.10%
High risk	
Substandard	100%

Project Finance loans

<i>Grading:</i>	12-month weighted average PD
Very Low risk	0.41%
Low risk	
Moderate risk	13.94%
High risk	
Substandard	100%
Bad & Doubtful	
Loss	

Determining Whether Credit Risk Has Increased Significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. The Group has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Group's internal credit risk management process. The criteria for determining whether credit risk has increased significantly varies by product and includes a backstop based on delinquency.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Determining Whether Credit Risk Has Increased Significantly

Currently, the Group will deem the credit risk of a particular exposure to have increased significantly since initial recognition based on a loan being rated as PTAR 3 and PTAR 4 or being in arrears for a period of 30 to 89 days. The Group will develop an internal rating model going forward and movement in the probability of default (PD) between the reporting period and initial recognition date/ the date of initial application of IFRS 9 of the loan will form the basis of significant increase in credit risk. In certain instances, using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk if particular qualitative factors linked to the Group's risk management processes indicate so and those indicators may not be fully captured by its quantitative analysis on a timely basis. As a backstop, and as required by IFRS 9, the Group presumptively considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. The Group determines days past-due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

Definition of Default

The Group will consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- the borrower has a risk classification of PTAR 5,6 and 7; or
- the borrower is more than 90 days past due on any material credit obligation to the Group.

In assessing whether a borrower is in default, the Group will consider indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The Group has not rebutted the 90 days past due buck stop.

Incorporation of forward-looking Information

The Group incorporates forward-looking information in its measurement of ECLs. The Group formulates three economic scenarios: a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, assigned a 20% and 30% probability of occurring respectively. The base case represents a most-likely outcome and is aligned with information used by the Group for determining country lending limits as well as strategic planning. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the various jurisdictions in which the Group operates, supranational organisations such as the World Bank and the International Monetary Fund and selected private sector and academic forecasters.

The Group formulates a 'base case' view of the future direction of relevant economic variables in the various jurisdictions in which it operates, and a representative range of other possible forecast scenarios based on advice from the Group's Risk Management Committee and economic experts and consideration of a variety of external actual and forecast information.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Inputs, assumptions and techniques used for estimating impairment – continued

Incorporation of forward-looking Information - continued

The macroeconomic variables applied are those used as part of determining the country risk ratings for different jurisdictions in which the Group lends. Using forecasted macroeconomic information, the country risk ratings are forecasted for a period of three (3) years and the aggregated changes in country risk ratings, year-on-year, starting with the base year (financial reporting year-end) are applied as the forward looking information.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

These key drivers include Political risk, Economic strength and performance, Transfer and currency risk, Governance, Debt sustainability vs Fiscal strength and Group experience. Country risk ratings have been developed based on analysing these factors and the aggregate predicted changes in these ratings considered as the predictor of the future default rate. The economic scenarios used are approved by the Group's Credit Committee.

Modified Financial Assets (Restructured Assets)

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value. When the terms of a financial asset are modified, and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of the borrower's initial credit risk assessment and the current assessment at the point of modification.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Group renegotiates loans to customers in financial difficulties (referred to as 'restructuring') to maximise collection opportunities and minimise the risk of default. Under the Group's restructuring policy, loan restructuring is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. The Group's Credit Committee regularly reviews reports on restructuring activities.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, restructuring is a qualitative indicator of default and credit impairment and expectations of restructuring are relevant to assessing whether there is a significant increase in credit risk. Following restructuring, a customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECLs.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Inputs, assumptions and techniques used for estimating impairment - continued

Inputs into Measurement of ECLs

The key inputs into the measurement of ECLs are the term structures of the following variables:

- Probability of Default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters are derived from internally developed statistical models and other historical data that leverage regulatory models. They are adjusted to reflect forward-looking information as described above.

PD estimates for loans and advances are estimates at a certain date, which are calculated based on statistical migration matrices that model the chance of an exposure transitioning to default over time and are assessed at portfolio level for portfolios of assets that have similar characteristics. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, external market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this leads to a change in the estimate of the associated PD. Lifetime PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The Group PD estimates for other exposures are estimates at a certain date, which are estimated based on external credit rating information and assessed using rating tools tailored to the various categories of counterparties and exposures.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on collateral available against exposures and the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral quality, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are calibrated for different collateral types by applying haircuts to adjust the market value of collateral to best reflect the amounts recoverable. The collateral values to consider are calculated on a discounted cash flow basis using the effective interest.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is the gross carrying amount at default. For lending commitments and non-financial guarantees, the EAD considers the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract, which is estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECLs considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee. For overdrafts, guarantee facilities and other revolving facilities that include both a loan and an undrawn commitment component, the Group measures ECLs over a period of one year unless the expected life of the exposure can be reasonably determined.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- Product type; and
- Industry.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Amount arising from ECL

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by Segment. Comparative amounts for 2018 are shown in Note 17, and they represent the allowance account for credit losses and reflect the measurement basis under IAS 39.

	As at 31 December 2019			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
<i>Project finance loans;</i>				
Balance at 1 January	1,584,648	4,627,035	24,147,841	30,359,524
Transfer to 12 months ECL	29,438	(29,438)	-	-
Transfer to Lifetime ECL not credit impaired	(24,014)	24,014	-	-
Transfer to Lifetime ECL credit impaired	-	(1,588,089)	1,588,089	-
Net re-measurement of Loss allowance	614,977	5,739,727	1,661,346	8,016,050
Net financial assets originated	2,415,388	-	-	2,415,388
Financial assets derecognised	(8,992)	(123,996)	-	(132,988)
	=====	=====	=====	=====
Balance at 31 December	4,611,445	8,864,252	27,397,276	40,657,974
	=====	=====	=====	=====
<i>Trade finance loans:</i>				
Balance at 1 January	2,470,575	1,015,357	76,467,029	79,952,961
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(106,130)	106,130	-	-
Transfer to Lifetime ECL credit impaired	-	(85,884)	85,884	-
Net of financial assets originated	449,772	-	-	449,772
Net remeasurement of loss allowance	(1,415,781)	3,824,508	22,923,188	25,331,915
Financial assets derecognised	(10,918)	-	(35,244,355)	(35,255,273)
	=====	=====	=====	=====
Balance at 31 December	1,387,518	4,860,111	64,231,746	70,479,375
	=====	=====	=====	=====
<i>Undisbursed commitments:</i>				
Balance at 1 January	1,517,384	27,252	-	1,544,636
Net remeasurement of Loss allowance	157,340	-	-	157,340
Net financial assets originated	345,194	-	-	345,194
Financial assets derecognised	(1,155,519)	(27,252)	-	(1,182,771)
	=====	=====	=====	=====
Balance at 31 December	864,399	-	-	864,399
	=====	=====	=====	=====
<i>Letters of credit:</i>				
Balance at 1 January	62,613	-	-	62,613
Net remeasurement of Loss allowance	(59,410)	-	-	(59,410)
Net financial assets originated	146,636	-	-	146,636
Financial assets derecognized	-	-	-	-
	=====	=====	=====	=====
Balance at 31 December	149,839	-	-	149,839
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Loss allowance (Continued)

The ECL on cash and balances with other banks, Trade and Project finance loans and loan commitments are presented in cash and balances with other banks, Trade and Project finance loans and other liabilities respectively in the statement of financial position.

Gross Loans and advances

The following tables show reconciliations from the opening to the closing balance of the gross loans by Segment. Comparative amounts for 2018 represent the allowance account for credit losses and reflect the measurement basis under IAS 39.

	As at 31 December 2019				31 December 2018
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	USD
<i>Project finance loans;</i>					
Balance at 1 January	1,254,771,124	180,999,353	24,147,841	1,459,918,318	1,249,632,224
Transfer to 12 months ECL	2,868,676	(2,868,676)	-	-	-
Transfer to Lifetime ECL not credit impaired	(36,445,833)	36,445,833	-	-	-
Transfer to Lifetime ECL credit impaired	-	(33,878,560)	33,878,560	-	-
Net remeasurement of loss allowance	144,268,617	(2,272,590)	(9,663,668)	132,332,359	
New financial assets originated	572,470,055	-	-	572,470,055	240,036,560
Financial assets derecognised	(10,575,176)	(7,150,000)	-	(17,725,176)	(28,312,910)
Financial assets written off					(1,437,556)
Balance at 31 December	1,927,357,463	171,275,360	48,362,733	2,146,995,556	1,459,918,318
<i>Trade finance loans:</i>					
Balance at 1 January	2,527,025,580	211,163,777	75,208,489	2,813,397,846	2,681,280,568
Transfer to 12 months ECL	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(145,976,186)	145,976,186	-	-	-
Transfer to Lifetime ECL credit impaired	-	(29,529,122)	29,529,122	-	-
Net remeasurement of loss allowance	289,126,191	(173,740,809)	(636,405)	114,748,976	290,016,485
Net financial assets originated	75,496,336	-	-	75,496,336	
Financial assets derecognised	(34,011,050)	-	(33,985,813)	(67,996,863)	(157,899,207)
Balance at 31 December	2,711,660,871	153,870,032	70,115,393	2,935,646,296	2,813,397,846
<i>Undisbursed commitments:</i>					
Balance at 1 January	566,479,040	2,457,056	-	568,936,096	412,375,360
Net financial assets originated or purchased	198,209,021	-	-	198,209,021	427,218,461
Net remeasurement of loss allowance	259,414,754	-	-	259,414,754	-
Financial assets derecognised	(416,370,306)	(2,457,056)	-	(418,827,362)	(270,657,725)
Balance at 31 December	607,732,507	-	-	607,732,507	568,936,096

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Loss allowance (Continued)

	As at 31 December 2019				31 December
	Stage 1	Stage 2	Stage 3	Total	2018
	USD	USD	USD	USD	USD
Letters of Credit					
Balance at 1 January	19,121,521	-	-	19,121,521	70,631,296
Net financial assets originated or purchased	153,654,028	-	-	153,654,028	4,797,522
Net remeasurement of loss allowance	(14,636,878)	-	-	(14,636,878)	-
Financial assets derecognized	-	-	-	-	(66,937,297)
Balance at 31 December	<u>158,138,671</u> =====	<u>-</u> =====	<u>-</u> =====	<u>158,138,671</u> =====	<u>19,121,521</u> =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Concentration of Risk by Sector

As at 31 December 2019

	Gross Exposure				Cash collateral/ In transit	Insurance	Other mitigations	Net Exposure	
	On-statement Of financial Position USD	%	Off-statement Of financial Position USD	%				USD	%
Agri- Business	1,169,535,433	23	159,975,844	15	(93,233,460)	(471,499,850)	(72,399,560)	692,378,407	22
Banking and Financial Services	252,620,207	5	407,788,468	37	(3,249,878)	(149,703,601)	-	507,455,196	16
Construction	15,912,468	0	-	0	-	-	-	15,912,468	1
Education	585,293	0	-	0	-	-	-	585,293	0
Energy	227,641,858	4	98,889,990	9	(607,837)	(13,320,937)	-	312,603,075	10
Health Services	19,598,954	0	15,563,915	1	-	-	-	35,162,869	1
Hospitality	37,458,389	1	14,288,001	1	-	-	-	51,746,390	2
ICT	189,283,341	4	4,678,805	0	-	-	-	193,962,146	6
Infrastructure	1,163,859,598	23	55,591,053	5	-	(525,000,000)	(200,000,000)	494,450,651	16
Manufacturing and Heavy Industries	207,112,021	4	19,168,218	2	-	-	-	226,280,239	7
Oil & Gas	1,435,411,818	28	216,822,276	20	(747,351,883)	(496,091,494)	(151,675,409)	257,115,307	8
Other	19,502,584	0	100,000,000	10	-	-	-	119,502,584	4
Real Estate	27,920,827	1	0	0	-	-	-	27,920,827	1
Transport	281,963,011	6	-	0	-	(82,894,502)	(46,697,214)	152,371,295	5
Wholesale Commodities	34,236,050	1	-	0	-	-	-	34,236,050	1
	<u>5,082,641,852</u>	<u>100</u>	<u>1,092,766,570</u>	<u>100</u>	<u>(844,443,058)</u>	<u>(1,738,510,384)</u>	<u>(470,772,183)</u>	<u>3,121,682,797</u>	<u>100</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====

**Off-statement of financial position items include loans approved but not disbursed, outstanding letters of credit and guarantees and performance bonds where applicable.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Concentration of Risk by Sector

As at 31 December 2018

	Gross Exposure				Cash collateral/ In transit	Insurance	Net Exposure	
	On-statement Of financial Position USD	%	Off-statement Of financial Position USD	%				
Agribusiness	1,074,418,460	25	199,350,368	28	(140,559,232)	(476,138,225)	657,071,371	25
Banking and Financial Services	198,917,764	5	204,013,500	29	(149)	(61,391,880)	341,539,235	13
Education	2,308,796	-	-	-	-	-	2,308,796	-
Hospitality	34,547,045	1	15,000,000	2	-	-	49,547,045	2
Manufacturing and Heavy Industries	223,670,818	5	3,763,300	1	-	-	227,434,118	8
Other	7,642,328	-	388,775	-	(204,720)	-	7,826,383	-
Health Services	11,985,131	-	15,000,000	2	-	-	26,985,131	1
Energy	192,794,558	5	145,128,143	20	-	(19,179,459)	318,743,242	13
Oil & Gas	1,412,473,215	33	33,422,949	5	(709,659,400)	(496,091,494)	240,145,270	9
Real Estate	38,024,424	1	-	-	-	-	38,024,424	1
Telecommunications	4,620,074	-	6,663,365	1	-	(4,047,378)	7,236,061	-
Infrastructure	589,779,418	14	83,300,000	12	-	(314,011,050)	359,068,368	13
Transport and Logistics	259,221,780	6	1,658,201	-	-	(61,200,000)	199,679,981	7
Wholesale Commodities	91,986,022	2	-	-	-	(19,000,000)	72,986,022	3
ICT	130,926,331	3	-	-	-	-	130,926,331	5
	<u>4,273,316,164</u>	<u>100</u>	<u>707,688,601</u>	<u>100</u>	<u>(850,423,501)</u>	<u>(1,451,059,486)</u>	<u>2,679,521,778</u>	<u>100</u>
	=====	====	=====	====	=====	=====	=====	====

**Off-statement of financial position items include loans approved but not disbursed, outstanding letters of credit and guarantees and performance bonds where applicable.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB-formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Concentration of Risk by Country

As at 31 December 2019

	Gross Exposure				Cash Collateral/ In transit USD	Insurance USD	Other Mitigants USD	Net Exposure USD	%
	On-statement of Financial Position USD	%	Off-statement -f Financial Position USD	%					
Burundi	13,633,604	0	-	0	(592,897)	-	-	13,040,707	1
Comoros	12,769,196	0	15,563,915	1	-	-	-	28,333,111	1
Congo DRC	8,939,758	0	-	0	-	-	-	8,939,758	1
Djibouti	44,251,088	1	-	0	-	-	-	44,251,088	1
Egypt	29,529,122	1	-	0	-	-	-	29,529,122	1
Eswatini	7,029,752	0	18,000,000	2	-	-	-	25,029,752	1
Ethiopia	290,170,778	6	329,094,816	30	(149)	(100,000,000)	-	519,265,445	17
Kenya	760,886,817	15	104,678,805	10	-	(350,000,000)	(100,000,000)	415,565,622	13
Malawi	488,200,928	10	141,975,844	13	(59,172,497)	(248,000,000)	(72,399,560)	250,604,715	8
Mauritius	133,818,935	3	-	0	-	-	-	133,818,935	4
Mozambique	34,360,071	1	245,549,618	22	-	-	(151,675,409)	128,234,280	4
Rwanda	446,646,316	9	2,522,267	1	(150,000,000)	(82,894,502)	(46,697,214)	169,576,867	5
Seychelles	55,934,659	1	4,288,001	1	(743)	-	-	60,221,917	2
Sudan	658,953,698	13	-	0	(180,031,669)	(223,499,850)	-	255,422,179	8
Tanzania	683,182,864	13	22,025,508	2	(603,127)	(175,000,000)	(100,000,000)	429,605,245	14
Uganda	160,337,315	3	81,905,926	7	-	-	-	242,243,241	8
Zambia	703,969,604	14	57,961,870	5	(4,041,976)	(496,091,494)	-	261,798,004	8
Zimbabwe	550,027,347	11	69,200,000	6	(450,000,000)	(63,024,538)	-	106,202,809	3
	<u>5,082,641,852</u>	<u>100</u>	<u>1,092,766,570</u>	<u>100</u>	<u>(844,443,058)</u>	<u>(1,738,510,384)</u>	<u>(470,772,183)</u>	<u>3,121,682,797</u>	<u>100</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====

**Off-statement of financial position items include loans approved but not disbursed, outstanding letters of credit and guarantees and performance bonds where applicable.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB-formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Concentration of Risk by Country

As at 31 December 2018

	Gross Exposure				Cash Collateral/ In transit USD	Insurance USD	Net Exposure	
	On-statement of Financial Position USD	%	Off-statement Financial Position USD	%			USD	%
Burundi	13,102,481	-	-	-	-	(4,047,378)	9,055,103	-
Congo DRC	12,958,133	-	-	-	-	-	12,958,133	-
Djibouti	48,980,244	2	-	-	-	-	48,980,244	3
Egypt	29,529,122	1	-	-	-	(19,000,000)	10,529,122	-
Ethiopia	184,184,481	4	108,576,800	15	(149)	-	292,761,132	11
Kenya	657,625,678	15	6,663,365	1	-	(280,000,000)	384,289,043	14
Malawi	439,317,346	10	125,364,368	18	(85,303,325)	(248,000,000)	231,378,389	9
Mauritius	138,937,939	3	78,725,000	11	-	-	217,662,939	8
Mozambique	4,736,869	-	48,133,750	7	-	-	52,870,619	3
Rwanda	460,312,576	11	28,466,575	3	(150,000,000)	(61,200,000)	277,579,151	10
Seychelles	4,318,402	-	-	-	(880)	-	4,317,522	-
Sudan	648,191,877	15	-	-	(214,546,597)	(228,138,225)	205,507,055	8
Tanzania	222,677,538	5	48,911,673	7	382,512	-	271,971,723	10
Uganda	166,941,115	4	118,147,070	17	-	(34,011,050)	251,077,135	9
Zambia	686,824,380	16	60,500,000	9	(955,062)	(496,091,494)	250,277,824	9
Zimbabwe	554,677,983	14	84,200,000	12	(400,000,000)	(80,571,339)	158,306,644	6
	<u>4,273,316,164</u>	<u>100</u>	<u>707,688,601</u>	<u>100</u>	<u>(850,423,501)</u>	<u>(1,451,059,486)</u>	<u>2,679,521,778</u>	<u>100</u>
	=====	=====	=====	=====	=====	=====	=====	=====

**Off-statement of financial position items include loans approved but not disbursed, outstanding letters of credit and guarantees and performance bonds where applicable.

43. FINANCIAL RISK MANAGEMENT (Continued)

(b) CREDIT RISK (Continued)

Restructured loans

During the course of the Group's normal course of business and lending activities, financial assets may be restructured or modified.

The following tables refer to restructured financial assets where the restructuring does not result in de-recognition

	2019 USD	2018 USD
Financial assets restructured during the year*		
Gross carrying amount before restructuring	78,998,101	56,600,390
Loss allowance before restructuring		(1,525,044)
Net amortised cost before restructuring	78,998,101	55,075,336
Net restructuring loss	(159,793)	(209,376)
Net amortised cost after restructuring	78,838,308	54,865,960

Financial assets restructured since initial recognition at a time when loss allowance was based on lifetime ECL.

Gross carrying amount of financial assets for which loss allowance has changed in the period from lifetime to 12-month ECL cost after restructuring.

*2019 loss allowance is based on lifetime Expected Credit Loss (ECL) under IFRS 9 while 2018 loss allowance is based on IAS 39 Incurred Loss.

(c) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from financial liabilities. The Group's liquidity policy ensures that it has resources to meet its net disbursement and debt service obligations and allows it flexibility in deciding the appropriate time to access capital markets.

The Group holds sufficient liquid assets to enable it to continue normal operations even in the unlikely event that it is unable to obtain fresh resources from its lending partners and the capital markets for an extended period of time. To achieve this objective, the Group operates on a prudential minimum level of liquidity, which is based on projected net cash requirements.

The prudential minimum level of liquidity is updated quarterly.

The liquidity position statement is presented under the most prudent consideration of maturity dates. Liabilities are classified according to the earliest possible repayment date, while assets are classified according to the latest possible repayment date.

The Bank-wide Integrated Risk Management Committee (BIRMC) is tasked with the responsibility of ensuring that all foreseeable funding commitments can be met when due, and that the Group will not encounter difficulty in meeting obligations from its financial liabilities as they occur.

BIRMC relies substantially on the Treasury Department to coordinate and ensure discipline, certify adequacy of liquidity under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(c) LIQUIDITY RISK (Continued)

Maturities of financial assets and financial liabilities are as follows:

At 31 December 2019:	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
ASSETS							
Cash and balances with other banks	973,305,486	33,449,454	-	5,364,894	369,990,747	-	1,382,110,581
Investment in Government securities	4,263,801	-	-	-	40,633,835	-	44,897,636
Investment in Trade Fund	49,996,989	-	-	-	-	-	49,996,989
Other receivables	71,092,371	103,093	136,482	200,563	193,188	-	71,725,697
Derivative financial instruments	40,049,341	-	-	-	-	-	40,049,341
Trade finance loans	313,547,881	37,401,126	231,846,650	544,676,772	2,020,752,353	-	3,148,224,782
Project loans	116,107,025	7,965,986	69,409,431	202,923,858	1,666,955,997	770,119,963	2,833,482,260
Equity investment at fair value through OCI	-	-	-	-	51,135,850	-	51,135,850
Investment in joint venture	-	-	-	-	317,010	-	317,010
Total assets	1,568,362,894	78,919,659	301,392,563	753,166,087	4,109,345,145	770,119,963	7,621,940,146
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES							
Short term borrowings	52,431,358	49,339,555	89,628,413	840,367,715	775,360,110	658,121,846	2,465,248,997
Long term borrowings	12,431,829	19,283,010	48,560,850	125,601,782	2,138,000,425	247,651,003	2,591,528,899
Collection Account	95,822,611	-	-	-	-	-	95,822,611
Other payables	128,293,978	260,343	390,514	781,028	4,421,508	4,405,977	138,553,348
Total liabilities	288,979,776	68,882,908	138,579,777	966,750,525	2,917,782,043	910,178,826	5,291,153,855
	=====	=====	=====	=====	=====	=====	=====
Net liquidity gap	1,279,383,118	10,036,751	162,812,786	(213,584,438)	1,232,196,937	(140,058,863)	2,330,786,291
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap	1,279,383,118	1,289,419,869	1,452,232,655	1,238,648,217	2,470,845,154	2,330,786,291	2,330,786,291
	=====	=====	=====	=====	=====	=====	=====

The above table analyses financial assets and financial liabilities of the Group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB – formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(c) LIQUIDITY RISK (Continued)

Maturities of financial assets and financial liabilities are as follows:

At 31 December 2018:	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
ASSETS							
Cash and balances with other banks	958,325,687	-	182,967,472	4,625,219	-	-	1,145,918,378
Other receivables	71,396,778	117,481	164,047	269,642	301,660	-	72,249,608
Derivative financial instruments	54,042,940	-	-	-	-	-	54,042,940
Trade finance loans	190,018,891	88,866,009	344,140,366	494,825,692	2,177,224,269	41,639,354	3,336,714,581
Project loans	55,099,605	59,790,767	58,900,733	169,856,644	1,359,940,100	642,159,604	2,345,747,453
Equity investment at fair value through OCI	-	-	-	-	51,521,730	-	51,521,730
Investment in joint venture	-	-	-	-	386,994	-	386,994
Total assets	1,328,883,901	148,774,257	586,172,618	669,577,197	3,589,374,753	683,798,958	7,006,581,684
	=====	=====	=====	=====	=====	=====	=====
LIABILITIES							
Short term borrowings	252,645,244	109,832,041	496,795,236	645,204,854	893,220,401	-	2,397,697,776
Long term borrowings	13,560,334	53,351,287	33,689,541	138,683,519	1,552,411,862	357,760,071	2,149,456,614
Collection Account	119,576,580	-	-	-	-	-	119,576,580
Other payables	64,311,909	226,454	333,016	664,306	4,750,909	5,520,749	75,807,343
Total liabilities	450,094,067	163,409,782	530,817,793	784,552,679	2,450,383,172	363,280,820	4,742,538,313
	=====	=====	=====	=====	=====	=====	=====
Net liquidity gap	878,789,834	(14,635,525)	55,354,825	(114,975,482)	1,138,991,581	320,518,138	2,264,043,371
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap	878,789,834	864,154,309	919,509,134	804,533,652	1,943,525,233	2,264,043,371	2,264,043,371
	=====	=====	=====	=====	=====	=====	=====

The above table analyses financial assets and financial liabilities of the Group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
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FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

(c) LIQUIDITY RISK (Continued)

Maturities of loan commitments and off-balance financial liabilities are as follows:

	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
At 31 December 2019:							
Guarantees	-	69,186,744	-	-	-	-	69,186,744
Letters of credit	192,198,760	137,276,216	8,208,014	11,585,117	-	-	349,268,107
Loan commitments	67,431,172	134,862,344	202,293,515	269,724,687	-	-	674,311,718
	-----	-----	-----	-----	-----	-----	-----
Total	259,629,932	341,325,304	210,501,529	281,309,804			1,092,766,569
	=====	=====	=====	=====	=====	=====	=====
At 31 December 2018:							
Guarantees	-	17,000,000	-	-	-	-	17,000,000
Letters of credit	56,946,523	98,867,112	5,859,604	-	-	-	161,673,239
Loan commitments	52,901,536	105,803,072	158,704,609	211,606,145	-	-	529,015,362
	-----	-----	-----	-----	-----	-----	-----
Total	109,848,059	221,670,184	164,564,213	211,606,145	-	-	707,688,601
	=====	=====	=====	=====	=====	=====	=====

43. FINANCIAL RISK MANAGEMENT (Continued)

(c) LIQUIDITY RISK (Continued)

(i) Liquidity and funding management

The Group's liquidity and funding policies require:

- Entering into lending contracts subject to availability of funds,
- Projecting cash flows by major currency and considering the level of liquid assets necessary in relation thereto,
- Maintaining a diverse range of funding sources with back-up facilities,
- Investment in short term liquid instruments which can easily be sold in the market when the need arises,
- Investments in property and equipment are properly budgeted for and done when the Group has sufficient cash flows,
- Maintaining liquidity and funding contingency plans. These plans must identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises while minimising adverse long-term implications.

(ii) Contingency Plans

The Group carries out contingency funding planning at the beginning of the year. This details the following measures to combat liquidity crisis:

- Unutilised lines of credit, including standby facilities, from different counter-parties.
- Term deposits with counter-parties and prospects of withdrawal and rollovers.
- Investment portfolio and its defeasance period.
- Amount of short-term resources with a time period, required to raise such resources.
- Amount which can be raised from other counter parties based on the Group's past relationships.

(d) MARKET RISK

The objective of the Group's market risk management process is to manage and control market risk exposures in order to optimise return on risk. Market risk is the risk that movement in market factors, including interest rates and foreign currency exchange rates, will reduce income or value of portfolio.

Overall responsibility for management of market risk rests with BIRMC. The Treasury Department is responsible for the development of detailed market risk management policies and for the day-to-day implementation of those policies.

The management of market risk is supplemented by the monitoring of sensitivity analysis of the key market risk variables. The Group normally uses simulation models to measure the impact of changes in interest rates on net interest income. The key assumptions used in these models include loan volumes and pricing and changes in market conditions. Those assumptions are based on the best estimates of actual positions. The models cannot precisely predict the actual impact of changes in interest rates on income because these assumptions are highly uncertain.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The extent of exposure to interest rate risk is largely determined by the length of time for which the rate of interest is fixed for a financial instrument. The Group's principal interest rate risk management objective is to generate a suitable overall net interest margin by matching the interest rate characteristic and re-pricing profile of assets with those of the underlying borrowings and equity sources respectively.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
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43. FINANCIAL RISK MANAGEMENT

(d) MARKET RISK (Continued)

(i) Interest rate risk continued (Continued)

The table below summarises the Group's exposure to interest rate risk

At 31 December 2019:	Up to 1 month USD	1 to 6 Months USD	6 to 12 months USD	1 to 5 years USD	*Fixed interest Rate USD	*Non-interest bearing USD	Total USD
FINANCIAL ASSETS							
Cash and balances with other banks	939,207,302	33,449,454	5,364,894	-	369,990,747	34,098,184	1,382,110,581
Investment in Government securities	-	-	-	-	44,897,636	-	44,897,636
Investment in Trade Fund	-	-	-	-	-	49,996,989	49,996,989
Other receivables	-	-	-	-	690,005	71,035,692	71,725,697
Derivative financial instruments	-	-	-	-	-	40,049,341	40,049,341
Trade finance loans	3,758,885	1,191,501,334	-	-	1,669,034,053	872,649	2,865,166,921
Project finance loans	14,327,581	1,902,020,209	-	-	183,584,929	6,404,864	2,106,337,583
Equity Investments at fair value through other comprehensive income	-	-	-	-	-	51,135,850	51,135,850
Investment in Joint Venture	-	-	-	-	-	317,010	317,010
Total financial assets	957,293,768	3,126,970,997	5,364,894	-	2,268,197,370	253,910,579	6,611,737,608
FINANCIAL LIABILITIES							
Short term borrowings	510,827,029	1,460,111,114	237,246,880	-	257,062,974	-	2,465,247,997
Long term borrowings	435,961,050	601,351,708	100,239,343	-	1,453,976,797	-	2,591,528,898
Collection Accounts	-	-	-	-	-	95,822,611	95,822,611
Other payables	-	-	-	-	10,389,542	128,163,806	138,553,348
Total financial liabilities	946,788,079	2,061,462,822	337,486,223	-	1,721,429,313	223,986,417	5,291,152,854
Net interest rate exposure	10,505,689	1,065,508,175	(332,121,329)	-	546,768,057	29,924,162	1,320,584,754
Cumulative interest rate exposure	10,505,689	1,076,013,864	743,892,535	743,892,535	1,290,660,592	1,320,584,754	1,320,584,754

* Fixed interest and non-interest-bearing items are stated at amortised costs or their carrying amounts which approximate their fair values

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43. FINANCIAL RISK MANAGEMENT (Continued)

d) MARKET RISK (Continued)

(i) Interest rate risk (Continued)

The table below summarises the Group's exposure to interest rate risk.

At 31 December 2018:	Up to 1 month USD	1 to 6 Months USD	6 to 12 months USD	1 to 5 years USD	*Fixed interest Rate USD	*Non-interest bearing USD	Total USD
FINANCIAL ASSETS							
Cash and balances with other banks	902,029,451	182,967,472	4,625,219	-	-	56,296,236	1,145,918,378
Other receivables	-	-	-	-	914,339	71,335,269	72,249,608
Derivative financial instruments	-	-	-	-	-	54,042,940	54,042,940
Trade finance loans	203,086,043	781,557,716	478,249,313	-	1,270,551,813	-	2,733,444,885
Project finance loans	72,530,429	1,247,295,494	-	-	109,732,871	-	1,429,558,794
Equity Investments at fair value through other comprehensive income	-	-	-	-	-	51,521,730	51,521,730
Investment in Joint Venture	-	-	-	-	-	386,994	386,994
Total financial assets	1,177,645,923 =====	2,211,820,682 =====	482,874,532 =====	- =====	1,381,199,023 =====	233,583,169 =====	5,487,123,329 =====
FINANCIAL LIABILITIES							
Short term borrowings	436,539,339	1,628,889,926	315,290,536	-	2,533,800	-	2,383,523,601
Long term borrowings	280,695,902	801,334,166	-	-	700,000,000	-	1,782,030,068
Collection Accounts	-	-	-	-	-	119,576,580	119,576,580
Other payables	-	-	-	-	8,660,284	64,147,059	72,807,343
Total financial liabilities	717,235,241 =====	2,430,224,092 =====	315,290,536 =====	- =====	711,194,084 =====	183,723,639 =====	4,357,667,592 =====
Net interest rate exposure	460,410,682 =====	(218,403,410) =====	167,583,996 =====	- =====	670,004,939 =====	49,859,530 =====	1,129,455,737 =====
Cumulative interest rate exposure	460,410,682 =====	242,007,272 =====	409,591,268 =====	- =====	1,079,596,207 =====	1,129,455,737 =====	1,129,455,737 =====

* Fixed interest and non-interest-bearing items are stated at amortised costs or their carrying amounts which approximate their fair values

43. FINANCIAL RISK MANAGEMENT (Continued)

(d) MARKET RISK (Continued)

(i) Interest rate risk (Continued)

Interest rate risk - Sensitivity analysis

The Group monitors the impact that an immediate hypothetical increase or decrease in interest rates of 100 basis points applied at the beginning of the year would have on net interest income.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at year end. The analysis was prepared using the following assumptions:

- Interest-bearing assets and liabilities outstanding as at 31 December 2019 were outstanding at those levels for the whole year,
- Interest-bearing assets and liabilities denominated in currencies other than USD experienced similar movements in interest rates, and
- All other variables are held constant.

If interest rates had been 100 basis points higher or lower with the above assumptions applying, the Group's net profit for the year ended 31 December 2019 of USD 151,304,813 (2018: USD 129,325,392) would increase or decrease by USD 30,074,501 (2018 - USD 4,098,006) as follows:

Effect on the Group's Net Profit:

The profit for the year ended 31 December 2019 would increase to USD 181,379,314 (2018: USD 133,423,398) or decrease to USD 121,230,312 (2018: USD 125,227,386).

The potential change is 19.9% (2018 – 3.2%) of the year's profit.

(ii) Currency risk

Currency risk is defined as the potential loss that could result from adverse changes in foreign exchange rates. Currency risks are minimised and, where possible, eliminated by requiring assets to be funded by liabilities that have matching currency characteristics.

Foreign currency positions are monitored on a quarterly basis. The single currency exposure, irrespective of short or long positions should not exceed the limit of 10% of the Group's net worth.

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43. FINANCIAL RISK MANAGEMENT (Continued)

d) MARKET RISK (Continued)

(ii) Currency Risk (Continued)

The Group's financial assets and financial liabilities are reported in USD.

The Group's currency position as at 31 December 2019 was as follows:

	USD	GBP	EURO	KES	SDG	UGX	AED	MWK	TZSH	JPY	OTHER	TOTAL
FINANCIAL ASSETS												
Cash and balances with other banks	1,122,492,237	16,750	129,319,511	1,491,533	34,098,184	5,369,665	18,449,578	59,262,988	6,282,296	33,945	5,293,894	1,382,110,581
Investment in Government securities	44,897,636	-	-	-	-	-	-	-	-	-	-	44,897,636
Investment in Trade Fund	49,996,989	-	-	-	-	-	-	-	-	-	-	49,996,989
Other receivables	1,725,697	-	70,000,000	-	-	-	-	-	-	-	-	71,725,697
Derivative Financial Investment	1,372,422,131		(1,332,372,790)	-	-	-	-	-	-	-	-	40,049,341
Trade finance loans	1,747,553,603	-	1,117,613,318	-	-	-	-	-	-	-	-	2,865,166,921
Project finance loans	2,028,601,470	-	74,943,416	-	-	-	-	-	2,792,697	-	-	2,106,337,583
Equity Investments at fair value through other comprehensive income	51,135,850	-	-	-	-	-	-	-	-	-	-	51,135,850
Investment in joint Venture	317,010	-	-	-	-	-	-	-	-	-	-	317,010
Total financial assets	6,419,142,623	16,750	59,503,455	1,491,533	34,098,184	5,369,665	18,449,578	59,262,988	9,074,994	33,945	5,293,894	6,611,737,608
FINANCIAL LIABILITIES												
Short term borrowings	2,169,460,294	-	259,024,687	-	-	-	-	-	-	36,763,016	-	2,465,247,997
Long term borrowings	2,589,564,016	-	-	-	-	-	-	-	1,964,882	-	-	2,591,528,898
Collection account	25,384	-	-	-	33,468,065	-	-	59,172,497	588,187	-	2,568,478	95,822,611
Other payables	138,406,239	-	-	131,356	-	-	-	-	-	-	15,753	138,553,348
Total financial liabilities	4,897,455,933	-	259,024,687	131,356	33,468,065	-	-	59,172,497	2,553,069	36,763,016	2,584,231	5,291,152,854
NET POSITION	1,521,686,690	16,750	(199,521,232)	1,360,177	630,119	5,369,665	18,449,578	90,491	6,521,925	(36,729,071)	2,709,663	1,320,584,754

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

43. FINANCIAL RISK MANAGEMENT (Continued)

d) MARKET RISK (Continued)

(iii) Currency Risk (Continued)

The Group's financial assets and financial liabilities are reported in USD.

The Group's currency position as at 31 December 2018 was as follows:

	USD	GBP	EURO	KES	SDG	UGX	AED	MWK	TZSH	OTHER	TOTAL
FINANCIAL ASSETS											
Cash and balances with other banks	975,223,472	17,258	18,937,550	5,038	34,091,883	4,632,245	18,456,873	85,631,536	2,805,352	6,117,171	1,145,918,378
Other receivables	2,249,608	-	70,000,000	-	-	-	-	-	-	-	72,249,608
Derivative Financial Investment	1,088,955,690		(1,034,912,750)	-	-	-	-	-	-	-	54,042,940
Trade finance loans	1,591,736,052	-	1,141,708,833	-	-	-	-	-	-	-	2,733,444,885
Project finance loans	1,402,654,661	-	20,336,543	-	-	-	-	-	6,567,590	-	1,429,558,794
Equity Investments at fair value through other comprehensive income	51,521,730	-	-	-	-	-	-	-	-	-	51,521,730
Investment in joint Venture	386,994	-	-	-	-	-	-	-	-	-	386,994
Total financial assets	5,112,728,207	17,258	216,070,176	5,038	34,091,883	4,632,245	18,456,873	85,631,536	9,372,942	6,117,171	5,487,123,329
FINANCIAL LIABILITIES											
Short term borrowings	2,285,474,141	-	97,779,460	-	-	-	-	-	-	-	2,383,253,601
Long term borrowings	1,777,327,209	-	-	-	-	-	-	-	4,702,859	-	1,782,030,068
Collection account	205,749.05				33,461,879			85,519,973	(587,232)	976,211	119,576,580
Other payables	72,649,235	-	-	152,773	-	-	-	-	-	5,335	72,807,343
Total financial liabilities	4,135,656,334	-	97,779,460	152,773	33,461,879	-	-	85,519,973	4,115,627	981,546	4,357,667,592
NET POSITION	977,071,873	17,258	118,290,716	(147,735)	630,004	4,632,245	18,456,873	111,563	5,257,315	5,135,625	1,129,455,737

43. FINANCIAL RISK MANAGEMENT (Continued)

d) MARKET RISK (Continued)

(iii) Currency Risk (Continued)

Currency risk - Sensitivity Analysis

The Group is mainly exposed to Euros, Pound Sterling, Kenya Shillings, Tanzania Shillings, Sudanese Pounds, and Uganda Shilling. The following analysis details the Group's sensitivity to a 10% increase and decrease in the value of the USD against the other currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes cash and term deposits, securities, loans and borrowings in currencies other than United States Dollars. A positive number below indicates a decrease in profit and reserves when the USD strengthens by 10% against the other currencies in which the Group has a net asset position. For a 10% weakening of the USD against the relevant currencies, there would be an equal opposite impact on the net profit.

The Group has operations in and lends to customers in Zimbabwe but all the transactions are made in USD.

	GBP	EURO	KES	TSH	AED	SDG	UGX	JPY
2019	2,058	(19,601,775)	(270)	286	502,316	1,324	8,820	(87,560)
	=====	=====	=====	=====	=====	=====	=====	=====
2018	2,291	10,778,941	(1,110)	230	502,451	2,135	(11,150)	-
	=====	=====	=====	=====	=====	=====	=====	=====

44. CAPITAL MANAGEMENT

The Group, being a supranational financial institution, is not subject to any regulatory supervision by a national body. The conduct of operations is vested with the Board of Directors which closely monitors directly or through its Audit Committee the Group's performance, risk profile and capital adequacy.

Based on the need to protect against increased credit risks associated with projects and infrastructure financing in developing African economies, the Group's capital management policy aims to maintain a capital adequacy ratio of at least 30 per cent. This ratio is computed in line with recommendations of the paper prepared by the Basel Committee on Banking Supervision entitled "International Convergence of Capital Measurement and Capital Standards" dated July 1988 as amended from time to time (Basel I paper) and the paper prepared by the Basel Committee entitled "International Convergence of Capital Measurement and Standards: A Revised Framework" dated June 2004 as amended from time to time (Basel II Paper).

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To have sufficient capital to support its development mandate;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to Member States and other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy is monitored monthly by the Group's management, employing techniques based on the guidelines developed by the Basel Committee. Currently, the Group's capital is entirely Tier 1 capital which is: Paid-up share capital, retained earnings and other reserves.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

44. CAPITAL MANAGEMENT (Continued)

Risk-weighted assets are measured by means of a hierarchy of seven risk weights classified to reflect an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

A summary of the Group's capital adequacy computations is provided below.

	2019 USD	2018 USD
RISK WEIGHTED ASSETS		
On-Statement of financial position assets	3,747,696,334	3,336,944,081
Off- Statement of financial position assets	100,013,828	32,334,648
	<hr/>	<hr/>
Total risk weighted assets	3,847,710,162	3,369,278,729
	=====	=====
CAPITAL		
Paid up capital	499,107,472	461,742,558
Retained earnings and reserves	890,707,157	730,283,193
	<hr/>	<hr/>
Total capital	1,389,814,629	1,192,025,751
	=====	=====
CAPITAL ADEQUACY RATIO	36.1%	35.4%
	=====	=====

In addition to its paid-up capital, the Group has access to additional capital in the form of callable capital. During the years, the Group complied with its capital adequacy requirements. There were no events after the reporting date.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

45. FINANCIAL INSTRUMENTS CATEGORIES

The table below sets out the Group's analysis of financial instrument categories.

As at 31 December 2019:	Amortised Cost USD	At fair value through profit or loss USD	At fair value through other comprehensive income USD	Total carrying amount USD
Financial assets				
Cash and balances held with banks	1,382,110,581	-	-	1,382,110,581
Investment in Government securities	44,897,636	-	-	44,897,636
Investment in Trade Fund	-	-	49,996,989	49,996,989
Other receivables	71,725,697	-	-	71,725,697
Trade finance loans	2,865,166,921	-	-	2,865,166,921
Project finance loans	2,106,337,583	-	-	2,106,337,583
Equity investments at fair value through other comprehensive income	-	-	51,135,850	51,135,850
Investment in joint ventures	-	-	317,010	317,010
Derivative financial instruments	-	40,049,341	-	40,049,341
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets	6,470,238,418	40,049,341	101,449,849	6,611,737,608
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	95,822,611	-	-	95,822,611
Short term borrowings	2,465,247,997	-	-	2,465,247,997
Long term borrowings	2,591,528,898	-	-	2,591,528,898
Other payables	138,732,787	-	-	138,732,787
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	5,291,332,293	-	-	5,291,332,293
	=====	=====	=====	=====

Note: The classification as at 31 December 2019 is based on IFRS 9.
 There are no assets pledged as security for liabilities.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

45. FINANCIAL INSTRUMENTS CATEGORIES (Continued)

The table below sets out the Group's analysis of financial instrument categories.

As at 31 December 2018:	Amortised Cost USD	At fair value through profit or loss USD	At fair value through other comprehensive income USD	Total carrying amount USD
Financial assets				
Cash and balances held with banks	1,145,918,378	-	-	1,145,918,378
Other receivables	72,249,608	-	-	72,249,608
Trade finance loans	2,733,444,885	-	-	2,733,444,885
Project finance loans	1,429,558,794	-	-	1,429,558,794
Equity investments at fair value through other comprehensive income	-	-	51,521,730	51,521,730
Investment in joint ventures	-	-	386,994	386,994
Derivative financial instruments	-	54,042,940	-	54,042,940
Total financial assets	5,381,171,665 =====	54,042,940 =====	51,908,724 =====	5,487,123,329 =====
Financial liabilities				
Collection account deposits	119,576,580	-	-	119,576,580
Short term borrowings	2,383,253,601	-	-	2,383,253,601
Long term borrowings	1,782,030,068	-	-	1,782,030,068
Other payables	72,807,343	-	-	72,807,343
Total financial liabilities	4,357,667,592 =====	- =====	- =====	4,357,667,592 =====

Note: The classification as at 31 December 2018 is based on IFRS 9.

There are no assets pledged as security for liabilities.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

46. TRADE FINANCE LOAN PORTFOLIO

Country	As at 31 December 2019			As at 31 December 2018		
	Balance outstanding USD	Amounts due within six months USD	Amounts due after six months USD	Balance outstanding USD	Amounts due within six months USD	Amounts due after six months USD
Congo DRC	669,476	336,141	333,335	10,053,966	53,966	10,000,000
Djibouti	5,888,470	3,745,968	2,142,501	5,338,371	29,200	5,309,171
Egypt	29,529,122	29,529,122	-	29,529,122	29,529,122	-
Ethiopia	163,602,340	163,602,340	-	110,056,653	31,343,679	78,712,974
Eswatini	7,029,752	7,029,752	-	-	-	-
Kenya	43,994,735	36,709,434	7,285,300	30,493,663	980,363	29,513,300
Malawi	488,200,928	383,602,428	104,598,500	439,317,346	173,701,598	265,615,748
Mauritius	4,995,515	4,995,515	-	10,852,025	10,852,025	-
Rwanda	2,369,700	2,369,700	-	196,309,241	1,309,241	195,000,000
Seychelles	196,697,214	165,197,214	31,500,000	-	-	-
Sudan	619,002,822	201,880,534	417,122,288	611,176,960	138,770,894	472,406,066
Tanzania	155,836,721	151,797,109	4,039,612	179,263,850	113,323,337	65,940,513
Uganda	48,917,843	45,372,215	3,545,628	78,938,128	37,321,450	41,616,678
Zambia	692,267,632	358,105,878	334,161,755	670,633,392	134,633,392	536,000,000
Zimbabwe	476,644,026	19,630,440	457,013,586	441,435,129	12,430,788	429,004,341
Gross Loans	2,935,646,296	1,573,903,790	1,361,742,505	2,813,397,846	684,279,055	2,129,118,791
Less: Impairment on trade finance loans (Note 18)	(70,479,375)	-	(70,479,375)	(79,952,961)	-	(79,952,961)
NET LOANS	2,865,166,921	1,573,903,790	1,291,263,130	2,733,444,885	684,279,055	2,049,165,830
	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

47. PROJECT LOAN PORTFOLIO

Country	Amounts Disbursed USD	Interest Capitalized USD	Amounts Repaid USD	Interest Receivable USD	Balance Outstanding USD	As at 31 December 2019		Balance Outstanding USD	As at 31 December 2018	
						Due within One year USD	Due after One year USD		Due within One year USD	Due after One year USD
Burundi	26,176,875	1,192,186	(15,253,149)	1,517,693	13,633,604	6,242,983	7,390,621	13,102,482	4,788,604	8,313,878
Comoros	12,848,585	-	(168,111)	88,722	12,769,196	11,343,852	1,425,344			
Congo DRC	44,200,000	-	(2,946,666)	2,328,279	43,581,612	38,306,667	5,274,945	2,904,168	2,388,540	41,253,333
Djibouti	4,500,000	1,213,337	(2,878,337)	216,288	3,051,288	1,594,688	1,456,600	43,641,874	600,730	2,303,438
Eritrea	403,652	-	(403,652)	-	-	-	-	-	-	-
Ethiopia	162,536,049	10,343,409	(49,973,662)	3,662,643	126,568,438	103,788,562	22,779,876	74,127,827	5,466,504	68,661,323
Kenya	1,032,539,929	50,692,748	(393,942,167)	27,601,573	716,892,082	635,415,710	81,476,372	627,132,014	67,539,019	559,592,995
Malawi	60,793,337	2,920	(60,796,257)	-	-	-	0	-	-	-
Mauritius	138,914,516	-	(12,499,446)	2,408,350	128,823,420	8,567,221	120,256,199	128,085,915	19,892,107	108,193,807
Mozambique	33,527,477	-	(1,653,059)	115,953	31,990,370	31,874,418	115,953	4,736,869	70,619	4,666,250
Rwanda	383,920,506	3,612,691	(140,965,446)	3,381,350	249,949,102	205,992,905	43,956,197	264,003,335	33,772,051	230,231,284
Seychelles	96,305,258	-	(41,364,276)	993,678	55,934,659	52,690,941	3,243,718	4,318,402	1,363,856	2,954,546
Sudan	45,106,625	17,056,064	(25,392,904)	3,181,091	39,950,876	36,769,785	3,181,091	37,014,916	245,132	36,769,784
Tanzania	717,758,972	682,910	(192,288,821)	1,193,082	527,346,143	464,852,730	62,493,414	43,413,688	11,762,367	31,651,321
Uganda	268,865,598	6,103,522	(171,061,078)	7,511,429	111,419,472	86,757,998	24,661,474	88,002,986	23,749,363	64,253,624
Zambia	131,225,915	25,086,069	(144,610,011)	-	11,701,973		11,701,973	16,190,988	7,601,691	8,589,297
Zimbabwe	324,592,237	709,655	(252,292,872)	374,297	73,383,321	38,224,796	35,158,523	113,242,854	42,434,812	70,808,043
<hr/>										
Gross loans	3,484,215,531	116,695,511	(1,508,489,914)	54,574,428	2,146,995,556	1,722,423,256	424,572,300	1,459,918,318	221,675,395	1,238,242,923
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Less: Impairment on project loans (note 18)					(40,657,973)	-	(40,657,973)	(30,359,524)	-	(30,359,524)
					<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET LOANS					2,106,337,583	1,722,423,256	383,914,327	1,429,558,794	221,675,395	1,238,242,923
					=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB – formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

48. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK

As at 31 December 2019:

Class 'A' shares	Shares Subscribed	Percentage of total	Value USD	Callable capital USD	Payable Capital USD	Instalments due as at 31.12.2019 USD	Instalments paid as at 31.12.2019 USD
Belarus	1,232	1.44	27,925,744	22,340,595	5,585,149	5,585,149	5,585,149
Burundi	1,646	1.92	37,309,882	29,847,906	7,461,976	7,461,976	7,461,976
China	4,555	5.32	103,248,185	82,598,548	20,649,637	20,649,637	20,649,637
Comoros	178	0.21	4,034,726	3,227,781	806,945	806,945	806,945
Djibouti	390	0.46	8,840,130	7,072,104	1,768,026	1,768,026	1,768,026
Congo DRC	5,757	6.72	130,493,919	104,395,135	26,098,784	26,098,784	26,098,784
Egypt	7,154	8.35	162,159,718	129,727,774	32,431,944	32,431,944	32,431,943
Eritrea	240	0.28	5,440,080	4,352,064	1,088,016	1,088,016	758,736
eSwatini	447	0.52	10,132,149	8,105,719	2,026,430	1,625,677	1,224,925
Ethiopia	8,257	9.64	187,161,419	149,729,135	37,432,284	33,432,012	33,432,011
Kenya	6,964	8.13	157,852,988	126,282,390	31,570,598	31,570,598	31,570,598
Madagascar	443	0.52	10,041,481	8,033,185	2,008,296	806,039	806,039
Malawi	1,768	2.06	40,075,256	32,060,205	8,015,051	8,015,051	8,015,051
Mauritius	3,383	3.95	76,682,461	61,345,969	15,336,492	15,336,492	15,336,492
Mozambique	2,277	2.66	51,612,759	41,290,207	10,322,552	8,329,257	8,329,257
Rwanda	4,217	4.92	95,586,739	76,469,391	19,117,348	11,116,805	11,116,605
Seychelles	361	0.42	8,182,787	6,546,230	1,636,557	1,636,557	1,636,557
Somalia	318	0.37	7,208,106	5,766,485	1,441,621	1,441,621	1,005,326
South Sudan	2,270	2.65	51,454,090	41,163,272	10,290,818	10,290,818	10,290,818
Sudan	5,277	6.16	119,613,759	95,691,007	23,922,752	23,922,752	23,922,752
Tanzania	6,757	7.89	153,160,919	122,528,735	30,632,184	30,632,184	30,632,184
Uganda	5,286	6.17	119,817,762	95,854,210	23,963,552	23,963,552	23,951,313
Zambia	6,154	7.18	139,492,720	111,594,175	27,898,545	27,898,545	27,898,545
Zimbabwe	6,337	7.40	143,640,779	114,912,623	28,728,156	28,728,156	28,728,156
African Development Bank	4,018	4.69	91,076,006	72,860,805	18,215,201	18,215,201	18,215,201
	85,686	100	1,942,244,564	1,553,795,650	388,448,914	372,851,794	371,673,026
	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

48. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (Continued)

Class 'B' shares	Number of shares	Percentage of total	Payable capital USD	Instalments due as at year end USD	Paid up capital USD	Share premium USD	Total paid USD
As at 31 December 2019:							
Total Shares Issued							
African Economic Research Consortium	175	0.62	793,349	793,349	793,349	1,212,676	2,006,025
African Development Bank	5,733	20.39	25,990,099	25,990,099	25,990,099	19,013,101	45,003,200
Africa Reinsurance Corporation	780	2.77	3,536,068	3,536,068	3,536,068	1,832,411	5,368,479
Arab Bank for Economic Development in Africa	960	3.42	4,352,084	4,352,084	4,352,084	5,649,196	10,001,280
Banco Nacional de Investimento	888	3.16	4,025,677	4,025,677	4,025,677	1,488,038	5,513,715
Investment Fund for Developing Countries	1,745	6.21	7,910,819	7,910,819	7,910,819	11,891,474	19,802,293
Mauritian Eagle Insurance Company Limited	270	0.96	1,224,024	1,224,024	1,224,024	395,976	1,620,000
National Pension Fund–Mauritius	1,787	6.36	8,101,222	8,101,222	8,101,222	2,973,564	11,074,786
National Social Security Fund Uganda	3,047	10.84	13,813,332	13,813,332	13,813,332	12,942,723	26,756,055
OPEC Fund for International Development	2,054	7.31	9,311,645	9,311,645	9,311,645	10,688,153	19,999,798
People's Republic of China	3,556	12.65	16,120,843	16,120,843	16,120,843	5,976,999	22,097,842
Rwanda Social Security Board	3,500	12.45	15,866,971	15,866,971	15,866,971	10,900,923	26,767,894
Sacos Group Limited	124	0.44	562,144	562,144	562,144	475,093	1,037,237
Seychelles Pension Fund	1,029	3.66	4,664,890	4,664,890	4,664,890	2,343,654	7,008,544
TDB Directors and Select Stakeholders Provident Fund	107	0.38	485,076	485,076	485,076	190,584	675,660
TDB Staff Provident Fund	1,521	5.41	6,895,330	6,895,330	6,895,330	2,511,356	9,406,686
ZEP-RE (PTA Reinsurance Company)	834	2.97	3,780,873	3,780,873	3,780,873	1,223,127	5,004,000
	<u>28,110</u>	<u>100</u>	<u>127,434,446</u>	<u>127,434,446</u>	<u>127,434,446</u>	<u>91,709,048</u>	<u>219,143,494</u>
	=====	=====	=====	=====	=====	=====	=====

Class 'B' shares were first issued in 2013 following approval by the Board of Governors in December 2012 to increase the Group's authorized capital from USD 2.0 billion to USD 3.0 billion. This increase was achieved through the creation of new class 'B' shares of par value of USD 4,533.420375 each. Class 'B' shares do not have a callable portion and are payable at once.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT (TDB - formerly PTA Bank)
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2019

48. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (Continued)

As at 31 December 2018:

Class 'A' shares	Shares Subscribed	Percentage of total	Value USD	Callable capital USD	Payable Capital USD	Instalments due as at 31.12.2019 USD	Instalments paid as at 31.12.2019 USD
Belarus	1,205	1.49	27,313,735	21,850,988	5,462,747	5,462,747	5,462,747
Burundi	1,602	1.98	36,312,534	29,050,027	7,262,507	7,262,507	7,262,507
China	4,433	5.48	100,482,811	80,386,249	20,096,562	20,096,562	20,096,562
Comoros	173	0.21	3,921,391	3,137,113	784,278	784,278	784,278
Djibouti	380	0.47	8,613,460	6,890,768	1,722,692	1,722,692	1,722,692
Congo DRC	5,607	6.93	127,093,869	101,675,095	25,418,774	25,418,774	25,418,774
Egypt	6,962	8.61	157,807,654	126,246,123	31,561,531	31,561,531	31,561,531
Eritrea	240	0.30	5,440,080	4,352,064	1,088,016	1,088,016	709,306
Ethiopia	6,962	8.61	157,807,654	126,246,123	31,561,531	31,561,531	31,561,531
Kenya	6,962	8.61	157,807,654	126,246,123	31,561,531	31,561,531	31,561,531
Madagascar	442	0.55	10,018,814	8,015,051	2,003,763	400,753	400,753
Malawi	1,721	2.13	39,009,907	31,207,926	7,801,981	7,801,981	7,801,981
Mauritius	3,293	4.07	74,642,431	59,713,945	14,928,486	14,928,486	14,928,486
Mozambique	2,252	2.78	51,046,084	40,836,869	10,209,215	6,208,944	4,208,806
Rwanda	1,957	2.42	44,359,319	35,487,455	8,871,864	8,871,864	8,871,864
Seychelles	351	0.43	7,956,117	6,364,894	1,591,223	1,591,223	1,591,223
Somalia	318	0.39	7,208,106	5,766,485	1,441,621	1,441,621	939,830
South Sudan	2,209	2.73	50,071,403	40,057,122	10,014,281	10,014,281	10,014,281
Sudan	5,277	6.52	119,613,759	95,691,007	23,922,752	23,922,752	23,922,752
eSwatini	444	0.55	10,064,148	8,051,318	2,012,830	1,211,324	810,572
Tanzania	6,735	8.33	152,662,245	122,129,796	30,532,449	30,532,449	30,532,449
Uganda	5,129	6.34	116,259,043	93,007,234	23,251,809	23,251,809	23,251,809
Zambia	5,989	7.40	135,752,663	108,602,130	27,150,533	27,150,533	27,150,533
Zimbabwe	6,337	7.83	143,640,779	114,912,623	28,728,156	28,728,156	28,728,156
African Development Bank	3,911	4.83	88,650,637	70,920,510	17,730,127	17,730,127	17,730,127
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	80,891	100	1,833,556,297	1,466,845,038	366,711,259	360,306,472	357,025,081
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB - formerly PTA Bank)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

48. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (Continued)

Class 'B' shares	Number of shares	Percentage of total	Payable capital USD	Instalments due as at year end USD	Paid up capital USD	Share premium USD	Total paid USD
As at 31December 2018:							
Total Shares Issued	220,584	100%	1,000,000,000				
African Development Bank	3,333	14.43	15,109,890	15,109,890	15,109,890	4,890,110	20,000,000
Africa Reinsurance Corporation	780	3.38	3,536,068	3,536,068	3,536,068	1,832,411	5,368,479
BADEA – Arab Bank for Economic Development in Africa	960	4.16	4,352,084	4,352,084	4,352,084	5,649,196	10,001,280
Banco Nacional de Investimento	888	3.84	4,025,677	4,025,677	4,025,677	1,488,038	5,513,715
Mauritian Eagle Insurance Company Limited	270	1.17	1,224,024	1,224,024	1,224,024	395,976	1,620,000
National Pension Fund–Mauritius	1,787	7.74	8,101,222	8,101,222	8,101,222	2,973,564	11,074,786
National Social Security Fund Uganda	2,966	12.84	13,446,125	13,446,125	13,446,125	12,381,427	25,827,552
OPEC Fund for International Development (OFID)	2,054	8.89	9,311,645	9,311,645	9,311,645	10,688,153	19,999,798
People's Republic of China	3,556	15.39	16,120,843	16,120,843	16,120,843	5,976,999	22,097,842
Rwanda Social Security Board	3,066	13.27	13,899,467	13,899,467	13,899,467	7,893,485	21,792,952
Sacos Group Limited	121	0.52	548,544	548,544	548,544	454,304	1,002,848
Seychelles Pension Fund	1,029	4.45	4,664,890	4,664,890	4,664,890	2,343,654	7,008,544
TDB Directors and Select Stakeholders Provident Fund	87	0.38	394,408	394,408	394,408	145,292	539,700
TDB Staff Provident Fund	1,368	5.92	6,201,717	6,201,717	6,201,717	2,164,875	8,366,592
ZEP-RE (PTA Reinsurance Company)	834	3.61	3,780,873	3,780,873	3,780,873	1,223,127	5,004,000
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	23,099	100	104,717,477	104,717,477	104,717,477	60,500,611	165,218,088
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