

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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CORPORATE INFORMATION

SHAREHOLDERS

Shareholder Representative	Name of Member	Holding Ministry/Entity
Member States		
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	Republic of Djibouti	Sovereign
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	Republic of Malawi	Sovereign
Minister of Finance, Economic Planning and Development	Republic of Mauritius	Sovereign
Minister of Economy and Finance	Republic of Mozambique	Sovereign
Minister of Finance and Economic Planning	Republic of Rwanda	Sovereign

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CORPORATE INFORMATION (continued)

SHAREHOLDERS (continued)

Shareholder Representative	Name of Member	Holding Ministry/Entity
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Member States (continued)

Minister of the Economy and	Republic of Senegal	Sovereign
Minister for Finance, National Planning & Trade	Republic of Seychelles	Sovereign
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	United Republic of Tanzania	Sovereign
Minister of Finance, Planning and Economic Development	Republic of Uganda	Sovereign
Minister for Finance and National Planning	Republic of Zambia	Sovereign
Minister of Finance and Investment Promotion	Republic of Zimbabwe	Sovereign

Member Countries

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)

African and non-African Institutions

Vice President for Power, Energy, Climate and Green Growth	African Development Bank	Multilateral Institution
President	Arab Bank for Economic Development in Africa	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)

DIRECTORS

Mr. Veenay Rambarassah	Non-Executive Director 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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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

CORPORATE INFORMATION (continued)

INDEPENDENT AUDITORS Deloitte & Touche LLP

Certified Public Accounts (Kenya)
Deloitte Place, Waiyaki Way, Muthangari
P. O. Box 40092-00100
Nairobi, Kenya

HEADQUARTERS

Principal Office
Africa FI place
Lot 13, Wall street, Ebene, Cybercity
P.O. Box 43, Reduit, Mauritius
Email : Official@tdgroup.org

Principal Office
Chaussee, Prince Louis, Rwagasore
P.O. Box 1750, Bujumbura, Burundi
Email : Official@tdgroup.org

OTHER OFFICES

TDB Nairobi Operations Hub: East Africa
TDB Tower
184 Lenana Road
P.O. Box 48596-00100 Nairobi, Kenya

TDB Harare Regional Office: Southern Africa
70 Enterprise Road
Harare, Zimbabwe

TDB Addis Ababa Regional Office: Horn of Africa and North Africa
UNDP Compound
Main Bole Rd, Olympia Roundabout, DRC St.
Kirkos Subcity, Kebele 01, House No.119
Addis Ababa, Ethiopia

TDB Kinshasa Regional Office
Crown Tower 2nd Floor off No.301
Avenue Batetela and Boulevard du 30 Juin
Gombe Commune, Kinshasa
Democratic Republic of Congo

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their Interim Financial Statements of the Eastern And Southern African Trade Development Bank and its subsidiaries (TDB Group) for the six-month period ended 30 June 2025.

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 period are set out on pages 8 to 10.

3 DIVIDENDS

The Board does not recommend a dividend in respect of the six-month period ended 30 June 2025 (financial year ended 31 December 2024: Nil).

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

BY ORDER OF THE BOARD

Chairman



2025

25 September 2025

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025


STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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 interim 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

25 September 2025

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

Introduction

We have reviewed the accompanying interim financial statements of the Eastern and Southern African Trade and Development Bank (TDB), set out on pages 8 to 155, comprising the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the six-month period then ended, and a summary of material accounting policy information.

Responsibilities of the Directors and the Auditors

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

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the consolidated and separate financial position of Eastern and Southern African Trade and Development Bank (TDB) as at 30 June 2025, its consolidated and separate financial performance and its consolidated and separate cash flows for the six-month period then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

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

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

Date: **29 September** 2025



EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		JUNE 2025 USD	JUNE 2024 USD
INCOME	Note		
Gross effective interest income	4	396 991 018	370 315 064
Interest expense	5	(213 792 135)	(241 190 449)
		<hr/>	<hr/>
Net interest income		183 198 883	129 124 615
Other borrowing costs	6	(7 669 633)	(1 840 687)
Fee and commission income	7	6 199 352	8 008 673
(Loss)/gain on FVTPL - Derivatives	17	(10 616 503)	19 328 969
Gains on FVTPL - Trade Fund loan assets	23	1 664 401	8 479 068
		<hr/>	<hr/>
Trading income		172 776 500	163 100 638
Risk mitigating costs	8	(21 705 020)	(15 954 107)
Other income	9	21 480 238	2 400 567
		<hr/>	<hr/>
Operating Income	12	172 551 718	149 547 098
		=====	=====
EXPENDITURE			
Operating expenses	10	(28 584 359)	(25 987 373)
Impairment on Project and Trade Finance loans	20	(51 473 247)	(27 306 714)
Net foreign exchange losses	14	(2 404 677)	(2 535 838)
Other financial assets written-off	13	(15 357)	(2 500 140)
Impairment reversal on corporate bonds	22	538 715	-
		<hr/>	<hr/>
TOTAL EXPENDITURE		(81 938 925)	(58 330 065)
		<hr/>	<hr/>
PROFIT FOR THE PERIOD		90 612 791	91 217 033
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss)/gain through other comprehensive income - equity investments	25	(2 661 502)	13 521
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		87 951 289	91 230 554
		=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	JUNE 2025 USD	JUNE 2024 USD
PROFIT FOR THE PERIOD	90 612 791	91 217 033
	=====	=====
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	87 951 289	91 230 554
	=====	=====
Profit for the period is attributable to:		
Owners of the Bank	81 844 637	87 138 219
Non-controlling interest	8 768 154	4 078 814
	-----	-----
	90 612 791	91 217 033
	=====	=====
Total comprehensive income for the period is attributable to:		
Owners of the Bank	79 183 136	87 151 740
Non-controlling interest	8 768 154	4 078 814
	-----	-----
	87 951 289	91 230 554
	=====	=====

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

		JUNE 2025 USD	JUNE 2024 USD
INCOME	Note		
Gross effective interest income	4	394 681 259	369 161 291
Interest expense	5	(213 304 372)	(240 882 302)
		<hr/>	<hr/>
Net interest income		181 376 887	128 278 989
Other borrowing costs	6	(7 669 633)	(1 840 687)
Fee and commission income	7	6 039 352	7 996 173
(Loss)/gain on FVTPL - Derivatives	17	(10 616 503)	19 328 969
		<hr/>	<hr/>
Trading income		169 130 103	153 763 444
Risk mitigating costs	8	(19 093 095)	(20 091 951)
Other income	9	8 642 361	1 882 821
		<hr/>	<hr/>
Operating Income	12	158 679 369	135 554 314
		<hr/>	<hr/>
EXPENDITURE			
Operating expenses	10	(27 162 498)	(24 662 118)
Impairment allowance on loans	20	(51 555 323)	(27 173 539)
Net foreign exchange losses	14	(2 425 195)	(2 538 762)
Other financial assets written-off	13	(15 357)	(2 500 140)
Impairment of investment in subsidiary	26	-	(41 096)
		<hr/>	<hr/>
TOTAL EXPENDITURE		(81 158 373)	(56 915 655)
		<hr/>	<hr/>
PROFIT FOR THE PERIOD		77 520 996	78 638 659
		=====	=====
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss)/gain through other comprehensive income - equity investments	25	(2 661 502)	13 521
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS		74 859 494	78 652 180
		=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	JUNE 2025 USD	DECEMBER 2024 USD
Cash and balances held with other banks -less than 90 days	16	1,434,495,506	1,198,858,759
Cash and balances held with other banks -over 90 days	16	128,910,499	452,674,208
Derivative financial instruments	17	-	62,162,697
Trade finance loans	18	4,970,214,550	4,602,070,897
Project loans	19	2,370,982,994	2,238,150,320
Investment in government securities	21	911,790,397	841,906,952
Investment in corporate bonds	22	47,540,852	40,630,615
Trade Fund loan receivables	23	272,353,668	256,359,097
Other receivables	24	82,286,768	98,661,664
Equity investments - at fair value through other comprehensive income	25	65,550,837	67,692,339
Property and equipment	27	36,874,047	37,423,023
Investment property	28	8,953,474	8,923,990
Right-of-use assets	29	2,216,327	2,228,720
Intangible assets	30	16,059	29,883
TOTAL ASSETS		10,332,185,978	9,907,773,164
LIABILITIES AND EQUITY		=====	=====
LIABILITIES			
Collection account deposits	31	163,597,241	172,330,020
Derivative financial instruments	17	13,344,638	-
Short term borrowings	32	4,329,070,017	4,482,774,367
Provision for service and leave pay	33	14,288,639	13,724,517
Non-controlling interest payables	34	192,899,858	153,451,272
Other payables	35	510,672,013	251,081,182
Long term borrowings	36	2,919,960,481	2,530,610,185
TOTAL LIABILITIES		8,143,832,887	7,603,971,543
EQUITY			
Ordinary share capital	38	537,150,570	602,717,362
Share premium	38	236,834,627	306,326,253
Retained earnings		1,256,478,606	1,306,342,101
Fair value reserve -Equity investments	40	22,625,594	25,287,096
Management reserve	41	19,842,913	19,842,913
Total capital		2,072,932,310	2,260,515,725
Hybrid equity instrument	39	42,600,000	-
Equity attributable to owners of the Bank		2,115,532,310	2,260,515,725
Non-controlling interest		72,820,781	43,285,896
TOTAL EQUITY		2,188,353,091	2,303,801,621
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		10,332,185,978	9,907,773,164
		=====	=====

The notes on page 16 to 155 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 25 September 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	JUNE 2025 USD	DECEMBER 2024 USD
ASSETS			
Cash and balances held with other banks -less than 90 days	16	1,434,495,506	1,179,618,435
Cash and balances held with other banks -over 90 days	16	81,001,363	452,674,208
Derivative financial instruments	17	-	62,162,697
Trade finance loans	18	4,966,785,590	4,599,238,845
Project loans	19	2,370,982,994	2,238,150,320
Investment in government securities	21	876,399,036	805,677,931
Other receivables	24	92,847,583	109,791,952
Equity investments - at fair value through other comprehensive income	25	65,550,837	67,692,339
Investment in subsidiaries	26	139,478,580	139,478,580
Property and equipment	27	36,874,047	37,423,023
Investment property	28	8,953,474	8,923,990
Right-of-use assets	29	2,216,327	2,228,720
Intangible assets	30	16,059	29,883
TOTAL ASSETS		10,075,601,396	9,703,090,923
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	163,597,241	172,330,020
Derivative financial instruments	17	13,344,638	-
Short term borrowings	32	4,329,070,017	4,482,774,367
Provision for service and leave pay	33	14,098,773	13,540,264
Other payables	35	512,260,264	252,025,780
Long term borrowings	36	2,919,960,481	2,530,610,185
TOTAL LIABILITIES		7,952,331,414	7,451,280,616
EQUITY			
Ordinary share capital	38	537,150,570	602,717,362
Share premium	38	236,834,627	306,326,253
Retained earnings		1,264,216,278	1,297,636,683
Fair value reserve -Equity investments	40	22,625,594	25,287,096
Management reserve	41	19,842,913	19,842,913
Hybrid equity instrument	39	2,080,669,982 42,600,000	2,251,810,307 -
TOTAL EQUITY		2,123,269,982	2,251,810,307
TOTAL LIABILITIES AND EQUITY		10,075,601,396	9,703,090,923

The notes on page 16 to 155 are an integral part of these financial statements.

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


 Group MD/Director


 Director

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

As at 30 June 2025	Note	Share capital USD	Share premium USD	Hybrid equity 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 1 January 2025		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
Capital subscription	38	-	-	-	-	-	-	-	-	-	-
Share repurchase	38	(65 566 792)	(69 491 626)	-	(109 905 393)	-	-	-	(244 963 811)	-	(244 963 811)
Hybrid equity coupon	39	-	-	42 600 000	(1 036 008)	-	-	-	41 563 992	-	41 563 992
ESATF opening reserves ceded to NCI*		-	-	-	(20 766 731)	-	-	-	(20 766 731)	20 766 731	-
Profit for the period		-	-	-	81 844 637	-	-	-	81 844 637	8 768 154	90 612 791
Fair value loss through comprehensive	25	-	-	-	-	-	(2 661 502)	-	(2 661 502)	-	(2 661 502)
		537 150 570	236 834 627	42 600 000	1 256 478 606	-	22 625 594	19 842 913	2 115 532 310	72 820 781	2 188 353 091
As at 30 June 2024											
As at 1 January 2024		603 081 183	256 185 817	-	1 236 944 336	49 498 565	29 464 238	19 842 913	2 195 017 052	13 473 877	2 208 490 929
Capital subscription		10 402 320	-	-	-	-	-	-	10 402 320	-	10 402 320
Share premium		-	15 066 016	-	-	-	-	-	15 066 016	-	15 066 016
ESATF opening reserves ceded to NCI*		-	-	-	(3 487 459)	-	-	-	(3 487 459)	3 487 459	-
Profit for the period		-	-	-	87 138 219	-	-	-	87 138 219	4 078 814	91 217 033
Fair value gain through comprehensive		-	-	-	-	-	13 521	-	13 521	-	13 521
		613 483 503	271 251 833	-	1 320 595 096	49 498 565	29 477 759	19 842 913	2 304 149 669	21 040 150	2 325 189 819

*TDB % of shareholding in ESATF changed from 30.83% in 2024 to 23.93% in 2025. The decrease has been ceded to non-controlling interest through TDB's retained earnings.

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

		Share capital USD	Share premium USD	Hybrid equity USD	Retained earnings USD	Proposed dividend USD	Fair value reserve USD	Management reserve USD	Total equity USD
As at 30 June 2025	Note								
As at 1 January 2025		602 717 362	306 326 253	-	1 297 636 683	-	25 287 096	19 842 913	2 251 810 307
Capital subscription	38	-	-	-	-	-	-	-	-
Share repurchase	38	(65 566 792)	(69 491 626)	-	(109 905 393)	-	-	-	(244 963 811)
Hybrid equity coupon	39	-	-	42 600 000	(1 036 008)	-	-	-	41 563 992
Profit for the period		-	-	-	77 520 996	-	-	-	77 520 996
Fair value loss through other comprehensive income	25	-	-	-	-	-	(2 661 502)	-	(2 661 502)
		<u>537 150 570</u>	<u>236 834 627</u>	<u>42 600 000</u>	<u>1 264 216 278</u>	<u>-</u>	<u>22 625 594</u>	<u>19 842 913</u>	<u>2 123 269 982</u>
		=====	=====	=====	=====	=====	=====	=====	=====
As at 30 June 2024									
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		10 402 320	-	-	-	-	-	-	10 402 320
Share Premium		-	15 066 016	-	-	-	-	-	15 066 016
Profit for the period		-	-	-	78 638 659	-	-	-	78 638 659
Fair value loss through other comprehensive income		-	-	-	-	-	13 521	-	13 521
		<u>613 483 503</u>	<u>271 251 833</u>	<u>-</u>	<u>1 304 115 275</u>	<u>49 498 565</u>	<u>29 477 758</u>	<u>19 842 913</u>	<u>2 287 669 847</u>
		=====	=====	=====	=====	=====	=====	=====	=====

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

		GROUP		BANK		
		JUNE 2025 USD	JUNE 2024 USD Restated*	JUNE 2025 USD	JUNE 2024 USD Restated*	
Note						
OPERATING ACTIVITIES						
Cash generated from/(used in) operations*	42	(a)	470 352 940	(483 612 335)	485 881 397	(473 584 764)
Interest received			252 605 002	260 519 882	250 295 243	259 474 963
Interest paid			(208 531 302)	(179 095 051)	(208 043 539)	(178 872 704)
Net cash generated from /(used in)operations*			514 426 640	(402 187 504)	528 133 101	(392 982 505)
INVESTING ACTIVITIES						
Purchase of property and equipment	27		(528 352)	(344 447)	(528 352)	(344 447)
Purchase of investment property	28		(29 484)	(42 530)	(29 484)	(42 530)
Investment in subsidiaries			-	-	-	(20 000 000)
Purchase of equity investments	25		(520 000)	-	(520 000)	-
Investment in government securities	21		(87 957 734)	(746 351 551)	(87 872 352)	(725 240 864)
Redemption of government securities	21		18 074 289	12 580 069	17 151 247	12 580 069
Investment in corporate bonds	22		(6 371 522)	(9 442 152)	-	-
Dividend received	9		2 475 324	1 233 260	2 475 324	1 233 260
Net cash generated from investing activities*			(74 857 479)	(742 367 351)	(69 323 617)	(731 814 512)
FINANCING ACTIVITIES						
Proceeds from capital subscriptions	38		-	10 402 320	-	10 402 320
Proceeds from share premium	38		-	15 066 016	-	15 066 016
Share repurchase	38		(244 963 811)	-	(244 963 811)	-
Hybrid equity instrument	39		42 600 000	-	42 600 000	-
Interest paid on hybrid equity instrument	39		(1 036 008)	-	(1 036 008)	-
Net cash (used in)/generated from financing activities			(203 399 819)	25 468 336	(203 399 819)	25 468 336
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			236 169 341	(1 119 086 519)	255 409 665	(1 099 328 681)
Foreign exchange (losses) on cash and cash equivalents	14		(532 594)	(2 134 498)	(532 594)	(2 137 422)
CASH AND CASH EQUIVALENTS AT 01 JANUARY			1 198 858 759	2 099 938 569	1 179 618 435	2 058 871 433
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			1 434 495 506	978 717 552	1 434 495 506	957 405 330

* Details of restatement are disclosed in note 55.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

Except for changes explained in Note 3, the Group has consistently applied the following 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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Basis of consolidation (continued)

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

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

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

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

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

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

(i) Fair value of financial instruments

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

The fair value of financial instruments is disclosed in more detail in Note 43.

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

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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

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

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

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
- Expected regional and sector performance information from various sources like the World Bank, International Monetary Fund, and Central Banks, observable and forecast market risk parameters and their expected impact on individual exposures, in discussions with the clients.

(iv) Classification and measurement of financial assets

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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

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

(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

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

- (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

- (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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition

i. Interest income from loans and investment

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

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

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

Calculation of interest income

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition (continued)

i. Interest income from loans and investment (continued)

Calculation of interest income (Continued)

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

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

Presentation

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

- 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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Borrowings and financing costs

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

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

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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Property and equipment (continued)

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

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

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

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

(i) Investment property

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

Investment property is assessed and valued every year and whenever events or changes occur which may necessitate such valuation. Such fair value is disclosed in the financial statements.

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

(j) Intangible assets

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Taxation

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

(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

- 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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group classifies its derivative financial instruments 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
- features that modify consideration for the time value of money - e-g periodic reset of interest rates

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

De minimis

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

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

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

Derecognition and modification

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Derecognition and modification (continued)

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

Reclassification

The Group only reclassifies financial assets when management changes the business model for managing the financial assets. In that instance, all affected financial assets are reclassified. Such changes are expected to be very infrequent, and are determined by the Group's senior management as a result of external or internal changes.

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.

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

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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

Classification of loans under IFRS 9

TDB classifies its loan exposures as follows:

Classification	Explanation of Stage
Stage 1	<p>Capacity to meet financial obligation from primary source of repayment and with secondary sources readily available. Financial condition, liquidity, capitalization, earnings, cash flow, management and capacity to repay are strong. Fully collateralized with security packages, which may include cash, sovereign guarantees and/or undertakings, standby Letters of Credit or guarantees from banks with investment grade ratings from internationally recognized credit rating agencies and assigned receivables. Repayment of both principal and interest are up to date and in accordance with the agreed terms and there are identifiable receivables.</p> <p>The Group has made an assessment that this classification and explanation is consistent with the requirements of IFRS 9.</p>
Stage 2	<p>Adequate capacity to meet financial obligations, but adverse conditions or changing circumstances are more likely to lead to weakened capacity to meet financial commitments. Company is newly formed (green field) or of average size within its industry and may have difficulty accessing or does not have access to public markets for short term or capital needs. For existing clients, more regular monitoring required as the result of deterioration in earnings or cash flow, irregularities in the conduct of the accounts, lack of customer co-operation, announcement of litigation or some other negative factor. Capacity to repay as measured by key loan repayment indicators remains satisfactory.</p> <p>The principal and/or the interest may be outstanding for more than 90 days, however, the loan has strong project fundamentals such as reasonably high-quality receivables, capitalization, earnings, cashflow-realignment negotiations, and sound management. Project implementation has delayed due to 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 48. 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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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Classification	Explanation of Stage
Stage 3	<p>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.</p> <p>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.</p> <p>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.</p>

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

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)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Financial Instruments—Equity and Financial Liability

When the Group issues a financial instrument, it applies the requirements of IAS 32 Financial Instruments: Presentation to classify such instrument either as a financial liability or equity. This determination is based on the substance of the contractual arrangement and the definitions of a financial liability and equity instrument.

A financial instrument is classified as a financial liability where the Group has a contractual obligation to deliver cash or other financial assets or exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the Bank. Also, a financial instrument that creates an obligation is classified as a financial liability if the entity does not have the unconditional right to avoid delivering cash or another financial asset in settlement of that obligation i.e. there is a contractual obligation to

Equity is any instrument that evidences a residual interest in an entity's assets after deducting all liabilities. A financial instrument is classified as equity where the Group:

- does not have any contractual obligation to deliver cash or other financial assets or exchange financial assets or financial liabilities under conditions that are not potentially unfavourable to the Group
- intends or will settle the instrument in its own equity instrument:
 - The instrument is a non-derivative that includes no contractual obligation to deliver a variable number of its own equity instrument or
 - The instrument is a derivative that will be settled only by exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

(n) Hybrid Capital Instrument

The Bank issued deeply subordinated 5-year non-call fixed rate step-up hybrid capital Notes as part of its capital raising activities. The hybrid capital is unsecured and will at all times rank:

- pari passu, without any preference among themselves and at least pari passu with all other present and future unsecured and subordinated obligations of the Issuer expressed by their terms to rank pari passu
- junior to all present and future senior or unsubordinated obligations of the Bank;
- junior to all other present and future subordinated obligations of the Bank expressed by their terms to rank senior to the Notes;
- senior to all other present and future class of share capital irrespective of their category, whether represented by ordinary shares or preference shares, issued by the Bank, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

At its sole and absolute discretionary and contractual rights, the Bank can make a call or an early redemption of the hybrid capital, and the hybrid capital could also be redeemed upon the occurrence of a rating methodology or accounting event or at any time pursuant to a substantial repurchase event. The hybrid capital carries a discretionary coupon, which the Bank can unilaterally declare and pay, cancel or defer indefinitely. Cancellation or indefinite deferral of interest will not constitute a default event.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Hybrid Capital Instrument (continued)

The holders of the hybrid capital are exposed to residual risk and they do not have any shares or voting rights in the Bank, neither does the Bank have any contractual obligations to repay both principal or coupon on the hybrid capital; all repayment decisions are the sole and absolute discretion of the Bank.

Based on the instrument's contractual terms and IFRS requirements, the hybrid capital meets the definition of equity and was consequently classified and presented under equity in the Bank's financial statements. Accordingly, any consideration received in terms of issue proceeds or other, will be added directly to equity. Also, any consideration paid, including transaction costs, discretionary coupons plus any associated translation adjustments, if declared and approved, will be deducted directly from equity.

Where the Issue Proceed is denominated in foreign currency, the hybrid capital will be recognized at historical cost and is not re-measured over time. The accounting of the issued hybrid capital will not have any

Where the hybrid capital proceed is invested in treasury investment assets, it would be classified under the financial asset classification principles and any associated income, gains or losses would be recognized in the income statement or other comprehensive income accordingly depending on assigned classification category.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(s) Provisions for other liabilities

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

(t) Collection accounts deposits

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

(u) Segment reporting

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

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.

(v) 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

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.

(w) 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 (Continued)

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

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 2024 except for new standards, amendments and interpretations effective 1 January 2025. The nature and impact of each new standard and

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>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability</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</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</p> <ul style="list-style-type: none"> • the spot exchange rate for a purpose other than that for which an entity assesses exchangeability, • 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).
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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

<p>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (Continued)</p>	<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> <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>IFRS 18 Presentation and Disclosures in Financial Statements</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"> • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation <p>An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. 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

IFRS 19 Subsidiaries without Public Accountability: Disclosures	<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"> • it is a subsidiary (this includes an intermediate parent) • 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>A subsidiary has public accountability if:</p> <ul style="list-style-type: none"> • 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 • 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). <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.

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

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
4. INTEREST INCOME				
<i>Effective Interest Rate Income:*</i>				
On loans and facilities:				
Project finance loans	106 507 665	120 715 504	106 507 665	120 715 504
Trade finance loans	234 009 522	183 987 154	233 906 406	183 889 319
	<hr/>	<hr/>	<hr/>	<hr/>
Total interest income on loans and facilities:	340 517 187	304 702 658	340 414 071	304 604 823
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Other interest income:</i>				
On placements: Deposits at amortised cost	56 473 831	65 612 406	54 267 188	64 556 468
	<hr/>	<hr/>	<hr/>	<hr/>
Total effective interest income	396 991 018	370 315 064	394 681 259	369 161 291
	=====	=====	=====	=====
5. INTEREST EXPENSE				
Effective interest expense:				
Regional and international bond markets	14 949 018	28 241 659	14 949 018	28 241 659
Interest on funds borrowed from:				
- Banks and financial institutions	173 783 680	185 435 346	173 295 917	185 127 199
- Amortisation of deferred borrowing costs	15 796 240	13 574 367	15 796 240	13 574 367
- Other institutions	9 263 197	13 939 077	9 263 197	13 939 077
	<hr/>	<hr/>	<hr/>	<hr/>
	213 792 135	241 190 449	213 304 372	240 882 302
	=====	=====	=====	=====
6. OTHER BORROWING COSTS				
Other costs**	7 569 004	46 486	7 569 004	46 486
Bank commission	100 629	1 794 201	100 629	1 794 201
	<hr/>	<hr/>	<hr/>	<hr/>
	7 669 633	1 840 687	7 669 633	1 840 687
	=====	=====	=====	=====

* 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. Included in 2025 is interest paid for amounts owed to shareholders who exited.

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

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
7. FEES AND COMMISSIONS INCOME				
Letter of credit fees in trade finance	2 915 118	6 220 843	2 915 118	6 220 843
Syndication fees in project finance	2 087 920	824 016	2 087 920	824 016
Other fees in trade finance	488 119	287 638	328 119	287 638
Commitment fees on project finance	406 170	586 912	406 170	586 912
Other project fees	150 293	63 528	150 293	63 528
Guarantee fees in project finance	114 397	-	114 397	-
Guarantee fees in trade finance	1 000	12 500	1 000	-
Commitment fees in trade finance	27 309	13 236	27 309	13 236
Syndication fees in trade finance	-	-	-	-
Letter of credit fees in project finance	9 026	-	9 026	-
	<u>6 199 352</u>	<u>8 008 673</u>	<u>6 039 352</u>	<u>7 996 173</u>
	=====	=====	=====	=====
8. RISK MITIGATION COSTS				
Insurance cover costs*	20 820 646	19 546 215	18 208 720	19 546 215
Risk participation costs**	884 375	(3 592 108)	884 375	545 736
	<u>21 705 020</u>	<u>15 954 107</u>	<u>19 093 095</u>	<u>20 091 951</u>
	=====	=====	=====	=====

2025, the insurance cover was USD 1.72 billion (December 2024: USD 1.52 billion; June 2024: USD 1.56 billion). The cover was taken with African Trade and Investment Development (ATIDI) - formerly African Trade Insurance Agency (ATI), 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 777.94 million (December 2024: USD 794.17 million; June 2024: USD 706.53 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

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
Realised gain on disposal of ESATF loan assets (Note 23)	12 685 068	-	-	-
Impaired assets recovered	4 737 489	-	4 737 489	-
Dividend income	2 475 324	1 233 260	2 475 324	1 233 260
Other income	1 084 540	726 954	931 730	209 208
Interest on staff loans	394 256	314 983	394 257	314 983
Rental income	103 561	125 370	103 561	125 370
	<hr/>	<hr/>	<hr/>	<hr/>
	21 480 238	2 400 567	8 642 361	1 882 821
	=====	=====	=====	=====

10. OPERATING EXPENSES

Staff costs (Note 11)	18 870 727	17 910 642	18 475 959	17 548 414
Consultants and advisers	4 049 808	2 606 938	3 944 808	2 552 404
Other operating expenses	2 416 113	2 020 659	1 546 828	1 352 456
Depreciation of property and equipment	1 075 306	1 060 561	1 075 306	1 060 561
Official missions	997 934	1 353 471	996 684	1 148 828
Business promotion	523 104	409 913	523 104	409 913
Board of Directors meetings	363 441	295 315	343 891	280 643
Board of Governors meetings	122 449	88 560	113 397	88 560
Audit fees	80 706	65 225	57 750	44 250
Short term leases and other rentals	56 532	86 156	56 532	86 156
Amortisation of intangible assets	13 824	74 837	13 824	74 837
Depreciation of right-of-use assets	12 393	12 393	12 393	12 393
Loss on disposal of property and equipment	2 022	2 703	2 022	2 703
	<hr/>	<hr/>	<hr/>	<hr/>
	28 584 359	25 987 373	27 162 498	24 662 118
	=====	=====	=====	=====

Auditors' Remuneration:

Audit Services:

Deloitte: Audit of Group consolidated and separate financial statements	91 706	65 225	68 750	44 250
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*Non-audit Services:**

Deloitte firms	9 314	7 598	9 314	7 598
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Total Deloitte Firms	101 020	72 823	78 064	51 848
	=====	=====	=====	=====

Non-Deloitte firms: Non-audit services	56 070	199 534	56 070	183 630
	=====	=====	=====	=====

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

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

11. STAFF COSTS

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
Salaries and wages	9 621 055	9 133 912	9 355 549	8 847 644
Staff reward and recognition scheme	2 792 446	3 167 802	2 792 446	3 167 802
Staff provident fund defined contribution plan	1 616 314	1 608 266	1 565 814	1 558 656
School fees for dependents	2 391 373	1 233 391	2 391 373	1 233 391
Medical costs	848 545	1 127 121	848 545	1 127 121
Other costs*	811 705	795 155	738 556	785 235
Service pay provision	721 353	779 710	707 548	763 280
Leave pay expense	67 936	65 285	76 128	65 285
	18 870 727	17 910 642	18 475 959	17 548 414
	=====	=====	=====	=====

*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	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
Other receivables (Note 24)*	15 357	2 500 140	15 357	2 500 140
	=====	=====	=====	=====

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

14. NET FOREIGN EXCHANGE LOSSES

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
Losses on cash items	(532 594)	(2 134 498)	(532 594)	(2 137 422)
Unrealized losses on non-cash items	(1 872 083)	(401 340)	(1 892 601)	(401 340)
	(2 404 677)	(2 535 838)	(2 425 195)	(2 538 762)
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

16. CASH AND BALANCES HELD WITH OTHER BANKS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
Current accounts	752 301 160	243 423 961	738 872 061	234 408 048
Call and term deposits with banks	811 104 845	1 408 109 006	776 624 808	1 397 884 595
	<hr/>	<hr/>	<hr/>	<hr/>
	1 563 406 005	1 651 532 967	1 515 496 869	1 632 292 643
	=====	=====	=====	=====
<i>Maturity Analysis*:</i>				
With less than 90 days maturity	1 434 495 506	1 198 858 759	1 434 495 506	1 179 618 435
With more than 90 days maturity	128 910 499	452 674 208	81 001 363	452 674 208
	<hr/>	<hr/>	<hr/>	<hr/>
	1 563 406 005	1 651 532 967	1 515 496 866	1 632 292 643
	=====	=====	=====	=====
(i) Current accounts:				
Amounts maintained in US Dollars (USD)	295 279 635	69 031 514	281 850 756	60 015 765
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts maintained in other currencies:				
Euro	290 504 266	23 562 298	290 504 164	23 562 208
Kenyan Shillings	79 306 399	510 369	79 306 399	510 369
Malawi Kwacha	74 716 418	85 332 329	74 716 418	85 332 329
Ethiopian Birr	4 889 635	1 727 115	4 889 635	1 727 115
Tanzania Shillings	4 345 149	4 853 807	4 345 149	4 853 807
Zambia Kwacha	1 384 909	2 656 320	1 384 909	2 656 320
Burundi Francs	1 149 691	1 114 677	1 149 691	1 114 677
United Arab Emirates Dirham	414 819	54 302 722	414 819	54 302 722
Seychelles Rupee	249 287	244 922	249 287	244 922
British Pounds	38 968	42 625	38 968	42 625
Mauritian Rupee	9 241	27 850	9 120	27 776
South African Rand	6 832	10 069	6 832	10 069
Zimbabwe Gold	4 087	1 341.99	4 087	1 342
Japanese Yen	1 049	970	1 049	970
Ugandan Shillings	970	5 217	970	5 217
Zimbabwe Dollar	(192)	(183)	(192)	(183)
	<hr/>	<hr/>	<hr/>	<hr/>
	457 021 525	174 392 448	457 021 305	174 392 284
	<hr/>	<hr/>	<hr/>	<hr/>
	752 301 160	243 423 961	738 872 061	234 408 048
	=====	=====	=====	=====

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

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

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

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
(ii) Call and term deposits with banks:				
United States Dollars (USD)	717 265 777	1 193 222 551	682 785 741	1 182 998 140
Amounts maintained in other currencies:				
Euro	3 476 635	186 453 443	3 476 635	186 453 443
United Arab Emirates Dirham	81 688 223	19 893 606	81 688 223	19 893 606
Ugandan Shillings	6 168 205	6 033 402	6 168 205	6 033 402
Sudanese Pounds	2 506 003	2 506 003	2 506 003	2 506 003
	93 839 066	214 886 455	93 839 066	214 886 455
	811 104 845	1 408 109 006	776 624 808	1 397 884 595
	=====	=====	=====	=====
(iii) Movement in over 90 days balances				
At the beginning of period	452 674 208	923 257 268	452 674 208	923 257 268
Additions	128 973 275	473 874 256	81 001 363	473 874 256
Maturities	(452 674 208)	(944 457 316)	(452 674 208)	(944 457 316)
	128 910 499	452 674 208	81 001 363	452 674 208
	=====	=====	=====	=====
(iv) Effective interest rates on deposits with banks			GROUP AND BANK	
			JUNE	DECEMBER
			2025	2024
			%	%
United States Dollars			4.41%	4.56%
Euro			2.12%	3.34%
United Arab Emirates Dirham			4.03%	3.94%
Ugandan Shillings*			13.35%	13.35%
Zambian Kwacha			20.15%	20.93%

* The Uganda Shillings rates did not change from December 2024 to June 2025.

17. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As at 30 June 2025, and 31 December 2024, 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 period end.

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
Currency forward exchange contracts				
Net opening balance at start of year	62 162 697	4 248 951	62 162 697	4 248 951
Contracts entered into during period-Net	33 906 000	33 680 651	33 906 000	33 680 651
Net amounts settled	(98 796 832)	(9 670 292)	(98 796 832)	(9 670 292)
Fair value (losses)/gains through profit or loss	(10 616 503)	33 903 387	(10 616 503)	33 903 387
Net closing balance as at end of period	(13 344 638)	62 162 697	(13 344 638)	62 162 697
	=====	=====	=====	=====

18. TRADE FINANCE LOANS

Principal loans	4 425 905 323	4 180 997 944	4 422 200 142	4 177 919 887
Interest receivable	753 607 358	607 934 311	753 607 358	607 934 311
Gross loans	5 179 512 681	4 788 932 256	5 175 807 500	4 785 854 199
Impairment on trade finance loans (Note 20)*	(209 298 131)	(186 861 359)	(209 021 910)	(186 615 354)
Net loans	4 970 214 550	4 602 070 897	4 966 785 590	4 599 238 845
	=====	=====	=====	=====

Analysis of gross loans by maturity:

Maturing:

Within one year	2 459 101 446	2 723 999 497	2 455 396 265	2 723 999 497
One to three years	2 705 813 898	1 981 637 912	2 705 813 898	1 978 559 855
Over three years	14 597 337	83 294 847	14 597 337	83 294 847
	5 179 512 681	4 788 932 256	5 175 807 500	4 785 854 199
	=====	=====	=====	=====

As at 30 June 2025, as disclosed in Note 48 (b) the Group and Bank gross non-performing trade finance loans (stage 3) amounted to USD 77,193,644 (December 2024- USD 93,194,175). The specific impairment provisions related to these loans amounted to USD 77,193,644 (December 2024 - USD 68,950,455) hence the carrying amount of the stage 3 loans amounted to Nil (December 2024- USD 24,243,720). The provisions related to stage 1 and stage 2 trade finance loans amounted to USD 132,104,487 (December 2024 - USD 117,910,904) for the Group. Stage 1 and 2 provisions for the Bank were USD 131,828,266 (December 2024 - USD 117,664,899).

*Includes impairment charge for off-balance sheet commitments.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROJECT LOANS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
Loans disbursed	5 608 059 568	5 300 376 414	5 608 059 568	5 300 376 414
Interest capitalized*	209 597 917	209 597 917	209 597 917	209 597 917
Loans repaid	(3 422 419 596)	(3 267 931 587)	(3 422 419 596)	(3 267 931 587)
Principal loan balances	2 395 237 889	2 242 042 744	2 395 237 889	2 242 042 744
Interest receivable	69 845 014	62 430 079	69 845 014	62 430 079
Gross loans	2 465 082 903	2 304 472 823	2 465 082 903	2 304 472 823
Impairment on project loans (Note 20)**	(94 099 909)	(66 322 503)	(94 099 909)	(66 322 503)
Net loans	2 370 982 994	2 238 150 320	2 370 982 994	2 238 150 320
Analysis of gross loans by maturity:				
<i>Maturing:</i>				
Within one year	907 251 476	834 622 548	907 251 476	834 622 548
One year to three years	1 057 083 848	838 753 937	1 057 083 848	838 753 937
Three to five years	346 018 158	426 660 845	346 018 158	426 660 845
Over five years	154 729 421	204 435 492	154 729 421	204 435 492
	2 465 082 903	2 304 472 822	2 465 082 903	2 304 472 822

* 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 48 (b) was USD 170,245,270 (December 2024 - USD 170,083,762). The impairment provisions on stage 3 loans amounted to USD 49,544,726 (December 2024 - USD 46,133,779) hence the carrying value of the loans amounted to USD 120,700,544 (December 2024 - USD 123,949,983). Stage 1 and 2 provisions for project finance loans amounted to USD 44,555,183 (December 2024 - USD 20,188,724).

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

	Project Finance Loans			GROUP Trade Finance Loans			Low Credit Risk Assets*	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		
As at 1 January 2024	36 455 655	1 309 329	37 764 984	185 318 666	4 067 184	189 385 850	8 792 889	235 943 723
Amount written off	-	-	-	(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
As at 31 December 2024	65 824 578	497 925	66 322 503	183 038 514	3 822 845	186 861 359	9 253 423	262 437 285
As at 1 January 2025	65 824 578	497 925	66 322 503	183 038 514	3 822 845	186 861 359	9 253 423	262 437 285
Amount written back	-	-	-	90 747	84 321	175 068	-	175 068
Charge for the period	26 165 735	1 611 671	27 777 406	19 889 187	2 372 517	22 261 704	1 434 137	51 473 247
As at 30 June 2025	91 990 313	2 109 596	94 099 909	203 018 448	6 279 683	209 298 131	10 687 560	314 085 600
<i>Prior period charge:</i>								
As at 30 June 2024	13 457 766	(292 372)	13 165 394	16 426 844	(2 027 395)	14 399 449	(258 129)	27 306 714

*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				
	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	Low Credit Risk Assets* USD	Total provisions USD
As at 1 January 2024	36 455 655	1 309 329	37 764 984	185 147 394	4 067 184	189 214 578	8 792 889	235 772 451
Amount written off	-	-	-	(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
As at 31 December 2024	65 824 578	497 925	66 322 503	182 792 509	3 822 845	186 615 354	9 253 423	262 191 280
As at 1 January 2025	65 824 578	497 925	66 322 503	182 792 509	3 822 845	186 615 354	9 253 423	262 191 280
Amount written off	-	-	-	-	-	-	-	-
Charge for the period	26 165 735	1 611 671	27 777 406	20 033 609	2 372 947	22 406 556	1 371 361	51 555 323
As at 30 June 2025	91 990 313	2 109 596	94 099 909	202 826 118	6 195 792	209 021 910	10 624 784	313 746 603
<i>Prior period charge:</i>								
As at 30 June 2024	13 457 766	(292 372)	13 165 394	16 293 669	(2 027 395)	14 266 274	(258 129)	27 173 539

*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)

21. INVESTMENTS IN GOVERNMENT SECURITIES

Held at Amortised Cost:	GROUP		BANK	
	JUNE 2025 USD	DECEMBER 2024 USD	JUNE 2025 USD	DECEMBER 2024 USD
Treasury Notes and Treasury Bills:				
At 1 January:	841 906 952	51 867 034	805 677 931	42 168 768
Additional investments	85 338 507	771 791 461	85 338 507	745 540 360
Interest earned	2 619 227	57 051 827	2 533 845	56 772 173
Maturities	(18 074 289)	(38 803 370)	(17 151 247)	(38 803 370)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December:	911 790 397	841 906 952	876 399 036	805 677 931
	=====	=====	=====	=====
ECL Impairment provisions	8 104 130	7 380 475	8 041 354	7 380 475
	=====	=====	=====	=====

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 20.11% (December 2024: 20.93%) while USD securities had an effective interest rate of 5.25% (December 2024: 4.56%).

22. INVESTMENTS IN CORPORATE BONDS

Held at Amortised Cost:	GROUP	
	JUNE 2025 USD	DECEMBER 2024 USD
At 1 January:	40 630 615	-
Investment in corporate bonds*	6 371 522	40 725 109
Interest earned	-	615 400
Impairment provision	538 715	(709 894)
	<hr/>	<hr/>
At end of period:	47 540 852	40 630 615
	=====	=====
<i>Movement in provisions:</i>		
As at 1 January	709 894	-
Charge for the period	(171 179)	709 894
	<hr/>	<hr/>
	538 715	709 894
	=====	=====

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 4.4% as 30 June 2025 (December 2024: 4.80%).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. TRADE FUND LOAN RECEIVABLES

	GROUP	
	JUNE 2025 USD	DECEMBER 2024 USD
Held at Fair Value Through Profit or Loss:		
At 1 January:	256 359 097	146 140 978
<i>Movement during the year:</i>		
Issue of loans	166 084 147	334 069 327
Disposal of loan participation	(164 439 045)	(245 199 556)
Unrealised gain on revaluation	1 664 401	7 896 904
Realised gain on disposal of loan participation	12 685 068	13 451 444
Net change in Trade Fund receivable	15 994 571	110 218 119
At end of period:	272 353 668	256 359 097
	=====	=====

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

24. OTHER RECEIVABLES	GROUP		BANK	
	JUNE 2025 USD	DECEMBER 2024 USD	JUNE 2025 USD	DECEMBER 2024 USD
Prepayments and other receivables*	57 021 836	73 719 174	67 582 650	84 849 462
Staff loans and advances**	24 083 558	23 558 615	24 083 558	23 558 615
Appraisal fees***	1 181 375	1 383 875	1 181 375	1 383 875
	82 286 768	98 661 664	92 847 583	109 791 952
	=====	=====	=====	=====
Appraisal fees receivable****				
At the beginning of the year	1 383 875	497 750	1 383 875	497 750
Accrued Income	(47 768)	3 631 485	(47 768)	3 631 485
Receipts	(139 375)	(245 220)	(139 375)	(245 220)
Written-off amounts (Note 13)	(15 357)	(2 500 140)	(15 357)	(2 500 140)
At the end of the period	1 181 375	1 383 875	1 181 375	1 383 875
	=====	=====	=====	=====
<i>Maturity analysis:</i>				
Amounts due within one year	61 461 126	78 158 464	72 021 940	89 183 284
Amounts due after one year	20 825 643	20 503 200	20 825 643	20 608 667
	82 286 768	98 661 664	92 847 583	109 791 952
	=====	=====	=====	=====

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

** Staff loan and advances are granted in accordance with the Staff Rules and Regulations approved by the Board of Directors. These staff loans and advances have various repayment terms ranging from 3 to 36 months. The interest rates for these loans ranges from 3% to 6%.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. EQUITY INVESTMENTS

	GROUP AND BANK						
(i) Equity participation:							
At fair value through OCI	Beginning	Additions/	Total Ending	Investment	Investment	Adjustment	TDB's
	Cost	(disposals)	Cost	Carrying Value	Carrying Value	for the	Share-
	USD	USD	USD	at Period End	Previous Year	Period	holding*
				USD	USD	USD	%
As at 30 June 2025 :							
African Export Import Bank	2 364 160	-	2 364 160	10 691 000	11 041 000	(350 000)	0.14
PTA Reinsurance (ZEP-RE)	31 938 654	-	31 938 654	48 566 000	50 826 000	(2 260 000)	17.93
African Trade & Investment Development Insurance	1 000 000	-	1 000 000	1 117 000	1 407 000	(290 000)	0.22
Gulf African Bank	1 978 734	-	1 978 734	2 626 000	2 372 000	254 000	5.23
Pan African Housing Fund	761 042	-	761 042	65 957	76 001	(10 044)	1.00
Cable and Wireless	2 729 000	-	2 729 000	1 964 880	1 970 338	(5 458)	2.80
Nouvobanq	-	520 000	520 000	520 000	-	-	n/a
TOTAL	40 771 590	520 000	41 291 590	65 550 837	67 692 339	(2 661 502)	
	=====	=====	=====	=====	=====	=====	
As at 31 December 2024 :							
African Export Import Bank	2 364 160	-	2 364 160	11 041 000	8 099 000	2 942 000	0.15
PTA Reinsurance (ZEP-RE)	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	0.995
Cable and Wireless	2 729 000	-	2 729 000	1 970 338	2 729 000	(758 662)	2.8
TOTAL	40 782 979	(11 389)	40 771 590	67 692 339	71 880 869	(4 177 141)	
	=====	=====	=====	=====	=====	=====	

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. EQUITY INVESTMENTS (Continued)	GROUP AND BANK	
	JUNE 2025 USD	DECEMBER 2024 USD
(ii) Installments paid:		
Total subscribed capital*	42 667 726	42 136 337
Less: Installments not due – Note 25(iii)	(1 376 136)	(1 364 747)
	<hr/>	<hr/>
Installments paid as at end of period– Note 25 (iv)	41 291 590	40 771 590
	=====	=====
(iii) Unpaid subscriptions at period-end rates comprised**:		
African Export Import Bank	1 200 000	1 200 000
Pan African Housing Fund	176 136	164 747
	<hr/>	<hr/>
	1 376 136	1 364 747
	=====	=====
(iv) Movement in the installments paid:		
At beginning of period	40 771 590	40 782 979
Additions at cost – Note 25(i)	520 000	-
Divestiture– Note 25(i)	-	(11 389)
	<hr/>	<hr/>
At end of period	41 291 590	40 771 590
	=====	=====

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(a) TDB Subsidiaries (continued)

(ii) Trade and Development Fund (TDF)

In its first year of operation, TDF had a nominal share capital of USD 1 and was 100% owned by TDB. During 2023, TDB invested USD 8.5 million in share capital in TDF. Later TDB's Member States invested directly into TDF, bringing the total investment to USD 9,916,866 as at 30 June 2025. 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 period to 30 June 2024, the Bank invested a further USD 41,096 in ESAIF. However, in the absence of any positive turnaround during the period, ESAIF remains impaired, and hence the carrying value is NIL. The impairment for 2024 was charged to Bank's profit and loss on Page 10.

(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 23.93% (December 2024: 30.83%) 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)

place of business of TCI is Ebene, Mauritius. TCI provides risk mitigation services for its parent company TDB and other related group entities, primarily focusing on insurance services for financial assets. TCI has a 31 December year end for reporting purposes.

(vi) COMESA Infrastructure Fund (CIF)

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(b) TDB Investment in subsidiaries

As at 30 June 2025:	TDF No. of shares	ESATAL No. of shares	ESATF No. of shares	TCI No. of shares	TOTAL No. of shares
<i>Subsidiary's Issued Shares:</i>					
As at 1 January 2025	9 916 866	139 967	221 846 468	80 000 000	311 903 301
Subscriptions during the period	479 166	-	67 572 413	-	68 051 579
Increase in NAV	-	-	11 548 131	-	11 548 131
	=====	=====	=====	=====	=====
Total issued and fully paid	10 396 032	139 967	300 967 012	80 000 000	391 503 011
	=====	=====	=====	=====	=====
TDB's share	86.41%	100%	23.93%	100%	
Fully paid	8 569 378	139 967	108 067 154	80 000 000	196 776 499
	=====	=====	=====	=====	=====
Non-controlling interest*	1 826 654	-	192 899 858	-	194 726 512
	=====	=====	=====	=====	=====
	USD	USD	USD	USD	USD
<i>Share capital:</i>					
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
	=====	=====	=====	=====	=====
As at 31 December 2024:					
<i>Subsidiary's Issued Shares:</i>					
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
As at 1 January 2024	9 913 265	139 967	141 192 655	30 000 000	181 245 887
Subscriptions during the period	3 601	-	135 107 173	50 000 000	185 110 774
Redemption of shares during the period	-	-	(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
	=====	=====	=====	=====	=====
	USD	USD	USD	USD	USD
<i>Share capital:</i>					
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
	=====	=====	=====	=====	=====

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

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

As at 30 June 2025	TDF USD	ESATF USD	TOTAL USD
(i) Statement of Financial Position			
Total assets	12 020 930	309 111 989	321 132 919
Total liabilities	(7 177 677)	(8 144 876)	(15 322 553)
	<hr/>	<hr/>	<hr/>
Net assets	4 843 253 =====	300 967 113 =====	305 810 366 =====
Attributable to owners of the Bank	4 185 055	108 067 255	112 252 310
Non-controlling interest	658 198	192 899 858	193 558 056
	<hr/>	<hr/>	<hr/>
	4 843 253 =====	300 967 113 =====	305 810 366 =====
(ii) Statement of Profit and Loss and Other Comprehensive			
Income	271 515	14 396 546	14 668 061
Expenditure	(393 304)	(2 848 415)	(3 241 719)
	<hr/>	<hr/>	<hr/>
Comprehensive (loss)/income for the period	(121 789) =====	11 548 131 =====	11 426 342 =====
Attributable to owners of the Bank	(105 238)	2 763 468	2 658 230
Non-controlling interest	(16 551)	8 784 663	8 768 112
	<hr/>	<hr/>	<hr/>
	(121 789) =====	11 548 131 =====	11 426 342 =====
(iii) Statement of Cash Flows			
Net cash generated from (used in) operating activities	4 764 075	(4 062 742)	701 333
Net cash generated from financing activities	-	67 572 413	67 572 413
	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	4 764 075	63 509 671	68 273 746
Cash and cash equivalents at beginning of period	3 664 144	(29 305 948)	(25 641 804)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	8 428 219 =====	34 203 723 =====	42 631 942 =====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

As at 31 December 2024

	TDF USD	ESATF USD	TOTAL USD
(i) Statement of Financial Position			
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	28 946 710	33 392 600
Non-controlling interest	699 220	192 899 858	193 599 078
	<hr/>	<hr/>	<hr/>
	5 145 110	221 846 568	226 991 678
	=====	=====	=====
(ii) Statement of Profit and Loss and Other			
Income	435 576	21 267 253	21 702 829
Expenditure	(1 324 951)	(4 876 458)	(6 201 409)
	<hr/>	<hr/>	<hr/>
Comprehensive (loss)/income for the year	(889 375)	16 390 795	15 501 420
	=====	=====	=====
Attributable to owners of the Bank	(768 509)	3 922 317	3 153 808
Non-controlling interest	(120 866)	12 468 478	12 347 612
	<hr/>	<hr/>	<hr/>
	(889 375)	16 390 795	15 501 420
	=====	=====	=====
(iii) Statement of Cash Flows			
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 year	-	(9 530 491)	(9 530 491)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	3 664 144	(29 305 948)	(25 641 804)
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. PROPERTY AND EQUIPMENT

	GROUP AND BANK					
	Freehold land USD	Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
As at 30 June 2025						
COST						
As at 1 January 2025	142 110	35 180 949	1 363 183	3 044 492	6 447 576	46 178 310
Additions	-	243 016	-	56 726	228 610	528 352
Disposals	-	-	-	(3 292)	(33 556)	(36 848)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2025	142 110	35 423 965	1 363 183	3 097 926	6 642 630	46 669 814
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
As at 1 January 2025	-	2 067 274	1 097 419	1 706 581	3 884 013	8 755 287
Charge for the year	-	415 414	47 814	92 963	519 115	1 075 306
Disposals	-	-	-	(2 570)	(32 256)	(34 826)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 June 2025	-	2 482 688	1 145 233	1 796 974	4 370 872	9 795 767
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE	142 110	32 941 277	217 950	1 300 952	2 271 758	36 874 047
	=====	=====	=====	=====	=====	=====

None of the assets have been pledged to secure borrowings of the Group (December 2024: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. PROPERTY AND EQUIPMENT (Continued)

	GROUP AND BANK					
As at 31 December 2024	Freehold Land USD	Buildings USD	Motor vehicles USD	Furniture and fittings USD	Office equipment USD	Total USD
COST						
As at 1 January 2024	142 110	41 739 588	1 206 757	2 903 544	6 161 804	52 153 803
Derecognition*	-	(8 065 936)	-	-	-	(8 065 936)
Additions	-	1 507 297	156 426.00	140 953	307 367	2 112 043
Disposals	-	-	-	(5)	(21 595)	(21 600)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2024	142 110	35 180 949	1 363 183	3 044 492	6 447 576	46 178 310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
As at 1 January 2024	-	9 279 132	1 008 828	1 530 056	2 913 987	14 732 003
Derecognition*	-	(8 065 936)	-	-	-	(8 065 936)
Additions	-	854 078	88 591	176 530	988 912	2 108 111
Disposals	-	-	-	(5)	(18 886)	(18 891)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2024	-	2 067 274	1 097 419	1 706 581	3 884 013	8 755 287
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE	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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INVESTMENT PROPERTY

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

As at 30 June 2025

	USD	USD	USD
COST/FAIR VALUE			
As at 1 January 2025	5 736 218	3 187 772	8 923 990
Additions	-	29 484	29 484

As at 30 June 2025

5 736 218 3 217 256 8 953 474
=====

As at 31 December 2024

COST/FAIR VALUE			
As at 1 January 2024	5 009 560	3 011 356.00	8 020 916
Revaluation	719 370	-	719 370
Additions	7 288	176 416	183 704

As at 31 December 2024

5 736 218 3 187 772 8 923 990
=====

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

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 103,561 (December 2024: USD 435,574).

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

Fair Valuation:

The fair valuation of the Nairobi and Bujumbura properties will be done in December 2025. For December 2024, however:

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 indicated that Commercial Office rental rates had remained stable, with minimal fluctuations throughout the year and a 0.2% decrease in rental yields. Consequently, no fair value adjustment was recognised for the Nairobi property as at 31 December 2024 and at 30 June 2025.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. RIGHT-OF-USE ASSETS

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

	GROUP		BANK	
	JUNE 2025 USD	DECEMBER 2024 USD	JUNE 2025 USD	DECEMBER 2024 USD
COST				
At the beginning of the year	2 453 865	2 453 865	2 453 865	2 453 865
Movement during the period	-	-	-	-
	<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/>
AMORTISATION				
At the beginning of the period	225 145	200 358	225 145	200 358
Charge for the period	12 393	24 787	12 393	24 787
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	237 538	225 145	237 538	225 145
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At the end of the period	2 216 327	2 228 720	2 216 327	2 228 720
	=====	=====	=====	=====
<i>Amounts recognised in profit and loss:</i>				
Depreciation expense on right-of-use assets	12 393	24 787	12 393	24 787
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the period	12 393	24 787	12 393	24 787
	=====	=====	=====	=====

The lease relates to the leasehold land for the Nairobi Office property.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. INTANGIBLE ASSETS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
COST	USD	USD	USD	USD
At the beginning of the year	32 187	4 733 657	32 187	4 733 657
Write-offs	-	(4 701 470)	-	(4 701 470)
	=====	=====	=====	=====
At the end of the period	32 187	32 187	32 187	32 187
	=====	=====	=====	=====
AMORTISATION				
At the beginning of the year	2 304	4 538 373	2 304	4 538 373
Write-offs	-	(4 688 395)	-	(4 688 395)
Charge for the period	13 824	152 326	13 824	152 326
	=====	=====	=====	=====
At the end of the period	16 128	2 304	16 128	2 304
	=====	=====	=====	=====
NET BOOK VALUE				
At the end of the period	16 059	29 883	16 059	29 883
	=====	=====	=====	=====

Intangible assets relate to cost of acquired computer software.

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

31. COLLECTION ACCOUNT DEPOSITS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
At beginning of the year	172 330 020	289 437 554	172 330 020	289 437 554
Increase	73 128 234	120 701 756	73 128 234	120 701 756
Reduction	(81 861 013)	(237 809 290)	(81 861 013)	(237 809 290)
	=====	=====	=====	=====
At end of the year	163 597 241	172 330 020	163 597 241	172 330 020
	=====	=====	=====	=====

Collection account deposits are collections against loans that are short-term in nature and represent deposits collected by the Group on behalf of the customers from proceeds of Group funded commodities to be applied on loan repayments as they fall due.

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32. SHORT TERM BORROWINGS

	Date of Renewal/ Advance	Maturity Date	Currency	GROUP AND BANK	
				JUNE 2025 USD	DECEMBER 2024 USD
Global Syndication 2024	Dec-24	Nov-27	USD	1 000 000 000	1 000 000 000
Global Syndication 2022	Dec-22	Dec-25	USD	517 484 377	494 949 725
Global Syndication 2023	Dec-23	Dec-26	USD	506 251 085	506 923 424
Asia Syndication 2022	Aug-22	Jul-25	USD	500 000 000	500 000 000
National Bank of Ethiopia	May-25	Apr-26	USD	301 000 000	301 000 000
China Export and Import Bank	Sep-22	Sep-25	USD	300 000 000	300 000 000
Mashreq Bank	Nov-23	Aug-25	USD	195 435 152	186 126 652
Sumurai 2021	Mar-24	Nov-26	USD	195 000 000	195 000 000
Commerzbank	Jun-22	Jul-27	USD	183 385 660	176 937 800
The Bank of Tokyo Mitsubishi UFJ, Ltd	May-23	Jun-26	USD	100 000 000	250 000 000
British International Investment plc	Dec-23	Dec-26	USD	100 000 000	100 000 000
Cassa Depositi e Prestiti	Jan-21	Dec-26	EUR	66 409 000	82 868 000
Standard Chartered Bank London	Jun-22	Dec-25	USD	50 000 000	50 000 000
African Development Bank	Jul-22	Jan-26	USD	50 000 000	50 000 000
Citibank	Jun-25	Jun-26	USD	50 000 000	-
NORFUND	Jul-24	Jul-25	USD	40 000 000	40 000 000
Nedbank	Aug-22	Aug-25	USD	35 000 000	35 000 000
Nouvbank	Mar-25	Aug-25	EUR	30 011 797	13 819 000
Africa 50 Financement de Projets	Feb-25	Jul-25	USD	26 202 812	11 682 252
Banque Nationale du Rwanda	Jan-25	Jul-25	USD	10 000 000	10 000 000
African Trade & Investment Development Insurance	Jun-25	Jul-25	USD	8 092 910	7 125 658
Agency Syndications	Jun-25	Jul-25	USD	6 835 997	-
African Economic Research Consortium	Jun-25	Jun-26	USD	3 415 319	-
Kenya Commercial Bank	Jul-24	Jul-25	USD	490 763	50 491 144
Abu Dhabi Exports Office	Apr-24	Apr-25	USD	-	75 000 000
Sub total for other short term borrowings				4 275 014 872	4 436 923 655
Interest payable				54 055 145	45 850 712
TOTAL SHORT TERM BORROWINGS				4 329 070 017	4 482 774 367
				=====	=====
Amount due within one year				3 231 522 729	3 231 522 729
Amount due after one year				1 097 547 288	1 251 251 638
				4 329 070 017	4 482 774 367
				=====	=====

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. PROVISION FOR SERVICE AND LEAVE PAY	GROUP		BANK	
	JUNE 2025 USD	DECEMBER 2024 USD	JUNE 2025 USD	DECEMBER 2024 USD
(i) PROVISION FOR SERVICE PAY				
At 1 January	10 774 921	10 000 942	10 668 050	9 938 723
Increase in provision	721 353	1 484 280	707 548	1 453 816
Payment of service pay	(191 624)	(710 301)	(191 624)	(724 489)
At end of period	11 304 650	10 774 921	11 183 974	10 668 050
	=====	=====	=====	=====
(ii) PROVISION FOR LEAVE PAY				
At 1 January	2 949 595	3 049 571	2 872 214	2 973 164
Increase in provision	85 977	58 080	76 129	58 080
Payment of leave pay	(51 583)	(158 055)	(33 543)	(159 030)
At end of period	2 983 989	2 949 595	2 914 799	2 872 214
	=====	=====	=====	=====
TOTAL PROVISION FOR SERVICE AND LEAVE P	14 288 639	13 724 517	14 098 773	13 540 264
	=====	=====	=====	=====

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

34. NON CONTROLLING INTEREST PAYABLES	GROUP			
	As at 30 June 2025		As at 31 December 2024	
Redeemable Participating Shares:	No. of Shares	USD	No. of Shares	USD
As at 1 January	1 606 918	221 846 468	1 123 391	141 192 655
Shares issued	479 166	67 572 413	1 006 298	135 107 173
Redemption of shares		-	(522 771)	(70 844 155)
Increase in Net Asset Value		11 548 131		16 390 795
As at end of period	2 086 084	300 967 012	1 606 918	221 846 468
	=====	=====	=====	=====
TDB Group Share 29.80% (December 2024: 30.83%)		108 067 154		68 395 196
		=====		=====
Non -controlling interest		192 899 858		153 451 272
		=====		=====
<i>Maturity Analysis:</i>				
Amounts due within one year		-		-
Amounts due after one year		192 899 858		153 451 272
		192 899 858		153 451 272
		=====		=====

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.

TDB owns 23.93% while TCI and ESATAL participation is 4.30% and 4.57% respectively. TCI and ESATAL invested in 2025 hence nil in 2024

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. REDEEMABLE PARTICIPATING SHARES (Continued)

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

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

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
Other creditors	112 270 865	68 420 884	113 881 042	52 382 829
Repurchased shares	208 454 122	4 403 217	208 454 122	4 403 217
Provident fund*	77 423 209	80 876 220	77 423 209	80 876 220
Deferred fees - trade finance	71 134 088	73 451 831	71 112 162	73 451 831
Deferred fees - project finance	20 654 049	-	20 654 049	16 982 653
Dividend payable	10 730 247	10 730 247	10 730 247	10 730 247
Accrued long term incentive scheme	6 084 564	9 343 754	6 084 564	9 343 754
Accrued reward & recognition	3 387 847	3 189 617	3 387 847	3 189 617
Accrued fees - trade finance	176 566	287 652	176 566	287 652
Accrued expenses	257 139	277 214	257 139	277 214
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	313	1 542	313	1 542
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER PAYABLES	510 672 013	251 081 182	512 260 264	252 025 780
	=====	=====	=====	=====
<i>Analysis of other payables by maturity:</i>				
Amounts due within one year	419 009 804	195 266 974	456 446 076	196 211 571
Amounts due after one year	91 662 209	55 814 208	55 814 188	37 949 590
	<hr/>	<hr/>	<hr/>	<hr/>
	510 672 013	251 081 182	512 260 264	252 025 780
	=====	=====	=====	=====

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

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36. LONG TERM BORROWINGS

Lender	Date of Renewal/ disbursement	Maturity Date	Currency	Amount in Currency	GROUP AND BANK As at 30 June 2025		
					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 I	Jul-20	Jun-30	EUR	334 434 877	387 526 414	77 505 283	310 021 131
MIGA Guaranteed Syndicated II	Dec-23	Jun-30	EUR	315 185 651	365 221 373	36 500 625	328 720 748
Standard Chartered Bank -ICIEC	Jun-25	Nov-34	EUR	250 000 000	289 687 500	-	289 687 500
Japan International Cooperation Agency - JICA Facility	Feb-24	Dec-36	EUR	150 000 000	173 812 500	-	173 812 500
Sumitomo Mitsui Banking Corporation	Aug-24	Jul-29	USD	150 000 000	150 000 000	33 333 333	116 666 667
Agence Francaise De Development	Dec-17	Jun-36	USD	129 540 224	129 540 224	9 971 212	119 569 012
African Development Bank	Nov-08	Feb-32	USD	115 000 000	115 000 000	25 000 000	90 000 000
Sumitomo Mitsui Banking Corporation-SACE Push Facility -	Apr-24	Mar-34	EUR	100 000 000	115 875 000	-	115 875 000
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	90 000 000	104 287 500	26 071 875	78 215 625
European Investment Bank	Aug-16	Nov-33	USD	89 886 021	89 886 021	14 907 228	74 978 793
KfW	Dec-13	Nov-36	USD	79 865 682	79 865 682	15 238 095	64 627 587
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	75 560 000	75 560 000	2 698 571	72 861 429
BADEA Hybrid Capital-Long Term Borrowing	Mar-25	Mar-55	USD	57 400 000	57 400 000	-	57 400 000
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	38 020 833	38 020 833	18 541 667	19 479 166
Opec Fund for International Development	Mar-19	Sep-32	USD	30 000 000	30 000 000	-	30 000 000
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	29 411 765	34 080 885	6 816 176	27 264 709
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	28 319 760	28 319 760	6 292 724	22 027 036
Industrial Development Corporation	Mar-18	Feb-26	USD	22 686 275	13 408 691	13 408 691	-
Development Bank of the Republic of Belarus -1	Jun-20	Apr-25	USD	19 880 276	19 880 276	19 880 276	-
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	14 705 882	14 705 882	2 941 176	11 764 706
Development Finance institute Canada -FinDev Canada	Nov-21	Nov-29	USD	13 142 857	13 142 857	2 666 667	10 476 190
World Bank Facility-Technical Assistance Facility	Jan-21	Aug-58	USD	12 156 778	12 156 778	-	12 156 778
Japan International Cooperation Agency-Mizuho Bank Facility	Mar-25	Oct-37	USD	8 340 490	8 340 490	-	8 340 490
British International Investment	Oct-16	May-26	USD	8 333 333	8 333 333	8 333 333	-
African Economic Research Consortium	Nov-19	Nov-26	USD	56 449	56 449	56 449	-
					3 004 108 448	320 163 381	2 683 945 067
					=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS (Continued)

	GROUP AND BANK		
	As at 30 June 2025		
	Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
Total for long term borrowings	3 004 108 448	320 163 381	2 683 945 067
Interest payable	22 985 271	22 985 271	-
Total long term borrowings	3 027 093 719	343 148 652	2 683 945 067
Deferred expenditure *	(107 133 238)	(24 007 115)	(83 126 123)
	2 919 960 481	319 141 537	2 600 818 944
	=====	=====	=====

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.

*Deferred expenditure relates to costs associated with long-term borrowings which are amortised over the life of the facilities.

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36. LONG TERM BORROWINGS (Continued)

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	-	650 000 000.00
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
Industrial 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	-	12 156 778.00
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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS (Continued)

	GROUP AND BANK		
	As at 31 December 2024		
	Balance outstanding USD	Amount due within one year USD	Amount due after one Year USD
Total for long term borrowings	2 600 061 631	178 576 047	2 421 485 584
Interest payable	25 928 870	25 928 870	-
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>
	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.

*Deferred expenditure relates to costs associated with long-term borrowings which are amortised over the life of the facilities.

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37. COVENANTS ATTACHED TO BORROWINGS

As at 30 June 2025, TDB had the following covenants with its lenders.

GROUP AND BANK

Facility Amount	Term	Capital Adequacy Ratio (Tier I/Tier I & II)	Non-performing Loans	Liquid Assets	Tangible Net Worth (USD Million)	Open Asset Exposure (Tier I/Tier I & II)	Single Country Net Exposure	Single Country Gross Exposure	Single Party Net exposure (Investment Grade 30%)	Liquidity Cover - 1.79 Borrowing Limit - 62.7% Debt to Tier I Capital - 3.48 Single Group - 22% Single Sector - 27% Cost to Income - 19% Un-hedged Currency Position - 9% Aggregate maturity gap - 50%
TDB Actual Ratios		34.1 % / 34.8%	3.24%	15.00%	2 123	5.8% / 5.7%	19%	16%	24%	As above
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%)
USD 50,000,000	05/2018-12/2025	>25%	<8%	>10%	-	<25%	<25%	-	<25%/30%	Debt to Equity <5:1; 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)

GROUP AND BANK										
Facility Amount	Term	Capital Adequacy Ratio (Tier I/Tier I & II)	Non-performing Loans	Liquid Assets	Tangible Net Worth (USD Million)	Open Asset Exposure (Tier I/Tier I & II)	Single Country Net Exposure	Single Country Gross Exposure	Single Party Net exposure (Investment Grade 30%)	Borrowing Limit - 56.4% Liquidity Cover - 1.94 Cost to Income - 14% Aggregate Maturity Gap - 69% Single Group - 22% Un-hedged Currency Position - 9%
TDB Actual Ratios		34.1 % / 34.8%	3.24%	15.0%	2 123	5.8% / 5.7%	19%	16%	24%	As above
USD 150,000,000	08/2020-08/2035	>30%	-	-	-	<25%	<30%	-	<25%/30%	-
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 30 June 2025

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL

	BANK As at 30 June 2025			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Authorised capital:				
176,468 Class 'A' ordinary shares of USD 22,667 each	4 000 000 156	-	-	4 000 000 156
220,585 Class 'B' ordinary shares of USD 4,533.40	-	1 000 000 039	-	1 000 000 039
220,585 Class 'C' ordinary shares of USD 4,533.40	-	-	1 000 000 039	1 000 000 039
Less: Unsubscribed				
- Class 'A'	(1 085 771 967)	-	-	(1 085 771 967)
- Class 'B'	-	(916 489 951)	-	(916 489 951)
- Class 'C'	-	-	(991 141 775)	(991 141 775)
Subscribed capital:				
128,567 Class 'A' ordinary shares of USD 22,667 each	2 914 228 189	-	-	2 914 228 189
18,421 Class 'B' ordinary shares of USD 4,533.40	-	83 510 088	-	83 510 088
1,954 Class 'C' ordinary shares of USD 4,533.40 each	-	-	8 858 264	8 858 264
Less: Callable capital	(2 331 382 550)	-	-	(2 331 382 550)
Payable capital	582 845 639	83 510 088	8 858 264	675 213 991
Less: Amounts not yet due	(137 859 807)	-	-	(137 859 807)
Capital due	444 985 832	83 510 088	8 858 264	537 354 184
Less: subscriptions in arrears	(203 614)	-	-	(203 614)
Paid up capital (Note 54)	444 782 218	83 510 088	8 858 264	537 150 570
	=====	=====	=====	=====
Number of shares attributable to the share capital:	128 567	18 421	1 954	148 942
	=====	=====	=====	=====

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. 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

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 2024			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Authorised capital:				
176,468 Class 'A' ordinary shares of USD 22,667 each	4 000 000 156	-		4 000 000 156
220,585 Class 'B' ordinary shares of USD 4,533.40	-	1 000 000 039	-	1 000 000 039
220,585 Class 'C' ordinary shares of USD 4,533.40	-	-	1 000 000 039	1 000 000 039
Less: Unsubscribed				
- 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)
Subscribed capital:				
128,330 Class 'A' ordinary shares of USD 22,667 each	2 914 228 189	-	-	2 914 228 189
32,983 Class 'B' ordinary shares of USD 4,533.40 each	-	149 076 880		149 076 880
4,195 Class 'C' ordinary shares of USD 4,533.40 each	-	-	8 858 264	8 858 264
Less: Callable capital	(2 331 382 550)	-		(2 331 382 550)
Payable capital	582 845 639	149 076 880	8 858 264	740 780 782
Less: Amounts not yet due	(137 859 807)	-		(137 859 807)
Capital due	444 985 832	149 076 880	8 858 264	602 920 976
Less: subscriptions in arrears	(203 614)	-	-	(203 614)
Paid up capital (Note 54)	444 782 218	149 076 880	8 858 264	602 717 362
	=====	=====	=====	=====
Number of shares attributable to the share capital:	128 567	32 884	1 954	163 405
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

	BANK As at 30 June 2025			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Movement in paid - up share capital				
At beginning of year	444 782 218	149 076 880	8 858 264	602 717 362
AGDF Corporate Trust Ltd (Rwanda)	-	(2 665 639)	-	(2 665 639)
Banco Nacional de Investimento	-	(4 220 614)	-	(4 220 614)
Board of Trustees of the National Social Security Tanzania	-	(6 609 697)	-	(6 609 697)
Caisse Nationale de la Sécurité Sociale (Djibouti)	-	(5 213 418)	-	(5 213 418)
National Pension Fund (Mauritius)	-	(9 819 385)	-	(9 819 385)
National Social Security Fund (Uganda)	-	(15 608 562)	-	(15 608 562)
Rwanda Social Security Board	-	(16 542 450)	-	(16 542 450)
Seychelles Pension Fund	-	(4 887 027)	-	(4 887 027)
Total movement during the period	-	(65 566 792)	-	(65 566 792)
At end of period	444 782 218	83 510 088	8 858 264	537 150 570
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

	BANK			TOTAL USD
	CLASS 'A' USD	As at 31 December 2024 CLASS 'B' USD	CLASS 'C' USD	
Movement in paid - up share capital				
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 movement during the year	10 244 407	(448 844)	(10 159 384)	(363 821)
At end of year	444 782 218	149 076 880	8 858 264	602 717 362

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

SHARE PREMIUM

As at 30 June 2025	Number of Shares	BANK Share Value USD	Price Paid USD	Share Premium USD
Share Premium - Class B:				
As at 1 January 2025	32 884	149 076 880	312 237 879	163 160 999
Maturities/disposals	(14 463)	(65 566 792)	(244 963 811)	(179 397 019)
Share appreciation at disposal*	-	-	109 905 393	109 905 393
As at end of period	18 421	83 510 088	177 179 461	93 669 373
	=====	=====	=====	=====
Share Premium - Class C:				
As at 1 January 2025	1 954	8 858 264	29 995 854	21 137 590
Movement	-	-	-	-
As at end of period	1 954	8 858 264	29 995 854	21 137 590
	=====	=====	=====	=====
Share Premium - Class A:				
As at 1 January 2025	128 566	73 609 019	201 782 820	122 027 664
Movement	-	-	-	-
As at end of period	128 566	73 609 019	201 782 820	122 027 664
	=====	=====	=====	=====
TOTAL PREMIUM				
As at 30 June 2025	148 941	165 977 371	408 958 135	236 834 627
	=====	=====	=====	=====
Additional premium for the period:				
Additions	-	-	-	-
Maturities/disposals	(14 463)	(65 566 792)	(244 963 811)	(179 397 019)
Net movement	(14 463)	(65 566 792)	(244 963 811)	(179 397 019)
	=====	=====	=====	=====
Share premium disposal			(135 058 418)	(69 491 626)
			=====	=====
Share appreciation at disposal			109 905 393	109 905 393
			=====	=====

***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. During the period, the Bank, therefore, repurchased 14,463 Class 'B' shares, at a price of USD 244,963,811 resulting in share appreciation of USD 109,905,393 (December 2024: 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)

As at 31 December 2024	Number of Shares	Share Value USD	BANK Price Paid USD	Share Premium USD
Share Premium - Class B:				
As at 1 January 2024	32 983	149 525 723	294 306 944	144 781 221
Additions – Cash paid	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
Share Premium - Class C:				
As at 1 January 2024	4 195	19 017 648	27 379 779	8 362 131
Additions – Cash paid	2 203	9 987 080	27 278 769	17 291 689
Maturities/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
Share Premium - Class A:				
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 year	128 566	73 609 019	201 782 820	122 027 664
TOTAL PREMIUM				
As at 31 December 2024	163 404	231 544 163	544 016 553	306 326 253
Additional premium for the year				
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

Nature and purpose of the share premium

Class 'B' and Class 'C' shares are issued at a premium of USD 16,937.24 (December 2024: USD 16,937.24) 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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

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

As at 30 June 2025, there were 128,567 Class 'A' ordinary shares (2024: 128,567), 18,421 Class 'B' ordinary shares (December 2024: 32,884) and 1,954 Class 'C' ordinary shares (December 2024: 1,954). 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 shareholder.

DIVIDEND

	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
Dividend on ordinary shares declared and paid:		
Final dividend for 2024: Nil (2023: USD 377.70 per share)		
Declared and paid	-	11 340 525
Declared and allocated to Members' capital subscriptions	-	27 427 793
Declared and not paid/payable	-	10 730 247
	<hr/>	<hr/>
	-	49 498 565
	=====	=====
Dividends proposed	-	-
	=====	=====

Where applicable, 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. HYBRID EQUITY INSTRUMENT

In March 2025, TDB issued a USD 100,000,000 Non-Call 5-Year Deeply Subordinated Fixed Rate Step-Up Notes (Hybrid Capital Instrument) with USD 42,600,000 equity component and USD 57,400,000 (Note 36) liability component with a coupon of 8.5% per annum and maturity of 30 years. The equity and liability have been recognised through other reserves and long-term borrowings respectively.

The Bank has the sole and absolute discretion to call or redeem the hybrid capital or on the occurrence of certain events or repurchase events and to pay the discretionary coupon and principal to the holders. The discretionary coupon is non-accruing and would only be deemed payable to the holders, if and only if declared and approved by the Bank. If a trigger event occurs, payment of the discretionary coupon must be canceled.

Based on its terms, the hybrid capital meets the definition of equity under IFRS and was consequently classified and presented under equity in the financial statements. As such, all amounts received from the issue and all payment amounts including transaction costs and discretionary coupons, would be directly recorded in equity. Also, the hybrid capital would be recorded at historical cost and would not be remeasured over time.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

39. HYBRID EQUITY INSTRUMENT

Details of the Subordinated Notes and Hybrid Capital are presented below.

	BANK	
	JUNE 2025	DECEMBER 2024
Initial date of issue	10 Mar 2025	-
First call date	11 Mar 2030	-
Step-up date	10 Mar 2035	-
Maturity	10 Mar 2055	-
Coupon rate until Step-up date	8.50%	-
Coupon rate from step-up date to maturity	9.50%	-
	USD	USD
Initial nominal value	42 600 000 =====	- =====
Carrying amount as at end of period	42 600 000 =====	- =====
Coupon	1 036 008 =====	- =====

The fixed discretionary coupon rate on the hybrid capital, which is payable semi-annually, has a reset mechanism on the first step-up date of February 2035 and thereafter at a reset rate of 9.5%. If the hybrid capital is not called or redeemed at the first call date, the coupon rate would be reset in line with the above stated mechanism.

The first Hybrid Capital Discretionary coupon of USD 1,036,008 was paid to Hybrid Capital investors from equity of the Bank.

40. FAIR VALUE RESERVE

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

41. 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)

42. NOTES TO THE STATEMENT OF CASH FLOWS:

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
(a) Cash generated from/ (used in) operations:		Restated*		Restated*
Profit for the period	90 612 791	91 217 033	77 520 996	78 638 659
<i>Adjustments:</i>				
Depreciation on property and equipment	1 075 306	1 060 561	1 075 306	1 060 561
Depreciation of right of use assets	12 393	12 393	12 393	12 393
Amortisation of intangible assets	13 824	74 837	13 824	74 837
Loss from disposal of property and equipment	2 022	2 703	2 022	2 703
Losses on foreign exchange	2 404 677	2 535 838	2 425 195	2 538 762
Unrealized losses on non-cash items	(1 872 083)	(401 340)	(1 892 601)	(401 340)
Interest income	(396 991 018)	(370 315 064)	(394 681 259)	(369 161 291)
Interest expense	213 792 135	241 190 449	213 304 372	240 882 302
Dividend income	(2 475 324)	(1 233 260)	(2 475 324)	(1 233 260)
Provision for impairment on loans and advances	46 054 922	29 884 610	46 199 344	29 751 435
Increase in provision for service and leave pay	320 915	532 347	333 342	496 077
Provision for impairment on low credit risk and off-balance sheet items	5 418 325	(2 577 896)	5 355 979	(2 577 896)
Other financial assets written-off	15 357	2 500 140	15 357	2 500 140
Impairment of corporate bonds	(538 715)	-	-	-
Loss before working capital changes	(42 154 471)	(5 516 648)	(52 791 053)	(17 415 917)
Increase in bank balances with more than 90 days to maturity*	323 763 709	882 363 662	371 672 845	882 363 662
Decrease/(increase) in other receivables	16 374 896	(10 120 126)	16 944 369	(1 971 123)
(Increase) in Trade Fund receivables	(15 994 571)	(34 241 378)	-	-
Decrease/(Increase) in derivatives financial instruments - Assets	62 162 697	(22 204 973)	62 162 697	(22 204 973)
Increase in derivatives financial instruments - Liabilities	13 344 638	-	13 344 638	-
(Increase) in trade finance loans	(285 288 227)	(129 870 370)	(284 773 395)	(130 172 435)
(Increase) in project loans	(122 790 688)	(202 191 905)	(122 790 688)	(202 191 905)
(Decrease) in collection accounts deposits	(8 732 779)	(144 623 775)	(8 732 779)	(144 623 775)
Increase in non-controlling payables	39 448 586	12 665 519	-	-
Increase in other payables	259 590 831	(17 494 285)	260 234 484	(25 085 961)
Provision for service and leave pay paid	243 207	156 324	225 167	166 244
Increase/(decrease) in borrowings - Note 42 (b)	230 385 113	(812 534 381)	230 385 112	(812 448 581)
Net cash generated from/(used in) operations*	470 352 940	(483 612 335)	485 881 397	(473 584 764)
	=====	=====	=====	=====

* Details of restatement are disclosed in note 55.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
(b) Analysis of changes in borrowings:				
Short term borrowings:				
At beginning of year	4 482 774 367	4 379 401 963	4 482 774 367	4 379 401 963
Loans received	610 458 289	824 751 929	610 458 289	824 751 929
Repayments	(764 162 639)	(1 032 000 802)	(764 162 639)	(1 032 000 802)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	4 329 070 017	4 172 153 090	4 329 070 017	4 172 153 090
	<hr/>	<hr/>	<hr/>	<hr/>
Long term borrowings:				
At beginning of year	2 530 610 185	2 966 360 186	2 530 610 185	2 966 360 186
Loans received	643 762 060	349 411 462	643 762 060	349 411 462
Repayments	(254 411 764)	(892 601 572)	(254 411 764)	(892 601 572)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2 919 960 481	2 423 170 076	2 919 960 481	2 423 170 076
	<hr/>	<hr/>	<hr/>	<hr/>
Total at end of year	7 249 030 498	6 595 323 166	7 249 030 498	6 595 323 166
	<hr/>	<hr/>	<hr/>	<hr/>
Total at beginning of year	7 013 384 552	7 345 762 149	7 013 384 552	7 345 762 149
	<hr/>	<hr/>	<hr/>	<hr/>
Decrease/(increase) in total borrowings	235 645 946	(750 438 983)	235 645 946	(750 438 983)
Accrued interest expense	(5 260 833)	(62 095 398)	(5 260 834)	(62 009 598)
	<hr/>	<hr/>	<hr/>	<hr/>
	230 385 113	(812 534 381)	230 385 112	(812 448 581)
	<hr/>	<hr/>	<hr/>	<hr/>
(c) Analysis of cash and cash equivalents				
Less than 90 days to maturity (Note 48)	1 434 495 506	978 717 552	1 434 495 506	957 405 330
More than 90 days to maturity (Note 16)	128 910 499	40 893 606	81 001 363	40 893 606
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and balances with other banks (Note 16)	1 563 406 005	1 019 611 158	1 515 496 869	998 298 936
	<hr/>	<hr/>	<hr/>	<hr/>

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending

As at 30 June 2025 the following facilities were available to the Group and Bank for lending:

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Euro bond	650 000 000	650 000 000	-
World Bank Facility-Infrastructure Facility	400 000 000	75 560 000	324 440 000
MIGA Guaranteed Syndicated facility -II	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 -I	340 404 750	340 404 750	-
Standard Chartered Bank -ICIEC	289 687 500	289 687 500	-
African Development Bank	230 000 000	220 000 000	10 000 000
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	-
SACE-Sumitomo Mitsui Banking Corporation	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
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 Economic Development in Africa	65 000 000	65 000 000	-
BADEA Hybrid Capital-Long Term Borrowing	57 400 000	57 400 000	-
Cassa Depositi e Prestiti	56 640 000	56 640 000	-
Finnish Export Credit-Sumitomo Mitsui Banking Corporation	56 634 521	56 634 521	-
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-FinDev Canada	20 000 000	20 000 000	-
World Bank Facility-Technical Assistance Facility	15 000 000	12 156 778	2 843 222
Japan International Cooperation Agency-Mizuho Bank Facility	14 400 000	8 340 490	6 059 510
Export-Import Bank of the United States	No limit	-	No limit
	4 825 187 901	3 537 879 504	1 287 308 397
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending (continued)

As at 30 June 2025 (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 2022	517 484 377	517 484 377	-
Global Syndication 2023	506 251 085	506 251 085	-
Syndicated Loan 2022 - Asia	500 000 000	500 000 000	-
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	100 000 000	150 000 000
Sumitomo Mitsui Banking Corporation Euro	200 000 000	-	200 000 000
Mashreq Bank	195 435 152	195 435 152	-
Samurai 2021	195 000 000	195 000 000	-
Commerzbank	183 385 660	183 385 660	-
Standard Chartered Bank London	150 000 000	50 000 000	100 000 000
Citibank	120 000 000	50 000 000	70 000 000
British International Investment PLC	100 000 000	100 000 000	-
Mauritius Commercial Bank	75 000 000	-	75 000 000
Cassa Depositi e Prestiti	66 409 000	66 409 000	-
ING Bank	57 937 500	-	57 937 500
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	-
Nedbank	35 000 000	35 000 000	-
Emirates NBD Group	35 000 000	-	35 000 000
BHF Bank	34 762 500	-	34 762 500
Nouvbanq	30 011 796	30 011 796	-
KBC Bank	28 968 750	-	28 968 750
Africa 50 Financement de Projets	26 202 812	26 202 812	-
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 Nationale Du Rwanda	10 000 000	10 000 000	-
African Trade & Investment Development Insurance	8 092 910	8 092 910	-
Banque de Commerce de placement	8 086 500	-	8 086 500
Agency Syndications	6 835 997	6 835 997	-
African Economic Research Consortium	3 415 319	3 415 319	-
Kenya CommercialBank	490 764	490 764	-
	5 129 928 348	4 275 014 872	854 913 476
	=====	=====	=====
TOTAL FACILITIES			
As at 30 June 2025	9 955 116 249	7 812 894 376	2 142 221 873
	=====	=====	=====

Note:

Facilities utilised include outstanding letters of credit amounting to USD 286,530,550 (June 2024: USD 235,452,843 and December 2024: USD 242,155,443) - Note 45.

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

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

(d) Facilities available for lending (continued)

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending (continued)

As at 30 June 2024 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2022	861 863 566	861 863 566	-
Global Syndication 2023	508 607 352	508 607 352	-
Syndicated Loan 2022 - Asia	500 000 000	500 000 000	-
Global Syndication 2021	345 048 151	345 048 151	-
National Bank of Ethiopia	301 000 000	301 000 000	-
Chian Export-Import Bank	300 000 000	300 000 000	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	220 000 000	220 000 000	-
Kenya Commercial Bank	213 539 601	213 539 601	-
Sumitomo Mitsui Banking Corporation Euro	200 000 000	-	200 000 000
Mashreq Bank	200 000 000	50 000 000	150 000 000
Standard Chartered Bank London	150 000 000	150 000 000	-
Citibank	120 000 000	-	120 000 000
Samurai 2021	115 000 000	115 000 000	-
Cassa Depositi e Prestiti	107 100 000	107 100 000	-
British International Investment PLC	100 000 000	100 000 000	-
Commerzbank	95 920 000	95 920 000	-
Mauritius Commercial Bank	75 000 000	-	75 000 000
Abu Dhabi Commercial Bank	75 000 000	75 000 000	-
Nedbank	60 000 000	60 000 000	-
ING Bank	53 567 500	-	53 567 500
African Development Bank	50 000 000	50 000 000	-
Mizuho Bank London	50 000 000	-	50 000 000
NORFUND	40 000 000	40 000 000	-
Emirates NBD Group	35 000 000	-	35 000 000
BHF Bank	32 140 500	-	32 140 500
Nouvbanq	28 298 828	28 298 828	-
KBC Bank	26 783 750	-	26 783 750
Africa 50 Financement de Projets	19 382 976	19 382 976	-
DZ Bank	15 158 226	-	15 158 226
Rand Merchant Bank	15 000 000	-	15 000 000
Absa Bank	15 000 000	-	15 000 000
Banque de Commerce de placement	8 987 500	-	8 987 500
African Trade Insurance Agency	7 006 190	7 006 190	-
Banque Commerciale du Burundi	3 011 406	3 011 406	-
	4 947 415 546	4 150 778 070	796 637 476
TOTAL FACILITIES			
As at 30 June 2024	9 351 120 947	7 252 843 652	2 098 277 295

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

As at 30 June 2025	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Trade Fund loan receivables	-	272 353 668	-	272 353 668
Equity investments at fair value through OCI	1 964 880	-	63 585 957	65 550 837
<i>Non-financial assets:</i>				
Investment property	-	-	8 953 474	8 953 474
	1 964 880	272 353 668	72 539 431	346 857 979
	=====	=====	=====	=====
<i>Financial Liabilities:</i>				
Derivative financial instruments	13 344 638	-	-	13 344 638
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. 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 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>
	=====	=====	=====	=====

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

As at 30 June 2025	BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Equity investments at fair value through OCI	1 964 880	-	63 585 957	65 550 837
<i>Non-financial assets:</i>				
Investment property	-	-	8 953 474	8 953 474
	<u>1 964 880</u>	<u>-</u>	<u>72 539 431</u>	<u>74 504 311</u>
	=====	=====	=====	=====
<i>Financial liabilities:</i>				
Net derivative financial instruments	13 344 638	-	-	13 344 638
	<u>13 344 638</u>	<u>-</u>	<u>-</u>	<u>13 344 638</u>
	=====	=====	=====	=====

As at 31 December 2024

<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>
	=====	=====	=====	=====

There were no transfers in between fair value hierarchy levels.

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. 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 1,964,880 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

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

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

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

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

As at 30 June 2025	GROUP				
	Level 1 USD	Level 2 USD	Level 3 USD	Fair value USD	Carrying value USD
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1 563 406 005	1 563 406 005	1 563 406 005
Project and Trade finance loans	-	-	7 341 197 544	7 341 197 544	7 341 197 544
Investment in Government securities	-	-	911 790 397	911 790 397	911 790 397
Investment in Corporate Bonds	-	-	47 540 852	47 540 852	47 540 852
Other receivables	-	-	82 286 768	82 286 768	82 286 768
Other assets	-	-	39 106 433	39 106 433	39 106 433
	-	-	9 985 328 000	9 985 328 000	9 985 328 000
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	163 597 241	163 597 241	163 597 241
Short term and long term borrowings	-	-	7 249 030 497	7 249 030 497	7 249 030 497
Other payables and provisions	-	-	703 571 871	703 571 871	703 571 871
	-	-	8 116 199 609	8 116 199 609	8 116 199 609
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

	Level 1 USD	Level 2 USD	GROUP Level 3 USD	Fair value USD	Carrying value USD
As at 31 December 2024					
Cash and balances held with other banks	-	-	1 651 532 967	1 651 532 967	1 651 532 967
Project and Trade finance loans	-	-	6 840 221 216	6 840 221 216	6 840 221 216
Investment in Government securities	-	-	841 906 952	841 906 952	841 906 952
Other receivables	-	-	98 661 664	98 661 664	98 661 664
Other assets	-	-	37 452 906	37 452 906	37 452 906
	-	-	9 469 775 705	9 469 775 705	9 469 775 705
	=====	=====	=====	=====	=====
<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
	=====	=====	=====	=====	=====
As at 30 June 2025			BANK Level 3 USD	Fair value USD	Carrying value USD
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1 434 495 506	1 434 495 506	1 434 495 506
Project and Trade finance loans	-	-	7 337 768 584	7 337 768 584	7 337 768 584
Investment in Government securities	-	-	876 399 036	876 399 036	876 399 036
Other receivables	-	-	92 847 583	92 847 583	92 847 583
Other assets	-	-	178 585 013	178 585 013	178 585 013
	-	-	9 920 095 722	9 920 095 722	9 920 095 722
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	163 597 241	163 597 241	163 597 241
Short term and long term borrowings	-	-	7 249 030 497	7 249 030 497	7 249 030 497
Other payables and provisions	-	-	526 359 037	526 359 037	526 359 037
	-	-	7 938 986 776	7 938 986 776	7 938 986 776
	=====	=====	=====	=====	=====
As at 31 December 2024					
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1 632 292 643	1 632 292 643	1 632 292 643
Project and Trade finance loans	-	-	6 837 389 164	6 837 389 164	6 837 389 164
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
	-	-	9 564 311 897	9 564 311 897	9 564 311 897
	=====	=====	=====	=====	=====
<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
	-	-	7 451 280 617	7 451 280 617	7 451 280 617
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. 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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Unobservable Inputs Sensitivity Analysis (continued)

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

GROUP:	Valuation	As at 30 June 2025	Effect of 5%	As at 31 December 2024	Effect of 5%
		Carrying USD	USD	Carrying USD	USD
Derivative financial instruments	System-built Model	-	-	62 162 697	3 108 135
Trade Fund loan receivables	Similar Companies	272 353 668	13 617 683	256 359 097	12 817 955
Equity investments at FVOCI	EV/EBITDA Multiple	63 585 957	3 179 298	65 722 001	3 286 100
Investment property	Property Rentals	8 953 474	447 674	8 923 990	446 200
		<u>344 893 099</u>	<u>17 244 656</u>	<u>393 167 785</u>	<u>19 658 389</u>
		=====	=====	=====	=====
BANK:					
Derivative financial instruments	System-built Model	-	-	62 162 697	3 108 135
Equity investments at FVOCI	EV/EBITDA Multiple	63 585 957	3 179 298	65 722 001	3 286 100
Investment property	Property Rentals	8 953 474	447 674	8 923 990	446 200
		<u>72 539 431</u>	<u>3 626 973</u>	<u>136 808 688</u>	<u>6 840 434</u>
		=====	=====	=====	=====

Level 3 reconciliation

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

	GROUP AND BANK		
	Equity Investments USD	Investment Property USD	Total USD
As at 31 December 2024			
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)	719 370	(3 457 771)
	<u>67 692 339</u>	<u>8 923 990</u>	<u>76 616 329</u>
	=====	=====	=====
As at 30 June 2025			
As at 1 January	67 692 339	8 923 990	76 616 329
Additions	520 000	29 484	549 484
Disposals	-	-	-
Total fair value losses	(2 661 502)	-	(2 661 502)
	<u>65 550 837</u>	<u>8 953 474</u>	<u>74 504 311</u>
	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. 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 Comoros, Eswatini, Malawi, Madagascar, Mauritius, Mozambique, Seychelles, Zambia and Zimbabwe.
- Central and West Africa — covering Comoros, Mauritius, Madagascar, Mozambique and Seychelles.
- Central and West 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)

44. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME

	Trade finance USD	Project finance USD	GROUP AND BANK Corporate USD	Subsidiaries USD	Total USD
For the period ended 30 June 2025					
Gross interest income	234 885 709	105 528 362	54 267 188	2 309 759	396 991 018
Interest expense	(126 182 980)	(56 690 903)	(30 430 489)	(487 763)	(213 792 135)
Net interest income	108 702 729	48 837 459	23 836 699	1 821 996	183 198 883
Other borrowing costs	-	-	(7 669 633)	-	(7 669 633)
Fee and commission income	4 167 152	1 872 200	-	160 000	6 199 352
Fair value loss on financial assets-derivatives	(7 325 387)	(3 291 116)	-	-	(10 616 503)
Fair value gains on financial assets-ESATF loans	-	-	-	1 664 401	1 664 401
Risk mitigation costs	(10 828 881)	(4 865 149)	(3 399 065)	(2 611 925)	(21 705 020)
Other income	-	-	8 642 362	12 837 876	21 480 238
Other assets written-off	-	-	(15 357)	-	(15 357)
Operating expenses	(2 858 853)	(1 284 412)	(21 917 710)	(1 421 861)	(27 482 836)
Depreciation and amortisation	-	-	(1 101 523)	-	(1 101 523)
Impairment on assets	(26 165 735)	(20 033 609)	(1 371 362)	82 076	(47 488 630)
Impairment on off-balance sheet commitments	(1 611 671)	(2 372 947)	-	-	(3 984 618)
Impairment on corporate bonds	-	-	-	538 715	538 715
Foreign exchange gain	-	-	(2 425 195)	20 518	(2 404 677)
Profit/(loss) for year	64 079 354	18 862 426	(5 420 784)	13 091 796	90 612 791
	=====	=====	=====	=====	=====
For the period ended 30 June 2024					
Gross interest income	197 795 340	106 809 483	64 556 468	1 153 773	370 315 064
Interest expense	(129 952 357)	(70 174 273)	(40 755 673)	(308 146)	(241 190 449)
Net interest income	67 842 982	36 635 211	23 800 795	845 627	129 124 615
Other borrowing costs	-	-	(1 840 687)	-	(1 840 687)
Fee and commission income	5 192 320	2 803 853	-	12 500	8 008 673
Fair value gains on financial assets-derivatives	-	-	19 328 969	-	19 328 969
Fair value gains on financial assets-ESATF loans	-	-	-	8 479 068	8 479 068
Risk mitigation costs	(10 824 479)	(5 845 218)	(3 376 448)	4 092 038	(15 954 107)
Other income	-	-	1 882 821	517 746	2 400 567
Other assets written-off	(1 623 468)	(876 672)	-	-	(2 500 140)
Operating expenses	(2 704 728)	(1 460 553)	(20 542 644)	(1 279 448)	(25 987 373)
Depreciation and amortisation	745 319	402 472	(1 147 791)	-	0
Impairment on assets	(17 837 522)	(13 349 635)	3 935 862	(133 175)	(27 384 470)
Impairment on off-balance sheet commitments	2 285 524	292 372	(2 500 140)	-	77 756
Foreign exchange gain	-	-	(2 538 762)	2 924	(2 535 838)
Profit/(loss) for year	43 075 950	18 601 829	17 001 975	12 537 280	91 217 033
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2025	2024	2025	2024
	USD	USD	USD	USD
Gross Interest income from major groups				
Groups contributing 10% or more of revenue	179 620 199	51 426 779	179 620 199	51 426 779
All other customers	217 370 819	318 888 285	215 061 060	317 734 512
	<u>396 991 018</u>	<u>304 702 658</u>	<u>394 681 259</u>	<u>304 604 823</u>
	=====	=====	=====	=====

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 :	Trade finance	Project finance	Corporate	Subsidiaries	Total
	USD	USD	USD	USD	USD
Assets:					
banks	2 506 003	-	1 512 990 866	47 909 136	1 563 406 005
Investment in Government securities	-	-	876 399 036	35 391 361	911 790 397
Investment in corporate bonds	-	-	-	47 540 852	47 540 852
Other receivables	-	-	92 847 583	(10 560 815)	82 286 768
Trade Fund loan receivables	-	-	-	272 353 668	272 353 668
Trade finance loans	4 966 785 590	-	-	3 428 960	4 970 214 550
Project loans	-	2 370 982 994	-	-	2 370 982 994
Equity investments - at FVOCI	-	65 550 837	-	-	65 550 837
Property and equipment	-	-	36 874 047	-	36 874 047
Investment property	-	-	8 953 474	-	8 953 474
Right of use asset	-	-	2 216 327	-	2 216 327
Intangible assets	-	-	16 059	-	16 059
Total Assets	<u>4 969 291 593</u>	<u>2 436 533 831</u>	<u>2 530 297 392</u>	<u>396 063 162</u>	<u>10 332 185 979</u>
	=====	=====	=====	=====	=====
Liabilities:					
Short term borrowings	4 329 070 017	-	-	-	4 329 070 017
Long term borrowings	-	2 919 960 481	-	-	2 919 960 481
Collection account deposits	163 597 241	-	-	-	163 597 241
Derivative financial instruments	13 344 638	-	-	-	13 344 638
Provision for service and leave pay	-	-	14 098 773	189 866	14 288 639
Non-controlling interest payables	-	-	-	192 899 858	192 899 858
Other payables	-	-	512 260 264	(1 588 251)	510 672 013
Total Liabilities	<u>4 506 011 896</u>	<u>2 919 960 481</u>	<u>526 359 037</u>	<u>191 501 473</u>	<u>8 143 832 887</u>
	=====	=====	=====	=====	=====
Shareholders' funds	-	-	2 115 532 310	-	2 115 532 310
Non-controlling Interest	-	-	-	72 820 781	72 820 781
Total Equity	<u>-</u>	<u>-</u>	<u>2 115 532 310</u>	<u>72 820 781</u>	<u>2 188 353 091</u>
	=====	=====	=====	=====	=====
Total Equity and Liabilities	<u>4 506 011 896</u>	<u>2 919 960 481</u>	<u>2 641 891 348</u>	<u>264 322 253</u>	<u>10 332 185 978</u>
	=====	=====	=====	=====	=====

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

44. SEGMENT REPORTING (Continued)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024	Trade finance USD	Project finance USD	Other USD	Subsidiaries USD	Total USD
Assets:					
banks	2 506 002	-	1 629 786 640	19 240 325	1 651 532 967
Investment in Government securities	-	-	805 677 930	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 FVOCI	-	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
Total Assets	4 663 907 544	2 305 842 659	2 593 862 138	344 160 823	9 907 773 164
	=====	=====	=====	=====	=====
Liabilities:					
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
Total Liabilities	4 655 104 387	2 530 610 185	265 566 044	152 690 927	7 603 971 543
	=====	=====	=====	=====	=====
Shareholders' funds	-	-	2 260 515 725	-	2 260 515 725
Non-controlling Interest	-	-	-	43 285 896	43 285 896
Total Equity	-	-	2 260 515 725	43 285 896	2 303 801 621
	=====	=====	=====	=====	=====
Total Liabilities and Equity	4 655 104 387	2 530 610 185	2 526 081 769	195 976 823	9 907 773 164
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)

44. SEGMENT REPORTING (Continued)

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

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2025	GROUP AND BANK					Total Lending Operations USD	Corporate USD	Subsidiaries USD	Consolidated/ Group Total USD
	East Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi Regional USD				
Interest income	84 216 053	135 186 008	94 255 747	10 209 476	16 546 787	340 414 071	54 267 188	2 309 759	396 991 018
Interest expense	(49 550 717)	(50 685 322)	(61 478 791)	(8 615 457)	(12 543 596)	(182 873 883)	(30 430 489)	(487 763)	(213 792 135)
Net interest income	34 665 336	84 500 686	32 776 956	1 594 019	4 003 191	157 540 188	23 836 699	1 821 996	183 198 883
Other borrowing costs	-	-	-	-	-	-	(7 669 633)	-	(7 669 633)
Fees and commission	3 129 511	2 119 334	748 128	42 379	-	6 039 352	-	160 000	6 199 352
FV gains on financial assets - derivatives	-	(10 616 503)	-	-	-	(10 616 503)	-	-	(10 616 503)
FV gains on financial assets - ESATF	-	-	-	-	-	-	-	1 664 401	1 664 401
Net trading income	37 794 847	76 003 517	33 525 084	1 636 398	4 003 191	152 963 037	16 167 066	3 646 397	172 776 500
Risk mitigation risk	(3 351 135)	(7 037 576)	(5 192 967)	(112 352)	-	(15 694 030)	(3 399 065)	(2 611 925)	(21 705 020)
Other income	-	-	-	-	-	-	8 642 363	12 837 876	21 480 239
Depreciation and amortisation	-	-	-	-	-	-	(1 101 523)	-	(1 101 523)
Operating expenses	(548 370)	(362 218)	(875 421)	(234 409)	(2 122 849)	(4 143 267)	(21 917 710)	(1 421 862)	(27 482 839)
Impairment on assets	(6 654 977)	(11 248 741)	(10 120 882)	(5 864 483)	(16 294 878)	(50 183 961)	(1 371 362)	82 076	(51 473 247)
Impairment on other assets	-	-	-	-	-	-	(15 357)	-	(15 357)
Impairment on corporate bonds	-	-	-	-	-	-	-	538 715	538 715
Foreign exchange gain	-	-	-	-	-	-	(2 425 195)	20 518	(2 404 677)
Profit for the year	27 240 365	57 354 982	17 335 814	(4 574 846)	(14 414 536)	82 941 779	(5 420 784)	13 091 796	90 612 791

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024	GROUP AND BANK							Subsidiaries	Consolidated/ Group Total
	East Africa Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi-Regional USD	Total Lending Operations USD	Corporate USD		
Interest income	103 111 946	99 027 579	78 431 523	11 303 491	12 730 284	304 604 823	64 556 468	1 153 773	370 315 064
Interest expense	(67 087 174)	(65 342 492)	(51 806 849)	(7 443 768)	(8 446 346)	(200 126 629)	(40 755 673)	(308 146)	(241 190 448)
Net interest income	36 024 772	33 685 087	26 624 674	3 859 723	4 283 938	104 478 194	23 800 795	845 627	129 124 616
Other borrowing costs	-	-	-	-	-	-	(1 840 687)	-	(1 840 687)
Fees and commission income	1 578 667	5 356 391	291 079	149 161	620 875	7 996 173	-	12 500	8 008 673
FV gains on financial assets - derivatives	-	-	-	-	-	-	19 328 969	-	19 328 969
FV gains on financial assets - ESATF	-	-	-	-	-	-	-	8 479 068	8 479 068
Net trading income	37 603 439	39 041 478	26 915 753	4 008 884	4 904 813	112 474 367	41 289 077	9 337 195	163 100 639
Risk mitigation risk	(4 838 937)	(5 589 885)	(6 240 875)	-	-	(16 669 697)	(3 376 448)	4 092 038	(15 954 107)
Other income	-	-	-	-	-	-	1 882 821	517 746	2 400 567
Depreciation and amortisation	-	-	-	-	-	-	(1 147 791)	-	(1 147 791)
Operating expenses	(184 671)	(327 233)	(662 033)	(204 715)	(1 638 839)	(3 017 491)	(20 542 644)	(1 279 448)	(24 839 583)
Impairment on assets	(12 338 670)	(11 590 315)	(16 848 111)	7 267 023	2 400 672	(31 109 401)	3 935 862	(133 175)	(27 306 714)
Impairment on other assets	-	-	-	-	-	-	(2 500 140)	-	(2 500 140)
Foreign exchange gain	-	-	-	-	-	-	(2 538 762)	2 924	(2 535 838)
Profit for the year	20 241 161	21 534 045	3 164 734	11 071 192	5 666 646	61 677 778	17 001 975	12 537 280	91 217 033
	=====	=====	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. CONTINGENCIES AND COMMITMENTS

	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
(a) Approved Capital Expenditure		
Approved but not contracted	2 672 164	3 144 957
	=====	=====
Approved and contracted	557 836	2 112 043
	=====	=====
(b) Loans Committed but not Disbursed		
Project loans	70 297 558	68 092 427
Trade finance loans	1 208 520	55 931 995
	=====	=====
	71 506 078	124 024 422
	=====	=====
(c) Letters of Credit and Guarantees*		
Letters of credit - Project loans	-	-
- Trade loans	286 530 550	235 452 843
	=====	=====
	286 530 550	235 452 843
Guarantees	6 702 600	6 702 600
	=====	=====
	293 233 150	242 155 443
	=====	=====
(d) Unpaid capital subscriptions		
Equity investments (Note 25)	1 376 136	1 364 747
	=====	=====

*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 30 June 2025, there were no material legal proceedings involving the Group (December 2024: 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)

46. 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 five 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) Loans with Member States	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
Outstanding loans at 1 January	3 767 061 119	3 620 690 457
Loans disbursed during the period	1 330 871 163	357 992 489
Loan repaid during the period	(216 758 426)	(211 621 827)
	<hr/>	<hr/>
Outstanding balances at end of period	4 881 173 856	3 767 061 119
	=====	=====
ECL Provisions	119 273 196	97 583 762
	=====	=====

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.

(c) Borrowings from Member States	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
Outstanding borrowings at 1 January	177 500 000	200 000 000
Borrowings received during the period	7 375 190	13 294 305
Borrowings repaid during the period	(19 875 190)	(35 794 305)
	<hr/>	<hr/>
Outstanding balances at end of period	165 000 000	177 500 000
	=====	=====

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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46. RELATED PARTY TRANSACTIONS (Continued)

	GROUP AND BANK	
	JUNE 2025 USD	JUNE 2024 USD
(d) Income and Expenses		
Interest income from loans to members earned during the year	183 479 227 =====	146 630 969 =====
Interest expense on borrowings from members incurred during the year	(6 644 806) =====	(7 398 452) =====
Fees and commissions	4 814 949 =====	2 422 773 =====
(e) Other Related Parties		
The remuneration of members of key management staff during the year was as follows:		
Salaries and other short-term benefits	2 293 650	2 115 671
Defined contribution provident fund	328 665	346 523
Board of Directors' and Board of Governors' allowances	142 650	348 680
Post-employment benefits: Other long term employee benefits	130 433	136 108
	<hr/>	<hr/>
	2 895 398 =====	2 946 982 =====
(f) Subsidiaries		
	BANK	
	JUNE 2025 USD	JUNE 2024 USD
Payable to subsidiaries	9 334 115 =====	28 375 809 =====
Receivable from subsidiaries	10 678 634 =====	17 065 564 =====
Income from related parties	1 962 405 =====	1 113 741 =====
Expenses for related parties	(124 708) =====	(1 113 741) =====

These relate to the Bank's balances with subsidiaries.
The balances have been eliminated on consolidation at Group level.

(g) Share Capital

During 2024, 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 30 June 2025 and as at 31 December 2024 was thus, NIL.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

47. CURRENCY

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

	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
British Pound	0.7354	0.7982
Euro	0.8630	0.9654
United Arab Emirates Dirham	3.6725	3.6731
South Africa Rand	17.7527	18.8008
Zambian Kwacha	23.5250	27.8838
Zimbabwe Gold	26.9457	25.7985
Mauritian Rupee	45.3678	46.9500
Kenya Shilling	129.2000	129.2900
Ethiopian Birr	135.9258	126.7070
Japanese Yen	145.0400	157.2400
Zimbabwe Dollar	306.7197	306.7197
Sudanese Pound	647.8102	647.8102
Malawi Kwacha	1 733.5000	1 734.0000
Tanzania Shilling	2 653.7500	2 408.8150
Burundi Franc	2 927.1499	2 906.5054
Uganda Shilling	3 598.9250	3 679.3350
	=====	=====

48. 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.

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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48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Risk measurement and reporting systems

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

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

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

(b) Credit risk

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

Credit risk appetite

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

All limits were within approved risk appetite thresholds as at 30 June 2025.

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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48. 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

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 52 and 53 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 45(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)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	GROUP							
	As at 30 June 2025				As at 31 December 2024			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:								
LCC1-LCC2/Very low risk	1 990 840 467	-	-	1 990 840 467	1 832 832 439	-	-	1 832 832 439
LCC3-LCC4/Low-moderate risk	-	303 997 166	-	303 997 166	-	301 556 622	-	301 556 622
LCC5-LCC7/High risk	-	-	170 245 270	170 245 270	-	-	170 083 762	170 083 762
Gross amount	1 990 840 467	303 997 166	170 245 270	2 465 082 903	1 832 832 439	301 556 622	170 083 762	2 304 472 823
Loss allowance	(16 479 788)	(28 075 395)	(49 544 726)	(94 099 909)	(13 602 021)	(6 586 703)	(46 133 779)	(66 322 503)
Net carrying amount	1 974 360 679	275 921 771	120 700 544	2 370 982 994	1 819 230 418	294 969 919	123 949 983	2 238 150 320
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
LCC1-LCC2/Very low risk	2 281 368 067	-	-	2 281 368 067	2 160 714 051	-	-	2 160 714 051
LCC3-LCC4/Low-moderate risk	-	2 820 950 970	-	2 820 950 970	-	2 535 024 030	-	2 535 024 030
LCC5-LCC7/High risk	-	-	77 193 644	77 193 644	-	-	93 194 175	93 194 175
Gross amount	2 281 368 067	2 820 950 970	77 193 644	5 179 512 681	2 160 714 051	2 535 024 030	93 194 175	4 788 932 256
Loss allowance	(15 979 555)	(116 124 932)	(77 193 644)	(209 298 131)	(15 469 322)	(102 441 582)	(68 950 455)	(186 861 359)
Net carrying amount	2 265 388 512	2 704 826 038	-	4 970 214 550	2 145 244 729	2 432 582 448	24 243 720	4 602 070 897
	=====	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2025				BANK			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:								
LCC1-LCC2/Very low risk	1 990 840 467	-	-	1 990 840 467	1 832 832 439	-	-	1 832 832 439
LCC3-LCC4/Low-moderate risk	-	303 997 166	-	303 997 166	-	301 556 622	-	301 556 622
LCC5-LCC7/High risk	-	-	170 245 270	170 245 270	-	-	170 083 762	170 083 762
Gross amount	1 990 840 467	303 997 166	170 245 270	2 465 082 903	1 832 832 439	301 556 622	170 083 762	2 304 472 823
Loss allowance	(16 479 788)	(28 075 395)	(49 544 726)	(94 099 909)	(13 602 021)	(6 586 703)	(46 133 779)	(66 322 503)
Net carrying amount	1 974 360 679	275 921 771	120 700 544	2 370 982 994	1 819 230 418	294 969 919	123 949 983	2 238 150 320
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
LCC1-LCC2/Very low risk	2 277 662 886	-	-	2 277 662 886	2 157 635 994	-	-	2 157 635 994
LCC3-LCC4/Low-moderate risk	-	2 820 950 970	-	2 820 950 970	-	2 535 024 030	-	2 535 024 030
LCC5-LCC7/High risk	-	-	77 193 644	77 193 644	-	-	93 194 175	93 194 175
Gross amount	2 277 662 886	2 820 950 970	77 193 644	5 175 807 500	2 157 635 994	2 535 024 030	93 194 175	4 785 854 199
Loss allowance	(15 703 334)	(116 124 932)	(77 193 644)	(209 021 910)	(15 469 322)	(102 195 577)	(68 950 455)	(186 615 354)
Net carrying amount	2 261 959 552	2 704 826 038	-	4 966 785 590	2 142 166 672	2 432 828 453	24 243 720	4 599 238 845
	=====	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	GROUP AND BANK							
	As at 30 June 2025			Total USD	As at 31 December 2024			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD		Stage 1 USD	Stage 2 USD	Stage 3 USD	
Undisbursed commitments and guarantees:								
LCC1-LCC2/Very low risk	78 208 678	-	-	78 208 678	130 727 022	-	-	130 727 022
Loss allowance	(1 219 186)	-	-	(1 219 186)	(2 352 544)	-	-	(2 352 544)
carrying amount	76 989 492	-	-	76 989 492	128 374 478	-	-	128 374 478
	=====	=====	=====	=====	=====	=====	=====	=====
Letters of credit:								
LCC1-LCC2/Very low risk	286 530 550	-	-	286 530 550	235 452 843	-	-	235 452 843
Loss allowance	(2 765 432)	-	-	(2 765 432)	(1 968 226)	-	-	(1 968 226)
	283 765 118	-	-	283 765 118	233 484 617	-	-	233 484 617
	=====	=====	=====	=====	=====	=====	=====	=====
Total off-balance sheet items:								
Gross amount	364 739 228	-	-	364 739 228	552 507 281	-	-	552 507 281
Loss allowance	(3 984 618)	-	-	(3 984 618)	(4 320 770)	-	-	(4 320 770)
	360 754 610	-	-	360 754 610	548 186 511	-	-	548 186 511
	=====	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held:

On - Statement of financial position items:	GROUP			
	JUNE 2025 USD	%	DECEMBER 2024 USD	%
Cash and balances held with other banks -less than 90 days	1 434 495 506	13.63%	1 198 858 759	11.98%
Cash and balances held with other banks -over 90 days	128 910 499	1.23%	452 674 208	4.52%
Investment in government securities	911 790 397	8.67%	841 906 952	8.42%
Investment in corporate bonds	47 540 852	0.45%	-	-
Derivative financial Instruments	-	0.00%	62 162 697	0.62%
Other receivable	82 286 768	0.78%	98 661 664	0.99%
Trade Fund loan receivables	272 353 668	2.59%	256 359 097	2.56%
Loans and advances	7 644 595 584	72.65%	7 093 405 079	70.91%
- Trade finance loans	5 179 512 681	49.23%	4 788 932 256	47.87%
- Project loans	2 465 082 903	23.43%	2 304 472 823	23.04%
Sub total	10 521 973 274	100.00%	10 004 028 456	100.00%

On - Statement of financial position items:

On - Statement of financial position items:	BANK			
Cash and balances held with other banks -less than 90 days	1 434 495 506	14.16%	1 179 618 435	12.16%
Cash and balances held with other banks -over 90 days	81 001 363	0.80%	452 674 208	4.67%
Investment in government securities	876 399 036	8.65%	805 677 931	8.30%
Derivative financial Instruments	-	0.00%	62 162 697	0.64%
Other receivable	92 847 583	0.92%	109 791 952	1.13%
Loans and advances	7 644 595 584	75.47%	7 093 405 079	73.10%
- Trade finance loans	5 179 512 681	51.13%	4 788 932 256	49.35%
- Project loans	2 465 082 903	24.34%	2 304 472 823	23.75%
Sub total	10 129 339 072	100.00%	9 703 330 302	100.00%

Off-Statement of financial position items:

Off-Statement of financial position items:	GROUP AND BANK			
Letter of credit	286 530 550	78.56%	235 452 843	64.30%
Loan commitments not disbursed	71 506 078	19.60%	124 024 422	33.87%
Guarantees and performance bonds	6 702 600	1.84%	6 702 600	1.83%
	364 739 228	100.00%	366 179 865	100.00%
Total credit exposure - Group	10 886 712 502		10 370 208 321	
Total credit exposure - Bank	10 494 078 300		10 069 510 167	

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 73.75% as at 30 June 2025 (December 2024: 71.93%) of the total maximum credit exposure. For the Bank, these were 69.37% in June 2025 (December 2024: 66.81%).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

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

Other than cash and bank balances, Investment in government securities, Trade Fund loan receivables, and derivative financial instruments, all other credit risk exposures are secured by collateral in the form of cash liens, mortgages on land and buildings, securities charged over plant and machinery and third-party guarantees.

As at 30 June 2025, the fair value of collateral held for impaired loans and advances was USD 256,726,424 (December 2024: USD 393,331,236) and the gross impaired loans exposure was USD 247,438,914 (December 2024: USD

Collateral held

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

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

	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
(i) Total Portfolio		
Insurance and Guarantees	2 135 837 282	2 453 849 978
Cash security deposits	1 332 064 655	1 406 546 540
Fixed charge on plant and equipment	589 620 100	455 649 807
Other floating all asset debenture	492 903 014	970 212 032
Mortgages on properties	293 267 062	292 830 078
Sovereign undertakings	99 276 572	99 229 267
	<hr/>	<hr/>
Total security cover	4 942 968 685	5 678 317 702
Gross portfolio	(7 644 595 584)	(7 093 405 079)
	<hr/>	<hr/>
Net (gap)	(2 701 626 899)	(1 415 087 377)
	=====	=====
(ii) Loans not impaired		
Insurance and Guarantees	2 073 825 193	2 302 527 512
Cash security deposits	1 331 688 338	1 406 170 223
Fixed charge on plant and equipment	498 256 677	397 143 621
Other floating all asset debenture	492 753 014	868 958 473
Mortgages on properties	190 442 467	210 957 370
Sovereign undertakings	99 276 572	99 229 267
	<hr/>	<hr/>
Total security cover	4 686 242 261	5 284 986 466
Gross portfolio	(7 397 156 670)	(6 830 127 142)
	<hr/>	<hr/>
Net (gap)	(2 710 914 409)	(1 545 140 676)
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Collateral held for loan portfolio (continued)

	GROUP AND BANK	
	JUNE	DECEMBER
	2025	2024
	USD	USD
(iii) Impaired loans:		
Mortgages on properties	102 824 595	81 872 708
Fixed charge on plant and equipment	91 363 423	58 506 186
Insurance and Guarantees	62 012 089	151 322 466
Cash security deposits	376 317	376 317
Other floating all asset debenture	150 000	101 253 559
	<hr/>	<hr/>
Total security cover	256 726 424	393 331 236
Gross Stage 3 portfolio	(247 438 914)	(263 277 937)
	<hr/>	<hr/>
Net cover	9 287 510	130 053 299
	=====	=====

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

- 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)

48. 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	2.58%
Very low risk	
LCC3-LCC4	
Low risk	8.83%
Moderate risk	
LCC5-LCC7	
High risk	
Substandard	100.00%
Bad & Doubtful	
loss	

Project finance loans

Grading:	12-month weighted average PD
LCC1-LCC2	4.71%
Very low risk	
LCC3-LCC4	
Low risk	16.24%
Moderate risk	
LCC5-LCC7	
High risk	
Substandard	100.00%
Bad & Doubtful	
loss	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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)

48. 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)

48. 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, forborne or unlikeliness to pay; unlikeliness to pay has been considered on a case-by-case. Modifications are generally done to address short term cash-flow challenges where the fundamentals of the project remain sound.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Restructured and modified loans (continued)

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

	GROUP AND BANK	
	JUNE 2025 USD	DECEMBER 2024 USD
Gross carrying amount before restructuring	4 086 141	36 431 174
Loss allowances before restructuring	-	1 133 138
	<hr/>	<hr/>
Net amortised cost before restructuring	4 086 141	37 564 312
Net restructuring loss	(913 869)	1 316 594
	<hr/>	<hr/>
Net amortised cost after restructuring	3 172 272	38 880 906
	=====	=====
Analysis of gross amounts by sector		
Hospitality	4 086 141	-
Energy	-	36 431 174
	<hr/>	<hr/>
	4 086 141	36 431 174
	=====	=====
Project finance loans	4 086 141	36 431 174
Trade finance loans	-	-
	<hr/>	<hr/>
	4 086 141	36 431 174
	=====	=====

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Inputs into measurement of ECLs (continued)

These parameters are derived from internally developed statistical models and other historical data that leverage regulatory models. They are adjusted to reflect the rating of the support provider and the nature of support as applicable as well forward-looking information as described above.

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

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

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

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

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

ECL sensitivity analysis

If the loans categorised as stage 2 were to increase by 5% as of 30 June 2025, the ECL would increase by USD 9,284,934 which is 3.06 % (December 2024: USD 4,606,071 which is 1.85%).

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 2024: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL Loss allowance

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

As at 30 June 2025	GROUP			Total
	Stage 1	Stage 2	Stage 3	USD
	USD	USD	USD	
Project Finance loans:				
Balance at 1 January	13 602 021	6 586 703	46 133 779	66 322 503
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	464 718	21 488 692	3 410 947	25 364 357
Net financial assets originated	2 435 462	-	-	2 435 462
Financial assets derecognized*	(22 413)	-	-	(22 413)
Balance at 30 June	16 479 788	28 075 395	49 544 726	94 099 909
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	15 715 326	102 195 578	68 950 455	186 861 359
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	279 899	14 007 819	8 243 192	22 530 910
Net financial assets originated	375 139	-	-	375 139
Financial assets derecognized*	(390 810)	(78 467)	-	(469 277)
Balance at 30 June	15 979 554	116 124 930	77 193 647	209 298 131
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2 352 544	-	-	2 352 544
Net remeasurement of loss allowance	(16 596)	-	-	(16 596)
Net financial assets originated	1 012 746	-	-	1 012 746
Financial assets derecognised*	(2 129 508)	-	-	(2 129 508)
Balance at 30 June	1 219 186	-	-	1 219 186
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	1 968 226	-	-	1 968 226
Net remeasurement of loss allowance	(123 189)	-	-	(123 189)
Financial assets derecognised*	920 394	-	-	920 394
Balance at 30 June	2 765 432	-	-	2 765 432
	=====	=====	=====	=====

*During the period ended 30 June 2025, there were no loans written off. (December 2024: Trade Finance loans of USD 27,673,718).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL Loss allowance

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

As at 30 June 2025	Stage 1 USD	BANK Stage 2 USD	Stage 3 USD	Total USD
Project finance loans:				
Balance at 1 January	13 602 021	6 586 703	46 133 779	66 322 503
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	464 718	21 488 692	3 410 947	25 364 357
Net financial assets originated	2 435 462	-	-	2 435 462
Financial assets derecognized*	(22 413)	-	-	(22 413)
Balance at 30 June	16 479 788	28 075 395	49 544 726	94 099 909
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	15 469 321	102 195 578	68 950 455	186 615 354
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	249 683	14 007 819	8 243 192	22 500 694
Net financial assets originated	375 139	-	-	375 139
Financial assets derecognized*	(390 810)	(78 467)	-	(469 277)
Balance at 30 June	15 703 333	116 124 930	77 193 647	209 021 910
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2 352 544	-	-	2 352 544
Net remeasurement of loss allowance	(16 596)	-	-	(16 596)
Net financial assets originated	1 012 746	-	-	1 012 746
Financial assets derecognised*	(2 129 508)	-	-	(2 129 508)
Balance at 30 June	1 219 186	-	-	1 219 186
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	1 968 226	-	-	1 968 226
Net remeasurement of loss allowance	(123 189)	-	-	(123 189)
Financial assets derecognised*	920 394	-	-	920 394
Balance at 30 June	2 765 432	-	-	2 765 432
	=====	=====	=====	=====

*During the period ended 30 June 2025, there were no loans written off. (December 2024: Trade Finance loans of USD 27,673,718).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (continued)

As at 31 December 2024	GROUP			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD	
Project finance loans:				
Balance at 1 January	8 043 478	13 219 181	16 502 325	37 764 984
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	(3 759 970)	3 759 970	-
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
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	11 138 170	92 132 058	86 115 622	189 385 850
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(49 690)	49 690	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
Net of financial assets originated	3 052 040	10 013 830	2 569 057	15 634 927
Net remeasurement of loss allowance	1 800 966	-	-	1 800 966
Financial assets derecognised	(226 160)	-	(19 734 224)	(19 960 384)
Balance at 31 December	15 715 326	102 195 578	68 950 455	186 861 359
	=====	=====	=====	=====
Undisbursed commitments:				
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
	=====	=====	=====	=====
Letters of credit				
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
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (continued)

As at 31 December 2024	BANK			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 USD	
Project finance loans:				
Balance at 1 January	8 043 478	13 219 181	16 502 325	37 764 984
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	(3 759 970)	3 759 970	-
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
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	11 138 170	92 132 058	86 115 622	189 385 850
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(49 690)	49 690	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
Net of financial assets originated	3 052 039	10 013 830	2 569 057	15 634 926
Net remeasurement of loss allowance	1 554 962	-	-	1 554 962
Financial assets derecognised	(226 160)	-	(19 734 224)	(19 960 384)
Balance at 31 December	15 469 321	102 195 578	68 950 455	186 615 354
	=====	=====	=====	=====
Undisbursed commitments:				
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
	=====	=====	=====	=====
Letters of credit				
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 year end	1 968 226	-	-	1 968 226
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (continued)

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

	GROUP								
	As at 30 June 2025					As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total		Stage 1	Stage 2	Stage 3	Total
Project finance loans:	USD	USD	USD	USD		USD	USD	USD	USD
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-		-	(26 314 929)	26 314 929	-
Net remeasurement of loss allowance	(18 995 249)	2 440 544	161 508	(16 393 197)		86 184 279	(20 424 497)	16 205 585	81 965 367
New financial assets originated	211 123 781	-	-	211 123 781		154 532 151	-	-	154 532 151
Financial assets derecognised*	(34 120 504)	-	-	(34 120 504)		(40 384 518)	(60 500 140)	-	(100 884 658)
As at period end	1 990 840 466	303 997 166	170 245 271	2 465 082 903		1 832 832 438	301 556 622	170 083 763	2 304 472 823
	=====	=====	=====	=====		=====	=====	=====	=====
Trade finance loans:									
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-		(8 358 361)	8 358 361	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-		-	-	-	-
Net remeasurement of loss allowance	(34 457 145)	286 714 660	(16 000 531)	236 256 984		(62 151 321)	142 626 405	(7 646 521)	72 828 563
Net financial assets originated	198 377 537	-	-	198 377 537		62 808 269	-	-	62 808 269
Financial assets derecognised*	(43 266 376)	(787 720)	-	(44 054 096)		(101 886 618)	-	(21 784 958)	(123 671 576)
As at period end	2 281 368 066	2 820 950 970	77 193 645	5 179 512 681		2 160 714 050	2 535 024 030	93 194 176	4 788 932 256
	=====	=====	=====	=====		=====	=====	=====	=====

*During the period ended 30 June 2025, there were no loans written off. (December 2024: Trade Finance loans of USD 27,673,718).

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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.

	BANK								
	As at 30 June 2025					As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total		Stage 1	Stage 2	Stage 3	Total
Project finance loans:	USD	USD	USD	USD		USD	USD	USD	USD
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-		-	(26 314 929)	26 314 929	-
Net remeasurement of loss allowance	(18 995 249)	2 440 544	161 508	(16 393 197)		86 184 279	(20 424 497)	16 205 585	81 965 367
New financial assets originated	211 123 781	-	-	211 123 781		154 532 151	-	-	154 532 151
Financial assets derecognised*	(34 120 504)	-	-	(34 120 504)		(40 384 518)	(60 500 140)	-	(100 884 658)
As at period end	1 990 840 466	303 997 166	170 245 271	2 465 082 903		1 832 832 438	301 556 622	170 083 763	2 304 472 823
	=====	=====	=====	=====		=====	=====	=====	=====
Trade finance loans:									
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-		-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-		(8 358 361)	8 358 361	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-		-	-	-	-
Net remeasurement of loss allowance	(34 457 145)	286 714 660	(16 000 531)	236 256 984		(62 151 321)	142 626 405	(7 646 521)	72 828 563
Net financial assets originated	197 750 413	-	-	197 750 413		62 660 105	-	-	62 660 105
Financial assets derecognized*	(43 266 376)	(787 720)	-	(44 054 096)		(101 886 618)	-	(21 784 958)	(123 671 576)
As at period end	2 277 662 885	2 820 950 970	77 193 645	5 175 807 500		2 157 635 993	2 535 024 030	93 194 176	4 785 854 199
	=====	=====	=====	=====		=====	=====	=====	=====

*During the period ended 30 June 2025, there were no loans written off. (December 2024: Trade Finance loans of USD 27,673,718).

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (continued)

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

	GROUP AND BANK							
	As at 30 June 2025				As at 31 December 2024			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Undisbursed commitments:								
Balance at 1 January	130 727 022	-	-	130 727 022	512 522 207	-	-	512 522 207
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Net financial assets originated or purchased	44 886 223	-	-	44 886 223	130 727 022	-	-	130 727 022
Net remeasurement of loss allowance	(3 687 868)	-	-	- 3 687 868.00	-	-	-	-
Financial assets derecognised	(93 716 699)	-	-	(93 716 699)	(512 522 207)	-	-	(512 522 207)
At the end of period	78 208 678	-	-	78 208 678	130 727 022	-	-	130 727 022
	=====	=====	=====	=====	=====	=====	=====	=====
Letters of credit:								
Balance at 1 January	235 452 843	-	-	235 452 843	39 985 074	-	-	39 985 074
Net financial assets originated or purchased	34 836 042	-	-	34 836 042	235 452 843	-	-	235 452 843
Net remeasurement of loss allowance	16 241 665	-	-	16 241 665	-	-	-	-
Financial assets derecognized	-	-	-	-	(39 985 074)	-	-	(39 985 074)
At the end of period	286 530 550	-	-	286 530 550	235 452 843	-	-	235 452 843
	=====	=====	=====	=====	=====	=====	=====	=====
Total	364 739 228	-	-	364 739 228	366 179 865	-	-	366 179 865
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	On statement of financial position USD	%	Off statement of financial position* USD	GROUP % Cash collateral/ in transit USD	Insurance & Guarantees USD	Aggregate exposure USD	%
As at 30 June 2025							
Agri-business	1 854 224 679	24.3	30 705 091	8.4 (81 469 977)	(411 713 420)	1 391 746 373	26.7
Banking and financial services	1 074 385 299	14.1	267 262 466	73.3 (67 267 922)	(200 000 000)	1 074 379 843	20.6
Construction	23 413 913	0.3	-	- (45 854)	-	23 368 059	0.4
Energy	479 346 709	6.3	57 984 173	15.9 (3 156 271)	-	534 174 611	10.3
Health services	25 686 700	0.3	-	-	-	25 686 700	0.5
Hospitality	44 398 080	0.6	-	-	-	44 398 080	0.9
ICT	155 767 414	2.0	-	-	-	155 767 414	3.0
Infrastructure	1 168 649 618	15.3	816 833	0.2 -	(404 076 903)	765 389 548	14.7
Manufacturing and heavy industries	137 687 692	1.8	67 600	-	-	137 755 292	2.6
Mining and quarrying	77 039 622	1.0	-	-	-	77 039 622	1.5
Oil and gas	2 328 892 911	30.5	7 903 065	2.2 (1 181 677 256)	(456 737 401)	698 381 319	13.4
Other	42 541 441	0.6	-	-	-	42 541 441	0.8
Real Estate	109 774 975	1.4	-	-	-	109 774 975	2.1
Transport	20 400 484	0.3	-	-	-	20 400 484	0.4
Wholesale Commodities	102 386 047	1.3	-	-	-	102 386 047	2.0
Balance at period end	7 644 595 584	100.00	364 739 228	100.00 (1 333 617 280)	(1 472 527 724)	5 203 189 808	100.00
	=====	=====	=====	=====	=====	=====	=====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (continued)

	On statement of financial position USD	%	Off statement of financial position USD	%	BANK Cash collateral/ in transit USD	Insurance & Guarantees USD	Aggregate exposure USD	%
As at 30 June 2025								
Agri- Business	1 854 224 679	24.3	30 705 091	8.4	(81 469 977)	(411 713 420)	1 391 746 373	26.8
Banking and Financial Services	1 072 191 633	14.0	267 262 466	73.3	(67 267 922)	(200 000 000)	1 072 186 177	20.6
Construction	23 413 913	0.3	-	-	(45 854)	-	23 368 059	0.4
Energy	478 166 846	6.3	57 984 173	15.9	(3 156 271)	-	532 994 748	10.3
Health Services	25 686 700	0.3	-	-	-	-	25 686 700	0.5
Hospitality	44 398 080	0.6	-	-	-	-	44 398 080	0.9
ICT	155 767 414	2.0	-	-	-	-	155 767 414	3.0
Infrastructure	1 168 649 618	15.3	816 833	0.2	-	(404 076 903)	765 389 548	14.7
Manufacturing and Heavy Industries	137 687 692	1.8	67 600	-	-	-	137 755 292	2.6
Mining and Quarrying	77 039 622	1.0	-	-	-	-	77 039 622	1.5
Oil & Gas	2 328 892 911	30.5	7 903 065	2.2	(1 181 677 256)	(456 737 401)	698 381 319	13.4
Other	42 209 789	0.6	-	-	-	-	42 209 789	0.8
Real Estate	109 774 975	1.4	-	-	-	-	109 774 975	2.1
Transport	20 400 484	0.3	-	-	-	-	20 400 484	0.4
Wholesale Commodities	102 386 047	1.3	-	-	-	-	102 386 047	2.0
Balance at year end	7 640 890 403	100.00	364 739 228	100.00	(1 333 617 280)	(1 472 527 724)	5 199 484 627	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (continued)

As at 31 December 2024	On statement of financial position USD	%	Off statement of financial position USD	GROUP		Insurance and guarantees USD	Aggregate exposure USD	%
				%	Cash collateral/ in transit USD			
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	0.0	-	-	-	-	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
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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector (continued)

As at 31 December 2024	On statement of financial position USD	%	Off statement of financial position USD	BANK		Insurance and guarantees USD	Aggregate exposure USD	%
				%	Cash collateral/ in transit USD			
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	0.0	-	-	-	-	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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

	On statement of financial position	%	Off statement of financial position*	%	Cash collateral/ in transit	Insurance	Aggregate exposure	%
	USD		USD		USD	USD	USD	
As at 30 June 2025								
Botswana	881 571	-	-	-	-	-	881 571	-
Burundi	53 243 121	0.7	25 166 152	6.9	(10 455 039)	-	67 954 234	1.3
Comoros	14 165 490	0.2	-	-	-	-	14 165 490	0.3
Congo DRC	248 885 207	3.3	67 600	-	-	-	248 952 807	4.8
Djibouti	12 889 486	0.2	746 780	0.2	(604 071)	-	13 032 195	0.3
Egypt	203 635 740	2.7	6 282 789	1.7	-	-	209 918 529	4.0
Eswatini	15 284 411	0.2	-	-	-	-	15 284 411	0.3
Ethiopia	699 431 847	9.1	71 595 110	19.5	(56 238 756)	(200 000 000)	514 788 201	9.9
Kenya	1 136 407 995	14.9	173 314 745	47.5	(3 156 271)	(320 826 977)	985 739 492	18.9
Madagascar	8 422 416	0.1	-	-	-	-	8 422 416	0.2
Malawi	563 585 772	7.4	3 732 942	1.0	(72 045 073)	(179 963 420)	315 310 221	6.1
Mauritius	364 807 044	4.8	7 903 065	2.2	(13 500 000)	-	359 210 109	6.9
Mozambique	176 915 110	2.3	7 645 967	2.1	(5 315 709)	-	179 245 368	3.4
Rwanda	462 659 798	6.1	-	-	(180 000 000)	-	282 659 798	5.4
Senegal	118 404 921	1.5	-	-	-	-	118 404 921	2.3
Seychelles	4 117 504	0.1	13 578 878	3.7	-	-	17 696 382	0.3
South Sudan	151 061 168	2.0	-	-	-	(109 061 168)	42 000 000	0.8
Sudan	1 070 248 091	14.0	-	-	(310 497 955)	(231 750 000)	528 000 136	10.1
Tanzania	400 038 723	5.2	23 183 276	6.4	(47 901)	(83 249 926)	339 924 172	6.5
Uganda	262 676 702	3.4	31 521 924	8.6	(45 854)	-	294 152 772	5.7
Zambia	925 098 193	12.1	-	-	(592 216)	(347 676 233)	576 829 744	11.1
Zimbabwe	751 735 274	9.8	-	-	(681 118 435)	-	70 616 839	1.4
Balance at year end	7 644 595 584	100	364 739 228	100	(1 333 617 280)	(1 472 527 724)	5 203 189 808	100
	=====	=====	=====	=====	=====	=====	=====	=====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

					BANK			
	On statement of financial position	%	Off statement of financial position	%	Cash collateral/ in transit	Insurance and Guarantees	Aggregate exposure	%
As at 30 June 2025	USD		USD		USD	USD	USD	
Burundi	53 243 121	0.7	25 166 152	6.9	(10 455 039)	-	67 954 234	1.3
Comoros	14 165 490	0.2	-	-	-	-	14 165 490	0.3
Congo2	248 885 207	3.3	67 600	-	-	-	248 952 807	4.8
Djibouti	12 889 486	0.2	746 780	0.2	(604 071)	-	13 032 195	0.3
Egypt	203 635 740	2.7	6 282 789	1.7	-	-	209 918 529	4.0
Eswatini	15 284 411	0.2	-	-	-	-	15 284 411	0.3
Ethiopia	699 431 847	9.2	71 595 110	19.6	(56 238 756)	(200 000 000)	514 788 201	9.9
Kenya	1 136 076 343	14.9	173 314 745	47.5	(3 156 271)	(320 826 977)	985 407 840	19.0
Madagascar	8 422 416	0.1	-	-	-	-	8 422 416	0.2
Malawi	563 585 772	7.4	3 732 942	1.0	(72 045 073)	(179 963 420)	315 310 221	6.1
Mauritius	364 807 044	4.8	7 903 065	2.2	(13 500 000)	-	359 210 109	6.9
Mozambique	176 915 110	2.3	7 645 967	2.1	(5 315 709)	-	179 245 368	3.4
Rwanda	462 659 798	6.1	-	-	(180 000 000)	-	282 659 798	5.4
Senegal	118 404 921	1.5	-	-	-	-	118 404 921	2.3
Seychelles	4 117 504	0.1	13 578 878	3.7	-	-	17 696 382	0.3
South Sudan	151 061 168	2.0	-	-	-	(109 061 168)	42 000 000	0.8
Sudan	1 070 248 091	14.0	-	-	(310 497 955)	(231 750 000)	528 000 136	10.2
Tanzania	400 038 723	5.2	23 183 276	6.4	(47 901)	(83 249 926)	339 924 172	6.5
Uganda	262 676 702	3.4	31 521 924	8.6	(45 854)	-	294 152 772	5.7
Zambia	922 608 980	12.1	-	-	(592 216)	(347 676 233)	574 340 531	11.0
Zimbabwe	751 732 529	9.8	-	-	(681 118 435)	-	70 614 094	1.4
Balance at year end	7 640 890 403	100	364 739 228	100	(1 333 617 280)	(1 472 527 724)	5 199 484 627	100
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

As at 31 December 2024	On statement of financial position	Gross exposure	Off statement of financial position	%	GROUP Cash collateral/ in transit	Insurance and guarantees	Aggregate exposure	%
	USD	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	0.0	-	-	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	43.4	(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	56 632 130.00	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	1.1
	7 093 405 079	100	366 179 865	100	(1 321 148 256)	(1 519 945 615)	4 618 491 073	100
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Country

As at 31 December 2024	On statement of	Gross	Off statement of	%	BANK Cash collateral/ in	Insurance and	Aggregate	%
	financial position	exposure	financial position		transit	guarantees	exposure	
	USD	USD	USD		USD	USD	USD	
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	43.4	(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	1.1
	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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**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

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

As at 30 June 2025	GROUP						Total
	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months	1 to 5 years USD	Over 5 years USD	USD
Assets							
Cash and balances with other banks	1 038 457 596	396 037 910	118 910 499	-	10 000 000	-	1 563 406 005
Investment in government securities	81 882 884	-	73 241 705	-	365 665 808	391 000 000	911 790 397
Investment in corporate bonds	-	-	-	6 910 237	40 630 615	-	47 540 852
Other receivables	1 659 741	572 204	840 227	1 367 118	8 335 650	12 489 993	25 264 933
Trade Fund loan receivables	-	-	-	-	272 353 668	-	272 353 668
Trade finance loans	83 167 589	805 338 658	883 801 340	729 063 551	3 577 139 823	-	6 078 510 961
Project loans	219 420 486	369 085 634	143 267 405	262 854 879	1 536 905 147	175 791 521	2 707 325 072
Equity investment at fair value through OCI	-	-	-	-	65 550 837	-	65 550 837
Total assets	1 424 588 296	1 571 034 406	1 220 061 176	1 000 195 785	5 876 581 548	579 281 514	11 671 742 725
Liabilities							
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
Derivative financial instruments	(6 256 100)	13 200 582	1 714 656	4 685 500	-	-	13 344 638
Collection account	163 597 241	-	-	-	-	-	163 597 241
NCI Redeemable participating shares payable	-	-	-	-	228 945 683	-	228 945 683
Other payables	419 009 804	-	-	-	-	55 731 343	474 741 147
Off balance sheet liabilities	671 128 977	133 834 134	797 431 635	2 470 639 023	4 370 774 092	745 459 098	9 189 266 959
Guarantees	-	-	-	6 702 600	-	-	6 702 600
Letters of credit	-	-	-	286 530 550	-	-	286 530 550
Loan commitments	-	-	-	71 506 078	-	-	71 506 078
Total liabilities	671 128 977	133 834 134	797 431 635	2 835 378 251	4 370 774 092	745 459 098	9 554 006 187
Net liquidity gap	753 459 319	1 437 200 272	422 629 541	(1 835 182 466)	1 505 807 456	(166 177 584)	2 117 736 538
Cumulative gap	753 459 319	2 190 659 591	2 613 289 132	778 106 666	2 283 914 122	2 117 736 538	2 117 736 538

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. 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)

48. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

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

As at 30 June 2025	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	BANK 6 to 12 months	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	1 038 457 596	396 037 910	71 001 363	-	10 000 000	-	1 515 496 869
Investment in government securities	81 882 884	-	37 850 344	-	365 665 808	391 000 000	876 399 036
Other receivables	1 659 741	572 204	840 227	1 367 118	8 335 650	12 489 993	25 264 933
Trade finance loans	83 167 589	805 338 658	883 801 340	729 063 551	3 577 139 823	-	6 078 510 961
Project loans	219 420 486	369 085 634	143 267 405	262 854 879	1 536 905 147	175 791 521	2 707 325 072
Equity investment at fair value through OCI	-	-	-	-	65 550 837	-	65 550 837
Total assets	1 424 588 296	1 571 034 406	1 136 760 679	993 285 548	5 563 597 265	579 281 514	11 268 547 708
	=====	=====	=====	=====	=====	=====	=====
Liabilities							
Short term borrowings	614 507 370	619 258 626	608 230 995	463 304 021	2 290 795 388	-	4 596 096 400
Long term borrowings	8 348 975	56 526 005	130 708 518	235 968 798	2 137 536 595	805 860 719	3 374 949 610
Derivative financial instruments	(6 256 100)	13 200 582	1 714 656	4 685 500	-	-	13 344 638
Collection account	163 597 241	-	-	-	-	-	163 597 241
Other payables	456 446 076	-	-	-	-	55 731 343	512 177 419
	1 236 643 562	688 985 213	740 654 169	703 958 319	4 428 331 983	861 592 062	8 660 165 308
Off balance sheet liabilities							
Guarantees	-	-	-	6 702 600	-	-	6 702 600
Letters of credit	-	-	-	286 530 550	-	-	286 530 550
Loan commitments	-	-	-	71 506 078	-	-	71 506 078
Total liabilities	1 236 643 562	688 985 213	740 654 169	1 068 697 547	4 428 331 983	861 592 062	9 024 904 536
	=====	=====	=====	=====	=====	=====	=====
Net liquidity gap	187 944 734	882 049 193	396 106 510	(75 411 999)	1 135 265 282	(282 310 548)	2 243 643 172
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap	187 944 734	1 069 993 927	1 466 100 437	1 390 688 438	2 525 953 720	2 243 643 172	2 243 643 172
	=====	=====	=====	=====	=====	=====	=====

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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	GROUP						Total
	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	Over 5 years USD	USD
Assets							
Cash and balances with other banks	886 244 946	312 613 813	150 000 000	302674208	-	-	1 651 532 967
Investment in government securities	24 280 972.00	-	-	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
Derivative financial instruments	-	-	-	-	256 359 097.00	-	256 359 097
Trade Fund loan receivables	113 313	20 871 294	8 237 640	32 940 450.00	-	-	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
	=====	=====	=====	=====	=====	=====	=====
Total assets	1 361 502 355	801 056 640	602 112 473	3 128 320 047	4 823 539 816	644 860 794	11 361 392 125
	=====	=====	=====	=====	=====	=====	=====
Liabilities							
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
Other payables	96 979 991	98 286 983.00	-	-	-	55 731 344	250 998 318
	=====	=====	=====	=====	=====	=====	=====
	364 088 043	218 920 535	795 716 979	2 465 953 523	4 295 279 681	745 459 099	8 885 417 860
Off balance sheet liabilities							
Guarantees	-	-	-	6 702 600	-	-	6 702 600
Letters of credit	-	-	-	235 452 843	-	-	235 452 843
Loan commitments	-	-	-	124 024 422	-	-	124 024 422
	=====	=====	=====	=====	=====	=====	=====
Total liabilities	364 088 043	218 920 535	795 716 979	2 832 133 388	4 295 279 681	745 459 099	9 251 597 725
	=====	=====	=====	=====	=====	=====	=====
Net liquidity gap	997 414 312	582 136 105	(193 604 506)	296 186 659	528 260 135	(100 598 305)	2 109 794 400
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap	997 414 312	1 579 550 417	1 385 945 911	1 682 132 570	2 210 392 705	2 109 794 400	2 109 794 400
	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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 USD	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
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	24 280 972.00	-	-	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	32 940 450.00	-	-	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
Total assets	1 342 262 031	801 056 640	602 112 473	3 092 091 026	4 526 550 104	644 860 794	11 008 933 068
Liabilities							
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
Total liabilities	364 088 043	219 865 132	795 716 979	2 465 953 523	4 141 828 409	745 459 099	8 732 911 185
Off balance sheet liabilities							
Guarantees	-	-	-	6 702 600	-	-	6 702 600
Letters of credit	-	-	-	235 452 843	-	-	235 452 843
Loan commitments	-	-	-	124 024 422	-	-	124 024 422
Total liabilities	364 088 043	219 865 132	795 716 979	2 832 133 388	4 141 828 409	745 459 099	9 099 091 050
Net liquidity gap	978 173 988	581 191 508	(193 604 506)	259 957 638	384 721 695	(100 598 305)	1 909 842 018
Cumulative gap	978 173 988	1 559 365 496	1 365 760 990	1 625 718 628	2 010 440 323	1 909 842 018	1 909 842 018

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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
- 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)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

As at 30 June 2025	GROUP					Fixed interest rate	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	1 419 375 688	-	118 910 500	-	10 000 000	12 613 813	2 506 004	1 563 406 005
Investment in government securities	81 882 884	-	73 241 705	-	65 665 808	691 000 000	-	911 790 397
Investment in corporate bonds	-	-	-	-	-	47 540 852	-	47 540 852
Other receivables	-	-	-	-	-	-	25 264 933	25 264 933
Trade Fund loan receivables	-	-	-	272 353 668	-	-	-	272 353 668
Trade finance loans	-	1 394 825 411	1 073 551 010	662 066 625	-	1 762 577 860	77 193 644	4 970 214 550
Project loans	102 746 439	552 066 050	1 432 057 635	-	-	207 967 511	76 145 359	2 370 982 994
Equity investment at fair value through OCI	-	-	-	-	-	-	65 550 837	65 550 837
Total financial assets	1 604 005 011	1 946 891 461	2 697 760 850	934 420 293	75 665 808	2 721 700 036	246 660 777	10 227 104 236
Financial Liabilities								
Short term borrowings	735 669 653	3 508 727 291	80 131 750	4 185 532	355 790	-	-	4 329 070 016
Long term borrowings	110 702 049	709 555 951	1 556 779 270	-	-	542 923 211	-	2 919 960 481
Derivative financial instruments	-	-	-	-	-	-	13 344 638	13 344 638
Collection account	-	-	-	-	-	-	163 597 241	163 597 241
NCI Redeemable participating shares paya	-	-	-	-	-	-	228 945 683	228 945 683
Other payables	-	-	-	-	-	77 429 759	397 311 388	474 741 147
Total financial liabilities	846 371 702	4 218 283 242	1 636 911 020	4 185 532	355 790	620 352 970	803 198 950	8 129 659 206
Net Interest rate exposure	757 633 309	(2 271 391 781)	1 060 849 830	930 234 761	75 310 018	2 101 347 066	(556 538 173)	2 097 445 030
Cumulative interest rate exposure	757 633 309	(1 513 758 472)	(452 908 642)	477 326 119	552 636 137	2 653 983 203	2 097 445 030	2 097 445 030

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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48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

As at 30 June 2025	BANK					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			
Assets								
Cash and balances with other banks	1 419 375 688		71 001 364	-	10 000 000	12 613 813	2 506 004	1 515 496 869
Investment in government securities	81 882 884	-	37 850 344	-	65 665 808	691 000 000	-	876 399 036
Other receivables	-	-	-	-	-	23 898 890	1 366 043	25 264 933
Trade finance loans		1 394 825 411	1 073 551 010	658 637 665	-	1 762 577 860	77 193 644	4 966 785 590
Project loans	102 746 439	552 066 050	1 432 057 635	-	-	207 967 511	76 145 359	2 370 982 994
Equity investment at fair value through OCI	-	-	-	-	-	-	65 550 837	65 550 837
Total financial assets	1 604 005 011	1 946 891 461	2 614 460 353	658 637 665	75 665 808.00	2 698 058 074	222 761 887	9 820 480 259
Financial Liabilities								
Short term borrowings	735 669 653	3 508 727 291	80 131 750	4 185 532	355 790	-	-	4 329 070 016
Long term borrowings	110 702 049	709 555 951	1 556 779 270	-	-	542 923 211	-	2 919 960 481
Derivative financial instruments	-	-	-	-	-	-	13 344 638	13 344 638
Collection account	-	-	-	-	-	-	163 597 241	163 597 241
Other payables	-	-	-	-	-	77 429 759	434 747 660	512 177 419
Total financial liabilities	846 371 702	4 218 283 242	1 636 911 020	4 185 532	355 790	620 352 970	611 689 539	7 938 149 795
Net Interest rate exposure	757 633 309	(2 271 391 781)	977 549 333	654 452 133	75 310 018	2 077 705 104	(388 927 652)	1 882 330 464
Cumulative interest rate exposure	757 633 309	(1 513 758 472)	(536 209 139)	118 242 994	193 553 012	2 271 258 116	1 882 330 464	1 882 330 464

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)

48. 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	Non-interest bearing	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years			
	USD	USD	USD	USD	USD	USD	USD	USD
Assets								
Cash and balances with other banks	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
Derivative financial instruments	-	-	-	256 359 097	-	-	-	256 359 097
Trade Fund loan receivables	-	-	-	-	-	-	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
Total financial assets	995 842 194	993 166 098	3 441 193 134	1 144 543 921	103 130 281	2 686 991 279	420 581 467	9 785 448 374
Financial Liabilities								
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
Total financial liabilities	417 327 670	3 969 514 818	1 604 559 566	463 891 365	-	638 031 354	496 839 389	7 590 164 162
Net Interest rate exposure	578 514 524	(2 976 348 720)	1 836 633 568	680 652 556	103 130 281	2 048 959 925	(76 257 922)	2 195 284 212
Cumulative interest rate exposure	578 514 524	(2 397 834 196)	(561 200 628)	119 451 928	222 582 209	2 271 542 134	2 195 284 212	2 195 284 212

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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 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			
Assets								
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	-	-	-	-	-	-	67 692 339	67 692 339
Total financial assets	976 601 870	993 166 098	3 441 193 134	851 955 803	100 298 229	2 669 787 287	397 154 844	9 430 157 265
Financial Liabilities								
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
Total financial liabilities	417 327 670	3 969 514 818	1 604 559 566	463 891 365.43	-	638 031 354	344 332 714	7 437 657 487
Net Interest rate exposure	559 274 200	(2 976 348 720)	1 836 633 568	388 064 438	100 298 229	2 031 755 933	52 822 130	1 992 499 778
Cumulative interest rate exposure	559 274 200	(2 417 074 520)	(580 440 952)	(192 376 514)	(92 078 285)	1 939 677 648	1 992 499 778	1 992 499 778

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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 30 June 2025 were outstanding at those levels for the
- Interest-bearing assets and liabilities denominated in currencies other than USD experienced similar movements in interest rates, and
- 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 period ended 30 June 2025 of USD 90,612,791 (December 2024: USD 170,541,625) would increase or decrease by USD 2,803,452 (December 2024: USD 337,769) as follows:

Effect on the Group's net profit

The profit for the period ended 30 June 2025 would increase to USD 93,416,243 (December 2024: USD 170,879,394) or decrease to USD 87,809,4339 (December 2024: USD 170,541,625).

The potential change is 3.1% (December 2024: 0.2%) 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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Group's currency position

As at 30 June 2025	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	939 808 397	38 968	293 980 798	79 306 399	2 506 003	6 169 175	154 840 278	74 716 418	4 345 150	1 384 909	1 049	6 308 461	1 563 406 005
Investment in government securities	870 071 828	-	-	-	-	-	-	-	-	41 718 569	-	-	911 790 397
Investment in corporate bonds	47 540 852	-	-	-	-	-	-	-	-	-	-	-	47 540 852
Other receivables	25 264 933	-	-	-	-	-	-	-	-	-	-	-	25 264 933
Trade Fund loan receivables	272 353 668	-	-	-	-	-	-	-	-	-	-	-	272 353 668
Trade finance loans	2 968 754 113	-	2 001 460 437	-	-	-	-	-	-	-	-	-	4 970 214 550
Project finance loans	2 044 325 160	-	309 152 917	17 504 917	-	-	-	-	-	-	-	-	2 370 982 994
Equity investment at fair value through OCI	65 550 837	-	-	-	-	-	-	-	-	-	-	-	65 550 837
Total financial assets	7 233 669 788	38 968	2 604 594 152	96 811 316	2 506 003	6 169 175	154 840 278	74 716 418	4 345 150	43 103 478	1 049	6 308 461	10 227 104 236
Financial Liabilities													
Short term borrowings	4 013 806 470	-	315 263 546	-	-	-	-	-	-	-	-	-	4 329 070 016
Long term borrowings	1 558 279 354	-	1 361 681 127	-	-	-	-	-	-	-	-	-	2 919 960 481
Derivative financial instruments	(728 255 362)	-	741 600 000	-	-	-	-	-	-	-	-	-	13 344 638
Collection account	85 558 110	-	385	-	2 459 694	-	-	74 714 508	-	490 878	-	373 666	163 597 241
NCI Redeemable participating shares payable	228 945 683	-	-	-	-	-	-	-	-	-	-	-	228 945 683
Other payables	474 633 031	-	-	101 526	-	-	-	-	-	-	-	6 590	474 741 147
Total financial liabilities	5 632 967 286	-	2 418 545 058	101 526	2 459 694	-	-	74 714 508	-	490 878	-	380 256	8 129 659 206
Net position	1 600 702 502	38 968	186 049 094	96 709 790	46 309	6 169 175	154 840 278	1 910	4 345 150	42 612 600	1 049	5 928 205	2 097 445 030

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)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Bank's currency position

As at 30 June 2025

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	891 899 261	38 968	293 980 798	79 306 399	2 506 003	6 169 175	154 840 278	74 716 418	4 345 150	1 384 909	1 049	6 308 461	1 515 496 869
Investment in government securities	834 680 467	-	-	-	-	-	-	-	-	41 718 569	-	-	876 399 036
Other receivables	25 264 933	-	-	-	-	-	-	-	-	-	-	-	25 264 933
Trade finance loans	2 965 325 153	-	2 001 460 437	-	-	-	-	-	-	-	-	-	4 966 785 590
Project finance loans	2 044 325 160	-	309 152 917	17 504 917	-	-	-	-	-	-	-	-	2 370 982 994
Equity investment at fair value through OCI	65 550 837	-	-	-	-	-	-	-	-	-	-	-	65 550 837
Total financial assets	6 827 045 811	38 968	2 604 594 152	96 811 316	2 506 003	6 169 175	154 840 278	74 716 418	4 345 150	43 103 478	1 049	6 308 461	9 820 480 259
Financial Liabilities													
Short term borrowings	4 013 806 470	-	315 263 546	-	-	-	-	-	-	-	-	-	4 329 070 016
Long term borrowings	1 558 279 354	-	1 361 681 127	-	-	-	-	-	-	-	-	-	2 919 960 481
Derivative financial instruments	(728 255 362)	-	741 600 000	-	-	-	-	-	-	-	-	-	13 344 638
Collection account	85 558 110	-	385	-	2 459 694	-	-	74 714 508	-	490 878	-	373 666	163 597 241
Other payables	512 069 303	-	-	101 526	-	-	-	-	-	-	-	6 590	512 177 419
Total financial liabilities	5 441 457 875	-	2 418 545 058	101 526	2 459 694	-	-	74 714 508	-	490 878	-	380 256	7 938 149 795
Net position	1 385 587 936	38 968	186 049 094	96 709 790	46 309	6 169 175	154 840 278	1 910	4 345 150	42 612 600	1 049	5 928 205	1 882 330 464

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)

48. 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
Assets													
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
Derivative financial instruments	256 359 097	-	-	-	-	-	-	-	-	-	-	-	256 359 097
Trade Fund loan receivables	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
Total financial assets	8 154 995 162	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	9 785 448 374
Financial Liabilities													
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
Total financial liabilities	6 225 943 233	-	1 275 513 820	55 995	2 459 694	-	-	85 329 555	-	478 974	-	382 891	7 590 164 162
Net position	1 929 051 929	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	2 195 284 212

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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
Assets													
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
Financial Liabilities													
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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. 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 30 June 2025	5 248	17 922 711	75 272	164	1 160 069	509	19 064	28
	=====	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2024	5 461	5 318 088	36 492	202	3 702 117	16 531	136 401	(12)
	=====	=====	=====	=====	=====	=====	=====	=====

49. CAPITAL MANAGEMENT

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. 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.

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2025	2024	2025	2024
	USD	USD	USD	USD
Risk weighted Assets				
On - statement of financial position assets	6 424 249 963	6 372 286 391	6 028 186 801	5 891 376 693
Off - statement of financial position assets	67 667 693	68 045 816	67 667 693	68 045 816
	<hr/>	<hr/>	<hr/>	<hr/>
Total risk weighted assets	6 491 917 656	6 440 332 207	6 095 854 494	5 959 422 509
	<hr/>	<hr/>	<hr/>	<hr/>
Capital				
Paid up capital - Tier I	537 150 570	602 717 362	537 150 570	602 717 362
Retained earnings and reserves	1 535 781 740	1 657 798 363	1 543 519 412	1 649 092 945
	<hr/>	<hr/>	<hr/>	<hr/>
Total Tier I capital	2 072 932 310	2 260 515 725	2 080 669 982	2 251 810 307
	<hr/>	<hr/>	<hr/>	<hr/>
Tier II Capital	42 600 000.00	-	42 600 000.00	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Tier I and Tier II Capital	2 115 532 310	2 260 515 725	2 123 269 982	2 251 810 307
	<hr/>	<hr/>	<hr/>	<hr/>
Capital adequacy ratio-Tier I Capital	31.9%	35.1%	34.1%	37.8%
	<hr/>	<hr/>	<hr/>	<hr/>
Capital adequacy ratio-Tier I and Tier II Capital	32.6%	35.1%	34.8%	37.8%
	<hr/>	<hr/>	<hr/>	<hr/>

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.

50. EVENTS AFTER THE REPORTING DATE

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

51. FINANCIAL INSTRUMENTS CATEGORIES

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

As at 30 June 2025	Amortised cost USD	GROUP		Total carrying amount USD
		At fair value through P&L USD	At fair value through OCI USD	
Financial assets				
Cash and balances held with other banks -less than 90 days	1 434 495 506	-	-	1 434 495 506
Cash and balances held with other banks -over 90 days	128 910 499	-	-	128 910 499
Trade finance loans	4 970 214 550	-	-	4 970 214 550
Project finance loans	2 370 982 994	-	-	2 370 982 994
Investment in Government securities	911 790 397	-	-	911 790 397
Investment in corporate bonds	47 540 852	-	-	47 540 852
Trade Fund loan receivables	-	272 353 668	-	272 353 668
Other receivables	25 264 933	-	-	25 264 933
Equity investments at fair value	-	1 964 880	63 585 957	65 550 837
Total financial assets	9 889 199 731	274 318 548	63 585 957	10 227 104 236
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	163 597 241	-	-	163 597 241
Derivative financial instruments	13 344 638	-	-	13 344 638
Short term borrowings	4 329 070 017	-	-	4 329 070 017
Non-controlling interest payables	192 899 858	-	-	192 899 858
Other payables	474 741 147	-	-	474 741 147
Long term borrowings	2 919 960 481	-	-	2 919 960 481
Total financial liabilities	8 093 613 382	-	-	8 093 613 382
	=====	=====	=====	=====
As at 31 December 2024				
Financial assets				
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
Investment in Government securities	-	841 906 952	-	841 906 952
Other receivables	24 942 490	-	-	24 942 490
Trade Fund loan receivables	-	256 359 097	-	256 359 097
Trade finance loans	4 602 070 897	-	-	4 602 070 897
Project finance loans	2 238 150 320	-	-	2 238 150 320
Equity investments at fair value	-	1 970 338	65 722 001	67 692 339
Total financial assets	8 578 859 372	1 100 236 387	65 722 001	9 744 817 760
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	172 330 020	-	-	172 330 020
Short term borrowings	4 482 774 367	-	-	4 482 774 367
Long term borrowings	2 530 610 185	-	-	2 530 610 185
Non-controlling interest payables	153 451 272	-	-	153 451 272
Other payables	250 998 318	-	-	250 998 318
Total financial liabilities	7 590 164 162	-	-	7 590 164 162
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

51. FINANCIAL INSTRUMENTS CATEGORIES (Continued)

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

As at 30 June 2025	Amortised cost USD	BANK through P&L USD	through OCI USD	amount USD
Financial assets				
Cash and balances held with other banks -less than 90 days	1 434 495 506	-	-	1 434 495 506
Cash and balances held with other banks -over 90 days	81 001 363	-	-	81 001 363
Trade finance loans	4 966 785 590	-	-	4 966 785 590
Project finance loans	2 370 982 994	-	-	2 370 982 994
Investment in Government securities	876 399 036	-	-	876 399 036
Other receivables	24 942 490	-	-	24 942 490
Equity investments at fair value	-	1 964 880	63 585 957	65 550 837
Total financial assets	9 754 606 979	1 964 880	63 585 957	9 820 157 815
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	163 597 241	-	-	163 597 241
Derivative financial instruments	13 344 638	-	-	13 344 638
Short term borrowings	4 329 070 017	-	-	4 329 070 017
Other payables	512 177 419	-	-	512 177 419
Long term borrowings	2 919 960 481	-	-	2 919 960 481
Total financial liabilities	7 938 149 796	-	-	7 938 149 796
	=====	=====	=====	=====
As at 31 December 2024				
Financial assets				
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	24 942 490	-	-	24 942 490
Equity investments at fair value	-	1 970 338	65 722 001	67 692 339
Total financial assets	8 556 786 996	807 648 269	65 722 001	9 430 157 265
	=====	=====	=====	=====
Financial liabilities				
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
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52. TRADE FINANCE LOAN PORTFOLIO

Country	As at 30 June 2025			As at 31 December 2024		
	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
Botswana	881 571	881 571	-	-	-	-
Burundi	14 868 202	9 886 721	4 981 481	21 409 349	11 075 635	10 333 714
Djibouti	9 084 422	9 084 422	-	13 897 136	13 897 136	-
Egypt	203 635 740	203 635 740	-	187 998 266	187 054 272	943 994
Eswatini	15 284 411	15 284 411	-	62 507 808	62 507 808	-
Ethiopia	622 719 785	603 207 409	19 512 376	556 342 897	530 675 053	25 667 844
Kenya	28 147 665	28 147 665	-	28 515 190	27 824 865	690 325
Madagascar	1 562 500	1 562 500	-	1 562 500	1 562 500	-
Malawi	563 585 772	229 810 247	333 775 525	531 694 590	452 036 648	79 657 942
Mauritius	121 492 757	121 492 757	-	213 955 562	213 955 562	-
Mozambique	13 799 687	13 799 687	-	9 183 804	9 183 804	-
Rwanda	369 483 593	74 934 968	294 548 625	451 282 113	125 372 916	325 909 197
South Sudan	151 061 168	1 061 168	150 000 000	151 061 168	1 061 168	150 000 000
Senegal	118 404 921	118 404 921	-	-	-	-
Seychelles	227	227	-	-	-	-
Sudan	1 015 828 809	4 418 064	1 011 410 745	892 733 934	28 353 536	864 380 398
Tanzania	241 338 595	180 328 823	61 009 772	151 539 326	151 539 326	-
Uganda	23 413 913	17 413 913	6 000 000	30 039 973	17 067 320	12 972 653
Zambia	914 039 898	765 705 522	148 334 376	861 002 152	858 617 165	2 384 987
Zimbabwe	750 879 045	60 040 710	690 838 335	624 206 488	32 214 783	591 991 705
Gross Loans	5 179 512 681	2 459 101 446	2 720 411 235	4 788 932 256	2 723 999 497	2 064 932 759
Impairment on trade finance loans (Note 20)	(209 298 131)	-	(209 298 131)	(186 861 359)	-	(186 861 359)
Net Loans	4 970 214 550	2 459 101 446	2 511 113 104	4 602 070 897	2 723 999 497	1 878 071 400
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52. TRADE FINANCE LOAN PORTFOLIO (Continued)

Country	As at 30 June 2025			BANK		
	Balance outstanding USD	Amounts due within one year USD	Amounts due after one year USD	Balance outstanding USD	Amounts Due within one year USD	Amounts Due after one year USD
Burundi	14 868 202	9 886 721	4 981 481	21 408 969	11 075 635	10 333 334
Djibouti	9 084 422	9 084 422	-	13 897 136	13 897 136	-
Egypt	203 635 740	203 635 740	-	187 998 266	187 054 272	943 994
Eswatini	15 284 411	15 284 411	-	62 507 808	62 507 808	-
Ethiopia	622 719 785	603 207 409	19 512 376	556 342 897	530 675 053	25 667 844
Kenya	27 816 013	27 816 013	-	27 824 865	27 824 865	-
Madagascar	1 562 500	1 562 500	-	1 562 500	1 562 500	-
Malawi	563 585 772	229 810 247	333 775 525	531 694 590	452 036 648	79 657 942
Mauritius	121 492 757	121 492 757	-	213 955 562	213 955 562	-
Mozambique	13 799 687	13 799 687	-	9 183 804	9 183 804	-
Rwanda	369 483 593	74 934 968	294 548 625	451 282 113	125 372 916	325 909 197
South Sudan	151 061 168	1 061 168	150 000 000	151 061 168	1 061 168	150 000 000
Senegal	118 404 921	118 404 921	-	-	-	-
Seychelles	227	227	-	-	-	-
Sudan	1 015 828 809	4 418 064	1 011 410 745	892 733 934	28 353 536	864 380 398
Tanzania	241 338 595	180 328 823	61 009 772	151 539 326	151 539 326	-
Uganda	23 413 913	17 413 913	6 000 000	30 039 973	17 067 320	12 972 653
Zambia	911 550 685	763 216 309	148 334 376	858 617 165	858 617 165	-
Zimbabwe	750 876 300	60 037 965	690 838 335	624 204 123	32 214 783	591 989 340
Gross Loans	5 175 807 500	2 455 396 265	2 720 411 235	4 785 854 199	2 723 999 497	2 061 854 702
Impairment on trade finance loans (Note 20)	(209 021 910)	-	(209 021 910)	(186 615 354)	-	(186 615 354)
Net Loans	4 966 785 590	2 455 396 265	2 511 389 325	4 599 238 845	2 723 999 497	1 875 239 348
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

53. PROJECT LOAN PORTFOLIO

Country	Amounts Disbursed USD	Interest Capitalized USD	Amounts Repaid USD	Interest Receivable USD	GROUP AND BANK As at 30 June 2025			As at 31 December 2024		
					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	51 010 723	2 074 720	(14 999 646)	289 121	38 374 918	15 519 600	22 855 318	28 467 220	15 322 110	13 145 110
Comoros	26 848 466	-	(12 788 053)	105 077	14 165 490	3 620 302	10 545 188	14 261 400	3 263 032	10 998 368
Congo DRC	267 396 429	16 040 039	(39 659 814)	5 108 553	248 885 207	118 506 289	130 378 918	265 799 690	117 178 795	148 620 895
Djibouti	3 086 487	481 328	(44 642)	281 890	3 805 063	3 033 442	771 621	3 691 897	2 699 812	992 085
Eritrea	403 652	-	(403 652)	-	-	-	-	-	-	-
Ethiopia	243 445 016	32 983 318	(203 465 357)	3 749 086	76 712 063	14 553 850	62 158 213	81 347 617	12 441 689	68 905 928
Kenya	2 059 642 909	1 532 900	(991 702 407)	38 786 927	1 108 260 329	305 978 879	802 281 450	885 078 539	219 076 480	666 002 059
Madagascar	7 079 269	-	(453 157)	233 804	6 859 916	2 193 841	4 666 075	6 865 596	1 813 521	5 052 075
Malawi	60 793 337	2 920	(60 796 257)	-	-	-	-	-	-	-
Mauritius	243 481 894	59 695 929	(70 949 708)	11 086 171	243 314 286	152 380 858	90 933 428	237 853 704	149 155 771	88 697 933
Mozambique	207 717 828	5 041 349	(50 209 061)	565 306	163 115 422	11 093 862	152 021 560	131 545 419	10 866 133	120 679 286
Rwanda	407 610 599	22 666 910	(343 707 323)	6 606 020	93 176 206	43 718 296	49 457 910	123 522 221	54 324 828	69 197 393
Seychelles	107 155 554	-	(103 065 270)	26 993	4 117 277	3 776 765	340 512.00	4 721 635	4 721 635	-
Sudan	62 756 121	17 056 064	(25 392 904)	-	54 419 281	54 419 281	-	54 419 281	54 419 281	-
Tanzania	784 687 186	682 910	(627 954 089)	1 284 120	158 700 127	89 287 416	69 412 711	201 581 916	89 324 830	112 257 086
Uganda	608 921 911	25 543 806	(396 924 871)	1 721 946	239 262 792	88 312 566	150 950 226	249 905 389	84 603 332	165 302 057
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	(334 649 699)	-	856 229	856 229	-	4 353 002	4 353 002	-
Gross loans	5 608 059 568	209 597 917	(3 422 419 596)	69 845 014	2 465 082 903	907 251 476	1 557 831 427	2 304 472 823	834 622 548	1 469 850 275
project loans (Note 20)					(94 099 909)	-	(94 099 909)	(66 322 503)	-	(66 322 503)
Net Loans	5 608 059 568	209 597 917	(3 422 419 596)	69 845 014	2 370 982 994	907 251 476	1 463 731 518	2 238 150 320	834 622 548	1 403 527 772

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

54. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK

As at 30 June 2025

CLASS 'A' SHARES	Shares	Percentage	Value	Callable	Payable	Instalments	Instalments	hare premium	Total paid
	Subscribed	of total	USD	capital	capital	payable on	paid as at	paid as at	as at
				USD	USD	30.06.2025	30.06.2025	30.06.2025	30.06.2025
						USD	USD	USD	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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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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)

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

As at 30 June 2025	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
CLASS 'B'							
African Development Bank	5 895	32.00%	26 724 512	26 724 512	26 724 512	20 251 419	46 975 931
Arab Bank for Economic Development in Africa	1 134	6.16%	5 140 896	5 140 896	5 140 896	7 233 022	12 373 918
Fundo Soberano de Angola	1 219	6.62%	5 526 215	5 526 215	5 526 215	14 482 451	20 008 666
Investment Fund for Developing Countries	3 383	18.36%	15 336 561	15 336 561	15 336 561	24 359 316	39 695 877
OPEC Fund for International Development	2 875	15.61%	13 033 568	13 033 568	13 033 568	18 168 354	31 201 922
People's Republic of China	3 915	21.25%	17 748 336	17 748 336	17 748 336	9 174 811	26 923 147
	<u>18 421</u>	<u>100%</u>	<u>83 510 088</u>	<u>83 510 088</u>	<u>83 510 088</u>	<u>93 669 373</u>	<u>177 179 461</u>
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Class 'B' shares were first issued in 2013 following an approval by the Board of Governors in December 2012 to increase the Bank's authorized capital from USD 2.0 billion to USD 3.0 billion. This increase was achieved through the creation of 220,584 new Class B shares of a par value of US\$ 4,533.42 each.

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

54. 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
CLASS '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 Tanz	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
	32 884	100%	149 076 880	149 076 880	149 076 880	163 160 999	312 237 879
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

CLASS 'C'	Number of Shares	Percentage of Total	Share Value USD	Payable Capital USD	Paid up Capital USD	Share Premium USD	Total Paid USD
As at 30 June 2025							
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>
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As at 31 December 2024							
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>
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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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

55. PRIOR YEAR ADJUSTMENT

In the previous year, in the Group and Bank statement of cash flows, cash flows arising from the movement in bank balances with more than 90 days to maturity were incorrectly classified as investing activities. A restatement has been made to correctly classify the movement in bank balances with more than 90 days to maturity as operating activities, as these

Effects on Statement of Cash Flows	Balance as Previously stated USD	Adjustment for restatement USD	Restated USD
As at 30 June 2024			
Group:			
<i>Working capital changes</i>			
Increase in bank balances with more than 90 days to maturity	-	882 363 662	882 363 662
Net cash (used in)/generated from operations	(1 365 975 997)	882 363 662	(483 612 335)
<i>Investing activities</i>			
Bank balances with more than 90 days to maturity	882 363 662	(882 363 662)	-
Net cash used in investment activities	139 996 311	(882 363 662)	(742 367 351)
	=====	=====	=====
Bank:			
<i>Working capital changes</i>			
Increase in bank balances with more than 90 days to maturity	-	882 363 662	882 363 662
Net cash (used in)/generated from operations	(1 355 948 426)	882 363 662	(473 584 764)
<i>Investing activities</i>			
Bank balances with more than 90 days to maturity	882 363 662	(882 363 662)	-
Net cash used in investment activities	150 549 150	(882 363 662)	(731 814 512)
	=====	=====	=====

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.