

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**CORPORATE INFORMATION**

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**SHAREHOLDERS**

<b>Shareholder Representative</b>	<b>Name of Member</b>	<b>Holding Ministry/Entity</b>
<b>Member States</b>		
Chairman of the Board of Directors	Republic of Angola	Fundo Soberano de Angola
Minister of Finance and Economic Development	Republic of Botswana	Sovereign
Minister of Finance, Budget and Economic Planning	Republic of Burundi	Sovereign
Minister of Finance and Budget	Union of Comoros	Sovereign
Minister of Finance	Democratic Republic of Congo	Sovereign
Minister of Economy and Finance, in charge of Industry Director General	Republic of Djibouti	Sovereign Caisse Nationale de Sécurité Sociale
Minister of Investment and Foreign Trade	Arab Republic of Egypt	Sovereign
Minister of Finance	Republic of Eritrea	Sovereign
Minister of Finance	Federal Democratic Republic of Ethiopia	Sovereign
Minister of Finance	Kingdom of eSwatini	Sovereign
Minister for Finance and Economic Planning	Republic of Ghana	Sovereign (through Ghana Infrastructure Investment Fund (GIIF) as a Designated Institution)
Cabinet Secretary for the National Treasury and Economic Planning	Republic of Kenya	Sovereign
Minister of Economy and Finance	Republic of Madagascar	Sovereign
Minister of Finance & Economic Affairs	Republic of Malawi	Sovereign
Minister of Finance, Economic Planning and Development Senior Analyst	Republic of Mauritius	Sovereign National Pensions Fund Mauritius (NPF)
Minister of Economy and Finance Chief Executive Officer	Republic of Mozambique	Sovereign Banco Nacional de Investimento (BNI)
Minister of Finance and Economic Planning Chief Executive Officer Chief Executive Officer	Republic of Rwanda	Sovereign AgDF Corporate Trust Ltd Rwanda Social Security Board (RSSB)



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**CORPORATE INFORMATION (continued)**

**SHAREHOLDERS (continued)**

<b>Shareholder Representative</b>	<b>Name of Member</b>	<b>Holding Ministry/Entity</b>
<b>Member States (continued)</b>		
Minister of the Economy and Finance	Republic of Senegal	Sovereign
Minister for Finance, National Planning & Trade Chief Executive Officer	Republic of Seychelles	Sovereign Seychelles Pension Fund
Minister of Finance	Federal Republic of Somalia	Sovereign
Minister of Finance and Planning	Republic of South Sudan	Sovereign
Minister of Finance and Economic Planning	Republic of Sudan	Sovereign
Minister for Finance and Planning Director General	United Republic of Tanzania	Sovereign Board of Trustees of National Social Security Fund of Tanzania
Minister of Finance, Planning and Economic Development Managing Director	Republic of Uganda	Sovereign National Social Security Fund of Uganda
Minister for Finance and National Planning	Republic of Zambia	Sovereign
Minister of Finance and Investment Promotion	Republic of Zimbabwe	Sovereign
<b>Member Countries</b>		
Governor of the People's Bank of China	People's Republic of China	Sovereign (through People's Bank of China as a Designated Institution)
Chairman of the Management Board	Republic of Belarus	Sovereign (through JSC Development Bank of Belarus as a Designated Institution)
<b>African and non-African Institutions</b>		
Vice President for Power, Energy, Climate and Green Growth	African Development Bank	Multilateral Institution
President	Arab Bank for Economic Development in Africa (BADEA)	Multilateral Institution
Vice President, Finance	The Investment Fund for Developing Countries (IFU)	Bilateral Institution
Assistant Director General	OPEC Fund for International Development	Multilateral Institution



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**CORPORATE INFORMATION (continued)**

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**DIRECTORS**

Mr. Veenay Rambarassah	Non-Executive of Directors for all other shareholders and Chairperson of the Board of Directors
Mr. Solomon Asamoah	Non-Executive Director for Burundi, Ethiopia, Ghana, Madagascar, Malawi and Seychelles and Vice-Chairperson of the Board of Directors
Mr. Armando Manuel	Non-Executive Director for Angola, Comoros, DR Congo, Sudan and Uganda
Ms. Busisiwe Alice Dlamini-Nsibande	Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and Tanzania
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
Vacant	Independent Non-Executive Director
Ms. Lekha Nair	Independent Non-Executive Director
Ms. Shuo Zhou	Non-Executive Director for Non-African States
Mr. Admassu Tadesse	TDB Group President and Managing Director*
Vacant	Alternate Non-Executive Director for Botswana, Eritrea, Mauritius, Rwanda and Zimbabwe
Mr Gerald Kasaato	Alternate Non-Executive Director for Angola, 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
Mr. Joseph M. Chikolwa	Alternate Independent Non-Executive Director (Alternate to Ms. Nair)

\*The Group President and Managing Director occupies the board seat ex-officio by virtue of Article 27(1) of the Charter.



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**CORPORATE INFORMATION (continued)**

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<b>INDEPENDENT AUDITORS</b>	Deloitte & Touche LLP Certified Public Accounts (Kenya) Deloitte Place, Waiyaki Way, Muthangari P. O. Box 40092-00100 Nairobi, Kenya
<b>HEADQUARTERS</b>	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
<b>OTHER OFFICES</b>	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)  
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**REPORT OF THE DIRECTORS**

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The directors have pleasure in presenting their Annual Report and Financial Statements of the Eastern And Southern African Trade Development Bank and its subsidiaries (TDB Group) for the year ended 31 December 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 11 to 13.

**3 DIVIDENDS**

The Board does not recommend a dividend for the year ended 31 December 2024 (2023: USD 377.70 per share).

**4 BOARD OF GOVERNORS**

The current shareholders are shown on page 1 to 2.

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 3.

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 EVENTS AFTER REPORTING PERIOD**

There were no material events after the reporting date which would require adjustments to, or disclosure in, these financial statements as at the date of the approval of the financial statements.

**7 AUDITORS**

The Group'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

26 March 2025



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The Bank's Charter requires the directors to prepare financial statements for each financial year 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 year and of the operating results of the Group and of the Bank for that year. 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.

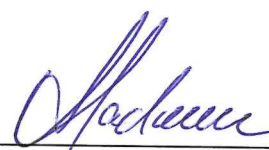
The directors accept responsibility for the preparation and presentation of these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the 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



DIRECTOR

26 March 2025

26 March 2025



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

#### Report on the Audit of the Financial Statements

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##### Opinion

We have audited the accompanying consolidated and separate financial statements of Eastern and Southern African Trade and Development Bank (the "Bank") and its subsidiaries (together the "Group"), set out on pages 11 to 160, which comprise the consolidated and separate statements of financial position at 31 December 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Bank as at 31 December 2024 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for Audit of the financial statements* section of our report.

We are independent of the Bank and its subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current year.

The matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on it.





# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

### Report on the Audit of the Financial Statements (Continued)

Key Audit Matter	How the matter was addressed in the audit
Estimation of expected credit losses on loans and advances	
<p>Loans and advances to customers constitute a significant portion of the total assets of Eastern and Southern African Trade and Development Bank (TDB). As disclosed in notes 2(c), 2(m), and 47 (b), management exercises significant judgment when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments.</p> <p>The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the Group's estimation of ECL IFRS 9 include:</p> <ul style="list-style-type: none"> <li>• The judgments made to determine the categorisation stage 1, 2 or 3 of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative information. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used;</li> <li>• The estimation of ECL involves modelling for estimation of ECL parameters: <ul style="list-style-type: none"> <li>• Probabilities of Default (PDs)</li> <li>• Loss Given Default (LGD)</li> <li>• Exposure at Default (EAD); and</li> <li>• Economic scenarios on forward looking information.</li> </ul> Of the above parameters, the key area of judgement is determination of Probabilities of Default (PDs). The bank uses the default data from Moody's and S&amp;P as the 12-month PD. To calculate the lifetime PDs, the 12-month PDs are combined with the probability of default derived from the survival analysis determined by an estimator.</li> </ul> <p>Because of the significance of these estimates, judgments and the size of loans and advances portfolio, the audit of loan impairment provisions is considered a key audit matter.</p>	<p>Our audit of the impairment of loans and advances included the following audit procedures performed together with the assistance and involvement of our internal credit risk specialists:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the Group's methodology for determining expected credit losses, including enhancements in the year, and evaluated this against the requirements of IFRS 9, Financial Instruments;</li> <li>Tested the design and implementation of critical controls across all ECL-related processes, particularly the allocation of assets into stages;</li> <li>Tested the assumptions, inputs and formulae used in the ECL models with the support of our internal credit risk specialists (including assessing the appropriateness of model design and formulae used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default);</li> <li>On a sample of contracts, we assessed the identification of loans and advances that had experienced a significant increase in credit risk or met the Group's default definition criteria for classification purposes. This was completed by reviewing documentation and credit performance to determine whether the staging of such facilities was in accordance with Group policy and IFRS 9 standards;</li> <li>Tested the data used in the ECL calculation by reconciling to source systems; and</li> <li>Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards.</li> </ol>



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**

**Report on the Audit of the Financial Statements (Continued)**

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**Other Information**

The directors are responsible for the other information which comprises the Corporate Information, Report of the Directors and Statement of Directors' Responsibilities, which we obtained prior to this auditors' report and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Bank's Charter, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

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

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

- . Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- . Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**

**Report on the Audit of the Financial Statements (Continued)**

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**Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Bank to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditors' report is **CPA David Waweru, Practising certificate No. 2204**



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

Date: 27 March 2025



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	2024 USD	2023 USD
<b>INCOME</b>			
Gross effective interest income	4	742,440,511	723,580,407
Interest expense	5	(477,436,083)	(416,370,840)
Net interest income		265,004,428	307,209,567
Other borrowing costs	6	(6,420,432)	(3,510,744)
Fee and commission income	7	13,769,286	16,368,562
Gains on FVTPL - Derivatives	17	33,903,387	12,347,138
Gains on FVTPL - Trade Fund loan assets	23	7,896,904	16,236,861
Valuation of investment property	28	719,370	-
Trading income		314,872,943	348,651,384
Risk mitigating costs	8	(33,316,584)	(41,070,552)
Other income	9	16,652,308	6,716,742
Operating Income	12	298,208,667 =====	314,297,574 =====
<b>EXPENDITURE</b>			
Operating expenses	10	(54,696,430)	(53,300,747)
Impairment on Project and Trade Finance loans	20	(54,167,280)	(27,964,424)
Net foreign exchange losses	14	(15,593,250)	(3,068,038)
Other financial assets written-off	13	(2,500,188)	(365,579)
Impairment on corporate bonds	22	(709,894)	-
TOTAL EXPENDITURE		(127,667,042)	(84,698,788)
<b>PROFIT FOR THE YEAR</b>		170,541,625 =====	229,598,786 =====
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss)/gain through other comprehensive income - equity investments	25	(4,177,141)	234,354
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		166,364,484 =====	229,833,140 =====



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

	2024 USD	2023 USD
<b>PROFIT FOR THE YEAR</b>	170,541,625 =====	229,598,786 =====
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	166,364,484 =====	229,833,140 =====
<b>Profit for the year is attributable to:</b>		
Owners of the Bank	159,324,679	223,322,057
Non-controlling interest	11,216,946	6,276,729
	-----	-----
	170,541,625 =====	229,598,786 =====
<b>Total comprehensive income for the year is attributable to:</b>		
Owners of the Bank	155,147,538	223,556,411
Non-controlling interest	11,216,946	6,276,729
	-----	-----
	166,364,484 =====	229,833,140 =====



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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**SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	2024 USD	2023 USD
<b>INCOME</b>			
Gross effective interest income	4	739,343,081	721,890,675
Interest expense	5	(476,397,803)	(416,171,692)
Net interest income		262,945,278	305,718,983
Other borrowing costs	6	(6,420,432)	(3,510,744)
Fee and commission income	7	13,744,286	16,368,562
Gains on FVTPL - Derivatives	17	33,903,387	12,347,138
Valuation of investment property	28	719,370	-
Trading income		304,891,889	330,923,939
Risk mitigating costs	8	(40,793,494)	(44,733,692)
Other income	9	2,999,160	6,618,646
Operating Income	12	267,097,555	292,808,893
<b>EXPENDITURE</b>			
Operating expenses	10	(51,456,113)	(50,643,979)
Impairment allowance on loans	20	(54,092,547)	(27,793,152)
Net foreign exchange losses	14	(15,492,847)	(3,244,120)
Other financial assets written-off	13	(2,500,188)	(365,579)
Impairment of investment in subsidiary	26	(63,951)	(1,227,054)
Grant expenses		-	(1,120,000)
TOTAL EXPENDITURE		(123,605,646)	(84,393,884)
<b>PROFIT FOR THE YEAR</b>		143,491,909	208,415,009
		=====	=====
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss)/gain through other comprehensive income - equity investments	25	(4,177,141)	234,354
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY</b>		139,314,768	208,649,363
		=====	=====



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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	2024 USD	2023 *Restated USD
<b>ASSETS</b>			
Cash and balances held with other banks -less than 90 days	16	1,198,858,759	2,099,938,569
Cash and balances held with other banks -over 90 days	16	452,674,208	923,257,268
Derivative financial instruments	17	62,162,697	4,248,951
Trade finance loans	18	4,602,070,897	4,587,581,150
Project loans	19	2,238,150,320	2,131,094,979
Investment in government securities	21	841,906,952	51,867,034
Investment in corporate bonds	22	40,630,615	-
Trade Fund loan receivables	23	256,359,097	146,140,978
Other receivables	24	98,661,664	42,333,144
Equity investments - at fair value through other comprehensive income	25	67,692,339	71,880,869
Property and equipment	27	37,423,023	37,421,800
Investment property	28	8,923,990	8,020,916
Right-of-use assets	29	2,228,720	2,253,507
Intangible assets	30	29,883	195,284
<b>TOTAL ASSETS</b>		<b>9,907,773,164</b>	<b>10,106,234,449</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Collection account deposits	31	172,330,020	289,437,554
Short term borrowings	32	4,482,774,367	4,379,401,963
Provision for service and leave pay	33	13,724,517	13,050,513
Non-controlling interest payables	34	153,451,272	79,064,874
Other payables	35	251,081,182	170,428,430
Long term borrowings	36	2,530,610,185	2,966,360,186
<b>TOTAL LIABILITIES</b>		<b>7,603,971,543</b>	<b>7,897,743,520</b>
<b>EQUITY</b>			
Share capital	38	602,717,362	603,081,183
Share premium	38	306,326,253	256,185,817
Retained earnings		1,306,342,101	1,236,944,337
Proposed dividend	38	-	49,498,565
Fair value reserve -Equity investments	39	25,287,096	29,464,237
Management reserve	40	19,842,913	19,842,913
Equity attributable to owners of the Bank		2,260,515,725	2,195,017,052
Non-controlling interest		43,285,896	13,473,877
		<b>2,303,801,621</b>	<b>2,208,490,929</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>9,907,773,164</b>	<b>10,106,234,449</b>

\*Details of restatement is disclosed on page 17 consolidated statement of changes in equity.

The notes on page 11 to 160 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 25 March 2025 and were signed on its behalf by:

  
.....  
Group MD/Director

  
.....  
Director



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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**SEPARATE STATEMENT OF FINANCIAL POSITION**


	Note	2024 USD	2023 *Restated USD
<b>ASSETS</b>			
Cash and balances held with other banks -less than 90 days	16	1,179,618,435	2,058,871,432
Cash and balances held with other banks -over 90 days	16	452,674,208	923,257,268
Derivative financial instruments	17	62,162,697	4,248,951
Trade finance loans	18	4,599,238,845	4,584,822,529
Project loans	19	2,238,150,320	2,131,094,979
Investment in government securities	21	805,677,931	42,168,768
Other receivables	24	109,791,952	55,826,198
Equity investments - at fair value through other comprehensive income	25	67,692,339	71,880,869
Investment in subsidiaries	26	139,478,580	89,478,580
Property and equipment	27	37,423,023	37,421,800
Investment property	28	8,923,990	8,020,916
Right-of-use assets	29	2,228,720	2,253,507
Intangible assets	30	29,883	195,284
<b>TOTAL ASSETS</b>		<b>9,703,090,923</b>	<b>10,009,541,081</b>
		=====	=====
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Collection account deposits	31	172,330,020	289,437,554
Short term borrowings	32	4,482,774,367	4,379,401,963
Provision for service and leave pay	33	13,540,264	12,911,887
Other payables	35	252,025,780	177,880,160
Long term borrowings	36	2,530,610,185	2,966,360,186
<b>TOTAL LIABILITIES</b>		<b>7,451,280,616</b>	<b>7,825,991,750</b>
<b>EQUITY</b>			
Share capital	38	602,717,362	603,081,183
Share premium	38	306,326,253	256,185,817
Retained earnings		1,297,636,683	1,225,476,616
Proposed dividend	38	-	49,498,565
Fair value reserve -Equity investments	39	25,287,096	29,464,237
Management reserve	40	19,842,913	19,842,913
<b>TOTAL EQUITY</b>		<b>2,251,810,307</b>	<b>2,183,549,331</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,703,090,923</b>	<b>10,009,541,081</b>
		=====	=====

\*Details of restatement is disclosed on page 17 consolidated statement of changes in equity.

The notes on page 11 to 160 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 26 March 2025 and were signed on its behalf by:

  
.....  
Group MD/Director

  
.....  
Director



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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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 31 December 2024										
As at 1 January 2024		603,081,183	256,185,817	1,236,944,337	49,498,565	29,464,237	19,842,913	2,195,017,052	13,473,877	2,208,490,929
Capital subscription	38	29,044,415	-	-	-	-	-	29,044,415	-	29,044,415
Share premium	38	-	58,679,699	-	-	-	-	58,679,699	-	58,679,699
Share Repurchase	38	(29,408,236)	(8,539,263)	(71,331,842)	-	-	-	(109,279,341)	-	(109,279,341)
Dividend proposed, declared and paid	38	-	-	-	(11,340,525)	-	-	(11,340,525)	-	(11,340,525)
Dividend proposed, declared and allocated to Members' capital subscriptions	38	-	-	-	(27,427,793)	-	-	(27,427,793)	-	(27,427,793)
Dividend proposed, declared and payable	38	-	-	-	(10,730,247)	-	-	(10,730,247)	-	(10,730,247)
ESATF opening reserves ceded to NCI*		-	-	(18,595,073)	-	-	-	(18,595,073)	18,595,073	-
Profit for the year		-	-	159,324,679	-	-	-	159,324,679	11,216,946	170,541,625
Fair value loss through other comprehensive income	25	-	-	-	-	(4,177,141)	-	(4,177,141)	-	(4,177,141)
		602,717,362	306,326,253	1,306,342,101	-	25,287,096	19,842,913	2,260,515,725	43,285,896	2,303,801,621
		=====	=====	=====	=====	=====	=====	=====	=====	=====

\*TDB % of shareholding in ESATF changed from 44.00% in 2023 to 30.83% in 2024. 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)**  
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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 31 December 2023										
As at 1 January 2023		580,439,034	217,131,487	1,063,097,870	49,431,823	29,035,466	19,842,913	1,958,978,593	3,458,353	1,962,436,946
Capital subscription	38	22,642,149	-	-	-	-	-	22,642,149	-	22,642,149
Share premium	38	-	39,054,330	-	-	-	-	39,054,330	-	39,054,330
Proposed dividends	38	-	-	(49,498,565)	49,498,565	-	-	-	-	-
Dividend proposed, declared and paid	38	-	-	-	(12,439,154)	-	-	(12,439,154)	-	(12,439,154)
Dividend proposed, declared and allocated to Members' capital	38	-	-	-	(26,572,581)	-	-	(26,572,581)	-	(26,572,581)
Dividend proposed, declared and payable	38	-	-	-	(10,420,088)	-	-	(10,420,088)	-	(10,420,088)
TDF reserves on recognition of equity & reserves*		-	-	3,419,869	-	-	-	3,419,869	536,318	3,956,187
ESATF opening reserves ceded to NCI**		-	-	(3,202,477)	-	-	-	(3,202,477)	3,202,477	-
Profit for the year		-	-	223,322,057	-	-	-	223,322,057	6,276,729	229,598,786
Disposal of equity investments	25	-	-	(194,417)	-	194,417	-	-	-	-
Fair value gain through other comprehensive income	25	-	-	-	-	234,354	-	234,354	-	234,354
		<u>603,081,183</u>	<u>256,185,817</u>	<u>1,236,944,337</u>	<u>49,498,565</u>	<u>29,464,237</u>	<u>19,842,913</u>	<u>2,195,017,052</u>	<u>13,473,877</u>	<u>2,208,490,929</u>
		=====	=====	=====	=====	=====	=====	=====	=====	=====

\*This relates to TDF opening reserves of USD 3,956,186 (loss) which were previously not recognised through retained earnings because TDF had no shareholders' equity.

\*\*TDB % of shareholding in ESATF changed from 46.62% in 2022 to 44.00% in 2023. The decrease in TDB shareholding has been ceded to non-controlling interest through TDB's retained earnings.

\*\*\* There was a classification error between the two lines; Fair value reserve and Management reserve (being transposition error between the two lines in the statement of financial position for both Group and Bank amounting to USD 9,192,553. Furthermore, the movement of USD 194, 417 and USD 234,354 relating to the Fair value reserve were included under Management reserve in the audited financial statements for the year ended 31 December 2023.



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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**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
<b>As at 31 December 2024</b>	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	38	29,044,415	-	-	-	-	-	29,044,415
Share Premium	38	-	58,679,699	-	-	-	-	58,679,699
Share Repurchase	38	(29,408,236)	(8,539,263)	(71,331,842)	-	-	-	(109,279,341)
Dividend proposed, declared and paid	38	-	-	-	(11,340,525)	-	-	(11,340,525)
Dividend proposed, declared and allocated to Members' capital subscriptions	38	-	-	-	(27,427,793)	-	-	(27,427,793)
Dividend proposed, declared and payable	38	-	-	-	(10,730,247)	-	-	(10,730,247)
Profit for the year		-	-	143,491,909	-	-	-	143,491,909
Fair value loss through other comprehensive income	25	-	-	-	-	(4,177,141)	-	(4,177,141)
As at 31 December 2024		602,717,362	306,326,253	1,297,636,683	-	25,287,096	19,842,913	2,251,810,307
		=====	=====	=====	=====	=====	=====	=====



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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**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
<b>As at 31 December 2023</b>	Note							
As at 1 January 2023		580,439,034	217,131,487	1,066,754,589	49,431,823	29,035,466	19,842,913	1,962,635,312
Capital subscription	38	22,642,149	-	-	-	-	-	22,642,149
Share Premium	38	-	39,054,330	-	-	-	-	39,054,330
Proposed dividends	38	-	-	(49,498,565)	49,498,565	-	-	-
Dividend proposed, declared and paid	38	-	-	-	(12,439,154)	-	-	(12,439,154)
Dividend proposed, declared and allocated to Members' capital subscriptions	38	-	-		(26,572,581)	-	-	(26,572,581)
Dividend proposed, declared and payable	38	-	-	-	(10,420,088)	-	-	(10,420,088)
Profit for the period		-	-	208,415,009	-	-	-	208,415,009
Disposal of equity investments	25	-	-	(194,417)	-	194,417	-	-
Fair value gain through other comprehensive income	25	-	-	-	-	234,354	-	234,354
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2023		603,081,183	256,185,817	1,225,476,616	49,498,565	29,464,237	19,842,913	2,183,549,331
		=====	=====	=====	=====	=====	=====	=====



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS**

	Note	<b>GROUP</b>		<b>BANK</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>USD</b>	<b>Restated*</b>	<b>USD</b>	<b>Restated*</b>
		<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>OPERATING ACTIVITIES</b>					
Cash (used in)/generated from operations	41 (a)	(231,034,407)	1,333,936,885	(224,124,654)	1,323,752,451
Interest received		95,384,420	259,646,867	92,286,990	259,617,273
Interest paid		(405,656,502)	(329,441,338)	(404,618,222)	(329,441,338)
Net cash (used in)/generated from operations		(541,306,489)	1,264,142,414	(536,455,886)	1,253,928,386
<b>INVESTING ACTIVITIES</b>					
Purchase of property and equipment	27	(2,112,043)	(7,649,575)	(2,112,043)	(7,649,575)
Purchase of investment property	28	(183,704)	-	(183,704)	-
Disposal of equity investments	25	11,389	1,755,000	11,389	1,755,000
Investment in government securities	21	(771,791,461)	(9,698,266)	(745,540,360)	-
Redemption of government securities	21	38,803,370	15,058,364	38,803,370	15,058,364
Investment in corporate bonds	22	(40,725,109)	-	-	-
Dividend received	9	1,616,188	1,485,356	1,616,188	1,485,356
Bank balances with more than 90 days to maturity	16	470,583,060	(206,968,399)	470,583,060	(206,968,399)
Net cash used in investing activities		(303,798,310)	(206,017,520)	(236,822,100)	(196,319,254)
<b>FINANCING ACTIVITIES</b>					
Proceeds from capital subscriptions	38	21,469,105	20,026,405	21,469,105	20,026,405
Share capital redemption	38	(29,408,236)	(5,231,571)	(29,408,236)	(5,231,571)
Proceeds from share premium	38	38,827,216	32,812,573	38,827,216	32,812,573
Share premium disposal	38	(8,539,263)	(12,483,509)	(8,539,263)	(12,483,509)
Payment of dividends	38	(11,340,525)	(12,439,154)	(11,340,525)	(12,439,154)
Share repurchase	38	(71,331,842)	-	(71,331,842)	-
Payment of lease liabilities		-	(134,763)	-	(134,763)
Investment in subsidiaries	26	-	-	(50,000,000)	-
Net cash (used in)/generated from financing activities		(60,323,545)	22,549,981	(110,323,545)	22,549,981
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(905,428,344)	1,080,674,875	(883,601,531)	1,080,159,113
Foreign exchange gains/ (losses) on cash and cash equivalents	14	4,348,534	(2,064,275)	4,348,534	(2,240,357)
CASH AND CASH EQUIVALENTS AT 01 JANUARY		2,099,938,569	1,021,327,969	2,058,871,432	980,952,676
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	1,198,858,759	2,099,938,569	1,179,618,435	2,058,871,432

\*Details of restatement are disclosed in note 54.



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

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**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 material accounting policies in preparation of its financial statements.

**(a) Basis of preparation**

i. 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).

ii. 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.



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

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**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 42.

**(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.



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

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**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 diminution.
- 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.



**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

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**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.

The Group employs country risk index data for all countries where it operates in over a historical period of 5 years as the primary model data input. The Group also applies point-in-time percentage portfolio distribution analysis by country in the FLI model. The Group incorporates macroeconomic projections over a period of 4 years for assessment of the impact of macroeconomic projections on modelled forward default rates.

- (ii) Probability of default (PD):

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):

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.



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**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, corporate bonds 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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**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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**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 years
Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	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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**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.

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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**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 therefrom. 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, investment in corporate bonds, 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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**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 and investment property 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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**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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**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 Group 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 are 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 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 the 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
<b>Stage 1</b>	<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>
<b>Stage 2</b>	<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 exogeneous 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
<b>Stage 3</b>	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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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

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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) 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.

**(s) 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.

**(t) 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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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)**

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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**

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current year.



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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.**

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these 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.

<b>Amendments to IAS 1- Classification of Liabilities as Current or Non-current</b>	<p>The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.</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>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments did not have an impact on the Group's statement of financial position, which is presented in order of liquidity.</p>
<b>Amendments to IAS 1 - Presentation of Financial Statements— Non-current Liabilities with Covenants</b>	<p>The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.</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> <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.</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)**

<b>Amendments to IAS 1 - Presentation of Financial Statements— Non-current Liabilities with Covenants (Continued)</b>	<p>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 did not have a material impact on these financial statements.</p>
<b>Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures— Supplier Finance Arrangements</b>	<p>The Group has adopted the amendments to IAS 7 and IFRS 7 titled Supplier Finance Arrangements for the first time in the current year.</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 is 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>The amendments did not have a material impact on these financial statements.</p>
<b>Amendments to IFRS 16- Lease Liability in a Sale and Leaseback</b>	<p>The Group has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.</p> <p>The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.</p> <p>As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.</p> <p>A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.</p> <p>The amendments did not have a material impact on these financial statements.</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**

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except if indicated below:

<p><b>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability</b></p>	<p>The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.</p> <p>The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.</p> <p>An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.</p> <p>The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.</p> <p>When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.</p> <p>The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:</p> <ul style="list-style-type: none"> <li>• The spot exchange rate for a purpose other than that for which an entity assesses exchangeability,</li> <li>• the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).</li> </ul> <p>An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.</p>
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**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)**  
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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 (Continued)**

<p><b>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (Continued)</b></p>	<p>When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p> <p>The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.</p> <p>In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.</p> <p>The Directors of TDB anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.</p>
<p><b>Adoption and Disclosures in Financial Statements</b></p>	<p>IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.</p> <p>IFRS 18 introduces new requirements to:</p> <ul style="list-style-type: none"> <li>• present specified categories and defined subtotals in the statement of profit or loss</li> <li>• provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements</li> <li>• improve aggregation and disaggregation</li> </ul> <p>An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.</p> <p>The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.</p> <p>The adoption of IFRS 18 will impact presentation of the primary statements and notes to the financial statements. The Group is in the process of assessing the impact.</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 (Continued)**

<p><b>IFRS 19 Subsidiaries without Public Accountability: Disclosures</b></p>	<p>IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.</p> <p>A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p> <p>IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.</p> <p>An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:</p> <ul style="list-style-type: none"> <li>• it is a subsidiary (this includes an intermediate parent)</li> <li>• it does not have public accountability, and</li> <li>• its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</li> </ul> <p>A subsidiary has public accountability if:</p> <ul style="list-style-type: none"> <li>• its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or</li> <li>• it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).</li> </ul> <p>Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statements may do so in its separate financial statements.</p> <p>The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted</p> <p>If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply.</p> <p>IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.</p> <p>The Directors do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the Group.</p>
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**Early adoption of standards**

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



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**NOTES TO THE FINANCIAL STATEMENTS**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>4. INTEREST INCOME</b>				
<i>Effective Interest Rate Income:*</i>				
On loans and facilities:				
Project finance loans	249,958,540	214,740,531	249,958,540	214,740,531
Trade finance loans	377,631,325	395,676,899	377,422,455	395,581,580
	_____	_____	_____	_____
Total interest income on loans and facilities:	627,589,865	610,417,430	627,380,995	610,322,112
	_____	_____	_____	_____
<i>Other interest income:</i>				
On placements: Deposits at amortised cost	114,850,646	113,055,932	111,962,086	111,568,564
Other	-	107,045	-	-
	_____	_____	_____	_____
Total other interest income	114,850,646	113,162,977	111,962,086	111,568,564
	_____	_____	_____	_____
Total effective interest income	742,440,511	723,580,407	739,343,081	721,890,675
	=====	=====	=====	=====
<b>5. INTEREST EXPENSE</b>				
Effective interest expense:				
Regional and international bond markets	41,424,472	63,505,064	41,424,472	63,505,064
Interest on funds borrowed from:				
- Banks and financial institutions	378,859,271	311,892,421	377,820,991	311,693,273
- Amortisation of deferred borrowing costs	28,747,197	22,205,622	28,747,197	22,205,622
- Other institutions	28,405,143	18,767,733	28,405,143	18,767,733
	_____	_____	_____	_____
	477,436,083	416,370,840	476,397,803	416,171,692
	=====	=====	=====	=====
<b>6. OTHER BORROWING COSTS</b>				
Other costs	6,334,817	3,434,775	6,334,817	3,434,775
Bank commission	85,615	75,969	85,615	75,969
	_____	_____	_____	_____
	6,420,432	3,510,744	6,420,432	3,510,744
	=====	=====	=====	=====

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

\*\*Other costs comprises commitment fees and agency costs.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>7. FEES AND COMMISSIONS INCOME</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Letter of credit fees in trade finance	10,429,010	10,031,708	10,429,010	10,031,708
Commitment fees on project finance	1,058,920	1,259,309	1,058,920	1,259,309
Syndication fees in project finance	1,037,984	206,282	1,037,984	206,282
Other project fees	677,184	782,827	677,184	782,827
Other fees in trade finance	380,438	162,038	380,438	162,038
Guarantee fees in project finance	141,975	187,474	141,975	187,474
Guarantee fees in trade finance	25,400	390,775	400	390,775
Commitment fees in trade finance	18,375	42,519	18,375	42,519
Syndication fees in trade finance	-	3,279,412	-	3,279,412
Letter of credit fees in project finance	-	26,218	-	26,218
	<hr/>	<hr/>	<hr/>	<hr/>
	13,769,286	16,368,562	13,744,286	16,368,562
	=====	=====	=====	=====
<b>8. RISK MITIGATION COSTS</b>				
Insurance cover costs*	32,095,767	37,171,602	39,572,677	40,834,742
Risk participation costs**	1,220,817	3,898,950	1,220,817	3,898,950
	<hr/>	<hr/>	<hr/>	<hr/>
	33,316,584	41,070,552	40,793,494	44,733,692
	=====	=====	=====	=====

\*Insurance cover costs are premiums on insurance cover taken on loans made to various borrowers. As at 31 December 2024, the insurance cover was USD 1.52 billion (December 2023: USD 1.58 billion). The cover was taken with African Trade and Investment Development (ATIDI - formerly African Trade Insurance Agency), 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 794.17 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)**

**9. OTHER INCOME**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Realised gain on disposal of ESATF loan assets (Note 23)	13,451,444	-	-	-
Dividend income	1,616,188	1,485,356	1,616,188	1,485,356
Interest on staff loans	670,799	474,007	670,800	474,007
Other income	478,303	4,147,499	276,598	4,049,403
Rental income	435,574	227,993	435,574	227,993
Impaired assets recovered	-	381,887	-	381,887
	<u>16,652,308</u>	<u>6,716,742</u>	<u>2,999,160</u>	<u>6,618,646</u>
	=====	=====	=====	=====

**10. OPERATING EXPENSES**

Staff costs (Note 11)	36,025,494	35,993,800	35,295,087	35,239,631
Consultants and advisers	6,024,540	6,020,606	5,862,046	5,388,364
Other operating expenses	4,810,598	3,168,972	2,870,160	2,222,739
Official missions	2,463,283	1,957,402	2,173,176	1,825,793
Depreciation of property and equipment	2,108,111	1,786,178	2,108,111	1,786,178
Business promotion	1,354,634	1,540,592	1,337,130	1,537,762
Board of Directors meetings	728,115	808,814	688,560	718,302
Short term leases and other rentals	133,580	384,977	133,580	384,977
Amortisation of intangible assets	152,326	518,208	152,326	518,208
Board of Governors meetings	686,748	621,752	685,366	610,092
Audit fees	168,430	176,013	110,000	88,500
Depreciation of right-of-use assets	24,787	190,775	24,787	190,775
Loss on disposal of property and Equipment	2,709	108,839	2,709	108,839
Loss on disposal of intangible assets	13,075	-	13,075	-
Interest on lease liability	-	23,819	-	23,819
	<u>54,696,430</u>	<u>53,300,747</u>	<u>51,456,113</u>	<u>50,643,979</u>
	=====	=====	=====	=====

**Auditors' Remuneration:**

*Audit Services:*

Deloitte: Audit of Group consolidated and separate financial statements	168,430	176,013	110,000	88,500
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*Non-audit Services:\**

Deloitte firms	72,114	65,646	72,114	65,646
Non-Deloitte firms	444,839	309,446	444,839	309,446
	<u>685,383</u>	<u>551,105</u>	<u>626,953</u>	<u>463,592</u>
	=====	=====	=====	=====

\*Non- audit services include several consultancies that the Group engaged audit firms to conduct.



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11. STAFF COSTS	GROUP		BANK	
	2024 USD	2023 USD	2024 USD	2024 USD
Salaries and wages	18,572,608	18,168,593	18,010,938	17,603,351
Staff reward and recognition scheme	6,167,802	6,264,677	6,167,802	6,264,677
Staff provident fund defined contribution plan	3,227,012	3,189,338	3,126,902	3,087,899
School fees for dependents	3,050,226	3,311,568	3,050,226	3,299,163
Medical costs	1,643,862	1,521,163	1,643,862	1,521,163
Other costs*	1,821,624	1,658,042	1,783,461	1,625,156
Service pay provision	1,484,280	1,505,216	1,453,816	1,478,436
Leave pay expense	58,080	375,203	58,080	359,785
	<u>36,025,494</u>	<u>35,993,800</u>	<u>35,295,087</u>	<u>35,239,631</u>
	=====	=====	=====	=====

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

**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, fee and commission income, gains on FVTPL on derivatives and Trade Fund loan assets, valuation of investment property, 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.

13. OTHER FINANCIAL ASSETS WRITTEN-OFF	GROUP		BANK	
	2024 USD	2023 USD	2024 USD	2023 USD
Other receivables (Note 24)*	2,500,188	365,579	2,500,188	365,579
	=====	=====	=====	=====

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

14. NET FOREIGN EXCHANGE LOSSES	GROUP		BANK	
	2024 USD	2023 USD	2024 USD	2023 USD
Gains/(losses) on cash items	4,348,534	(2,064,275)	4,348,534	(2,240,357)
Unrealized losses on non-cash items	(19,941,784)	(1,003,763)	(19,841,381)	(1,003,763)
	<u>(15,593,250)</u>	<u>(3,068,038)</u>	<u>(15,492,847)</u>	<u>(3,244,120)</u>
	=====	=====	=====	=====



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**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 TDBs 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.

<b>16. CASH AND BALANCES HELD WITH OTHER BANKS</b>	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Current accounts	243,423,961	597,018,782	234,408,048	577,810,056
Call and term deposits with banks	1,408,109,006	2,426,177,055	1,397,884,595	2,404,318,644
	<hr/>	<hr/>	<hr/>	<hr/>
	1,651,532,967	3,023,195,837	1,632,292,643	2,982,128,700
	=====	=====	=====	=====
<i>Maturity Analysis*:</i>				
With less than 90 days maturity	1,198,858,759	2,099,938,569	1,179,618,435	2,058,871,432
With more than 90 days maturity	452,674,208	923,257,268	452,674,208	923,257,268
	<hr/>	<hr/>	<hr/>	<hr/>
	1,651,532,967	3,023,195,837	1,632,292,643	2,982,128,700
	=====	=====	=====	=====
<b>(i) Current accounts:</b>				
Amounts maintained in US Dollars (USD)	69,031,514	129,478,038	60,015,765	110,269,312
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts maintained in other currencies:				
Malawi Kwacha	85,332,329	88,272,364	85,332,329	88,272,364
United Arab Emirates Dirrham	54,302,722	14,444	54,302,722	14,444
Euro	23,562,298	344,081,570	23,562,208	344,081,570
Tanzania Shillings	4,853,807	4,712,574	4,853,807	4,712,574
Zambia Kwacha	2,656,320	29,130,129	2,656,320	29,130,129
Ethiopian Birr	1,727,115	190,757	1,727,115	190,757
Burundi Francs	1,114,677	728,264	1,114,677	728,264
Kenyan Shillings	510,369	154,494	510,369	154,494
Seychelles Rupee	244,922	151,128	244,922	151,128
British Pounds	42,625	16,966	42,625	16,966
Mauritian Rupee	27,850	40,861	27,776	40,861
South African Rand	10,069	1,837	10,069	1,837
Ugandan Shillings	5,217	38,070	5,217	38,070
Zimbabwe Gold	1,342	-	1,342	-
Japanese Yen	970	1,080	970	1,080
Zimbabwe Dollar	(183)	6,206	(183)	6,206
	<hr/>	<hr/>	<hr/>	<hr/>
	174,392,448	467,540,744	174,392,284	467,540,744
	<hr/>	<hr/>	<hr/>	<hr/>
	243,423,961	597,018,782	234,408,048	577,810,056
	=====	=====	=====	=====

\*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.



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

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>(ii) Call and term deposits with banks:</b>				
United States Dollars (USD)	1,193,222,551	2,092,329,365	1,182,998,140	2,070,470,954
Amounts maintained in other currencies:				
Euro	186,453,443	295,771,671	186,453,443	295,771,671
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	6,033,401	5,853,355	6,033,401	5,853,355
Sudanese Pounds	2,506,003	2,506,003	2,506,004	2,506,003
	214,886,454	333,847,690	214,886,455	333,847,690
	1,408,109,006	2,426,177,055	1,397,884,595	2,404,318,644
	=====	=====	=====	=====
<b>(iii) Movement in over 90 days balances</b>				
At the beginning of period	923,257,268	716,288,869	923,257,268	716,288,869
Additions	473,874,256	250,424,216	473,874,256	250,424,216
Maturities	(944,457,316)	(100,000,000)	(944,457,316)	(100,000,000)
Interest earned	-	56,544,183	-	56,544,183
	452,674,208	923,257,268	452,674,208	923,257,268
	=====	=====	=====	=====
<b>(iv) Effective interest rates on deposits with banks</b>			<b>GROUP AND BANK</b>	
			<b>2024</b>	<b>2023</b>
			<b>%</b>	<b>%</b>
United States Dollars			4.56%	6.64%
Euro			3.34%	3.90%
United Arab Emirates Dirham			3.94%	5.42%
Ethiopian Birr			-	9.00%
Ugandan Shillings*			13.35%	13.35%
Zambian Kwacha*			20.93%	31.10%

\* The Uganda Shillings rates did not change from December 2023 to December 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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**17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)**

As at 31 December 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.

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Currency forward exchange contracts				
Net opening balance at start of year	4,248,951	(17,826,383)	4,248,951	(17,826,383)
Contracts entered into during period-Net	33,680,651	71,287,751	33,680,651	71,287,751
Net amounts settled	(9,670,292)	(61,559,555)	(9,670,292)	(61,559,555)
Fair value gains through profit or loss	33,903,387	12,347,138	33,903,387	12,347,138
	<hr/>	<hr/>	<hr/>	<hr/>
Net closing balance as at end of year	62,162,697	4,248,951	62,162,697	4,248,951
	=====	=====	=====	=====

**18. TRADE FINANCE LOANS**

Principal loans	4,180,997,944	4,379,521,714	4,177,919,887	4,376,657,546
Interest receivable	607,934,312	397,445,286	607,934,312	397,379,561
	<hr/>	<hr/>	<hr/>	<hr/>
Gross loans	4,788,932,256	4,776,967,000	4,785,854,199	4,774,037,107
Impairment on trade finance loans (Note 20)*	(186,861,359)	(189,385,850)	(186,615,354)	(189,214,578)
	<hr/>	<hr/>	<hr/>	<hr/>
Net loans	4,602,070,897	4,587,581,150	4,599,238,845	4,584,822,529
	=====	=====	=====	=====

**Analysis of gross loans by maturity:**

*Maturing:*

Within one year	2,723,999,497	3,175,657,056	2,723,999,497	3,175,657,056
One to three years	1,981,637,912	1,543,563,555	1,978,559,855	1,540,633,662
Over three years	83,294,847	57,746,389	83,294,847	57,746,389
	<hr/>	<hr/>	<hr/>	<hr/>
	4,788,932,256	4,776,967,000	4,785,854,199	4,774,037,107
	=====	=====	=====	=====

As at 31 December 2024, as disclosed in Note 47 (b) the Group and Bank gross non-performing trade finance loans (stage 3) amounted to USD 93,194,175 (December 2023- USD 122,715,655). The specific impairment provisions related to these loans amounted to USD 68,950,455 (December 2023 - USD 86,115,622) hence the carrying amount of the stage 3 loans amounted to USD 24,243,720 (December 2023- USD 36,000,033). The provisions related to stage 1 and stage 2 trade finance loans amounted to USD 117,910,904 (December 2023 - USD 103,270,228) for the Group. Stage 1 and 2 provisions for the Bank were USD 117,664,899 (December 2023 - USD 103,098,956).

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



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**19. PROJECT LOANS**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Loans disbursed	5,300,376,414	4,966,712,076	5,300,376,414	4,966,712,076
Interest capitalized*	209,597,917	167,649,621	209,597,917	167,649,621
Loans repaid	(3,267,931,587)	(3,043,525,734)	(3,267,931,587)	(3,043,525,734)
Principal loan balances	2,242,042,744	2,090,835,963	2,242,042,744	2,090,835,963
Interest receivable	62,430,079	78,024,000	62,430,079	78,024,000
Gross loans	2,304,472,823	2,168,859,963	2,304,472,823	2,168,859,963
Impairment on project loans (Note 20)**	(66,322,503)	(37,764,984)	(66,322,503)	(37,764,984)
Net loans	2,238,150,320	2,131,094,979	2,238,150,320	2,131,094,979
	=====	=====	=====	=====
<b>Analysis of gross loans by maturity:</b>				
<i>Maturing:</i>				
Within one year	834,622,549	705,540,842	834,622,549	705,540,842
One year to three years	838,753,937	806,890,829	838,753,937	806,890,829
Three to five years	426,660,845	413,222,897	426,660,845	413,222,897
Over five years	204,435,492	243,205,395	204,435,492	243,205,395
	=====	=====	=====	=====
	2,304,472,823	2,168,859,963	2,304,472,823	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) Group and Bank project loans as disclosed in Note 47 (b) was USD 170,083,762 (December 2023 - USD 127,563,249). The impairment provisions on stage 3 loans amounted to USD 46,133,779 (December 2023 - USD 16,502,325) hence the carrying value of the loans amounted to USD 123,949,983 (December 2023- USD 111,060,924). Stage 1 and 2 provisions for project finance loans amounted to USD 20,188,724 (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			Trade Finance Loans			Low Credit Risk Assets*	Total provisions
	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		
<b>As at 1 January 2023</b>	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
<b>As at 31 December 2023</b>	36,455,655	1,309,329	37,764,984	185,318,666	4,067,184	189,385,850	8,792,889	235,943,723
<b>As at 1 January 2024</b>	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	-	-	-	(27,673,718)	-	(27,673,718)	-	(27,673,718)
Charge for the year	29,368,923	(811,404)	28,557,519	25,393,566	(244,339)	25,149,227	460,534	54,167,280
<b>As at 31 December 2024</b>	65,824,578	497,925	66,322,503	183,038,514	3,822,845	186,861,359	9,253,423	262,437,285

\*Low Credit Risk Assets include investments in government securities, and call and term deposits with banks



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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		
<b>As at 1 January 2023</b>	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
	-----	-----	-----	-----	-----	-----	-----	-----
<b>As at 31 December 2023</b>	36,455,655	1,309,329	37,764,984	185,147,394	4,067,184	189,214,578	8,792,889	235,772,451
	=====	=====	=====	=====	=====	=====	=====	=====
<b>As at 1 January 2024</b>	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	-	-	-	(27,673,718)	-	(27,673,718)	-	(27,673,718)
Charge for the year	29,368,923	(811,404)	28,557,519	25,318,833	(244,339)	25,074,494	460,534	54,092,547
	-----	-----	-----	-----	-----	-----	-----	-----
<b>As at 31 December 2024</b>	65,824,578	497,925	66,322,503	182,792,509	3,822,845	186,615,354	9,253,423	262,191,280
	=====	=====	=====	=====	=====	=====	=====	=====

\*Low Credit Risk Assets include investments in government securities, and call and term deposits with banks



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**21. INVESTMENTS IN GOVERNMENT SECURITIES**

<b>Held at Amortised Cost:</b>	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Treasury Notes and Treasury Bonds:				
At 1 January:	51,867,034	57,227,132	42,168,768	57,227,132
Investment in treasury bills	771,791,461	9,698,266	745,540,360	-
Interest earned	57,051,827	-	56,772,173	-
Maturities	(38,803,370)	(15,058,364)	(38,803,370)	(15,058,364)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December:	841,906,952	51,867,034	805,677,931	42,168,768
	<hr/>	<hr/>	<hr/>	<hr/>
ECL Impairment provisions	7,380,475	493,375	7,380,475	493,375
	<hr/>	<hr/>	<hr/>	<hr/>

As part of the Group's mandate to deepen capital markets within our Member States, 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 20.93% (December 2023: 31.10%) while USD securities had an effective interest rate of 4.56% (December 2023: 6.64%).

**22. INVESTMENTS IN CORPORATE BONDS**

<b>Held at Amortised Cost:</b>	<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
At 1 January:	-	-
Investment in corporate bonds*	40,725,109	-
Interest earned	615,400	-
Impairment provision	(709,894)	-
	<hr/>	<hr/>
At end of period:	40,630,615	-
	<hr/>	<hr/>

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 4.80%.



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**23. TRADE FUND LOAN RECEIVABLES**

	<b>GROUP</b>	<b>2023</b>
	<b>2024</b>	<b>USD</b>
<b>Held at Fair Value Through Profit or Loss:</b>	<b>USD</b>	<b>USD</b>
At 1 January:	146,140,978	115,013,836
<i>Movement during the year:</i>		
Issue of loans	334,069,327	359,860,590
Disposal of loan participation	(245,199,556)	(345,030,151)
Unrealised gain on revaluation	7,896,904	16,236,861
Realised gain/(loss) on disposal of loan participation	13,451,444	(91,970)
Unrealised foreign exchange gain on loan	-	151,812
Net change in Trade Fund receivable	110,218,119	31,127,142
At end of period:	256,359,097	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.

	<b>GROUP</b>	<b>2023</b>	<b>BANK</b>	<b>2023</b>
<b>24. OTHER RECEIVABLES</b>	<b>2024</b>	<b>USD</b>	<b>2024</b>	<b>USD</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Prepayments and other receivables*	73,719,174	19,514,383	84,849,462	33,007,437
Staff loans and advances**	23,558,615	22,321,011	23,558,615	22,321,011
Appraisal fees***	1,383,875	497,750	1,383,875	497,750
	98,661,664	42,333,144	109,791,952	55,826,198
	=====	=====	=====	=====
Appraisal fees receivable****				
At the beginning of the year	497,750	480,808	497,750	480,808
Accrued Income	3,631,485	726,329	3,631,485	726,329
Receipts	(245,220)	(343,808)	(245,220)	(343,808)
Written-off amounts (Note 13)	(2,500,140)	(365,579)	(2,500,140)	(365,579)
At the end of the period	1,383,875	497,750	1,383,875	497,750
	=====	=====	=====	=====
<i>Maturity analysis:</i>				
Amounts due within one year	78,052,996	23,848,205	89,183,284	36,103,619
Amounts due after one year	20,608,668	18,484,939	20,608,667	19,722,579
	98,661,664	42,333,144	109,791,952	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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**25. EQUITY INVESTMENTS**

(i) Equity participation: At fair value through OCI	GROUP AND BANK						TDB's Share- holding* %
	Beginning Cost USD	Additions/ disposals USD	Total Ending Cost USD	Investment Carrying Value at Period End USD	Investment Carrying Value Previous Year USD	Adjustment for the Period USD	
<b>As at 31 December 2024 :</b>							
African Export Import Bank	2,364,160	-	2,364,160	11,041,000	8,099,000	2,942,000	0.15
PTA Reinsurance	31,938,654	-	31,938,654	50,826,000	57,749,000	(6,923,000)	17.99
African Trade & Investment Development Insurance	1,000,000	-	1,000,000	1,407,000	1,325,000	82,000	0.23
Gulf African Bank	1,978,734	-	1,978,734	2,372,000	1,905,000	467,000	5.23
Pan African Housing Fund	772,431	(11,389)	761,042	76,001	73,869	13,521	1.00
Cable and Wireless	2,729,000	-	2,729,000	1,970,338	2,729,000	(758,662)	2.80
<b>TOTAL</b>	<b>40,782,979</b>	<b>(11,389)</b>	<b>40,771,590</b>	<b>67,692,339</b>	<b>71,880,869</b>	<b>(4,177,141)</b>	
<b>As at 31 December 2023 :</b>							
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)	-	-
African Trade & Investment Development Insurance	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
<b>TOTAL</b>	<b>42,537,979</b>	<b>(1,755,000)</b>	<b>40,782,979</b>	<b>71,880,869</b>	<b>71,452,098</b>	<b>234,354</b>	

The Group's main equity investments are in ZEP-RE (PTA Reinsurance Company), African Export-Import Bank, African Trade & Investment Development Insurance (formerly Africa Trade Insurance Agency) and Gulf African Bank. In addition, the Group has subscribed to the equity of various projects in its Member States. The Group's participation is expressed in US Dollars. As at 31 December 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 current year financial information supplied by the companies.



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25. EQUITY INVESTMENTS (continued)	GROUP AND BANK	
	2024 USD	2023 USD
<b>(ii) Installments paid:</b>		
Total subscribed capital*	42,136,337	42,159,115
Less: Installments not due – Note 25(iii)	(1,364,747)	(1,376,136)
	<hr/>	<hr/>
Installments paid as at end of period– Note 25 (iv)	40,771,590	40,782,979
	=====	=====
<b>(iii) Unpaid subscriptions expressed in US Dollars at year-end rates comprised**:</b>		
African Export Import Bank	1,200,000	1,200,000
Pan African Housing Fund	164,747	176,136
	<hr/>	<hr/>
	1,364,747	1,376,136
	=====	=====
<b>(iv) Movement in the installments paid:</b>		
At beginning of period	40,782,979	42,537,979
Additions at cost – Note 25(i)	-	-
Divestiture– Note 25(i)	(11,389)	(1,755,000)
	<hr/>	<hr/>
At end of period	40,771,590	40,782,979
	=====	=====

\* Total subscribed capital includes paid up capital and unpaid subscriptions.

\*\*Unpaid subscriptions are payable on call. These have not been included in the financial statements as the probability of the call is deemed very remote.

**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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**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 directly into TDF, bringing the total investment to USD 9,916,866 as at 31 December 2024. TDB controls 86.41% of TDF, while TDB's Member States directly control 13.59% 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 year to 31 December 2024, the Bank invested a further USD 63,951 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 year has been charged to Bank's profit and loss on Page 13.

**(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. ESATAL has the responsibility to appoint the board of directors of ESATF.

Over the years, and in line with the business strategy, the Fund has attracted more investors, diluting TDB's investment to 30.83% (December 2023: 44.00%) of the total Net Asset Value (NAV) of ESATF. TDB, however, still has control over ESATF through ESATAL and particularly its board representation and variable earnings from 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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**26. INVESTMENT IN SUBSIDIARIES (Continued)**

**(b) TDB Investment in subsidiaries**

<b>As at 31 December 2024:</b>	<b>TDF No. of shares</b>	<b>ESATAL No. of shares</b>	<b>ESATF No. of shares</b>	<b>TCI No. of shares</b>	<b>TOTAL No. of shares</b>
<b><i>Subsidiary's Issued Shares:</i></b>					
As at 1 January 2024	9,913,265	139,967	141,192,655	30,000,000	181,245,887
Subscriptions during the year	3,601	-	135,107,173	50,000,000	185,110,774
Redemption of shares during the year	-	-	(70,844,155)	-	(70,844,155)
Increase in NAV	-	-	16,390,795	-	16,390,795
	=====	=====	=====	=====	=====
Total issued and fully paid	9,916,866	139,967	221,846,468	80,000,000	311,903,301
	=====	=====	=====	=====	=====
TDB's share	86.41%	100%	30.83%	100%	
Fully paid	8,569,378	139,967	68,395,196	80,000,000	157,104,541
	=====	=====	=====	=====	=====
Non-controlling interest*	1,347,488	-	153,451,272	-	154,798,760
	=====	=====	=====	=====	=====
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b><i>Share capital:</i></b>					
Total Investment in subsidiaries	8,569,378	1,359,463	49,549,739	80,000,000	139,478,580
	=====	=====	=====	=====	=====
Total issued and fully paid	8,569,378	1,359,463	49,549,739	80,000,000	139,478,580
	=====	=====	=====	=====	=====
<b>As at 31 December 2023</b>					
<b><i>Subsidiary's Issued Shares:</i></b>					
	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
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
	=====	=====	=====	=====	=====
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b><i>Share capital:</i></b>					
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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**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:

<b>As at 31 December 2024</b>	<b>TDF USD</b>	<b>ESATF USD</b>	<b>TOTAL USD</b>
<b>(i) Statement of Financial Position</b>			
Total assets	15,383,213	257,970,108	273,353,321
Total liabilities	(10,238,103)	(36,123,540)	(46,361,643)
	<hr/>	<hr/>	<hr/>
Net assets	5,145,110 =====	221,846,568 =====	226,991,678 =====
Attributable to owners of the Bank	4,445,890	68,395,296	72,841,186
Non-controlling interest	699,220	153,451,272	154,150,492
	<hr/>	<hr/>	<hr/>
	5,145,110 =====	221,846,568 =====	226,991,678 =====
<b>(ii) Statement of Profit and Loss and Other Comprehensive Income</b>			
Income	435,576	21,267,253	21,702,829
Expenditure	(1,324,951)	(4,876,458)	(6,201,409)
	<hr/>	<hr/>	<hr/>
Comprehensive income/loss	(889,375) =====	16,390,795 =====	15,501,420 =====
Attributable to owners of the Bank	(768,509)	5,053,282	4,284,773
Non-controlling interest	(120,866)	11,337,513	11,216,647
	<hr/>	<hr/>	<hr/>
	(889,375) =====	16,390,795 =====	15,501,420 =====
<b>(iii) Statement of Cash Flows</b>			
Net cash (used in) operating activities	(3,601)	(84,038,475)	(84,042,076)
Net cash generated from financing activities	3,667,745	64,263,018	67,930,763
	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	3,664,144	(19,775,457)	(16,111,313)
Cash and cash equivalents at beginning of period	-	(9,530,491)	(9,530,491)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	3,664,144 =====	(29,305,948) =====	(25,641,804) =====



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**26. INVESTMENT IN SUBSIDIARIES (Continued)**

**(c) Summarised Financial Information**

<b>As at 31 December 2023</b>	<b>TDF USD</b>	<b>ESATF USD</b>	<b>TOTAL USD</b>
<b>(i) Statement of Financial Position</b>			
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
	=====	=====	=====
Attributable to owners of the Bank	4,243,495	12,258,617	-8,015,122
Non-controlling interest	667,389	153,451,272	154,118,661
	=====	=====	=====
	4,910,884	141,192,655	146,103,539
	=====	=====	=====
<b>(ii) Statement of Profit and Loss and Other Comprehensive</b>			
Income	197,992	14,085,455	14,283,447
Expenditure	(1,317,188)	(2,859,096)	(4,176,284)
	=====	=====	=====
Comprehensive income/loss	(1,119,196)	11,226,359	10,107,163
	=====	=====	=====
Attributable to owners of the Bank	(967,097)	3,461,086	2,493,989
Non-controlling interest	(152,099)	7,765,273	7,613,174
	=====	=====	=====
	(1,119,196)	11,226,359	10,107,163
	=====	=====	=====
<b>(iii) Statement of Cash Flows</b>			
Net cash (used in)/ generated from operating activities	(4,913,264)	4,659,296	(253,968)
Net cash generated from/(used in) financing activities	4,913,264	(26,978,046)	(22,064,782)
Net cash generated from investing activities	-	7,734,359	7,734,359
	=====	=====	=====
Net (decrease) in cash and cash equivalents	-	(14,584,391)	(14,584,391)
Cash and cash equivalents at beginning of year	-	5,053,900	5,053,900
	=====	=====	=====
Cash and cash equivalents at end of year	-	(9,530,491)	(9,530,491)
	=====	=====	=====



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**27. PROPERTY AND EQUIPMENT**

	<b>GROUP AND BANK</b>					
	<b>Freehold land USD</b>	<b>Buildings USD</b>	<b>Motor vehicles USD</b>	<b>Furniture and fittings USD</b>	<b>Office equipment USD</b>	<b>Total USD</b>
<b>As at 31 December 2024</b>						
<b>COST</b>						
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	-	1,507,297	156,426	140,953	307,367	2,112,043
Disposals	-	-	-	(5)	(21,595)	(21,600)
As at 31 December 2024	142,110	35,180,949	1,363,183	3,044,492	6,447,576	46,178,310
<b>DEPRECIATION</b>						
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	-	854,078	88,591	176,530	988,912	2,108,111
Disposals	-	-	-	(5)	(18,886)	(18,891)
As at 31 December 2024	-	2,067,274	1,097,419	1,706,581	3,884,013	8,755,287
<b>NET BOOK VALUE</b>	142,110	33,113,675	265,764	1,337,911	2,563,563	37,423,023
	=====	=====	=====	=====	=====	=====

\*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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**27. PROPERTY AND EQUIPMENT (Continued)**

	<b>GROUP AND BANK</b>						
<b>As at 31 December 2023</b>	<b>Freehold Land USD</b>	<b>Building Under Construction USD</b>	<b>Buildings USD</b>	<b>Motor vehicles USD</b>	<b>Furniture and fittings USD</b>	<b>Office equipment USD</b>	<b>Total USD</b>
<b>COST</b>							
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
<b>DEPRECIATION</b>							
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
<b>NET BOOK VALUE</b>	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 commenced on 1 June 2023.



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**28. INVESTMENT PROPERTY**

	<b>Bujumbura Office</b>	<b>GROUP AND BANK Nairobi Office</b>	<b>Total</b>
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 31 December 2024**

	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>COST/FAIR VALUE</b>			
As at 1 January 2024	5,009,560	3,011,356	8,020,916
Revaluation	719,370	-	719,370
Additions	7,288	176,416	183,704
	<hr/>	<hr/>	<hr/>
As at 31 December 2024	5,736,218	3,187,772	8,923,990
	=====	=====	=====

**As at 31 December 2023**

<b>COST/FAIR VALUE</b>			
As at 1 January 2023	5,009,560	-	5,009,560
Transfer from Property and 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 in 2023 (Note 27) in respect to Nairobi office building relates to amounts that were held as work in progress during the construction phase. This is the lettable area of the Nairobi property.

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 435,574 (December 2023: USD 227,993).

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

**Fair Valuation:**

**1. Bujumbura Property**

The property was valued by an external valuer. The value in local currency terms did not change from that of 2023. However, in dollar terms, this resulted in a fair value gain of USD 719,370 as at 31 December 2024.

**2. Nairobi Property**

The Nairobi property is fairly new, having been occupied in May 2023. Fair valuation was done in-house, using information from Kenya Real Estate sector report which indicates that Commercial Office rental rates have remained stable, with minimal fluctuations throughout the year and a 0.2% decrease in rental yields. Consequently, no fair value adjustment has been recognised for the Nairobi property as at 31 December 2024.



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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:

<b>COST</b>	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	2,453,865	2,453,865	2,453,865	2,453,865
	<hr/>	<hr/>	<hr/>	<hr/>
<b>AMORTISATION</b>				
At the beginning of the period	200,358	2,246,808	200,358	2,246,808
Charge for the period	24,787	190,775	24,787	190,775
Lease derecognized	-	(2,237,225)	-	(2,237,225)
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	225,145	200,358	225,145	200,358
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At the end of the period	2,228,720	2,253,507	2,228,720	2,253,507
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Amounts recognised in profit and loss:</i>				
Depreciation expense on right-of-use assets	24,787	190,775	24,787	190,775
Interest expense on lease liabilities (Note 9)	-	23,819	-	23,819
Expense relating to short term lease contracts	-	39,837	-	39,837
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	24,787	254,431	24,787	254,431
	<hr/>	<hr/>	<hr/>	<hr/>

\*The lease derecognised during 2023 relates to the previously rented premises 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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<b>30. INTANGIBLE ASSETS</b>	<b>GROUP</b>		<b>BANK</b>	
<b>COST</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
At the beginning of the year	4,733,657	4,733,657	4,733,657	4,733,657
Write-offs	(4,701,470)	-	(4,701,470)	-
	=====	=====	=====	=====
At the end of the year	32,187	4,733,657	32,187	4,733,657
	=====	=====	=====	=====
<b>AMORTISATION</b>				
At the beginning of the period	4,538,373	4,020,165	4,538,373	4,020,165
Write-offs	(4,688,395)	-	(4,688,395)	-
Charge for the period	152,326	518,208	152,326	518,208
	=====	=====	=====	=====
At the end of the period	2,304	4,538,373	2,304	4,538,373
	=====	=====	=====	=====
<b>NET BOOK VALUE</b>				
At the end of the year	29,883	195,284	29,883	195,284
	=====	=====	=====	=====

Intangible assets relate to cost of acquired computer software.

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

<b>31. COLLECTION ACCOUNT DEPOSITS</b>	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
At beginning of the year	289,437,554	123,759,079	289,437,554	123,759,079
Increase	120,701,756	166,187,786	120,701,756	166,187,786
Reduction	(237,809,290)	(509,311)	(237,809,290)	(509,311)
	=====	=====	=====	=====
At end of the year	172,330,020	289,437,554	172,330,020	289,437,554
	=====	=====	=====	=====

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	<b>GROUP AND BANK</b>	
				<b>2024</b> <b>USD</b>	<b>2023</b> <b>USD</b>
Global Syndication 2024	Dec-24	Nov-27	USD	1,000,000,000	-
Global Syndication 2023	Dec-23	Dec-26	USD	506,923,424	510,732,919
Asia Syndication 2022	Aug-22	Jul-25	USD	500,000,000	500,000,000
Global Syndication 2022	Dec-22	Dec-25	USD	494,949,725	864,308,566
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	250,000,000	150,000,000
Sumurai 2021	Mar-24	Nov-26	USD	195,000,000	115,000,000
Mashreq Bank	Jun-24	Jun-25	USD	186,126,652	100,000,000
Commerzbank	Jun-22	May-26	USD	176,937,800	96,295,000
British International Investment plc	Dec-23	Dec-26	USD	100,000,000	100,000,000
Cassa Depositi e Prestiti	Jan-21	Dec-26	EUR	82,868,000	109,545,000
Abu Dhabi Exports Office	Apr-24	Apr-25	USD	75,000,000	75,000,000
Kenya Commercial Bank	Jul-24	Jan-25	USD	50,491,144	61,209,137
Standard Chartered Bank London	Jun-22	Dec-25	USD	50,000,000	400,000,000
African Development Bank	Jul-22	Jan-26	USD	50,000,000	50,000,000
NORFUND	Jul-24	Jul-25	USD	40,000,000	40,000,000
Nedbank	Aug-22	Aug-25	USD	35,000,000	60,000,000
Nouvbank	Jun-23	Mar-25	EUR	13,819,000	24,263,555
Africa 50 Financement de Projets	Dec-24	Jan-25	USD	11,682,252	18,872,389
Banque Nationale du Rwanda	Oct-24	Jan-25	USD	10,000,000	-
African Trade & Investment Development Insurance	Jun-24	Jun-25	USD	7,125,658	5,894,364
Global Syndication 2021	Dec-21	Dec-24	USD	-	346,246,201
Banque Commerciale du Burundi	Oct-23	Oct-24	USD	-	3,011,405
Citibank	Jun-23	Jun-24	USD	-	100,000,000
Sub total for other short term borrowings				4,436,923,655	4,331,378,536
Interest payable				45,850,712	48,023,427
TOTAL SHORT TERM BORROWINGS				4,482,774,367	4,379,401,963
				=====	=====
Amount due within one year				3,231,522,729	1,266,006,180
Amount due after one year				1,251,251,638	3,113,395,783
				4,482,774,367	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. The Trade Finance loans have a tenure of up to 3 years while Project loans extend beyond 3 years.



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<b>33. PROVISION FOR SERVICE AND LEAVE PAY</b>	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>(i) PROVISION FOR SERVICE PAY</b>				
At 1 January	10,000,942	8,762,969	9,938,723	8,762,969
Increase in provision	-	1,505,216	-	1,478,436
Payment of service pay	(710,301)	(267,243)	(724,489)	(302,682)
	=====	=====	=====	=====
At end of period	10,774,921	10,000,942	10,668,050	9,938,723
	=====	=====	=====	=====
<b>(ii) PROVISION FOR LEAVE PAY</b>				
At 1 January	3,049,571	2,703,100	2,973,164	2,703,100
Increase in provision	-	375,203	-	359,785
Payment of leave pay	(158,055)	(28,732)	(159,029)	(89,721)
	=====	=====	=====	=====
At end of period	2,949,596	3,049,571	2,872,214	2,973,164
	=====	=====	=====	=====
<b>TOTAL PROVISION FOR SERVICE AND LEAVE PAY</b>	<b>13,724,517</b>	<b>13,050,513</b>	<b>13,540,264</b>	<b>12,911,887</b>
	=====	=====	=====	=====

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

<b>34. NON CONTROLLING INTEREST PAYABLES</b>	<b>GROUP</b>			
	<b>As at 31 December 2024</b>		<b>As at 31 December 2023</b>	
<b>Redeemable Participating Shares:</b>	<b>No. of Shares</b>	<b>USD</b>	<b>No. of Shares</b>	<b>USD</b>
As at 1 January	1,123,391	141,192,655	1,060,361	122,231,937
Shares issued	1,006,298	135,107,173	63,030	7,734,359
Redemption of shares	(522,771)	(70,844,155)	-	-
Increase in Net Asset Value		16,390,795		11,226,359
	=====	=====	=====	=====
As at end of period	1,606,918	221,846,468	1,123,391	141,192,655
	=====	=====	=====	=====
TDB Share 30.83% (December 2023: 44.00%)		68,395,196		62,127,781
		=====		=====
Non -controlling interest		153,451,272		79,064,874
		=====		=====
<i>Maturity Analysis:</i>				
Amounts due within one year		-		-
Amounts due after one year		153,451,272		79,064,874
		=====		=====
		153,451,272		79,064,874
		=====		=====

The non-controlling interest have redeemable participating shares in ESATF. The shares therefore 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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**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 the Management Shares.

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**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Other creditors	55,841,447	89,948,524	56,786,045	97,465,739
Provident fund*	80,876,220	49,022,487	80,876,220	49,022,487
Deferred fees - trade finance	73,451,831	-	73,451,831	-
Deferred fees - project finance	16,982,653	7,222,176	16,982,653	7,222,176
Dividend payable	10,730,247	10,420,088	10,730,247	10,420,088
Accrued long term incentive scheme	9,343,754	9,521,754	9,343,754	9,521,754
Accrued reward & recognition	3,189,617	3,395,901	3,189,617	3,395,901
Accrued fees - trade finance	287,652	140,914	287,652	140,914
Accrued expenses	277,214	656,636	277,214	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	1,542	946	1,542	946
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER PAYABLES	251,081,182	170,428,430	252,025,780	177,880,160
	=====	=====	=====	=====
<i>Analysis of other payables by maturity:</i>				
Amounts due within one year	195,266,974	108,411,191	196,211,571	115,862,921
Amounts due after one year	55,814,208	62,017,239	55,814,209	37,949,590
	<hr/>	<hr/>	<hr/>	<hr/>
	251,081,182	170,428,430	252,025,780	177,880,160
	=====	=====	=====	=====

\*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 31 December 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: Second Tranche	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
MIGA Guaranteed Syndicated	Jul-20	Jun-30	EUR	334,434,877	346,424,366	34,642,437	311,781,929
MIGA Guaranteed Syndicated	Dec-23	Jun-30	EUR	315,185,651	326,485,057	-	326,485,057
Japan International Cooperation Agency	Feb-24	Dec-36	EUR	150,000,000	155,377,500	-	155,377,500
Sumitomo Mitsui Banking Corporation	Aug-24	Jul-29	USD	150,000,000	150,000,000	-	150,000,000
Agence Francaise De Development	Dec-17	Jun-36	USD	135,675,000	135,675,000	8,943,939	126,731,061
African Development Bank	Nov-08	Feb-32	USD	127,500,000	127,500,000	24,000,000	103,500,000
Sumitomo Mitsui Banking Corporation-SACE Push Facility	Apr-24	Mar-34	EUR	100,000,000	103,585,000	-	103,585,000
European Investment Bank	Aug-16	Nov-33	USD	97,340,772	97,340,772	14,907,228	82,433,544
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	90,000,000	93,226,500	-	93,226,500
KfW	Dec-13	Nov-36	USD	89,523,810	89,523,810	15,238,095	74,285,715
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	75,560,000	75,560,000	2,698,571	72,861,429
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	55,625,000	55,625,000	18,541,667	37,083,333
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	32,352,941	33,512,794	6,093,235	27,419,559
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	31,463,622	31,463,622	6,292,724	25,170,898
Opec Fund for International Development	Mar-19	Sep-32	USD	30,000,000	30,000,000	-	30,000,000
Industriial Development Corporation	Mar-18	Feb-26	USD	22,686,275	20,113,037	13,408,691	6,704,346
Development Bank of the Republic of Belarus -1	Jun-20	Apr-25	USD	19,868,284	19,868,284	19,868,284	-
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	16,176,471	16,176,471	2,941,176	13,235,295
Development Finance institute Canada -FinDev Canada	Nov-21	Nov-29	USD	14,476,190	14,476,190	2,666,667	11,809,523
British International Investment	Oct-16	May-26	USD	12,500,000	12,500,000	8,333,333	4,166,667
World Bank Facility-Technical Assistance Facility	Jan-21	Aug-58	USD	12,156,778	12,156,778	-	12,156,778
African Economic Research Consortium	Nov-19	Nov-26	USD	3,471,450	3,471,450	-	3,471,450
					2,600,061,631	178,576,047	2,421,485,584
					=====	=====	=====



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**36. LONG TERM BORROWINGS (continued)**

	<b>GROUP AND BANK</b>		
	<b>As at 31 December 2024</b>		
	Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
<b>Total for long term borrowings</b>	2,600,061,631	178,576,047	2,421,485,584
Interest payable	25,928,870	25,928,870	-
Total long term borrowings	2,625,990,501	204,504,917	2,421,485,584
Deferred expenditure	(95,380,316)	(24,007,115)	(71,373,201)
	2,530,610,185	180,497,802	2,350,112,383
	=====	=====	=====

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



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**36. LONG TERM BORROWINGS (continued)**

	<b>GROUP AND BANK</b>		
	<b>As at 31 December 2023</b>		
	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. Trade finance loans have a tenure of up to 3 years while project loans extend beyond 3 years.



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**37. COVENANTS ATTACHED TO BORROWINGS**

As at 31 December 2024, TDB had the following covenants with its lenders.

Facility Amount	Term	Capital Adequacy Ratio	Non-performing Loans	Liquid Assets	GROUP AND BANK					Single Party Net exposure (Investment Grade 30%)	Liquidity Cover - 1.94 Borrowing Limit - 56.4% Debt to Equity - 3.11 Single Group - 17% Single Sector - 26% Cost to Income - 14% Un-hedged Currency Position - 6% As above
					Tangible Net Worth (USD Million)	Open Asset Exposure	Single Country Net Exposure	Single Country Gross Exposure			
TDB Actual Ratios		37.80%	3.71%	25.10%	2,252	6.60%	14%	13%	24%		
USD 350,000,000	05/2019-05/2041	>25%	<8%	-	>300	-	-	-	-	Liquidity Cover>1.25; Borrowing Limit <100% Debt to Equity<5:1;	
USD 100,000,000	12/2023-12/2026	>25%	<8%	>10%	-	<25%	<25%	-	<25%/30%	Single Group <25%/30%; Single Sector - BOD level (35%) Debt to Equity <5:1;	
USD 50,000,000	05/2018-12/2025	>25%	<8%	>10%	-	<25%	<25%	-	<25%/30%	Single Group <25%; Single Sector - BOD level (35%)	
USD 30,000,000	09/2022-09/2028	>30%	<8%	>12%	-	-	<25%	-	-	Single Group<25%; Cost to Income <30%; Un-hedged currency position <25%	
USD 15,000,000	02/2018-09/2027	>30%	-	-	>856	-	-	-	-	Liquidity Cover>1.25; Cost to Income <45%	
USD 1,000,000,000	11/2024-11/2027	> 25%	<6%	>10%	> 1,250	-	-	-	-	-	
EUR 505,205,961	11/2023-11/2026	>25%	<6%	>10%	>1,250	-	-	-	-	-	
AED 500,000,000	08/2024-08/2025	>25%	<6%	>10%	>1,250	-	-	-	-	-	
USD 500,000,000	08/2022-08/2025	>25%	<6%	>10%	>1,050	-	-	-	-	-	
EUR 334,434,877	06/2020-06/2030	>25%	<6%	>10%	>800	<10%	-	-	-	-	
USD 300,000,000	07/2022-06/2025	>25%	<5%	>10%	>1,050	-	-	-	-	-	
USD 250,000,000	12/2022-12/2025	>25%	<6%	>10%	>1,050	-	-	-	-	-	
EUR 240,000,000	12/2023-12/2036	>25%	<6%	>10%	>1,250	<10%	-	-	-	-	
USD 200,000,000	06/2022-06/2027	>25%	<6%	>10%	>1,050	-	-	-	-	-	



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**37. COVENANTS ATTACHED TO BORROWINGS (continued)**

Facility Amount	Term	Capital Adequacy Ratio	Non-performing Loans	Liquid Assets	GROUP AND BANK					Single Party Net exposure (Investment Grade 30%)	Borrowing Limit - 56.4% Liquidity Cover - 1.94 Cost to Income - 14% Aggregate Maturity Gap - 69%
					Tangible Net Worth (USD Million)	Open Asset Exposure	Single Country Net Exposure	Single Country Gross Exposure			
<b>TDB Actual Ratios</b>		<b>37.8%</b>	<b>3.71%</b>	<b>25.1%</b>	<b>2,252</b>	<b>6.6%</b>	<b>14%</b>	<b>13%</b>	<b>24%</b>	<b>As above</b>	
USD 150,000,000	08/2020-08/2035	>30%	-	-	-	<25%	<30%	-	<25%/30%		-
USD 150,000,000	04/2023-04/2025	>25%	<6%	>10%	>1,050	-	-	-	-		-
USD 150,000,000	07/2024-07/2029	>25%	<6%	>10%	>1,250	-	-	-	-		-
USD 180,000,000	03/2017-02/2029	>10%	-	-	-	-	-	-	-	Borrowing Limit <100%	
USD 122,520,000	06/2021-06/2036	>30%	-	-	-	<25%	<30%	-	<25%/30%		-
EUR 100,000,000	03/2024-03/2034	>25%	<6%	>10%	>1,250	<10%	-	-	-		-
EUR 100,000,000	12/2023-12/2026	>25%	<8%	>10%	>1,250	-	-	-	-		-
USD 100,000,000	11/2016-12/2031	>25%	-	-	-	<15%	-	<30%	-	Aggregate Maturity Gap >-100%	
USD 100,000,000	07/2024-07/2026	>25%	<6%	>10%	>1,250	-	-	-	-	Borrowing Limit <100%	
USD 100,000,000	11/2021-11/2036	>25%	-	-	-	<15%	-	<30%	<25%	Aggregate Maturity Gap >-100%	
USD 60,000,000	12/2013-12/2028	>25%	-	-	-	<15%	-	<30%	<25%	Aggregate Maturity Gap >-100%	
EUR 94,500,000	05/2023-01/2026	>25%	<8%	>10%	>1,050	-	-	-	-		-
EUR 80,000,000	06/2024-06/2027	> 25%	<8%	> 10%	> 1,050	-	-	-	-		-
USD 75,000,000	02/2017-03/2032	>30%	-	-	-	<25%	<30%	-	<25%		-
USD 60,000,000	08/2022-08/2025	>25%	<6%	>10%	>1,050	-	-	-	-		-
USD 56,811,726	12/2017-12/2029	>25%	<5%	>10%	>600	-	-	-	-	Liquidity Cover>1.25;	
USD 50,000,000	06/2022-06/2032	>10%	-	-	-	-	-	-	-	Borrowing Limit <100%	
USD 50,000,000	08/2022-08/2028	>12.5%	<8%	>10%	-	-	-	-	-	Cost to Income <65%	
EUR 40,000,000	04/2020-04/2032	>25%	<8%	>10%	>800	-	-	-	-		-
EUR 50,000,000	06/2020-06/2030	>25%	<8%	>10%	>800	-	-	-	-		-
USD 25,000,000	06/2020-06/2030	>25%	<8%	>10%	>800	-	-	-	-		-
USD 20,000,000	11/2021-11/2030	>25%	<8%	>10%	>800	-	-	-	-		-
USD 14,400,000	10/2024-10/2037	>25%	<8%	-	>300	-	-	-	-	Liquidity Cover>1.25	

Breach of covenants triggers repayment on demand. Covenants are tested quarterly. TDB complied with all lenders covenants as at 31 December 2024.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**38. SHARE CAPITAL**

	<b>BANK</b> <b>As at 31 December 2024</b>			
	<b>CLASS 'A'</b> <b>USD</b>	<b>CLASS 'B'</b> <b>USD</b>	<b>CLASS 'C'</b> <b>USD</b>	<b>TOTAL</b> <b>USD</b>
<b>Authorised capital:</b>				
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
<b>Less: Unsubscribed</b>				
- Class 'A'	(1,085,771,967)	-	-	(1,085,771,967)
- Class 'B'	-	(850,923,159)	-	(850,923,159)
- Class 'C'	-	-	(991,141,775)	(991,141,775)
<b>Subscribed capital:</b>				
128,567 Class 'A' ordinary shares of USD 22,667 each	2,914,228,189	-	-	2,914,228,189
32,884 Class 'B' ordinary shares of USD 4,533.40 each	-	149,076,880	-	149,076,880
1,954 Class 'C' ordinary shares of USD 4,533.40 each	-	-	8,858,264	8,858,264
<b>Less: Callable capital</b>	(2,331,382,550)	-	-	(2,331,382,550)
<b>Payable capital</b>	582,845,639	149,076,880	8,858,264	740,780,783
Less: Amounts not yet due	(137,859,807)	-	-	(137,859,807)
<b>Capital due</b>	444,985,832	149,076,880	8,858,264	602,920,976
Less: subscriptions in arrears	(203,614)	-	-	(203,614)
<b>Paid up capital (Note 53)</b>	444,782,218	149,076,880	8,858,264	602,717,362
	=====	=====	=====	=====
<b>Number of shares attributable to the share capital:</b>	128,567	32,884	1,954	163,405
	=====	=====	=====	=====

For Class 'A' shares, 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' shareholder 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' shareholder 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)**

**38. SHARE CAPITAL (Continued)**

	BANK As at 31 December 2023			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
<b>Authorised capital:</b>				
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
<b>Less: Unsubscribed</b>				
- Class 'A'	(1,091,144,046)	-	-	(1,091,144,046)
- Class 'B'	-	(850,474,315)	-	(850,474,315)
- Class 'C'	-	-	(980,982,391)	(980,982,391)
<b>Subscribed capital:</b>				
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	-	149,525,724		149,525,724
4,195 Class 'C' ordinary shares of USD 4,533.40 each	-	-	19,017,648	19,017,648
<b>Less: Callable capital</b>	(2,327,084,888)	-		(2,327,084,888)
<b>Payable capital</b>	581,771,222	149,525,724	19,017,648	750,314,594
Less: Amounts not yet due	(144,167,746)	-		(144,167,746)
<b>Capital due</b>	437,603,476	149,525,724	19,017,648	606,146,848
Less: subscriptions in arrears	(3,065,665)	-	-	(3,065,665)
<b>Paid up capital (Note 53)</b>	434,537,811	149,525,724	19,017,648	603,081,183
	=====	=====	=====	=====
<b>Number of shares attributable to the share capital:</b>	128,330	32,983	4,195	165,508
	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**38. SHARE CAPITAL (Continued)**

	BANK As at 31 December 2024			TOTAL USD
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	
<b>Movement in paid - up share capital</b>				
At beginning of year	434,537,811	149,525,724	19,017,648	603,081,183
Republic of Rwanda	2,389,858	-	-	2,389,858
Federal Republic of Ethiopia	1,915,795	-	-	1,915,795
Republic of Kenya	865,879	-	-	865,879
Arab Republic of Egypt	825,079	-	-	825,079
United Republic of Tanzania	770,678	-	-	770,678
Democratic Republic of Congo	634,676	-	-	634,676
Republic of Uganda	593,875	-	-	593,875
People's Republic of China	557,608	-	-	557,608
African Development Bank	494,141	-	4,429,132	4,923,273
Republic of Mauritius	385,339	-	-	385,339
Republic of Mozambique	249,337	-	-	249,337
Rupublic of Burundi	190,403	-	-	190,403
Republic of Belarus	136,002	-	-	136,002
Kingdom of eSwatini	49,867	-	-	49,867
Republic of Seychelles	45,334	-	-	45,334
Republic of Madagascar	45,334	-	-	45,334
Republic of Somalia	31,734	-	-	31,734
State of Eritrea	27,200	-	-	27,200
Union of the Comoros	18,134	-	-	18,134
Republic of Ghana	9,067	-	-	9,067
Republic of Botswana	9,067	-	-	9,067
Fundo Soberano de Angola	-	5,526,215	-	5,526,215
Board of Trustees of the National Social Security Fund of Tanzania	-	2,955,777	-	2,955,777
National Pensions Fund Mauritius	-	217,603	-	217,603
Arab Bank for Economic Development in Africa	-	113,335	-	113,335
SICOM Global Fund Limited	-	(652,810)	-	(652,810)
African Economic Research Consortium	-	(847,749)	-	(847,749)
PTA Reinsurance Company	-	(3,780,873)	-	(3,780,873)
African Reinsurance Corporation	-	(3,980,342)	-	(3,980,342)
Sacos Group Limited	-	-	(507,742)	(507,742)
Sacos Life Assurance Company Limited	-	-	(507,742)	(507,742)
Eagle Insurance Limited	-	-	(965,614)	(965,614)
Eastern and Southern African Trade and Development Bank Provident Fund	-	-	(12,607,418)	(12,607,418)
Total subscriptions during the year	10,244,407	(448,844)	(10,159,384)	(363,821)
<b>At end of year</b>	444,782,218	149,076,880	8,858,264	602,717,362
	=====	=====	=====	=====

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)**

**38. SHARE CAPITAL (Continued)**

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



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**38. SHARE CAPITAL (Continued)**

**SHARE PREMIUM**

As at 31 December 2024	Number of Shares	BANK Share Value USD	Price Paid USD	Share Premium USD
<b>Share Premium - Class B:</b>				
As at 1 January 2024	32,983	149,525,723	294,306,944	144,781,221
Additions – Cash paid	1,871	8,481,991	30,017,518	21,535,527
Additions – Dividend with shares	73	330,938	1,198,222	867,284
Maturities/disposals- Note 45 (g)	(2,043)	(9,261,772)	(34,536,992)	(25,275,220)
Share appreciation at disposal*	-	-	21,252,187	21,252,187
	=====	=====	=====	=====
As at end of year	32,884	149,076,880	312,237,879	163,160,999
	=====	=====	=====	=====
<b>Share Premium - Class C:</b>				
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/disposals - Note 45 (g)	(4,444)	(20,146,464)	(74,742,349)	(54,595,885)
Share appreciation at disposal*	-	-	50,079,655	50,079,655
	=====	=====	=====	=====
As at end of year	1,954	8,858,264	29,995,854	21,137,590
	=====	=====	=====	=====
<b>Share Premium - Class A:</b>				
As at 1 January 2024	128,330	63,364,613	172,553,215	103,042,465
Additions - Cash without shares	-	3,000,034	3,000,034	-
Additions – Dividend with shares	236	1,069,882	3,873,704	2,803,822
Additions – GCI 2 dividend without shares	-	6,174,490	22,355,867	16,181,377
	=====	=====	=====	=====
As at end of period	128,566	73,609,019	201,782,820	122,027,664
	=====	=====	=====	=====
<b>TOTAL PREMIUM</b>				
<b>As at 31 December 2024</b>	163,404	231,544,163	544,016,553	306,326,253
	=====	=====	=====	=====
<b>Additional premium for the year:</b>				
Cash additions	4,074	21,469,105	60,296,321	38,827,216
Non-cash/dividend additions	309	7,575,310	27,427,793	19,852,483
	=====	=====	=====	=====
Total additions	4,383	29,044,415	87,724,114	58,679,699
Maturities/disposals - Note 45 (g)	(6,487)	(29,408,236)	(37,947,499)	(8,539,263)
	=====	=====	=====	=====
Net movement	(2,104)	(363,821)	49,776,615	50,140,436
	=====	=====	=====	=====
Share appreciation at disposal	-	-	71,331,842	71,331,842
	=====	=====	=====	=====

**\*Share Appreciation at Disposal**

In 2024, a guidance was given that shareholding in the Bank be restricted to Member States or sovereigns only. The Board of Directors approved the exit of shareholders who were not Members States or sovereigns. The Bank, therefore, repurchased 5,706 Class 'B' and Class 'C' shares, resulting in share appreciation of USD 71,331,842. This amount has been recognised through retained earnings.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**38. SHARE CAPITAL (Continued)**

**SHARE PREMIUM (Continued)**

**BANK**

As at 31 December 2023	Number of Shares	Share Value USD	Price Paid USD	Share Premium USD
<b>Share Premium - Class B:</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/disposals - Note 45 (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
	=====	=====	=====	=====
<b>Share Premium - Class C:</b>				
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/disposals - Note 45 (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
	=====	=====	=====	=====
<b>Share Premium - Class A:</b>				
As at 1 January 2023	128,082	49,154,561	131,969,322	76,668,624
Additions - Cash without shares	-	6,362,737	14,011,312	7,648,575
Additions – Dividend with shares	248	1,124,283	3,807,048	2,682,765
Additions – GCI 2 dividend without shares	-	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
	=====	=====	=====	=====
<b>TOTAL PREMIUM</b>				
As at 31 December 2023	128,330	63,364,613	172,553,215	103,042,465
	=====	=====	=====	=====
<b>Additional premium for the year</b>				
Cash additions	3,014	20,026,405	52,838,978	32,812,573
Non-cash/dividend additions	248	7,847,315	26,572,581	18,725,266
Total additions	3,262	27,873,720	79,411,559	51,537,839
Maturities/disposals - Note 45 (g)	(1,154)	(5,231,571)	(17,715,060)	(12,483,509)
Net movement	2,108	22,642,149	61,696,499	39,054,330
	=====	=====	=====	=====

**Nature and purpose of the share premium**

Class 'B' and Class 'C' shares are issued at a premium of USD 16,937.24 (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.



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**38. SHARE CAPITAL (Continued)**

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

As at 31 December 2024, there were 128,567 Class 'A' ordinary shares (2023: 128,330), 32,884 Class 'B' ordinary shares (2023: 32,983) and 1,954 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) while Class 'B' and Class 'C' shares have a par value of USD 4,533.40. All shares are issued to members only. 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

<b>DIVIDEND</b>	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Dividend on ordinary shares declared and paid:		
Final dividend for 2023: USD 377.70 (2022: USD 385.42 per share)		
Declared and paid	11,340,525	12,439,154
Declared and allocated to Members' capital subscriptions	27,427,793	26,572,581
Declared and not paid/payable	10,730,247	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 year. Dividends are paid as per provisions of the Dividend Policy, which is mandated by the Bank Charter.

**39. FAIR VALUE RESERVE**

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

**40. 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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**41. NOTES TO THE STATEMENT OF CASH FLOWS:**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>(a) Cash (used in) operations:</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Profit for the year	170,541,625	229,598,786	143,491,909	208,415,009
<i>Adjustments:</i>				
Depreciation on property and equipment	2,108,111	1,786,178	2,108,111	1,786,178
Depreciation of right of use assets	24,787	190,775	24,787	190,775
Amortisation of intangible assets	152,326	518,208	152,326	518,208
Loss from disposal of property and equipment	2,709	108,839	2,709	108,839
Loss from disposal of intangible assets	13,075	-	13,075	-
Gain on revaluation of investment property	(719,370)	-	(719,370)	-
Losses on foreign exchange	15,593,250	3,068,038	15,492,847	3,244,120
Loss on impairment of subsidiary	-	-	63,951	1,227,054
Unrealized losses on non-cash items	(19,941,784)	(1,003,763)	(19,841,381)	(1,003,763)
Gain on disposal of equity investment	-	(1,949,417)	-	(1,949,417)
Interest income	(800,107,738)	(723,580,407)	(796,115,254)	(721,890,675)
Interest expense	477,436,083	416,370,840	476,397,803	416,171,692
Dividend income	(1,616,188)	(1,485,356)	(1,616,188)	(1,485,356)
Provision for impairment on loans and advances	54,762,489	25,650,346	54,687,756	25,479,074
Increase in provision for service and leave pay	(194,352)	1,288,470	(255,141)	1,149,844
Provision for impairment on off-balance sheet items	(595,209)	2,314,078	(595,209)	2,314,078
Other financial assets written-off	2,500,188	365,579	2,500,188	365,579
Impairment of corporate bonds	709,894	-	-	-
Interest on lease liability	-	23,819	-	23,819
Loss before working capital changes	(99,330,104)	(46,734,987)	(124,207,081)	(65,334,942)
(Increase)/decrease in other receivables	(56,328,520)	22,424,400	(54,029,705)	(16,131,014)
(Increase) in Trade Fund receivables	(110,218,119)	(31,127,142)	-	-
(Increase) in derivatives financial instruments - Assets	(57,913,746)	(4,248,951)	(57,913,746)	(4,248,951)
(Decrease) in derivatives financial instruments - Liabilities	-	(17,826,383)	-	(17,826,383)
(Increase) in trade finance loans	567,834,803	46,721,085	567,982,967	47,990,841
(Increase) in project loans	(98,991,269)	(88,690,228)	(98,991,269)	(88,690,228)
Decrease/(increase) in collection accounts deposits	(117,107,534)	165,678,475	(117,107,534)	165,678,474
Increase in non-controlling payables	74,386,398	13,818,801	-	-
Increase in other payables	69,922,506	60,685,688	63,415,374	88,879,379
Provision for service and leave pay paid	868,356	295,974	883,518	295,974
(Decrease)/increase in borrowings - Note 41 (b)	(404,157,178)	1,212,940,153	(404,157,178)	1,213,139,301
Net cash (used in)/generated from operations	(231,034,407)	1,333,936,885	(224,124,654)	1,323,752,451
	=====	=====	=====	=====



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**41. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>(b) Analysis of changes in borrowings:</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Short term borrowings:				
At beginning of year	4,379,401,963	3,491,498,079	4,379,401,963	3,489,331,681
Loans received	2,638,287,194	2,006,242,459	2,638,287,194	2,008,408,857
Repayments	(2,534,914,790)	(1,118,338,575)	(2,534,914,790)	(1,118,338,575)
	=====	=====	=====	=====
At end of period	4,482,774,367	4,379,401,963	4,482,774,367	4,379,401,963
	=====	=====	=====	=====
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	647,157,681	588,534,820	647,157,681	588,534,820
Repayments	(1,082,907,682)	(178,735,447)	(1,082,907,682)	(178,735,447)
	=====	=====	=====	=====
At end of year	2,530,610,185	2,966,360,186	2,530,610,185	2,966,360,186
	=====	=====	=====	=====
Total at end of year	7,013,384,552	7,345,762,149	7,013,384,552	7,345,762,149
	=====	=====	=====	=====
Total at beginning of year	7,345,762,149	6,048,058,892	7,345,762,149	6,045,892,494
	=====	=====	=====	=====
Decrease/(increase) in total borrowings	(332,377,597)	1,299,869,655	(332,377,597)	1,299,869,655
Accrued interest expense	(71,779,581)	(86,929,502)	(71,779,581)	(86,730,354)
	=====	=====	=====	=====
	(404,157,178)	1,212,940,153	(404,157,178)	1,213,139,301
	=====	=====	=====	=====
<b>(c) Analysis of cash and cash equivalents</b>				
Less than 90 days to maturity (Note 47)	1,198,858,759	2,099,938,569	1,179,618,435	2,058,871,432
More than 90 days to maturity (Note 16)	452,674,208	923,257,268	452,674,208	923,257,268
	=====	=====	=====	=====
Cash and balances with other banks (Note 16)	1,651,532,967	3,023,195,837	1,632,292,643	2,982,128,700
	=====	=====	=====	=====

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.



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**41. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

(d) Facilities available for lending

As at 31 December 2024 the following facilities were available to the Group and Bank for lending:

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available	Facilities utilised	Facilities unutilised
LENDER	USD	USD	USD
Eurobond	650,000,000	650,000,000	-
World Bank Facility-Infrastructure Facility	400,000,000	75,560,000	324,440,000
MIGA Guaranteed Syndicated facility	378,847,829	378,847,829	-
Japan Bank for International Corporation	350,000,000	-	350,000,000
Agence Francaise De Development	347,520,000	163,800,000	183,720,000
MIGA Guaranteed Syndicated facility	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
KfW	160,000,000	160,000,000	-
Japan International Cooperation Agency - JICA Facility	155,377,500	155,377,500	-
Sumitomo Mitsui Banking Corporation	150,000,000	150,000,000	-
Finnish Export Credit-Sumitomo Mitsui Banking Corporation	103,585,000	103,585,000	-
Cassa Depositi e Prestiti	103,585,000	-	103,585,000
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	93,226,500	93,226,500	-
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	-
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
Oesterreichische Entwicklungsbank AG	25,000,000	25,000,000	-
Development Finance institute Canada	20,000,000	20,000,000	-
World Bank Facility-Technical Assistance Facility	15,000,000	12,156,778	2,843,222
The Export-Import Bank of the United States	No limit	-	-
	4,560,645,401	3,175,811,514	1,384,833,887
	=====	=====	=====



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**41. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

(d) Facilities available for lending (continued)

As at 31 December 2024 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2024	1,000,000,000	1,000,000,000	-
Global Syndication 2023	506,923,424	506,923,424	-
Asia Syndication 2022	500,000,000	500,000,000	-
Global Syndication 2022	494,949,725	494,949,725	-
National Bank of Ethiopia	301,000,000	301,000,000	-
China Export and Import Bank	300,000,000	300,000,000	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	250,000,000	250,000,000	-
Sumitomo Mitsui Banking Corporation	200,000,000	-	200,000,000
Samurai 2021	195,000,000	195,000,000	-
Mashreq Bank	186,126,652	186,126,652	-
Commerzbank	176,937,800	176,937,800	-
Standard Chartered Bank London	150,000,000	150,000,000	-
Citibank	120,000,000	-	120,000,000
British International Investment PLC	100,000,000	100,000,000	-
Cassa Depositi e Prestiti	82,868,000	82,868,000	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
ADCB - Abu Dhabi Commercial Bank	75,000,000	75,000,000	-
ING Bank	51,792,500	-	51,792,500
Kenya Commercial Bank	50,491,144	50,491,144	-
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	-
Nedbank	35,000,000	35,000,000	-
Emirates NBD Group	35,000,000	-	35,000,000
BHF Bank	31,075,500	-	31,075,500
KBC Bank	25,896,250	-	25,896,250
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
Nouvbank	13,819,000	13,819,000	-
Africa 50 Financement de Projets	11,682,251	11,682,251	-
Banque Nationale du Rwanda	10,000,000	10,000,000	-
Banque de Commerce de placement	9,032,000	-	9,032,000
African Trade Insurance Agency	7,125,658	7,125,658	-
	5,179,878,130	4,536,923,654	642,954,476
	=====	=====	=====
<b>TOTAL FACILITIES</b>			
<b>As at 31 December 2024</b>	9,740,523,531	7,712,735,168	2,027,788,363
	=====	=====	=====

**Note:**

Facilities utilised include outstanding letters of credit amounting to USD 242,155,443 (December 2023: USD 39,985,074 ) - Note 44.



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**41. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

(d) Facilities available for lending (continued)

(ii) As at 31 December 2023 the following facilities were available to the Group and Bank for lending:

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available	Facilities utilised	Facilities unutilised
LENDER	USD	USD	USD
Eurobond I	750,000,000	750,000,000	-
Eurobond II	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	98,590,500	251,409,500
Agence Francaise De Development	347,520,000	150,300,000	197,220,000
MIGA Guaranteed Syndicated	328,635,000	328,635,000	-
African Development Bank	230,000,000	230,000,000	-
European Investment Bank	210,443,200	118,120,000	92,323,200
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
Korea Export and Import Bank	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	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	-
	<hr/>	<hr/>	<hr/>
	4,775,444,651	3,572,395,332	1,203,049,319
	=====	=====	=====



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**41. NOTES TO THE STATEMENT OF CASH FLOWS (continued)**

(d) Facilities available for lending (continued)

As at 31 December 2023 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2022	864,308,566	864,308,566	-
Global Syndication 2023	510,732,919	510,732,919	-
Asia Syndication 2022	500,000,000	500,000,000	-
Standard Chartered Bank London	400,000,000	400,000,000	-
Global Syndication 2021	346,246,201	346,246,201	-
National Bank of Ethiopia	301,000,000	301,000,000	-
Chine Export and Import Bank	300,000,000	300,000,000	-
Sumitomo Mitsui Banking Corporation	200,000,000	-	200,000,000
Mashreq Bank	200,000,000	100,000,000	100,000,000
The Bank of Tokyo Mitsubishi UFJ, Ltd	150,000,000	150,000,000	-
Citibank	120,000,000	101,662,923	18,337,077
Samurai 2021	115,000,000	115,000,000	-
Cassa Depositi e Prestiti S.p.A	109,545,000	109,545,000	-
British International Investment PLC	100,000,000	100,000,000	-
Commerzbank	96,295,000	96,295,000	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
Abu Dhabi Commercial Bank PJSC	75,000,000	75,000,000	-
Kenya Commercial Bank	61,209,139	61,209,139	-
Nedbank	60,000,000	60,000,000	-
ING Bank	54,772,500	-	54,772,500
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	32,863,500	-	32,863,500
KBC Bank	27,386,250	-	27,386,250
Nouvbank	24,263,555	24,263,555	-
Africa 50 Financement de Projets	18,872,389	18,872,389	-
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	8,495,500	-	8,495,500
African Trade Insurance Agency	5,894,365	5,894,365	-
Banque Commerciale du Burundi	3,011,406	3,011,406	-
	4,980,054,516	4,333,041,463	647,013,053
	=====	=====	=====
<b>TOTAL FACILITIES</b>			
<b>As at 31 December 2023</b>	9,755,499,167	7,905,436,795	1,850,062,372
	=====	=====	=====



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**42. 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 31 December 2024	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Derivative financial instruments	-	62,162,697	-	62,162,697
Trade Fund loan receivables	-	256,359,097	-	256,359,097
Equity investments at fair value through OCI	1,970,338	-	65,722,001	67,692,339
<i>Non-financial assets:</i>				
Investment property	-	-	8,923,990	8,923,990
	<u>1,970,338</u>	<u>318,521,794</u>	<u>74,645,991</u>	<u>395,138,123</u>
	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**42. 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 31 December 2024	BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Net derivative financial instruments	-	62,162,697	-	62,162,697
Equity investments at fair value through OCI	1,970,338	-	65,722,001	67,692,339
<i>Non-financial assets:</i>				
Investment property	-	-	8,923,990	8,923,990
	<u>1,970,338</u>	<u>62,162,697</u>	<u>74,645,991</u>	<u>138,779,026</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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**42. 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 1,970,338. 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. These have been recognised as Level 3.

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 31 December 2024	GROUP			Fair value USD	Carrying value USD
	Level 1 USD	Level 2 USD	Level 3 USD		
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,651,532,967	1,651,532,967	1,651,532,967
Project and Trade finance loans	-	-	6,840,221,217	6,840,221,217	6,840,221,217
Investment in Government securities	-	-	841,906,952	841,906,952	841,906,952
Investment in Corporate Bonds	-	-	40,630,615	40,630,615	40,630,615
Other receivables	-	-	98,661,664	98,661,664	98,661,664
Other assets	-	-	39,681,626	39,681,626	39,681,626
	-	-	9,512,635,042	9,512,635,042	9,512,635,042
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	172,330,020	172,330,020	172,330,020
Short term and long term borrowings	-	-	7,013,384,553	7,013,384,553	7,013,384,553
Other payables and provisions	-	-	404,532,454	404,532,454	404,532,454
	-	-	7,590,247,027	7,590,247,027	7,590,247,027
	=====	=====	=====	=====	=====



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**42. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

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

	<b>GROUP</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value</b>	<b>Carrying value</b>
<b>As at 31 December 2023</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
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
	=====	=====	=====	=====	=====
			<b>BANK</b>		
<b>As at 31 December 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value</b>	<b>Carrying value</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,179,618,435	1,179,618,435	1,179,618,435
Project and Trade finance loans	-	-	6,837,389,165	6,837,389,165	6,837,389,165
Investment in Government securities	-	-	805,677,931	805,677,931	805,677,931
Other receivables	-	-	109,791,952	109,791,952	109,791,952
Other assets	-	-	179,160,206	179,160,206	179,160,206
	-	-	9,111,637,688	9,111,637,688	9,111,637,688
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	172,330,020	172,330,020	172,330,020
Short term and long term borrowings	-	-	7,013,384,553	7,013,384,553	7,013,384,553
Other payables and provisions	-	-	265,566,044	265,566,044	265,566,044
	-	-	7,451,280,616	7,451,280,616	7,451,280,616
	=====	=====	=====	=====	=====
<b>As at 31 December 2023</b>					
<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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**42. 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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**42. 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 31 December 2024		As at 31 December 2023	
		Carrying USD	Effect of 5% USD	Carrying USD	Effect of 5% USD
Derivative financial instruments	System-built Model	62,162,697	3,108,135	4,248,951	212,448
Trade Fund loan receivables	Similar Companies	256,359,097	12,817,955	146,140,978	7,307,049
Equity investments at FVOCI	EV/EBITDA Multiple	65,722,001	3,286,100	69,151,869	3,457,593
Investment property	Property Rentals	8,923,990	446,200	8,020,916	401,046
		<u>393,167,785</u>	<u>19,658,390</u>	<u>227,562,714</u>	<u>11,378,136</u>
		=====	=====	=====	=====
<b>BANK:</b>					
Derivative financial instruments	System-built Model	62,162,697	3,108,135	4,248,951	212,448
Equity investments at FVOCI	EV/EBITDA Multiple	65,722,001	3,286,100	69,151,869	3,457,593
Investment property	Property Rentals	8,923,990	446,200	8,020,916	401,046
		<u>136,808,688</u>	<u>6,840,435</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:

	Equity Investments USD	GROUP AND BANK Investment Property USD	Total USD
<b>As at 31 December 2023</b>			
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>
	=====	=====	=====
<b>As at 31 December 2024</b>			
As at 1 January	71,880,869	8,020,916	79,901,785
Additions	-	183,704	183,704
Disposals	(11,389)	-	(11,389)
Total fair value gains and losses	(4,177,141)	-	(4,177,141)
	<u>67,692,339</u>	<u>8,204,620</u>	<u>75,896,959</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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**43. 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 its business 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, corporate bonds 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, Eswatini, Zambia and Zimbabwe.
- Franco-Lusophone Africa — covering Comoros, Mauritius, Madagascar, Mozambique and Seychelles.
- Congo and Prospective Africa — covering DR Congo, Ghana, Senegal 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)**

**43. SEGMENT REPORTING (Continued)**

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>GROUP AND BANK</b>				
	<b>Trade finance</b>	<b>Project finance</b>	<b>Corporate</b>	<b>Subsidiaries</b>	<b>Total</b>
<b>For the year ended 31 December 2024</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Gross interest income	377,422,455	249,958,540	111,962,086	3,097,430	742,440,511
Interest expense	(304,320,288)	(105,382,585)	(66,694,930)	(1,038,280)	(477,436,083)
Net interest income	73,102,167	144,575,955	45,267,156	2,059,150	265,004,428
Other borrowing costs	-	-	(6,420,432)	-	(6,420,432)
Fee and commission income	10,828,223	2,916,063	-	25,000	13,769,286
Fair value gains on financial assets-derivatives	-	-	33,903,387	-	33,903,387
Fair value gains on financial assets-ESATF loans	-	-	-	7,896,904	7,896,904
Valuation of investment property	-	-	719,370.00	-	719,370
Risk mitigation costs	(30,717,246)	(3,054,626)	(7,021,622)	7,476,910	(33,316,584)
Other income	-	-	2,999,160	13,653,148	16,652,308
Other assets written-off	-	-	(2,500,188)	-	(2,500,188)
Operating expenses	(6,054,708)	(1,487,196)	(41,602,502)	(3,240,317)	(52,384,723)
Depreciation and amortisation	-	-	(2,311,706)	-	(2,311,706)
Impairment on assets	(9,508,320)	(45,179,436)	(460,534)	(74,733)	(55,223,023)
Impairment on off-balance sheet commitments	244,339	811,404	-	-	1,055,743
Impairment on corporate bonds	-	-	-	(709,894)	(709,894)
Foreign exchange gain	-	-	(15,492,847)	(100,403)	(15,593,250)
Profit for year	37,894,455	98,582,164	7,079,242	26,985,765	170,541,626
	=====	=====	=====	=====	=====
<b>For the year ended 31 December 2023</b>					
Gross interest income	395,581,580	214,740,531	111,568,564	1,689,732	723,580,407
Interest expense	(197,722,988)	(157,097,318)	(61,351,386)	(199,148)	(416,370,840)
Net interest income	197,858,592	57,643,213	50,217,178	1,490,584	307,209,567
Other borrowing costs	-	-	(3,510,744)	-	(3,510,744)
Fee and commission income	13,906,450	2,462,112	-	-	16,368,562
Fair value gains on financial assets-derivatives	-	-	12,347,138	-	12,347,138
Fair value gains on financial assets-ESATF loans	-	-	-	16,236,861	16,236,861
Risk mitigation costs	(29,281,423)	(8,900,046)	(6,552,223)	3,663,140	(41,070,552)
Other income	-	-	6,236,758	98,097	6,334,855
Other assets recovered	-	381,887	-	-	381,887
Other assets written-off	-	(365,579)	-	-	(365,579)
Operating expenses	(5,622,316)	(1,405,579)	(41,120,921)	(2,656,770)	(50,805,586)
Depreciation and amortisation	-	-	(2,495,161)	-	(2,495,161)
Impairment on assets	(16,101,190)	(9,377,884)	449,791	(171,272)	(25,200,555)
Impairment on off-balance sheet commitments	(2,328,689)	(435,180)	-	-	(2,763,869)
Foreign exchange gain	-	-	(3,244,120)	176,082	(3,068,038)
Profit for year	158,431,424	40,002,944	12,327,696	18,836,722	229,598,786
	=====	=====	=====	=====	=====



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**43. SEGMENT REPORTING (Continued)**

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Gross Interest income from major groups</b>				
Groups contributing 10% or more of revenue	270,921,179	-	270,921,179	-
All other customers	471,519,332	723,580,407	468,421,902	721,890,675
	<u>742,440,511</u>	<u>723,580,407</u>	<u>739,343,081</u>	<u>721,890,675</u>
	=====	=====	=====	=====

**STATEMENT OF FINANCIAL POSITION**

<b>As at 31 December 2024 :</b>	<b>Trade finance</b>	<b>Project finance</b>	<b>Corporate</b>	<b>Subsidiaries</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Assets:</b>					
Cash and balances held with other banks	2,506,002	-	1,629,786,640	19,240,325	1,651,532,967
Investment in Government securities	-	-	805,677,931	36,229,022	841,906,952
Investment in corporate bonds	-	-	-	40,630,615	40,630,615
Derivative financial instruments	62,162,697	-	-	-	62,162,697
Other receivables	-	-	109,791,952	(11,130,288)	98,661,664
Trade Fund loan receivables	-	-	-	256,359,097	256,359,097
Trade finance loans	4,599,238,845	-	-	2,832,052	4,602,070,897
Project loans		2,238,150,320	-	-	2,238,150,320
Equity investments - at fair value through OCI		67,692,339	-	-	67,692,339
Property and equipment	-	-	37,423,023	-	37,423,023
Investment property	-	-	8,923,990	-	8,923,990
Right of use asset	-	-	2,228,720	-	2,228,720
Intangible assets	-	-	29,883	-	29,883
	<u>4,663,907,544</u>	<u>2,305,842,659</u>	<u>2,593,862,139</u>	<u>344,160,823</u>	<u>9,907,773,165</u>
	=====	=====	=====	=====	=====
<b>Liabilities:</b>					
Short term borrowings	4,482,774,367	-	-	-	4,482,774,367
Long term borrowings	-	2,530,610,185	-	-	2,530,610,185
Collection account deposits	172,330,020	-	-	-	172,330,020
Provision for service and leave pay	-	-	13,540,264	184,253	13,724,517
Non-controlling interest payables	-	-	-	153,451,272	153,451,272
Other payables	-	-	252,025,780	(944,598)	251,081,182
	<u>4,655,104,387</u>	<u>2,530,610,185</u>	<u>265,566,044</u>	<u>152,690,927</u>	<u>7,603,971,544</u>
	=====	=====	=====	=====	=====
<b>Total Liabilities</b>	<u>4,655,104,387</u>	<u>2,530,610,185</u>	<u>265,566,044</u>	<u>152,690,927</u>	<u>7,603,971,544</u>
	=====	=====	=====	=====	=====
Shareholders' funds	-	-	2,260,515,725	-	2,260,515,725
Non-controlling Interest	-	-	-	43,285,896	43,285,896
	<u>-</u>	<u>-</u>	<u>2,260,515,725</u>	<u>43,285,896</u>	<u>2,303,801,621</u>
	=====	=====	=====	=====	=====
<b>Total Equity</b>	<u>-</u>	<u>-</u>	<u>2,260,515,725</u>	<u>43,285,896</u>	<u>2,303,801,621</u>
	=====	=====	=====	=====	=====
<b>Total Equity and Liabilities</b>	<u>4,655,104,387</u>	<u>2,530,610,185</u>	<u>2,526,081,769</u>	<u>195,976,823</u>	<u>9,907,773,164</u>
	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**43. SEGMENT REPORTING (Continued)**

**STATEMENT OF FINANCIAL POSITION**

<b>As at 31 December 2023</b>	<b>Trade finance USD</b>	<b>Project finance USD</b>	<b>Other USD</b>	<b>Subsidiaries USD</b>	<b>Total USD</b>
<b>Assets:</b>					
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
<b>Total Assets</b>	<b>4,591,577,483</b>	<b>2,202,975,848</b>	<b>3,125,509,170</b>	<b>186,171,948</b>	<b>10,106,234,449</b>
=====					
<b>Liabilities:</b>					
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	-	-	177,880,159	(7,451,729)	170,428,430
<b>Total Liabilities</b>	<b>4,668,839,517</b>	<b>2,966,360,186</b>	<b>190,792,046</b>	<b>71,751,771</b>	<b>7,897,743,520</b>
=====					
Shareholders' funds	-	-	2,195,017,052	-	2,195,017,052
Non-controlling Interest	-	-	-	13,473,877	13,473,877
<b>Total Equity</b>	<b>-</b>	<b>-</b>	<b>2,195,017,052</b>	<b>13,473,877</b>	<b>2,208,490,929</b>
=====					
<b>Total Liabilities and Equity</b>	<b>4,668,839,517</b>	<b>2,966,360,186</b>	<b>2,385,809,098</b>	<b>85,225,648</b>	<b>10,106,234,449</b>
=====					



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**43. SEGMENT REPORTING (Continued)**

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

**STATEMENT OF COMPREHENSIVE INCOME (Continued)**

For the year ended 31 December 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	198,428,705	189,736,884	125,076,629	50,498,115	19,548,058	44,092,604	627,380,995	111,962,086	3,097,430	742,440,511
Interest expense	(129,342,921)	(123,722,394)	(82,227,594)	(32,925,976)	(12,754,040)	(28,729,948)	(409,702,873)	(66,694,930)	(1,038,280)	(477,436,083)
Net interest income	69,085,784	66,014,490	42,849,035	17,572,139	6,794,018	15,362,656	217,678,122	45,267,156	2,059,150	265,004,428
Other borrowing costs	-	-	-	-	-	-	-	(6,420,432)	-	(6,420,432)
Fees and commission	5,245,105	7,845,344	155,187	349,488	149,162	-	13,744,286	-	25,000	13,769,286
FV gains on financial assets - derivatives	-	-	-	-	-	-	-	33,903,387	-	33,903,387
FV gains on financial assets - ESATF loans	-	-	-	-	-	-	-	-	7,896,904	7,896,904
Valuation of investment property	-	-	-	-	-	-	-	719,370	-	719,370
Net trading income	74,330,889	73,859,834	43,004,222	17,921,627	6,943,180	15,362,656	231,422,408	73,469,481	9,981,054	314,872,943
Risk mitigation risk	(9,662,685)	(12,285,244)	(11,823,944)	-	-	-	(33,771,873)	(7,021,622)	7,476,910	(33,316,585)
Other income	-	-	-	-	-	-	-	2,999,160	13,653,148	16,652,308
Depreciation and amortisation	-	-	-	-	-	-	-	(2,311,706)	-	(2,311,706)
Operating expenses	(518,814)	(781,879)	(693,651)	(839,518)	(528,612)	(4,179,429)	(7,541,903)	(41,602,503)	(3,240,317)	(52,384,723)
Impairment on assets	(30,440,420)	(17,172,871)	(13,865,272)	(3,232,778)	7,899,400	3,179,928	(53,632,013)	(460,534)	(74,733)	(54,167,280)
Impairment on other assets	-	-	-	-	-	-	-	(2,500,188)	-	(2,500,188)
Impairment on corporate bonds	-	-	-	-	-	-	-	-	(709,894)	(709,894)
Foreign exchange gain	-	-	-	-	-	-	-	(15,492,847)	(100,403)	(15,593,250)
Profit for the year	33,708,970	43,619,840	16,621,355	13,849,331	14,313,968	14,363,155	136,476,619	7,079,241	26,985,765	170,541,625
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**43. SEGMENT REPORTING (Continued)**

**STATEMENT OF COMPREHENSIVE INCOME (Continued)**

For the year ended 31 December 2023	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	164,847,707	215,739,375	113,213,289	51,275,571	11,544,544	53,701,625	610,322,111	111,568,564	1,689,732	723,580,407
Interest expense	(95,894,454)	(125,264,191)	(66,033,206)	(29,740,125)	(6,745,620)	(31,142,710)	(354,820,306)	(61,351,386)	(199,148)	(416,370,840)
Net interest income	68,953,253	90,475,184	47,180,083	21,535,446	4,798,924	22,558,915	255,501,805	50,217,178	1,490,584	307,209,567
Other borrowing costs	-	-	-	-	-	-	-	(3,510,744)	-	(3,510,744)
Fees and commission income	6,108,710	8,460,195	416,665	668,545	714,447	-	16,368,562	-	-	16,368,562
FV gains on financial assets - derivatives	-	-	-	-	-	-	-	12,347,138	-	12,347,138
FV gains on financial assets - ESATF loans	-	-	-	-	-	-	-	-	16,236,861	16,236,861
Net trading income	75,061,963	98,935,379	47,596,748	22,203,991	5,513,371	22,558,915	271,870,367	59,053,572	17,727,445	348,651,384
Risk mitigation risk	(9,692,456)	(11,183,447)	(17,305,566)	-	-	-	(38,181,469)	(6,552,223)	3,663,140.00	(41,070,552)
Other income	-	-	-	-	-	-	-	6,618,645	98,097	6,716,742
Depreciation and amortisation	-	-	-	-	-	-	-	(1,976,953)	-	(1,976,953)
Operating expenses	(496,594)	(736,731)	(772,056)	(1,108,958)	(446,229)	(3,985,535)	(7,546,103)	(41,120,921)	(2,656,770)	(51,323,794)
Impairment on assets	9,031,477	3,596,747	(9,029,858)	(21,680,448)	(9,482,335)	(678,526)	(28,242,943)	449,791	(171,272)	(27,964,424)
Impairment on other assets	(164,677)	-	(90,000)	(110,902)	-	-	(365,579)	-	-	(365,579)
Foreign exchange gain	-	-	-	-	-	-	-	(3,244,120)	176,082	(3,068,038)
Profit for the year	73,739,713	90,611,948	20,399,268	(696,317)	(4,415,193)	17,894,854	197,534,273	13,227,791	18,836,722	229,598,786
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**44. CONTINGENCIES AND COMMITMENTS**

	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
<b>(a) Approved Capital Expenditure</b>		
Approved but not contracted	3,144,957	4,148,256
	=====	=====
Approved and contracted	2,112,043	38,936,134
	=====	=====
<b>(b) Loans Committed but not Disbursed</b>		
Project loans	68,092,427	131,334,919
Trade finance loans	55,931,995	371,187,288
	=====	=====
	124,024,422	502,522,207
	=====	=====
<b>(c) Letters of Credit and Guarantees*</b>		
Letters of credit - Project loans	-	12,376,445
- Trade loans	235,452,843	27,608,629
	=====	=====
	235,452,843	39,985,074
Guarantees	6,702,600	10,000,000
	=====	=====
	242,155,443	49,985,074
	=====	=====
<b>(d) Unpaid capital subscriptions</b>		
Equity investments (Note 24)	1,364,747	1,376,136
	=====	=====

\*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.

**(e) 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 31 December 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)**

**45. 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 thirteen institutional members; Class 'C' Shareholders:- two 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:

<b>(b) Loans with Member States</b>	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Outstanding loans at 1 January	3,620,690,457	2,536,814,966
Loans disbursed during the period	357,992,489	1,217,503,023
Loan repaid during the period	(211,621,827)	(133,627,532)
	<hr/>	<hr/>
Outstanding balances at end of period	3,767,061,119	3,620,690,457
	=====	=====
ECL Provisions	97,583,762	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 year-end are secured by cash security deposits, sovereign undertakings/guarantees and insurance. The loans are granted for an average period of one year.

<b>(c) Borrowings from Member States</b>	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Outstanding borrowings at 1 January	200,000,000	226,250,000
Borrowings received during the period	13,294,305	228,044
Borrowings repaid during the period	(35,794,305)	(26,478,044)
	<hr/>	<hr/>
Outstanding balances at end of period	177,500,000	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.



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**45. RELATED PARTY TRANSACTIONS (Continued)**

	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
<b>(d) Income and Expenses</b>		
Interest income from loans to members earned during the year	331,735,781	288,599,221
	=====	=====
Interest expense on borrowings from members incurred during the year	(14,383,926)	(15,610,528)
	=====	=====
Fees and commissions	10,637,213	24,237,862
	=====	=====

**(e) Other Related Parties**

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

Salaries and other short-term benefits	4,398,340	4,568,203
Defined contribution provident fund	693,045	682,353
Board of Directors' and Board of Governors' allowances	348,680	404,429
Post-employment benefits: Other long term employee benefits	265,208	270,775
	=====	=====
	5,705,273	5,925,760
	=====	=====

**(f) Subsidiaries**

Payable to subsidiaries	14,827,657	6,694,994
	=====	=====
Receivable from subsidiaries	11,586,592	15,086,616
	=====	=====
Income from related parties	-	1,925,146
	=====	=====
Expenses for related parties	63,951	4,783,138
	=====	=====

These relate to the Bank's balances with subsidiaries.

The balances have been eliminated on consolidation at Group level.

**(g) Share Capital**

During the year, all 3,226 Class 'C' shares with a par value of USD 14,624,748 held by Eastern and Southern African Trade and Development Bank Provident Fund were retired. The shareholding as at 31 December 2024 was thus, NIL. (December 2023: share valued at USD 5,340,345 were issued while shares of USD 3,948,591 matured and were retired).



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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:

	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
British Pound	0.7982	0.7914
Euro	0.9654	0.9129
United Arab Emirates Dirham	3.6731	3.6727
South Africa Rand	18.8008	18.5296
Zimbabwe Gold	25.7985	-
Zambian Kwacha	27.8838	25.7550
Mauritian Rupee	46.9500	44.3352
Ethiopian Birr	126.7070	56.0000
Kenya Shilling	129.2900	157.1850
Japanese Yen	157.2400	141.9350
Sudanese Pound	647.8102	647.8102
Malawi Kwacha	1,734.0000	1,676.2981
Tanzania Shilling	2,408.8150	2,515.5000
Burundi Franc	2,906.5054	2,847.5298
Uganda Shilling	3,679.3350	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)**

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**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 31 December 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)**

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**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 44(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)**

	GROUP							
	As at 31 December 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
<b>Project finance loans:</b>								
LCC1-LCC2/Very low risk	1,832,832,439	-	-	1,832,832,439	1,632,500,529	-	-	1,632,500,529
LCC3-LCC4/Low-moderate risk	-	301,556,622	-	301,556,622	-	408,796,185	-	408,796,185
LCC5-LCC7/High risk	-	-	170,083,762	170,083,762	-	-	127,563,249	127,563,249
Gross amount	1,832,832,439	301,556,622	170,083,762	2,304,472,823	1,632,500,529	408,796,185	127,563,249	2,168,859,963
Loss allowance	(13,602,021)	(6,586,703)	(46,133,779)	(66,322,503)	(8,043,478)	(13,219,181)	(16,502,325)	(37,764,984)
Net carrying amount	1,819,230,418	294,969,919	123,949,983	2,238,150,320	1,624,457,051	395,577,004	111,060,924	2,131,094,979
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Trade finance loans:</b>								
LCC1-LCC2/Very low risk	2,160,714,051	-	-	2,160,714,051	2,270,212,083	-	-	2,270,212,083
LCC3-LCC4/Low-moderate risk	-	2,535,024,030	-	2,535,024,030	-	2,384,039,262	-	2,384,039,262
LCC5-LCC7/High risk	-	-	93,194,175	93,194,175	-	-	122,715,655	122,715,655
Gross amount	2,160,714,051	2,535,024,030	93,194,175	4,788,932,256	2,270,212,083	2,384,039,262	122,715,655	4,776,967,000
Loss allowance	(15,469,322)	(102,441,582)	(68,950,455)	(186,861,359)	(11,138,168)	(92,132,060)	(86,115,622)	(189,385,850)
Net carrying amount	2,145,244,729	2,432,582,448	24,243,720	4,602,070,897	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 31 December 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
<b>Project finance loans:</b>								
LCC1-LCC2/Very low risk	1,832,832,439	-	-	1,832,832,439	1,632,500,529	-	-	1,632,500,529
LCC3-LCC4/Low-moderate risk	-	301,556,622	-	301,556,622	-	408,796,185	-	408,796,185
LCC5-LCC7/High risk	-	-	170,083,762	170,083,762	-	-	127,563,249	127,563,249
Gross amount	1,832,832,439	301,556,622	170,083,762	2,304,472,823	1,632,500,529	408,796,185	127,563,249	2,168,859,963
Loss allowance	(13,602,021)	(6,586,703)	(46,133,779)	(66,322,503)	(8,043,478)	(13,219,181)	(16,502,325)	(37,764,984)
Net carrying amount	1,819,230,418	294,969,919	123,949,983	2,238,150,320	1,624,457,051	395,577,004	111,060,924	2,131,094,979
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Trade finance loans:</b>								
LCC1-LCC2/Very low risk	2,157,635,994	-	-	2,157,635,994	2,267,282,190	-	-	2,267,282,190
LCC3-LCC4/Low-moderate risk	-	2,535,024,030	-	2,535,024,030	-	2,384,039,262	-	2,384,039,262
LCC5-LCC7/High risk	-	-	93,194,175	93,194,175	-	-	122,715,655	122,715,655
Gross amount	2,157,635,994	2,535,024,030	93,194,175	4,785,854,199	2,267,282,190	2,384,039,262	122,715,655	4,774,037,107
Loss allowance	(15,469,322)	(102,195,577)	(68,950,455)	(186,615,354)	(10,966,896)	(92,132,060)	(86,115,622)	(189,214,578)
Net carrying amount	2,142,166,672	2,432,828,453	24,243,720	4,599,238,845	2,256,315,294	2,291,907,202	36,600,033	4,584,822,529
	=====	=====	=====	=====	=====	=====	=====	=====



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**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

	As at 31 December 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
<b>Undisbursed commitments and guarantees:</b>								
LCC1-LCC2/Very low risk	130,727,022	-	-	130,727,022	512,522,207	-	-	512,522,207
Loss allowance	(2,352,544)	-	-	(2,352,544)	(4,969,239)	-	-	(4,969,239)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
carrying amount	128,374,478	-	-	128,374,478	507,552,968	-	-	507,552,968
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Letters of credit:</b>								
LCC1-LCC2/Very low risk	235,452,843	-	-	235,452,843	39,985,074	-	-	39,985,074
Loss allowance	(1,968,226)	-	-	(1,968,226)	(407,274)	-	-	(407,274)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	233,484,617	-	-	233,484,617	39,577,800	-	-	39,577,800
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Total off-balance sheet items:</b>								
Gross amount	366,179,865	-	-	366,179,865	552,507,281	-	-	552,507,281
Loss allowance	(4,320,770)	-	-	(4,320,770)	(5,376,513)	-	-	(5,376,513)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	361,859,095	-	-	361,859,095	547,130,768	-	-	547,130,768
	=====	=====	=====	=====	=====	=====	=====	=====



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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			
	2024 USD	%	2023 USD	%
Cash and balances held with other banks -less than 90 days	1,198,858,759	11.94%	2,099,938,569	20.56%
Cash and balances held with other banks -over 90 days	452,674,208	4.51%	923,257,268	9.04%
Investment in government securities	841,906,952	8.38%	51,867,034	0.51%
Investment in corporate bonds	40,630,615	0.40%	-	-
Derivative financial Instruments	62,162,697	0.62%	4,248,951	0.04%
Other receivable	98,661,664	0.98%	42,333,144	0.41%
Trade Fund loan receivables	256,359,097	2.55%	146,140,978	1.43%
Loans and advances	7,093,405,079	70.62%	6,945,826,963	68.01%
- Trade finance loans	4,788,932,256	47.68%	4,776,967,000	46.77%
- Project loans	2,304,472,823	22.94%	2,168,859,963	21.23%
Sub total	10,044,659,072	100.00%	10,213,612,907	100.00%

On - Statement of financial position items:	BANK			
Cash and balances held with other banks -less than 90 days	1,179,618,435	12.16%	2,058,871,432	20.53%
Cash and balances held with other banks -over 90 days	452,674,208	4.67%	923,257,268	9.20%
Investment in government securities	805,677,931	8.30%	42,168,768	0.42%
Derivative financial Instruments	62,162,697	0.64%	4,248,951	0.04%
Other receivable	109,791,952	1.13%	55,826,198	0.56%
Loans and advances	7,093,405,079	73.10%	6,945,826,963	69.25%
- Trade finance loans	4,788,932,256	49.35%	4,776,967,000	47.63%
- Project loans	2,304,472,823	23.75%	2,168,859,963	21.62%
Sub total	9,703,330,301	100.00%	10,030,199,580	100.00%

Off-Statement of financial position items:	GROUP AND BANK			
Letter of credit	235,452,843	64.30%	39,985,074	7.24%
Loan commitments not disbursed	124,024,422	33.87%	502,522,207	90.95%
Guarantees and performance bonds	6,702,600	1.83%	10,000,000	1.81%
	366,179,865	100.00%	552,507,281	100.00%
Total credit exposure - Group	10,410,838,936		10,766,120,188	
Total credit exposure - Bank	10,069,510,165		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 71.65% as at 31 December 2024 (2023: 69.65%) of the total maximum credit exposure. For the Bank, these were 66.81% in December 2024 (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 31 December 2024, the fair value of collateral held for impaired loans and advances was USD 393,331,236 (December 2023: USD 262,596,091) and the gross impaired loans exposure was USD 271,406,629 (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.

	<b>GROUP AND BANK 2024 USD</b>	<b>2023 USD</b>
(i) Total Portfolio		
Insurance and Guarantees	2,453,849,978	2,640,840,678
Cash security deposits	1,406,546,540	528,325,997
Fixed charge on plant and equipment	455,649,807	687,204,087
Other floating all asset debenture	970,212,032	477,842,850
Mortgages on properties	292,830,078	313,137,177
Sovereign undertakings	99,229,267	227,711,818
	<hr/>	<hr/>
Total security cover	5,678,317,702	4,875,062,607
Gross portfolio	(7,093,405,079)	(6,945,826,963)
	<hr/>	<hr/>
Net (gap)	(1,415,087,377)	(2,070,764,356)
	=====	=====
(ii) Loans not impaired		
Insurance and Guarantees	2,302,527,512	2,562,029,660
Cash security deposits	1,406,170,223	527,939,928
Fixed charge on plant and equipment	397,143,621	595,829,976
Other floating all asset debenture	868,958,473	475,542,850
Mortgages on properties	210,957,370	223,412,284
Sovereign undertakings	99,229,267	227,711,818
	<hr/>	<hr/>
Total security cover	5,284,986,466	4,612,466,516
Gross portfolio	(6,830,127,142)	(6,695,548,059)
	<hr/>	<hr/>
Net (gap)	(1,545,140,676)	(2,083,081,543)
	=====	=====



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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	
	2024 USD	2023 USD
(iii) Impaired loans:		
Insurance and Guarantees	151,322,466	78,811,018
Other floating all asset debenture	101,253,559	2,300,000
Mortgages on properties	81,872,708	89,724,893
Fixed charge on plant and equipment	58,506,186	91,374,111
Cash security deposits	376,317	386,069
Total security cover	393,331,236	262,596,091
Gross Stage 3 portfolio	(263,277,937)	(250,278,904)
Net cover	130,053,299	12,317,187
	=====	=====

**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 :Very low risk
- LCC3-LCC4: Stage 2 loans :Low to moderate risk
- LCC5-LCC7: Stage 3 loans :High risk



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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
LCC1-LCC2	2.65%
Very low risk	
LCC3-LCC4	
Low risk	9.20%
Moderate risk	
LCC5-LCC7	
High risk	
Substandard	100.00%
Bad & Doubtful	
loss	

**Project finance loans**

Grading:	12-month weighted average PD
LCC1-LCC2	4.57%
Very low risk	
LCC3-LCC4	
Low risk	15.77%
Moderate risk	
LCC5-LCC7	
High risk	
Substandard	100.00%
Bad & Doubtful	
loss	



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

**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.

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.

**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)**

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**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.

**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)**

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**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 and 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, forbore 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:

	<b>GROUP AND BANK</b>	
	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>
Gross carrying amount before restructuring	36,431,174	11,790,283
Loss allowances before restructuring	1,133,138	250,898
	<hr/>	<hr/>
Net amortised cost before restructuring	37,564,312	12,041,181
Net restructuring loss	1,316,594	(1,813)
	<hr/>	<hr/>
Net amortised cost after restructuring	38,880,906	12,039,368
	<hr/>	<hr/>
<b>Analysis of gross amounts by sector</b>		
Energy	36,431,174	-
Manufacturing	-	7,290,262
Hospitality	-	4,500,021
	<hr/>	<hr/>
	36,431,174	11,790,283
	<hr/>	<hr/>
Project finance loans	36,431,174	7,290,262
Trade finance loans	-	4,500,021
	<hr/>	<hr/>
	36,431,174	11,790,283
	<hr/>	<hr/>

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

During the year, there were no new modified loans recorded.

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 31 December 2024, the ECL would increase by USD 4,606,071 which is 1.85 % (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 31 December 2024	GROUP			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD	
<b>Project Finance loans:</b>				
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	-	(3,759,970)	3,759,970.00	-
Net re-measurement of loss allowance	(2,259,831)	1,005,223	25,871,484	24,616,876
Net financial assets originated	7,859,802	-	-	7,859,802
Financial assets derecognized*	(41,428)	(3,877,731)	-	(3,919,159)
	=====	=====	=====	=====
Balance at 31 December	13,602,021	6,586,703	46,133,779	66,322,503
	=====	=====	=====	=====
<b>Trade Finance loans:</b>				
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	3,052,040	10,013,830	2,569,057	15,634,927
Net financial assets originated	1,800,966	-	-	1,800,966
Financial assets derecognized*	(226,160)	-	(19,734,224)	(19,960,384)
	=====	=====	=====	=====
Balance at 31 December	15,715,326	102,195,578	68,950,455	186,861,359
	=====	=====	=====	=====
<b>Undisbursed commitments:</b>				
Balance at 1 January	4,969,239	-	-	4,969,239
Net remeasurement of loss allowance	2,352,544	-	-	2,352,544
Financial assets derecognised*	(4,969,239)	-	-	(4,969,239)
	=====	=====	=====	=====
Balance at 31 December	2,352,544	-	-	2,352,544
	=====	=====	=====	=====
<b>Letters of credit</b>				
Balance at 1 January	407,274	-	-	407,274
Net remeasurement of loss allowance	1,968,226	-	-	1,968,226
Financial assets derecognised*	(407,274)	-	-	(407,274)
	=====	=====	=====	=====
Balance at 31 December	1,968,226	-	-	1,968,226
	=====	=====	=====	=====

\*During the year ended 31 December 2024, Trade Finance loans to the value of USD 27,673,718 written off. (December 2023: Project Finance loans - USD 2,768,970 and Trade Finance loans - USD 3,677,733).



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**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 31 December 2024	Stage 1 USD	BANK Stage 2 USD	Stage 3 USD	Total USD
<b>Project finance loans:</b>				
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	-	(3,759,970)	3,759,970.00	-
Net re-measurement of loss allowance	(2,259,831)	1,005,223	25,871,484	24,616,876
Net financial assets originated	7,859,802	-	-	7,859,802
Financial assets derecognized*	(41,428)	(3,877,731)	-	(3,919,159)
	=====	=====	=====	=====
Balance at 31 December	13,602,021	6,586,703	46,133,779	66,322,503
	=====	=====	=====	=====
<b>Trade Finance loans:</b>				
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	3,052,039	10,013,830	2,569,057	15,634,926
Net financial assets originated	1,554,962	-	-	1,554,962
Financial assets derecognized*	(226,160)	-	(19,734,224)	(19,960,384)
	=====	=====	=====	=====
Balance at 31 December	15,469,321	102,195,578	68,950,455	186,615,354
	=====	=====	=====	=====
<b>Undisbursed commitments:</b>				
Balance at 1 January	4,969,239	-	-	4,969,239
Net remeasurement of loss allowance	2,352,544	-	-	2,352,544
Financial assets derecognised*	(4,969,239)	-	-	(4,969,239)
	=====	=====	=====	=====
Balance at 31 December	2,352,544	-	-	2,352,544
	=====	=====	=====	=====
<b>Letters of credit</b>				
Balance at 1 January	407,274	-	-	407,274
Net remeasurement of loss allowance	1,968,226	-	-	1,968,226
Financial assets derecognised*	(407,274)	-	-	(407,274)
	=====	=====	=====	=====
Balance at 31 December	1,968,226	-	-	1,968,226
	=====	=====	=====	=====

\*During the year ended 31 December 2024, Trade Finance loans to the value of USD 27,673,718 written off. (December 2023: Project Finance loans - USD 2,768,970 and Trade Finance loans - USD 3,677,733).



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**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	
<b>Project finance loans:</b>				
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
	=====	=====	=====	=====
<b>Trade Finance loans:</b>				
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
	=====	=====	=====	=====
<b>Undisbursed commitments:</b>				
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
	=====	=====	=====	=====
<b>Letters of credit</b>				
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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**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	
<b>Project finance loans:</b>				
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
	=====	=====	=====	=====
<b>Trade Finance loans:</b>				
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
	=====	=====	=====	=====
<b>Undisbursed commitments:</b>				
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
	=====	=====	=====	=====
<b>Letters of credit</b>				
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)**

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 31 December 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
<b>Project finance loans:</b>								
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	-	(26,314,929)	26,314,929.00	-	(637,176)	(58,386,638)	59,023,814	-
Net remeasurement of loss allowance	86,184,279	(20,424,497)	16,205,585	81,965,367	(148,044,691)	22,427,821	3,684,911	(121,931,959)
New financial assets originated	154,532,151	-	-	154,532,151	389,939,349	19,522,314	6,771,630	416,233,293
Financial assets derecognised*	(40,384,518)	(60,500,140)	-	(100,884,658)	(119,887,281)	-	(17,028,410)	(136,915,691)
As at 31 December	1,832,832,438	301,556,622	170,083,763	2,304,472,823	1,632,500,526	408,796,188	127,563,249	2,168,859,963
<b>Trade finance loans:</b>								
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	(62,151,321)	142,626,405	(7,646,521)	72,828,563	(540,569,568)	276,897,810	(34,357,691)	(298,029,449)
Net financial assets originated	62,808,269	-	-	62,808,269	645,945,493	73,849,359	-	719,794,852
Financial assets derecognized*	(101,886,618)	-	(21,784,958)	(123,671,576)	(95,496,477)	(4,576,960)	(39,454,544)	(139,527,981)
As at 31 December	2,160,714,050	2,535,024,030	93,194,176	4,788,932,256	2,270,302,081	2,384,039,264	122,625,655	4,776,967,000

\*During the year ended 31 December 2024, Trade Finance loans to the value of USD 27,673,718 written off. (December 2023: Project Finance loans - USD 2,768,970 and Trade Finance loans - USD 3,677,733).



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**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.

	<b>BANK</b>							
	<b>As at 31 December 2024</b>				<b>As at 31 December 2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Project finance loans:</b>								
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	-	(26,314,929)	26,314,929.00	-	(637,176)	(58,386,638)	59,023,814	-
Net remeasurement of loss allowance	86,184,279	(20,424,497)	16,205,585	81,965,367	(148,044,691)	22,427,821	3,684,911	(121,931,959)
New financial assets originated	154,532,151	-	-	154,532,151	389,939,349	19,522,314	6,771,630	416,233,293
Financial assets derecognised*	(40,384,518)	(60,500,140)	-	(100,884,658)	(119,887,281)	-	(17,028,410)	(136,915,691)
As at 31 December	1,832,832,438	301,556,622	170,083,763	2,304,472,823	1,632,500,526	408,796,188	127,563,249	2,168,859,963
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Trade finance loans:</b>								
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	(62,151,321)	142,626,405	(7,646,521)	72,828,563	(540,569,568)	276,897,810	(34,357,691)	(298,029,449)
Net financial assets originated	62,660,105	-	-	62,660,105	643,015,600	73,849,359	-	716,864,959
Financial assets derecognized*	(101,886,618)	-	(21,784,958)	(123,671,576)	(95,496,477)	(4,576,960)	(39,454,544)	(139,527,981)
As at 31 December	2,157,635,993	2,535,024,030	93,194,176	4,785,854,199	2,267,372,188	2,384,039,264	122,625,655	4,774,037,107
	=====	=====	=====	=====	=====	=====	=====	=====

\*During the year ended 31 December 2024, Trade Finance loans to the value of USD 27,673,718 written off. (December 2023: Project Finance loans - USD 2,768,970 and Trade Finance loans - USD 3,677,733).



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**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 31 December 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
<b>Undisbursed commitments:</b>								
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	130,727,022	-	-	130,727,022	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	130,727,022	-	-	130,727,022	512,522,207	-	-	512,522,207
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Letters of credit:</b>								
Balance at 1 January	39,985,074	-	-	39,985,074	160,069,758	-	-	160,069,758
Net financial assets originated or purchased	235,452,843	-	-	235,452,843	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	235,452,843	-	-	235,452,843	39,985,074	-	-	39,985,074
	=====	=====	=====	=====	=====	=====	=====	=====
Total	366,179,865	-	-	366,179,865	552,507,281	-	-	552,507,281
	=====	=====	=====	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

**Concentration of Risk by Sector**

	<b>GROUP</b>							
	On statement of financial position USD	%	Off statement of financial position* USD	%	Cash collateral/ in transit USD	Insurance & Guarantees USD	Aggregate exposure USD	%
<b>As at 31 December 2024</b>								
Agri-business	1,709,196,004	24.1	-	-	(94,293,085)	(421,325,508)	1,193,577,411	25.8
Banking and financial services	1,116,183,577	15.7	226,718,833	61.9	(200,206,300)	(200,000,000)	942,696,110	20.4
Construction	29,067,320	0.4	-	-	(45,854)	-	29,021,466	0.6
Energy	227,515,622	3.2	46,211,979	12.6	-	-	273,727,601	5.9
Health services	25,675,125	0.4	-	-	-	-	25,675,125	0.6
Hospitality	44,245,456	0.6	5,000,000	1.4	-	-	49,245,456	1.1
ICT	151,246,502	2.1	-	-	-	-	151,246,502	3.3
Infrastructure	1,211,982,325	17.1	23,515,447	6.4	-	(388,816,034)	846,681,738	18.3
Manufacturing and heavy industries	140,316,203	2.0	67,600	-	-	-	140,383,803	3.0
Mining and quarrying	77,039,622	1.1	-	-	-	-	77,039,622	1.7
Oil and gas	2,082,891,595	29.4	64,666,006	17.7	(1,026,603,017)	(486,737,401)	634,217,183	13.7
Other	2,958,692	0.1	-	-	-	-	2,958,692	0.1
Real Estate	128,216,747	1.8	-	-	-	-	128,216,747	2.8
Transport	52,700,241	0.7	-	-	-	(23,066,672)	29,633,569	0.6
Wholesale Commodities	94,170,048	1.3	-	-	-	-	94,170,048	2.0
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Balance at year end	7,093,405,079	100.00	366,179,865	100.00	(1,321,148,256)	(1,519,945,615)	4,618,491,073	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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

**Concentration of Risk by Sector (Continued)**

					<b>BANK</b>			
	<b>On statement of</b>	<b>%</b>	<b>Off statement of</b>	<b>%</b>	<b>Cash collateral/ in</b>	<b>Insurance &amp;</b>	<b>Aggregate</b>	<b>%</b>
	<b>financial</b>		<b>financial</b>		<b>transit</b>	<b>Guarantees</b>	<b>exposure</b>	
	<b>position</b>		<b>position</b>					
<b>As at 31 December 2024</b>	<b>USD</b>		<b>USD</b>		<b>USD</b>	<b>USD</b>	<b>USD</b>	
Agri- Business	1,709,196,004	24.1	-	-	(94,293,085)	(421,325,508)	1,193,577,411	25.9
Banking and Financial Services	1,114,890,832	15.7	226,718,833	61.9	(200,206,300)	(200,000,000)	941,403,365	20.4
Construction	29,067,320	0.4	-	-	(45,854)	-	29,021,466	0.6
Energy	226,420,635	3.2	46,211,979	12.6	-	-	272,632,614	5.9
Health Services	25,675,125	0.4	-	-	-	-	25,675,125	0.6
Hospitality	44,245,456	0.6	5,000,000	1.4	-	-	49,245,456	1.1
ICT	151,246,502	2.1	-	-	-	-	151,246,502	3.3
Infrastructure	1,211,982,325	17.1	23,515,447	6.4	-	(388,816,034)	846,681,738	18.3
Manufacturing and Heavy Industries	140,316,203	2.0	67,600	-	-	-	140,383,803	3.0
Mining and Quarrying	77,039,622	1.1	-	-	-	-	77,039,622	1.7
Oil & Gas	2,082,891,595	29.4	64,666,006	17.7	(1,026,603,017)	(486,737,401)	634,217,183	13.7
Other	2,268,367	0.1	-	-	-	-	2,268,367	0.0
Real Estate	128,216,747	1.8	-	-	-	-	128,216,747	2.8
Transport	52,700,241	0.7	-	-	-	(23,066,672)	29,633,569	0.6
Wholesale Commodities	94,170,048	1.3	-	-	-	-	94,170,048	2.0
Balance at year end	7,090,327,022	100.00	366,179,865	100.00	(1,321,148,256)	(1,519,945,615)	4,615,413,016	100.00
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**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	GROUP								
	On statement of		Off statement		Cash collateral/	Insurance	Other	Aggregate	
	financial	%	of financial	%	in transit		mitigants	exposure	%
	position		position		USD	USD	USD	USD	
	USD		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	-	-	-	-	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	6.6	(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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**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		Off statement		BANK				
	financial	%	of financial	%	Cash collateral/	Insurance	Other	Aggregate	
	position		position		in transit		mitigants	exposure	%
	USD		USD		USD	USD	USD	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	-	-	-	-	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	6.6	(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
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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	%	Off statement of financial position*	%	GROUP Cash collateral/ in transit	Insurance	Aggregate exposure	%
As at 31 December 2024	USD		USD		USD	USD	USD	
Burundi	49,876,569	0.7	600,837	0.2	(10,455,039)	-	40,022,367	0.9
Comoros	14,261,401	0.2	-	-	-	-	14,261,401	0.3
Congo DRC	265,799,690	3.7	67,600	-	-	-	265,867,290	5.8
Djibouti	17,589,033	0.2	5,331,158	1.5	-	-	22,920,191	0.5
Egypt	187,998,266	2.7	-	-	-	-	187,998,266	4.1
Eswatini	62,507,808	0.9	-	-	-	-	62,507,808	1.4
Ethiopia	637,690,514	9.0	158,898,355	43.3	(189,572,530)	(200,000,000)	407,016,339	8.8
Kenya	913,593,730	12.9	27,198,895	7.4	-	(305,566,108)	635,226,517	13.8
Madagascar	8,428,097	0.1	-	-	-	-	8,428,097	0.2
Malawi	531,694,590	7.5	5,315,867	1.5	(87,171,314)	(214,155,508)	235,683,635	5.1
Mauritius	451,809,267	6.4	59,334,847	16.2	(13,500,000)	-	497,644,114	10.8
Mozambique	140,729,222	2.0	1,983,341	0.5	(3,012,576)	-	139,699,987	3.0
Rwanda	574,804,334	8.1	-	-	(175,000,000)	(23,066,672)	376,737,662	8.2
Seychelles	4,721,635	0.1	-	-	-	-	4,721,635	0.1
South Sudan	151,061,168	2.1	-	-	-	(139,061,168)	12,000,000	0.3
Sudan	948,125,868	13.4	-	-	(265,430,748)	(207,170,000)	475,525,120	10.3
Tanzania	353,121,243	5.0	56,632,130	15.5	(52,772)	(83,249,926)	326,450,675	7.1
Uganda	278,972,707	3.9	816,835	0.2	(45,855)	-	279,743,687	6.1
Zambia	872,060,449	12.3	50,000,000	13.7	(580,312)	(347,676,233)	573,803,904	12.4
Zimbabwe	628,559,488	8.9	-	-	(576,327,110)	-	52,232,378.00	1.1
Balance at year end	7,093,405,079	100	366,179,865	100	(1,321,148,256)	(1,519,945,615)	4,618,491,073	100
	=====	=====	=====	=====	=====	=====	=====	=====

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



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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 and Guarantees USD	Aggregate exposure USD	%
<b>As at 31 December 2024</b>								
Burundi	49,876,189	0.7	600,837	0.2	(10,455,039)	-	40,021,987	0.9
Comoros	14,261,401	0.2	-	-	-	-	14,261,401	0.3
Congo2	265,799,690	3.7	67,600	-	-	-	265,867,290	5.8
Djibouti	17,589,033	0.2	5,331,158	1.5	-	-	22,920,191	0.5
Egypt	187,998,266	2.7	-	-	-	-	187,998,266	4.1
Eswatini	62,507,808	0.9	-	-	-	-	62,507,808	1.4
Ethiopia	637,690,514	9.0	158,898,355	43.3	(189,572,530)	(200,000,000)	407,016,339	8.8
Kenya	912,903,405	12.9	27,198,895	7.4	-	(305,566,108)	634,536,192	13.7
Madagascar	8,428,097	0.1	-	-	-	-	8,428,097	0.2
Malawi	531,694,590	7.5	5,315,867	1.5	(87,171,314)	(214,155,508)	235,683,635	5.1
Mauritius	451,809,267	6.4	59,334,847	16.2	(13,500,000)	-	497,644,114	10.8
Mozambique	140,729,222	2.0	1,983,341	0.5	(3,012,576)	-	139,699,987	3.0
Rwanda	574,804,334	8.1	-	-	(175,000,000)	(23,066,672)	376,737,662	8.2
Seychelles	4,721,635	0.1	-	-	-	-	4,721,635	0.1
South Sudan	151,061,168	2.1	-	-	-	(139,061,168)	12,000,000	0.3
Sudan	948,125,868	13.4	-	-	(265,430,748)	(207,170,000)	475,525,120	10.3
Tanzania	353,121,243	5.0	56,632,130	15.5	(52,772)	(83,249,926)	326,450,675	7.1
Uganda	278,972,704	3.9	816,835	0.2	(45,855)	-	279,743,684	6.1
Zambia	869,675,462	12.3	50,000,000	13.7	(580,312)	(347,676,233)	571,418,917	12.4
Zimbabwe	628,557,126	8.9	-	-	(576,327,110)	-	52,230,016.00	1.1
Balance at year end	7,090,327,022	100	366,179,865	100	(1,321,148,256)	(1,519,945,615)	4,615,413,016	100
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk (continued)**

**Concentration of Risk by Country**

Concentration of Risk by Country				GROUP					
As at 31 December 2023	On statement of	Gross	Off statement of	% Cash collateral/ in transit	Insurance	Other mitigants	Aggregate exposure	%	
	financial position	exposure	financial position						
	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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**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 financial position USD	Gross exposure USD	Off statement of financial position USD	%	BANK			Aggregate exposure USD	%
					Cash collateral/ in transit USD	Insurance USD	Other mitigants 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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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**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.



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**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 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
<b>Assets</b>							
Cash and balances with other banks	886,244,946	312,613,813	150,000,000	302,674,208	-	-	1,651,532,967
Investment in government securities	24,280,972	-	-	68,822,070	357,803,910	391,000,000	841,906,952
Investment in corporate bonds	-	-	-	-	40,630,615	-	40,630,615
Other receivables	1,780,162	485,633	703,098	1,364,929	8,197,631	12,411,037	24,942,490
Trade Fund loan receivables	-	-	-	-	256,359,097	-	256,359,097
Derivative financial instruments	113,313	20,871,294	8,237,640	32,940,450	-	-	62,162,697
Trade finance loans	223,041,120	345,742,098	319,491,547	2,239,727,629	2,623,009,339	-	5,751,011,733
Project loans	226,041,842	121,343,802	123,680,188	482,790,761	1,469,846,885	241,449,757	2,665,153,235
Equity investment at fair value through OCI	-	-	-	-	67,692,339	-	67,692,339
<b>Total assets</b>	<b>1,361,502,355</b>	<b>801,056,640</b>	<b>602,112,473</b>	<b>3,128,320,047</b>	<b>4,823,539,816</b>	<b>644,860,794</b>	<b>11,361,392,125</b>
<b>Liabilities</b>							
Short term borrowings	85,160,528	89,738,730	740,092,689	2,316,530,782	2,119,697,534	-	5,351,220,263
Long term borrowings	9,617,504	30,894,822	55,624,290	149,422,741	2,022,130,875	689,727,755	2,957,417,987
Collection account	172,330,020	-	-	-	-	-	172,330,020
NCI Redeemable participating shares payable	-	-	-	-	153,451,272	-	153,451,272.00
Other payables	96,979,991	98,286,983	-	-	-	55,731,344	250,998,318
<b>Off balance sheet liabilities</b>	<b>364,088,043</b>	<b>218,920,535</b>	<b>795,716,979</b>	<b>2,465,953,523</b>	<b>4,295,279,681</b>	<b>745,459,099</b>	<b>8,885,417,860</b>
Guarantees	-	-	-	6,702,600	-	-	6,702,600
Letters of credit	-	-	-	235,452,843	-	-	235,452,843
Loan commitments	-	-	-	124,024,422	-	-	124,024,422
<b>Total liabilities</b>	<b>364,088,043</b>	<b>218,920,535</b>	<b>795,716,979</b>	<b>2,832,133,388</b>	<b>4,295,279,681</b>	<b>745,459,099</b>	<b>9,251,597,725</b>
<b>Net liquidity gap</b>	<b>997,414,312</b>	<b>582,136,105</b>	<b>(193,604,506)</b>	<b>296,186,659</b>	<b>528,260,135</b>	<b>(100,598,305)</b>	<b>2,109,794,400</b>
<b>Cumulative gap</b>	<b>997,414,312</b>	<b>1,579,550,417</b>	<b>1,385,945,911</b>	<b>1,682,132,570</b>	<b>2,210,392,705</b>	<b>2,109,794,400</b>	<b>2,109,794,400</b>

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



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**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 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
<b>Assets</b>							
Cash and balances with other banks	867,004,622	312,613,813	150,000,000	302,674,208	-	-	1,632,292,643
Investment in government securities	24,280,972	-	-	32,593,049	357,803,910	391,000,000	805,677,931
Other receivables	1,780,162	485,633	703,098	1,364,929	8,197,631	12,411,037	24,942,490
Derivative financial instruments	113,313	20,871,294	8,237,640	32,940,450	-	-	62,162,697
Trade finance loans	223,041,120	345,742,098	319,491,547	2,239,727,629	2,623,009,339	-	5,751,011,733
Project loans	226,041,842	121,343,802	123,680,188	482,790,761	1,469,846,885	241,449,757	2,665,153,235
Equity investment at fair value through OCI	-	-	-	-	67,692,339	-	67,692,339
<b>Total assets</b>	<b>1,342,262,031</b>	<b>801,056,640</b>	<b>602,112,473</b>	<b>3,092,091,026</b>	<b>4,526,550,104</b>	<b>644,860,794</b>	<b>11,008,933,068</b>
<b>Liabilities</b>							
Short term borrowings	85,160,528	89,738,730	740,092,689	2,316,530,782	2,119,697,534	-	5,351,220,263
Long term borrowings	9,617,504	30,894,822	55,624,290	149,422,741	2,022,130,875	689,727,755	2,957,417,987
Collection account	172,330,020	-	-	-	-	-	172,330,020
Other payables	96,979,991	99,231,580	-	-	-	55,731,344	251,942,915
<b>Off balance sheet liabilities</b>	<b>364,088,043</b>	<b>219,865,132</b>	<b>795,716,979</b>	<b>2,465,953,523</b>	<b>4,141,828,409</b>	<b>745,459,099</b>	<b>8,732,911,185</b>
Guarantees	-	-	-	6,702,600	-	-	6,702,600
Letters of credit	-	-	-	235,452,843	-	-	235,452,843
Loan commitments	-	-	-	124,024,422	-	-	124,024,422
<b>Total liabilities</b>	<b>364,088,043</b>	<b>219,865,132</b>	<b>795,716,979</b>	<b>2,832,133,388</b>	<b>4,141,828,409</b>	<b>745,459,099</b>	<b>9,099,091,050</b>
<b>Net liquidity gap</b>	<b>978,173,988</b>	<b>581,191,508</b>	<b>(193,604,506)</b>	<b>259,957,638</b>	<b>384,721,695</b>	<b>(100,598,305)</b>	<b>1,909,842,018</b>
<b>Cumulative gap</b>	<b>978,173,988</b>	<b>1,559,365,496</b>	<b>1,365,760,990</b>	<b>1,625,718,628</b>	<b>2,010,440,323</b>	<b>1,909,842,018</b>	<b>1,909,842,018</b>

The above table analyses financial assets and financial liabilities of the Bank 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



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**47. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk (continued)**

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

<b>As at 31 December 2023</b>	<b>Up to 1 month USD</b>	<b>2 to 3 months USD</b>	<b>4 to 6 months USD</b>	<b>GROUP 6 to 12 months USD</b>	<b>1 to 5 years USD</b>	<b>Over 5 years USD</b>	<b>Total USD</b>
<b>Assets</b>							
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
<b>Total assets</b>	<b>1,844,859,230</b>	<b>1,195,522,689</b>	<b>723,153,728</b>	<b>3,261,887,144</b>	<b>4,270,638,212</b>	<b>332,131,063</b>	<b>11,628,192,066</b>
<b>Liabilities</b>							
Short term borrowings	126,286,346	195,317,508	49,288,554	895,113,772	3,873,609,777	-	5,139,615,957
Long term borrowings	50,564,044	777,160,599	25,718,801	100,768,359	1,885,455,849	784,669,293	3,624,336,945
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
<b>Off balance sheet liabilities</b>	<b>503,455,955</b>	<b>1,020,302,530</b>	<b>98,426,112</b>	<b>995,882,131</b>	<b>5,851,042,387</b>	<b>833,691,780</b>	<b>9,302,800,895</b>
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
<b>Total liabilities</b>	<b>557,706,683</b>	<b>1,128,803,986</b>	<b>261,178,296</b>	<b>1,222,885,044</b>	<b>5,851,042,387</b>	<b>833,691,780</b>	<b>9,855,308,176</b>
<b>Net liquidity gap</b>	<b>1,287,152,547</b>	<b>66,718,703</b>	<b>461,975,432</b>	<b>2,039,002,100</b>	<b>(1,580,404,175)</b>	<b>(501,560,717)</b>	<b>1,772,883,890</b>
<b>Cumulative gap</b>	<b>1,287,152,547</b>	<b>1,353,871,250</b>	<b>1,815,846,682</b>	<b>3,854,848,782</b>	<b>2,274,444,607</b>	<b>1,772,883,890</b>	<b>1,772,883,890</b>



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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 Bank are as follows:

<b>As at 31 December 2023</b>	<b>Up to 1 month USD</b>	<b>2 to 3 months USD</b>	<b>4 to 6 months USD</b>	<b>BANK 6 to 12 months USD</b>	<b>1 to 5 years USD</b>	<b>Over 5 years USD</b>	<b>Total USD</b>
<b>Assets</b>							
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
<b>Total assets</b>	<b>1,801,782,771</b>	<b>1,193,766,942</b>	<b>721,785,816</b>	<b>3,100,771,065</b>	<b>4,186,909,256</b>	<b>332,131,063</b>	<b>11,337,146,913</b>
<b>Liabilities</b>							
Short term borrowings	126,286,346	195,317,508	49,288,554	895,113,772	3,873,609,777	-	5,139,615,957
Long term borrowings	50,564,044	777,160,599	25,718,801	100,768,359	1,885,455,849	784,669,293	3,624,336,945
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
<b>Off balance sheet liabilities</b>							
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
<b>Total liabilities</b>	<b>565,158,413</b>	<b>1,128,803,986</b>	<b>261,178,296</b>	<b>1,222,885,044</b>	<b>5,771,977,513</b>	<b>833,691,780</b>	<b>9,783,695,032</b>
<b>Net liquidity gap</b>	<b>1,236,624,358</b>	<b>64,962,956</b>	<b>460,607,520</b>	<b>1,877,886,021</b>	<b>(1,585,068,257)</b>	<b>(501,560,717)</b>	<b>1,553,451,881</b>
<b>Cumulative gap</b>	<b>1,236,624,358</b>	<b>1,301,587,314</b>	<b>1,762,194,834</b>	<b>3,640,080,855</b>	<b>2,055,012,598</b>	<b>1,553,451,881</b>	<b>1,553,451,881</b>



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**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,
- Maintaining liquidity and contingency plans. These plans must identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises while minimizing adverse long-term implications.

**(ii) Contingency plans**

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

- Unutilised lines of credit, including standby facilities, from different counter-parties.
- Term deposits with counter-parties and prospects of withdrawal and rollovers.
- Investment portfolio and its defeasance period.
- Amount of short-term resources with a time 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 31 December 2024	GROUP					Fixed interest rate USD	Non-interest bearing USD	Total USD
	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD			
<b>Assets</b>								
Cash and balances with other banks	871,125,130	312,613,813	150,000,000	302,674,208	-	12,613,813	2,506,003	1,651,532,967
Investment in government securities	24,280,972	-	-	68,822,070	57,803,910	691,000,000	-	841,906,952
Investment in corporate bonds	-	-	-	-	-	40,630,615	-	40,630,615
Other receivables	-	-	-	-	-	-	24,942,490	24,942,490
Trade Fund loan receivables	-	-	-	256,359,097	-	-	-	256,359,097
Derivative financial instruments	-	-	-	-	-	-	62,162,697	62,162,697
Trade finance loans	-	384,810,176	1,773,899,384	516,688,546	45,326,371	1,788,152,245	93,194,175	4,602,070,897
Project loans	100,436,092	295,742,109	1,517,293,750	-	-	154,594,606	170,083,763	2,238,150,320
Equity investment at fair value through OCI	-	-	-	-	-	-	67,692,339	67,692,339
<b>Total financial assets</b>	<b>995,842,194</b>	<b>993,166,098</b>	<b>3,441,193,134</b>	<b>1,144,543,921</b>	<b>103,130,281.00</b>	<b>2,686,991,279</b>	<b>420,581,467</b>	<b>9,785,448,374</b>
<b>Financial Liabilities</b>								
Short term borrowings	303,682,022	3,280,147,546	435,053,434	463,891,365	-	-	-	4,482,774,367
Long term borrowings	113,645,648	689,367,272	1,169,506,132	-	-	558,091,133	-	2,530,610,185
Collection account	-	-	-	-	-	-	172,330,020	172,330,020
NCI Redeemable participating shares payable	-	-	-	-	-	-	153,451,272	153,451,272
Other payables	-	-	-	-	-	79,940,221	171,058,097	250,998,318
<b>Total financial liabilities</b>	<b>417,327,670</b>	<b>3,969,514,818</b>	<b>1,604,559,566</b>	<b>463,891,365</b>	<b>-</b>	<b>638,031,354</b>	<b>496,839,389</b>	<b>7,590,164,162</b>
<b>Net Interest rate exposure</b>	<b>578,514,524</b>	<b>(2,976,348,720)</b>	<b>1,836,633,568</b>	<b>680,652,556</b>	<b>103,130,281</b>	<b>2,048,959,925</b>	<b>(76,257,922)</b>	<b>2,195,284,212</b>
<b>Cumulative interest rate exposure</b>	<b>578,514,524</b>	<b>(2,397,834,196)</b>	<b>(561,200,628)</b>	<b>119,451,928</b>	<b>222,582,209</b>	<b>2,271,542,134</b>	<b>2,195,284,212</b>	<b>2,195,284,212</b>

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 31 December 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
<b>Assets</b>								
Cash and balances with other banks	851,884,806	312,613,813	150,000,000	302,674,208	-	12,613,813	2,506,003	1,632,292,643
Investment in government securities	24,280,972	-	-	32,593,049	57,803,910	691,000,000		805,677,931
Other receivables	-	-	-	-	-	23,426,623	1,515,867	24,942,490
Derivative financial instruments	-	-	-	-	-	-	62,162,697	62,162,697
Trade finance loans	-	384,810,176	1,773,899,384	516,688,546	42,494,319	1,788,152,245	93,194,175	4,599,238,845
Project loans	100,436,092	295,742,109	1,517,293,750	-	-	154,594,606	170,083,763	2,238,150,320
Equity investment at fair value through OCI	-	-	-	-	-	-	67,692,339	67,692,339
	<u>976,601,870</u>	<u>993,166,098</u>	<u>3,441,193,134</u>	<u>851,955,803</u>	<u>100,298,229.00</u>	<u>2,669,787,287</u>	<u>397,154,844</u>	<u>9,430,157,265</u>
<b>Financial Liabilities</b>								
Short term borrowings	303,682,022	3,280,147,546	435,053,434	463,891,365	-	-	-	4,482,774,367
Long term borrowings	113,645,648	689,367,272	1,169,506,132	-	-	558,091,133	-	2,530,610,185
Collection account	-	-	-	-	-	-	172,330,020	172,330,020
Other payables	-	-	-	-	-	79,940,221	172,002,694	251,942,915
	<u>417,327,670</u>	<u>3,969,514,818</u>	<u>1,604,559,566</u>	<u>463,891,365</u>	<u>-</u>	<u>638,031,354</u>	<u>344,332,714</u>	<u>7,437,657,487</u>
Net Interest rate exposure	<u>559,274,200</u>	<u>(2,976,348,720)</u>	<u>1,836,633,568</u>	<u>388,064,438</u>	<u>100,298,229</u>	<u>2,031,755,933</u>	<u>52,822,130</u>	<u>1,992,499,778</u>
Cumulative interest rate exposure	<u>559,274,200</u>	<u>(2,417,074,520)</u>	<u>(580,440,952)</u>	<u>(192,376,514)</u>	<u>(92,078,285)</u>	<u>1,939,677,648</u>	<u>1,992,499,778</u>	<u>1,992,499,778</u>

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
<b>Assets</b>								
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
<b>Total financial assets</b>	<b>1,632,750,863</b>	<b>868,048,867</b>	<b>3,557,232,084</b>	<b>387,506,502</b>	<b>-</b>	<b>3,287,289,532</b>	<b>306,000,711</b>	<b>10,038,828,559</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Financial Liabilities</b>								
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
<b>Total financial liabilities</b>	<b>282,556,197</b>	<b>3,658,204,683</b>	<b>1,198,482,169</b>	<b>-</b>	<b>-</b>	<b>2,255,541,587</b>	<b>489,825,506</b>	<b>7,884,610,142</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Net Interest rate exposure</b>	<b>1,350,194,666</b>	<b>(2,790,155,816)</b>	<b>2,358,749,915</b>	<b>387,506,502</b>	<b>-</b>	<b>1,031,747,945</b>	<b>(183,824,795)</b>	<b>2,154,218,417</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Cumulative interest rate exposure</b>	<b>1,350,194,666</b>	<b>(1,439,961,150)</b>	<b>918,788,765</b>	<b>1,306,295,267</b>	<b>1,306,295,267</b>	<b>2,338,043,212</b>	<b>2,154,218,417</b>	<b>2,154,218,417</b>
	=====	=====	=====	=====	=====	=====	=====	=====



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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
<b>Assets</b>								
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
<b>Total financial assets</b>	<b>1,591,683,726</b>	<b>865,217,244</b>	<b>3,414,859,764</b>	<b>387,506,502</b>	<b>-</b>	<b>3,360,070,731</b>	<b>219,825,590</b>	<b>9,839,163,557</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Financial Liabilities</b>								
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
<b>Total financial liabilities</b>	<b>282,556,197</b>	<b>3,658,204,683</b>	<b>1,198,482,169</b>	<b>-</b>	<b>-</b>	<b>2,255,541,587</b>	<b>418,212,362</b>	<b>7,812,996,998</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Net Interest rate exposure</b>	<b>1,309,127,529</b>	<b>(2,792,987,439)</b>	<b>2,216,377,595</b>	<b>387,506,502</b>	<b>-</b>	<b>1,104,529,144</b>	<b>(198,386,772)</b>	<b>2,026,166,559</b>
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Cumulative interest rate exposure</b>	<b>1,309,127,529</b>	<b>(1,483,859,910)</b>	<b>732,517,685</b>	<b>1,120,024,187</b>	<b>1,120,024,187</b>	<b>2,224,553,331</b>	<b>2,026,166,559</b>	<b>2,026,166,559</b>
	=====	=====	=====	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**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 2024 were outstanding at those levels for the whole period
- Interest-bearing assets and liabilities denominated in currencies other than USD experienced similar movements in interest rates, and
- All other variables are held constant.

If interest rates had been 100 basis points higher or lower with the above assumptions applying, the Group's net profit for the year ended 31 December 2024 of USD 170,541,625 (December 2023: USD 227,168,858) would increase or decrease by USD 337,769 (December 2023: USD 13,949,551) as follows:

Effect on the Group's net profit

The profit for the year ended 31 December 2024 would increase to USD 170,879,394 (December 2023: USD 241,118,409) or decrease to USD 170,541,625 (December 2024: USD 213,219,307).

The potential change is 0.2% (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 31 December 2024**

	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
<b>Assets</b>													
Cash and balances with other banks	1,200,471,844	42,625	210,015,650	510,369	2,506,003	6,038,620	135,978,713	85,332,329	4,853,807	2,656,320	970	3,125,717	1,651,532,967
Investment in government securities	806,050,353	-	-	-	-	-	-	-	-	35,856,599	-	-	841,906,952
Investment in corporate bonds	40,630,615	-	-	-	-	-	-	-	-	-	-	-	40,630,615
Other receivables	24,942,490	-	-	-	-	-	-	-	-	-	-	-	24,942,490
Trade Fund loan receivables	256,359,097	-	-	-	-	-	-	-	-	-	-	-	256,359,097
Derivative financial instruments	901,201,197	-	839,038,500	-	-	-	-	-	-	-	-	-	62,162,697
Trade finance loans	2,949,453,443	-	1,652,617,454	-	-	-	-	-	-	-	-	-	4,602,070,897
Project finance loans	1,908,193,784	-	306,314,837	14,720,771	-	-	-	-	-	-	-	8,920,928	2,238,150,320
Equity investment at fair value through OCI	67,692,339	-	-	-	-	-	-	-	-	-	-	-	67,692,339
<b>Total financial assets</b>	<b>8,154,995,162</b>	<b>42,625</b>	<b>1,329,909,441</b>	<b>15,231,140</b>	<b>2,506,003</b>	<b>6,038,620</b>	<b>135,978,713</b>	<b>85,332,329</b>	<b>4,853,807</b>	<b>38,512,919</b>	<b>970</b>	<b>12,046,645</b>	<b>9,785,448,374</b>
<b>Financial Liabilities</b>													
Short term borrowings	4,184,937,940	-	297,836,427	-	-	-	-	-	-	-	-	-	4,482,774,367
Long term borrowings	1,552,933,235	-	977,676,950	-	-	-	-	-	-	-	-	-	2,530,610,185
Collection account	83,685,037	-	443	-	2,459,694	-	-	85,329,555	-	478,974	-	376,317	172,330,020
NCI Redeemable participating shares payable	153,451,272	-	-	-	-	-	-	-	-	-	-	-	153,451,272
Other payables	250,935,749	-	-	55,995	-	-	-	-	-	-	-	6,574	250,998,318
<b>Total financial liabilities</b>	<b>6,225,943,233</b>	<b>-</b>	<b>1,275,513,820</b>	<b>55,995</b>	<b>2,459,694</b>	<b>-</b>	<b>-</b>	<b>85,329,555</b>	<b>-</b>	<b>478,974</b>	<b>-</b>	<b>382,891</b>	<b>7,590,164,162</b>
<b>Net position</b>	<b>1,929,051,929</b>	<b>42,625</b>	<b>54,395,621</b>	<b>15,175,145</b>	<b>46,309</b>	<b>6,038,620</b>	<b>135,978,713</b>	<b>2,774</b>	<b>4,853,807</b>	<b>38,033,945</b>	<b>970</b>	<b>11,663,754</b>	<b>2,195,284,212</b>

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 Bank's currency position

**As at 31 December 2024**

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
<b>Assets</b>													
Cash and balances with other banks	1,181,231,520	42,625	210,015,650	510,369	2,506,003	6,038,620	135,978,713	85,332,329	4,853,807	2,656,320	970	3,125,717	1,632,292,643
Investment in government securities	769,821,332	-	-	-	-	-	-	-	-	35,856,599	-	-	805,677,931
Other receivables	24,942,490	-	-	-	-	-	-	-	-	-	-	-	24,942,490
Derivative financial instruments	901,201,197	-	(839,038,500)	-	-	-	-	-	-	-	-	-	62,162,697
Trade finance loans	2,946,621,391	-	1,652,617,454	-	-	-	-	-	-	-	-	-	4,599,238,845
Project finance loans	1,908,193,784	-	306,314,837	14,720,771	-	-	-	-	-	-	-	8,920,928	2,238,150,320
Equity investment at fair value through OCI	67,692,339	-	-	-	-	-	-	-	-	-	-	-	67,692,339
Total financial assets	7,799,704,053	42,625	1,329,909,441	15,231,140	2,506,003	6,038,620	135,978,713	85,332,329	4,853,807	38,512,919	970	12,046,645	9,430,157,265
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>Financial Liabilities</b>													
Short term borrowings	4,184,937,940	-	297,836,427	-	-	-	-	-	-	-	-	-	4,482,774,367
Long term borrowings	1,552,933,235	-	977,676,950	-	-	-	-	-	-	-	-	-	2,530,610,185
Collection account	83,685,037	-	443	-	2,459,694	-	-	85,329,555	-	478,974	-	376,317	172,330,020
Other payables	251,880,346	-	-	55,995	-	-	-	-	-	-	-	6,574	251,942,915
Total financial liabilities	6,073,436,558	-	1,275,513,820	55,995	2,459,694	-	-	85,329,555	-	478,974	-	382,891	7,437,657,487
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Net position	1,726,267,495	42,625	54,395,621	15,175,145	46,309	6,038,620	135,978,713	2,774	4,853,807	38,033,945	970	11,663,754	1,992,499,778
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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
<b>Assets</b>													
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
<b>Total financial assets</b>	<b>8,567,916,164</b>	<b>16,966</b>	<b>1,256,294,985</b>	<b>11,067,943</b>	<b>2,506,003</b>	<b>5,891,425</b>	<b>19,909,676</b>	<b>88,272,364</b>	<b>4,712,574</b>	<b>71,298,898</b>	<b>1,080</b>	<b>10,940,481</b>	<b>10,038,828,559</b>
<b>Financial Liabilities</b>													
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
<b>Total financial liabilities</b>	<b>6,558,450,221</b>	<b>-</b>	<b>1,203,176,809</b>	<b>38,086</b>	<b>2,459,694</b>	<b>-</b>	<b>-</b>	<b>88,266,788</b>	<b>-</b>	<b>31,833,944</b>	<b>-</b>	<b>384,600</b>	<b>7,884,610,142</b>
<b>Net position</b>	<b>2,009,465,943</b>	<b>16,966</b>	<b>53,118,176</b>	<b>11,029,857</b>	<b>46,309</b>	<b>5,891,425</b>	<b>19,909,676</b>	<b>5,576</b>	<b>4,712,574</b>	<b>39,464,954</b>	<b>1,080</b>	<b>10,555,881</b>	<b>2,154,218,417</b>



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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
<b>Assets</b>													
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
<b>Total financial assets</b>	<b>8,368,251,163</b>	<b>16,966</b>	<b>1,256,294,985</b>	<b>11,067,943</b>	<b>2,506,003</b>	<b>5,891,425</b>	<b>19,909,676</b>	<b>88,272,364</b>	<b>4,712,574</b>	<b>71,298,897</b>	<b>1,080</b>	<b>10,940,481</b>	<b>9,839,163,557</b>
<b>Financial Liabilities</b>													
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
<b>Total financial liabilities</b>	<b>6,486,837,077</b>	<b>-</b>	<b>1,203,176,809</b>	<b>38,086</b>	<b>2,459,694</b>	<b>-</b>	<b>-</b>	<b>88,266,788</b>	<b>-</b>	<b>31,833,944</b>	<b>-</b>	<b>384,600</b>	<b>7,812,996,998</b>
<b>Net position</b>	<b>1,881,414,086</b>	<b>16,966</b>	<b>53,118,176</b>	<b>11,029,857</b>	<b>46,309</b>	<b>5,891,425</b>	<b>19,909,676</b>	<b>5,576</b>	<b>4,712,574</b>	<b>39,464,953</b>	<b>1,080</b>	<b>10,555,881</b>	<b>2,026,166,559</b>



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**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, Zambian Kwacha, 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 31 December 2024	5,461	5,318,088	36,492	202	3,702,117	16,531	136,401	(12)
	=====	=====	=====	=====	=====	=====	=====	=====
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:

- a) To have sufficient capital to support its development mandate;
- b) 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
- c) 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 an 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.

	<b>GROUP</b>		<b>BANK</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Risk weighted Assets</b>				
On - statement of financial position assets	6,235,537,516	6,215,491,829	5,891,376,693	6,029,319,881
Off - statement of financial position assets	68,045,816	100,009,374	68,045,816	100,009,374
	<hr/>	<hr/>	<hr/>	<hr/>
Total risk weighted assets	6,303,583,332	6,315,501,203	5,959,422,509	6,129,329,255
	=====	=====	=====	=====
<b>Capital</b>				
Paid up capital	602,717,362	603,081,183	602,717,362	603,081,183
Retained earnings and reserves	1,657,798,363	1,591,935,869	1,649,092,945	1,580,468,148
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital	2,260,515,725	2,195,017,052	2,251,810,307	2,183,549,331
	=====	=====	=====	=====
<b>Capital adequacy ratio</b>	35.9%	34.8%	37.8%	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 31 December 2024	Amortised cost USD	GROUP		Total carrying amount USD
		At fair value through P&L USD	At fair value through OCI USD	
<b>Financial assets</b>				
Cash and balances held with other banks -less than 90 days	1,198,858,759	-	-	1,198,858,759
Cash and balances held with other banks -over 90 days	452,674,208	-	-	452,674,208
Derivative financial instruments	-	62,162,697	-	62,162,697
Trade finance loans	4,602,070,897	-	-	4,602,070,897
Project finance loans	2,238,150,320	-	-	2,238,150,320
Investment in Government securities	841,906,952	-	-	841,906,952
Investment in corporate bonds	40,630,615	-	-	40,630,615
Trade Fund loan receivables	-	256,359,097	-	256,359,097
Other receivables	24,942,490	-	-	24,942,490
Equity investments at fair value	-	1,970,338	65,722,001	67,692,339
Total financial assets	9,399,234,242	320,492,132	65,722,001	9,785,448,374
	=====	=====	=====	=====
<b>Financial liabilities</b>				
Collection account deposits	172,330,020	-	-	172,330,020
Short term borrowings	4,482,774,367	-	-	4,482,774,367
Non-controlling interest payables	153,451,272	-	-	153,451,272
Other payables	250,998,318	-	-	250,998,318
Long term borrowings	2,530,610,185	-	-	2,530,610,185
Total financial liabilities	7,590,164,162	-	-	7,590,164,162
	=====	=====	=====	=====
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
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
Total financial assets	9,764,690,727	200,737,012	69,151,869	10,034,579,608
	=====	=====	=====	=====
<b>Financial liabilities</b>				
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 31 December 2024	Amortised cost USD	BANK		amount USD
		through P&L USD	through OCI USD	
<b>Financial assets</b>				
Cash and balances held with other banks -less than 90 days	1,179,618,435	-	-	1,179,618,435
Cash and balances held with other banks -over 90 days	452,674,208	-	-	452,674,208
Derivative financial instruments	-	62,162,697	-	62,162,697
Trade finance loans	4,599,238,845	-	-	4,599,238,845
Project finance loans	2,238,150,320	-	-	2,238,150,320
Investment in Government securities	805,677,931	-	-	805,677,931
Other receivables	22,818,761	-	-	22,818,761
Equity investments at fair value	-	1,970,338	65,722,001	67,692,339
Total financial assets	9,298,178,500	64,133,035	65,722,001	9,428,033,535
	=====	=====	=====	=====
<b>Financial liabilities</b>				
Collection account deposits	172,330,020	-	-	172,330,020
Short term borrowings	4,482,774,367	-	-	4,482,774,367
Other payables	251,942,915	-	-	251,942,915
Long term borrowings	2,530,610,185	-	-	2,530,610,185
Total financial liabilities	7,437,657,488	-	-	7,437,657,488
	=====	=====	=====	=====
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
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	9,834,914,605
	=====	=====	=====	=====
<b>Financial liabilities</b>				
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 31 December 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	21,409,349	11,075,635	10,333,714	19,092,856	6,425,805	12,667,051
Djibouti	13,897,136	13,897,136	-	21,176,176	20,348,487	827,689
Egypt	187,998,266	187,054,272	943,994	174,517,350	174,517,350	-
Eswatini	62,507,808	62,507,808	-	46,594,118	46,594,118	-
Ethiopia	556,342,897	530,675,053	25,667,844	669,675,617	640,885,771	28,789,846
Ghana	-	-	-	12,209,291	12,209,291	-
Kenya	28,515,190	27,824,865	690,325	29,218,208	1,172,256	28,045,952
Madagascar	1,562,500	1,562,500	-	4,801,691	788,731	4,012,960
Malawi	531,694,590	452,036,648	79,657,942	487,983,639	106,395,535	381,588,104
Mauritius	213,955,562	213,955,562	-	209,786,225	209,786,225	-
Mozambique	9,183,804	9,183,804	-	34,064,474	12,279,516	21,784,958
Rwanda	451,282,113	125,372,916	325,909,197	433,968,130	58,693,898	375,274,232
South Sudan	151,061,168	1,061,168	150,000,000	192,428,635	192,428,635	-
Sudan	892,733,934	28,353,536	864,380,398	979,824,211	949,839,290	29,984,921
Tanzania	151,539,326	151,539,326	-	160,691,537	97,195,433	63,496,104
Uganda	30,039,973	17,067,320	12,972,653	43,507,406	20,453,410	23,053,996
Zambia	861,002,152	858,617,165	2,384,987	691,117,677	69,849,656	621,268,021
Zimbabwe	624,206,488	32,214,783	591,991,705	566,309,759	555,793,649	10,516,110
<b>Gross Loans</b>	<b>4,788,932,256</b>	<b>2,723,999,497</b>	<b>2,064,932,759</b>	<b>4,776,967,000</b>	<b>3,175,657,056</b>	<b>1,601,309,944</b>
Impairment on trade finance loans (Note 20)	(186,861,359)	-	(186,861,359)	(189,385,850)	-	(189,385,850)
<b>Net Loans</b>	<b>4,602,070,897</b>	<b>2,723,999,497</b>	<b>1,878,071,400</b>	<b>4,587,581,150</b>	<b>3,175,657,056</b>	<b>1,411,924,094</b>
	=====	=====	=====	=====	=====	=====



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**51. TRADE FINANCE LOAN PORTFOLIO (Continued)**

Country	As at 31 December 2024		BANK	As at 31 December 2023		Amounts Due after one year USD
	Balance outstanding USD	Amounts due within one year USD	Amounts due after one year USD	Balance outstanding USD	Amounts Due within one year USD	
Burundi	21,408,969	11,075,635	10,333,334	19,092,472	6,425,805	12,666,667
Djibouti	13,897,136	13,897,136	-	21,176,176	20,348,487	827,689
Egypt	187,998,266	187,054,272	943,994	174,517,350	174,517,350	-
Eswatini	62,507,808	62,507,808	-	46,594,118	46,594,118	-
Ethiopia	556,342,897	530,675,053	25,667,844	669,675,617	640,885,771	28,789,846
Ghana	-	-	-	12,209,291	12,209,291	-
Kenya	27,824,865	27,824,865	-	28,384,757	1,172,256	27,212,501
Madagascar	1,562,500	1,562,500	-	4,801,691	788,731	4,012,960
Malawi	531,694,590	452,036,648	79,657,942	487,983,639	106,395,535	381,588,104
Mauritius	213,955,562	213,955,562	-	209,786,225	209,786,225	-
Mozambique	9,183,804	9,183,804	-	34,064,474	12,279,516	21,784,958
Rwanda	451,282,113	125,372,916	325,909,197	433,968,130	58,693,898	375,274,232
South Sudan	151,061,168	1,061,168	150,000,000	192,428,635	192,428,635	-
Sudan	892,733,934	28,353,536	864,380,398	979,824,211	949,839,290	29,984,921
Tanzania	151,539,326	151,539,326	-	160,691,537	97,195,433	63,496,104
Uganda	30,039,973	17,067,320	12,972,653	43,507,406	20,453,410	23,053,996
Zambia	858,617,165	858,617,165	-	689,023,981	69,849,656	619,174,325
Zimbabwe	624,204,123	32,214,783	591,989,340	566,307,397	555,793,649	10,513,748
<b>Gross Loans</b>	<b>4,785,854,199</b>	<b>2,723,999,497</b>	<b>2,061,854,702</b>	<b>4,774,037,107</b>	<b>3,175,657,056</b>	<b>1,598,380,051</b>
Impairment on trade finance loans (Note 20)	(186,615,354)	-	(186,615,354)	(189,214,578)	-	(189,214,578)
<b>Net Loans</b>	<b>4,599,238,845</b> =====	<b>2,723,999,497</b> =====	<b>1,875,239,348</b> =====	<b>4,584,822,529</b> =====	<b>3,175,657,056</b> =====	<b>1,409,165,473</b> =====



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**52. PROJECT LOAN PORTFOLIO**

Country	Amounts Disbursed USD	Interest Capitalized USD	Amounts Repaid USD	Interest Receivable USD	GROUP AND BANK As at 31 December 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	41,176,875	2,074,720	(15,012,596)	228,221	28,467,220	15,322,110	13,145,110	13,338,999	-	13,338,999
Comoros	26,848,466	-	(12,707,707)	120,641	14,261,400	3,263,032	10,998,368	18,376,248	3,421,868	14,954,380
Congo DRC	267,396,429	16,040,039	(19,843,692)	2,206,914	265,799,690	117,178,795	148,620,895	244,173,265	55,570,323	188,602,942
Djibouti	3,086,487	481,328	(44,642)	168,724	3,691,897	2,699,812	992,085	3,043,301	-	3,043,301
Eritrea	403,652	-	(403,652)	-	-	-	-	-	-	-
Ethiopia	243,445,016	32,983,318	(198,285,822)	3,205,105	81,347,617	12,441,689	68,905,928	87,238,678	24,078,890	63,159,788
Kenya	1,804,466,037	1,532,900	(959,481,553)	38,561,155	885,078,539	219,076,480	666,002,059	627,554,892	92,451,265	535,103,627
Madagascar	7,079,269	-	(456,837)	243,164	6,865,596	1,813,521	5,052,075	6,865,597	-	6,865,597
Malawi	60,793,337	2,920	(60,796,257)	-	-	-	-	-	-	-
Mauritius	243,481,894	59,695,929	(71,897,308)	6,573,189	237,853,704	149,155,771	88,697,933	197,036,057	178,702,724	18,333,333
Mozambique	171,289,307	5,041,349	(45,359,242)	574,005	131,545,419	10,866,133	120,679,286	114,827,902	12,570,324	102,257,578
Rwanda	407,610,599	22,666,910	(313,197,671)	6,442,383	123,522,221	54,324,828	69,197,393	134,463,106	45,518,861	88,944,245
Seychelles	107,155,554	-	(102,505,142)	71,223	4,721,635	4,721,635	-	21,029,512	19,088,523	1,940,989
Sudan	62,756,121	17,056,064	(25,392,904)	-	54,419,281	54,419,282	1.00	52,744,326	52,744,326	-
Tanzania	783,643,035	682,910	(584,092,669)	1,348,640	201,581,916	89,324,830	112,257,086	327,402,972	148,134,657	179,268,315
Uganda	603,722,149	25,543,806	(382,047,281)	2,686,715	249,905,389	84,603,332	165,302,057	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	(331,152,926)	-	4,353,002	4,353,002	-	4,244,976	3,388,746	856,230
<b>Gross loans</b>	<b>5,300,376,414</b>	<b>209,597,917</b>	<b>(3,267,931,587)</b>	<b>62,430,079</b>	<b>2,304,472,823</b>	<b>834,622,549</b>	<b>1,469,850,274</b>	<b>2,168,859,963</b>	<b>705,540,842</b>	<b>1,463,319,121</b>
Impairment on project loans (Note 20)	-	-	-	-	(66,322,503)	-	(66,322,503)	(37,764,984)	-	(37,764,984)
<b>Net Loans</b>	<b>5,300,376,414</b>	<b>209,597,917</b>	<b>(3,267,931,587)</b>	<b>62,430,079</b>	<b>2,238,150,320</b>	<b>834,622,549</b>	<b>1,403,527,771</b>	<b>2,131,094,979</b>	<b>705,540,842</b>	<b>1,425,554,137</b>
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**53. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK**

As at 31 December 2024

CLASS 'A' SHARES	Shares Subscribed	Percentage of total	Value USD	Callable capital USD	Payable capital USD	Instalments payable on 31.12.2024 USD	Instalments paid as at 31.12.2024 USD	Share premium paid as at 31.12.2024 USD	Total paid as at 31.12.2024 USD
African Development Bank	4,855	3.78%	110,048,285	88,038,628	22,009,657	22,009,657	22,009,656	8,242,522	30,252,178
Arab Republic of Egypt	11,030	8.58%	250,017,010	200,013,608	50,003,402	38,574,701	38,574,700	13,536,575	52,111,275
Democratic Republic of Congo	8,877	6.90%	201,214,959	160,971,967	40,242,992	29,630,302	29,630,303	8,417,136	38,047,439
Federal Democratic Republic of Ethiopia	12,133	9.44%	275,018,711	220,014,969	55,003,742	43,865,178	43,865,158	14,201,854	58,067,012
Federal Republic of Somalia	490	0.38%	11,106,830	8,885,464	2,221,366	1,505,089	1,505,088	158,887	1,663,975
Kingdom of eSwatini	689	0.54%	15,617,563	12,494,050	3,123,513	2,244,033	2,244,033	492,994	2,737,027
People's Republic of China	5,492	4.27%	124,487,164	99,589,731	24,897,433	24,897,433	24,897,433	9,255,485	34,152,918
Republic of Belarus	1,900	1.48%	43,067,300	34,453,840	8,613,460	6,319,560	6,319,560	1,736,234	8,055,794
Republic of Botswana	147	0.11%	3,332,049	2,665,639	666,410	666,410	666,410	1,374,088	2,040,498
Republic of Burundi	2,538	1.97%	57,528,846	46,023,077	11,505,769	8,880,931	8,880,930	3,122,250	12,003,180
Republic of Djibouti	601	0.47%	13,622,867	10,898,294	2,724,573	1,863,227	1,863,227	231,218	2,094,445
Republic of Ghana	80	0.06%	1,813,360	1,450,688	362,672	362,672	362,672	681,733	1,044,405
Republic of Kenya	11,556	8.99%	261,939,852	209,551,882	52,387,970	41,340,055	41,267,355	18,251,473	59,518,828
Republic of Madagascar	683	0.53%	15,481,561	12,385,249	3,096,312	2,185,099	2,185,099	400,376	2,585,475
Republic of Malawi	2,726	2.12%	61,790,242	49,432,194	12,358,048	9,098,534	9,098,534	2,267,284	11,365,818
Republic of Mauritius	5,216	4.06%	118,231,072	94,584,858	23,646,214	18,024,799	18,024,799	6,022,731	24,047,530
Republic of Mozambique	3,511	2.73%	79,583,837	63,667,070	15,916,767	11,464,969	11,464,969	2,643,035	14,108,004
Republic of Rwanda	5,307	4.13%	120,293,769	96,235,015	24,058,754	21,225,379	21,225,049	4,745,013	25,970,062
Republic of Senegal	72	0.06%	1,632,024	1,305,618	326,406	195,843	65,281	131,043	196,324
Republic of Seychelles	557	0.43%	12,625,519	10,100,415	2,525,104	1,949,361	1,949,361	692,120	2,641,481
Republic of South Sudan	3,500	2.72%	79,334,500	63,467,600	15,866,900	11,360,700	11,360,700	2,551,318	13,912,018
Republic of Sudan	8,136	6.33%	184,418,712	147,534,970	36,883,742	23,922,752	23,922,752	-	23,922,752
Republic of Uganda	8,150	6.34%	184,736,050	147,788,840	36,947,210	27,943,878	27,943,878	8,998,455	36,942,333
Republic of Zambia	9,488	7.38%	215,064,496	172,051,595	43,012,901	28,601,221	28,601,221	2,446,098	31,047,319
Republic of Zimbabwe	9,771	7.60%	221,479,257	177,183,406	44,295,851	28,728,156	28,728,156	-	28,728,156
State of Eritrea	370	0.29%	8,386,790	6,709,432	1,677,358	1,137,883	1,137,884	125,373	1,263,257
Union of the Comoros	274	0.21%	6,210,758	4,968,606	1,242,152	897,613	897,613	215,359	1,112,972
United Republic of Tanzania	10,418	8.10%	236,144,806	188,915,845	47,228,961	36,090,397	36,090,397	11,087,010	47,177,407
	128,567	100%	2,914,228,189	2,331,382,550	582,845,639	444,985,832	444,782,218	122,027,664	566,809,882
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

As at 31 December 2023

	Shares	Percentage	Value	Callable	Payable	Instalments	Instalments	Share Premium	Total Paid
CLASS 'A' SHARES	Subscribed	of total	USD	capital	capital	Payable on	paid as at	Paid as at	As ar
				USD	USD	31.12.2023	31.12.2023	31.12.2023	31.12.2023
						USD	USD	USD	USD
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
Arab Republic of 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
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
Federal Democratic Republic of 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
Federal Republic of Somalia	490	0.38%	11,106,830	8,885,464	2,221,366	1,473,355	1,473,355	75,723	1,549,078
Kingdom of eSwatini	689	0.54%	15,617,563	12,494,050	3,123,513	2,194,166	2,194,166	362,307	2,556,473
People's Republic of 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
Republic of 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
Republic of Botswana	145	0.11%	3,286,715	2,629,372	657,343	657,343	657,343	1,350,327	2,007,670
Republic of 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
Republic of Djibouti	601	0.47%	13,622,867	10,898,294	2,724,573	1,863,227	1,863,227	231,218	2,094,445
Republic of Ghana	77	0.06%	1,745,359	1,396,287	349,072	353,605	353,605	657,972	1,011,577
Republic of 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
Republic of Madagascar	683	0.53%	15,481,561	12,385,249	3,096,312	2,139,765	2,139,765	281,570	2,421,335
Republic of 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
Republic of 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
Republic of 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
Republic of 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
Republic of Senegal	72	0.06%	1,632,024	1,305,619	326,405	130,562	65,281	131,043	196,324
Republic of Seychelles	557	0.43%	12,625,519	10,100,415	2,525,104	1,904,027	1,904,027	573,315	2,477,342
Republic of 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
Republic of Sudan	8,136	6.34%	184,418,712	147,534,970	36,883,742	23,922,752	23,922,752	-	23,922,752
Republic of 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
Republic of Zambia	9,488	7.39%	215,064,496	172,051,595	43,012,901	28,601,219	28,601,219	2,446,099	31,047,316
Republic of Zimbabwe	9,771	7.61%	221,479,257	177,183,406	44,295,851	28,728,156	28,728,156	-	28,728,156
State of Eritrea	370	0.29%	8,386,790	6,709,432	1,677,358	1,110,683	1,110,683	54,088	1,164,771
Union of the Comoros	274	0.21%	6,210,758	4,968,606	1,242,152	879,480	879,480	167,836	1,047,316
United Republic of 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
	128,330	100%	2,908,856,110	2,327,084,888	581,771,222	437,603,476	434,537,811	103,042,467	537,580,276
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

As at 31 December 2024	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
<b>CLASS 'B'</b>							
African Development Bank	5,895	17.93%	26,724,512	26,724,512	26,724,512	20,251,419	46,975,931
AGDF Corporate Trust Ltd (Rwanda)	588	1.79%	2,665,639	2,665,639	2,665,639	5,475,849	8,141,488
Arab Bank for Economic Development in Africa	1,134	3.45%	5,140,896	5,140,896	5,140,896	7,233,022	12,373,918
Banco Nacional de Investimento	931	2.83%	4,220,614	4,220,614	4,220,614	1,817,160	6,037,774
Board of Trustees of the National Social Security Fund of Tanzania	1,458	4.43%	6,609,697	6,609,697	6,609,697	14,568,061	21,177,758
Caisse Nationale de la Sécurité Sociale (Djibouti)	1,150	3.50%	5,213,418	5,213,418	5,213,418	10,212,582	15,426,000
Fundo Soberano de Angola	1,219	3.71%	5,526,215	5,526,215	5,526,215	14,482,451	20,008,666
Investment Fund for Developing Countries	3,383	10.29%	15,336,561	15,336,561	15,336,561	24,359,316	39,695,877
National Pension Fund (Mauritius)	2,166	6.59%	9,819,385	9,819,385	9,819,385	6,359,156	16,178,541
National Social Security Fund (Uganda)	3,443	10.47%	15,608,562	15,608,562	15,608,562	16,300,508	31,909,070
OPEC Fund for International Development	2,875	8.74%	13,033,568	13,033,568	13,033,568	18,168,354	31,201,922
People's Republic of China	3,915	11.91%	17,748,336	17,748,336	17,748,336	9,174,811	26,923,147
Rwanda Social Security Board	3,649	11.10%	16,542,450	16,542,450	16,542,450	12,039,506	28,581,956
Seychelles Pension Fund	1,078	3.28%	4,887,027	4,887,027	4,887,027	2,718,804	7,605,831
	<u>32,884</u>	<u>100%</u>	<u>149,076,880</u>	<u>149,076,880</u>	<u>149,076,880</u>	<u>163,160,999</u>	<u>312,237,879</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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

<b>As at 31 December 2023</b>	<b>Number of Shares</b>	<b>Percentage of Total</b>	<b>Share Value USD</b>	<b>Payable Capital USD</b>	<b>Paid up Capital USD</b>	<b>Share Premium USD</b>	<b>Total Paid USD</b>
<b>CLASS 'B'</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>149,525,724</u>	<u>149,525,724</u>	<u>149,525,724</u>	<u>144,781,221</u>	<u>294,306,945</u>
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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

<b>CLASS 'C'</b>	<b>Number of Shares</b>	<b>Percentage of Total</b>	<b>Share Value USD</b>	<b>Payable Capital USD</b>	<b>Paid up Capital USD</b>	<b>Share Premium USD</b>	<b>Total Paid USD</b>
<b>As at 31 December 2024</b>							
African Development Bank	977	50.00%	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	50.00%	4,429,132	4,429,132	4,429,132	10,568,795	14,997,927
	<u>1,954</u>	<u>100%</u>	<u>8,858,264</u>	<u>8,858,264</u>	<u>8,858,264</u>	<u>21,137,590</u>	<u>29,995,854</u>
	=====	=====	=====	=====	=====	=====	=====
<b>As at 31 December 2023</b>							
African Development Bank	977	50.00%	4,429,132	4,429,132	4,429,132	10,568,795	14,997,927
Eagle Insurance Company Limited	213	10.90%	965,614	965,614	965,614	2,304,149	3,269,763
Eastern and Southern African Trade and Development Bank							
Provident Fund	2,781	142.32%	12,607,420	12,607,420	12,607,420	(5,842,547)	6,764,873
Sacos Group Limited	112	5.73%	507,741	507,741	507,741	665,867	1,173,608
Sacos Life Assurance Limited Company	112	5.73%	507,741	507,741	507,741	665,867	1,173,608
	<u>4,195</u>	<u>210%</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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**54. PRIOR YEAR ADJUSTMENTS**

In the previous year, in the Group and Bank statement of cash flows, the proceeds and purchases relating to capital subscription and share premium were being reflected as a net balance. Split between purchases and redemption has now been done in the current year in order to comply with IAS 7.

Furthermore, dividend declared and allocated to members' subscription which do not translate to cash payments had been included in the net balance relating to capital subscription and payment of dividends in the statement of cash flows. This has now been adjusted in the current year in order to comply with IAS 7.

<b>Effect on statement of cash flows</b>	<b>Balance as Previously Stated USD</b>	<b>Adjustment for Restatement USD</b>	<b>Restated USD</b>
<b>As at 31 December 2023</b>			
<i>Group:</i>			
Proceeds from capital subscription	22,642,149	(2,615,744)	20,026,405
Share capital redemption	-	(5,231,571)	(5,231,571)
Proceeds from share premium	39,054,330	(6,241,757)	32,812,573
Share premium redemption	-	(12,483,509)	(12,483,509)
Payment of dividends	(39,011,735)	26,572,581	(12,439,154)
	=====	=====	=====
<i>Bank:</i>			
Proceeds from capital subscription	22,642,149	(2,615,744)	20,026,405
Share capital redemption	-	(5,231,571)	(5,231,571)
Proceeds from share premium	39,054,330	(6,241,757)	32,812,573
Share premium redemption	-	(12,483,509)	(12,483,509)
Payment of dividends	(39,011,735)	26,572,581	(12,439,154)
	=====	=====	=====

The effects of the changes in the consolidated and separate financial statements arising from the outlined changes above have been reflected in the respective statements of cash flows. In addition, consequential amendments arising from the adjustments have been made in Note 38 in the financial statements.