

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

CORPORATE INFORMATION

BOARD OF GOVERNORS

SHAREHOLDERS (EACH SHAREHOLDER IS REPRESENTED ON THE BOARD OF GOVERNORS)

MEMBER STATES

Republic of Botswana
Republic of Burundi
Union of the Comoros
Democratic Republic of Congo
Republic of Djibouti
Arab Republic of Egypt
State of Eritrea
Kingdom of eSwatini
Federal Democratic Republic of Ethiopia
Republic of Ghana
Republic of Kenya
Republic of Madagascar
Republic of Malawi
Republic of Mauritius
Republic of Mozambique
Republic of Rwanda
Republic of Senegal
Republic of Seychelles
Federal Republic of Somalia
Republic of South Sudan
Republic of Sudan
United Republic of Tanzania
Republic of Uganda
Republic of Zambia
Republic of Zimbabwe

NON-REGIONAL MEMBERS

People's Republic of China (represented by the People's Bank of China)
Republic of Belarus (represented by the Development Bank of Belarus)

INSTITUTIONS

African Development Bank
African Development Bank (as Implementing Entity of the Clean Technology Fund)
African Economic Research Consortium (AERC)
Africa Reinsurance Corporation
AGDF Corporate Trust Limited (Rwanda)
Arab Bank for Economic Development in Africa (BADEA)
Banco Nacional de Investimento
Caisse Nationale de la Securite Sociale (CNSS Djibouti)
Investment Fund for Developing Countries (IFU)
Eagle Insurance Limited
National Pension Fund Mauritius
Board of Trustees of the National Social Security Fund of Tanzania
National Social Security Fund Uganda
OPEC Fund for International Development
PTA Reinsurance Company (ZEP-RE)
Rwanda Social Security Board (RSSB)
SACOS Life Assurance Company Limited
SACOS Group Limited
SICOM Global Fund Limited
Seychelles Pension Fund
Eastern and Southern African Trade and Development Bank
Provident Fund

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CORPORATE INFORMATION (continued)

DIRECTORS

Mr. Gerald Kasaato	Non-Executive Director for Comoros, DR Congo, Sudan and Uganda and chairperson, Board of Directors
Ms. Busisiwe Alice Dlamini-Nsibande	Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and Tanzania
Mr. Veenay Rambarassah	Non-Executive of Directors for all other shareholders
Mr. George T. Guvamatanga	Non-Executive Director for Botswana, Eritrea, Mauritius, Rwanda, and Zimbabwe
Mr. Adele Tura Halake	Non-Executive Director for Kenya, Mozambique, Senegal, Somalia and Zambia
Mr. Solomon Quaynor	Non-Executive Director for African Institutions
Mr. Solomon Asamoah	Non-Executive Director for Burundi, Ethiopia, Ghana, Madagascar, Malawi and Seychelles
Mr. Juste Rwamabuga	Independent Non-Executive Director
Ms. Lekha Nair	Independent Non-Executive Director
Ms. Shuo Zhou	Non-Executive Director for Non-African States
Mr. Admassu Tadesse	Group President and Managing Director
Vacant	Alternate Non-Executive Director for Botswana, Eritrea, Mauritius, Rwanda and Zimbabwe
Mr. Said Mhamadi	Alternate Non-Executive Director for Comoros, DR Congo, Sudan and Uganda
Dr. Natu Mwamba	Alternate Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and Tanzania
Ms. Nnenna Nwabuo	Alternate Non-Executive Director for African Institutions
Ms. Isabel Sumar	Alternate Non-Executive Director for Kenya, Mozambique, Senegal, Somalia and Zambia
Mr. Liu Wenzhong	Alternate Non-Executive Director for Non-African States
Mr. Peter Simbani	Alternate Non-Executive Director for Burundi, Ethiopia, Ghana, Madagascar, Malawi and Seychelles
Mr. Yahya M. Ali	Alternate Independent Non-Executive Director for all other shareholders
Dr. Abdelrahman Taha	Alternate Independent Non-Executive Director (Alternate to Mr. Rwamabuga)
Mr. Joseph M. Chikolwa	Alternate Independent Non-Executive Director (Alternate to Ms. Nair)

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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

CORPORATE INFORMATION (continued)

INDEPENDENT AUDITORS	Deloitte & Touche LLP Certified Public Accounts (Kenya) Deloitte Place, Waiyaki Way, Muthangari P. O. Box 40092-00100 Nairobi, Kenya
HEADQUARTERS	Principal Office Africa FI place Lot 13, Wall street, Ebene, Cybercity P.O. Box 43, Reduit, Mauritius Email : Official@tdgroup.org Principal Office Chaussee, Prince Louis, Rwagasore P.O. Box 1750, Bujumbura, Burundi Email : Official@tdgroup.org
OTHER OFFICES	TDB Nairobi Operations Hub: East Africa TDB Tower 184 Lenana Road P.O. Box 48596-00100 Nairobi, Kenya TDB Harare Regional Office: Southern Africa 70 Enterprise Road Harare, Zimbabwe TDB Addis Ababa Regional Office: Horn of Africa and North Africa UNDP Compound Main Bole Rd, Olympia Roundabout, DRC St. Kirkos Subcity, Kebele 01, House No.119 Addis Ababa, Ethiopia TDB Kinshasa Regional Office Crown Tower 2nd Floor off No.301 Avenue Batetela and Boulevard du 30 Juin Gombe Commune, Kinshasa Democratic Republic of Congo

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their Interim Financial Statements of the Eastern And Southern African Trade Development Bank and its subsidiaries (TDB Group) for the six-month period ended 30 June 2024.

1 PRINCIPAL ACTIVITIES

The principal activity of the Group is to finance, where possible, viable projects and trade activities which have the potential to make the economies of the Member states increasingly complimentary to each other.

The Bank is established by a Charter pursuant to chapter 9 of the Treaty for the establishment of the Preferential Trade Area (PTA), as subsequently repealed and replaced by the Treaty for the Common Market for the Eastern Southern African States (COMESA).

2 FINANCIAL RESULTS

The results for the year are set out on pages 7 to 9.

3 DIVIDENDS

The Board does not recommend a dividend in respect of the six-month period ended 30 June 2024 (USD 377.70 per share in respect of the financial year ended 31 December 2023).

4 BOARD OF GOVERNORS

The current shareholders are shown on page 1.

In accordance with the Bank's Charter, each member shall appoint one governor.

5 DIRECTORS

The current members of the Board of Directors are shown on page 2.

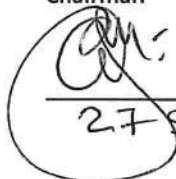
In accordance with the Bank's Charter, and subject to re-appointment by the Board of Directors, the directors hold office for a term of three years and are, therefore, not subject to retirement by rotation annually.

6 AUDITOR

The Bank's auditors, Deloitte & Touche LLP, were appointed for a three-year term with effect from July 2024. The auditors have expressed willingness to continue in office in accordance with Article 26 (2) of the Charter of the Bank.

BY ORDER OF THE BOARD

Chairman


27 Sept 2024

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024


STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Bank's Charter requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Bank at the end of the financial period and of the operating results of the Group and of the Bank for that period. It also requires the directors to ensure that the Group and Bank keep proper accounting records that disclose with reasonable accuracy, the financial position of the Group and Bank. They are also 'responsible for safeguarding the assets of the Group and Bank.

The directors accept responsibility for the preparation and presentation of these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Bank's Charter. The directors are of the opinion that the annual financial statements give a true and fair view of the state of the financial affairs of the Group and of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Having made an assessment of the Bank and its subsidiaries' abilities to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Bank and its subsidiaries' abilities to continue as a going concern.

The directors acknowledge that independent audit of the financial statements does not relieve them of their responsibilities.



DIRECTOR

27 Sept 2024



DIRECTOR

27 Sept 2024

REPORT ON REVIEW OF THE INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

Introduction

We have reviewed the accompanying interim financial statements of the Eastern and Southern African Trade and Development Bank (TDB), set out on pages 7 to 152, comprising the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the six-month period then ended, and a summary of material accounting policy information.

Responsibilities of the Directors and the Auditors

The directors are responsible for the preparation and fair presentation of the interim financial statements in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the consolidated and separate financial position of Eastern and Southern African Trade and Development Bank (TDB) as at 30 June 2024, its consolidated and separate financial performance and its consolidated and separate cash flows for the six-month period then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

The engagement partner responsible for this independent review is **CPA David Waweru, Practising Certificate No. 2204**



For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

Date: **27 September** 2024



EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	JUNE 2024 USD	JUNE 2023 Restated* USD
INCOME			
Gross effective interest income	4	370,315,064	342,336,100
Interest expense	5	(241,190,448)	(203,682,934)
Net interest income		129,124,615	138,653,166
Other borrowing costs	6	(1,840,687)	(1,784,954)
Net fee and commission income	7	8,008,673	6,378,448
Gains on FVTPL - Derivatives	17	19,328,969	8,282,871
Gains on FVTPL - Trade Fund loan assets	23	8,479,068	2,307,007
Trading income		163,100,638	153,836,538
Risk mitigating costs	8	(15,954,107)	(20,253,105)
Other income	9	2,400,567	8,227,884
Operating Income	12	149,547,098 =====	141,811,317 =====
EXPENDITURE			
Operating expenses	10	(25,987,373)	(26,616,574)
Impairment on Project and Trade Finance loans	20	(27,306,714)	(19,050,241)
Net foreign exchange losses	14	(2,535,838)	(2,513,448)
Other financial assets impaired and written-off	13	(2,500,140)	(37,677)
TOTAL EXPENDITURE		(58,330,065)	(48,217,940)
PROFIT FOR THE YEAR		91,217,033 =====	93,593,377 =====
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value gain through other comprehensive income - equity investments	25	13,521	273,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		91,230,554 =====	93,866,377 =====

*Details of restatements are disclosed in Note 45.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	JUNE 2024	JUNE 2023 Restated*
	USD	USD
PROFIT FOR THE YEAR	91,217,033	93,593,377
	=====	=====
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	91,230,554	93,866,377
	=====	=====
Profit for the year is attributable to:		
Owners of the Bank	87,138,219	91,038,830
Non-controlling interest	4,078,814	2,554,547
	-----	-----
	91,217,033	93,593,377
	=====	=====
Total comprehensive income for the period is attributable to:		
Owners of the Bank	87,151,740	91,311,830
Non-controlling interest	4,078,814	2,554,547
	-----	-----
	91,230,554	93,866,377
	=====	=====

*Details of restatements are disclosed in Note 45.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	JUNE 2024 USD	JUNE 2023 Restated* USD
INCOME			
Gross effective interest income	4	369,161,291	338,297,490
Interest expense	5	(240,882,302)	(203,682,934)
Net interest income		128,278,989	134,614,556
Other borrowing costs	6	(1,840,687)	(1,784,954)
Net fee and commission income	7	7,996,173	6,372,357
Gains on FVTPL - Derivatives	17	19,328,969	8,282,871
Trading income		153,763,444	147,484,830
Risk mitigating costs	8	(20,091,951)	(20,253,105)
Other income	9	1,882,821	5,863,273
Operating Income	12	135,554,315	133,094,998
EXPENDITURE			
Operating expenses	10	(24,662,118)	(23,579,351)
Impairment allowance on loans	20	(27,173,539)	(19,050,241)
Net foreign exchange losses	14	(2,538,762)	(2,571,644)
Other financial assets impaired and written-off	13	(2,500,140)	(37,677)
Impairment of investment in subsidiary	26	(41,096)	-
TOTAL EXPENDITURE		(56,915,655)	(45,238,914)
PROFIT FOR THE YEAR		78,638,659	87,856,084
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be subsequently reclassified to profit and loss:</i>			
Fair value gain through other comprehensive income - equity investments	25	13,521	273,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY		78,652,180	88,129,084

*Details of restatements are disclosed in Note 45.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

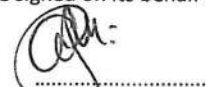
	Note	JUNE 2024 USD	DECEMBER 2023 USD
ASSETS			
Cash and balances held with other banks -less than 90 days	16	978,717,552	2,099,938,569
Cash and balances held with other banks -over 90 days	16	40,893,606	923,257,268
Derivative financial instruments	17	26,453,923	4,248,951
Trade finance loans	18	4,749,919,816	4,587,581,150
Project loans	19	2,383,307,055	2,131,094,979
Investment in Government securities	21	785,638,516	51,867,034
Investment in corporate bonds	22	9,442,152	-
Trade Fund loan receivables	23	180,382,356	146,140,978
Other receivables	24	49,953,130	42,333,144
Equity investments - at fair value through other comprehensive income	25	71,894,390	71,880,869
Property and equipment	27	36,702,983	37,421,800
Investment property	28	8,063,446	8,020,916
Right-of-use assets	29	2,241,114	2,253,507
Intangible assets	30	120,447	195,284
TOTAL ASSETS		9,323,730,486	10,106,234,449
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	144,813,779	289,437,554
Short term borrowings	32	4,172,153,090	4,379,401,963
Provision for service and leave pay	33	13,739,184	13,050,513
Non controlling interest payables	34	91,730,395	79,064,874
Other payables	35	152,934,143	170,428,430
Long term borrowings	36	2,423,170,076	2,966,360,186
TOTAL LIABILITIES		6,998,540,667	7,897,743,520
EQUITY			
Share capital	37	613,483,503	603,081,183
Share premium	37	271,251,833	256,185,817
Retained earnings		1,320,595,096	1,236,944,336
Proposed dividend	37	49,498,565	49,498,565
Fair value reserve -Equity investments	38	29,477,759	29,464,237
Management reserve	39	19,842,913	19,842,913
Equity attributable to owners of the bank		2,304,149,668	2,195,017,052
Non Controlling interest		21,040,150	13,473,877
		2,325,189,819	2,208,490,929
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		9,323,730,486	10,106,234,449

The notes on page 7 to 152 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 27 Sept 2024 and were signed on its behalf by:



 Group MD/Director



 Director

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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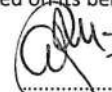
SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	JUNE 2024 USD	DECEMBER 2023 USD
ASSETS			
Cash and balances held with other banks -less than 90 days	16	957,405,330	2,058,871,432
Cash and balances held with other banks -over 90 days	16	40,893,606	923,257,268
Derivative financial instruments	17	26,453,923	4,248,951
Trade finance loans	18	4,747,487,581	4,584,822,529
Project loans	19	2,383,307,055	2,131,094,979
Investment in government securities	21	754,829,563	42,168,768
Other receivables	24	55,297,180	55,826,198
Equity investments - at fair value through other comprehensive income	25	71,894,390	71,880,869
Investment in subsidiaries	26	109,478,580	89,478,580
Property and equipment	27	36,702,983	37,421,800
Investment property	28	8,063,446	8,020,916
Right-of-use assets	29	2,241,114	2,253,507
Intangible assets	30	120,447	195,284
TOTAL ASSETS		9,194,175,198	10,009,541,081
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	144,813,779	289,437,554
Short term borrowings	32	4,172,153,090	4,379,401,963
Provision for service and leave pay	33	13,574,208	12,911,887
Other payables	35	152,794,198	177,880,160
Long term borrowings	36	2,423,170,076	2,966,360,186
TOTAL LIABILITIES		6,906,505,351	7,825,991,750
EQUITY			
Share capital	37	613,483,503	603,081,183
Share premium	37	271,251,833	256,185,817
Retained earnings		1,304,115,275	1,225,476,616
Proposed dividend	37	49,498,565	49,498,565
Fair value reserve -Equity investments	38	29,477,758	29,464,237
Management reserve	39	19,842,913	19,842,913
TOTAL EQUITY		2,287,669,847	2,183,549,331
TOTAL LIABILITIES AND EQUITY		9,194,175,198	10,009,541,081

The notes on page 7 to 152 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 27 Sept 2024 and were signed on its behalf by:


 Group MD/Director


 Director

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	Note	Share capital USD	Share premium USD	Retained earnings USD	Proposed dividend USD	Fair Value Reserve USD	Management reserve USD	Total equity USD	Non-controlling Interest USD	TOTAL USD
As at 30 June 2024										
As at 1 January 2024		603,081,183	256,185,817	1,236,944,336	49,498,565	29,464,238	19,842,913	2,195,017,052	13,473,877	2,208,490,929
Capital subscription	37	10,402,320	-	-	-	-	-	10,402,320	-	10,402,320
Share premium	37	-	15,066,016	-	-	-	-	15,066,016	-	15,066,016
ESATF opening reserves ceded to NCI*		-	-	(3,487,459)	-	-	-	(3,487,459)	3,487,459	-
Profit for the period		-	-	87,138,219	-	-	-	87,138,219	4,078,814	91,217,033
Fair value gain through other comprehensive income	25	-	-	-	-	13,521	-	13,521	-	13,521
		<u>613,483,503</u>	<u>271,251,833</u>	<u>1,320,595,096</u>	<u>49,498,565</u>	<u>29,477,759</u>	<u>19,842,913</u>	<u>2,304,149,668</u>	<u>21,040,150</u>	<u>2,325,189,819</u>
		=====	=====	=====	=====	=====	=====	=====	=====	=====
As at 30 June 2023										
As at 1 January 2023		580,439,034	217,131,484	1,068,367,491	49,431,823	29,035,466	19,842,913	1,964,248,211	3,458,353	1,967,706,564
Capital subscription	37	4,024,746	-	-	-	-	-	4,024,746	-	4,024,746
Share premium	37	-	379,419	-	-	-	-	379,419	-	379,419
NCI on ceding 13.56% in TDF		-	-	(1,343,887)	-	-	-	(1,343,887)	1,343,887	-
Profit for the period		-	-	91,038,830	-	-	-	91,038,830	2,554,547	93,593,377
Fair value gain through other comprehensive income	25	-	-	-	-	273,000	-	273,000	-	273,000
		<u>584,463,780</u>	<u>217,510,903</u>	<u>1,158,062,434</u>	<u>49,431,823</u>	<u>29,308,466</u>	<u>19,842,913</u>	<u>2,058,620,319</u>	<u>7,356,787</u>	<u>2,065,977,106</u>
		=====	=====	=====	=====	=====	=====	=====	=====	=====

*TDB % of shareholding in ESATF changed from 44.00% in 2023 to 41.53% as at 30 June 2023.
The decrease in TDB shareholding has been ceded to non-controlling interest through TDB's retained earnings.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

SEPARATE STATEMENT OF CHANGES IN EQUITY

		Share capital USD	Share premium USD	Retained earnings USD	Proposed dividend USD	Fair Value Reserve USD	Management reserve USD	Total equity USD
As at 30 June 2024	Note							
As at 1 January 2024		603,081,183	256,185,817	1,225,476,616	49,498,565	29,464,237	19,842,913	2,183,549,331
Capital subscription	37	10,402,320	-	-	-	-	-	10,402,320
Share Premium	37	-	15,066,016	-	-	-	-	15,066,016
Profit for the period		-	-	78,638,659	-	-	-	78,638,659
Fair value gain through other comprehensive income	25	-	-	-	-	13,521	-	13,521
As at 30 June 2024		613,483,503	271,251,833	1,304,115,275	49,498,565	29,477,758	19,842,913	2,287,669,847
		=====	=====	=====	=====	=====	=====	=====
As at 30 June 2023								
As at 1 January 2023		580,439,034	217,131,484	1,069,594,281	49,431,823	29,035,466	19,842,913	1,965,475,001
Capital subscription	37	4,024,746	-	-	-	-	-	4,024,746
Share Premium	37	-	379,419	-	-	-	-	379,419
Profit for the period		-	-	87,856,084	-	-	-	87,856,084
Fair value gain through other comprehensive income	25	-	-	-	-	273,000	-	273,000
As at 30 June 2023		584,463,780	217,510,903	1,157,450,365	49,431,823	29,308,466	19,842,913	2,058,008,250
		=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		GROUP		BANK	
	Note	JUNE	JUNE	JUNE	JUNE
		2024	2023	2024	2023
			Restated*		Restated*
		USD	USD	USD	USD
OPERATING ACTIVITIES					
Cash (used in) operations	40 (a)	(1,365,975,997)	(93,736,627)	(1,355,948,426)	(103,053,926)
Interest received		260,519,882	276,724,628	259,474,963	269,041,825
Interest paid		(179,095,051)	(195,983,371)	(178,872,704)	(189,034,246)
Net cash (used in) operations		(1,284,551,166)	(12,995,370)	(1,275,346,167)	(23,046,347)
INVESTING ACTIVITIES					
Purchase of property and equipment	27	(344,447)	(4,874,118)	(344,447)	(4,874,118)
Purchase of investment property	28	(42,530)	-	(42,530)	-
Investment in subsidiaries	26	-	-	(20,000,000)	-
Disposal of equity investments		-	(194,417)	-	(194,417)
Investment in government securities	21	(746,351,551)	-	(725,240,864)	-
Redemption from government securities	21	12,580,069	5,691,887	12,580,069	5,691,887
Investment in corporate bonds	22	(9,442,152)	-	-	-
Dividend received	9	1,233,260	-	1,233,260	-
Bank balances with more than 90 days to maturity	16	882,363,662	37,317,883	882,363,662	37,317,883
Net cash used in investing activities		139,996,311	37,941,235	150,549,150	37,941,235
FINANCING ACTIVITIES					
Proceeds from capital subscriptions	37	10,402,320	4,024,746	10,402,320	4,024,746
Proceeds from share premium	37	15,066,016	379,419	15,066,016	379,419
Payment of lease liabilities		-	(268,065)	-	(268,065)
Net cash generated from financing activities		25,468,336	4,136,100	25,468,336	4,136,100
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,119,086,519)	29,081,965	(1,099,328,681)	19,030,988
Foreign exchange (losses) on cash and cash equivalents	14	(2,134,498)	(1,461,790)	(2,137,422)	(1,461,790)
CASH AND CASH EQUIVALENTS AT 01 JANUARY		2,099,938,569	1,021,327,969	2,058,871,433	980,952,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16	978,717,552	1,048,948,144	957,405,330	998,521,874
		=====	=====	=====	=====

*Details of restatements are disclosed in Note 45.

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Eastern and Southern African Trade and Development Bank ("the Bank" or "TDB") was established by the Charter pursuant to Chapter 9 of the Treaty for the establishment of the preferential Trade Area (PTA), as subsequently repealed and replaced by the Treaty for the Common Market for the Eastern and Southern African States (COMESA). The Bank, together with its subsidiaries make up the TDB Group ("the Group").

The principal activity of the Group is to finance, where possible, viable projects and trade activities which have the potential to make the economies of the Member States increasingly complementary to each other.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Except for changes explained in Note 3, the Group has consistently applied the following accounting policies in preparation of its financial statements.

(a) Basis of preparation

Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting standards (IFRS) as issued by the international accounting Standards Board (IASB) and the Bank's Charter.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The Group's functional and reporting currency is the United States Dollars (USD).

Presentation of financial statements

The Group presents its statement of financial position broadly in the order of liquidity.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and its subsidiaries. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Bank, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intergroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

(c) Critical judgments in applying the Group's accounting policies

In the process of applying the Group accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances of assets and liabilities within the next financial year.

(i) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for 'longer-dated' derivatives and discount rates, prepayment rates, and default rate assumptions for asset-backed securities. The Group measures financial instruments, such as, derivatives, and non-financial assets, at fair value at each reporting date.

The fair value of financial instruments is disclosed in more detail in Note 41.

(ii) Impairment losses on loans — Trade and Project Finance

Judgement is made in establishing the criterion for determining whether credit risk on the financial instrument has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of Expected Credit Losses (ECLs), and selection and approvals of models used to measure ECL.

Assets accounted for at amortised cost and fair value through other comprehensive income are evaluated for impairment on a basis described in accounting policy 2(m).

The Group recognises loss allowance at an amount equal to either 12-month expected credit losses (ECLs) or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Critical judgments in applying the Group's accounting policies (continued)

(ii) Impairment losses on loans — Trade and Project Finance (continued)

For credit exposures where there have not been significant increases in credit risk since initial recognition, the Group provides for 12-month ECLs. These are classified as Stage 1 assets.

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis, a loss allowance is required for lifetime ECLs. These are classified as Stage 2 assets.

For credit exposures that are credit impaired and in default, similar to stage 2 assets, a loss allowance is required for lifetime ECLs however the probability of default for these assets is presumed to be 100% less any determined recovery and cure rate.

The impairment loss on loans is disclosed in more detail in notes 18, 19 and 20.

(iii) Significant increase of credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. Instead, in assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

The Group applies the judgements on these forward-looking information as reflected in final assigned PD, LGD and exposure classification through the following considerations:

- Active portfolio management that enables TDB to have information from client on forward performance exposure against terms and conditions/covenants, account performance, prospects of the borrower and collateral
- Expected regional and sector performance information from various sources like the World Bank, International Monetary Fund, and Central Banks, observable and forecast market risk parameters and their expected impact on individual exposures, in discussions with the clients.

(iv) Classification and measurement of financial assets

Judgement is made on the classification of financial assets assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are Solely for Payment of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Critical judgments in applying the Group's accounting policies (continued)

(iv) Classification and measurement of financial assets (continued)

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of risks affects the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets. Note 2 (m) details this assessment.

(d) Key sources of estimation uncertainty

- (i) Establishing the number and relative weightings of forward-looking scenarios for each type of product and determining the forward-looking information relevant to each scenario:

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

- (ii) Probability of default:

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

- (iii) Loss given default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

- (v) Fair value measurement and valuation process:

In estimating the fair value of a financial asset or a liability, the Group uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Group uses valuation models to determine the fair value of its financial instruments.

- (vi) Application of IFRS 16 - Leases

Key sources of estimation uncertainty in the application of IFRS 16 included the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition

i. Interest income from loans and investment

Interest income including interest on financial instruments is measured at amortised cost which comprise project finance loans, trade finance loans, placements with banks, and government securities.

Interest income is recognised on an accrual basis using the effective interest rate method in line with IFRS 9.

Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- i) The gross carrying amount of the financial asset; or
- ii) The amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the group estimates future cash flows considering all contractual terms of the financial instrument, but not the expected credit loss (ECL). For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. A purchased or originated credit impaired asset (POCI) refers to assets for which on initial recognition one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty, default, and additional events.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Fee and commission income and expense that are integral to the effective interest rate on a financial assets or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Amortised cost and gross carrying amount.

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on the initial recognition of a financial asset in calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of period re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition (continued)

i. Interest income from loans and investment (Continued)

Calculation of interest income (Continued)

For financial assets that were credit-impaired on initial recognition, purchased originated credit-impaired (POCI) assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Presentation

Interest income from loans and investments is presented in the statement of profit or loss and OCI and includes:

- Interest on financial assets measured at amortised cost
- Interest on deposits or investment held at amortised cost

ii. Fees and commissions

Fees and commission income is earned by the Group by providing services to customers and excludes amounts collected on behalf of third parties.

Fee and commission income is earned on the execution of a significant performance obligation, which may be as the performance obligation is fulfilled (over time) or when the significant performance obligation has been performed (point in time) fee and commission income that is yet to be earned is recognised as deferred income.

Fees and commissions are generally recognised over time when a financing facility is provided over a year of time. These fees include letter of credit fees, confirmation fees, commitment and other fees.

Other fees and commission income include one-off fees arising from the provision of financing facilities to the Group's clients, like drawdown fees, arrangement fees, document handling fees and others that do not form an integral part of the effective interest rate of the facilities are recognised on completion of the underlying transaction. Other fees are recognised at the point when the service is completed or significant act is performed.

Facility fees are recognised as revenue when the syndication has been completed and the group retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants.

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of loans or the acquisition of shares or other securities or the purchase or sale of businesses, are recognised at a point in time on completion of the underlying transactions. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Borrowings and financing costs

Borrowing costs are interest and other borrowing and financing costs that the Group incurs in connection with the borrowing of funds. Interest expense is recognised in profit or loss on an accrual basis taking into account the effective interest rate. Other borrowing and financing costs are expensed in the year in which they are incurred. Discounts and premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity are calculated on an effective interest basis.

Further, an effective interest expense is calculated on financial liabilities held at amortised cost. Application of the EIR methodology results in the recognition of interest, together with direct and incremental fees and costs, on a time portion basis over the expected lives of the assets and liabilities. The expected life of an instrument or a portfolio of instruments may be modelled as being shorter than the contractual tenor where historical experience suggests that customer prepayment behaviour impacts the forecasted cash flow profile.

(g) Foreign currencies

Transactions in foreign currencies are initially recorded at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are subsequently taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(h) Property and equipment

All categories of property and equipment are stated at historical cost and subsequently stated at cost less depreciation and less impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on assets is calculated at rates which are estimated to write off the cost of property and equipment to their estimated residual values in equal annual installments over their expected useful lives.

The expected useful life of each class of asset is up to the following:

Computer equipment	3-5 years
Motor vehicles	5-7 years
Office equipment	3-5 years
Furniture and fittings	5-10 years
Buildings	50 years
Leasehold land	50 years

Freehold land and buildings under construction are not depreciated. Leasehold land is depreciated over the unexpired term of the lease on the straight-line basis.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Property and equipment (continued)

Assets in the course of construction for administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The asset's residual values, useful lives, and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(i) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured at fair value through profit or loss.

Investment property is assessed and valued every year and whenever events or changes occur which may necessitate such valuation. Such fair value is disclosed in the financial statements. This is a voluntary change in policy which has been applied retrospectively (Note 45 A).

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(j) Intangible assets

The Group's intangible assets relate to the value of computer software. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the group. Intangible assets are stated at cost less accumulated amortization and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The intangible assets' useful lives and methods of amortisation are reviewed at each reporting date and adjusted prospectively if appropriate.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Taxation

In accordance with paragraph 6 of Article 43 of its Charter, the Bank, and its subsidiaries are exempt from all forms of tax.

(l) Share capital

In accordance with Article 7 of the Charter, for class A shares, issued and called-up shares are paid for in installments by the members, payable capital is credited as share capital and installments not yet due and due but not paid at year-end are deducted there-from. For Class B and Class C payments of the amount subscribed by subscribers shall be paid in full within 90 days from the date of subscription. For Class B and Class C shares, payment of the amount subscribed by subscribers shall be paid in full within a period determined by the Board of Directors.

(m) Financial instruments

A financial asset or liability is recognised when the Group becomes a party to the contractual provisions of the instrument (i.e the trade date). This includes regular way trades: Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial recognition and measurement

At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Group classifies its financial assets into three principle classification categories based on the cash flow characteristics of the asset and the business model assessment. Financial instruments are measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL if;

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest (SPP) on the principle amount outstanding.

The Group recognises its cash and balances held with banks, investment in government securities trade finance and project finance loans and other receivables at amortised cost. Project financing is long-term in nature, while trade financing is short-term in nature. These instruments are subject to impairment.

Fair value through other comprehensive income (FVOCI) - Equity

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in fair value in Other Comprehensive income (OCI). This election is made on an investment-by-investment basis. The Group has elected to classify certain equity Investments it holds at FVOCI.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group classifies its derivative financial instruments at FVTPL.

An assessment whether contractual cash flows are solely payments of principal and interest

To determine whether a financial asset should be classified as measured at amortised cost or FVOCI an entity assesses whether the cash flow the financial asset represents, on specified dates, solely payments of principal and interest on the principal amount outstanding - i.e. the SPPI criterion. A financial asset that does not meet the SPPI criterion is always measured at FVTPL, unless it is an equity instrument for which an entity may apply the OCI election.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular year of time and other basis lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considered the contractual terms and instruments. This included assessing whether the financial asset contained a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considered:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayments and extension terms;
- terms that limit the Group's claim to cash flows from specified assets - e.g non-recourse asset arrangements; and
- features that modify consideration for the time value of money - e.g periodic reset of interest rates

Assessment whether contractual cash flows are solely payments of principle and interest (continued)

Interest rates on certain loans made by the group are based on standard variable rates (SVRs) that are set at the discretion of the group. SVRs are generally based on a market interbank rate and also include a discretionary spread. The group will assess whether the discretionary features is consistent with the SPPI criterion by considering a number of factors, including whether;

- the borrowers are able to prepay the loans without significant penalties;
- the market competition ensures that interest rates are consistent between bank; and
- any regulatory or customer protection framework is in place that requires banks to treat customers fairly

Some of the Group's loans contain prepayment features. A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents the unpaid amount of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

In addition, a prepayment feature is treated as consistent with this criterion if:

- a financial asset is acquired or originated at a premium or discount to its contractual par amount,
- the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination), and
- the fair value of the prepayment feature is insignificant on initial recognition.

De minimis

A contractual cash flow characteristic may not affect the classification of a financial asset if it could have a de minimis effect on the financial asset's contractual cash flows. To make this determination, the Group considers the possible effect of the contractual cash flow characteristic in each reporting year and cumulatively over the life of the financial asset.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior years, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading and those that are managed and whose performance is evaluated on a fair value basis will be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Derecognition and Modification evaluated on a fair value basis will be measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Derecognition and modification

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset have transferred any interest in a transferred financial asset that is created or retained by the group is recognised as a separate asset or liability. However, when the modification of a financial instrument not measured at FVTPL does not result in derecognition, the group will recalculate the gross carrying amount of the financial asset (or the amortised cost of the financial liability) by discounting the modified contractual cash flows at the original effective interest rate and recognise any resulting adjustment as a modification gain or loss in profit or loss.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Derecognition and modification (continued)

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions initial recognition and measurement.

Reclassification

The Group only reclassifies financial assets when management changes the business model for managing the financial assets. In that instance, all affected financial assets are reclassified. Such changes are expected to be very infrequent, and are determined by the Group's senior management as a result of external or internal changes. An entity shall not reclassify any financial liability.

Write-off

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event. The exposures are written off against the respective impairment allowances for losses. This is in compliance with both the provisions of the International Financial Reporting Standards (IFRS) and Bank policy which require the Group to regularly assess accounts that are significantly impaired and are specifically provided for yet continue to deteriorate.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of the amount due. Loans that are written off and therefore not forgiven. Appropriate measures are subsequently undertaken to maximize recovery from these accounts except where the anticipated costs of recovery exceed the amounts expected to be recovered and are therefore considered cost-ineffective.

The loan recovery unit actively follows up with the customer to recover any residual balance post the realisation of collateral and post-write-off.

Financial liabilities

Initial measurement of financial liabilities

All financial liabilities are recognised initially at fair value plus, in the case of borrowings, redeemable participating shares and payables, directly attributable to transaction costs.

Subsequent measurement

The Group classifies all financial liabilities as measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives and redeemable participating shares that are liabilities, shall be subsequently measured at fair value. Collection account deposits, short-term borrowings long-term borrowings, and other payables are classified at amortised cost. The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. Collection account deposits, short-term borrowings, long-term borrowings, and other payables are classified at amortised cost.

Derecognition

The Group derecognises a financial liability when, and only when its contractual obligations specified in this contract are discharged or canceled, or expire.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the group has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the group's trading actively.

Impairment - Trade finance and project finance loans, investments, other receivables, loan commitments, and financial guarantee contracts.

No impairment loss is recognised on equity investments.

The Group recognises loss allowance at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are a portion of ECLs that result from default events that are possible within the 12 months (or a shorter year if the expected life of a financial instrument is less than 12 months), weighted by the probability of the default occurring. The Group recognizes loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised will be 12-month ECLs:

- debt investment securities that are determined to have low credit risk at the reporting date. The group considers debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'Investment-grade' and
- other financial instruments (other than trade and lease receivables) for which credit risk has not increased significantly since the initial recognition.

The impairment requirements of IFRS 9 are complex and require management judgments, estimates, and assumptions, particularly in the following areas, which are discussed in detail below:

- assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- incorporating forward-looking information into the measurement of ECLs.

Measurement of ECLs

ECLs are an unbiased and probability-weighted estimate of credit losses and will be measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls - i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that Group expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments; the present value of the difference between the contractual cash flows due to the group if the commitment is drawn and the cash flows that the group expects to receive; and
- financial guarantee contracts; the present value of the expected payments to reimburse the holder less any amount that the group expects to recover.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

An asset is credit-impaired if one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset. The following are examples of such events;

- significant financial difficulty of the issues or the borrower;
- a breach of contract - e.g. a default or past-due event;
- a lender having granted a concession to the borrower - for economies or contractual reasons relating to the borrower's financial difficulty - that lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase of a financial assets at a deep discount that reflects the incurred credit losses.

Classification of loans under IFRS 9

TDB classifies its loan exposures as follows:

Classification	Explanation of Stage
Stage 1	<p>Capacity to meet financial obligation from primary source of repayment and with secondary sources readily available. Financial condition, liquidity, capitalization, earnings, cash flow, management and capacity to repay are strong. Fully collateralized with security packages, which may include cash, sovereign guarantees and/or undertakings, standby Letters of Credit or guarantees from banks with investment grade ratings from internationally recognized credit rating agencies and assigned receivables. Repayment of both principal and interest are up to date and in accordance with the agreed terms and there are identifiable receivables</p> <p>The Group has made an assessment that this classification and explanation is consistent with the requirements of IFRS 9.</p>
Stage 2	<p>Adequate capacity to meet financial obligations, but adverse conditions or changing circumstances are more likely to lead to weakened capacity to meet financial commitments. Company is newly formed (green field) or of average size within its industry and may have difficulty accessing or does not have access to public markets for short term or capital needs. For existing clients, more regular monitoring required as the result of deterioration in earnings or cash flow, irregularities in the conduct of the accounts, lack of customer co-operation, announcement of litigation or some other negative factor. Capacity to repay as measured by key loan repayment indicators remains satisfactory.</p> <p>The principal and/or the interest may be outstanding for more than 90 days, however, the loan has strong project fundamentals such as reasonably high-quality receivables, capitalization, earnings, cashflow-realignment negotiations, and sound management. Project implementation has delayed due to exogenous factors, but the completion is more likely to be achieved due to strong capitalization, competent technical team, management commitment and project viability assumptions remain unchanged.</p> <p>The qualitative and quantitative factors which trigger a reclassification from stage 1 to stage 2 have been defined, under note 47. These meet the specific requirements of IFRS 9 and aligns with the Group's credit risk management practices. Stage 2 assets are considered to be cured (i.e., reclassified back into stage 1), when there is no longer evidence of a significant increase in credit risk, and in accordance with the Group's credit risk management cure criteria.</p> <p>The Group has made an assessment that this classification and explanation is consistent with the requirements of IFRS 9.</p>

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Classification	Explanation of Stage
Stage 3	Asset has one or more well-defined weaknesses that make the full collection of principal and interest questionable such as weak financial condition including net worth, insufficient collateral, etc. The possibility of loss is very high. A full or partial provision of principal, interest or both may be required. Account has been classified as a non-performing/non-accrual loan. Asset is deemed uncollectible and of such little value that their continuance as bankable assets is not warranted. Full write-off of remaining principal and interest will be required in due course, even though partial recovery may be affected in future.
	Loans for which the principal and/or the interest remain outstanding for more than 90 days past due and the asset has one or more well-defined weakness(es) that make full collection questionable such as weak financial condition, liquidity, capitalization, earnings, cash flow and management including net worth, insufficient collateral and impaired receivables. The possibility of loss is high. A full or partial provision of principal, interest or both may be required.
	Defaulted assets are cured once the original event triggering default no longer exists, and the defined probation period (that is, the required consecutive months of performance) has been met. An asset deemed to be uncollectible and of such little value that their continuance as bankable assets is not warranted may be partially or fully written off even though partial recovery may be achieved in future.

Financial guarantees, letters of credit, and loan commitments

Financial guarantees and letters of credit are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under prespecified terms and conditions. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans and other banking facilities.

Financial guarantees, letters of credit issued, or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the allowance for expected credit losses determined in accordance with IFRS 9, and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Other loan commitments issued are measured at the sum of: (i) the allowance for expected credit losses determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised.

Derecognition policies are applied to loan commitments issued and held. For loan commitments, the Group recognises allowance for expected credit losses in line with the ECL IFRS requirements. ECL arising from financial guarantees and loan commitments are included within provisions.

Derivative financial instruments

As part of its asset and liability management, the Group uses derivatives in order to reduce its exposure to foreign currency risks. This is done by engaging in interest rate swaps, currency swaps and currency forward contracts.

All derivatives are measured at fair value in the statement of financial position. The change in fair value is recognised in profit or loss.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Employee entitlements

Employee entitlements to service pay and annual leave are recognized when they accrue to employees. A provision is made for the estimated liability of service pay as a result of services rendered by employees up to the year end. Employees are entitled to a full month's pay for every year of service completed. A provision is made for the estimated liability of annual leave for services rendered by employees up to the year end.

(o) Retirement benefit costs

The Group operates a defined contribution provident fund scheme for its employees. The Group contributes 21% of an employee's gross salary to the fund while employees can choose to contribute 7%, 14%, or 21%. The Group's contributions to the defined contribution plan are charged to profit or loss in the year to which they relate. The funds of the scheme are held independently of the Group's assets.

(p) Contingent liabilities

Letters of credit, acceptances, guarantees, and performance bonds are generally written by the Group to support performance by customers to third parties. The Group will only be required to meet these obligations in the event of the customer's default. These obligations are accounted for as off-statement of financial position transactions and disclosed as contingent liabilities.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents include short-term liquid investments which are readily convertible to known amounts of cash and which were within three months to maturity when acquired; less advances from banks repayable within three months from the date of the advance.

(r) Leases

The Group assesses whether a contract is or contains a lease at the inception of the contract. The Group recognises a right of use assets and a corresponding lease liability with respect to all leases arrangement in which it is the lease (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprises fixed lease payments (including the substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and by reducing the carrying amount to reflect the lease payment made.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(r) Leases (continued)

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payment using a revised discount rate.
- the lease payments change due to changes in index or rate change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payment using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter year of the lease term and useful life of the underlying asset if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

(s) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(t) Collection accounts deposits

Collection accounts deposits include amounts collected on behalf of customers from proceeds of group funded commodities. The funds are held until the maturity of underlying loans. Collection accounts are recorded at amortized cost. They are derecognized when the underlying assets are discharged.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the Group MD and CEO who acts as the chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for and for which discrete financial information is available.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(u) Segment reporting (Continued)

Segment results that are reported to CODM include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items comprise items that cannot be directly attributed to the Group's main business. 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.

(w) Management reserve

The Board of Directors approved the creation of a management reserve in the year ended 31 December 2018. When the Group adopted on 1 January 2018 IFRS 9- Financial Instruments accounting standard's Expected Loss (ECL) Model it showed that the Group's credit policy was more conservative and resulted in USD 19.84 million excess impairment provision.

The Board, therefore, approved the creation of the management reserve to cushion the Group against credit risk and other incidents of significant loss. The USD 19.84 million excess impairment provision was transferred to the management reserve as at 31 December 2019. Transfers into and out of this management reserve will be approved by the Board of Directors.

(v) Comparative information

Some comparative information has been restated as a result of prior period adjustments as discussed in Note 45.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3 APPLICATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those followed in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2023, except for new standards amendments and interpretations effective 1 January 2024. The nature and impact of each new standard and Amendment are described below.

i) Relevant new standards and amendments to published standards effective for the year.

Several new and revised standards and interpretations became effective during the year. The directors have evaluated the impact of their new standards and interpretations and none of them had a significant impact on the group's financial statements.

The following revised IFRS were effective in the current period and the nature and the impact of the relevant amendments are described below.

<p>Amendments to IAS 1- Classification of Liabilities as Current or Non-current</p>	<p>The amendments aim at providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.</p> <p>The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position—not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.</p> <p>They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments apply for annual periods beginning on or after 1 January 2024..</p> <p>The amendments are not expected to have a material impact on these financial statements.</p>
<p>Amendments to IAS 1 - Presentation of Financial Statements— Non-current Liabilities with Covenants</p>	<p>The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

3 APPLICATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

i) Relevant new standards and amendments to published standards effective for the year (Continued)

<p>Amendments to IAS 1 - Presentation of Financial Statements— Non-current Liabilities with Covenants (Continued)</p>	<p>The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.</p> <p>The amendments are applied for annual reporting periods beginning on or after 1 January 2024.</p> <p>The amendments are not expected to have a material impact on these financial statements.</p>
<p>Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures— Supplier Finance Arrangements</p>	<p>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.</p> <p>To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:</p> <ul style="list-style-type: none"> • the terms and conditions of the arrangements; • the carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements; • the carrying amount, and associated line items for which the suppliers have already received payment from the finance providers; • ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and • liquidity risk information. <p>The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024.</p> <p>The amendments are not expected to have a material impact on these financial statements.</p>

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3 APPLICATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

i) Relevant new standards and amendments to published standards effective for the year (Continued)

<p>Amendments to IFRS 16- Lease Liability in a Sale and Leaseback</p>	<p>The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.</p> <p>After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.</p> <p>Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.</p> <p>A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.</p> <p>The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.</p>
<p>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</p>	<p>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.</p> <p>The standard became effective on 1 January 2024.</p> <p>The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.</p>
<p>IFRS S2 — Climate-related Disclosures</p>	<p>IFRS S2 Climate-related Disclosures.</p> <p>The standard became effective on 1 January 2024</p> <p>The Directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

3 APPLICATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

ii) Impact of new and amended standards and interpretations in issue but not mandatorily yet effective

Title	Subject	Effective Date per IASB
Amendments to the SASB standards	Amendments to the SASB standards to enhance their international applicability	01-Jan-25
Amendments to IAS 21	Lack of exchangeability	01-Jan-25
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	01-Jan-26
Annual Improvements to IFRS Accounting Standards — Volume 11	Annual Improvements to IFRS Accounting Standards — Volume 11	01-Jan-26
IFRS 18	Presentation and Disclosures in Financial Statements	01-Jan-27
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01-Jan-27

The impact of the above new and amended standards and interpretations in issue is still being assessed. The Directors do not expect the adoption of the standards above will have a material impact on the financial statements of the group in future

Early adoption of standards

The group has not early adopted any standards, interpretations or amendments that have been issued but not effective.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
		Restated*		Restated*
	USD	USD	USD	USD
4. INTEREST INCOME				
<i>Effective Interest Rate Income:**</i>				
On loans and facilities:				
Project finance loans	120,715,504	102,550,298	120,715,504	104,819,947
Trade finance loans	183,987,154	184,388,956	183,889,319	182,081,951
Total interest income on loans and facilities:	304,702,658	286,939,254	304,604,823	286,901,898
<i>Other interest income:</i>				
Deposits/Held at amortised cost	65,612,406	55,396,846	64,556,468	51,395,592
Other	-	-	-	-
Total other interest income	65,612,406	55,396,846	64,556,468	51,395,592
Total effective interest income	370,315,064	342,336,100	369,161,291	338,297,490
	=====	=====	=====	=====
5. INTEREST EXPENSE				
Effective interest expense:				
Regional and international bond markets	28,241,659	31,651,602	28,241,659	31,651,602
Interest on funds borrowed from:				
- Banks and financial institutions	185,435,345	152,550,597	185,127,199	152,550,597
- Amortisation of deferred borrowing costs	13,574,367	10,637,894	13,574,367	10,637,894
- Other institutions	13,939,077	8,842,841	13,939,077	8,842,841
	241,190,448	203,682,934	240,882,302	203,682,934
	=====	=====	=====	=====
6. OTHER BORROWING COSTS				
Bank commission	46,486	43,820	46,486	43,820
Other costs	1,794,201	1,741,134	1,794,201	1,741,134
	1,840,687	1,784,954	1,840,687	1,784,954
	=====	=====	=====	=====

*Details of restatements are disclosed in Note 45.

** Interest income is recognised on an accrual basis using the effective interest rate method in line with IFRS 9.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
		Restated*		Restated*
7. FEES AND COMMISSIONS INCOME	USD	USD	USD	USD
Letter of credit fees in trade finance	6,220,843	3,406,553	6,220,843	3,406,553
Syndication fees in trade finance	-	1,466,111	-	1,466,111
Commitment fees on project finance	586,912	577,494	586,912	577,494
Other project fees	63,528	12,600	63,528	12,600
Guarantee fees in trade finance	12,500	390,775	-	390,775
Syndication fees in project finance	824,016	318,297	824,016	318,297
Guarantee fees in project finance	-	183,566	-	177,475
Other fees in trade finance	287,638	4,605	287,638	4,605
Commitment fees in trade finance	13,236	18,447	13,236	18,447
	<hr/>	<hr/>	<hr/>	<hr/>
	8,008,673	6,378,448	7,996,173	6,372,357
	=====	=====	=====	=====
8. RISK MITIGATION COSTS				
Insurance cover costs**	19,546,215	19,989,469	19,546,215	19,989,469
Risk participation costs***	- 3,592,108	263,636	545,736	263,636
	<hr/>	<hr/>	<hr/>	<hr/>
	15,954,107	20,253,105	20,091,951	20,253,105
	=====	=====	=====	=====

*Details of restatements are disclosed in Note 45.

**Insurance cover costs are premiums on insurance cover taken on loans made to various borrowers. As at 30 June 2024, the insurance cover was USD 1.56 billion (December 2023: USD 1.58 billion). The cover was taken with African Trade Insurance Agency Limited, Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC), Mar Risk Services Limited and Lloyds of London, all of which are Investment-grade companies.

***Risk participation costs relate to fees paid to other financial institutions in agreements where the Bank sells its exposures to contingent obligations. During the period, TDB risk participation amounted to USD 706.53 million (December 2023: USD 606.87 million).

This is in line with the Group's secondary loan trading and asset distribution activities under which, the loan assets are selectively traded to manage obligor, sector and geographic prudential limits and to provide room for booking of new assets and generating incremental fee income.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
	USD	USD	USD	USD
9. OTHER INCOME				
Other income	726,954	7,263,814	209,208	4,899,203
Dividend income	1,233,260	395,334	1,233,260	395,334
Interest on staff loans	314,983	220,389	314,983	220,389
Impaired assets recovered	-	236,887	-	236,887
Rental income	125,370	111,460	125,370	111,460
	<u>2,400,567</u>	<u>8,227,884</u>	<u>1,882,821</u>	<u>5,863,273</u>
	=====	=====	=====	=====
10. OPERATING EXPENSES				
Staff costs (Note 11)	17,910,642	18,019,102	17,548,414	17,630,676
Consultants and advisers	2,606,938	1,689,493	2,552,404	1,540,500
Other operating expenses	2,020,659	3,390,713	1,352,456	965,225
Official missions	1,353,471	938,398	1,148,828	914,216
Depreciation of property and equipment	1,060,561	587,374	1,060,561	587,374
Business promotion	409,913	584,395	409,913	581,760
Board of Directors meetings	295,315	432,925	280,643	413,875
Short term leases and other rentals	86,156	270,516	86,156	270,516
Amortisation of intangible assets	74,837	363,157	74,837	363,157
Board of Governors meetings	88,560	65,602	88,560	65,602
Audit fees	65,225	72,699	44,250	44,250
Depreciation of right-of-use assets	12,393	178,380	12,393	178,380
Loss on disposal of property and Equipment	2,703	-	2,703	-
Interest on lease liability	-	23,819	-	23,819
	<u>25,987,373</u>	<u>26,616,574</u>	<u>24,662,118</u>	<u>23,579,351</u>
	=====	=====	=====	=====
Auditors' Remuneration:				
Deloitte: Audit of Group consolidated and separate financial statements	65,225	72,699	44,250	44,250
Deloitte firms: non -audit services	7,598	14,241	7,598	14,241
Non-Deloitte firms: non -audit services	199,534	109,508	183,630	103,385
	<u>72,823</u>	<u>86,940</u>	<u>51,848</u>	<u>58,491</u>
	=====	=====	=====	=====
11. STAFF COSTS				
Salaries and wages	9,133,912	9,148,041	8,847,644	8,759,615
Staff reward and recognition scheme	3,167,802	3,022,227	3,167,802	3,022,227
Staff provident fund defined contribution plan	1,608,266	1,544,276	1,558,656	1,544,276
School fees for dependents	1,233,391	1,697,472	1,233,391	1,697,472
Medical costs	1,127,121	757,287	1,127,121	757,287
Other costs*	795,155	680,505	785,235	680,505
Service pay provision	779,710	894,689	763,280	894,689
Leave pay expense	65,285	274,605	65,285	274,605
	<u>17,910,642</u>	<u>18,019,102</u>	<u>17,548,414</u>	<u>17,630,676</u>
	=====	=====	=====	=====

*Other staff costs include training costs, staff relocation and installation expenses.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NET TRADING INCOME & OPERATING INCOME

Management has presented Net trading income and Operating income in the statement of profit or loss because it monitors these performance measures in its operations and believes that these measures are relevant to understanding the Group's and Bank's financial performance.

Net trading income represents the interest, fees, and commission income, less interest on borrowings. It is calculated to exclude the impact of other income, risk mitigation costs, operating expenditure, impairment charges, and foreign exchange differences. Net trading income is not a defined performance measure in IFRS Standards hence the Group's definition may not be comparable with similarly titled performance measures and disclosures by other entities.

Operating income represents the interest, fees, and commission income and other income less interest on borrowing, risk mitigation, and other related direct expenses. It is calculated to exclude the impact of operating expenditure, impairment charges, and foreign exchange differences. Operating income is not a defined performance measure in IFRS Standards hence the Group's definition may not be comparable with similarly titled performance measures and disclosures by other entities.

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
13. OTHER FINANCIAL ASSETS IMPAIRED AND WRITTEN OFF	USD	USD	USD	USD
Other receivables (Note 24)*	2,500,140	37,677	2,500,140	37,677
	=====	=====	=====	=====

*This relates to appraisal fees on projects previously recognized as income receivable, now written off.

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
14. NET FOREIGN EXCHANGE LOSSES	USD	USD	USD	USD
(Losses) on cash items	(2,134,498)	(1,461,790)	(2,137,422)	(1,461,790)
Unrealized losses on non-cash items	(401,340)	(1,051,658)	(401,340)	(1,109,854)
	=====	=====	=====	=====
Total foreign exchange losses	(2,535,838)	(2,513,448)	(2,538,762)	(2,571,644)
	=====	=====	=====	=====

15. TAXATION

Trade and Development Bank ("TDB") is a multilateral institution fully recognized by the Member States in which it conducts its operations. TDB, by its Charter, is exempt from all taxes in its Member States.

TDB has controlling interest in subsidiaries which are domiciled in the Republic of Mauritius and Zimbabwe (Mauritius is also the host country of one of TDB's principal offices). Since the subsidiaries (ESATAL, ESAIF, ESATF, TCI and TDF) are creatures of the TDB Charter which is in force in Mauritius and Zimbabwe and given that they are owned in majority by TDB, the companies benefit from tax exemption, immunities and privileges under TDB.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

16. CASH AND BALANCES HELD WITH OTHER BANKS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
	USD	USD	USD	USD
Current accounts	368,564,143	597,018,783	356,938,794	577,810,057
Call and term deposits with banks	651,047,015	2,426,177,054	641,360,142	2,404,318,643
	<u>1,019,611,158</u>	<u>3,023,195,837</u>	<u>998,298,936</u>	<u>2,982,128,700</u>
	=====	=====	=====	=====
<i>Maturity Analysis*:</i>				
With less than 90 days maturity	978,717,552	2,099,938,569	957,405,330	2,058,871,432
With more than 90 days maturity	40,893,606	923,257,268	40,893,606	923,257,268
	<u>1,019,611,158</u>	<u>3,023,195,837</u>	<u>998,298,936</u>	<u>2,982,128,700</u>
	=====	=====	=====	=====
(i) Current accounts:				
Amounts maintained in US Dollars (USD)	124,255,083	129,478,038	112,629,899	110,269,312
Amounts maintained in other currencies:				
Euro	133,457,057	344,081,570	133,456,964	344,081,570
Malawi Kwacha	85,511,961	88,272,364	85,511,961	88,272,364
Ethiopian Birr	14,573,217	190,757	14,573,217	190,757
Zambia Kwacha	4,873,094	29,130,129	4,873,094	29,130,129
Tanzania Shillings	4,475,789	4,712,574	4,475,789	4,712,574
Burundi Francs	855,835	728,264	855,835	728,264
Seychelles Rupee	244,922	151,128	244,922	151,128
Kenyan Shillings	147,989	154,494	147,989	154,494
British Pounds	75,176	16,966	75,176	16,966
Mauritian Rupee	65,503	40,861	65,431	40,861
United Arab Emirates Dirrham	12,635	14,444	12,635	14,444
Ugandan Shillings	12,415	38,070	12,415	38,070
South African Rand	1,368	1,837	1,368	1,837
Zimbabwe Gold	1,334	-	1,334	-
Japanese Yen	950	1,080	950	1,080
Zimbabwe Dollar	(185)	6,207	(185)	6,207
	<u>244,309,060</u>	<u>467,540,745</u>	<u>244,308,895</u>	<u>467,540,745</u>
	=====	=====	=====	=====
	<u>368,564,143</u>	<u>597,018,783</u>	<u>356,938,794</u>	<u>577,810,057</u>
	=====	=====	=====	=====

*Cash amounts maturing in less than 90 days (cash and cash equivalents for the purpose of the statement of cash flows) and amounts maturing over 90 days have been disclosed separately.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

16. CASH AND BALANCES HELD WITH OTHER BANKS (Continued)

	GROUP		BANK	
	2024	2023	2024	2023
	JUNE	DECEMBER	JUNE	DECEMBER
	USD	USD	USD	USD
(ii) Call and term deposits with banks:				
United States Dollars (USD)	178,454,531	2,122,046,025	168,767,658	2,100,187,614
Amounts maintained in other currencies:				
Euro	444,208,568	266,055,011	444,208,568	266,055,011
United Arab Emirates Dirham	19,893,606	19,895,231	19,893,606	19,895,231
Ethiopian Birr	-	9,821,429	-	9,821,429
Ugandan Shillings	5,984,307	5,853,354	5,984,307	5,853,354
Sudanese Pounds	2,506,003	2,506,003	2,506,004	2,506,003
	<u>472,592,484</u>	<u>304,131,029</u>	<u>472,592,484</u>	<u>304,131,029</u>
	<u>651,047,015</u>	<u>2,426,177,054</u>	<u>641,360,142</u>	<u>2,404,318,643</u>
	=====	=====	=====	=====
(iii) Movement in over 90 days balances				
At the beginning of period	923,257,268	716,288,869	923,257,268	716,288,869
Additions	21,000,000	250,424,216	21,000,000	250,424,216
Maturities	(903,363,662)	(100,000,000)	(903,363,662)	(100,000,000)
Interest earned	-	56,544,183	-	56,544,183
	<u>40,893,606</u>	<u>923,257,268</u>	<u>40,893,606</u>	<u>923,257,268</u>
	=====	=====	=====	=====
(iv) Effective interest rates on deposits with banks			GROUP AND BANK	
			JUNE	DECEMBER
			2024	2023
			%	%
United States Dollars			4.46%	6.64%
Euro			3.79%	3.90%
United Arab Emirates Dirham			5.42%	5.42%
Ethiopian Birr			-	9.00%
Ugandan Shillings*			13.35%	13.35%
Zambian Kwacha*			31.10%	31.10%

* The Uganda Shillings and Zambian Kwacha rates did not change from December 2023 to June 2024.

17. DERIVATIVE FINANCIAL INSTRUMENTS

As part of its asset and liability management, the Group uses derivatives for purposes of reducing its exposure to interest rate and foreign currency risks. This is done by engaging in interest rate swaps, currency swaps and currency forward contracts.

Interest rate swaps relate to contracts taken out by the Group with other financial institutions in which the Group either receives or pays a floating rate of interest in return for paying or receiving, a fixed rate of interest. The payment flows are usually netted off against each other, with the difference being paid by one party to the other. The Group manages its exposure to adverse movements on currency exchange rates on its Euro disbursements by entering into currency forward exchange contracts.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As at 30 June 2024, and 31 December 2023, the Group only had currency forward exchange contracts in its derivative financial instruments portfolio.

The table below shows the fair values of derivative financial instruments, recorded as net assets at year end.

	GROUP		BANK	
	2024	2023	2024	2023
	JUNE	DECEMBER	JUNE	DECEMBER
	USD	USD	USD	USD
Currency forward exchange contracts				
Net opening balance at start of period	4,248,951	(17,826,383)	4,248,951	(17,826,383)
Contracts entered into during period-Net	59,282,376	71,287,751	59,282,376	71,287,751
Net amounts settled	(56,406,373)	(61,559,555)	(56,406,373)	(61,559,555)
Fair value gains through profit or loss	19,328,969	12,347,138	19,328,969	12,347,138
	<hr/>	<hr/>	<hr/>	<hr/>
Net closing balance as at end of period	26,453,923	4,248,951	26,453,923	4,248,951
	<hr/>	<hr/>	<hr/>	<hr/>

18. TRADE FINANCE LOANS

Principal loans	4,438,930,950	4,379,521,714	4,436,194,268	4,376,657,546
Interest receivable	514,774,165	397,445,286	514,774,165	397,379,561
	<hr/>	<hr/>	<hr/>	<hr/>
Gross loans	4,953,705,115	4,776,967,000	4,950,968,433	4,774,037,107
Impairment on trade finance loans (Note 20)**	(203,785,299)	(189,385,850)	(203,480,852)	(189,214,578)
	<hr/>	<hr/>	<hr/>	<hr/>
Net loans	4,749,919,816	4,587,581,150	4,747,487,581	4,584,822,529
	<hr/>	<hr/>	<hr/>	<hr/>

Analysis of gross loans by maturity:

Maturing:

Within one year	1,257,505,374	3,175,657,056	1,257,505,374	3,175,657,056
One to three years	3,592,140,985	1,543,563,555	3,589,404,303	1,540,633,662
Over three years	104,058,756	57,746,389	104,058,756	57,746,389
	<hr/>	<hr/>	<hr/>	<hr/>
	4,953,705,115	4,776,967,000	4,950,968,433	4,774,037,107
	<hr/>	<hr/>	<hr/>	<hr/>

As at 30 June 2024, as disclosed in Note 47 (b) the gross non-performing trade finance loans (stage 3) amounted to USD 121,903,108 (December 2023- USD 122,715,655). The specific impairment provisions related to these loans amounted to USD 93,090,709 (December 2023 - USD 86,115,622) hence the carrying amount of the stage 3 loans amounted to USD 28,812,399 (December 2023- USD 36,000,033). The provisions related to stage 1 and stage 2 trade finance loans amounted to USD 110,390,143 (December 2023 - USD 103,270,228).

** Includes impairment charge for off-balance sheet commitments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

19. PROJECT LOANS

	GROUP		BANK	
	2024	2023	2024	2023
	JUNE	DECEMBER	JUNE	DECEMBER
	USD	USD	USD	USD
Loans disbursed	5,170,298,291	4,966,712,076	5,170,298,291	4,966,712,076
Interest capitalised*	196,403,420	167,649,621	196,403,420	167,649,621
Loans repaid	(3,015,152,722)	(3,043,525,734)	(3,015,152,722)	(3,043,525,734)
Principal loan balances	2,351,548,989	2,090,835,963	2,351,548,989	2,090,835,963
Interest receivable	82,688,444	78,024,000	82,688,444	78,024,000
Gross loans	2,434,237,433	2,168,859,963	2,434,237,433	2,168,859,963
Impairment on project loans (Note 20)**	(50,930,378)	(37,764,984)	(50,930,378)	(37,764,984)
Net loans	2,383,307,055	2,131,094,979	2,383,307,055	2,131,094,979
Analysis of gross loans by maturity:				
Maturing:				
Within one year	749,972,773	705,540,842	749,972,773	705,540,842
One year to three years	782,966,515	806,890,829	782,966,515	806,890,829
Three to five years	565,900,481	413,222,897	565,900,481	413,222,897
Over five years	335,397,665	243,205,395	335,397,665	243,205,395
	2,434,237,434	2,168,859,963	2,434,237,434	2,168,859,963

* Interest capitalized relates to interest in arrears on loans which were restructured now capitalized to principal.

The gross non-performing (Stage 3) project loans as disclosed in Note 47 (b) was USD 130,484,088 (December 2023 - USD 127,563,249). The impairment provisions on stage 3 loans amounted to USD 19,528,333 (December 2023 - USD 16,502,325) hence the carrying value of the loans amounted to USD 110,955,755 (December 2023- USD 111,060,924). Stage 1 and 2 provisions for project finance loans amounted to USD 31,405,045 (December 2023 - USD 21,262,659).

** Includes impairment charge for off-balance sheet commitments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

	Project Finance Loans			GROUP Trade Finance Loans			Low Credit Risk Assets USD	Total provisions USD
	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD		
As at 1 January 2023	29,846,740	874,149	30,720,889	172,723,938	1,738,495	174,462,433	9,242,680	214,426,002
Amount written off	(2,768,969)	-	(2,768,969)	(3,677,734)	-	(3,677,734)	-	(6,446,703)
Charge for the year	9,377,884	435,180	9,813,064	16,272,462	2,328,689	18,601,151	(449,791)	27,964,424
As at 31 December 2023	36,455,655	1,309,329	37,764,984	185,318,666	4,067,184	189,385,850	8,792,889	235,943,723
As at 1 January 2024	36,455,655	1,309,329	37,764,984	185,318,666	4,067,184	189,385,850	8,792,889	235,943,723
Amount written off	-	-	-	-	-	-	-	-
Charge for the year	13,457,766	(292,372)	13,165,394	16,426,844	(2,027,395)	14,399,449	(258,129)	27,306,714
As at 30 June 2024	49,913,421	1,016,957	50,930,378	201,745,510	2,039,789	203,785,299	8,534,760	263,250,437
As at 30 June 2023	11,294,633	434,005	11,728,638	8,344,091	215,105	8,559,196	(1,237,593)	19,050,241

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NOTES TO THE FINANCIAL STATEMENTS (continued)

20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

	Project Finance Loans			BANK Trade Finance Loans			Low Credit Risk Assets USD	Total provisions USD
	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD		
As at 1 January 2023	29,846,740	874,149	30,720,889	172,723,938	1,738,495	174,462,433	9,242,680	214,426,002
Amount written off	(2,768,969)	-	(2,768,969)	(3,677,734)	-	(3,677,734)	-	(6,446,703)
Charge for the year	9,377,884	435,180	9,813,064	16,101,190	2,328,689	18,429,879	(449,791)	27,793,152
As at 31 December 2023	36,455,655	1,309,329	37,764,984	185,147,394	4,067,184	189,214,578	8,792,889	235,772,451
As at 1 January 2024	36,455,655	1,309,329	37,764,984	185,147,394	4,067,184	189,214,578	8,792,889	235,772,451
Amount written off	-	-	-	-	-	-	-	-
Charge for the year	13,457,766	(292,372)	13,165,394	16,293,669	(2,027,395)	14,266,274	(258,129)	27,173,539
As at 30 June 2024	49,913,421	1,016,957	50,930,378	201,441,063	2,039,789	203,480,852	8,534,760	262,945,990
As at 30 June 2023	11,294,633	434,005	11,728,638	8,344,091	215,105	8,559,196	(1,237,593)	19,050,241

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21. INVESTMENTS IN GOVERNMENT SECURITIES

Held at Amortised Cost:	GROUP		BANK	
	JUNE 2024 USD	DECEMBER 2023 USD	JUNE 2024 USD	DECEMBER 2023 USD
Treasury Notes and Treasury Bonds:				
At 1 January:	51,867,034	57,227,132	42,168,768	57,227,132
Investment in treasury bills	746,351,551	9,698,266	725,240,864	-
Maturities	(12,580,069)	(15,058,364)	(12,580,069)	(15,058,364)
At 30 June/31 December:	785,638,516	51,867,034	754,829,563	42,168,768
	=====	=====	=====	=====
ECL Impairment provisions	7,171,383	493,375	7,171,383	493,375
	=====	=====	=====	=====

As part of the Bank's mandate to deepen capital markets within our member state, TDB continued to invest in Treasury Bonds in Member States providing competitive yields for the respective currencies. The bonds are held as investments in US Dollars in Mauritius and Zimbabwe, and in Zambian Kwacha for investments in Zambian government securities.

The effective interest rate for the Zambian Kwacha government securities was 31.10% (December 2023: 31.10%) while USD securities had an effective interest rate of 5.00% (December 2023: 6.64%).

22. INVESTMENTS IN CORPORATE BONDS

Held at Amortised Cost:	GROUP	
	2024 JUNE USD	2023 DECEMBER USD
At 1 January:	-	-
Investment in corporate bonds	9,442,152	-
Maturities	-	-
At end of period:	9,442,152	-
	=====	=====

The Bank's Subsidiary, TCI, invested in corporate bonds during 2024. The bonds are held in USD.

The effective interest rate for the corporate bonds was 4.88%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

23. TRADE FUND LOAN RECEIVABLES

	GROUP	
	JUNE	DECEMBER
	2024	2023
	USD	USD
Held at Fair Value Through Profit or Loss:		
At 1 January:	146,140,978	115,013,836
<i>Movement during the year:</i>		
Issue of loans	73,004,289	359,860,590
Disposal of loan participation	(47,558,417)	(345,030,151)
Unrealised gain on revaluation	8,479,068	16,236,861
Realised gain/(loss) on disposal of loan participation	316,040	(91,970)
Unrealised foreign exchange gain on loan	398	151,812
Net change in Trade Fund receivable	34,241,378	31,127,142
At end of period:	180,382,356	146,140,978

Trade Fund receivables relate to ESATF loan participation transactions. The Trade Fund receivables are carried at fair value through profit or loss.

24. OTHER RECEIVABLES	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
	USD	USD	USD	USD
Prepayments and other receivables*	24,769,871	19,514,383	30,113,921	33,007,437
Staff loans and advances**	23,673,134	22,321,011	23,673,134	22,321,011
Appraisal fees***	1,510,125	497,750	1,510,125	497,750
	49,953,130	42,333,144	55,297,180	55,826,198
Appraisal fees receivable****				
At the beginning of the year	497,750	480,808	497,750	480,808
Accrued Income	1,333,875	726,329	1,333,875	726,329
Receipts	2,178,640	(343,808)	2,178,640	(343,808)
Impaired and written off amounts (Note 13)	(2,500,140)	(365,579)	(2,500,140)	(365,579)
At the end of the period	1,510,125	497,750	1,510,125	497,750
<i>Maturity analysis:</i>				
Amounts due within one year	30,230,551	24,271,140	34,870,679	36,103,619
Amounts due after one year	19,722,579	18,062,003	20,426,501	19,722,579
	49,953,130	42,333,144	55,297,180	55,826,198

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

** Staff loan 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. The interest rates for these loans ranges from 3% to 6%.

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

25. EQUITY INVESTMENTS

	GROUP AND BANK						
(i) Equity participation:							
At fair value through OCI	Beginning	Additions/ disposals	Total Ending	Investment Carrying Value at Period End	Investment Carrying Value Previous Year	Adjustment for the Period	TDB's Share- holding*
	Cost		Cost				
As at 30 June 2024 :	USD	USD	USD	USD	USD	USD	%
African Export Import Bank	2,364,160	-	2,364,160	8,099,000	8,099,000	-	0.2
PTA Reinsurance	31,938,654	-	31,938,654	57,749,000	57,749,000	-	18.7
Africa Trade Insurance Company	1,000,000	-	1,000,000	1,325,000	1,325,000	-	0.3
Gulf African Bank	1,978,734	-	1,978,734	1,905,000	1,905,000	-	5.2
Pan African Housing Fund	772,431	-	772,431	87,390	73,869	13,521	2.4
Cable and Wireless	2,729,000	-	2,729,000	2,729,000	2,729,000	-	2.8
TOTAL	40,782,979	-	40,782,979	71,894,390	71,880,869	13,521	
	=====	=====	=====	=====	=====	=====	
As at 31 December 2023 :							
African Export Import Bank	2,364,160	-	2,364,160	8,099,000	9,567,000	(1,468,000)	0.2
PTA Reinsurance	31,938,654	-	31,938,654	57,749,000	56,136,000	1,613,000	18.7
Tanruss	1,755,000	(1,755,000)	-	-	(194,417)	-	-
Africa Trade Insurance Company	1,000,000	-	1,000,000	1,325,000	1,215,000	110,000	0.3
Gulf African Bank	1,978,734	-	1,978,734	1,905,000	1,887,000	18,000	5.2
Pan African Housing Fund	772,431	-	772,431	73,869	112,515	(38,646)	2.4
Cable and Wireless	2,729,000	-	2,729,000	2,729,000	2,729,000	-	2.8
TOTAL	42,537,979	(1,755,000)	40,782,979	71,880,869	71,452,098	234,354	
	=====	=====	=====	=====	=====	=====	

The Group's main equity investments are in ZEP-RE (PTA Reinsurance Company), African Export-Import Bank, 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 30 June 2024, all investments were carried at fair value as per provision of IFRS 9. The Group disposed of the shares in Tanruss Investments Limited during 2023. The dividends received in respect of these investments, whenever applicable, are disclosed in Note 9.

*The shareholding percentage is based on the investee companies' prior year audited Financial Statements except for Pan African Housing Fund and Cable and Wireless which are based on current year financial information.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

25. EQUITY INVESTMENTS (continued)

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
	USD	USD
(ii) Installments paid:		
Total subscribed capital*	42,159,115	42,159,115
Less: Installments not due – Note 25(iii)	(1,376,136)	(1,376,136)
Installments paid as at end of period– Note 25 (iv)	40,782,979	40,782,979
	=====	=====
* 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	176,136	176,136
	1,376,136	1,376,136
	=====	=====
**Unpaid subscriptions are payable on call.		
(iv) Movement in the installments paid:		
At beginning of period	40,782,979	42,537,979
Divestiture– Note 25(i)	-	(1,755,000)
At end of period	40,782,979	40,782,979
	=====	=====

26. INVESTMENT IN SUBSIDIARIES - AT COST

(a) TDB Subsidiaries

(i) Eastern and Southern African Trade Advisers Limited (ESATAL)

The Bank had a 50% plus 1 share interest in Eastern and Southern African Trade Advisers Limited (ESATAL) up to June 2022. On 30th June 2022, TDB acquired the minority interest which was held by GML Capital, thus making TDB a 100% shareholder in 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 and became a subsidiary of TDB in August 2019 after the Bank obtained control. The principal place of business of ESATAL is Ebene, Mauritius. ESATAL is an investment Manager for The Eastern and Southern African Trade Fund – “ESATF”. ESATAL has a 31 December year end for reporting purposes.

TDB Acquisition of 100% interest in ESATAL

In December 2021, TDB Board of Directors gave approval to TDB’s exercise of its option rights to buy out all of GML Capital LLP’s ordinary shares in ESATAL and to terminate the Shareholders Agreement between TDB and GML as shareholders in ESATAL.

GML accepted TDB’s decision and the two parties agreed on a consideration for the sale by the GML of the shares to TDB for the sum of USD 1,289,478. The purchase price, which was acknowledged and agreed by TDB and GML, was determined on the basis of the fair market value of the shares as at the closing date. The transaction was closed on 30 June 2022.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(a) TDB Subsidiaries (Continued)

(ii) Trade and Development Fund (TDF)

In its first year of operation, TDF had a nominal share capital of USD 1 and was 100% owned by TDB. During 2023, TDB invested USD 8.5 million in share capital in TDF. Later TDB's Member States invested USD 8,569,378 directly into TDF. As at 30 June 2023, TDB controls 86.44% of TDF, while TDB's Member States directly control 13.56% of TDF.

TDF was incorporated in 2020 and the principal place of business of TDF is Harare, Zimbabwe. TDF provides grants, donations, technical assistance and financial assistance under non-commercial terms, as well as providing training and capacity building. TDF has a 31 December year end for reporting purposes.

(iii) Eastern and Southern African Infrastructure Fund (ESAIF)

The Bank has a 100% interest in Eastern and Southern African Infrastructure Fund (ESAIF). ESAIF was incorporated in 2015 as a joint venture between TDB and Harith General Partners, with each party controlling 50% interest in the joint venture. In September 2017, ESAIF became a subsidiary of TDB after the Bank obtained control. The principal place of business of ESAIF is Ebene, Mauritius. ESAIF is an investment Manager for COMESA Infrastructure Fund - "CIF". ESAIF has a 31 December year end for reporting purposes.

In 2023, ESAIF made a loss of USD 29,833, causing the net asset value to reach a negative amount of USD (9,014). An impairment assessment was made and determined that ESAIF be fully impaired. The impaired amount was USD 1,227,054. During the period to 30 June 2024, the Bank invested a further USD 41,096 in ESAIF. However, in the absence of any positive turnaround during the period, ESAIF remains impaired, and hence the carrying value is NIL. The impairment for the period has been charged to Bank's profit and loss on Page 9.

(iv) Eastern and Southern African Trade Fund (ESATF)

The Eastern and Southern African Trade Fund (ESATF) is a company domiciled in Mauritius that is licensed by the Mauritius Financial Services Commission (FSC) as a collective investment scheme and invests primarily in trade finance assets across Africa. It is an open-ended fund, with the initial subscription of USD 49.55 Million made by TDB in August 2019. ESATF has appointed ESATAL as its Fund Manager to provide fund management services in terms of the fund management agreement.

Over the years, and in line with the business strategy, the Fund has attracted more investors, diluting TDB's investment to 41.53% (December 2023: 44.00%) of the total Net Asset Value (NAV) of ESATF.

(v) TDB Captive Insurance (TCI)

The Bank has 100% interest in TDB Captive Insurance (TCI). TCI was incorporated in 2021 and the principal place of business of TCI is Ebene, Mauritius. TCI provides risk mitigation services for its parent company TDB and other related group entities, primarily focusing on insurance services for financial assets. TCI has a 31 December year end for reporting purposes.

(vi) COMESA Infrastructure Fund (CIF)

The COMESA Infrastructure Fund (CIF) is jointly owned by COMESA and TDB. CIF was incorporated in 2015 and the principal place of business of TCI is Ebene, Mauritius. CIF principal activity was to finance infrastructure projects within the COMESA region. CIF has a 31 December year end for reporting purposes.

CIF has not been consolidated into the Group accounts because of the winding up process which is in progress.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(b) TDB Investment in subsidiaries

As at 30 June 2024:	TDF No. of shares	ESATAL No. of shares	ESATF No. of shares	TCI No. of shares	TOTAL No. of shares
<i>Subsidiary's Issued Shares:</i>					
As at 1 January 2024	9,913,265	139,967	141,192,655	30,000,000	181,245,887
Subscriptions during the period	-	-	16,975,153	20,000,000	36,975,153
Redemption of shares during the period	-	-	(8,364,758)	-	(8,364,758)
Increase in NAV	-	-	7,081,396	-	7,081,396
	=====	=====	=====	=====	=====
Total issued and fully paid	9,913,265	139,967	156,884,446	50,000,000	216,937,678
	=====	=====	=====	=====	=====
TDB's share	86.44%	100%	41.53%	100%	
Fully paid	8,569,378	139,967	65,154,051	50,000,000	123,863,396
	=====	=====	=====	=====	=====
Non-controlling interest*	1,343,887	-	91,730,395	-	93,074,282
	=====	=====	=====	=====	=====
	USD	USD	USD	USD	USD
<i>Share capital:</i>					
Total Investment in subsidiaries	8,569,378	1,359,463	49,549,739	50,000,000	109,478,580
	=====	=====	=====	=====	=====
Total issued and fully paid	8,569,378	1,359,463	49,549,739	50,000,000	109,478,580
	=====	=====	=====	=====	=====
As at 31 December 2023					
<i>Subsidiary's Issued Shares:</i>					
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
As at 1 January 2023	1	139,967	122,231,937	30,000,000	152,371,905
Subscriptions during the year	9,913,264	-	7,734,359	-	17,647,623
Increase in NAV	-	-	11,226,359	-	11,226,359
	=====	=====	=====	=====	=====
Total issued and fully paid	9,913,265	139,967	141,192,655	30,000,000	181,245,887
	=====	=====	=====	=====	=====
TDB's share	86.44%	100%	44.00%	100%	
Fully paid	8,569,378	139,967	62,127,782	30,000,000	100,837,127
	=====	=====	=====	=====	=====
Non-controlling interest*	1,343,887	-	79,064,873	-	80,408,760
	=====	=====	=====	=====	=====
	USD	USD	USD	USD	USD
<i>Share capital:</i>					
Total Investment in subsidiaries	8,569,378	1,359,463	49,549,739	30,000,000	89,478,580
	=====	=====	=====	=====	=====
Total issued and fully paid	8,569,378	1,359,463	49,549,739	30,000,000	89,478,580
	=====	=====	=====	=====	=====

*ESATF non controlling interest- Refer to Note 34 for detailed disclosure.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

Summarised financial information in respect of non-wholly owned subsidiaries of the group that have material non-controlling interest is shown below:

As at 30 June 2024	TDF USD	ESATF USD	TOTAL USD
(i) Statement of Financial Position			
Total assets	10,975,404	182,742,680	193,718,084
Total liabilities	(5,266,317)	(25,858,133)	(31,124,450)
	<u> </u>	<u> </u>	<u> </u>
Net assets	5,709,087	156,884,547	162,593,634
	=====	=====	=====
Attributable to owners of the Bank	4,934,935	65,154,152	70,089,087
Non-controlling interest	774,152	91,730,395	92,504,547
	<u> </u>	<u> </u>	<u> </u>
	5,709,087	156,884,547	162,593,634
	=====	=====	=====
(ii) Statement of Profit and Loss and Other Comprehensive Income			
Income	312,040	8,797,997	9,110,037
Expenditure	(633,837)	(1,716,601)	(2,350,438)
	<u> </u>	<u> </u>	<u> </u>
Comprehensive income/loss	(321,797)	7,081,396	6,759,599
	=====	=====	=====
Attributable to owners of the Bank	(278,161)	2,940,904	2,662,742
Non-controlling interest	(43,636)	4,140,492	4,096,857
	<u> </u>	<u> </u>	<u> </u>
	(321,797)	7,081,396	6,759,599
	=====	=====	=====
(iii) Statement of Cash Flows			
Net cash (used in) operating activities	-	(10,917,004)	(10,917,004)
Net cash generated from financing activities	-	8,610,395	8,610,395
	<u> </u>	<u> </u>	<u> </u>
Net (decrease) in cash and cash equivalents	-	(2,306,609)	(2,306,609)
Cash and cash equivalents at beginning of period	-	(9,530,490)	(9,530,490)
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of period	-	(11,837,099)	(11,837,099)
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

As at 31 December 2023

	TDF USD	ESATF USD	TOTAL USD
(i) Statement of Financial Position			
Total assets	9,453,554	151,028,302	160,481,856
Total liabilities	(4,542,670)	(9,835,647)	(14,378,317)
	=====	=====	=====
Net assets	4,910,884	141,192,655	146,103,539
	=====	=====	=====
Non-controlling interest	4,244,968	49,462,260	53,707,228
	665,916	91,730,395	92,396,311
(ii) Statement of Profit and Loss and Other Comprehensive Income			
Income	4,910,884	141,192,655	146,103,539
Expenditure	=====	=====	=====
Comprehensive income/loss	197,992	14,085,455	14,283,447
	(1,317,188)	(2,859,096)	(4,176,284)
Attributable to owners of the Bank	(1,119,196)	11,226,359	10,107,163
Non-controlling interest	=====	=====	=====
	(967,433)	4,662,307	3,694,874
	(151,763)	6,564,052	6,412,289
(iii) Statement of Cash Flows			
	(1,119,196)	11,226,359	10,107,163
	=====	=====	=====
Net cash (used in)/ generated from operating activities			
Net cash generated from/(used in) financing activities			
Net cash generated from investing activities			
	(4,913,264)	4,659,296	(253,968)
Net increase/(decrease) in cash and cash equivalents	4,913,264	(26,978,046)	(22,064,782)
Cash and cash equivalents at beginning of year	-	7,734,359	7,734,359
	=====	=====	=====
Cash and cash equivalents at end of year	-	(14,584,391)	(14,584,391)
	-	5,053,900	5,053,900
	=====	=====	=====
	-	(9,530,491)	(9,530,491)
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

27. PROPERTY AND EQUIPMENT

	GROUP AND BANK					
	Freehold land USD	Restated* Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
As at 30 June 2024						
COST						
As at 1 January 2024	142,110	41,739,588	1,206,757	2,903,544	6,161,804	52,153,803
Derecognition*	-	(8,065,936)	-	-	-	(8,065,936)
Additions	-	318,245	-	7,691	18,511	344,447
Disposals	-	-	-	(5)	(19,967)	(19,972)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2024	142,110	33,991,897	1,206,757	2,911,230	6,160,348	44,412,342
DEPRECIATION						
As at 1 January 2024	-	9,279,132	1,008,828	1,530,056	2,913,987	14,732,003
Derecognition*	-	(8,065,936)	-	-	-	(8,065,936)
Charge for the year	-	446,866	38,021	85,272	490,402	1,060,561
Disposals	-	-	-	(5)	(17,264)	(17,269)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2024	-	1,660,062	1,046,849	1,615,323	3,387,125	7,709,359
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE	142,110	32,331,835	159,908	1,295,907	2,773,223	36,702,983
	=====	=====	=====	=====	=====	=====

*The old asset relating to the Bujumbura Building with cost and accumulated depreciation of USD 8,065,936 was derecognised as the new asset was recognised as separate components of investment property and owner occupied building in the prior period.

None of the assets have been pledged to secure borrowings of the Group (December 2023: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

27. PROPERTY AND EQUIPMENT (Continued)

GROUP AND BANK

As at 31 December 2023	Freehold Land USD	Building Under Construction USD	Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
COST							
As at 1 January 2023	140,400	24,598,036	18,839,370	1,071,057	1,748,578	3,204,666	49,602,107
Additions	1,710	2,209,631	693,711	135,700	1,400,161	3,208,662	7,649,575
Disposals	-	-	(1,589,804)	-	(245,195)	(251,524)	(2,086,523)
Capitalization of Building Under Construction	-	(26,807,667)	26,807,667	-	-	-	-
Transfer to Investment Property (Note 28)	-	-	(3,011,356)	-	-	-	(3,011,356)
As at 31 December 2023	142,110	-	41,739,588	1,206,757	2,903,544	6,161,804	52,153,803
DEPRECIATION							
As at 1 January 2023	-	-	9,796,659	909,517	1,479,993	2,737,340	14,923,509
Charge for the year	-	-	1,072,297	99,311	191,962	422,608	1,786,178
Disposals	-	-	(1,589,824)	-	(141,899)	(245,961)	(1,977,684)
As at 31 December 2023	-	-	9,279,132	1,008,828	1,530,056	2,913,987	14,732,003
NET BOOK VALUE	142,110	-	32,460,456	197,929	1,373,488	3,247,817	37,421,800
	=====	=====	=====	=====	=====	=====	=====

The Group completed the construction of an office building in Nairobi, Kenya. The building was ready for use and occupied with effect from 1 June 2023. All costs that were incurred in the construction phase up to and including 30 May 2023, amounting to USD 26,807,667 were recognised in line with IAS 16: Property, plant and equipment. Depreciation for the building

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28. INVESTMENT PROPERTY

	Bujumbura Office	GROUP AND BANK Nairobi Office	Total
Total space -Square meters	6,566.77	22,948.00	29,514.77
Lettable space -square meters	4,106.62	2,482.00	6,588.62
Leased space-Square meters	2,498.48	-	2,498.48
Lettable space -%	62.54%	10.82%	22.32%
Leased space -%	38.05%	0.00%	8.47%

As at 30 June 2024

	USD	USD	USD
COST/FAIR VALUE			
As at 1 January 2024	5,009,560	3,011,356	8,020,916
Additions	35,243	7,287	42,530
	<hr/>	<hr/>	<hr/>
As at 30 June 2024	5,044,803	3,018,643	8,063,446
	=====	=====	=====
Revaluation	-	-	-
	<hr/>	<hr/>	<hr/>
NET CARRYING AMOUNT			
As at 30 June 2024	5,044,803	3,018,643	8,063,446
	=====	=====	=====

As at 31 December 2023

COST/FAIR VALUE			
As at 1 January 2023	5,009,560	-	5,009,560
Transfer from Property & Equipment (Note 27)	-	3,011,356	3,011,356
	<hr/>	<hr/>	<hr/>
As at 31 December 2023	5,009,560	3,011,356	8,020,916
	=====	=====	=====

The transfer from Property and Equipment (Note 27) in respect to Nairobi office building relates to amounts that were held as work in progress during the construction phase. Given that it is a new building, Management believes that the amounts carried in the financial statements as at 30 June 2024 approximate the property's market value.

The Group has not pledged any of its investment property to secure general banking facilities granted to the Group.

The Group did not earn rental income from its Nairobi office investment property, as the property had not been leased as at the reporting date. Rental income from the Bujumbura property amounted to USD 125,370 (December 2023: USD 227,993).

The Group has not entered into any contract for the maintenance of its investment property.

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29. RIGHT-OF-USE ASSETS

The Right-of-use assets comprise leases in respect of space for own use and land that the Group owns and holds on leasehold title. Information about the leases in which the Group is a lessee is presented below:

	GROUP		BANK	
	JUNE 2024 USD	DECEMBER 2023 USD	JUNE 2024 USD	DECEMBER 2023 USD
COST				
At the beginning of the year	2,453,865	4,824,392	2,453,865	4,824,392
Lease derecognized*	-	(2,370,527)	-	(2,370,527)
At the end of the period	2,453,865	2,453,865	2,453,865	2,453,865
AMORTISATION				
At the beginning of the period	200,358	2,246,808	200,358	2,246,808
Charge for the period	12,393	190,775	12,393	190,775
Lease derecognized	-	(2,237,225)	-	(2,237,225)
At the end of the period	212,751	200,358	212,751	200,358
NET BOOK VALUE				
At the end of the period	2,241,114	2,253,507	2,241,114	2,253,507
<i>Amounts recognised in profit and loss:</i>				
Depreciation expense on right-of-use assets	12,393	190,775	12,393	190,775
Interest expense on lease liabilities (Note 9)	-	23,819	-	23,819
Expense relating to short term lease contracts	-	39,837	-	39,837
At the end of the period	12,393	254,431	12,393	254,431

*The lease derecognised during 2023 relates to the previously rented premise for Nairobi office at 197 Lenana Place. From June 2023, The Nairobi office moved to its own newly constructed building at 184 TDB Tower on Lenana Road.

The balance on the account relates to leasehold land for the Nairobi office.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

30. INTANGIBLE ASSETS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
COST	USD	USD	USD	USD
At the beginning of the year	4,733,657	4,733,657	4,733,657	4,733,657
Additions/Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	4,733,657	4,733,657	4,733,657	4,733,657
	<hr/>	<hr/>	<hr/>	<hr/>
AMORTISATION				
At the beginning of the period	4,538,373	4,020,165	4,538,373	4,020,165
Charge for the period	74,837	518,208	74,837	518,208
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	4,613,210	4,538,373	4,613,210	4,538,373
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At the end of the year	120,447	195,284	120,447	195,284
	<hr/>	<hr/>	<hr/>	<hr/>

Intangible assets relate to cost of acquired computer software.

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

31. COLLECTION ACCOUNT DEPOSITS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
	USD	USD	USD	USD
At beginning of the year	289,437,554	123,759,079	289,437,554	123,759,079
Increase	2,505,997	166,187,786	2,505,997	166,187,786
Reduction	(147,129,772)	(509,311)	(147,129,772)	(509,311)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	144,813,779	289,437,554	144,813,779	289,437,554
	<hr/>	<hr/>	<hr/>	<hr/>

Collection account deposits are collections against loans that are short-term in nature and 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.

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32. SHORT TERM BORROWINGS

	Date of renewal/ advance	Maturity Date	Currency	GROUP AND BANK	
				JUNE 2024 USD	DECEMBER 2023 USD
Global Syndication 2022	Dec-22	Dec-25	USD	861,863,566	864,308,566
Global Syndication 2023	Dec-23	Dec-26	USD	508,607,352	510,732,919
Asia Syndication 2022	Aug-22	Jul-25	USD	500,000,000	500,000,000
Global Syndication 2021	Dec-21	Dec-24	USD	345,048,151	346,246,201
National Bank of Ethiopia	May-24	May-25	USD	301,000,000	301,000,000
China Export and Import Bank	Sep-22	Sep-25	USD	300,000,000	300,000,000
The Bank of Tokyo Mitsubishi UFJ, Ltd	May-23	Jun-26	USD	220,000,000	150,000,000
Kenya Commercial Bank	Aug-23	Nov-24	USD	213,539,601	61,209,137
Standard Chartered Bank London	Jun-22	Dec-25	USD	150,000,000	400,000,000
Sumurai 2021	Sep-23	Dec-24	USD	115,000,000	115,000,000
Cassa Depositi e Prestiti (CDP)	Jan-21	Dec-26	USD	107,100,000	109,545,000
British International Investment plc	Dec-23	Dec-26	USD	100,000,000	100,000,000
Commerzbank	Jun-22	May-26	USD	95,920,000	96,295,000
Abu Dhabi Exports Office	Apr-24	Apr-25	USD	75,000,000	75,000,000
Nedbank	Aug-22	Aug-25	USD	60,000,000	60,000,000
Mashreq Bank	Jun-24	Jun-25	USD	50,000,000	100,000,000
African Development Bank	Jul-22	Jan-26	USD	50,000,000	50,000,000
NORFUND	Jul-23	Jul-24	USD	40,000,000	40,000,000
Nouvbank	Jun-23	Dec-24	USD	28,298,828	24,263,555
Africa 50 Financement de Projets	Mar-24	Jul-24	EUR	19,382,976	18,872,389
African Trade Insurance Agency	Jun-24	Jun-25	USD	7,006,190	5,894,364
Banque Commerciale du Burundi	Oct-23	Oct-24	USD	3,011,406	3,011,405
Citibank	Jun-23	Jun-24	USD	-	100,000,000
Sub total for other short term borrowings				4,150,778,070	4,331,378,536
Interest payable				21,375,020	48,023,427
TOTAL SHORT TERM BORROWINGS				4,172,153,090	4,379,401,963
				=====	=====
Amount due within one year				2,175,008,413	960,736,951
Amount due after one year				1,997,144,677	3,418,665,012
				4,172,153,090	4,379,401,963
				=====	=====

Borrowings are categorised as short-term or long-term on the basis of the book of business that the Group funds i.e. Trade Finance Loans or Project Loans and not on the basis of contractual maturity of the liability. The Trade finance loans have a tenure of upto 3 years while project loans extend beyond 3 years.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

33. PROVISION FOR SERVICE AND LEAVE PAY	GROUP		BANK	
	JUNE 2024 USD	DECEMBER 2023 USD	JUNE 2024 USD	DECEMBER 2023 USD
(i) PROVISION FOR SERVICE PAY				
At 1 January	10,000,942	8,762,969	9,938,723	8,762,969
Increase in provision	779,710	1,505,216	763,280	1,478,436
Payment of service pay	(115,891)	(267,243)	(130,078)	(302,682)
	=====	=====	=====	=====
At end of period	10,664,761	10,000,942	10,571,925	9,938,723
	=====	=====	=====	=====
(ii) PROVISION FOR LEAVE PAY				
At 1 January	3,049,571	2,703,100	2,973,164	2,703,100
Increase in provision	65,285	375,203	65,285	359,785
Payment of leave pay	(40,433)	(28,732)	(36,166)	(89,721)
	=====	=====	=====	=====
At end of period	3,074,423	3,049,571	3,002,283	2,973,164
	=====	=====	=====	=====
TOTAL PROVISION FOR SERVICE AND LEAVE PAY	13,739,184	13,050,513	13,574,208	12,911,887
	=====	=====	=====	=====

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

34. REDEEMABLE PARTICIPATING SHARES

	GROUP			
	As at 30 June 2024		As at 31 December 2023	
	No. of Shares	USD	No. of Shares	USD
As at 1 January	1,123,391	141,192,655	1,060,361	122,231,937
Shares issued	130,884	16,975,153	63,030	7,734,359
Redemption of shares	(63,907)	(8,364,758)	-	-
Increase in Net Asset Value		7,081,396		11,226,359
	=====	=====	=====	=====
As at end of period	1,190,368	156,884,446	1,123,391	141,192,655
	=====	=====	=====	=====
TDB Share 41.53% (December 2023: 44.00%)		65,154,051		62,127,781
		=====		=====
Non -controlling interest		91,730,395		79,064,874
		=====		=====
<i>Maturity Analysis:</i>				
Amounts due within one year		-		-
Amounts due after one year		91,730,395		79,064,874
		=====		=====
		91,730,395		79,064,874
		=====		=====

Redeemable participating shares relate to the ESATF Net Asset Value of the Trade Fund. The NCI payable are amounts which are due to other shareholders.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

34. REDEEMABLE PARTICIPATING SHARES (Continued)

The redeemable participating shares are issued by TDB'S subsidiary, ESATF. The shares have the following rights:

The right to receive, on a pro rata basis, dividends or other distributions of profit declared or made by ESATF. On the winding up of ESATF or on repayment of capital, redeemable participating shareholders have the right to receive, on a pro rata basis, all the surplus assets remaining in ESATF after payment of all prior liabilities and the repayment of all amounts paid up on

Each holder of redeemable participating shares in ESATF shall have no voting rights, save that no action will be taken and no additional classes of participating shares will be created whereby such actions would have an adverse effect on already existing classes of redeemable participating shares without the prior approval by a Special Resolution of the holders of the classes of redeemable participating shares so affected. The redeemable participating shares shall be redeemable at the option of ESATF and on each dealing date at the request of a redeemable participating shareholder with required advance notice.

The redeemable participating shares issued by ESATF are redeemable at the option of the shareholder and to be in line with IAS 32, they have accordingly been classified as financial liabilities. The redeemable participating shares may be divided into any number of classes as determined by the Board. ESATF, as Fund Manager for ESATF, may in its sole and absolute discretion, waive or reduce the management fees charged in relation to any redeemable participating shares. Accordingly, the redeemable participating shares of ESATF have been classified as financial liabilities in accordance with their contractual terms.

35. OTHER PAYABLES

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
	USD	USD	USD	USD
Other creditors*	76,674,271	97,170,700	76,534,326	104,687,916
Provident fund**	55,731,343	49,022,487	55,731,343	49,022,487
Dividend payable	10,414,248	10,420,088	10,414,248	10,420,088
Accrued long term incentive scheme	7,463,754	9,521,754	7,463,754	9,521,754
Accrued reward & recognition	2,156,584	3,395,901	2,156,584	3,395,901
Accrued fees - trade finance	(20,058)	140,914	(20,058)	140,914
Accrued expenses	413,810	656,636	413,810	591,150
Prepaid rent	82,865	82,865	82,865	82,865
Accrued fees - project finance	16,139	16,139	16,139	16,139
Accrued Syndication Fees	1,187	946	1,187	946
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER PAYABLES	152,934,143	170,428,430	152,794,198	177,880,160
	=====	=====	=====	=====
<i>Analysis of other payables by maturity:</i>				
Amounts due within one year	97,074,130	108,411,191	96,979,991	115,862,921
Amounts due after one year	55,860,013	62,017,239	55,814,207	37,949,590
	<hr/>	<hr/>	<hr/>	<hr/>
	152,934,143	170,428,430	152,794,198	177,880,160
	=====	=====	=====	=====

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

**Provident fund relates to funds deposited by the Employee Provident Fund (EPF) into TDB's bank accounts and held by TDB on behalf of the EPF.

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36. LONG TERM BORROWINGS

Lender	Date of Renewal/ disbursement	Maturity Date	Currency	Amount in Currency	GROUP AND BANK As at 30 June 2024		
					Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
US\$ 1.0 Billion Euro Medium Term Note Programme: Third Tranche	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
MIGA Guaranteed Syndicated (I)	Jul-20	Jun-30	EUR	334,434,877	358,296,806	-	358,296,806
MIGA Guaranteed Syndicated (II)	Dec-23	Jun-30	EUR	315,185,651	337,674,148	-	337,674,148
Japan International Cooperation Agency	Feb-24	Dec-36	EUR	150,000,000	160,702,500	-	160,702,500
African Development Bank	Nov-08	Feb-32	USD	140,000,000	140,000,000	24,000,000	116,000,000
Agence Francaise De Development	Dec-17	Jun-36	USD	125,299,211	125,299,211	7,916,667	117,382,544
Sumitomo Mitsui Banking Corporation -SACE Push Facility	Apr-24	Mar-34	EUR	100,000,000	107,135,000	-	107,135,000
KfW	Dec-13	Nov-36	USD	97,146,917	97,146,917	15,238,095	81,908,822
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	90,000,000	96,421,500	-	96,421,500
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	75,560,000	75,560,000	-	75,560,000
European Investment Bank	Aug-16	Nov-33	USD	57,794,386	57,794,386	14,907,228	42,887,158
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	56,562,500	56,562,500	10,208,333	46,354,167
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	35,294,118	37,812,353	6,302,059	31,510,294
Finnish Export Credit)-Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	34,610,589	34,610,589	6,292,724	28,317,865
Opec Fund for International Development	Mar-19	Sep-32	USD	30,000,000	30,000,000	-	30,000,000
Industrial Development Corporation	Mar-18	Feb-26	USD	26,817,382	26,817,382	13,408,691	13,408,691
Development Bank of the Republic of Belarus -1	Jun-20	Apr-25	USD	19,808,769	19,808,769	-	19,808,769
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	17,647,059	17,647,059	2,941,176	14,705,883
British International Investment	Oct-16	May-26	USD	16,666,667	16,666,667	8,333,333	8,333,334
Development Finance institute Canada -FinDev Canada	Nov-21	Nov-29	USD	15,809,524	15,809,524	2,666,667	13,142,857
World Bank Facility-Technical Assistance Facility	Jan-21	Aug-58	USD	5,265,846	5,265,846	-	5,265,846
African Economic Research Consortium	Nov-19	Nov-26	USD	3,220,706	3,220,706	-	3,220,706
Standard Chartered Bank / USAID	Sep-17	Sep-24	USD	2,113,953	2,113,953	2,113,953	-
					<u>2,472,365,816</u>	<u>114,328,926</u>	<u>2,358,036,890</u>
					=====	=====	=====

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36. LONG TERM BORROWINGS (continued)

	GROUP AND BANK		
	As at 30 June 2024		
	Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
Total for long term borrowings	2,472,365,816	114,328,926	2,358,036,890
Interest payable	40,634,577	40,634,577	-
Total long term borrowings	2,513,000,393	154,963,503	2,358,036,890
Deferred expenditure	(89,830,317)	(24,007,115)	(65,823,202)
	2,423,170,076	130,956,388	2,292,213,688
	=====	=====	=====

The Group repays these borrowings in their quarterly or semi-annual installment as well as bullet payments. The Group has not given any security for the borrowings. It has not defaulted on any of them. Borrowings are categorised as short-term or long-term on the basis of the book of business that the Group fund i.e. Trade Finance or Project loans, and not on the basis of contractual maturity of the liability. Trade finance loans have a tenure of up to 3 years while project loans extend beyond 3 years.

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36. LONG TERM BORROWINGS (continued)

Lender	Date of Renewal/ disbursement	Maturity Date	Currency		GROUP AND BANK As at 31 December 2023		
					Balance outstanding USD	Amount due within one year USD	Amount due after one Year USD
African Development Bank	Nov-08	Feb-32	USD	150,000,000	150,000,000	24,000,000	126,000,000
African Economic Research Consortium	Nov-19	Nov-26	USD	3,163,945	3,163,945	-	3,163,945
US\$ 1.0 Billion Euro Medium Term Note Programme: Second Tranche	May-19	May-24	USD	750,000,000	750,000,000	750,000,000	-
US\$ 1.0 Billion Euro Medium Term Note Programme: Third Tranche	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
Opec Fund for International Development	Mar-19	Sep-32	USD	30,000,000	30,000,000	-	30,000,000
KfW	Dec-13	Nov-36	USD	104,761,905	104,761,905	15,238,095	89,523,810
European Investment Bank	Aug-16	Nov-33	USD	65,248,000	65,248,000	11,749,333	53,498,667
British International Investment	Oct-16	May-26	USD	20,833,333	20,833,333	8,333,333	12,500,000
Standard Chartered Bank / USAID	Sep-17	Sep-24	USD	4,227,905	4,227,905	4,227,905	-
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	37,756,347	37,756,347	6,292,724	31,463,623
Agence Francaise De Development	Dec-17	Jun-36	USD	128,425,000	128,425,000	7,916,667	120,508,333
Industrial Development Corporation	Mar-18	Feb-26	USD	33,521,728	33,521,728	13,408,691	20,113,037
Arab Bank for Economic Development in Africa	Feb-18	Jan-28	USD	57,500,000	57,500,000	1,875,000	55,625,000
Development Bank of the Republic of Belarus -I	Jun-20	Apr-25	USD	19,012,312	19,012,312	-	19,012,312
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	19,117,647	19,117,647	2,941,176.00	16,176,471
MIGA Guaranteed Syndicated	Jul-20	Jun-30	EUR	334,434,878	366,356,688	-	366,356,688
MIGA Guaranteed Syndicated	Dec-23	Jun-30	EUR	300,000,000	328,635,000	-	328,635,000
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	38,235,294	41,884,853	6,443,824	35,441,029
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	75,560,000	75,560,000	-	75,560,000
World Bank Facility-Technical Assistance Facility	Jan-21	Aug-58	USD	5,265,846	5,265,846	-	5,265,846
Development Finance institute Canada-FinDev Canada	Nov-21	Nov-29	USD	17,142,857	17,142,857	2,857,143.00	14,285,714
Japan Bank for International Corporation	Dec-23	Dec-27	USD	98,590,500	98,590,500	-	98,590,500
					3,007,003,866	855,283,891	2,151,719,975
					=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

36. LONG TERM BORROWINGS (continued)

	GROUP AND BANK		
	As at 31 December 2023		
	Balance outstanding USD	Amount due within one year USD	Amount due after one Year USD
Total for long term borrowings	3,007,003,866	855,283,891	2,151,719,975
Interest payable	36,021,779	36,021,779	-
	<hr/>	<hr/>	<hr/>
Total long term borrowings	3,043,025,645	891,305,670	2,151,719,975
Deferred expenditure	(76,665,459)	(24,007,115)	(52,658,344)
	<hr/>	<hr/>	<hr/>
	2,966,360,186	867,298,555	2,099,061,631
	=====	=====	=====

* The Group repays these borrowings in their quarterly or semi-annual installment as well as bullet payments. The Group has not given any security for the borrowings. It has not defaulted on any of them. Borrowings are categorised as short-term or long-term on the basis of the book of business that the Group fund i.e. Trade Finance or Project loans, and not on the basis of contractual maturity of the liability. Trade finance loans have a tenure of up to 3 years while project loans extend beyond 3 years.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL

	BANK As at 30 June 2024			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Authorised capital:				
176,468 Class 'A' ordinary shares of USD 22,667 each	4,000,000,156	-	-	4,000,000,156
220,585 Class 'B' ordinary shares of USD 4,533.40 each	-	1,000,000,039	-	1,000,000,039
220,585 Class 'C' ordinary shares of USD 4,533.40 each	-	-	1,000,000,039	1,000,000,039
Less: Unsubscribed				
- Class 'A'	(1,091,121,379)	-	-	(1,091,121,379)
- Class 'B'	-	(847,518,539)	-	(847,518,539)
- Class 'C'	-	-	(974,535,896)	(974,535,896)
Subscribed capital:				
128,331 Class 'A' ordinary shares of USD 22,667 each	2,908,878,777	-	-	2,908,878,777
33,635 Class 'B' ordinary shares of USD 4,533.40 each	-	152,481,500	-	152,481,500
5,617 Class 'C' ordinary shares of USD 4,533.40 each	-	-	25,464,143	25,464,143
Less: Callable capital	(2,327,103,021)	-	-	(2,327,103,021)
Payable capital	581,775,756	152,481,500	25,464,143	759,721,399
Less: Amounts not yet due	(144,172,279)	-	-	(144,172,279)
Capital due	437,603,477	152,481,500	25,464,143	615,549,120
Less: subscriptions in arrears	(2,065,617)	-	-	(2,065,617)
Paid up capital (Note 53)	435,537,860	152,481,500	25,464,143	613,483,503
	=====	=====	=====	=====
Number of shares attributable to the share capital:	128,331	33,635	5,617	167,583
	=====	=====	=====	=====

For Class 'A', the Bank's Charter allows member states who subscribe shares to progressively pay for their shares in instalments over a period of 5 year. The Class 'A' Equivalent Shares represent the proportion of shares construed as paid for based on the instalments received as at period end.

Authorised capital:

This is the total share capital that the Bank has been authorised by the Charter to issue.

Subscribed capital:

This relates to shares which have been allotted to a shareholder. The subscriber has an obligation of paying for these shares as per the subscription agreement.

Callable capital:

Callable capital is the four-fifth (80%) of the total Subscribed shares, which a class 'A' share holder is expected to pay in the event that the Bank is in financial distress.

Payable capital:

This means one-fifth (20%) of the total subscribed shares, which a class 'A' share holder is expected to pay.

Capital due:

This is the amount of payable capital that is due during the year as per subscription agreement.

Paid up Capital:

Paid up capital relates to the actual capital that has been paid up and for which payment has been received.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL (Continued)

	BANK As at 31 December 2023			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Authorised capital:				
176,468 Class 'A' ordinary shares of USD 22,667 each	4,000,000,156	-		4,000,000,156
220,585 Class 'B' ordinary shares of USD 4,533.40 each	-	1,000,000,039	-	1,000,000,039
220,585 Class 'C' ordinary shares of USD 4,533.40 each	-	-	1,000,000,039	1,000,000,039
Less: Unsubscribed				
- Class 'A'	(1,091,144,046)	-	-	(1,091,144,046)
- Class 'B'	-	(850,474,316)	-	(850,474,316)
- Class 'C'	-	-	(980,982,391)	(980,982,391)
Subscribed capital:				
128,330 Class 'A' ordinary shares of USD 22,667 each	2,908,856,110	-	-	2,908,856,110
32,983 Class 'B' ordinary shares of USD 4,533.40 each	-	149,525,723		149,525,723
4,195 Class 'C' ordinary shares of USD 4,533.40 each	-	-	19,017,648	19,017,648
Less: Callable capital	(2,327,084,888)	-		(2,327,084,888)
Payable capital	581,771,222	149,525,723	19,017,648	750,314,593
Less: Amounts not yet due	(144,167,746)	-		(144,167,746)
Capital due	437,603,476	149,525,723	19,017,648	606,146,847
Less: subscriptions in arrears	(3,065,665)	-	-	(3,065,665)
Paid up capital (Note 53)	434,537,811	149,525,723	19,017,648	603,081,182
	=====	=====	=====	=====
Number of shares attributable to the share capital:	128,330	32,983	4,195	165,508
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL (Continued)

	BANK			TOTAL
	CLASS 'A'	CLASS 'B'	CLASS 'C'	
	USD	USD	USD	USD
Movement in paid - up share capital				
At beginning of year	434,537,811	149,525,724	19,017,648	603,081,183
African Development Bank (as Implementing Entity of the Clean Technology Fund)	-	-	4,429,132	4,429,132
Eastern and Southern African Trade and Development Bank Provident Fund	-	-	2,017,363	2,017,363
Board of Trustees of the National Social Security Fund of Tanzania	-	2,955,776	-	2,955,776
Ethiopia	1,000,049	-	-	1,000,049
Total subscriptions during the period	1,000,049	2,955,776	6,446,495	10,402,320
At end of year	435,537,860	152,481,500	25,464,143	613,483,503
	=====	=====	=====	=====

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 53 contains the status of subscriptions to the capital stock by member states.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL (Continued)

37. SHARE CAPITAL (Continued)	BANK			TOTAL
	As at 31 December 2023			
	CLASS 'A'	CLASS 'B'	CLASS 'C'	
Movement in paid - up share capital	USD	USD	USD	USD
At beginning of year	420,327,780	147,916,373	12,194,881	580,439,034
Sacos Group Limited	-	-	18,134	18,134
Sacos Life Assurance Company Limited	-	-	18,134	18,134
Eastern and Southern African Trade and Development Bank Provident Fund	-	-	1,391,754	1,391,754
Eagle Insurance Limited	-	(1,282,959)	965,614	(317,345)
African Economic Research Consortium	-	18,134	-	18,134
African Reinsurance Corporation	-	95,201	-	95,201
Arab Bank for Economic Development in Africa	-	122,402	-	122,402
Caisse Nationale de la Sécurité Sociale (Djibouti)	-	1,586,690	-	1,586,690
National Social Security Fund Uganda	-	380,806	-	380,806
National Pensions Fund Mauritius	-	231,204	-	231,204
Board of Trustees of the National Social Security Fund of Tanzania	-	27,200	-	27,200
People's Republic of China	598,409	430,673	-	1,029,082
African Development Bank	525,874	-	4,429,131	4,955,005
Belarus	149,602	-	-	149,602
Botswana	657,343	-	-	657,343
Burundi	199,470	-	-	199,470
Democratic Republic of Congo	675,477	-	-	675,477
Egypt	879,480	-	-	879,480
Eritrea	22,667	-	-	22,667
Eswatini	49,867	-	-	49,867
Ethiopia	970,148	-	-	970,148
Ghana	4,533	-	-	4,533
Kenya	4,496,969	-	-	4,496,969
Madagascar	49,867	-	-	49,867
Mauritius	412,539	-	-	412,539
Mozambique	258,404	-	-	258,404
Rwanda	2,394,341	-	-	2,394,341
Senegal	65,281	-	-	65,281
Seychelles	40,801	-	-	40,801
Somalia	31,734	-	-	31,734
Sudan	262,937	-	-	262,937
Tanzania	825,079	-	-	825,079
Uganda	639,209	-	-	639,209
Total subscriptions during the year	14,210,031	1,609,351	6,822,767	22,642,149
At end of year	434,537,811	149,525,724	19,017,648	603,081,183

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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL (Continued)

SHARE PREMIUM

As at 30 June 2024	Number of Shares	BANK Share Value USD	Price Paid USD	Share Premium USD
Share Premium - Class B:				
As at 1 January 2024	32,983	149,525,723	294,306,944	144,781,221
Additions – Cash paid	652	2,955,776	10,008,852	7,053,076
Disposals	-	-	-	-
As at end of period	33,635	152,481,499	304,315,796	151,834,297
Share Premium - Class C:				
As at 1 January 2024	4,195	19,017,648	27,379,779	8,362,131
Additions – Cash paid	2,203	9,987,080	27,278,769	17,291,689
Maturities during the period - Note 43 (g)	(781)	(3,540,585)	(12,819,334)	(9,278,749)
As at end of period	5,617	25,464,143	41,839,214	16,375,071
Share Premium - Class A:				
As at 1 January 2024	128,330	63,364,613	172,553,215	103,042,465
Additions – Cash paid without shares	-	-	-	-
Additions - GCI with shares	1	-	-	-
Additions - GCI without shares	-	-	-	-
As at end of period	128,331	63,364,613	172,553,215	103,042,465
TOTAL PREMIUM				
As at 30 June 2024	167,583	241,310,255	518,708,225	271,251,833
Additional Premium for the period	2,075	9,402,271	24,468,287	15,066,016
As at 31 December 2023				
Share Premium - Class B:				
As at 1 January 2023	32,628	147,916,373	288,857,345	140,940,972
Additions – Cash paid	638	2,892,310	9,793,938	6,901,628
Maturities during the year - Note 43 (g)	(283)	(1,282,960)	(4,344,339)	(3,061,379)
As at end of year	32,983	149,525,723	294,306,944	144,781,221
Share Premium - Class C:				
As at 1 January 2023	2,690	12,194,881	11,716,772	(478,109)
Additions – Cash paid	2,376	10,771,358	29,033,728	18,262,370
Maturities during the period - Note 43 (g)	(871)	(3,948,591)	(13,370,721)	(9,422,130)
As at end of year	4,195	19,017,648	27,379,779	8,362,131

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NOTES TO THE FINANCIAL STATEMENTS (continued)

37. SHARE CAPITAL (Continued)	BANK			
	Number of Shares	Share Value USD	Price Paid USD	Share Premium USD
SHARE PREMIUM (Continued)				
As at 31 December 2023				
Share Premium - Class A:				
As at 1 January 2023	128,082	49,154,561	131,969,322	76,668,624
Additions - Without share premium	-	6,362,737	14,011,312	7,648,575
Additions – Cash paid	248	1,124,283	3,807,048	2,682,765
Additions – GCI Allotment	-	6,723,032	22,765,533	16,042,501
As at end of year	128,330	63,364,613	172,553,215	103,042,465
	=====	=====	=====	=====
TOTAL PREMIUM				
As at 31 December 2023	165,508	231,907,984	494,239,938	256,185,817
	=====	=====	=====	=====
Additional premium for the year	128,330	63,364,613	172,553,215	103,042,465
	=====	=====	=====	=====

Nature and purpose of the share premium

Class 'B' and Class 'C' shares are issued at a premium of USD 16,413.84 (December 2023: USD 16,413.84) 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.

CLASS 'A', 'B', and 'C' SHARES

As at 30 June 2024, there were 128,331 Class 'A' ordinary shares (December 2023: 128,330), 33,635 Class 'B' ordinary shares (December 2023: 32,983) and 5,617 Class 'C' ordinary shares (December 2023: 4,195). 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' and Class 'C' 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. Class 'A' and Class 'B' shares have equal voting rights while Class 'C' shares have no voting rights. The voting powers attached to the shares is equal to the paid-up share capital of the shareholder.

DIVIDEND

	GROUP AND BANK	
	JUNE 2024 USD	DECEMBER 2023 USD
Dividend on ordinary shares declared and paid:		
Final dividend for 2023: USD 377.70 (2022: USD 385.42 per share)		
Declared and paid	39,084,317	39,011,735
Declared and not paid/payable	10,414,248	10,420,088
	49,498,565	49,431,823
	=====	=====
Proposed dividend on ordinary shares:		
Dividend for 2024: NIL (December 2023: USD 377.70 per share)	-	49,498,565
	=====	=====

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognized as a financial liability as at the end of the period. Dividends are paid as per provisions of the Dividend Policy, which is mandated by the Bank Charter.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

38. FAIR VALUE RESERVE

The fair value reserve comprises cumulative amounts arising from fair valuation of equity investments.

39. 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.

40. NOTES TO THE STATEMENT OF CASH FLOWS:

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
		Restated*		Restated*
(a) Cash (used in) operations:	USD	USD	USD	USD
Profit for the year	91,217,033	93,593,377	78,638,659	87,856,084
<i>Adjustments:</i>				
Depreciation on property and equipment	1,060,561	587,374	1,060,561	587,374
Depreciation of right of use assets	12,393	178,380	12,393	178,380
Amortisation of intangible assets	74,837	363,157	74,837	363,157
Loss from disposal of property and equipment	2,703	-	2,703	-
Losses on foreign exchange on cash items	2,134,498	1,461,790	2,137,422	1,461,790
Interest income	(370,315,064)	(342,336,100)	(369,161,291)	(338,297,490)
Interest expense	241,190,448	203,682,934	240,882,302	203,682,934
Dividend income	(1,233,260)	-	(1,233,260)	-
Provision for impairment on loans and advances	29,884,610	19,050,241	29,751,435	19,050,241
Increase in provision for service and leave pay	532,347	913,540	496,077	913,540
Provision for impairment on off-balance sheet items	(2,577,896)	588,483	(2,577,896)	588,483
Impairment on other financial assets	2,500,140	-	2,500,140	-
Derecognition of right of use assets	-	133,285	-	133,285
Interest on lease liability	-	23,819	-	23,819
Loss before working capital changes	(5,516,650)	(21,759,720)	(17,415,918)	(23,458,403)
Decrease/(increase) in other receivables	(10,120,126)	9,090,674	(1,971,123)	(3,937,316)
(Increase) in Trade Fund receivables	(34,241,378)	-	-	-
(Increase) in derivatives financial instruments - Assets	(22,204,973)	(6,110,937)	(22,204,973)	(6,110,937)
(Decrease) in derivatives financial instruments - Liabilities	-	(17,826,383)	-	(17,826,383)
(Increase) in trade finance loans	(129,870,370)	(287,811,728)	(130,172,435)	(284,167,535)
(Increase)/decrease in project loans	(202,191,905)	149,841,026	(202,191,905)	149,841,026
Investment in subsidiaries	-	-	-	(8,569,377)
Increase/(decrease) in collection accounts deposits	(144,623,775)	68,925,870	(144,623,775)	68,925,870
Increase in non-controlling payables	12,665,521	3,224,575	-	-
Decrease in other payables	(17,494,285)	29,317,350	(25,085,960)	49,825,608
Provision for service and leave pay paid	156,324	127,877	166,244	127,877
(Decrease) in borrowings - Note 40 (b)	(812,534,380)	(20,755,231)	(812,448,581)	(27,704,356)
Net cash (used in) operations	(1,365,975,997)	(93,736,627)	(1,355,948,426)	(103,053,926)
	=====	=====	=====	=====

*Details of restatements are disclosed in Note 45.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

40. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2024	2023	2024	2023
		Restated*		Restated*
(b) Analysis of changes in borrowings:	USD	USD	USD	USD
Short term borrowings:				
At beginning of year	4,379,401,963	3,489,331,681	4,379,401,963	3,489,331,681
Loans received	824,751,929	551,391,788	824,751,929	551,391,788
Repayments	(1,032,000,802)	(596,067,177)	(1,032,000,802)	(596,067,177)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	4,172,153,090	3,444,656,292	4,172,153,090	3,444,656,292
	<hr/>	<hr/>	<hr/>	<hr/>
Long term borrowings:				
At beginning of year	2,966,360,186	2,556,560,813	2,966,360,186	2,556,560,813
Loans received	349,411,462	124,147,133	349,411,462	124,147,133
Repayments	(892,601,572)	(92,527,412)	(892,601,572)	(92,527,412)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,423,170,076	2,588,180,534	2,423,170,076	2,588,180,534
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Total at end of year	6,595,323,166	6,032,836,826	6,595,323,166	6,032,836,826
	<hr/>	<hr/>	<hr/>	<hr/>
Total at beginning of year	7,345,762,149	6,045,892,494	7,345,762,149	6,045,892,494
	<hr/>	<hr/>	<hr/>	<hr/>
Decrease in total borrowings	(750,438,983)	(13,055,668)	(750,438,983)	(13,055,668)
Accrued interest expense	(62,095,397)	(7,699,563)	(62,009,598)	(14,648,688)
	<hr/>	<hr/>	<hr/>	<hr/>
	(812,534,380)	(20,755,231)	(812,448,581)	(27,704,356)
	<hr/>	<hr/>	<hr/>	<hr/>
(c) Analysis of cash and cash equivalents				
Less than 90 days to maturity (Note 47)	978,717,552	1,048,948,144	957,405,330	998,521,874
More than 90 days to maturity (Note 16)	40,893,606	678,970,986	40,893,606	678,970,986
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and balances with other banks (Note 16)	1,019,611,158	1,727,919,130	998,298,936	1,677,492,860
	<hr/>	<hr/>	<hr/>	<hr/>

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

*Details of restatements are disclosed in Note 45.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

40. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Facilities available for lending

As at 30 June 2024 the following facilities were available to the Group and Bank for lending

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Eurobond III	650,000,000	650,000,000	-
World Bank Facility-Infrastructure Facility	400,000,000	75,560,000	324,440,000
MIGA Guaranteed Syndicated	378,847,829	378,847,829	-
Japan Bank for International Corporation	350,000,000	-	350,000,000
Agence Francaise De Development	347,520,000	150,300,000	197,220,000
MIGA Guaranteed Syndicated	340,404,750	340,404,750	-
African Development Bank	230,000,000	230,000,000	-
European Investment Bank	210,443,200	118,120,000	92,323,200
Japan International Cooperation Agency	162,097,500	162,097,500	-
KfW	160,000,000	160,000,000	-
Sumitomo Mitsui Banking Corporation -SACE Push Facility	107,135,000	107,135,000	-
Industrial Development Corporation	100,565,184	100,565,184	-
Exim Bank India	100,000,000	75,000,000	25,000,000
KfW	100,000,000	-	100,000,000
The Export-Import Bank of Korea	100,000,000	-	100,000,000
Japan International Cooperation Agency -Commercial Facility	97,258,500	97,258,500	-
Opec Fund for International Development	90,000,000	90,000,000	-
Development Bank of the Republic of Belarus	71,055,917	22,533,452	48,522,465
Arab Bank for Econmic Development in Africa	65,000,000	65,000,000	-
Cassa Depositi e Prestiti	56,640,000	56,640,000	-
Finnish Export Credit-Sumitomo Mitsui Banking Corporation	56,634,521	56,634,521	-
African Development Bank	50,000,000	40,000,000	10,000,000
British International Investment	50,000,000	50,000,000	-
Invest International (formerly FMO)	44,400,000	-	44,400,000
Standard Chartered Bank / USAID	25,703,000	25,703,000	-
Oesterreichische Entwicklungsbank AG	25,000,000	25,000,000	-
Development Finance institute Canada -FinDev Canada	20,000,000	20,000,000	-
World Bank Facility-Technical Assistance Facility	15,000,000	5,265,846	9,734,154
The Export-Import Bank of the United States	No limit	-	-
	4,403,705,401	3,102,065,582	1,301,639,819
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

40. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Facilities available for lending (continued)

As at 30 June 2024 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2022	861,863,566	861,863,566	-
Global Syndication 2023	508,607,352	508,607,352	-
Syndicated Loan 2022 - Asia	500,000,000	500,000,000	-
Global Syndication 2021	345,048,151	345,048,151	-
National Bank of Ethiopia	301,000,000	301,000,000	-
CEXIM	300,000,000	300,000,000	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	220,000,000	220,000,000	-
KENYA COMMERCIAL BANK	213,539,601	213,539,601	-
Sumitomo Mitsui Banking Corporation Euro	200,000,000	-	200,000,000
Mashreq Bank	200,000,000	50,000,000	150,000,000
Standard Chartered Bank London	150,000,000	150,000,000	-
Citibank	120,000,000	-	120,000,000
Samurai 2021	115,000,000	115,000,000	-
Cassa Depositi e Prestiti (CDP)	107,100,000	107,100,000	-
British International Investment PLC	100,000,000	100,000,000	-
Commerzbank	95,920,000	95,920,000	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
ADCB - Abu Dhabi Commercial Bank	75,000,000	75,000,000	-
Nedbank	60,000,000	60,000,000	-
ING Bank	53,567,500	-	53,567,500
African Development Bank	50,000,000	50,000,000	-
Mizuho Bank London	50,000,000	-	50,000,000
NORFUND	40,000,000	40,000,000	-
Emirates NBD Group	35,000,000	-	35,000,000
BHF Bank	32,140,500	-	32,140,500
NOUVBANK	28,298,828	28,298,828	-
KBC Bank	26,783,750	-	26,783,750
Accrued interest	21,375,020	21,375,020	-
Africa 50 Financement de Projets	19,382,976	19,382,976	-
DZ Bank	15,158,226	-	15,158,226
Rand Merchant Bank	15,000,000	-	15,000,000
Absa Bank	15,000,000	-	15,000,000
Banque de Commerce de placement	8,987,500	-	8,987,500
African Trade Insurance Agency	7,006,190	7,006,190	-
BANCOBU	3,011,406	3,011,406	-
	4,968,790,566	4,172,153,090	796,637,476
TOTAL FACILITIES			
As at 30 June 2024	9,372,495,967	7,274,218,672	2,098,277,295

Note:

Facilities utilised include outstanding letters of credit amounting to USD 42,184,240 (December 2023: USD 39,985,074) -
Note 43

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NOTES TO THE FINANCIAL STATEMENTS (continued)

40. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Facilities available for lending (continued)

(ii) As at 30 June 2023 the following facilities were available to the Group and Bank for lending:

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Eurobond II	750,000,000	750,000,000	-
Eurobond III	650,000,000	650,000,000	-
World Bank Facility-Infrastructure Facility	400,000,000	75,560,000	324,440,000
MIGA Guaranteed Syndicated	378,847,829	378,847,829	-
Japan Bank for International Corporation	350,000,000	-	350,000,000
Agence Francaise De Development	347,520,000	150,300,000	197,220,000
European Investment Bank	300,443,200	118,120,000	182,323,200
African Development Bank	230,000,000	230,000,000	-
KfW	160,000,000	160,000,000	-
Industrial Development Corporation	100,565,184	100,565,184	-
Exim Bank India	100,000,000	75,000,000	25,000,000
KfW	100,000,000	-	100,000,000
KEXIM	100,000,000	-	100,000,000
Opec Fund for International Development	90,000,000	90,000,000	-
Development Bank of the Republic of Belarus -I	71,055,917	22,533,452	48,522,465
Arab Bank for Econmic Development in Africa	65,000,000	65,000,000	-
Cassa Depositi e Prestiti	56,640,000	56,640,000	-
Finnish Export Credit-Sumitomo Mitsui Banking Corporation	56,634,521	56,634,521	-
African Development Bank	50,000,000	40,000,000	10,000,000
British International Investment	50,000,000	50,000,000	-
Invest International (formerly FMO)	44,400,000	-	44,400,000
Standard Chartered Bank / USAID	25,703,000	25,703,000	-
Oesterreichische Entwicklungsbank AG	25,000,000	25,000,000	-
Development Finance institute Canada -FinDev Canada	20,000,000	20,000,000	-
World Bank Facility-Technical Assistance Facility	15,000,000	5,265,846	9,734,154
Exim Bank USA	No limit	No limit	-
	4,536,809,651	3,145,169,832	1,391,639,819
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

40. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(d) Facilities available for lending (continued)

As at 30 June 2023 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2022	863,738,566	863,738,566	-
Syndicated Loan 2022 - Asia	500,000,000	500,000,000	-
Global Syndication 2021	494,238,430	494,238,430	-
National Bank of Ethiopia	301,000,000	301,000,000	-
China Export-Import Bank	300,000,000	300,000,000	-
Standard Chartered Bank London	253,063,994	253,063,994	-
Sumitomo Mitsui Banking Corporation Euro	200,000,000	-	200,000,000
Mashreq Bank	200,000,000	-	200,000,000
Citibank	150,000,000	104,804,902	45,195,098
The Bank of Tokyo Mitsubishi UFJ, Ltd	150,000,000	150,000,000	-
Samurai 2021	150,000,000	150,000,000	-
Commerzbank	96,295,000	96,295,000	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
Nedbank	60,000,000	60,000,000	-
ING Bank	54,487,500	-	54,487,500
Mizuho Bank London	50,000,000	-	50,000,000
African Development Bank	50,000,000	50,000,000	-
NORFUND	50,000,000	50,000,000	-
Emirates NBD Group	35,000,000	-	35,000,000
BHF Bank	32,692,500	-	32,692,500
KBC Bank	27,243,750	2,136,431	25,107,319
Africa 50 Financement de Projets	25,593,552	25,593,552	-
Cassa Depositi e Prestiti (CDP)	16,346,250	16,346,250	-
DZ Bank	15,158,226	-	15,158,226
Rand Merchant Bank	15,000,000	-	15,000,000
Absa Bank	15,000,000	-	15,000,000
Banque de Commerce de placement	8,977,500	-	8,977,500
NOUVBANK	8,683,388	8,683,388	-
African Trade Insurance Agency	5,443,181	5,443,181	-
BANCOBU	3,000,000	3,000,000	-
	4,205,961,836	3,434,343,693	771,618,143
TOTAL FACILITIES	8,742,771,487	6,579,513,525	2,163,257,962
As at 31 December 2023			

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Instruments Recorded at Fair Value

The Group measures financial assets such as derivative financial instruments, quoted and unquoted investments and non-financial assets such as investment property at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Determination of Fair Value and 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 that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The following table shows an analysis of the Group's financial instruments and non-financial assets recorded at fair value of the fair value hierarchy:

As at 30 June 2024	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Derivative financial instruments	-	26,453,923	-	26,453,923
Trade Fund loan receivables	-	180,382,356	-	180,382,356
Equity investments at fair value through OCI	2,729,000	-	69,165,390	71,894,390
<i>Non-financial assets:</i>				
Investment property	-	-	8,063,446	8,063,446
	<u>2,729,000</u>	<u>206,836,279</u>	<u>77,228,836</u>	<u>286,794,115</u>
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Determination of Fair Value and Fair Value hierarchy (Continued)

The following table shows an analysis of the Group's financial instruments and non-financial assets recorded at fair value of the fair value hierarchy:

As at 31 December 2023	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Derivative financial instruments	-	4,248,951	-	4,248,951
Trade Fund loan receivables	-	146,140,978	-	146,140,978
Equity investments at fair value through OCI	2,729,000	-	69,151,869	71,880,869
<i>Non-financial assets:</i>				
Investment property	-	-	8,020,916	8,020,916
	<u>2,729,000</u>	<u>150,389,929</u>	<u>77,172,785</u>	<u>230,291,714</u>
	=====	=====	=====	=====

The following table shows an analysis of the Bank's financial instruments and non-financial assets recorded at fair value of the fair value hierarchy:

As at 30 June 2024	BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Net derivative financial instruments	-	26,453,923	-	26,453,923
Equity investments at fair value through OCI	2,729,000	-	69,165,390	71,894,390
<i>Non-financial assets:</i>				
Investment property	-	-	8,063,446	8,063,446
	<u>2,729,000</u>	<u>26,453,923</u>	<u>77,228,836</u>	<u>106,411,759</u>
	=====	=====	=====	=====
As at 31 December 2023				
<i>Financial assets:</i>				
Net derivative financial instruments	-	4,248,951	-	4,248,951
Equity investments at fair value through OCI	2,729,000	-	69,151,869	71,880,869
<i>Non-financial assets:</i>				
Investment property	-	-	8,020,916	8,020,916
	<u>2,729,000</u>	<u>4,248,951</u>	<u>77,172,785</u>	<u>84,150,736</u>
	=====	=====	=====	=====

There were no transfers in between fair value hierarchy levels.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Valuation Techniques for Financial Instruments Recorded at Fair Value

Quoted investments:

Level 1 is made up of the Group's equity investment in Cable and Wireless Seychelles (CWS) amounting to USD 2,729,000. CWS is listed on MERJ Exchange.

Unquoted investments valuation:

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 for determining fair values of financial instruments, which 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. For equity investments that are quoted in active markets, the Group has used the prevailing prices for these and have been recognised as Level 2.

For Trade Fund Receivables, a discounted cash flow method is used. This method involves forecasting future cash flows through to maturity and discounting each cash flow back to present value using an appropriate discount curve. In forecasting future cash flows, the repayment profile of each investment is considered. The inputs used for the valuation of the financial investments are obtained from external market data vendors. These have been recognised as Level 2.

For Investment Property at fair value, valuation techniques (with significant unobservable inputs) are used in estimating the fair value of the real estate properties, and have been classified as Level 3.

Comparison of Carrying Amounts and Fair Values for Assets and Liabilities not Held at Fair Value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following tables summarise the fair value, determined using Level 3 inputs, for assets and liabilities not measured at fair value on the entity's statement of financial position:

As at 30 June 2024	Level 1 USD	Level 2 USD	GROUP Level 3 USD	Fair value USD	Carrying value USD
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,019,611,158	1,019,611,158	1,019,611,158
Project and Trade finance loans	-	-	7,133,226,871	7,133,226,871	7,133,226,871
Investment in Government securities	-	-	785,638,516	785,638,516	785,638,516
Investment in Corporate Bonds	-	-	9,442,152	9,442,152	9,442,152
Other receivables	-	-	49,953,130	49,953,130	49,953,130
Other assets	-	-	39,064,544	39,064,544	39,064,544
	-	-	9,036,936,371	9,036,936,371	9,036,936,371
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	144,813,779	144,813,779	144,813,779
Short term and long term borrowings	-	-	6,595,323,166	6,595,323,166	6,595,323,166
Other payables and provisions	-	-	244,664,538	244,664,538	244,664,538
	-	-	6,984,801,483	6,984,801,483	6,984,801,483
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Comparison of Carrying Amounts and Fair Values for Assets and Liabilities not Held at Fair Value (Continued)

			GROUP		
	Level 1	Level 2	Level 3	Fair value	Carrying value
As at 31 December 2023	USD	USD	USD	USD	USD
Cash and balances held with other banks	-	-	3,023,195,837	3,023,195,837	3,023,195,837
Project and Trade finance loans	-	-	6,718,676,128	6,718,676,128	6,718,676,128
Investment in Government securities	-	-	51,867,034	51,867,034	51,867,034
Other receivables	-	-	42,333,144	42,333,144	42,333,144
Other assets	-	-	37,617,084	37,617,084	37,617,084
	-	-	9,873,689,227	9,873,689,227	9,873,689,227
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	289,437,554	289,437,554	289,437,554
Short term and long term borrowings	-	-	7,345,762,149	7,345,762,149	7,345,762,149
Other payables and provisions	-	-	249,493,304	249,493,304	249,493,304
	-	-	7,884,693,007	7,884,693,007	7,884,693,007
	=====	=====	=====	=====	=====
			BANK		
As at 30 June 2024	Level 1	Level 2	Level 3	Fair value	Carrying value
	USD	USD	USD	USD	USD
<i>Assets:</i>					
Cash and balances held with other banks	-	-	957,405,330	957,405,330	957,405,330
Project and Trade finance loans	-	-	7,130,794,636	7,130,794,636	7,130,794,636
Investment in Government securities	-	-	754,829,563	754,829,563	754,829,563
Other receivables	-	-	55,297,180	55,297,180	55,297,180
Other assets	-	-	148,543,124	148,543,124	148,543,124
	-	-	9,046,869,833	9,046,869,833	9,046,869,833
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	144,813,779	144,813,779	144,813,779
Short term and long term borrowings	-	-	6,595,323,166	6,595,323,166	6,595,323,166
Other payables and provisions	-	-	166,368,406	166,368,406	166,368,406
	-	-	6,906,505,351	6,906,505,351	6,906,505,351
	=====	=====	=====	=====	=====
As at 31 December 2023					
<i>Assets:</i>					
Cash and balances held with other banks	-	-	2,982,128,700	2,982,128,700	2,982,128,700
Project and Trade finance loans	-	-	6,715,917,507	6,715,917,507	6,715,917,507
Investment in Government securities	-	-	42,168,768	42,168,768	42,168,768
Other receivables	-	-	55,826,198	55,826,198	55,826,198
Other assets	-	-	129,349,171	129,349,171	129,349,171
	-	-	9,925,390,344	9,925,390,344	9,925,390,344
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	289,437,554	289,437,554	289,437,554
Short term and long term borrowings	-	-	7,345,762,149	7,345,762,149	7,345,762,149
Other payables and provisions	-	-	190,792,047	190,792,047	190,792,047
	-	-	7,825,991,750	7,825,991,750	7,825,991,750
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Comparison of Carrying Amounts and Fair Values for Assets and Liabilities not Held at Fair Value (Continued)

Cash and Balances Held With Other Banks:

The carrying amount of cash and balances with other banks are reasonable approximation of fair value.

Project and Trade Finance Loans:

Trade and project finance loans are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Investment in Government Securities:

Government securities at amortised costs are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity. They are initially recognised at fair value and measured subsequently at amortised cost, using the effective interest method.

Other receivables and Other Assets:

The carrying amounts of these balances approximate their fair values.

Collection Accounts:

Due to the nature of the collection account, their carrying amount is considered to be the same as their fair value.

Short Term and Long Term Borrowings:

The fair values of short term and long term borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including the Bank's own credit risk.

Other Payables and Provisions:

The carrying amounts of other payables and provisions are reasonable approximation of fair value.

Unobservable Inputs Sensitivity Analysis

The significant unobservable valuation input used in obtaining the value of unquoted equity investments was the Enterprise Value/Earnings Before Interest Tax Depreciation and Amortisation (EV/EBITDA Multiple) of similar companies.

For derivative financial instruments, the Group applied valuation technique is the swap model using present value calculations.

The Group used discounted cashflows method and the inputs used for the valuation of the financial investments are obtained from external market data vendors.

The significant unobservable valuation input used in obtaining the value of the investment property was annual market rentals of similar properties.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Unobservable Inputs Sensitivity Analysis (Continued)

The table below shows the impact on the fair value of the Level 2 and Level 3 financial assets should the unobservable inputs increase or decrease by 5%. The positive and negative effects are approximately the same.

GROUP:	Valuation	As at 30 June 2024		As at 31 December 2023	
		Carrying USD	Effect of 5% USD	Carrying USD	Effect of 5% USD
Derivative financial instruments	System-built Model	26,453,923	1,322,696	4,248,951	212,448
Trade Fund loan receivables	Similar Companies	180,382,356	9,019,118	146,140,978	7,307,049
Equity investments at FVOCI	EV/EBITDA Multiple	69,165,390	3,458,270	69,151,869	3,457,593
Investment property	Property Rentals	8,063,446	403,172	8,020,916	401,046
		<u>284,065,115</u>	<u>14,203,256</u>	<u>227,562,714</u>	<u>11,378,136</u>
		=====	=====	=====	=====
BANK:					
Derivative financial instruments	System-built Model	26,453,923	1,322,696	4,248,951	212,448
Equity investments at FVOCI	EV/EBITDA Multiple	69,165,390	3,458,270	69,151,869	3,457,593
Investment property	Property Rentals	8,063,446	403,172	8,020,916	401,046
		<u>103,682,759</u>	<u>5,184,138</u>	<u>81,421,736</u>	<u>4,071,087</u>
		=====	=====	=====	=====

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 year:

	GROUP AND BANK		
	Equity Investments USD	Investment Property USD	Total USD
As at 31 December 2023			
As at 1 January	71,452,098	5,009,560	76,461,658
Additions	-	3,011,356	3,011,356
Disposals*	194,417	-	194,417
Total fair value gains and losses	234,354	-	234,354
	<u>71,880,869</u>	<u>8,020,916</u>	<u>79,901,785</u>
	=====	=====	=====
As at 30 June 2024			
As at 1 January	71,880,869	8,020,916	79,901,785
Additions	-	42,530	42,530
Disposals	-	-	-
Total fair value gains and losses	13,521	-	13,521
	<u>71,894,390</u>	<u>8,063,446</u>	<u>79,957,836</u>
	=====	=====	=====

*The carrying amount was negative at time of disposal. No impairment was recognised when investment went sub zero because the disposal process was in progress.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING

The Group's main business is offering loan products, which are carried out in distinct geographic coverage areas. As such, the Group has chosen to organize the Group based on the loan products offered as well as coverage areas for the 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 variable and commercially oriented public and private sector projects and investments in various economic sectors or industries.

In addition to the loan products segments, the Group has other segments which it recognises as follows:

- Corporate - Non lending activities that do not fall under core products of trade finance and project finance.
- Subsidiaries - comprising the non- banking units in the Group.

The Group also has miscellaneous income like rental of office premises which cannot be directly attributed to the Group's main business. In addition, the Group participates in the investment of Government securities and other unlisted equity investments. Segment assets and liabilities comprise operating assets and liabilities, which form the majority of the statement of financial position.

There are no internal sales between regions. All other transactions between the business segments are the normal commercial terms and conditions.

The Group's main coverage areas are:

- East Africa — covering Kenya, Rwanda, Tanzania and Uganda.
- North East Africa — covering Djibouti, Egypt, Ethiopia, South Sudan and Sudan.
- Southern Africa — covering Malawi, Swaziland, Zambia and Zimbabwe.
- Franco-Lusophone Africa — covering Comoros, Mauritius, Madagascar and Seychelles.
- Congo and Prospective Africa — covering DR Congo and other countries yet to be determined.
- Multi Regional - comprising conglomerates operating across various coverage regions.
- Corporate - Non lending activities that do not fall under core products of trade finance and project finance.
The corporate segment is made up of all service departments of the Bank.
- Subsidiaries - comprising all other the non- banking units specifically entities in the Group other than the Bank.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME	GROUP AND BANK				
	Trade finance	Project finance	Corporate	Subsidiaries	Total
For the period ended 30 June 2024	USD	USD	USD	USD	USD
Gross interest income	183,889,319	120,715,505	64,556,467	1,153,773	370,315,064
Interest expense	(94,098,072)	(82,227,763)	(64,556,467)	(308,146)	(241,190,448)
Net interest income	89,791,247	38,487,742	-	845,627	129,124,616
Other borrowing costs	(1,680)	(1,734,268)	(104,739)	-	(1,840,687)
Fee and commission income	6,521,717	1,474,456	-	12,500	8,008,673
Fair value gains on financial assets-derivatives	19,328,969	-	-	-	19,328,969
Fair value gains on financial assets-ESATF loans	-	-	-	8,479,068	8,479,068
Risk mitigation costs	(14,300,886)	(2,398,356)	(3,392,709)	-	(20,091,951)
Other income	-	1,235,969	646,858	517,746	2,400,573
Other assets written-off	-	(2,500,140)	-	-	(2,500,140)
Operating expenses	(17,219,671)	(6,294,664)	-	(1,279,448)	(24,793,783)
Depreciation and amortisation	(855,218)	(292,573)	-	-	(1,147,791)
Impairment on assets	(16,293,669)	(13,457,766)	258,129	(133,175)	(29,626,481)
Impairment on off-balance sheet commitments	2,027,395	292,372	-	-	2,319,767
Foreign exchange gain	-	-	(2,538,762)	2,924	(2,535,838)
Profit for year	68,998,204	14,812,772	(5,131,223)	8,445,242	87,124,995
For the period ended 30 June 2023	=====	=====	=====	=====	=====
Restated*					
Gross interest income	182,081,951	104,821,546	51,395,591	4,037,012	342,336,100
Interest expense	(68,523,807)	(83,763,536)	(51,395,591)	-	(203,682,934)
Net interest income	113,558,144	21,058,010	-	-	138,653,166
Other borrowing costs	(930,690)	(810,444)	(43,820)	-	(1,784,954)
Fee and commission income	3,820,381	2,550,379	-	7,688	6,378,448
Fair value gains on financial assets-derivatives	8,282,871	-	-	-	8,282,871
Fair value gains on financial assets-ESATF loans	-	-	-	2,307,007	2,307,007
Risk mitigation costs	(12,751,072)	(4,416,727)	(3,085,306)	-	(20,253,105)
Other income	-	-	5,626,384	2,364,613	7,990,997
Other assets recovered	-	236,887	-	-	236,887
Other assets written-off	-	(37,677)	-	-	(37,677)
Operating expenses	(21,246,520)	(1,203,920)	-	(3,037,224)	(25,487,664)
Depreciation and amortisation	(1,093,604)	(35,306)	-	-	(1,128,910)
Impairment on assets	(8,559,196)	(11,294,633)	-	-	(19,853,829)
Impairment on off-balance sheet commitments	-	(434,005)	1,237,593	-	803,588
Foreign exchange loss	-	-	(2,571,644)	58,196	(2,513,448)
Profit for year	81,080,314	5,612,564	1,163,207	1,700,280	93,593,377
	=====	=====	=====	=====	=====

*Details of restatements are disclosed in Note 45.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING (Continued)

	GROUP		BANK	
	JUNE 2024 USD	JUNE 2023 USD	JUNE 2024 USD	JUNE 2023 USD
Gross Interest income from major groups				
Groups contributing 10% or more of revenue	51,426,779	32,239,999	51,426,779	32,239,999
All other customers	253,275,879	254,699,255	253,178,044	254,661,899
	<u>304,702,658</u>	<u>286,939,254</u>	<u>304,604,823</u>	<u>286,901,898</u>
	=====	=====	=====	=====

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 :	Trade finance USD	Project finance USD	Other USD	Subsidiaries USD	Total USD
Assets:					
Cash and balances held with other banks	18,806,519	-	979,492,418	21,312,222	1,019,611,159
Investment in Government securities	-	-	754,829,563	30,808,952	785,638,516
Investment in corporate bonds	-	-	-	9,442,152	9,442,152
Derivative financial instruments	26,453,923	-	-	-	26,453,923
Other receivables	-	-	55,297,180	(5,344,051)	49,953,130
Trade Fund loan receivables	-	-	-	180,382,356	180,382,356
Trade finance loans	4,747,487,581	-	-	2,432,235	4,749,919,816
Project loans	-	2,383,307,055	-	-	2,383,307,055
Equity investments - at fair value through OCI	-	71,894,390	-	-	71,894,390
Property and equipment	-	-	36,702,983	-	36,702,983
Investment property	-	-	8,063,446	-	8,063,446
Right of use asset	-	-	2,241,114	-	2,241,114
Intangible assets	-	-	120,447	-	120,447
Total Assets	<u>4,792,748,024</u>	<u>2,455,201,445</u>	<u>1,836,747,151</u>	<u>239,033,867</u>	<u>9,323,730,486</u>
	=====	=====	=====	=====	=====
Liabilities:					
Short term borrowings	4,172,153,090	-	-	-	4,172,153,090
Long term borrowings	-	2,423,170,076	-	-	2,423,170,076
Collection account deposits	144,813,779	-	-	-	144,813,779
Provision for service and leave pay	-	-	13,574,208	164,976.00	13,739,184
Non-controlling interest payables	-	-	-	91,730,395	91,730,395
Other payables	-	-	152,794,198	94,139	152,888,337
Total Liabilities	<u>4,316,966,869</u>	<u>2,423,170,076</u>	<u>166,368,405</u>	<u>91,989,510</u>	<u>6,998,494,861</u>
	=====	=====	=====	=====	=====
Shareholders' funds	-	-	2,304,149,668	-	2,304,149,668
Non-controlling Interest	-	-	-	21,040,150	21,040,150
Total Equity	<u>-</u>	<u>-</u>	<u>2,304,149,668</u>	<u>21,040,150</u>	<u>2,325,189,818</u>
	=====	=====	=====	=====	=====
Total Equity and Liabilities	<u>4,316,966,869</u>	<u>2,423,170,076</u>	<u>2,470,518,074</u>	<u>113,029,659</u>	<u>9,323,684,679</u>
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING (Continued)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023	Trade finance USD	Project finance USD	Other USD	Subsidiaries USD	Total USD
Assets:					
Cash and balances held with other banks	2,506,003	-	2,979,622,697	41,067,137	3,023,195,837
Investment in Government securities	-	-	42,168,768	9,698,266	51,867,034
Derivative financial instruments	4,248,951	-	-	-	4,248,951
Other receivables	-	-	55,826,198	(13,493,054)	42,333,144
Trade Fund loan receivables	-	-	-	146,140,978	146,140,978
Trade finance loans	4,584,822,529	-	-	2,758,621	4,587,581,150
Project loans	-	2,131,094,979	-	-	2,131,094,979
Equity investments at fair value through OCI	-	71,880,869	-	-	71,880,869
Property and equipment	-	-	37,421,800	-	37,421,800
Investment property	-	-	8,020,916	-	8,020,916
Right of use asset	-	-	2,253,507	-	2,253,507
Intangible assets	-	-	195,284	-	195,284
Total Assets	4,591,577,483	2,202,975,848	3,125,509,170	186,171,948	10,106,234,449
Liabilities:					
Short term borrowings	4,379,401,963	-	-	-	4,379,401,963
Long term borrowings	-	2,966,360,186	-	-	2,966,360,186
Collection account deposits	289,437,554	-	-	-	289,437,554
Provision for service and leave pay	-	-	12,911,887	138,626	13,050,513
Non-controlling interest payables	-	-	-	79,064,874	79,064,874
Other payables	-	-	177,880,160	(7,451,729)	170,428,431
Total Liabilities	4,668,839,517	2,966,360,186	190,792,046	71,751,771	7,897,743,521
Shareholders' funds	-	-	2,195,017,052	-	2,195,017,052
Non-controlling Interest	-	-	-	13,473,877	13,473,877
Total Equity	-	-	2,195,017,052	13,473,877	2,208,490,929
Total Liabilities and Equity	4,668,839,517	2,966,360,186	2,385,809,098	85,225,648	10,106,234,450

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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING (Continued)

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

STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the period ended 30 June 2024	GROUP AND BANK									
	East Africa	North East Africa	Southern Africa	Franco Lusophone	Congo and Prospective Africa	Multi Regional	Total Lending Operations	Corporate	Subsidiaries	Consolidated/ Group Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Interest income	103,111,946	99,027,579	54,454,377	23,977,146	11,303,491	12,730,284	304,604,823	64,556,468	1,153,773	370,315,064
Interest expense	(67,087,174)	(65,342,492)	(36,023,112)	(15,783,737)	(7,443,768)	(8,446,346)	(200,126,629)	(40,755,673)	(308,146)	(241,190,448)
Net interest income	36,024,772	33,685,087	18,431,265	8,193,409	3,859,723	4,283,938	104,478,194	23,800,795	845,627	129,124,616
Other borrowing costs	-	-	-	-	-	-	-	(1,840,687)	-	(1,840,687)
Fees and commission	1,578,667	5,356,391	108,595	182,484	149,161	620,875	7,996,173	-	12,500	8,008,673
FV gains on financial assets - derivatives	-	-	-	-	-	-	-	19,328,969	-	19,328,969
FV gains on financial assets - ESATF loans	-	-	-	-	-	-	-	-	8,479,068	8,479,068
Net trading income	37,603,439	39,041,478	18,539,860	8,375,893	4,008,884	4,904,813	112,474,367	41,289,077	9,337,195	163,100,639
Risk mitigation risk	(4,838,937)	(5,589,885)	(6,240,875)	-	-	-	(16,669,697)	(3,422,254)	-	(20,091,951)
Other income	-	-	-	-	-	-	-	1,882,827	517,746	2,400,573
Depreciation and amortisation	-	-	-	-	-	-	-	(1,147,791)	-	(1,147,791)
Operating expenses	(184,671)	(327,233)	(327,055)	(334,978)	(204,714)	(1,638,846)	(3,017,497)	(20,496,838)	(1,279,448)	(24,793,783)
Impairment on assets	(12,338,670)	(11,590,315)	(14,683,496)	(2,164,615)	7,267,023	2,400,672	(31,109,401)	3,935,862	(133,175)	(27,306,714)
Impairment on other assets	-	-	-	-	-	-	-	(2,500,140)	-	(2,500,140)
Foreign exchange gain	-	-	-	-	-	-	-	(2,538,762)	2,924	(2,535,838)
Profit for the year	20,241,161	21,534,045	(2,711,566)	5,876,300	11,071,193	5,666,639	61,677,772	17,001,981	8,445,242	87,124,995

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NOTES TO THE FINANCIAL STATEMENTS (continued)

42. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the period ended 30 June 2023 Restated*	GROUP AND BANK									
	East Africa	North East Africa	Southern Africa	France Lusophone	Congo and Prospective Africa	Multi-Regional	Total Lending Operations	Corporate	Subsidiaries	Consolidated/ Group Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Interest income	79,734,304	104,044,391	42,905,492	21,463,801	4,602,973	21,517,042	274,268,003	64,031,085	4,037,012	342,336,100
Interest expense	(50,251,156)	(65,539,746)	(27,303,114)	(13,496,462)	(2,888,450)	(13,562,420)	(173,041,348)	(30,641,586)	-	(203,682,934)
Net interest income	29,483,148	38,504,645	15,602,378	7,967,339	1,714,523	7,954,622	101,226,655	33,389,499	4,037,012	138,653,166
Other borrowing costs	-	-	-	-	-	-	-	(1,784,954)	-	(1,784,954)
Fees and commission income	1,324,713	1,997,079	425,805	487,523	94,130	2,041,510	6,370,760	-	7,688	6,378,448
FV gains on financial assets - derivatives	-	-	-	-	-	-	-	8,282,871	-	8,282,871
FV gains on financial assets - ESATF receivables	-	-	-	-	-	-	-	-	2,307,007	2,307,007
Net trading income	30,807,861	40,501,724	16,028,183	8,454,862	1,808,653	9,996,132	107,597,415	39,887,416	6,351,707	153,836,538
Risk mitigation risk	(5,088,848)	(4,978,470)	(7,080,491)	-	-	-	(17,147,809)	(3,105,296)	-	(20,253,105)
Other income	-	-	-	-	-	-	-	5,863,271	2,364,613	8,227,884
Depreciation and amortisation	-	-	-	-	-	-	-	(1,128,910)	-	(1,128,910)
Operating expenses	(267,976)	(417,915)	(416,043)	(618,509)	(213,980)	(1,974,620)	(3,909,043)	(18,541,397)	(3,037,224)	(25,487,664)
Impairment on assets	3,382,386	(8,602,897)	(13,760,178)	(4,955,193)	(1,119,650)	4,473,826	(20,581,706)	1,531,465	-	(19,050,241)
Impairment on other assets	(20,980)	-	-	-	-	-	(20,980)	(16,697)	-	(37,677)
Foreign exchange gain	-	-	-	-	-	-	-	(2,571,644)	58,196	(2,513,448)
Profit for the year	28,812,443	26,502,442	(5,228,529)	2,881,160	475,023	12,495,338	65,937,877	21,918,208	5,737,292	93,593,377

*Details of restatements are disclosed in Note 45.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

43. CONTINGENCIES AND COMMITMENTS

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
	USD	USD
(a) Approved Capital Expenditure		
Approved but not contracted	4,779,818	4,148,256
	=====	=====
Approved and contracted	477,182	38,936,134
	=====	=====
(b) Loans Committed but not Disbursed		
Project loans	74,149,652	131,334,919
Trade finance loans	240,608,994	371,187,288
	=====	=====
	314,758,646	502,522,207
	=====	=====
(c) Letters of Credit and Guarantees		
Letters of credit - Project loans	-	12,376,445
- Trade loans	42,184,240	27,608,629
	=====	=====
	42,184,240	39,985,074
Guarantees	8,702,600	10,000,000
	=====	=====
	50,886,840	49,985,074
	=====	=====

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.

(d) Pending Litigation

Litigation is a common occurrence in the banking industry due to the nature of the business. 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 30 June 2024, there were no material legal proceedings involving the Group (December 2023: 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

44. RELATED PARTY TRANSACTIONS

(a) Membership and Governance

As a supranational development financial institution with comprising. Class A Shareholders: Twenty two COMESA /African States (the "Member States") three non COMESA States, two non-African States and one institutional member;- Class B Shareholders: one non-African State and Seventeen institutional members;- Class C Shareholders: five 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 the power of the appointing Member. The Board of Directors, which is composed Nineteen (19) Directors elected by the Members is responsible for the conduct of the general operation of the Group, and for this purpose, exercise 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 some of its Members. Such loans granted to Member States are approved by the Board of Directors.

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

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
	USD	USD
(b) Loans with Member States		
Outstanding loans at 1 January	3,620,690,457	2,536,814,966
Loans disbursed during the period	345,727,349	1,217,503,023
Loan repaid during the period	(598,449,345)	(133,627,532)
	<hr/>	<hr/>
Outstanding balances at end of period	3,367,968,461	3,620,690,457
	=====	=====
ECL Provisions	100,453,307	83,209,371
	=====	=====

Loans to related parties are subject to commercial negotiations on the terms and conditions of varying interest rates and terms. Outstanding balances at period/year-end are secured by cash security deposits, sovereign undertakings/guarantees and insurance. The loans are granted for an average period of one year.

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
	USD	USD
(c) Borrowings from Member States		
Outstanding borrowings at 1 January	200,000,000	226,250,000
Borrowings received during the period	-	228,044
Borrowings repaid during the period	(10,000,000)	(26,478,044)
	<hr/>	<hr/>
Outstanding balances at end of period	190,000,000	200,000,000
	=====	=====

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 Bank for any borrowings from members. The borrowings are for an average period of ten years.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

44. RELATED PARTY TRANSACTIONS (Continued)

	GROUP AND BANK	
	JUNE 2024 USD	JUNE 2023 USD
(d) Income and Expenses		
Interest income from loans to members earned during the period	146,630,969	137,108,874
	=====	=====
Interest expense on borrowings from members incurred during the period	(7,398,452)	(5,512,916)
	=====	=====
Fees and commissions	2,422,773	7,130,900
	=====	=====
(e) Other Related Parties		
The remuneration of members of key management staff during the period was as follows:		
Salaries and other short-term benefits	2,115,671	2,159,650
Defined contribution provident fund	346,523	323,794
Board of Directors' and Board of Governors' allowances	67,350	108,037
Post-employment benefits: Other long term employee benefits	136,108	128,490
	=====	=====
	2,665,652	2,719,971
	=====	=====
(f) Subsidiaries		
Payable to subsidiaries	28,375,809	16,831,794
	=====	=====
Receivable from subsidiaries	17,065,564	13,653,508
	=====	=====
Income from related parties	1,113,741	-
	=====	=====
Expenses for related parties	(1,113,741)	-
	=====	=====

These relate to the Bank's balances with subsidiaries.

The balances have been eliminated on consolidation at Group level.

(g) Share Capital

During the period, Class 'C' shares with a value of USD 5,557,949 (December 2023: USD 5,340,345) were issued to the Eastern and Southern African Trade and Development Bank Provident Fund while Class 'C' shares with a value of USD 3,540,585 (December 2023: USD 3,948,591) matured and were retired.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

45. PRIOR YEAR ADJUSTMENTS

(A) CORRECTION OF PRIOR PERIOD ERRORS

i) Recognition of Fee and Commission Income Under IFRS 9, Previously Under IFRS 15

In the interim period of the immediately preceding financial year ending 31 December 2023, some items of fees which are integral to the loan contracts were recognised using IFRS 15 under fee and commission income. The correction were made in the preceding financial year ending 31 December 2023 audited financial statements and, consequently, the correction has now been made in the comparative statement for the comparable interim period ending June 2023 and these fees are now recognised as interest income as per IFRS 9. The impact is a correction of USD 12,635,494 for group and USD 12,633,896 for bank relating to fees and commission integral to effective interest rate adjusted to interest income.

ii) Recognition of Interest Expense Integral to Borrowings From Other Borrowing Costs

There was reclassification of costs which are integral to borrowings from 'Other Borrowing Costs' to 'Interest Expenses' for the comparative statements for the comparable interim period ending June 2023. This is in compliance with IFRS 9 reporting requirements.

iii) Disclosure of Interest Received and Interest Paid Within the Statement of Cash Flows

TDB prepares its cashflow statement using the indirect method. Among items that are adjusted from profit for the year are 'Interest Received' and 'Interest Paid'. In the comparative statements for the comparable year to date period of the immediately preceding financial year ending 31 December 2023, the cash element of the Interest Received and Interest Paid was not shown separately in the cash flow statement. This has been corrected in the comparable year to date period ending June 2023 and appropriately disclosed in the 2024 statement of cash flows.

iv) Presenting Cash and cash equivalents in the Statement of Cash Flows - Less Than 90 Days and More Than 90 Days

In the comparative statements for the comparable year to date period of the immediately preceding financial year ending 31 December 2023, the Group cash and cash equivalents at the beginning of the period (i.e 01 January 2022) in the statement of cash flows for period ending June 2023 was shown as USD 1,737,616,838 (Now split into amounts maturing within 90 days USD 1,021,327,969, and amounts maturing over 90 days - USD 716,288,869) and for the Bank was shown as USD 1,697,241,545 (Now split into amounts maturing within 90 days USD 980,952,676 and amounts maturing over 90 days - USD 716,288,879). The increase in balance over 90 days has been disclosed as USD 37,941,235 for both Bank and Group (previously nil).

v) Recognition trade fund loan receivables to be carried at fair value through profit or loss from amortised cost

TDB has subsidiary – ESATF whose principal activity is to invest in trade finance transactions. It has fair value business model. In the comparative statements for the comparable year to date period of the immediately preceding financial year ending 31 December 2023, ESATF had loans receivables which were classified at amortized cost instead of fair value as the business model was fair value. Due to this, in the consolidated financial statements of the Group, loans receivables were also classified and disclosed at amortized cost. There was recognition of gains on fair value through profit or loss of USD 2,307,007.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

45. PRIOR YEAR ADJUSTMENTS (Continued)

B) IMPACT OF ADJUSTMENTS ON GROUP ACCOUNTS

Effect on Profit or Loss and Other Comprehensive Income

As at 30 June 2023:	Note 45	Balance as Previously Stated USD	Adjustment for Restatement USD	Restated USD
<i>Group:</i>				
Interest income	A (i)	332,007,613	10,328,487	342,336,100
Interest expense	A (ii)	(202,920,434)	(762,500)	(203,682,934)
Other borrowing costs	A (ii)	(2,547,454)	762,500	(1,784,954)
Fee and commission income	A (i)	19,013,941	(12,635,494)	6,378,448
Gains on FVTPL - Trade Fund loan assets	A (v)	-	2,307,007	2,307,007
		=====	=====	=====
<i>Bank:</i>				
Interest income	A (i)	325,663,594	12,633,896	338,297,490
Interest expense	A (ii)	(202,920,434)	(762,500)	(203,682,934)
Other borrowing costs	A (ii)	(2,547,454)	762,500	(1,784,954)
Fee and commission income	A (i)	19,006,252	(12,633,896)	6,372,357
		=====	=====	=====

Effect on Statement of Cash Flows

<i>Group:</i>				
Interest income	A (i)	(171,404,264)	(170,931,836)	(342,336,100)
Interest expense	A(ii)	201,830,806	1,852,128	203,682,934
Increase in trade finance loans	A (i),(iii)	(297,576,398)	9,764,670	(287,811,728)
Decrease in project loans	A (i),(iii)	93,994,224	55,846,802	149,841,026
Net increase in borrowings	A (ii),(iii)	(13,055,668)	(7,699,563)	(20,755,231)
Interest received	A(i),(ii)	171,404,264	105,320,364	276,724,628
Interest paid	A(i),(ii)	(201,830,806)	5,847,435	(195,983,371)
Bank balances with more than 90 days to maturity	A (iv)	-	37,317,883	37,317,883
Cash and cash equivalents at the beginning of period	A (iv)	1,737,616,838	(716,288,869)	1,021,327,969
Cash and cash equivalents at the end of period	A (iv)	(1,727,919,130)	678,970,986	(1,048,948,144)
		=====	=====	=====
<i>Bank:</i>				
Interest income	A (i)	(171,404,264)	(166,893,226)	(338,297,490)
Interest expense	A(ii)	201,830,806	1,852,128	203,682,934
Increase in trade finance loans	A (i),(iii)	(297,576,398)	13,408,863	(284,167,535)
Decrease in project loans	A (i),(iii)	93,994,224	55,846,802	149,841,026
Net increase in borrowings	A (ii),(iii)	(13,055,668)	(14,648,688)	(27,704,356)
Interest received	A(i),(ii)	171,404,264	97,637,561	269,041,825
Interest paid	A(i),(ii)	(201,830,806)	12,796,560	(189,034,246)
Bank balances with more than 90 days to maturity	A (iv)	-	37,317,883	37,317,883
Cash and cash equivalents at the beginning of period	A (iv)	1,697,241,545	(716,288,869)	980,952,676
Cash and cash equivalents at the end of period	A (iv)	(1,677,492,860)	678,970,986	(998,521,874)
		=====	=====	=====

The effects of the changes in the consolidated and separate financial statements arise from the outlined changes above have been reflected in the primary statements. In addition, consequential amendments arising from the adjustments have been made in the respective notes in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

46. 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:

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
British Pound	0.7908	0.7914
Euro	0.9334	0.9129
United Arab Emirates Dirham	3.6730	3.6727
Zimbabwe Gold	13.7031	-
South Africa Rand	18.1933	18.5296
Zambian Kwacha	24.2117	25.7550
Mauritian Rupee	48.5164	44.3352
Ethiopian Birr	57.6132	56.0000
Kenya Shilling	129.2600	157.1850
Japanese Yen	160.8850	141.9350
Sudanese Pound	647.8102	647.8102
Malawi Kwacha	1,730.3600	1,676.2981
Tanzania Shilling	2,635.0000	2,515.5000
Burundi Franc	2,858.2140	2,847.5298
Uganda Shilling	3,709.5200	3,792.5100
Zimbabwe Dollar	30,671.9730	6,166.7154
	=====	=====

47. FINANCIAL RISK MANAGEMENT

The financial risk management objective 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 sustainability and each individual within the Group is accountable for the risk exposure 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 Management structure.

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 Risk appetite statement and risk management framework for measuring monitoring controlling and mitigation of the Group's risk, the policies are integrated in the overall management information.

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.

The Bank-Wide integrated Risk Management Committee (BIRMC) is responsible for monitoring compliance with the Group's 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 management controls and procedures, the result of which are reported to the Board.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both expected loss likely to arise in normal circumstance 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 economics 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 are 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 risks and country risks. 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.

All limits were within approved risk appetite thresholds as at 30 June 2024.

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 credit cycle. The lending process follows a formalised system of strict procedures and processes and committee-based decision-making processes. There is segregation of duties in the various decision-making processes distinct from the deal teams to enhance the independence of due diligence.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Client specific risk

The Group uses credit assessment and risk profiling systems, including borrower and facility 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 tangible collateral, personal and corporate guarantees, and other acceptable credit enhancements. 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 and factors which may have an adverse impact on the credit quality of its borrowers. To mitigate such risks, the Group uses prudent country exposure limit 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 51 and 52 of the Financial Statements contain further country exposure analysis.

Credit-related commitment risks

The Group makes guarantees available to its customers that may require that the Group makes payments on their behalf. The group also enters into commitments to extend credit lines to secure the customers' 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 43(b).

Credit quality

The following tables sets out information about the credit quality and credit risk exposure of financial assets measured at amortised cost and loans and receivables. 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 including in Note 2 (m).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2024				As at 31 December 2023			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:								
Pass/acceptable	1,944,262,773	-	-	1,944,262,773	1,632,500,529	-	-	1,632,500,529
Special mention	-	359,490,572	-	359,490,572	-	408,796,185	-	408,796,185
Substandard, doubtful & loss	-	-	130,484,088	130,484,088	-	-	127,563,249	127,563,249
Gross amount	1,944,262,773	359,490,572	130,484,088	2,434,237,433	1,632,500,529	408,796,185	127,563,249	2,168,859,963
Loss allowance	(14,512,931)	(16,889,114)	(19,528,333)	(50,930,378)	(8,043,478)	(13,219,181)	(16,502,325)	(37,764,984)
Net carrying amount	1,929,749,842	342,601,458	110,955,755	2,383,307,055	1,624,457,051	395,577,004	111,060,924	2,131,094,979
Trade finance loans:								
Pass/acceptable	2,394,403,663	-	-	2,394,403,663	2,270,212,083	-	-	2,270,212,083
Special mention	-	2,437,398,344	-	2,437,398,344	-	2,384,039,262	-	2,384,039,262
Substandard, doubtful & loss	-	-	121,903,108	121,903,108	-	-	122,715,655	122,715,655
Gross amount	2,394,403,663	2,437,398,344	121,903,108	4,953,705,115	2,270,212,083	2,384,039,262	122,715,655	4,776,967,000
Loss allowance	(8,657,044)	(102,037,546)	(93,090,709)	(203,785,299)	(11,138,168)	(92,132,060)	(86,115,622)	(189,385,850)
Net carrying amount	2,385,746,619	2,335,360,798	28,812,399	4,749,919,816	2,259,073,915	2,291,907,202	36,600,033	4,587,581,150

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2024				As at 31 December 2023			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:								
Pass/acceptable	1,944,262,773	-	-	1,944,262,773	1,632,500,529	-	-	1,632,500,529
Special mention	-	359,490,572	-	359,490,572	-	408,796,185	-	408,796,185
Substandard, doubtful & loss	-	-	130,484,088	130,484,088	-	-	127,563,249	127,563,249
Gross amount	1,944,262,773	359,490,572	130,484,088	2,434,237,433	1,632,500,529	408,796,185	127,563,249	2,168,859,963
Loss allowance	(14,512,931)	(16,889,114)	(19,528,333)	(50,930,378)	(8,043,478)	(13,219,181)	(16,502,325)	(37,764,984)
Net carrying amount	1,929,749,842	342,601,458	110,955,755	2,383,307,055	1,624,457,051	395,577,004	111,060,924	2,131,094,979
Trade finance loans:								
Pass/acceptable	2,391,666,981	-	-	2,391,666,981	2,267,282,190	-	-	2,267,282,190
Special mention	-	2,437,398,344	-	2,437,398,344	-	2,384,039,262	-	2,384,039,262
Substandard, doubtful & loss	-	-	121,903,108	121,903,108	-	-	122,715,655	122,715,655
Gross amount	2,391,666,981	2,437,398,344	121,903,108	4,950,968,433	2,267,282,190	2,384,039,262	122,715,655	4,774,037,107
Loss allowance	(8,352,597)	(102,037,546)	(93,090,709)	(203,480,852)	(10,966,896)	(92,132,060)	(86,115,622)	(189,214,578)
Net carrying amount	2,383,314,384	2,335,360,798	28,812,399	4,747,487,581	2,256,315,294	2,291,907,202	36,600,033	4,584,822,529

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2024				As at 31 December 2023			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Undisbursed commitments and guarantees:								
Pass/acceptable	324,868,921	-	-	324,868,921	512,522,207	-	-	512,522,207
Loss allowance	(2,698,142)	-	-	(2,698,142)	(4,969,239)	-	-	(4,969,239)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
carrying amount	322,170,779	-	-	322,170,779	507,552,968	-	-	507,552,968
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Letters of credit:								
Pass/acceptable	42,184,240	-	-	42,184,240	39,985,074	-	-	39,985,074
Loss allowance	(186,622)	-	-	(186,622)	(407,274)	-	-	(407,274)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	41,997,618	-	-	41,997,618	39,577,800	-	-	39,577,800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total off-balance sheet items:								
Gross amount	367,053,161	-	-	367,053,161	552,507,281	-	-	552,507,281
Loss allowance	(2,884,764)	-	-	(2,884,764)	(5,376,513)	-	-	(5,376,513)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	364,168,397	-	-	364,168,397	547,130,768	-	-	547,130,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held:

On - Statement of financial position items:	GROUP			
	JUNE 2024 USD	%	DECEMBER 2023 USD	%
Cash and balances held with other banks	1,019,611,158	10.78%	3,023,195,837	29.60%
Investment in government securities	785,638,516	8.31%	51,867,034	0.51%
Investment in corporate bonds	9,442,152	0.10%	-	-
Derivative financial Instruments	26,453,923	0.28%	4,248,951	0.04%
Other receivable	49,953,130	0.53%	42,333,144	0.41%
Trade Fund loan receivables	180,382,356	1.91%	146,140,978	1.43%
Loans and advances*	7,387,942,548	78.10%	6,945,826,963	68.01%
- Trade finance loans*	4,953,705,115	52.37%	4,776,967,000	46.77%
- Project loans	2,434,237,433	25.73%	2,168,859,963	21.23%
Sub total	9,459,423,783	100.00%	10,213,612,907	100.00%
On - Statement of financial position items:	BANK			
Cash and balances held with other banks	998,298,936	10.82%	2,982,128,700	29.73%
Investment in government securities	754,829,563	8.18%	42,168,768	0.42%
Derivative financial Instruments	26,453,923	0.29%	4,248,951	0.04%
Other receivable	55,297,180	0.60%	55,826,198	0.56%
Loans and advances*	7,387,942,548	80.11%	6,945,826,963	69.25%
- Trade finance loans*	4,953,705,115	53.71%	4,776,967,000	47.63%
- Project loans	2,434,237,433	26.39%	2,168,859,963	21.62%
Sub total	9,222,822,150	100.00%	10,030,199,580	100.00%
Off-Statement of financial position items:	GROUP AND BANK			
Letter of credit	42,184,240	11.54%	39,985,074	7.24%
Loan commitments not disbursed	314,758,646	86.08%	502,522,207	90.95%
Guarantees and performance bonds	8,702,600	2.38%	10,000,000	1.81%
	365,645,486	100.00%	552,507,281	100.00%
Total credit exposure - Group	9,825,069,269		10,766,120,188	
Total credit exposure - Bank	9,588,467,636		10,582,706,861	

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 for the Group took up 78.92% as at 30 June 2024 (December 2023: 69.65%) of the total maximum credit exposure. For the Bank, these were 73.24% in June 2024 (December 2023: 60.41%).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held (Continued):

Other than cash and bank balances, investment in government securities, Trade Fund loan receivables, and derivative financial instruments, 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 30 June 2024, the fair value of collateral held for impaired loans and advances was USD 254,852,062 (December 2023: USD 262,596,091) and the gross impaired loans exposure was USD 252,387,196 (December 2023: USD 249,088,216).

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 as well as credit insurance in need. 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.

	GROUP AND BANK	
	JUNE 2024	DECEMBER 2023
	USD	USD
(i) Total Portfolio		
Insurance and Guarantees	2,610,200,730	2,640,840,678
Cash security deposits	1,307,737,117	528,325,997
Fixed charge on plant and equipment	624,966,831	687,204,087
Other floating all asset debenture	949,078,238	477,842,850
Mortgages on properties	312,403,978	313,137,177
Sovereign undertakings	167,728,639	227,711,818
Total security cover	5,972,115,533	4,875,062,607
Gross portfolio	(7,387,942,548)	(6,945,826,963)
Net (gap)/Cover	(1,415,827,015)	(2,070,764,356)
	=====	=====
(ii) Loans not impaired		
Insurance and Guarantees	2,530,840,130	2,562,029,660
Cash security deposits	1,307,354,422	527,939,928
Fixed charge on plant and equipment	535,495,618	595,829,976
Other floating all asset debenture	948,613,392	475,542,850
Mortgages on properties	227,231,270	223,412,284
Sovereign undertakings	167,728,639	227,711,818
Total security cover	5,717,263,471	4,612,466,516
Gross portfolio	(7,135,555,352)	(6,696,738,747)
Net (gap)/Cover	(1,418,291,881)	(2,084,272,231)
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Collateral held for loan portfolio (continued)

	GROUP AND BANK	
	JUNE 2024 USD	DECEMBER 2023 USD
(iii) Impaired loans:		
Insurance and Guarantees	79,360,600	78,811,018
Cash security deposits	382,695	386,069
Fixed charge on plant and equipment	89,471,213	91,374,111
Other floating all asset debenture	464,846	2,300,000
Mortgages on properties	85,172,708	89,724,893
	<hr/>	<hr/>
Total security cover	254,852,062	262,596,091
Gross portfolio	(252,387,196)	(249,088,216)
	<hr/>	<hr/>
Net cover	2,464,866	13,507,875
	<hr/>	<hr/>

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.

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

- Qualitative indicators;
- Quantitative factors;

Qualitative indicators

- Project finance and Trade Finance loans rated LCC 3 and 4; and
- A backstop of 180 days past due
 - more than 90 days past due on any material credit obligation to the Group for corporate borrowers
 - more than 180 days past due on any material credit obligation to the group for sovereign borrowers, and as approved by the Board of Directors.

Quantitative factors;

- LCC1-LCC2: Stage 1 loans
- LCC3-LCC4: Stage 2 loans
- LCC5-LCC7: Stage 3 loans

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Credit risk classification

The Group allocates each exposure to a credit risk classification 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

Grading:	12-month weighted average PD
Very low risk	2.20%
Low risk	
Moderate risk	9.74%
High risk	
Substandard	100.00%
Bad & Doubtful loss	

Project finance loans

Grading:	12-month weighted average PD
Very low risk	4.36%
Low risk	
Moderate risk	18.20%
High risk	
Substandard	100.00%
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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Determining whether credit risk has increased significantly (continued)

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 LCC3 and LCC4 or being in arrears for a year of 31 to 89 days for corporates and up to 179 days for sovereigns.

The Group has developed an internal rating model going forward and the movement in the probability of default (PD) between the reporting year 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.

(PO) between the reporting year and initial recognition date/ the date of initial application of IFRS 9 of the 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 IFRS9, 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 credit impaired 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 LCC 5,6 and 7; or
- the borrower is:
 - more than 90 days past due on any material credit obligation to the Group for corporate borrowers
 - more than 180 days past due on any material credit obligation to the group for sovereign borrowers, and as approved by the Board of Directors.

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

- qualitative: e.g. breaches of covenant, low quality receivables, management commitment, competency technical teams, project viability assumptions.
- quantitative: e.g. overdue status, material deterioration of PD, weak financial condition, liquidity, capitalization, earnings, cash flow, net worth, insufficient collateral, impaired receivables and non-payment of another obligation of the same issuer to the Group; and
- based on empirical 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Incorporation of forward-looking information

The Group incorporates forward-looking information in its measurement of ECL. The Group formulates three 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.

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 year 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.

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.

Restructured and modified loans

The contractual terms of a loan may be restructured or 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). For a modification to qualify for derecognition, a 10% test has to be performed and met.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Restructured and modified loans (continued)

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 behavior over a year 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.

Restructured

Originates from a distress situation increased credit risk affecting cashflow generation. Main features of restructure include, extension of tenor by 12 months or longer, unchanged interest rate for most of the facilities, moratorium of capital for 12 months or longer.

Modified

Modifications relate to roll-overs and maturity extensions not exceeding six months in the normal course of business-without necessarily changing the underlying facility structure and material terms and conditions of the facility. Main features of modifications include, rollovers of maturing obligations for 3 to 6 months in normal course of business; unchanged pricing, for long term loans- moratorium of 3 to 6 months of capital or in some cases both capital and interest; loan reprofiling through extension of tenor of 3 to 6 months or in some cases no extension of tenor and financial covenant waivers as appropriate on a case by case basis.

Due to Covid-19 disruptions, Borrowers were pro-active to approach the Bank to negotiate reprofiling of payments in order to avert default and to manage their cashflows and address liquidity constraints. Payment delays due to temporary systemic factors affecting all borrowers are not considered as a reason for automatic classification in default, forborne or unlikeliness to pay; unlikeliness to pay has been considered on a case-by-case. Modifications are generally done to address short term cash-flow challenges where the fundamentals of the project remain sound.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Restructured and modified loans (continued)

The Following tables refer to restructured financial assets during the year where the restructuring or modification does not result in de-recognition:

	GROUP AND BANK	
	JUNE	DECEMBER
	2024	2023
	USD	USD
Gross carrying amount before restructuring	-	11,790,283
Loss allowances before restructuring	-	250,898
Net amortised cost before restructuring	-	12,041,181
Net restructuring loss	-	(1,813)
Net amortised cost after restructuring	-	12,039,368
	=====	=====
Analysis of gross amounts by sector		
Manufacturing	-	7,290,262
Hospitality	-	4,500,021
	-	11,790,283
	=====	=====
Project finance loans	-	7,290,262
Trade finance loans	-	4,500,021
	-	11,790,283
	=====	=====

The Group has continued to accrue interest on the existing restructured and modified facilities.

As at reporting date, there were no restructured loans or modifications that resulted in derecognition and recognition of new financial assets.

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).

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47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Inputs into measurement of ECLs (Continued)

These parameters are derived from internally developed statistical models and other historical data that leverage regulatory models. They are adjusted to reflect the rating of the support provider and the nature of support as applicable as well 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, Preferred Creditor Status consideration 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:

ECL sensitivity analysis

If the loans categorised as stage 2 were to increase by 5% as of 30 June 2024, the ECL would increase by USD 6,338,982 which is 5.33 % (December 2023: USD 3,448,148 which is 5.68%).

If all loans that have been renegotiated were deemed to have suffered a significant increase in credit risk and were moved from stage 1 to stage 2 the ECL would increase by NIL (December 2023: 0.16%).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL - Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowances by segment.

As at 30 June 2024	Stage 1 USD	GROUP Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:				
Balance at 1 January	8,043,478	13,219,181	16,502,325	37,764,984
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(1,687,961)	3,669,933	3,026,008	5,007,980
Net financial assets originated	8,157,414	-	-	8,157,414
Financial assets derecognized*	-	-	-	-
	<u>14,512,931</u>	<u>16,889,114</u>	<u>19,528,333</u>	<u>50,930,378</u>
Trade Finance loans:				
Balance at 1 January	11,138,170	92,132,058	86,115,622	189,385,850
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	(49,690)	49,690	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(4,752,612)	9,855,799	6,975,087	12,078,274
Net financial assets originated	2,553,689	-	-	2,553,689
Financial assets derecognized*	(232,514)	-	-	(232,514)
	<u>8,657,043</u>	<u>102,037,547</u>	<u>93,090,709</u>	<u>203,785,299</u>
Undisbursed commitments:				
Balance at 1 January	4,969,239	-	-	4,969,239
Net remeasurement of loss allowance	2,698,142	-	-	2,698,142
Financial assets derecognised*	(4,969,239)	-	-	(4,969,239)
	<u>2,698,142</u>	<u>-</u>	<u>-</u>	<u>2,698,142</u>
Letters of credit				
Balance at 1 January	407,274	-	-	407,274
Net remeasurement of loss allowance	186,622	-	-	186,622
Financial assets derecognised*	(407,274)	-	-	(407,274)
	<u>186,622</u>	<u>-</u>	<u>-</u>	<u>186,622</u>

*During the period ended 30 June 2024, there were no loans written off. (December 2023: Project and Infrastructure Finance loans - USD 2,768,970 and Trade Finance Loans - USD 3,677,733).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL - Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowances by segment.

As at 30 June 2024	Stage 1 USD	BANK Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:				
Balance at 1 January	8,043,478	13,219,181	16,502,325	37,764,984
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(1,687,961)	3,669,933	3,026,008	5,007,980
Net financial assets originated	8,157,414	-	-	8,157,414
Financial assets derecognized*	-	-	-	-
	-----	-----	-----	-----
Balance at 30 June	14,512,931	16,889,114	19,528,333	50,930,378
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	11,138,170	92,132,058	86,115,622	189,385,850
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	(49,690)	49,690	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(4,752,612)	9,855,799	6,975,087	12,078,274
Net financial assets originated	2,249,242	-	-	2,249,242
Financial assets derecognized*	(232,514)	-	-	(232,514)
	-----	-----	-----	-----
Balance at 30 June	8,352,596	102,037,547	93,090,709	203,480,852
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	4,969,239	-	-	4,969,239
Net remeasurement of loss allowance	2,698,142	-	-	2,698,142
Financial assets derecognised*	(4,969,239)	-	-	(4,969,239)
	-----	-----	-----	-----
Balance at 30 June	2,698,142	-	-	2,698,142
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	407,274	-	-	407,274
Net remeasurement of loss allowance	186,622	-	-	186,622
Financial assets derecognised*	(407,274)	-	-	(407,274)
	-----	-----	-----	-----
Balance at 30 June	186,622	-	-	186,622
	=====	=====	=====	=====

*During the period ended 30 June 2024, there were no loans written off. (December 2023: Project and Infrastructure Finance loans - USD 2,768,970 and Trade Finance Loans - USD 3,677,733).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (Continued)

As at 31 December 2023	GROUP			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD	
Project finance loans:				
Balance at 1 January	5,387,176	15,217,692	10,116,021	30,720,889
Transfer to 12 months ECL	5,609,768	(5,609,768)	-	-
Transfer to Lifetime ECL not credit impaired	(6,363)	6,363	-	-
Transfer to Lifetime ECL credit impaired	-	(2,329,040)	2,329,040	-
Net re-measurement of loss allowance	(6,330,531)	3,002,372	11,673,852	8,345,693
Net financial assets originated	3,499,795	3,395,473	2,392,731	9,287,999
Financial assets derecognised*	(116,367)	(463,911)	(10,009,319)	(10,589,597)
Balance at 31 December	8,043,478	13,219,181	16,502,325	37,764,984
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	98,800,281	853,012	74,819,139	174,472,432
Transfer to 12 months ECL	12,402,037	(182,037)	(12,220,000)	-
Transfer to Lifetime ECL not credit impaired	(17,894,245)	17,894,245	-	-
Transfer to Lifetime ECL credit impaired	(6,661)	(4,934,104)	4,940,765	-
Net of financial assets originated	(85,691,349)	70,581,913	58,030,262	42,920,826
Net remeasurement of loss allowance	3,581,694	8,144,901	-	11,726,595
Financial assets derecognised	(53,587)	(225,872)	(39,454,544)	(39,734,003)
Balance at 31 December	11,138,170	92,132,058	86,115,622	189,385,850
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,491,757	-	-	2,491,757
Net remeasurement of loss allowance	4,969,239	-	-	4,969,239
Financial assets derecognised*	(2,491,757)	-	-	(2,491,757)
Balance at 31 December	4,969,239	-	-	4,969,239
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	140,318	-	-	140,318
Net remeasurement of loss allowance	407,274	-	-	407,274
Financial assets derecognised*	(140,318)	-	-	(140,318)
Balance at year end	407,274	-	-	407,274
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (Continued)

As at 31 December 2023	BANK			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD	
Project finance loans:				
Balance at 1 January	5,387,176	15,217,692	10,116,021	30,720,889
Transfer to 12 months ECL	5,609,768	(5,609,768)	-	-
Transfer to Lifetime ECL not credit impaired	(6,363)	6,363	-	-
Transfer to Lifetime ECL credit impaired	-	(2,329,040)	2,329,040	-
Net re-measurement of loss allowance	(6,330,531)	3,002,372	11,673,852	8,345,693
Net financial assets originated	3,499,795	3,395,473	2,392,731	9,287,999
Financial assets derecognized*	(116,367)	(463,911)	(10,009,319)	(10,589,597)
Balance at 31 December	8,043,478	13,219,181	16,502,325	37,764,984
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	98,800,281	853,012	74,819,139	174,472,432
Transfer to 12 months ECL	12,402,037	(182,037)	(12,220,000)	-
Transfer to Lifetime ECL not credit impaired	(17,894,245)	17,894,245	-	-
Transfer to Lifetime ECL credit impaired	(6,661)	(4,934,104)	4,940,765	-
Net of financial assets originated	(85,691,349)	70,581,913	58,030,262	42,920,826
Net remeasurement of loss allowance	3,410,422	8,144,901	-	11,555,323
Financial assets derecognised	(53,587)	(225,872)	(39,454,544)	(39,734,003)
Balance at 31 December	10,966,898	92,132,058	86,115,622	189,214,578
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,491,757	-	-	2,491,757
Net remeasurement of loss allowance	4,969,239	-	-	4,969,239
Financial assets derecognised*	(2,491,757)	-	-	(2,491,757)
Balance at 31 December	4,969,239	-	-	4,969,239
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	140,318	-	-	140,318
Net remeasurement of loss allowance	407,274	-	-	407,274
Financial assets derecognised*	(140,318)	-	-	(140,318)
Balance at year end	407,274	-	-	407,274
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (Continued)

The ECL on cash and balance 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.

	GROUP							
	As at 30 June 2024				As at 31 December 2023			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:								
Balance at 1 January	1,632,500,526	408,796,188	127,563,249	2,168,859,963	1,565,485,182	376,991,613	68,997,525	2,011,474,320
Transfer to 12 months ECL	-	-	-	-	9,333,761	(15,447,540)	6,113,779	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	(63,688,618)	63,688,618	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	(637,176)	(58,386,638)	59,023,814	-
Net remeasurement of loss allowance	236,210,885	(49,305,613)	2,920,839	189,826,111	(148,044,691)	22,427,821	3,684,911	(121,931,959)
New financial assets originated	75,551,359	-	-	75,551,359	389,939,349	19,522,314	6,771,630	416,233,293
Financial assets derecognised*	-	-	-	-	(119,887,281)	-	(17,028,410)	(136,915,691)
As at 31 December	1,944,262,770	359,490,575	130,484,088	2,434,237,433	1,632,500,526	408,796,188	127,563,249	2,168,859,963
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
Balance at 1 January	2,270,302,081	2,384,039,264	122,625,655	4,776,967,000	4,283,038,622	92,934,923	118,756,033	4,494,729,578
Transfer to 12 months ECL	-	-	-	-	21,089,860	(6,481,943)	(14,607,917)	-
Transfer to Lifetime ECL not credit impaired	(8,358,361)	8,358,361	-	-	(2,034,845,867)	2,034,845,867	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	(8,859,982)	(83,429,792)	92,289,774	-
Net remeasurement of loss allowance	190,359,556	45,000,721	(812,547)	234,547,730	(540,569,568)	276,897,810	(34,357,691)	(298,029,449)
Net financial assets originated	46,032,576	-	-	46,032,576	645,945,493	73,849,359	-	719,794,852
Financial assets derecognized*	(103,842,191)	-	-	(103,842,191)	(95,496,477)	(4,576,960)	(39,454,544)	(139,527,981)
As at 31 December	2,394,493,661	2,437,398,346	121,813,108	4,953,705,115	2,270,302,081	2,384,039,264	122,625,655	4,776,967,000
	=====	=====	=====	=====	=====	=====	=====	=====

*During the period ended 30 June 2024, there were no loans written off. (December 2023: Project and Infrastructure Finance loans - USD 2,768,970 and Trade Finance Loans - USD 3,677,733).

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (Continued)

The ECL on cash and balance 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.

	As at 30 June 2024				As at 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Project finance loans:								
Balance at 1 January	1,632,500,526	408,796,188	127,563,249	2,168,859,963	1,565,485,182	376,991,613	68,997,525	2,011,474,320
Transfer to 12 months ECL	-	-	-	-	9,333,761	(15,447,540)	6,113,779	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	(63,688,618)	63,688,618	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	(637,176)	(58,386,638)	59,023,814	-
Net remeasurement of loss allowance	236,210,885	(49,305,613)	2,920,839	189,826,111	(148,044,691)	22,427,821	3,684,911	(121,931,959)
New financial assets originated	75,551,359	-	-	75,551,359	389,939,349	19,522,314	6,771,630	416,233,293
Financial assets derecognised*	-	-	-	-	(119,887,281)	-	(17,028,410)	(136,915,691)
As at 31 December	1,944,262,770	359,490,575	130,484,088	2,434,237,433	1,632,500,526	408,796,188	127,563,249	2,168,859,963
Trade finance loans:								
Balance at 1 January	2,267,372,188	2,384,039,264	122,625,655	4,774,037,107	4,283,038,622	92,934,923	118,756,033	4,494,729,578
Transfer to 12 months ECL	-	-	-	-	21,089,860	(6,481,943)	(14,607,917)	-
Transfer to Lifetime ECL not credit impaired	(8,358,361)	8,358,361	-	-	(2,034,845,867)	2,034,845,867	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	(8,859,982)	(83,429,792)	92,289,774	-
Net remeasurement of loss allowance	190,359,556	45,000,721	(812,547)	234,547,730	(540,569,568)	276,897,810	(34,357,691)	(298,029,449)
Net financial assets originated	46,225,787	-	-	46,225,787	643,015,600	73,849,359	-	716,864,959
Financial assets derecognized*	(103,842,191)	-	-	(103,842,191)	(95,496,477)	(4,576,960)	(39,454,544)	(139,527,981)
As at 31 December	2,391,756,979	2,437,398,346	121,813,108	4,950,968,433	2,267,372,188	2,384,039,264	122,625,655	4,774,037,107

* During the period ended 30 June 2024, there were no loans written off. (December 2023: Project and Infrastructure Finance loans - USD 2,768,970 and Trade Finance Loans - USD 3,677,733).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (Continued)

The ECL on cash and balance 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.

GROUP AND BANK

	As at 30 June 2024				As at 31 December 2023			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Undisbursed commitments:								
Balance at 1 January	512,522,207	-	-	512,522,207	424,414,736	-	-	424,414,736
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Net financial assets originated or purchased	324,868,920	-	-	324,868,920	512,522,207	-	-	512,522,207
Net remeasurement of loss allowance	-	-	-	-	-	-	-	-
Financial assets derecognised	(512,522,207)	-	-	(512,522,207)	(424,414,736)	-	-	(424,414,736)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At the end of period	324,868,920	-	-	324,868,920	512,522,207	-	-	512,522,207
	=====	=====	=====	=====	=====	=====	=====	=====
Letters of credit:								
Balance at 1 January	39,985,074	-	-	39,985,074	160,069,758	-	-	160,069,758
Net financial assets originated or purchased	42,184,240	-	-	42,184,240	39,985,074	-	-	39,985,074
Net remeasurement of loss allowance	-	-	-	-	-	-	-	-
Financial assets derecognized	(39,985,074)	-	-	(39,985,074)	(160,069,758)	-	-	(160,069,758)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At the end of period	42,184,240	-	-	42,184,240	39,985,074	-	-	39,985,074
	=====	=====	=====	=====	=====	=====	=====	=====
Total	367,053,160	-	-	367,053,160	552,507,281	-	-	552,507,281
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	On statement of financial position USD	%	Off statement of financial position* USD	%	GROUP		Aggregate exposure USD	%
					Cash collateral/ in transit USD	Insurance USD		
As at 30 June 2024								
Agri-business	1,433,999,387	19.4	63,615,084	17.4	(174,962,836)	(452,976,100)	869,675,535	18.8
Banking and financial services	1,347,595,990	18.2	158,716,139	43.4	(125,505,366)	(200,000,000)	1,180,806,763	25.5
Construction	36,055,675	0.5	-	-	-	-	36,055,675	0.8
Energy	240,196,859	3.3	50,262,413	13.7	-	-	290,459,272	6.3
Health services	27,665,330	0.4	2,006,791	0.5	(2,003,099)	-	27,669,022	0.6
Hospitality	43,729,059	0.6	5,000,000	1.4	-	-	48,729,059	1.1
ICT	190,424,469	2.6	-	-	(40,303,986)	-	150,120,483	3.2
Infrastructure	1,353,033,611	18.3	23,515,447	6.4	-	(413,816,034)	962,733,024	20.8
Manufacturing and heavy industries	132,098,222	1.8	156,851	0.0	-	-	132,255,073	2.9
Mining and quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.7
Oil and gas	2,155,291,152	29.2	7,471,477	2.0	(1,207,088,960)	(491,476,273)	464,197,396	10.0
Other	5,976,735	0.1	3,922,017	1.1	-	-	9,898,752	0.2
Real Estate	128,540,277	1.7	-	-	-	-	128,540,277	2.8
Transport	62,921,808	0.9	-	-	(542,271)	(23,066,672)	39,312,865	0.9
Wholesale Commodities	153,374,352	2.1	50,979,267	13.9	-	-	204,353,619	4.4
Balance at year end	7,387,942,548	100.00	365,645,486	100.00	(1,550,406,518)	(1,581,335,079)	4,621,846,437	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

*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)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (Continued)

	On statement of financial position USD	%	Off statement of financial position USD	%	BANK Cash collateral/ in transit USD	Insurance USD	Aggregate exposure USD	%
As at 30 June 2024								
Agri-business	1,433,999,387	19.4	63,615,084	17.4	(174,962,836)	(452,976,100)	869,675,535	18.8
Banking and financial services	1,346,283,895	18.2	158,716,139	43.4	(125,505,366)	(200,000,000)	1,179,494,668	25.5
Construction	36,055,675	0.5	-	-	-	-	36,055,675	0.8
Energy	239,480,640	3.2	50,262,413	13.7	-	-	289,743,053	6.3
Health services	27,665,330	0.4	2,006,791	0.5	(2,003,099)	-	27,669,022	0.6
Hospitality	43,729,059	0.6	5,000,000	1.4	-	-	48,729,059	1.1
ICT	190,424,469	2.6	-	-	(40,303,986)	-	150,120,483	3.2
Infrastructure	1,353,033,611	18.3	23,515,447	6.4	-	(413,816,034)	962,733,024	20.8
Manufacturing and heavy industries	132,098,222	1.8	156,851	0.0	-	-	132,255,073	2.9
Mining and quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.7
Oil and gas	2,155,291,152	29.2	7,471,477	2.0	(1,207,088,960)	(491,476,273)	464,197,396	10.0
Other	5,268,367	0.1	3,922,017	1.1	-	-	9,190,384	0.2
Real Estate	128,540,277	1.7	-	-	-	-	128,540,277	2.8
Transport	62,921,808	0.9	-	-	(542,271)	(23,066,672)	39,312,865	0.9
Wholesale Commodities	153,374,352	2.1	50,979,267	13.9	-	-	204,353,619	4.4
Balance at year end	7,385,205,866	100.00	365,645,486	100.00	(1,550,406,518)	(1,581,335,079)	4,619,109,755	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (continued)

As at 31 December 2023	On statement of financial position USD	%	Off statement of financial position USD	%	GROUP			Aggregate exposure USD	%
					Cash collateral/ in transit USD	Insurance USD	Other mitigants USD		
Agri-business	1,535,186,086	22.1	115,968,262	21.0	(98,998,261)	(452,976,000)	(79,849,385)	1,019,330,702	19.2
Banking and financial services	1,271,752,357	18.3	198,357,035	35.9	(35,611,209)	(200,000,000)	-	1,234,498,183	23.3
Construction	41,492,495	0.6	-	-	(45,747)	-	-	41,446,748	0.8
Energy	230,430,696	3.3	69,725,256	12.6	-	-	-	300,155,952	5.7
Health services	29,141,377	0.4	2,006,792	0.4	-	-	-	31,148,169	0.6
Hospitality	42,315,943	0.6	5,000,000	0.9	-	-	-	47,315,943	0.9
ICT	197,397,798	2.8	-	-	(40,303,986)	-	-	157,093,812	3.0
Infrastructure	1,141,812,668	16.4	29,470,102	5.3	(852,365)	(359,535,114)	-	810,895,291	15.3
Manufacturing and heavy industries	192,923,909	2.8	67,600	0.0	-	-	-	192,991,509	3.6
Mining and quarrying	73,849,359	1.1	-	-	-	-	-	73,849,359	1.4
Oil and gas	1,880,365,496	27.1	36,157,885.00	6.5	(353,822,990)	(491,476,273)	(50,000,000)	1,021,224,118	19.3
Other	6,034,694	0.1	-	-	-	-	-	6,034,694	0.1
Real estate	108,283,345	1.6	20,524,509.00	3.7	-	-	-	128,807,854	2.4
Transport	71,975,383	1.0	-	-	-	(33,115,486)	(542,271)	38,317,626	0.7
Wholesale Commodities	122,865,357	1.8	75,229,840	13.6	-	-	-	198,095,197	3.7
Balance at year end	6,945,826,963	100.00	552,507,281	100.00	(529,634,558)	(1,537,102,873)	(130,391,656)	5,301,205,157	100.00
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (continued)

As at 31 December 2023	On statement of financial position USD	%	Off statement of financial position USD	%	BANK			Aggregate exposure USD	%
					Cash collateral/ in transit USD	Insurance USD	Other mitigants USD		
Agri-business	1,535,186,086	22.1	115,968,262	21.0	(98,998,261)	(452,976,000)	(79,849,385)	1,019,330,702	19.2
Banking and financial services	1,270,459,612	18.3	198,357,035	35.9	(35,611,209)	(200,000,000)	-	1,233,205,438	23.3
Construction	41,492,495	0.6	-	-	(45,747)	-	-	41,446,748	0.8
Energy	229,626,999	3.3	69,725,256	12.6	-	-	-	299,352,255	5.6
Health services	29,141,377	0.4	2,006,792	0.4	-	-	-	31,148,169	0.6
Hospitality	42,315,943	0.6	5,000,000	0.9	-	-	-	47,315,943	0.9
ICT	197,397,798	2.8	-	-	(40,303,986)	-	-	157,093,812	3.0
Infrastructure	1,141,812,668	16.4	29,470,102	5.3	(852,365)	(359,535,114)	-	810,895,291	15.3
Manufacturing and heavy industries	192,923,909	2.8	67,600	0.0	-	-	-	192,991,509	3.6
Mining and quarrying	73,849,359	1.1	-	-	-	-	-	73,849,359	1.4
Oil and gas	1,880,365,496	27.1	36,157,885.00	6.5	(353,822,990)	(491,476,273)	(50,000,000)	1,021,224,118	19.3
Other	5,201,243	0.1	-	-	-	-	-	5,201,243	0.1
Real estate	108,283,345	1.6	20,524,509.00	3.7	-	-	-	128,807,854	2.4
Transport	71,975,383	1.0	-	-	-	(33,115,486)	(542,271)	38,317,626	0.7
Wholesale Commodities	122,865,357	1.8	75,229,840	13.6	-	-	-	198,095,197	3.7
Balance at year end	6,942,897,070	100.00	552,507,281	100.00	(529,634,558)	(1,537,102,873)	(130,391,656)	5,298,275,264	100.00

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

	On statement of financial position	%	Off statement of financial position*	%	GROUP Cash collateral/ in transit	Insurance	Aggregate exposure	%
As at 30 June 2024	USD		USD		USD	USD	USD	
Burundi	52,621,017	0.7	600,837	0.2	(4,424,512)	-	48,797,342	1.1
Comoros	16,377,091	0.2	1,564,034	0.4	-	-	17,941,125	0.4
Congo DRC	268,034,830	3.6	67,600	0.0	-	-	268,102,430	5.8
Djibouti	13,604,303	0.2	5,420,409	1.5	-	-	19,024,712	0.4
Egypt	235,800,932	3.2	51,074,718	14.0	-	-	286,875,650	6.2
Eswatini	20,015,994	0.3	30,000,000	8.2	-	-	50,015,994	1.1
Ethiopia	965,425,434	13.1	19,518,985	5.3	(122,005,820)	(200,000,000)	662,938,599	14.3
Ghana	6,103,751	0.1	1,937,500	0.5	-	-	8,041,251	0.2
Kenya	954,613,054	12.9	147,818,976	40.4	-	(330,566,108)	771,865,922	16.7
Madagascar	11,423,596	0.2	1,067,721	0.3	-	-	12,491,317	0.3
Malawi	526,936,724	7.1	28,149,894	7.7	(170,160,072)	(240,866,100)	144,060,446	3.1
Mauritius	385,910,555	5.2	-	-	(40,303,986)	-	345,606,569	7.5
Mozambique	132,979,202	1.8	11,073,675	3.0	(294,238)	-	143,758,639	3.1
Rwanda	555,784,989	7.5	-	-	(150,000,000)	(23,066,672)	382,718,317	8.3
Seychelles	15,598,212	0.2	-	-	-	-	15,598,212	0.3
South Sudan	151,969,804	2.1	-	-	(50,000,000)	(60,000,000)	41,969,804	0.9
Sudan	1,050,581,247	14.2	-	-	(517,647,597)	(212,110,000)	320,823,650	6.9
Tanzania	469,325,449	6.4	62,826,720	17.2	(49,715)	(83,249,926)	448,852,528	9.7
Uganda	305,675,952	4.1	2,816,833	0.8	-	-	308,492,785	6.7
Zambia	672,118,755	9.1	-	-	(573,736)	(347,676,233)	323,868,786	7.0
Zimbabwe	577,041,657	7.8	1,707,584	0.5	(494,946,842)	(83,800,040)	2,359.00	0.0
Balance at year end	7,387,942,548	100	365,645,486	100	(1,550,406,518)	(1,581,335,079)	4,621,846,437	100
	=====	=====	=====	=====	=====	=====	=====	=====

*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)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

	On statement of financial position USD	%	Off statement of financial position USD	%	BANK Cash collateral/ in transit USD	Insurance USD	Aggregate exposure USD	%
As at 30 June 2024								
Burundi	52,620,633	0.7	600,837	0.2	(4,424,512)	-	48,796,958	1.1
Comoros	16,377,091	0.2	1,564,034	0.4	-	-	17,941,125	0.4
Congo DRC	268,034,830	3.6	67,600	0.0	-	-	268,102,430	5.8
Djibouti	13,604,303	0.2	5,420,409	1.5	-	-	19,024,712	0.4
Egypt	235,800,932	3.2	51,074,718	14.0	-	-	286,875,650	6.2
Eswatini	20,015,994	0.3	30,000,000	8.2	-	-	50,015,994	1.1
Ethiopia	965,425,434	13.1	19,518,985	5.3	(122,005,820)	(200,000,000)	662,938,599	14.4
Ghana	6,103,751	0.1	1,937,500	0.5	-	-	8,041,251	0.2
Kenya	953,904,686	12.9	147,818,976	40.4	-	(330,566,108)	771,157,554	16.7
Madagascar	11,423,596	0.2	1,067,721	0.3	-	-	12,491,317	0.3
Malawi	526,936,724	7.1	28,149,894	7.7	(170,160,072)	(240,866,100)	144,060,446	3.1
Mauritius	385,910,555	5.2	-	-	(40,303,986)	-	345,606,569	7.5
Mozambique	132,979,202	1.8	11,073,675	3.0	(294,238)	-	143,758,639	3.1
Rwanda	555,784,989	7.5	-	-	(150,000,000)	(23,066,672)	382,718,317	8.3
Seychelles	15,598,212	0.2	-	-	-	-	15,598,212	0.3
South Sudan	151,969,804	2.1	-	-	(50,000,000)	(60,000,000)	41,969,804	0.9
Sudan	1,050,581,247	14.2	-	-	(517,647,597)	(212,110,000)	320,823,650	6.9
Tanzania	469,325,449	6.4	62,826,720	17.2	(49,715)	(83,249,926)	448,852,528	9.7
Uganda	305,675,952	4.1	2,816,833	0.8	-	-	308,492,785	6.7
Zambia	670,093,186	9.1	-	-	(573,736)	(347,676,233)	321,843,217	7.0
Zimbabwe	577,039,296	7.8	1,707,584	0.5	(494,946,842)	(83,800,040)	2.00	0.0
Balance at year end	7,385,205,866	100	365,645,486	100	(1,550,406,518)	(1,581,335,079)	4,619,109,755	100
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INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

As at 31 December 2023	On statement of	Gross	Off statement of	%	Cash collateral/ in	Insurance	Other	Aggregate	%
	financial position	exposure	financial position		transit		mitigants	exposure	
	USD	USD	USD		USD	USD	USD	USD	
Burundi	32,431,856	0.5	15,907,528	2.9	(2,475,219)	-	-	45,864,165	0.9
Comoros	18,376,249	0.3	1,564,034	0.3	-	-	-	19,940,283	0.4
Congo DRC	244,173,265	3.5	34,298,061	6.2	-	-	-	278,471,326	5.3
Djibouti	24,219,478	0.3	13,352,818	2.4	-	-	-	37,572,296	0.7
Egypt	174,517,350	2.5	75,325,292	13.6	-	-	-	249,842,642	4.7
Eswatini	46,594,118	0.7	4,953,235	0.9	-	-	-	51,547,353	1.0
Ethiopia	756,914,295	10.9	25,110,930	4.5	(929,271)	(200,000,000)	(542,271)	580,553,683	11.0
Ghana	12,209,291	0.2	1,937,500	0.4	-	-	-	14,146,791	0.3
Kenya	656,773,100	9.5	137,563,622	24.9	-	(234,660,224)	-	559,676,498	10.6
Madagascar	11,667,288	0.2	442,758	0.1	-	-	-	12,110,046	0.2
Malawi	487,983,639	7.0	79,283,037	14.3	(91,394,935)	(240,866,000)	(79,849,385)	155,156,356	2.9
Mauritius	406,822,282	5.9	-	-	(40,303,986)	-	-	366,518,296	6.9
Mozambique	148,892,376	2.1	11,762,647	2.1	(2,450,129)	-	-	158,204,894	3.0
Rwanda	568,431,237	8.2	30,745,820	5.6	-	(33,115,486)	-	566,061,571	10.7
Seychelles	21,029,511	0.3	-	-	-	-	-	21,029,511	0.4
South Sudan	192,428,635	2.8	8,141,909	1.5	-	(60,000,000)	(50,000,000)	90,570,544	1.7
Sudan	1,032,568,538	14.9	-	-	(356,138,176)	(212,110,000)	-	464,320,362	8.8
Tanzania	488,094,508	7.0	93,923,041	17.0	(50,534)	(124,874,890)	-	457,092,125	8.6
Uganda	348,969,240	5.0	3,871,247	0.7	(898,112)	-	-	351,942,375	6.6
Zambia	702,175,972	10.1	11,392,981	2.1	(33,981,639)	(347,676,233)	-	331,911,081	6.3
Zimbabwe	570,554,735	8.2	2,930,821	0.5	(1,012,557)	(83,800,040)	-	488,672,959	9.22
	6,945,826,963	100	552,507,281	100	(529,634,558)	(1,537,102,873)	(130,391,656)	5,301,205,157	100
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

As at 31 December 2023	On statement of	Gross	Off statement of	%	BANK Cash collateral/ in	Insurance	Other mitigants	Aggregate	%
	financial position	exposure	financial position		transit			exposure	
	USD	USD	USD		USD	USD	USD	USD	
Burundi	32,431,472	0.5	15,907,528	2.9	(2,475,219)	-	-	45,863,781	0.9
Comoros	18,376,249	0.3	1,564,034	0.3	-	-	-	19,940,283	0.4
Congo DRC	244,173,265	3.5	34,298,061	6.2	-	-	-	278,471,326	5.3
Djibouti	24,219,478	0.3	13,352,818	2.4	-	-	-	37,572,296	0.7
Egypt	174,517,350	2.5	75,325,292	13.6	-	-	-	249,842,642	4.7
Eswatini	46,594,118	0.7	4,953,235	0.9	-	-	-	51,547,353	1.0
Ethiopia	756,914,295	10.9	25,110,930	4.5	(929,271)	(200,000,000)	(542,271)	580,553,683	11.0
Ghana	12,209,291	0.2	1,937,500	0.4	-	-	-	14,146,791	0.3
Kenya	655,939,649	9.4	137,563,622	24.9	-	(234,660,224)	-	558,843,047	10.5
Madagascar	11,667,288	0.2	442,758	0.1	-	-	-	12,110,046	0.2
Malawi	487,983,639	7.0	79,283,037	14.3	(91,394,935)	(240,866,000)	(79,849,385)	155,156,356	2.9
Mauritius	406,822,282	5.9	-	-	(40,303,986)	-	-	366,518,296	6.9
Mozambique	148,892,376	2.1	11,762,647	2.1	(2,450,129)	-	-	158,204,894	3.0
Rwanda	568,431,237	8.2	30,745,820	5.6	-	(33,115,486)	-	566,061,571	10.7
Seychelles	21,029,511	0.3	-	-	-	-	-	21,029,511	0.4
South Sudan	192,428,635	2.8	8,141,909	1.5	-	(60,000,000)	(50,000,000)	90,570,544	1.7
Sudan	1,032,568,538	14.9	-	-	(356,138,176)	(212,110,000)	-	464,320,362	8.8
Tanzania	488,094,508	7.0	93,923,041	17.0	(50,534)	(124,874,890)	-	457,092,125	8.6
Uganda	348,969,240	5.0	3,871,247	0.7	(898,112)	-	-	351,942,375	6.6
Zambia	700,082,285	10.1	11,392,981	2.1	(33,981,639)	(347,676,233)	-	329,817,394	6.2
Zimbabwe	570,552,364	8.2	2,930,821	0.5	(1,012,557)	(83,800,040)	-	488,670,588	9.22
	6,942,897,070	100	552,507,281	100	(529,634,558)	(1,537,102,873)	(130,391,656)	5,298,275,264	100
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(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)
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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

Maturities of financial assets and financial liabilities for the Group are as follows:

As at 30 June 2024	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	GROUP 6 to 12 months	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	957,405,330	21,312,222	19,893,606	-	21,000,000	-	1,019,611,158
Investment in government securities	7,830,904	7,830,904	-	-	72,354,625	697,622,083	785,638,516
Investment in corporate bonds	-	-	-	-	9,442,152	-	9,442,152
Other receivables	702,655	463,748	667,880	3,626,397	7,785,277	11,937,302	25,183,259
Trade Fund loan receivables	-	-	-	-	180,382,356	-	180,382,356
Derivative financial instruments	7,811,837	5,366,032	6,522,390	6,753,664	-	-	26,453,923
Trade finance loans	237,594,399	771,033,170	301,664,688	750,464,792	3,495,351,035	-	5,556,108,084
Project loans	82,814,708	412,709,004	168,035,467	226,370,652	1,680,665,634	480,875,580	3,051,471,045
Equity investment at fair value through OCI	-	-	-	-	-	71,894,390	71,894,390
Total assets	1,294,159,833	1,218,715,080	496,784,031	987,215,505	5,466,981,079	1,262,329,355	10,726,184,883
Liabilities							
Short term borrowings	269,796,698	163,415,098	879,676,585	862,120,032	1,997,144,677	-	4,172,153,090
Long term borrowings	37,049,270	21,766,833	21,066,989	40,487,960	1,740,726,210	562,072,814	2,423,170,076
Collection account	144,813,779	-	-	-	-	-	144,813,779
NCI Redeemable participating shares payable	-	-	-	-	91,730,395	-	91,730,395.00
Other payables	97,074,130	-	-	-	-	55,731,343	152,805,473
	548,733,877	185,181,931	900,743,574	902,607,992	3,829,601,282	617,804,157	6,984,672,813
Off balance sheet liabilities							
Guarantees	-	-	-	8,702,600	-	-	8,702,600
Letters of credit	-	-	-	42,184,240	-	-	42,184,240
Loan commitments	-	-	-	314,758,646	-	-	314,758,646
Total liabilities	548,733,877	185,181,931	900,743,574	1,268,253,478	3,829,601,282	617,804,157	7,350,318,299
Net liquidity gap	745,425,956	1,033,533,149	(403,959,543)	(281,037,973)	1,637,379,797	644,525,198	3,375,866,584
Cumulative gap	745,425,956	1,778,959,105	1,374,999,562	1,093,961,589	2,731,341,386	3,375,866,584	3,375,866,584

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.

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

Maturities of financial assets and financial liabilities for the Bank are as follows:

As at 30 June 2024	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	BANK 6 to 12 months	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	957,405,330	-	19,893,606	-	21,000,000	-	998,298,936
Investment in government securities	7,830,904.00	7,830,904.00	-	-	41,545,672	697,622,083	754,829,563
Other receivables	1,983,171	527,688	785,015	1,460,884	8,209,661	12,216,840	25,183,259
Derivative financial instruments	7,811,837	5,366,032	6,522,390	6,753,664	-	-	26,453,923
Trade finance loans	237,594,399	771,033,170	301,664,688	750,464,792	3,492,614,353	-	5,553,371,402
Project loans	82,814,708	412,709,004	168,035,467	226,370,652	1,680,665,634	480,875,580	3,051,471,045
Equity investment at fair value through OCI	-	-	-	-	-	71,894,390	71,894,390
Total assets	1,295,440,349	1,197,466,798	496,901,166	985,049,992	5,244,035,320	1,262,608,893	10,481,502,518
Liabilities							
Short term borrowings	269,796,698	163,415,098	879,676,585	862,120,032	1,997,144,677	-	4,172,153,090
Long term borrowings	37,049,270	21,766,833	21,066,989	40,487,960	1,740,726,210	562,072,814	2,423,170,076
Collection account	144,813,779	-	-	-	-	-	144,813,779
Other payables	96,979,991	-	-	-	-	55,731,343	152,711,334
	548,639,738	185,181,931	900,743,574	902,607,992	3,737,870,887	617,804,157	6,892,848,279
Off balance sheet liabilities							
Guarantees	-	-	-	8,702,600	-	-	8,702,600
Letters of credit	-	-	-	42,184,240	-	-	42,184,240
Loan commitments	-	-	-	314,758,646	-	-	314,758,646
Total liabilities	548,639,738	185,181,931	900,743,574	1,268,253,478	3,737,870,887	617,804,157	7,258,493,765
Net liquidity gap	746,800,611	1,012,284,867	(403,842,408)	(283,203,486)	1,506,164,433	644,804,736	3,223,008,753
Cumulative gap	746,800,611	1,759,085,478	1,355,243,070	1,072,039,584	2,578,204,017	3,223,008,753	3,223,008,753

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.

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

Maturities of financial assets and financial liabilities for the Group are as follows:

As at 31 December 2023	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	GROUP 6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	1,540,097,147	559,841,422	225,946,808	585,335	691,457,105	-	3,023,195,837
Investment in government securities	-	-	-	14,563,500	14,723,285	22,580,249	51,867,034
Other receivables	702,655	463,748	667,880	1,261,899	7,785,277	11,937,302	22,818,761
Derivative financial instruments	-	-	-	146,140,978	-	-	146,140,978
Trade Fund loan receivables	(400,415)	31,051	4,618,315	-	-	-	4,248,951
Trade finance loans	199,614,505	309,760,265	368,091,089	2,715,218,233	1,935,762,134	-	5,528,446,226
Project loans	104,845,338	325,426,203	123,829,636	378,849,179	1,549,029,542	297,613,512	2,779,593,410
Equity investment at fair value through OCI	-	-	-	-	71,880,869	-	71,880,869
Total assets	1,844,859,230	1,195,522,689	723,153,728	3,261,887,144	4,270,638,212	332,131,063	11,628,192,066
Liabilities							
Short term borrowings	124,786,230	181,083,560	971,532	653,895,629	3,418,665,012	-	4,379,401,963
Long term borrowings	33,904,253	769,816,067	21,622,892	41,955,344	1,627,919,250	471,142,380	2,966,360,186
Collection account	289,437,554	-	-	-	-	-	289,437,554
NCI Redeemable participating shares payable	-	-	-	-	79,064,874	-	79,064,874
Other payables	37,168,011	47,824,423.00	23,418,757.00	-	12,911,887.00	49,022,487	170,345,565
	485,296,048	998,724,050	46,013,181	695,850,973	5,138,561,023	520,164,867	7,884,610,142
Off balance sheet liabilities							
Guarantees	-	-	-	10,000,000	-	-	10,000,000
Letters of credit	3,998,507	7,997,015	11,995,522	15,994,030	-	-	39,985,074
Loan commitments	50,252,221	100,504,441	150,756,662	201,008,883	-	-	502,522,207
Total liabilities	539,546,776	1,107,225,506	208,765,365	922,853,886	5,138,561,023	520,164,867	8,437,117,423
Net liquidity gap	1,305,312,454	88,297,183	514,388,363	2,339,033,258	(867,922,811)	(188,033,804)	3,191,074,643
Cumulative gap	1,305,312,454	1,393,609,637	1,907,998,000	4,247,031,258	3,379,108,447	3,191,074,643	3,191,074,643

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

Maturities of financial assets and financial liabilities for the Bank are as follows:

As at 31 December 2023	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	BANK 6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	1,499,050,003	559,821,429	225,946,808	585,335	691,457,105	-	2,982,128,700
Investment in government securities	-	-	-	4,865,234	14,723,285	22,580,249	42,168,768
Other receivables	702,655	463,748	667,880	1,261,899	7,785,277	11,937,302	22,818,761
Derivative financial instruments	(400,415)	31,051	4,618,315	-	-	-	4,248,951
Trade finance loans	197,585,190	308,024,511	366,723,177	2,709,941,398	1,852,033,178	-	5,434,307,454
Project loans	104,845,338	325,426,203	123,829,636	378,849,179	1,549,029,542	297,613,512	2,779,593,410
Equity investment at fair value through OCI	-	-	-	-	71,880,869	-	71,880,869
Total assets	1,801,782,771	1,193,766,942	721,785,816	3,100,771,065	4,186,909,256	332,131,063	11,337,146,913
Liabilities							
Short term borrowings	124,786,230	181,083,560	971,532	653,895,629	3,418,665,012	-	4,379,401,963
Long term borrowings	33,904,253	169,816,061	21,622,892	41,955,344	1,621,919,250	411,142,380	2,966,360,186
Collection account	289,437,554	-	-	-	-	-	289,437,554
Other payables	44,619,741	47,824,423	23,418,757	-	12,911,887	49,022,487	177,797,295
Off balance sheet liabilities	492,747,778	998,724,050	46,013,181	695,850,973	5,059,496,149	520,164,867	7,812,996,998
Guarantees	-	-	-	10,000,000	-	-	10,000,000
Letters of credit	3,998,507	7,997,015	11,995,522	15,994,030	-	-	39,985,074
Loan commitments	50,252,221	100,504,441	150,756,662	201,008,883	-	-	502,522,207
Total liabilities	546,998,506	1,107,225,506	208,765,365	922,853,886	5,059,496,149	520,164,867	8,365,504,279
Net liquidity gap	1,254,784,265	86,541,436	513,020,451	2,177,917,179	(872,586,893)	(188,033,804)	2,971,642,634
Cumulative gap	1,254,784,265	1,341,325,701	1,854,346,152	4,032,263,331	3,159,676,438	2,971,642,634	2,971,642,634

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. 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,
- 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.

(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 year, 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. 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.

As at 30 June 2024	GROUP					Fixed interest rate	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	954,899,326	21,312,223	19,893,606	-	-	21,000,000	2,506,003	1,019,611,158
Investment in government securities	-	-	-	-	-	785,638,516	-	785,638,516
Investment in corporate bonds	-	-	9,442,152	-	-	-	-	9,442,152
Other receivables	-	-	-	-	-	-	25,183,259	25,183,259
Trade Fund loan receivables	-	-	-	180,382,356	-	-	-	180,382,356
Derivative financial instruments	-	-	-	-	-	-	26,453,923	26,453,923
Trade finance loans	-	773,828,043	1,380,457,705	680,214,261	-	1,886,607,408	28,812,399	4,749,919,816
Project loans	98,423,789	230,645,610	1,701,390,165	-	-	273,293,780	79,553,711	2,383,307,055
Equity investment at fair value through OCI	-	-	-	-	-	-	71,894,390	71,894,390
Total financial assets	1,053,323,115	1,025,785,876	3,111,183,628	860,596,617	-	2,966,539,704	234,403,685	9,251,832,625
Financial Liabilities								
Short term borrowings	269,796,698	163,415,098	879,676,585	862,120,032	1,997,144,677	-	-	4,172,153,090
Long term borrowings	121,460,423	508,191,550	1,230,127,713	-	-	563,390,390	-	2,423,170,076
Collection account	-	-	-	-	-	-	144,813,779	144,813,779
NCI Redeemable participating shares payable	-	-	-	-	-	-	91,730,395	91,730,395
Other payables	-	-	-	-	-	55,468,813	97,336,660	152,805,473
Total financial liabilities	391,257,121	671,606,648	2,109,804,298	862,120,032	1,997,144,677	618,859,203	333,880,834	6,984,672,813
Net Interest rate exposure	662,065,994	354,179,228	1,001,379,330	(1,523,415)	(1,997,144,677)	2,347,680,501	(99,477,149)	2,267,159,812
Cumulative interest rate exposure	662,065,994	1,016,245,222	2,017,624,552	2,016,101,137	18,956,460	2,366,636,961	2,267,159,812	2,267,159,812

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

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

As at 30 June 2024	BANK					Fixed interest rate	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	954,899,326	-	19,893,606	-	-	21,000,000	2,506,004	998,298,936
Investment in government securities	-	-	-	-	-	754,829,563	-	754,829,563
Other receivables	-	-	-	-	-	22,887,722	2,295,537	25,183,259
Derivative financial instruments	-	-	-	-	-	-	26,453,923	26,453,923
Trade finance loans	-	773,828,043	1,380,457,705	677,717,744	-	1,886,671,690	28,812,399	4,747,487,581
Project loans	98,423,789	230,645,610	1,701,390,165	-	-	273,293,781	79,553,710	2,383,307,055
Equity investment at fair value through OCI	-	-	-	-	-	-	71,894,390	71,894,390
Total financial assets	1,053,323,115	1,004,473,653	3,101,741,476	677,717,744	-	2,958,682,756	211,515,963	9,007,454,707
Financial Liabilities								
Short term borrowings	269,796,698	163,415,098	879,676,585	862,120,032	1,997,144,677	-	-	4,172,153,090
Long term borrowings	121,460,423	508,191,550	1,230,127,713	-	-	563,390,390	-	2,423,170,076
Collection account	-	-	-	-	-	-	144,813,779	144,813,779
Other payables	-	-	-	-	-	55,374,674	97,336,660	152,711,334
Total financial liabilities	391,257,121	671,606,648	2,109,804,298	862,120,032	1,997,144,677	618,765,064	242,150,439	6,892,848,279
Net Interest rate exposure	662,065,994	332,867,005	991,937,178	(184,402,288)	(1,997,144,677)	2,339,917,692	(30,634,476)	2,114,606,428
Cumulative interest rate exposure	662,065,994	994,932,999	1,986,870,177	1,802,467,889	(194,676,788)	2,145,240,904	2,114,606,428	2,114,606,428

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

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. 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

As at 31 December 2023	GROUP					Fixed interest rate	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	1,537,591,144	559,821,429	225,946,808	5,853,355	-	691,477,098	2,506,003	3,023,195,837
Investment in government securities	-	-	-	-	-	51,867,034	-	51,867,034
Other receivables	-	-	-	-	-	-	22,818,761	22,818,761
Derivative financial instruments	-	-	146,140,978	-	-	-	-	146,140,978
Trade Fund loan receivables	-	-	-	-	-	-	4,248,951	4,248,951
Trade finance loans	-	84,065,739	1,766,722,205	381,653,147	-	2,234,372,384	120,767,675	4,587,581,150
Project loans	95,159,719	224,161,699	1,418,422,093	-	-	309,573,016	83,778,452	2,131,094,979
Equity investment at fair value through OCI	-	-	-	-	-	-	71,880,869	71,880,869
Total financial assets	1,632,750,863	868,048,867	3,557,232,084	387,506,502	-	3,287,289,532	306,000,711	10,038,828,559
Financial Liabilities								
Short term borrowings	165,708,572	3,124,213,278	209,459,500	-	-	880,020,613	-	4,379,401,963
Long term borrowings	116,847,625	533,991,405	989,022,669	-	-	1,326,498,487	-	2,966,360,186
Collection account	-	-	-	-	-	-	289,437,554	289,437,554
NCI Redeemable participating shares payable	-	-	-	-	-	-	79,064,874	79,064,874
Other payables	-	-	-	-	-	49,022,487	121,323,078	170,345,565
Total financial liabilities	282,556,197	3,658,204,683	1,198,482,169	-	-	2,255,541,587	489,825,506	7,884,610,142
Net Interest rate exposure	1,350,194,666	(2,790,155,816)	2,358,749,915	387,506,502	-	1,031,747,945	(183,824,795)	2,154,218,417
Cumulative interest rate exposure	1,350,194,666	(1,439,961,150)	918,788,765	1,306,295,267	1,306,295,267	2,338,043,212	2,154,218,417	2,154,218,417

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

As at 31 December 2023	BANK					Fixed interest rate	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	1,496,524,007	559,821,429	225,946,808	5,853,355	-	691,477,098	2,506,003	2,982,128,700
Investment in government securities	-	-	-	-	-	42,168,768	-	42,168,768
Other receivables	-	-	-	-	-	-	22,818,761	22,818,761
Derivative financial instruments	-	-	-	-	-	-	4,248,951	4,248,951
Trade finance loans	-	81,234,116	1,770,490,863	381,653,147	-	2,316,851,849	34,592,554	4,584,822,529
Project loans	95,159,719	224,161,699	1,418,422,093	-	-	309,573,016	83,778,452	2,131,094,979
Equity investment at fair value through OCI	-	-	-	-	-	-	71,880,869	71,880,869
Total financial assets	1,591,683,726	865,217,244	3,414,859,764	387,506,502	-	3,360,070,731	219,825,590	9,839,163,557
Financial Liabilities								
Short term borrowings	165,708,572	3,124,213,278	209,459,500	-	-	880,020,613	-	4,379,401,963
Long term borrowings	116,847,625	533,991,405	989,022,669	-	-	1,326,498,487	-	2,966,360,186
Collection account	-	-	-	-	-	-	289,437,554	289,437,554
Other payables	-	-	-	-	-	49,022,487	128,774,808	177,797,295
Total financial liabilities	282,556,197	3,658,204,683	1,198,482,169	-	-	2,255,541,587	418,212,362	7,812,996,998
Net Interest rate exposure	1,309,127,529	(2,792,987,439)	2,216,377,595	387,506,502	-	1,104,529,144	(198,386,772)	2,026,166,559
Cumulative interest rate exposure	1,309,127,529	(1,483,859,910)	732,517,685	1,120,024,187	1,120,024,187	2,224,553,331	2,026,166,559	2,026,166,559

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. 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 2023 were outstanding at those levels for the
- Interest-bearing assets and liabilities denominated in currencies other than USD experienced similar movements in interest rates, and

If interest rates had been 100 basis points higher or lower with the above assumptions applying, the Group's net profit for the period ended 30 June 2024 of USD 91,217,033 (December 2023: USD 227,168,858) would increase or decrease by USD 1,708,680 (December 2023: USD 13,949,551) as follows:

Effect on the Group's net profit

The profit for the period ended 30 June 2024 would increase to USD 92,925,713 (December 2023: USD 241,118,409) or decrease to USD 89,508,353 (December 2024: USD 213,219,307).

The potential change is 2.0% (December 2023: 6.1%) of the period'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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47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Group's currency position

As at 30 June 2024

	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	322,603,385	75,176	577,665,531	147,989	2,506,003	5,996,722	12,635	85,511,961	4,475,789	4,873,094	950	15,741,923	1,019,611,158
Investment in government securities	748,306,036	-	-	-	-	-	-	-	-	37,332,480	-	-	785,638,516
Investment in corporate bonds	9,442,152	-	-	-	-	-	-	-	-	-	-	-	9,442,152
Other receivables	25,183,259	-	-	-	-	-	-	-	-	-	-	-	25,183,259
Trade Fund loan receivables	180,382,356	-	-	-	-	-	-	-	-	-	-	-	180,382,356
Derivative financial instruments	1,214,045,398	-	(1,187,591,475)	-	-	-	-	-	-	-	-	-	26,453,923
Trade finance loans	3,090,127,564	-	1,659,792,252	-	-	-	-	-	-	-	-	-	4,749,919,816
Project finance loans	2,021,689,277	-	348,629,536	12,988,242	-	-	-	-	-	-	-	-	2,383,307,055
Equity investment at fair value through OCI	71,894,390	-	-	-	-	-	-	-	-	-	-	-	71,894,390
Total financial assets	7,683,673,817	75,176	1,398,495,844	13,136,231	2,506,003	5,996,722	12,635	85,511,961	4,475,789	42,205,574	950	15,741,923	9,251,832,625
Financial Liabilities													
Short term borrowings	3,809,951,022	-	362,202,068	-	-	-	-	-	-	-	-	-	4,172,153,090
Long term borrowings	1,405,244,108	-	1,017,925,968	-	-	-	-	-	-	-	-	-	2,423,170,076
Collection account	55,954,665	-	74	-	2,459,694	-	-	85,509,055	-	507,599	-	382,693	144,813,779
NCI Redeemable participating shares payable	91,730,395	-	-	-	-	-	-	-	-	-	-	-	91,730,395
Other payables	152,623,163	-	-	174,742	-	-	-	-	-	-	-	7,568	152,805,473
Total financial liabilities	5,515,503,353	-	1,380,128,110	174,742	2,459,694	-	-	85,509,055	-	507,599	-	390,261	6,984,672,813
Net position	2,168,170,464	75,176	18,367,734	12,961,489	46,309	5,996,722	12,635	2,906	4,475,789	41,697,975	950	15,351,662	2,267,159,812

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

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47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Bank's currency position

As at 30 June 2024

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	301,291,162	75,176	577,665,531	147,989	2,506,003	5,996,722	12,635	85,511,961	4,475,789	4,873,094	950	15,741,924	998,298,936
Investment in government securities	717,497,083	-	-	-	-	-	-	-	-	37,332,480	-	-	754,829,563
Other receivables	25,183,259	-	-	-	-	-	-	-	-	-	-	-	25,183,259
Derivative financial instruments	1,214,045,398	-	(1,187,591,475)	-	-	-	-	-	-	-	-	-	26,453,923
Trade finance loans	3,087,695,329	-	1,659,792,252	-	-	-	-	-	-	-	-	-	4,747,487,581
Project finance loans	2,021,689,277	-	348,629,536	12,988,242	-	-	-	-	-	-	-	-	2,383,307,055
Equity investment at fair value through OCI	71,894,390	-	-	-	-	-	-	-	-	-	-	-	71,894,390
Total financial assets	7,439,295,898	75,176	1,398,495,844	13,136,231	2,506,003	5,996,722	12,635	85,511,961	4,475,789	42,205,574	950	15,741,924	9,007,454,707
Financial Liabilities													
Short term borrowings	3,809,951,022	-	362,202,068	-	-	-	-	-	-	-	-	-	4,172,153,090
Long term borrowings	1,405,244,108	-	1,017,925,968	-	-	-	-	-	-	-	-	-	2,423,170,076
Collection account	55,954,665	-	74	-	2,459,694	-	-	85,509,055	-	507,599	-	382,692	144,813,779
Other payables	152,529,031	-	-	174,735	-	-	-	-	-	-	-	7,568	152,711,334
Total financial liabilities	5,423,678,826	-	1,380,128,110	174,735	2,459,694	-	-	85,509,055	-	507,599	-	390,260	6,892,848,279
Net position	2,015,617,072	75,176	18,367,734	12,961,496	46,309	5,996,722	12,635	2,906	4,475,789	41,697,975	950	15,351,664	2,114,606,428

Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24

Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Group's currency position

As at 31 December 2023

	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	2,221,807,404	16,966	639,853,241	154,494	2,506,003	5,891,425	19,909,676	88,272,364	4,712,574	29,130,129	1,080	10,940,481	3,023,195,837
Investment in government securities	9,698,265	-	-	-	-	-	-	-	-	42,168,769	-	-	51,867,034
Other receivables	22,818,761	-	-	-	-	-	-	-	-	-	-	-	22,818,761
Derivative financial instruments	146,140,978	-	-	-	-	-	-	-	-	-	-	-	146,140,978
Trade Fund loan receivables	1,273,327,775	-	1,269,078,824	-	-	-	-	-	-	-	-	-	4,248,951
Trade finance loans	2,946,366,938	-	1,641,214,212	-	-	-	-	-	-	-	-	-	4,587,581,150
Project finance loans	1,875,875,174	-	244,306,356	10,913,449	-	-	-	-	-	-	-	-	2,131,094,979
Equity investment at fair value through OCI	71,880,869	-	-	-	-	-	-	-	-	-	-	-	71,880,869
Total financial assets	8,567,916,164	16,966	1,256,294,985	11,067,943	2,506,003	5,891,425	19,909,676	88,272,364	4,712,574	71,298,898	1,080	10,940,481	10,038,828,559
Financial Liabilities													
Short term borrowings	4,012,538,207	-	366,863,756	-	-	-	-	-	-	-	-	-	4,379,401,963
Long term borrowings	2,130,047,304	-	836,312,882	-	-	-	-	-	-	-	-	-	2,966,360,186
Collection account	166,492,802	-	171	-	2,459,694	-	-	88,266,788	-	31,833,944	-	384,155	289,437,554
NCI Redeemable participating shares payable	79,064,874	-	-	-	-	-	-	-	-	-	-	-	79,064,874
Other payables	170,307,034	-	-	38,086	-	-	-	-	-	-	-	445	170,345,565
Total financial liabilities	6,558,450,221	-	1,203,176,809	38,086	2,459,694	-	-	88,266,788	-	31,833,944	-	384,600	7,884,610,142
Net position	2,009,465,943	16,966	53,118,176	11,029,857	46,309	5,891,425	19,909,676	5,576	4,712,574	39,464,954	1,080	10,555,881	2,154,218,417

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Bank's currency position

As at 31 December 2023

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	2,180,740,267	16,966	639,853,241	154,494	2,506,003	5,891,425	19,909,676	88,272,364	4,712,574	29,130,129	1,080	10,940,481	2,982,128,700
Investment in government securities	-	-	-	-	-	-	-	-	-	42,168,768	-	-	42,168,768
Other receivables	22,818,761	-	-	-	-	-	-	-	-	-	-	-	22,818,761
Derivative financial instruments	1,273,327,775	-	(1,269,078,824)	-	-	-	-	-	-	-	-	-	4,248,951
Trade finance loans	2,943,608,317	-	1,641,214,212	-	-	-	-	-	-	-	-	-	4,584,822,529
Project finance loans	1,875,875,174	-	244,306,356	10,913,449	-	-	-	-	-	-	-	-	2,131,094,979
Equity investment at fair value through OCI	71,880,869	-	-	-	-	-	-	-	-	-	-	-	71,880,869
Total financial assets	8,368,251,163	16,966	1,256,294,985	11,067,943	2,506,003	5,891,425	19,909,676	88,272,364	4,712,574	71,298,897	1,080	10,940,481	9,839,163,557
Financial Liabilities													
Short term borrowings	4,012,538,207	-	366,863,756	-	-	-	-	-	-	-	-	-	4,379,401,963
Long term borrowings	2,130,047,304	-	836,312,882	-	-	-	-	-	-	-	-	-	2,966,360,186
Collection account	166,492,802	-	171	-	2,459,694	-	-	88,266,788	-	31,833,944	-	384,155	289,437,554
Other payables	177,758,764	-	-	38,086	-	-	-	-	-	-	-	445	177,797,295
Total financial liabilities	6,486,837,077	-	1,203,176,809	38,086	2,459,694	-	-	88,266,788	-	31,833,944	-	384,600	7,812,996,998
Net position	1,881,414,086	16,966	53,118,176	11,029,857	46,309	5,891,425	19,909,676	5,576	4,712,574	39,464,953	1,080	10,555,881	2,026,166,559

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NOTES TO THE FINANCIAL STATEMENTS (continued)

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) 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 Group has operations in and lends to customers in Zimbabwe, but all the transactions are made in USD. 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.

	GBP	EURO	KES	TSH	AED	UGX	ZMW	JPY
As at 30 June 2024	9,521	1,599,881	11,015	178	181	13,282	161,899	(18)
	=====	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2023	1,515	4,875,217	126,955	187	153,229	(14,425)	542,422	(493)
	=====	=====	=====	=====	=====	=====	=====	=====

48. 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

48. 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.

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2024	2023	2024	2023
	USD	USD	USD	USD
Risk weighted Assets				
On - statement of financial position assets	6,425,661,582	6,215,491,829	6,186,627,715	6,029,319,881
Off - statement of financial position assets	48,881,292	100,009,374	48,881,292	100,009,374
	<u>6,474,542,874</u>	<u>6,315,501,203</u>	<u>6,235,509,007</u>	<u>6,129,329,255</u>
	=====	=====	=====	=====
Capital				
Paid up capital	613,483,503	603,081,183	613,483,503	603,081,183
Retained earnings and reserves	1,690,666,166	1,591,935,869	1,674,186,344	1,580,468,148
	<u>2,304,149,668</u>	<u>2,195,017,052</u>	<u>2,287,669,847</u>	<u>2,183,549,331</u>
	=====	=====	=====	=====
Capital adequacy ratio	35.6%	34.8%	36.7%	35.6%
	=====	=====	=====	=====

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.

49. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date that would require disclosure in, or adjustment to these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

50. FINANCIAL INSTRUMENTS CATEGORIES

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

As at 30 June 2024	Amortised cost USD	GROUP		Total carrying amount USD
		At fair value through P&L USD	At fair value through OCI USD	
Financial assets				
Cash and balances held with other banks -less than 90 days	978,717,552	-	-	978,717,552
Cash and balances held with other banks -over 90 days	40,893,606	-	-	40,893,606
Derivative financial instruments	-	26,453,923	-	26,453,923
Trade finance loans	4,749,919,816	-	-	4,749,919,816
Project finance loans	2,383,307,055	-	-	2,383,307,055
Investment in Government securities	785,638,516	-	-	785,638,516
Investment in corporate bonds	9,442,152	-	-	9,442,152
Trade Fund loan receivables	-	180,382,356	-	180,382,356
Other receivables	25,183,259	-	-	25,183,259
Equity investments at fair value	-	2,729,000	69,165,390	71,894,390
Investment property	-	8,063,446	-	8,063,446
Total financial assets	8,973,101,956	217,628,725	69,165,390	9,259,896,071
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	144,813,779	-	-	144,813,779
Short term borrowings	4,172,153,090	-	-	4,172,153,090
Non controlling interest payables	91,730,395	-	-	91,730,395
Other payables	152,805,473	-	-	152,805,473
Long term borrowings	2,423,170,076	-	-	2,423,170,076
Total financial liabilities	6,984,672,813	-	-	6,984,672,813
	=====	=====	=====	=====
As at 31 December 2023				
Financial assets				
Cash and balances held with other banks -less than 90 days	2,099,938,569	-	-	2,099,938,569
Cash and balances held with other banks -over 90 days	923,257,268	-	-	923,257,268
Investment in Government securities	-	51,867,034	-	51,867,034
Other receivables	22,818,761	-	-	22,818,761
Trade Fund loan receivables	-	146,140,978	-	146,140,978
Trade finance loans	4,587,581,150	-	-	4,587,581,150
Project finance loans	2,131,094,979	-	-	2,131,094,979
Equity investments at fair value	-	2,729,000	69,151,869	71,880,869
Investment property	-	8,020,916	-	8,020,916
Total financial assets	9,764,690,727	208,757,928	69,151,869	10,042,600,524
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	289,437,554	-	-	289,437,554
Short term borrowings	4,379,401,963	-	-	4,379,401,963
Long term borrowings	2,966,360,186	-	-	2,966,360,186
Non controlling interest payables	79,064,874	-	-	79,064,874
Other payables	170,345,565	-	-	170,345,565
Total financial liabilities	7,884,610,142	-	-	7,884,610,142
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

50. FINANCIAL INSTRUMENTS CATEGORIES (Continued)

The table below sets out the Bank's analysis of financial instruments categories.

As at 30 June 2024	Amortised cost USD	BANK		Total carrying amount USD
		At fair value through P&L USD	At fair value through OCI USD	
Financial assets				
Cash and balances held with other banks -less than 90 days	957,405,330	-	-	957,405,330
Cash and balances held with other banks -over 90 days	40,893,606	-	-	40,893,606
Derivative financial instruments	-	26,453,923	-	26,453,923
Trade finance loans	4,747,487,581	-	-	4,747,487,581
Project finance loans	2,383,307,055	-	-	2,383,307,055
Investment in Government securities	754,829,563	-	-	754,829,563
Other receivables	22,818,761	-	-	22,818,761
Equity investments at fair value	-	2,729,000	69,165,390	71,894,390
Total financial assets	8,906,741,896	29,182,923	69,165,390	9,005,090,209
Financial liabilities				
Collection account deposits	144,813,779	-	-	144,813,779
Short term borrowings	4,172,153,090	-	-	4,172,153,090
Other payables	152,711,334	-	-	152,711,334
Long term borrowings	2,423,170,076	-	-	2,423,170,076
Total financial liabilities	6,892,848,279	-	-	6,892,848,279
As at 31 December 2023				
Financial assets				
Cash and balances held with other banks -less than 90 days	2,058,871,432	-	-	2,058,871,432
Cash and balances held with other banks -over 90 days	923,257,268	-	-	923,257,268
Trade finance loans	4,584,822,529	-	-	4,584,822,529
Project finance loans	2,131,094,979	-	-	2,131,094,979
Investment in Government securities	-	42,168,768	-	42,168,768
Other receivables	22,818,761	-	-	22,818,761
Equity investments at fair value	-	2,729,000	69,151,869	71,880,869
Total financial assets	9,720,864,969	44,897,768	69,151,869	9,834,914,606
Financial liabilities				
Collection account deposits	289,437,554	-	-	289,437,554
Short term borrowings	4,379,401,963	-	-	4,379,401,963
Other payables	177,797,295	-	-	177,797,295
Long term borrowings	2,966,360,186	-	-	2,966,360,186
Total financial liabilities	7,812,996,998	-	-	7,812,996,998

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NOTES TO THE FINANCIAL STATEMENTS (continued)

51. TRADE FINANCE LOAN PORTFOLIO

Country	As at 30 June 2024			As at 31 December 2023		
	Balance outstanding USD	Amounts due within one year USD	Amounts due after one year USD	Balance outstanding USD	Amounts Due within one year USD	Amounts Due after one year USD
Burundi	26,882,747	4,049,030	22,833,717	19,092,856	6,425,805	12,667,051
Congo DRC	-	-	-	-	-	-
Djibouti	10,081,130	7,598,063	2,483,067	21,176,176	20,348,487	827,689
Egypt	235,800,932	206,971,861	28,829,071	174,517,350	174,517,350	-
Eswatini	20,015,994	-	-	46,594,118	46,594,118	-
Ethiopia	868,745,471	531,739,705	337,005,766	669,675,617	640,885,771	28,789,846
Ghana	6,103,751	6,103,751	-	12,209,291	12,209,291	-
Kenya	29,107,361	1,185,446	27,921,915	29,218,208	1,172,256	28,045,952
Madagascar	4,514,760	4,514,759.56	0.44	4,801,691	788,731	4,012,960
Malawi	526,936,724	101,199,949	425,736,775	487,983,639	106,395,535	381,588,104
Mauritius	184,526,690	52,483,912	132,042,778	209,786,225	209,786,225	-
Mozambique	23,304,129	23,304,129	-	34,064,474	12,279,516	21,784,958
Rwanda	419,424,457	33,415,563	386,008,894	433,968,130	58,693,898	375,274,232
South Sudan	151,969,804	151,969,804	-	192,428,635	192,428,635	-
Sudan	997,387,625	23,749,606	973,638,019	979,824,211	949,839,290	29,984,921
Tanzania	183,614,370	40,651,141	142,963,229	160,691,537	97,195,433	63,496,104
Uganda	36,055,676	12,055,675	24,000,001	43,507,406	20,453,410	23,053,996
Zambia	661,060,460	-	661,060,460	691,117,677	69,849,656	621,268,021
Zimbabwe	568,173,034	56,512,979	511,660,055	566,309,759	555,793,649	10,516,110
Gross Loans	4,953,705,115	1,257,505,374	3,676,183,747	4,776,967,000	3,175,657,056	1,601,309,944
Impairment on trade finance loans (Note 20)	(203,785,299)	-	(203,785,299)	(189,385,850)	-	(189,385,850)
Net Loans	4,749,919,816	1,257,505,374	3,472,398,448	4,587,581,150	3,175,657,056	1,411,924,094

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NOTES TO THE FINANCIAL STATEMENTS (continued)

51. TRADE FINANCE LOAN PORTFOLIO (Continued)

Country	As at 30 June 2024			BANK		
	Balance outstanding USD	Amounts due within one year USD	Amounts due after one year USD	Balance outstanding USD	Amounts Due within one year USD	Amounts Due after one year USD
Burundi	26,882,363	4,049,030	22,833,333	19,092,472	6,425,805	12,666,667
Congo DRC	-	-	-	-	-	-
Djibouti	10,081,130	7,598,063	2,483,067	21,176,176	20,348,487	827,689
Egypt	235,800,932	206,971,861	28,829,071	174,517,350	174,517,350	-
Eswatini	20,015,994	-	20,015,994	46,594,118	46,594,118	-
Ethiopia	868,745,471	531,739,705	337,005,766	669,675,617	640,885,771	28,789,846
Ghana	6,103,751	6,103,751	-	12,209,291	12,209,291	-
Kenya	28,398,993	1,185,446	27,213,547	28,384,757	1,172,256	27,212,501
Madagascar	4,514,760	4,514,760.00	-	4,801,691	788,731	4,012,960
Malawi	526,936,724	101,199,949	425,736,775	487,983,639	106,395,535	381,588,104
Mauritius	184,526,690	52,483,912	132,042,778	209,786,225	209,786,225	-
Mozambique	23,304,129	23,304,129	-	34,064,474	12,279,516	21,784,958
Rwanda	419,424,457	33,415,563	386,008,894	433,968,130	58,693,898	375,274,232
South Sudan	151,969,804	151,969,804	-	192,428,635	192,428,635	-
Sudan	997,387,625	23,749,606	973,638,019	979,824,211	949,839,290	29,984,921
Tanzania	183,614,370	40,651,141	142,963,229	160,691,537	97,195,433	63,496,104
Uganda	36,055,675	12,055,675	24,000,000	43,507,406	20,453,410	23,053,996
Zambia	659,034,891	-	659,034,891	689,023,981	69,849,656	619,174,325
Zimbabwe	568,170,674	56,512,979	511,657,695	566,307,397	555,793,649	10,513,748
Gross Loans	4,950,968,433	1,257,505,374	3,693,463,059	4,774,037,107	3,175,657,056	1,598,380,051
Impairment on trade finance loans (Note 20)	(203,480,852)	-	(203,480,852)	(189,214,578)	-	(189,214,578)
Net Loans	4,747,487,581	1,257,505,374	3,489,982,207	4,584,822,529	3,175,657,056	1,409,165,473

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NOTES TO THE FINANCIAL STATEMENTS (continued)

52. PROJECT LOAN PORTFOLIO

Country	Amounts Disbursed Interest Capitalized USD USD		Amounts Repaid Interest Receivable USD USD		GROUP AND BANK As at 30 June 2024			As at 31 December 2023		
					Balance Outstanding USD	Due within One year USD	Due after One year USD	Balance Outstanding USD	Within One year USD	Due after One year USD
Burundi	38,460,645	2,074,720	(15,012,596)	215,497	25,738,266	13,076,640	12,661,626	13,338,999	-	13,338,999
Comoros	26,848,466	-	(10,599,269)	127,894	16,377,091	3,376,750	13,000,341	18,376,248	3,421,868	14,954,380
Congo DRC	267,291,429	14,126,092	(17,397,712)	4,015,022	268,034,831	70,521,844	197,512,987	244,173,265	55,570,323	188,602,942
Djibouti	3,086,487	-	(44,642)	481,328	3,523,173	2,310,625	1,212,548	3,043,301	-	3,043,301
Eritrea	403,652	-	(403,652)	-	-	-	-	-	-	-
Ethiopia	243,445,016	32,983,318	(182,311,432)	2,563,062	96,679,964	17,765,415	78,914,549	87,238,678	24,078,890	63,159,788
Kenya	1,811,041,277	1,532,900	(928,504,237)	41,435,753	925,505,693	104,996,088	820,509,605	627,554,892	92,451,265	535,103,627
Madagascar	6,847,504	-	(81,681)	143,015	6,908,838	1,573,534	5,335,304	6,865,597	-	6,865,597
Malawi	60,793,337	2,920	(60,796,257)	-	-	-	-	-	-	-
Mauritius	168,481,894	57,169,808	(28,918,206)	4,650,369	201,383,865	181,383,865	20,000,000	197,036,057	178,702,724	18,333,333
Mozambique	143,704,500	5,041,349	(40,179,421)	1,108,645	109,675,073	11,765,462	97,909,611	114,827,902	12,570,324	102,257,578
Rwanda	407,610,599	22,666,910	(297,164,938)	3,247,960	136,360,531	66,719,639	69,640,892	134,463,106	45,518,861	88,944,245
Seychelles	107,155,554	-	(91,841,939)	284,597	15,598,212	15,182,286	415,926	21,029,512	19,088,523	1,940,989
Sudan	45,106,624	17,056,064	(25,392,904)	16,423,837	53,193,621	53,193,621	-	52,744,326	52,744,326	-
Tanzania	773,474,589	682,910	(489,918,151)	1,471,732	285,711,080	145,408,570	140,302,510	327,402,972	148,134,657	179,268,315
Uganda	600,524,531	17,270,705	(354,422,390)	6,247,426	269,620,272	42,771,511	226,848,761	305,461,835	69,870,335	235,591,500
Zambia	131,225,914	25,086,069	(145,253,686)	-	11,058,297	11,058,297	-	11,058,297	-	11,058,297
Zimbabwe	334,796,273	709,655	(326,909,609)	272,307	8,868,626	8,868,626	-	4,244,976	3,388,746	856,230
Gross loans	5,170,298,291	196,403,420	(3,015,152,722)	82,688,444	2,434,237,433	749,972,773	1,684,264,660	2,168,859,963	705,540,842	1,463,319,121
Impairment on project loans (Note 20)	-	-	-	-	(50,930,378)	-	(50,930,378)	(37,764,984)	-	(37,764,984)
Net Loans	5,170,298,291	196,403,420	(3,015,152,722)	82,688,444	2,383,307,055	749,972,773	1,633,334,282	2,131,094,979	705,540,842	1,425,554,137

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK

As at 30 June 2024

CLASS 'A' SHARES	Shares Subscribed	Percentage of total	Value USD	Callable capital USD	Payable capital USD	Instalments payable on 30.06.2024 USD	Instalments paid as at 30.06.2024 USD	Share premium paid as at 30.06.2024 USD	Total paid as at 30.06.2024 USD
Belarus	1,900	1.48%	43,067,300	34,453,840	8,613,460	6,183,558	6,183,558	1,379,816	7,563,374
Botswana	145	0.11%	3,286,715	2,629,372	657,343	657,343	657,343	1,350,327	2,007,670
Burundi	2,538	1.98%	57,528,846	46,023,077	11,505,769	8,690,528	8,690,528	2,623,265	11,313,793
China	5,369	4.18%	121,699,123	97,359,298	24,339,825	24,339,825	24,339,825	7,794,171	32,133,996
Comoros	274	0.21%	6,210,758	4,968,606	1,242,152	879,480	879,480	167,836	1,047,316
Djibouti	601	0.47%	13,622,867	10,898,294	2,724,573	1,863,227	1,863,227	231,218	2,094,445
Democratic Republic of Congo	8,877	6.92%	201,214,959	160,971,967	40,242,992	28,995,626	28,995,627	6,753,852	35,749,479
Egypt	11,030	8.59%	250,017,010	200,013,608	50,003,402	37,749,622	37,749,622	11,374,306	49,123,928
Eritrea	370	0.29%	8,386,790	6,709,432	1,677,358	1,110,683	1,110,683	54,088	1,164,771
eSwatini	689	0.54%	15,617,563	12,494,050	3,123,513	2,194,166	2,194,166	362,307	2,556,473
Ethiopia	12,133	9.45%	275,018,711	220,014,969	55,003,742	42,949,432	42,949,411	11,801,973	54,751,384
Ghana	78	0.06%	1,768,026	1,414,421	353,605	353,605	353,605	657,972	1,011,577
Kenya	11,556	9.00%	261,939,852	209,551,882	52,387,970	40,401,476	40,401,476	15,982,279	56,383,755
Madagascar	683	0.53%	15,481,561	12,385,249	3,096,312	2,139,765	2,139,765	281,570	2,421,335
Malawi	2,726	2.12%	61,790,242	49,432,194	12,358,048	9,098,534	9,098,534	2,267,283	11,365,817
Mauritius	5,216	4.06%	118,231,072	94,584,858	23,646,214	17,639,460	17,639,460	5,012,879	22,652,339
Mozambique	3,511	2.74%	79,583,837	63,667,070	15,916,767	11,215,632	11,215,632	1,989,602	13,205,234
Rwanda	5,307	4.14%	120,293,769	96,235,015	24,058,754	20,835,506	18,835,190	3,723,282	22,558,472
Senegal	72	0.06%	1,632,024	1,305,618	326,406	130,563	65,280	131,044	196,324
Seychelles	557	0.43%	12,625,519	10,100,415	2,525,104	1,904,027	1,904,027	573,315	2,477,342
Somalia	490	0.38%	11,106,830	8,885,464	2,221,366	1,473,355	1,473,355	75,723	1,549,078
South Sudan	3,500	2.73%	79,334,500	63,467,600	15,866,900	11,360,700	11,360,700	2,551,319	13,912,019
Sudan	8,136	6.34%	184,418,712	147,534,970	36,883,742	23,922,752	23,922,752	-	23,922,752
Tanzania	10,418	8.12%	236,144,806	188,915,845	47,228,961	35,319,719	35,319,719	9,067,308	44,387,027
Uganda	8,150	6.35%	184,736,050	147,788,840	36,947,210	27,350,002	27,350,002	7,442,097	34,792,099
Zambia	9,488	7.39%	215,064,496	172,051,595	43,012,901	28,601,219	28,601,221	2,446,096	31,047,317
Zimbabwe	9,771	7.61%	221,479,257	177,183,406	44,295,851	28,728,156	28,728,156	-	28,728,156
African Development Bank	4,746	3.70%	107,577,582	86,062,066	21,515,516	21,515,516	21,515,516	6,947,537	28,463,053
	128,331	100%	2,908,878,777	2,327,103,021	581,775,756	437,603,477	435,537,860	103,042,465	538,580,325
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (continued)

As at 31 December 2023

CLASS 'A' SHARES	Shares Subscribed	Percentage of total	Value USD	Callable capital USD	Payable capital USD	Instalments Payable on 31.12.2023 USD	Instalments paid as at 31.12.2023 USD	Share Premium Paid as at 31.12.2023 USD	Total Paid As at 31.12.2023 USD
Belarus	1,900	1.48%	43,067,300	34,453,840	8,613,460	6,183,558	6,183,558	1,379,816	7,563,374
Botswana	145	0.11%	3,286,715	2,629,372	657,343	657,343	657,343	1,350,327	2,007,670
Burundi	2,538	1.98%	57,528,846	46,023,077	11,505,769	8,690,528	8,690,528	2,623,265	11,313,793
China	5,369	4.18%	121,699,123	97,359,298	24,339,825	24,339,825	24,339,825	7,794,171	32,133,996
Comoros	274	0.21%	6,210,758	4,968,606	1,242,152	879,480	879,480	167,836	1,047,316
Djibouti	601	0.47%	13,622,867	10,898,294	2,724,573	1,863,227	1,863,227	231,218	2,094,445
Democratic Republic of Congo	8,877	6.92%	201,214,959	160,971,967	40,242,992	28,995,626	28,995,627	6,753,852	35,749,479
Egypt	11,030	8.60%	250,017,010	200,013,608	50,003,402	37,749,622	37,749,622	11,374,306	49,123,928
Eritrea	370	0.29%	8,386,790	6,709,432	1,677,358	1,110,683	1,110,683	54,088	1,164,771
eSwatini	689	0.54%	15,617,563	12,494,050	3,123,513	2,194,166	2,194,166	362,307	2,556,473
Ethiopia	12,133	9.45%	275,018,711	220,014,969	55,003,742	42,949,432	41,949,363	11,801,973	53,751,336
Ghana	77	0.06%	1,745,359	1,396,287	349,072	353,605	353,605	657,972	1,011,577
Kenya	11,556	9.00%	261,939,852	209,551,882	52,387,970	40,401,476	40,401,476	15,982,279	56,383,755
Madagascar	683	0.53%	15,481,561	12,385,249	3,096,312	2,139,765	2,139,765	281,570	2,421,335
Malawi	2,726	2.12%	61,790,242	49,432,194	12,358,048	9,098,534	9,098,534	2,267,283	11,365,817
Mauritius	5,216	4.06%	118,231,072	94,584,858	23,646,214	17,639,460	17,639,460	5,012,879	22,652,339
Mozambique	3,511	2.74%	79,583,837	63,667,070	15,916,767	11,215,632	11,215,632	1,989,602	13,205,234
Rwanda	5,307	4.14%	120,293,769	96,235,015	24,058,754	20,835,506	18,835,190	3,723,282	22,558,472
Senegal	72	0.06%	1,632,024	1,305,619	326,405	130,562	65,281	131,043	196,324
Seychelles	557	0.43%	12,625,519	10,100,415	2,525,104	1,904,027	1,904,027	573,315	2,477,342
Somalia	490	0.38%	11,106,830	8,885,464	2,221,366	1,473,355	1,473,355	75,723	1,549,078
South Sudan	3,500	2.73%	79,334,500	63,467,600	15,866,900	11,360,700	11,360,700	2,551,319	13,912,019
Sudan	8,136	6.34%	184,418,712	147,534,970	36,883,742	23,922,752	23,922,752	-	23,922,752
Tanzania	10,418	8.12%	236,144,806	188,915,845	47,228,961	35,319,719	35,319,719	9,067,308	44,387,027
Uganda	8,150	6.35%	184,736,050	147,788,840	36,947,210	27,350,002	27,350,002	7,442,097	34,792,099
Zambia	9,488	7.39%	215,064,496	172,051,595	43,012,901	28,601,219	28,601,221	2,446,097	31,047,316
Zimbabwe	9,771	7.61%	221,479,257	177,183,406	44,295,851	28,728,156	28,728,156	-	28,728,156
African Development Bank	4,746	3.70%	107,577,582	86,062,066	21,515,516	21,515,516	21,515,516	6,947,537	28,463,053
	128,330	100%	2,908,856,110	2,327,084,888	581,771,222	437,603,476	434,537,811	103,042,465	537,580,276

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (continued)

As at 30 June 2024	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
CLASS 'B'							
African Development Bank	5,895	17.53%	26,724,506	26,724,506	26,724,506	20,251,426	46,975,932
African Economic Research Consortium	187	0.56%	847,745	847,745	847,745	1,326,820	2,174,565
African Reinsurance Corporation	878	2.61%	3,980,338	3,980,338	3,980,338	2,697,023	6,677,361
AGDF Corporate Trust Ltd (Rwanda)	588	1.75%	2,665,646	2,665,646	2,665,646	5,475,842	8,141,488
Arab Bank for Economic Development in Africa	1,109	3.30%	5,027,558	5,027,558	5,027,558	6,936,010	11,963,568
Banco Nacional de Investimento	931	2.77%	4,220,609	4,220,609	4,220,609	1,817,165	6,037,774
Board of Trustees of the National Social Security Fund Tanzania	1,458	4.33%	6,609,721	6,609,721	6,609,721	14,568,036	21,177,757
Caisse Nationale de la Sécurité Sociale (Djibouti)	1,150	3.42%	5,213,428	5,213,428	5,213,428	10,212,572	15,426,000
Eagle Insurance Limited	-	-	-	-	-	(2,564,945)	(2,564,945)
Investment Fund for Developing Countries	3,383	10.06%	15,336,555	15,336,555	15,336,555	24,359,322	39,695,877
National Pensions Fund Mauritius	2,118	6.30%	9,601,779	9,601,779	9,601,779	5,788,890	15,390,669
National Social Security Fund Uganda	3,443	10.24%	15,608,560	15,608,560	15,608,560	16,300,510	31,909,070
OPEC Fund for International Development	2,875	8.55%	13,033,578	13,033,578	13,033,578	18,168,344	31,201,922
People's Republic of China	3,915	11.64%	17,748,334	17,748,334	17,748,334	9,174,813	26,923,147
Rwanda Social Security Board	3,649	10.85%	16,542,445	16,542,445	16,542,445	12,039,511	28,581,956
Seychelles Pension Fund	1,078	3.20%	4,887,022	4,887,022	4,887,022	2,718,809	7,605,831
SICOM Global Fund Limited	144	0.43%	652,808	652,808	652,808	1,341,016	1,993,824
PTA Reinsurance Company	834	2.48%	3,780,868	3,780,868	3,780,868	1,223,132	5,004,000
	<u>33,635</u>	<u>100%</u>	<u>152,481,500</u>	<u>152,481,500</u>	<u>152,481,500</u>	<u>151,834,296</u>	<u>304,315,796</u>
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Class 'B' shares were first issued in 2013 following an approval by the Board of Governors in December 2012 to increase the Bank's authorized capital from USD 2.0 billion to USD 3.0 billion. This increase was achieved through the creation of 220,584 new Class B shares of a par value of US\$ 4,533.42 each.

Class 'B' shares do not have a callable portion of capital. The shares are due on issue and are paid at once.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (continued)

As at 31 December 2023	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
CLASS 'B'							
African Development Bank	5,895	17.87%	26,724,428	26,724,428	26,724,428	20,251,504	46,975,932
African Economic Research Consortium	187	0.57%	847,781	847,781	847,781	1,326,784	2,174,565
African Reinsurance Corporation	878	2.66%	3,980,360	3,980,360	3,980,360	2,697,001	6,677,361
AGDF Corporate Trust Ltd (Rwanda)	588	1.78%	2,665,674	2,665,674	2,665,674	5,475,814	8,141,488
Arab Bank for Economic Development in Africa	1,109	3.36%	5,027,575	5,027,575	5,027,575	6,935,993	11,963,568
Banco Nacional de Investimento	931	2.82%	4,220,630	4,220,630	4,220,630	1,817,144	6,037,774
Board of Trustees of the National Social Security Fund Tanzania	806	2.44%	3,653,955	3,653,955	3,653,955	7,514,951	11,168,906
Caisse Nationale de la Sécurité Sociale (Djibouti)	1,150	3.49%	5,213,445	5,213,445	5,213,445	10,212,555	15,426,000
Eagle Insurance Limited	-		-	-	-	(2,564,945)	(2,564,945)
Investment Fund for Developing Countries	3,383	10.26%	15,336,527	15,336,527	15,336,527	24,359,350	39,695,877
National Pensions Fund Mauritius	2,118	6.42%	9,601,776	9,601,776	9,601,776	5,788,893	15,390,669
National Social Security Fund Uganda	3,443	10.44%	15,608,531	15,608,531	15,608,531	16,300,539	31,909,070
OPEC Fund for International Development	2,875	8.72%	13,033,560	13,033,560	13,033,560	18,168,362	31,201,922
People's Republic of China	3,915	11.87%	17,748,296	17,748,296	17,748,296	9,174,851	26,923,147
Rwanda Social Security Board	3,649	11.06%	16,542,411	16,542,411	16,542,411	12,039,545	28,581,956
Seychelles Pension Fund	1,078	3.27%	4,887,040	4,887,040	4,887,040	2,718,791	7,605,831
SICOM Global Fund Limited	144	0.44%	652,845	652,845	652,845	1,340,979	1,993,824
PTA Reinsurance Company	834	2.53%	3,780,890	3,780,890	3,780,890	1,223,110	5,004,000
	<u>32,983</u>	<u>100%</u>	<u>149,525,723</u>	<u>149,525,723</u>	<u>149,525,723</u>	<u>144,781,222</u>	<u>294,306,945</u>
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK (continued)

CLASS 'C'	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
As at 30 June 2024							
African Development Bank	977	17.39%	4,429,132	4,429,132	4,429,132	10,568,795	14,997,927
African Development Bank (as Implementing Entity of the Clean Technology Fund)	977	17.39%	4,429,132	4,429,132	4,429,132	10,568,795	14,997,927
Eagle Insurance Company Limited	213	3.79%	965,614	965,614	965,614	2,304,149	3,269,763
Eastern and Southern African Trade and Development Bank Provident Fund	3,226	57.43%	14,624,783	14,624,783	14,624,783	(8,398,402)	6,226,381
Sacos Group Limited	112	1.99%	507,741	507,741	507,741	665,867	1,173,608
Sacos Life Assurance Limited Company	112	1.99%	507,741	507,741	507,741	665,867	1,173,608
	<u>5,617</u>	<u>100%</u>	<u>25,464,143</u>	<u>25,464,143</u>	<u>25,464,143</u>	<u>16,375,071</u>	<u>41,839,214</u>
	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2023							
African Development Bank	977	17.39%	4,429,132	4,429,132	4,429,132	10,568,795	14,997,927
Eagle Insurance Company Limited	213	3.79%	965,614	965,614	965,614	2,304,149	3,269,763
Eastern and Southern African Trade and Development Bank Provident Fund	2,781	49.51%	12,607,420	12,607,420	12,607,420	-5,842,547	6,764,873
Sacos Group Limited	112	1.99%	507,741	507,741	507,741	665,867	1,173,608
Sacos Life Assurance Limited Company	112	1.99%	507,741	507,741	507,741	665,867	1,173,608
	<u>4,195</u>	<u>70%</u>	<u>19,017,648</u>	<u>19,017,648</u>	<u>19,017,648</u>	<u>8,362,131</u>	<u>27,379,779</u>
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Class 'C' shares were first issued in 2022 and have a par value of USD 4,533.40 each.

Class 'C' shares do not have voting rights.

Class 'C' shares do not have a callable portion of capital. The shares are due on issue and are paid at once.