

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 Finance	Republic of Senegal	Sovereign
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Minister for Finance, National Planning & Trade	Republic of Seychelles	Sovereign
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Minister of Finance	Federal Republic of Somalia	Sovereign
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Minister of Finance and Planning	Republic of South Sudan	Sovereign
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Minister of Finance and Economic Planning	Republic of Sudan	Sovereign
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Minister for Finance and Planning	United Republic of Tanzania	Sovereign
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Minister of Finance, Planning and Economic Development	Republic of Uganda	Sovereign
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Minister for Finance and National Planning	Republic of Zambia	Sovereign
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Minister of Finance and Investment Promotion	Republic of Zimbabwe	Sovereign
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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)
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Chairman of the Management Board	Republic of Belarus	Sovereign (through JSC Development Bank of Belarus as a Designated Institution)
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African and non-African Institutions

Vice President for Power, Energy, Climate and Green Growth	African Development Bank	Multilateral Institution
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President	Arab Bank for Economic Development in Africa	Multilateral Institution
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Vice President, Finance	The Investment Fund for Developing Countries (IFU)	Bilateral Institution
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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
Vacant*	Non-Executive Director for Burundi, Ethiopia, Ghana, Madagascar, Malawi and Seychelles
Mr. Armando Manuel	Non-Executive Director for Angola, Comoros, DR Congo, Sudan and Uganda
Mr. Abraham Akoi Diing	Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and
Mr. George T. Guvamatanga**	Non-Executive Director for Botswana, Eritrea, Mauritius, Rwanda, and Zimbabwe
Mr. Bassirou Sarr	Non-Executive Director for Kenya, Mozambique, Senegal, Somalia and Zambia
Mr. Solomon Quaynor	Non-Executive Director for African Institutions
Ms. Lekha Nair	Independent Non-Executive Director
Dr. Abdelrahman Taha***	Independent Non-Executive Director (Alternate)
Mr. Dingxin Gao****	Non-Executive Director for Non-African States
Mr. Admassu Tadesse*****	Group President and Managing Director
Mr Gerald Kasaato	Alternate Non-Executive Director for Angola, Comoros, DR Congo, Sudan and Uganda
Ms. Busisiwe Alice Dlamini-	Alternate Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan
Ms. Nnenna Nwabuo	Alternate Non-Executive Director for African Institutions
Mr. Adele Tura Halake	Alternate Non-Executive Director for Kenya, Mozambique, Senegal, Somalia and Zambia
Mr. Ye Zhou	Alternate Non-Executive Director for Non-African States
Mr. Joseph M. Chikolwa	Alternate Independent Non-Executive Director (Alternate to Ms. Nair)

*The appointment process of the substantive and alternate Non-Executive Director for the constituency comprising Ghana, Malawi, Seychelles, Ethiopia, Madagascar and Burundi is currently underway and is expected to be concluded by the 42nd Annual General Meeting of the Board of Governors in 2026.

**The appointment process of the alternate Non-Executive Director for the constituency comprising Zimbabwe, Botswana, Eritrea, Rwanda and Mauritius is currently underway and is expected to be concluded by the 42nd Annual General Meeting of

***The appointment of the substantive and alternate Independent Non-Executive Director is currently underway and is expected to be concluded by the 42nd Annual General Meeting of the Board of Governors in 2026.

****Subject to confirmation by the Board of Governors, together with the Alternate Director, at the 42nd Annual General Meeting in 2026.

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

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CORPORATE INFORMATION (continued)

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)
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REPORT OF THE DIRECTORS

The directors have pleasure in presenting the annual Financial Statements of the Eastern And Southern African Trade Development Bank and its subsidiaries (TDB Group) for the year ended 31 December 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 year are set out on pages 11 to 13.

3 DIVIDENDS

The Board does not recommend a dividend in respect of the year ended 31 December 2025 (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

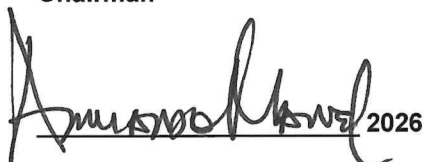
There were no material events after the reporting date which would require adjustments to, or disclosure in, these financial statements as at the date of the approval of the financial statements.

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

BY ORDER OF THE BOARD

Chairman

 2026

2nd April 2026

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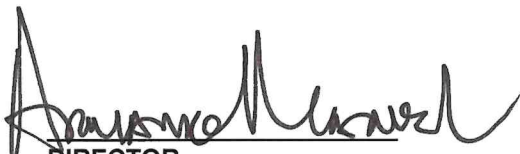
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The directors accept responsibility for the preparation and presentation of these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Bank's Charter. The directors are of the opinion that the 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

2nd April 2026



DIRECTOR

2nd April 2026

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Eastern and Southern African Trade and Development Bank (the "Bank") and its subsidiaries (together the "Group"), set out on pages 11 to 158, which comprise the consolidated and separate statements of financial position at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and Bank as at 31 December 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

Basis for Opinion

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

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

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

Key Audit Matter

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

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



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

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter	How the matter was addressed in the audit
Estimation of expected credit losses on loans and advances	
<p>Loans and advances to customers constitutes 68% (2024: 69%) of the total assets of Eastern and Southern African Trade and Development Bank (TDB). As disclosed in notes 2(c), 2(m), 20 and 48(b), management exercises significant judgment when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments.</p> <p>An amount of USD 297,180,770 (2024: USD 253,183,862) relating to ECL on loans and advances is reported in the consolidated statement of financial position and an amount of USD 296,074,142 (2024: USD 252,937,857) relating to ECL on loans and advances is reported in the separate statement of financial position.</p> <p>The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the Group's estimation of ECL under IFRS 9 include:</p> <p>The judgments made to determine the categorisation stage 1, 2 or 3 of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk ("SICR") and Default requires consideration of quantitative and qualitative information. This is a key area of judgement as this determines whether a 12-month or lifetime Probability of default (PD) is used;</p> <p>The estimation of ECL involves modelling for estimation of ECL parameters:</p> <ul style="list-style-type: none"> • Probabilities of Default (PDs) • Loss Given Default (LGD) • Exposure at Default (EAD); and • Economic scenarios on forward looking information. <p>Of the above parameters, the key area of judgement is determination of Probabilities of Default (PDs) as the group applies default data from Moody's and S&P which are 12 month PD which are then adjusted with PD derived from survival analysis which compute the chances of survival at different residual tenures.</p> <p>Because of the significance of these estimates, judgments and the size of loans and advances portfolio, the audit of ECL provisions is considered a key audit matter.</p>	<p>Our audit of the impairment of loans and advances included the following audit procedures performed together with the assistance and involvement of our internal credit risk specialists:</p> <ol style="list-style-type: none"> i. Obtained an understanding of the Group's methodology for determining expected credit losses, including enhancements in the year, and evaluated this against the requirements of IFRS 9, Financial Instruments; ii. Tested the design and implementation of critical controls across all ECL-related processes, particularly the allocation of assets into stages; iii. Tested the assumptions, inputs and formulae used in the ECL models with the support of our internal credit risk specialists (including assessing the appropriateness of model design and formulae used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default); iv. On a sample of contracts, we assessed the identification of loans and advances that had experienced a significant increase in credit risk or met the Group's default definition criteria for classification purposes. This was completed by reviewing documentation and credit performance to determine whether the staging of such facilities was in accordance with Group policy and IFRS 9 requirements; v. Tested the data used in the ECL calculation by reconciling to source systems; and vi. Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards. <p>Based on our procedures, we found that the assumptions and methodology used for determining expected credit losses were reasonable and in line with the standard. The disclosures pertaining to ECL were found to be appropriate and comprehensive in the financial statements.</p>

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

Report on the Audit of the Financial Statements (Continued)

Other Information

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

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

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

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

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

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

Report on the Audit of the Financial Statements (Continued)

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

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

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

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

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

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



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

08 April 2026



UNIQUE CODE: 43638260408

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INCOME	Note	2025 USD	2024 USD
Interest revenue calculated using the effective interest method	4	748,637,179	742,440,511
Interest expense	5	(432,544,063)	(477,436,083)
Net interest income		316,093,116	265,004,428
Other borrowing costs	6	(6,436,182)	(6,420,432)
Fee and commission income	7	18,035,066	13,769,286
(Loss)/gain on FVTPL - Derivatives	17	(18,190,100)	33,903,387
Gains on FVTPL - Trade and other funds loan assets	23	2,526,702	7,896,904
Revaluation (loss)/gain on investment property	28	(1,431,054)	719,370
Trading income	12	310,597,548	314,872,943
Risk mitigating costs	8	(39,010,792)	(33,316,584)
Other income	9	44,065,742	16,652,308
Operating Income	12	315,652,498 =====	298,208,667 =====
EXPENDITURE			
Operating expenses	10	(60,510,740)	(54,696,430)
Impairment on Project and Trade Finance loans	20	(86,514,192)	(54,167,280)
Net foreign exchange gains/ (losses)	14	1,668,911	(15,593,250)
Other financial assets written-off	13	(15,357)	(2,500,188)
Reversal of/(impairment) charge on corporate bonds	22	470,948	(709,894)
TOTAL EXPENDITURE		(144,900,430)	(127,667,042)
PROFIT FOR THE YEAR		170,752,068 =====	170,541,625 =====
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss) through other comprehensive income - equity investments	25	(2,882,903)	(4,177,141)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		167,869,165 =====	166,364,484 =====

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

	2025	2024
	USD	USD
PROFIT FOR THE YEAR	170,752,068	170,541,625
	=====	=====
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	167,869,165	166,364,484
	=====	=====
Profit for the period is attributable to:		
Owners of the Bank	148,589,852	159,324,679
Non-controlling interest	22,162,216	11,216,946
	-----	-----
	170,752,068	170,541,625
	=====	=====
Total comprehensive income for the period is attributable to:		
Owners of the Bank	145,706,950	155,147,538
Non-controlling interest	22,162,216	11,216,946
	-----	-----
	167,869,165	166,364,484
	=====	=====

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

INCOME	Note	2025 USD	2024 USD
Interest revenue calculated using the effective interest method	4	743,890,258	739,343,081
Interest expense	5	(432,544,063)	(476,397,803)
Net interest income		311,346,195	262,945,278
Other borrowing costs	6	(5,073,915)	(6,420,432)
Fee and commission income	7	17,548,460	13,744,286
(Loss)/gain on FVTPL - Derivatives	17	(18,190,100)	33,903,387
Revaluation (loss)/gain on investment property	28	(1,431,054)	719,370
Trading income	12	304,199,586	304,891,889
Risk mitigating costs	8	(35,125,541)	(40,793,494)
Other income	9	11,900,338	2,999,160
Operating Income	12	280,974,383	267,097,555
EXPENDITURE			
Operating expenses	10	(58,137,951)	(51,456,113)
Impairment allowance on loans	20	(85,789,158)	(54,092,547)
Net foreign exchange gains/ (losses)	14	1,646,385	(15,492,847)
Other financial assets written-off	13	(15,357)	(2,500,188)
Impairment of investment in subsidiary	26	-	(63,951)
TOTAL EXPENDITURE		(142,296,081)	(123,605,646)
PROFIT FOR THE YEAR		138,678,302	143,491,909
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value (loss) through other comprehensive income - equity investments	25	(2,882,903)	(4,177,141)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		135,795,399	139,314,768

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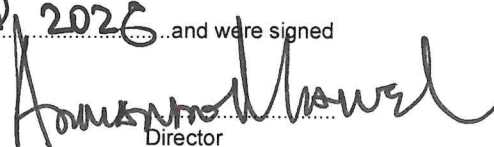
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	2025 USD	2024 USD
Cash and balances held with other banks -less than 90 days	16	1,324,906,832	1,198,858,759
Cash and balances held with other banks -over 90 days	16	396,440,076	452,674,208
Derivative financial instruments	17	-	62,162,697
Trade finance loans	18	5,023,537,528	4,602,070,897
Project loans	19	2,165,783,860	2,238,150,320
Investment in government securities	21	972,702,558	841,906,952
Investment in corporate bonds	22	57,253,565	40,630,615
Trade and other funds loan receivables	23	487,912,924	256,359,097
Other receivables	24	55,738,217	98,661,664
Equity investments - at fair value through other comprehensive	25	64,809,436	67,692,339
Property and equipment	27	36,080,095	37,423,023
Investment property	28	7,553,586	8,923,990
Right-of-use assets	29	2,203,934	2,228,720
Intangible assets	30	4,161	29,883
TOTAL ASSETS		10,594,926,772	9,907,773,164
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	173,539,051	172,330,020
Derivative financial instruments	17	1,054,745	-
Short term borrowings	32	4,612,399,340	4,482,774,367
Provision for service and leave pay	33	15,017,149	13,724,517
Non-controlling interest payables	34	285,823,678	153,451,272
Other payables	35	438,138,219	251,081,182
Long term borrowings	36	2,854,954,823	2,530,610,185
TOTAL LIABILITIES		8,380,927,005	7,603,971,543
EQUITY			
Ordinary share capital	38	511,410,275	602,717,362
Share premium	38	234,633,140	306,326,253
Retained earnings		1,224,280,051	1,306,342,101
Fair value reserve -Equity investments	40	22,404,193	25,287,096
Management reserve	41	19,842,913	19,842,913
Total capital		2,012,570,572	2,260,515,725
Hybrid equity instrument	39	98,300,000	-
Equity attributable to owners of the Bank		2,110,870,572	2,260,515,725
Non-controlling interest		103,129,195	43,285,896
TOTAL EQUITY		2,213,999,766	2,303,801,621
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		10,594,926,772	9,907,773,164

The notes on page 11 to 158 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 2nd April 2026 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	2025 USD	2024 USD
ASSETS			
Cash and balances held with other banks -less than 90 days	16	1,304,922,381	1,179,618,435
Cash and balances held with other banks -over 90 days	16	388,016,310	452,674,208
Derivative financial instruments	17	-	62,162,697
Trade finance loans	18	5,022,649,814	4,599,238,845
Project loans	19	2,165,783,860	2,238,150,320
Investment in government securities	21	942,303,439	805,677,931
Other receivables	24	61,925,126	109,791,952
Equity investments - at fair value through other comprehensive	25	64,809,436	67,692,339
Investment in subsidiaries	26	164,478,580	139,478,580
Property and equipment	27	36,080,095	37,423,023
Investment property	28	7,553,586	8,923,990
Right-of-use assets	29	2,203,934	2,228,720
Intangible assets	30	4,161	29,883
TOTAL ASSETS		10,160,730,722	9,703,090,923
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	173,539,051	172,330,020
Derivative financial instruments	17	1,054,745	-
Short term borrowings	32	4,612,399,340	4,482,774,367
Provision for service and leave pay	33	14,815,560	13,540,264
Other payables	35	374,032,516	252,025,780
Long term borrowings	36	2,854,954,823	2,530,610,185
TOTAL LIABILITIES		8,030,796,035	7,451,280,616
EQUITY			
Ordinary share capital	38	511,410,275	602,717,362
Share premium	38	234,633,140	306,326,253
Retained earnings		1,243,344,166	1,297,636,683
Fair value reserve -Equity investments	40	22,404,193	25,287,096
Management reserve	41	19,842,913	19,842,913
Hybrid equity instrument	39	98,300,000	-
TOTAL EQUITY		2,129,934,687	2,251,810,307
TOTAL LIABILITIES AND EQUITY		10,160,730,722	9,703,090,923

The notes on page 11 to 158 are an integral part of these financial statements.

The financial statements were approved by the board of directors on 2nd April 2026 and were signed on


Group MD/Director


Director

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

As at 31 December 2025	Note	Share capital USD	Share premium USD	Hybrid equity USD	Retained earnings 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	350	-	-	-	-	-	350	-	350
Capital substitution	38	(25,740,645)	(2,201,487)	-	(73,807,628)	-	-	(101,749,760)	-	(101,749,760)
Share repurchase	38	(65,566,792)	(69,491,626)	-	(109,905,393)	-	-	(244,963,811)	-	(244,963,811)
Hybrid equity instrument	39	-	-	98,300,000	(9,257,798)	-	-	89,042,202	-	89,042,202
ESATF opening reserves ceded to NCI*		-	-	-	(37,681,083)	-	-	(37,681,083)	37,681,083	-
Profit for the year		-	-	-	148,589,852	-	-	148,589,852	22,162,216	170,752,068
Fair value gain through other comprehensive income	25	-	-	-	-	(2,882,903)	-	(2,882,903)	-	(2,882,903)
As at 31 December 2025		511,410,275	234,633,140	98,300,000	1,224,280,051	22,404,193	19,842,913	2,110,870,572	103,129,195	2,213,999,767

*TDB Group % of shareholding in ESATF changed from 30.83% in 2024 to 18.62% in 2025 (Bank:18.31%). The Fund has attracted more investors, diluting TDB's investment of the total Net Asset Value (NAV) of ESATF. The decrease in TDB shareholding has been ceded to non-controlling interest through TDB's retained earnings.

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

As at 31 December 2024	Note	Share capital USD	Share premium USD	Retained earnings USD	Proposed dividend USD	Fair value reserve USD	Management reserve USD	Total equity USD	Non-controlling interest USD	TOTAL USD
As at 1 January 2024		603,081,183	256,185,817	1,236,944,337	49,498,565	29,464,237	19,842,913	2,195,017,052	13,473,877	2,208,490,929
Capital subscription	38	29,044,415	-	-	-	-	-	29,044,415	-	29,044,415
Share premium	38	-	58,679,699	-	-	-	-	58,679,699	-	58,679,699
Share repurchase	38	(29,408,236)	(8,539,263)	(71,331,842)	-	-	-	(109,279,341)	-	(109,279,341)
Dividend proposed, declared and paid	38	-	-	-	(11,340,525)	-	-	(11,340,525)	-	(11,340,525)
and allocated to Members' capital subscriptions	38	-	-	-	(27,427,793)	-	-	(27,427,793)	-	(27,427,793)
Dividend proposed, declared and payable	38	-	-	-	(10,730,247)	-	-	(10,730,247)	-	(10,730,247)
ESATF opening reserves ceded to NCI**		-	-	(18,595,073)	-	-	-	(18,595,073)	18,595,073	-
Profit for the period		-	-	159,324,679	-	-	-	159,324,679	11,216,946	170,541,625
Fair value gain through other comprehensive income	25	-	-	-	-	(4,177,141)	-	(4,177,141)	-	(4,177,141)
As at 31 December 2024		<u>602,717,362</u>	<u>306,326,253</u>	<u>1,306,342,101</u>	<u>-</u>	<u>25,287,096</u>	<u>19,842,913</u>	<u>2,260,515,725</u>	<u>43,285,896</u>	<u>2,303,801,621</u>

*TDB % of shareholding in ESATF changed from 44.00% in 2023 to 30.83% in 2024. The Fund has attracted more investors, diluting TDB's investment of the total Net Asset Value (NAV) of ESATF. The decrease in TDB shareholding has been ceded to non-controlling interest through TDB's retained earnings.

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

	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
As at 31 December 2025									
As at 1 January 2024		602,717,362	306,326,253	-	1,297,636,683	-	25,287,096	19,842,913	2,251,810,307
Capital subscription	38	350	-	-	-	-	-	-	350
Capital substitution	38	(25,740,645)	(2,201,487)	-	(73,807,628)	-	-	-	(101,749,760)
Share repurchase	38	(65,566,792)	(69,491,626)	-	(109,905,393)	-	-	-	(244,963,811)
Hybrid equity instrument	39	-	-	98,300,000	(9,257,798)	-	-	-	89,042,202
Profit for the year		-	-	-	138,678,302	-	-	-	138,678,302
Fair value gain through other comprehensive income	25	-	-	-	-	-	(2,882,903)	-	(2,882,903)
As at 31 December 2025		<u>511,410,275</u>	<u>234,633,140</u>	<u>98,300,000</u>	<u>1,243,344,166</u>	<u>-</u>	<u>22,404,193</u>	<u>19,842,913</u>	<u>2,129,934,687</u>

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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SEPARATE STATEMENT OF CHANGES IN EQUITY (Continued)

	Note	Share capital USD	Share premium USD	Retained earnings USD	Proposed dividend USD	Fair value reserve USD	Management reserve USD	Total equity USD
As at 31 December 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	38	29,044,415	-	-	-	-	-	29,044,415
Share premium	38	-	58,679,699	-	-	-	-	58,679,699
Share repurchase	38	(29,408,236)	(8,539,263)	(71,331,842)	-	-	-	(109,279,341)
Dividend proposed, declared and paid	38	-	-	-	(11,340,525)	-	-	(11,340,525)
allocated to Members' capital	38	-	-	-	(27,427,793)	-	-	(27,427,793)
Dividend proposed, declared and payable	38	-	-	-	(10,730,247)	-	-	(10,730,247)
Profit for the year		-	-	143,491,909	-	-	-	143,491,909
Fair value gain through other comprehensive income	25	-	-	-	-	(4,177,141)	-	(4,177,141)
As at 31 December 2024		602,717,362	306,326,253	1,297,636,683	-	25,287,096	19,842,913	2,251,810,307
		=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

	Note	GROUP		BANK	
		2025 USD	2024 USD Restated*	2025 USD	2024 USD Restated*
OPERATING ACTIVITIES					
Cash generated from operations*	42 (a)	239,594,953	281,622,630	257,565,751	287,737,732
Interest received*		524,869,738	37,717,193	521,469,439	35,514,817
Interest paid		(404,753,892)	(405,656,502)	(404,753,892)	(404,618,222)
Net cash generated from / (used in) operations*		359,710,799	(86,316,679)	374,281,298	(81,365,673)
INVESTING ACTIVITIES					
Purchase of property and equipment	27	(794,481)	(2,112,043)	(794,481)	(2,112,043)
Purchase of investment property	28	(60,650)	(183,704)	(60,650)	(183,704)
Disposal of equity investments	25	-	11,389	-	11,389
Investment in government securities	21	(91,784,862)	(771,791,461)	(91,784,862)	(745,540,360)
Redemption of government securities	21	20,742,103	38,803,370	14,470,188	38,803,370
Investment in corporate bonds	22	(15,957,289)	(40,725,109)	-	-
Dividend received	9	3,898,273	1,616,188	3,898,273	1,616,188
Investment in subsidiaries	26	-	-	(25,000,000)	(50,000,000)
Net cash (used in) investing activities*		(83,956,906)	(774,381,370)	(99,271,532)	(757,405,160)
FINANCING ACTIVITIES					
Proceeds from capital subscriptions	38	350	21,469,105	350	21,469,105
Share capital redemption	38	(65,566,792)	(29,408,236)	(65,566,792)	(29,408,236)
Proceeds from share premium	38	-	38,827,216	-	38,827,216
Share premium redemption	38	(69,491,626)	(8,539,263)	(69,491,626)	(8,539,263)
Payment of dividends	38	-	(11,340,525)	-	(11,340,525)
Share repurchase appreciation	38	(109,905,393)	(71,331,842)	(109,905,393)	(71,331,842)
Hybrid equity instrument	39	98,300,000	-	98,300,000	-
Coupon paid on hybrid equity instrument	39	(2,846,508)	-	(2,846,508)	-
Net cash (used in) financing activities*		(149,509,969)	(60,323,545)	(149,509,969)	(60,323,545)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		126,243,924	(921,021,594)	125,499,797	(899,094,378)
Effect of foreign exchange rate changes on cash and cash equivalents*	14	(195,851)	19,941,784	(195,851)	19,841,381
CASH AND CASH EQUIVALENTS AT 01 JANUARY		1,198,858,759	2,099,938,569	1,179,618,435	2,058,871,432
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16	1,324,906,832	1,198,858,759	1,304,922,381	1,179,618,435

*Details of restatements are disclosed in Note 55

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 IFRS® Accounting Standards as issued by the international accounting Standards Board (IASB) and the Bank's Charter.

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

ii. Presentation of financial statements

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

(b) Basis of consolidation

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

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

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

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

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

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

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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

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

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

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

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

(iii) Significant increase of credit risk

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

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

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

(iv) Classification and measurement of financial assets

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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

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

(d) Key sources of estimation uncertainty

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

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

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

- (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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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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 securities.

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

Effective interest rate

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

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

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

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

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

Amortised cost and gross carrying amount.

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

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

Calculation of interest income

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition (continued)

i. Interest income from loans and investment (continued)

Calculation of interest income (continued)

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

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

Presentation

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

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

ii. Fees and commissions

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

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

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

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

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Borrowings and financing costs

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

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

(g) Foreign currencies

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

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

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

(h) Property and equipment

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

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

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

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

Buildings and leasehold land	50 years
Motor vehicles	5 years
Furniture and fittings	10 years
Office and computer equipment	3 - 5 years

Freehold land is not depreciated. Leasehold land is depreciated over the unexpired term of the lease on the straight-line basis.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Property and equipment (continued)

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

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

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

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

(i) Investment property

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

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

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

(j) Intangible assets

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

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Taxation

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

(l) Share capital

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

(m) Financial instruments

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

Initial recognition and measurement

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

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

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

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

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

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

Fair value through other comprehensive income (FVOCI) - Equity

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Fair value through profit or loss (FVTPL)

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

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

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

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

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

In making the assessment, the Group considered:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayments and extension terms;
- terms that limit the Group's claim to cash flows from specified assets - e.g non-recourse asset
- 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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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

De minimis

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

Business model assessment

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

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

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

Derecognition and modification

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Derecognition and modification (continued)

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

Reclassification

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

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 IFRS Accounting Standards and Group policy which require the Group to regularly assess accounts that are significantly impaired and are specifically provided for yet continue to deteriorate.

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

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

Financial liabilities

Initial measurement of financial liabilities

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

Subsequent measurement

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 Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading actively.

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

No impairment loss is recognised on equity investments.

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

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

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

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

Measurement of ECLs

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

Classification of loans under IFRS 9

TDB classifies its loan exposures as follows:

Classification	Explanation of Stage
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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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Classification	Explanation of Stage
Stage 3	<p>Asset has one or more well-defined weaknesses that make the full collection of principal and interest questionable such as weak financial condition including net worth, insufficient collateral, etc. The possibility of loss is very high. A full or partial provision of principal, interest or both may be required. Account has been classified as a non-performing/non-accrual loan. Asset is deemed uncollectible and of such little value that their continuance as bankable assets is not warranted. Full write-off of remaining principal and interest will be required in due course, even though partial recovery may be affected in future.</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 9 requirements. ECL arising from financial guarantees and loan commitments are included within provisions.

Derivative financial instruments

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(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 mandatorily redeem the instruments cash flows (i.e. principal and interest) over a maturity date.

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 with a maturity of 30 years 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 with
- 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 IAS 32, 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 impact on the statement of profit or loss.

(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 President and 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 million excess impairment provision.

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

(w) Comparative information

Some comparative information has been restated as a result of prior period adjustments as discussed in Note 55.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those followed in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2025 except for new standards, amendments and interpretations effective 1 January 2025. The nature and impact of each new standard and amendment are described below.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<p>Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> titled <i>Lack of Exchangeability</i></p>	<p>The Group has adopted the amendments to IAS 21 for the first time in the current year.</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>
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New and revised IFRS Accounting Standards in issue but not 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.

<i>New and Amendments to standards</i>	<i>Effective for annual periods beginning on or after:</i>
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of financial instrument.	1-Jan-26
Annual Improvements to IFRS Accounting Standards – Volume 11 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.	1-Jan-26
Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.	1-Jan-26
IFRS 18 - Presentation and Disclosure in Financial Statements.	1-Jan-27
IFRS 19 - Subsidiaries without Public Accountability: Disclosures.	1-Jan-27

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.

(i) Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instrument

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

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

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

(i) Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (continued)

Classification of financial assets

- *Contractual terms that are consistent with a basic lending arrangement.*
The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.
- *Assets with non-recourse features.*
The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- *Contractually linked instruments.*
The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- *Investments in equity instruments designated at FVTOCI.*
The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end
- *Contractual terms that could change the timing or amount of contractual cash flows.*
The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI comprehensive income and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application is permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The directors of TDG Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

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

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

(ii) Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process:

- a) IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter**

For consistency with the requirements in IFRS 9, IFRS 1:B5-B6 were amended to refer to the 'qualifying criteria' for hedge accounting (instead of the 'conditions') and to add cross-references to IFRS 9:6.4.1 to improve the understandability of IFRS 1.

- b) IFRS 7 Financial Instruments: Disclosures - Gain or loss on derecognition**

The amendments remove an obsolete cross-reference in IFRS 7:B38 to a paragraph that had been deleted when IFRS 13 was issued and align the wording of this paragraph with the terms used in IFRS 13.

- c) Guidance on implementing IFRS 7 - Disclosure of deferred difference between fair value and transaction price**

The amendments update IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14.

- d) Guidance on implementing IFRS 7 - Introduction and credit risk disclosures**

The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

- e) IFRS 9 Financial Instruments - Derecognition of lease liabilities**

The amendments add a cross-reference to IFRS 9:3.3.3 in IFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

- f) IFRS 9 Financial Instruments - Transaction price**

The amendments replace 'their transaction price (as defined in IFRS 15)' in IFRS 9.5.1.3 with 'the amount determined by applying IFRS 15' to address inconsistency between IFRS 9.5.1.3 and the requirements of IFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to 'transaction price' (as defined in IFRS 15) is deleted from Appendix A of IFRS 9.

- g) IAS 7 Statement of Cash Flows - Cost method**

The amendment replaces the term 'cost method' with 'at cost' in IAS 7:37 in line with the removal of the definition of 'cost method' from the IFRS Accounting Standards.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

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

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

(ii) Annual Improvements to IFRS Accounting Standards — Volume 11 (continued)

h) IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'

The amendments address concerns that the requirements in IFRS 10:B73-B74 might, in some situations, be contradictory. IFRS 10:B73 refers to 'de facto agents' as parties acting on the investor's behalf and states that the determination of whether other parties are acting as de facto agents requires judgement. However, the second sentence of IFRS 10:B74 includes more conclusive language and states that a party is a de facto agent when those that direct the activities of the investor have the ability to direct that party to act on the investor's behalf. The amendments update IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent. The amendments add a statement to IFRS 7:IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in IFRS 7:IG20B.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application of permitted. An entity is required to apply the amendments to IFRS 9.2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

(iii) Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

a) Amendments to IFRS 9 Financial Instruments

The following requirements of IFRS 9 are affected by the amendments:

- The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - o to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - o to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

b) Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments to the own use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

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

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

(iv) IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 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.

IFRS 18 introduces new requirements to:

- 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.

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.

The directors anticipate that the application of these amendments will have an impact on the Group's consolidated financial statements in future periods.

(v) IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier

The directors of TDB do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the Group.

Early adoption of standards

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

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NOTES TO THE FINANCIAL STATEMENTS

	GROUP		BANK	
	2025	2024	2025	2024
	USD	USD	USD	USD
4. INTEREST INCOME				
<i>Effective Interest Rate Income:*</i>				
On loans and facilities:				
Project finance loans	213,903,870	249,958,540	213,903,870	249,958,540
Trade finance loans	436,738,494	377,631,325	436,502,461	377,422,455
	<hr/>	<hr/>	<hr/>	<hr/>
Total interest income on loans and facilities:	650,642,364	627,589,865	650,406,331	627,380,995
<i>Other interest income:</i>				
On placements: Deposits at amortised cost	97,994,815	114,850,646	93,483,927	111,962,086
	<hr/>	<hr/>	<hr/>	<hr/>
Total effective interest income	748,637,179	742,440,511	743,890,258	739,343,081
	=====	=====	=====	=====
5. INTEREST EXPENSE				
Effective interest expense:				
Regional and international bond markets	28,389,549	41,424,472	28,389,549	41,424,472
Interest on funds borrowed from:				
- Banks and financial institutions	342,857,477	378,859,271	342,857,477	377,820,991
- Amortisation of deferred borrowing costs	30,338,625	28,747,197	30,338,625	28,747,197
- Other institutions	30,958,412	28,405,143	30,958,412	28,405,143
	<hr/>	<hr/>	<hr/>	<hr/>
	432,544,063	477,436,083	432,544,063	476,397,803
	=====	=====	=====	=====
6. OTHER BORROWING COSTS				
Other costs**	6,184,318	6,334,817	4,822,051	6,334,817
Bank commission	251,864	85,615	251,864	85,615
	<hr/>	<hr/>	<hr/>	<hr/>
	6,436,182	6,420,432	5,073,915	6,420,432
	=====	=====	=====	=====

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

**Other costs comprises commitment fees and agency costs.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. FEES AND COMMISSIONS INCOME	GROUP		BANK	
	2025	2024	2025	2024
	USD	USD	USD	USD
Letter of credit fees in trade finance	7,506,239	10,429,010	7,506,239	10,429,010
Syndication fees in project finance	6,326,496	1,037,984	6,326,496	1,037,984
Commitment fees in trade finance	901,783	18,375	901,783	18,375
Other fees in trade finance	887,350	380,438	400,744	380,438
Commitment fees on project finance	803,238	1,058,920	803,238	1,058,920
Syndication fees in trade finance	701,385	-	701,385	-
Other project fees	658,695	677,184	658,695	677,184
Guarantee fees in project finance	223,115	141,975	223,115	141,975
Letter of credit fees in project finance	25,165	-	25,165	-
Guarantee fees in trade finance	1,600	25,400	1,600	400
	<u>18,035,066</u>	<u>13,769,286</u>	<u>17,548,460</u>	<u>13,744,286</u>
	=====	=====	=====	=====
8. RISK MITIGATION COSTS				
Insurance cover costs*	37,742,011	32,095,767	33,856,760	39,572,677
Risk participation costs**	1,268,781	1,220,817	1,268,781	1,220,817
	<u>39,010,792</u>	<u>33,316,584</u>	<u>35,125,541</u>	<u>40,793,494</u>
	=====	=====	=====	=====

*Insurance cover costs are premiums on insurance cover taken on loans made to various borrowers. As at 31 December 2025, the insurance cover was USD 1.35 billion (2024: USD 1.52 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 494.64 million (2024: USD 794.17 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	
	2025 USD	2024 USD	2025 USD	2024 USD
Realised gain on disposal of ESATF loan assets (Note 23)	31,485,160	13,451,444	-	-
Impaired assets recovered	5,719,236	-	5,719,236	-
Dividend income	3,898,273	1,616,188	3,898,273	1,616,188
Other income	1,864,817	478,302	1,184,573	276,598
Interest on staff loans	885,119	670,800	885,119	670,800
Rental income	213,137	435,574	213,137	435,574
	44,065,742	16,652,308	11,900,338	2,999,160
	44,065,742	16,652,308	11,900,338	2,999,160
10. OPERATING EXPENSES				
Staff costs (Note 11)	38,707,384	36,025,494	38,301,687	35,295,087
Consultants and advisers	8,224,800	6,024,540	8,181,544	5,862,046
Other operating expenses	5,147,835	4,810,598	3,337,071	2,870,160
Official missions	2,476,688	2,463,283	2,458,118	2,173,176
Depreciation of property and equipment	2,135,386	2,108,111	2,135,386	2,108,111
Business promotion	1,840,268	1,354,634	1,835,268	1,337,130
Board of Governors meetings	835,300	686,748	835,300	685,366
Board of Directors meetings	791,426	728,115	749,204	688,560
Audit fees	162,780	168,430	115,500	110,000
Short term leases and other rentals	136,342	133,580	136,342	133,580
Amortisation of intangible assets	25,722	152,326	25,722	152,326
Depreciation of right-of-use assets	24,786	24,787	24,786	24,787
Loss on disposal of property and equipment	2,023	2,709	2,023	2,709
Loss on disposal of intangible assets	-	13,075	-	13,075
	60,510,740	54,696,430	58,137,951	51,456,113
	60,510,740	54,696,430	58,137,951	51,456,113
Auditors' Remuneration:				
<i>Audit Services:</i>				
Deloitte: Audit of Group consolidated and separate financial statements	162,780	168,430	115,500	110,000
<i>Non-audit Services:*</i>				
Deloitte firms	150,553	72,114	150,553	72,114
	313,333	240,544	266,053	182,114
	313,333	240,544	266,053	182,114
Non-Deloitte firms: Non-audit services	405,726	444,839	405,726	444,839
	405,726	444,839	405,726	444,839

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. STAFF COSTS	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
Salaries and wages	19,729,106	18,572,608	19,323,409	18,010,938
Staff reward and recognition scheme	5,584,893	6,167,802	5,584,893	6,167,802
School fees for dependents	4,684,801	3,050,226	4,684,801	3,050,226
Staff provident fund defined contribution plan	3,412,555	3,227,012	3,412,555	3,126,902
Medical costs	2,049,576	1,643,862	2,049,576	1,643,862
Other costs*	1,602,133	1,821,624	1,602,133	1,783,461
Service pay provision	1,455,473	1,484,280	1,455,473	1,453,816
Leave pay expense	188,847	58,080	188,847	58,080
	38,707,384	36,025,494	38,301,687	35,295,087
	38,707,384	36,025,494	38,301,687	35,295,087

12. TRADING INCOME & OPERATING INCOME

Management has presented 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.

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 Accounting 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 Accounting 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	
	2025 USD	2024 USD	2025 USD	2024 USD
Other receivables (Note 24)**	15,357	2,500,188	15,357	2,500,188
	15,357	2,500,188	15,357	2,500,188

14. NET FOREIGN EXCHANGE LOSSES

Realised exchange gains on bank balance	1,473,060	4,348,534	1,450,534	4,348,534
Unrealized gains/(losses) losses bank balances	195,851	(19,941,784)	195,851	(19,841,381)
	1,668,911	(15,593,250)	1,646,385	(15,492,847)
	1,668,911	(15,593,250)	1,646,385	(15,492,847)

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

**Other financial assets written off relate to appraisal fees on projects previously recognized as income receivable, now written off.

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15. TAXATION

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

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

16. CASH AND BALANCES HELD WITH OTHER BANKS

	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
Current accounts	266,770,085	243,423,961	241,373,841	234,408,048
Call and term deposits with banks	1,454,576,823	1,408,109,006	1,451,564,850	1,397,884,595
	<u>1,721,346,908</u>	<u>1,651,532,967</u>	<u>1,692,938,691</u>	<u>1,632,292,643</u>
	=====	=====	=====	=====
<i>Maturity Analysis*</i>				
With less than 90 days maturity	1,324,906,832	1,198,858,759	1,304,922,381	1,179,618,435
With more than 90 days maturity	396,440,076	452,674,208	388,016,310	452,674,208
	<u>1,721,346,908</u>	<u>1,651,532,967</u>	<u>1,692,938,691</u>	<u>1,632,292,643</u>
	=====	=====	=====	=====
(i) Current accounts:				
Amounts maintained in US Dollars (USD)	101,694,394	69,031,514	76,298,368	60,015,765
Amounts maintained in other currencies:				
Malawi Kwacha	110,568,469	85,332,328	110,568,469	85,332,328
Kenyan Shillings	34,763,852	510,368	34,763,852	510,368
Zambia Kwacha	5,913,706	2,656,320	5,913,706	2,656,320
Tanzania Shillings	5,599,584	4,853,807	5,599,584	4,853,807
Ethiopian Birr	4,422,972	1,727,115	4,422,972	1,727,115
Euro	2,175,857	23,562,298	2,175,755	23,562,208
Burundi Francs	1,189,642	1,114,677	1,189,642	1,114,677
Seychelles Rupee	249,286	244,922	249,286	244,922
United Arab Emirates Dirrham	104,040	54,302,722	104,040	54,302,722
British Pounds	39,019	42,625	39,019	42,625
Mauritian Rupee	35,263	27,850	35,145	27,776
Ugandan Shillings	6,394	5,217	6,394	5,217
Zimbabwe Gold	5,437	1,341.99	5,437	1,342
South African Rand	1,395	10,069	1,395	10,069
Japanese Yen	967	970	967	970
Zimbabwe Dollar	(192)	(183)	(190)	(183)
	<u>165,075,691</u>	<u>174,392,447</u>	<u>165,075,473</u>	<u>174,392,283</u>
	=====	=====	=====	=====
	266,770,085	243,423,961	241,373,841	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.

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

	GROUP		BANK	
	2025	2024	2025	2024
(ii) Call and term deposits with banks:	USD	USD	USD	USD
United States Dollars (USD)	1,419,053,861	1,193,222,551	1,416,041,888	1,182,998,140
Amounts maintained in other currencies:				
United Arab Emirates Dirham	20,998,788	19,893,606	20,998,788	19,893,606
Ugandan Shillings	6,179,271	6,033,403	6,179,271	6,033,403
Euro	5,838,900	186,453,443	5,838,900	186,453,443
Sudanese Pounds	2,506,003	2,506,003	2,506,003	2,506,003
	<u>35,522,962</u>	<u>214,886,455</u>	<u>35,522,962</u>	<u>214,886,455</u>
	<u>1,454,576,823</u>	<u>1,408,109,006</u>	<u>1,451,564,850</u>	<u>1,397,884,595</u>
	=====	=====	=====	=====
(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	477,441,438	473,874,256	469,017,672	473,874,256
Maturities	(533,675,570)	(944,457,316)	(533,675,570)	(944,457,316)
	<u>396,440,076</u>	<u>452,674,208</u>	<u>388,016,310</u>	<u>452,674,208</u>
	=====	=====	=====	=====

(iv) Effective interest rates on deposits with banks

	GROUP AND BANK	
	2025	2024
	%	%
United States Dollars	3.84%	4.56%
Euro	2.12%	3.34%
United Arab Emirates Dirham	3.53%	3.94%
Ugandan Shillings*	13.35%	13.35%
Zambian Kwacha	-	20.93%

* The Uganda Shillings rates did not change from 2024 to 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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17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As at 31 December 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	
	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 transacted during the year-Net	36,207,713	33,680,651	36,207,713	33,680,651
Net amounts settled	(81,235,055)	(9,670,292)	(81,235,055)	(9,670,292)
Fair value (losses)/gains through profit or loss	(18,190,100)	33,903,387	(18,190,100)	33,903,387
	-----	-----	-----	-----
Net closing balance as at end of period	(1,054,745)	62,162,697	(1,054,745)	62,162,697
	=====	=====	=====	=====

18. TRADE FINANCE LOANS

Principal loans	4,452,537,869	4,180,997,944	4,450,543,526	4,177,919,887
Interest receivable	775,321,256	607,934,312	775,321,256	607,934,312
	-----	-----	-----	-----
Gross loans	5,227,859,125	4,788,932,256	5,225,864,782	4,785,854,199
Impairment on trade finance loans (Note 20)*	(204,321,597)	(186,861,359)	(203,214,968)	(186,615,354)
	-----	-----	-----	-----
Net loans	5,023,537,528	4,602,070,897	5,022,649,814	4,599,238,845
	=====	=====	=====	=====

Analysis of gross loans by maturity:

Maturing:

Within one year	5,060,232,474	2,723,999,497	5,060,232,474	2,723,999,497
One to three years	153,029,371	1,981,637,912	151,035,028	1,978,559,855
Over three years	14,597,280	83,294,847	14,597,280	83,294,847
	-----	-----	-----	-----
	5,227,859,125	4,788,932,256	5,225,864,782	4,785,854,199
	=====	=====	=====	=====

As at 31 December 2025, as disclosed in Note 48 (b) the Group gross non-performing trade finance loans (stage 3) amounted to USD 139,202,445 (December 2024- USD 93,194,175). The specific impairment provisions related to these loans amounted to USD 72,448,644 (December 2024: USD 68,950,455) hence the carrying amount of the stage 3 loans amounted to USD 66,753,801 (December 2024: USD 24,243,720). The provisions related to stage 1 and stage 2 trade finance loans amounted to USD 131,872,953 (December 2024: USD 117,664,899) for the Group. Stage 1 and 2 provisions for the Bank were USD 131,821,855 (December 2024: USD 117,664,899).

*Includes impairment charge for off-balance sheet commitments.

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19. PROJECT LOANS

	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
Loans disbursed	5,839,019,274	5,300,376,414	5,839,019,274	5,300,376,414
Interest capitalized*	214,932,005	209,597,917	214,932,005	209,597,917
Loans repaid	(3,872,939,169)	(3,267,931,587)	(3,872,939,169)	(3,267,931,587)
<hr/>				
Principal loan balances	2,181,012,110	2,242,042,744	2,181,012,110	2,242,042,744
Interest receivable	77,630,924	62,430,079	77,630,924	62,430,079
<hr/>				
Gross loans	2,258,643,034	2,304,472,823	2,258,643,034	2,304,472,823
Impairment on project loans (Note 20)**	(92,859,174)	(66,322,503)	(92,859,174)	(66,322,503)
<hr/>				
Net loans	2,165,783,860	2,238,150,320	2,165,783,860	2,238,150,320
<hr/>				
Analysis of gross loans by maturity:				
<i>Maturing:</i>				
Within one year	739,659,337	834,622,549	739,659,337	834,622,549
One year to three years	1,018,236,118	838,753,937	1,018,236,118	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
<hr/>				
	2,258,643,034	2,304,472,823	2,258,643,034	2,304,472,823
<hr/>				

The gross non-performing (Stage 3) Group and Bank project loans as disclosed in Note 48 (b) was USD 146,091,344 (December 2024: USD 170,083,762). The impairment provisions on stage 3 loans amounted to USD 32,881,103 (December 2024: USD 46,133,779) hence the carrying value of the loans amounted to USD 113,210,241 (December 2024: USD 123,949,983). Stage 1 and 2 provisions for project finance loans amounted to USD 59,978,071 (December 2024: USD 20,188,724).

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

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

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20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

	Project Finance Loans		GROUP Trade Finance Loans			Total USD	Low Credit Risk Assets* USD	Total provisions USD
	On-statement of Financial Position USD	Off-statement of Financial Position USD	On-statement of Financial Position USD	Off-statement of Financial Position USD	Off-statement of Financial Position USD			
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	(24,279,894)	-	(24,279,894)	(16,098,841)	-	(16,098,841)	-	(40,378,735)
Charge for the year	49,204,894	1,611,671	50,816,565	31,186,131	2,372,947	33,559,078	2,138,549	86,514,192
As at 31 December 2025	<u>90,749,578</u> =====	<u>2,109,596</u> =====	<u>92,859,174</u> =====	<u>198,125,804</u> =====	<u>6,195,792</u> =====	<u>204,321,596</u> =====	<u>11,391,972</u> =====	<u>308,572,742</u> =====
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	<u>65,824,578</u> =====	<u>497,925</u> =====	<u>66,322,503</u> =====	<u>183,038,514</u> =====	<u>3,822,845</u> =====	<u>186,861,359</u> =====	<u>9,253,423</u> =====	<u>262,437,285</u> =====

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

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20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

	Project Finance Loans			BANK Trade Finance Loans			Low Credit Risk Assets* USD	Total provisions USD
	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD		
As at 1 January 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	(24,279,894)	-	(24,279,894)	(16,273,908)	-	(16,273,908)	-	(40,553,802)
Charge for the year	49,204,894	1,611,671	50,816,565	30,500,575	2,372,947	32,873,522	2,099,071	85,789,158
As at 31 December 2025	<u>90,749,578</u> =====	<u>2,109,596</u> =====	<u>92,859,174</u> =====	<u>197,019,176</u> =====	<u>6,195,792</u> =====	<u>203,214,968</u> =====	<u>11,352,494</u> =====	<u>307,426,636</u> =====
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	<u>65,824,578</u> =====	<u>497,925</u> =====	<u>66,322,503</u> =====	<u>182,792,509</u> =====	<u>3,822,845</u> =====	<u>186,615,354</u> =====	<u>9,253,423</u> =====	<u>262,191,280</u> =====

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

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21. INVESTMENTS IN GOVERNMENT SECURITIES

Held at Amortised Cost:	GROUP		BANK	
	2025	2024	2025	2024
	USD	USD	USD	USD
Treasury Notes and Treasury Bonds:				
At 1 January:	841,906,952	51,867,034	805,677,931	42,168,768
Additional investments	91,784,862	771,791,461	91,784,862	745,540,360
Interest earned	59,752,847	57,051,827	59,310,832	56,772,173
Maturities	(20,742,103)	(38,803,370)	(14,470,188)	(38,803,370)
	-----	-----	-----	-----
At 31 December:	972,702,558	841,906,952	942,303,439	805,677,931
	=====	=====	=====	=====
ECL Impairment provisions	8,951,763	7,380,475	8,912,285	7,380,475
	=====	=====	=====	=====

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

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 5.00% (December 2024: 4.56%).

22. INVESTMENTS IN CORPORATE BONDS

Held at Amortised Cost:	GROUP	
	2025	2024
	USD	USD
At 1 January:	40,630,615	-
Investment in corporate bonds*	15,957,289	40,725,109
Interest earned	904,607	615,400
Impairment provision	(238,946)	(709,894)
	-----	-----
At end of period:	57,253,565	40,630,615
	=====	=====
<i>Movement in provisions:</i>		
As at 1 January	709,894	-
(Credit)/charge for the year	(470,948)	709,894
	-----	-----
	238,946	709,894
	=====	=====

*The Bank's Subsidiary, TCI, has invested in corporate bonds.

The bonds are held in USD.

The effective interest rate for the corporate bonds was 4.60% as 31 December 2025 (2024: 4.80%).

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23. TRADE AND OTHER FUNDS LOANS RECEIVABLES

Held at Fair Value Through Profit or Loss:			GROUP	
	ETEDF USD	ESATF USD	2025 USD	2024 USD
At 1 January:	-	256,359,097	256,359,097	146,140,978
<i>Movement during the year:</i>				
Additions	25,000,000	596,121,825	621,121,825	334,069,327
Disposals	-	(423,579,860)	(423,579,860)	(245,199,556)
Unrealised gain on revaluation	303,290	2,223,412	2,526,702	7,896,904
Realised gain on disposal	-	31,485,160	31,485,160	13,451,444
Net change	25,303,290	206,250,537	231,553,827	110,218,119
At end of period:	25,303,290	462,609,634	487,912,924	256,359,097

Trade and other Funds receivables relate to ESATF and ETEDF loan participation transactions. ETEDF transaction began in 2025 when the entity was incorporated. These receivables are carried at fair value through profit or loss.

24. OTHER RECEIVABLES

	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
Prepayments and other receivables*	26,408,643	73,719,174	32,595,552	84,849,462
Staff loans and advances**	28,148,199	23,558,615	28,148,199	23,558,615
Appraisal fees***	1,181,375	1,383,875	1,181,375	1,383,875
	55,738,217	98,661,664	61,925,126	109,791,952
Appraisal fees receivable***				
At the beginning of the year	1,383,875	497,750	1,383,875	497,750
Accrued Income	365,982	3,631,485	365,982	3,631,485
Receipts	(553,125)	(245,220)	(553,125)	(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	42,780,187	78,052,996	48,967,096	89,183,284
Amounts due after one year	12,958,030	20,608,668	12,958,030	20,608,668
	55,738,217	98,661,664	61,925,126	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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25. EQUITY INVESTMENTS

(i) Equity participation: At fair value through OCI	GROUP AND BANK							TDB's Share- holding* %
	Beginning Cost USD	Additions/ (disposals) USD	Total Ending Cost USD	Investment Carrying Value at Period End USD	Investment Carrying Value Previous Year USD	Adjustment for the Period USD		
As at 31 December 2025 :								
PTA Reinsurance (ZEP-RE)	31,938,654	-	31,938,654	48,566,000	50,826,000	(2,260,000)	17.93	
Cable and Wireless	2,729,000	-	2,729,000	1,746,560	1,970,338	(223,778)	2.80	
African Export Import Bank	2,364,160	-	2,364,160	10,691,000	11,041,000	(350,000)	0.14	
Gulf African Bank	1,978,734	-	1,978,734	2,626,000	2,372,000	254,000	5.23	
African Trade & Investment Development Insurance	1,000,000	-	1,000,000	1,117,000	1,407,000	(290,000)	0.22	
Pan African Housing Fund	761,042	-	761,042	62,876	76,001	(13,125)	1.00	
TOTAL	40,771,590	-	40,771,590	64,809,436	67,692,339	(2,882,903)		
As at 31 December 2024								
PTA Reinsurance (ZEP-RE)	31,938,654	-	31,938,654	50,826,000	57,749,000	(6,923,000)	17.99	
African Export Import Bank	2,364,160	-	2,364,160	11,041,000	8,099,000	2,942,000	0.15	
Cable and Wireless	2,729,000	-	2,729,000	1,970,338	2,729,000	(758,662)	2.8	
African Trade & Investment Development Insurance (ATID)	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	
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 PTA Reinsurance Company, African Export-Import Bank, African Trade & Investment Development Insurance, Cable and Wireless 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 2025, all investments were carried at fair value as per provision of IFRS Accounting Standards. The dividends received in respect of these investments, whenever applicable, are disclosed in Note 9.

*The shareholding percentage is based on current year financial information supplied by the companies.

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25. EQUITY INVESTMENTS (Continued)	GROUP AND BANK	
	2025	2024
(ii) Installments paid:	USD	USD
Total subscribed capital*	42,147,726	42,136,337
Less: Installments not due – Note 25(iii)	(1,376,136)	(1,364,747)
	40,771,590	40,771,590
	40,771,590	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
	1,376,136	1,364,747
	1,376,136	1,364,747
(iv) Movement in the installments paid:		
At beginning of period	40,771,590	40,782,979
Divestiture– Note 25(i)	-	(11,389)
	40,771,590	40,771,590
	40,771,590	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) TDB Trade Asset Management Company (TAMCO)- (Formerly Eastern and Southern African Trade Advisers Limited-ESATAL)

The Bank had a 50% plus 1 share interest in TDB Trade Asset Management Company (TAMCO) up to June 2022. On 30th June 2022, TDB acquired the minority interest which was held by GML Capital for a consideration of USD 1,289,478, thus making TDB a 100% shareholder in TAMCO. TAMCO (then 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 TAMCO is Ebene, Mauritius. TAMCO is an investment Manager for The Eastern and Southern African Trade Fund – “ESATF”. TAMCO has a 31 December year end for reporting purposes.

(ii) Trade and Development Fund (TDF)

In its first year of operation, TDF had a nominal share capital of USD 1 and was 100% owned by TDB. During 2023, TDB invested USD 8.5 million in share capital in TDF. Later TDB's Member States invested directly into TDF, bringing the total investment to USD 9,916,866 as at 31 December 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.

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26. INVESTMENT IN SUBSIDIARIES (Continued)

(a) TDB Subsidiaries (continued)

(iii) TDB Infrastructure Investment Company Limited (TDB IICL) - (Formerly Eastern and Southern African Infrastructure Fund (ESAIF))

The Bank has a 100% interest in TDB Infrastructure Investment Company Limited (TDB IICL). TDB IICL (then 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 until 2017, when TDB obtained control. The principal place of business of TDB IICL is Ebene, Mauritius. TDB IICL is an investment Manager for COMESA Infrastructure Fund - "CIF". TDB IICL has a 31 December year end for reporting purposes.

In 2023, TDB IICL 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 TDB IICL be fully impaired. The impaired amount was USD 1,227,054. During 2024, the Bank invested a further USD 63,951 in TDB IICL. However, in the absence of any positive turnaround, TDB IICL remains impaired, and hence the carrying value is NIL. The impairment for 2024 was charged to Bank's profit and loss.

(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. TAMCO 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 18.31% and 18.62% for the Bank and Group respectively, (December 2024: 30.83%) of the total Net Asset Value (NAV) of ESATF. TDB, however, still has control over ESATF through its board representation and variable earnings from ESATF.

(v) TDB Captive Insurance (TCI)

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

(vi) Ethiopia Trade and Export Development Facility (ETEDF)

ETEDF was incorporated in April 2025 and the principal place of business of ETEDF is Mauritius. ETEDF's principal objective is to support development financial transactions in Ethiopia and invest in Ethiopia through the generation of positive social and/or developmental impact as well as engage in developmental activities within and outside of Mauritius. As at 31 December 2025, TDB had invested 100% interest in Ethiopia Trade and Export Development Facility (ETEDF). ETEDF has a 31 December year end for reporting purposes.

(vii) 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 is immaterial and has not been consolidated into the Group accounts because of the winding up process which is in progress.

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26. INVESTMENT IN SUBSIDIARIES (Continued)

(b) TDB Investment in subsidiaries

As at 31 December 2025:	TDF	TAMCO	ESATF	TCI	ETEDF	TOTAL
	No. of shares					
Subsidiary's Issued Shares:						
As at 1 January 2025	9,916,865	139,967	221,846,468	80,000,000	-	311,903,300
Subscriptions during the year	-	-	204,564,799	-	25,000,000	229,564,799
Increase in NAV	-	-	27,210,795	-	-	27,210,795
Total issued and fully paid	9,916,865	139,967	411,248,892	80,000,000	25,000,000	526,305,724
TDB's share	86.41%	100%	18.31%	100%	100%	
Fully paid	8,569,378	139,967	125,425,214	80,000,000	25,000,000	239,134,559
Non-controlling interest*	1,347,487	-	285,823,678	-	-	287,171,165
	USD	USD	USD	USD	USD	USD
Share capital:						
Total Investment in subsidiaries	8,569,378	1,359,463	49,549,739	80,000,000	25,000,000	164,478,580
Total issued and fully paid	8,569,378	1,359,463	49,549,739	80,000,000	25,000,000	164,478,580
As at 31 December 2024:						
Subsidiary's Issued Shares:						
	No. of shares					
As at 1 January 2024	9,913,264	139,967	141,192,655	30,000,000	-	181,245,886
Subscriptions	3,601	-	135,107,173	50,000,000	-	185,110,774
Disposal/redemption of shares	-	-	(70,844,155)	-	-	(70,844,155)
Increase in NAV	-	-	16,390,795	-	-	16,390,795
Total issued and fully paid	9,916,865	139,967	221,846,468	80,000,000	-	311,903,300
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*	1,347,487	-	153,451,272	-	-	154,798,759
	USD	USD	USD	USD	USD	USD
Share capital:						
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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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 31 December 2025	TDF USD	ESATF USD	TOTAL USD
(i) Statement of Financial Position			
Total assets	21,163,357	463,751,875	484,915,232
Total liabilities	(16,686,115)	(52,502,883)	(69,188,998)
	-----	-----	-----
Net assets	4,477,242	411,248,992	411,248,992
	=====	=====	=====
Attributable to owners of the Bank	3,868,785	125,425,314	129,294,099
Non-controlling interest	608,457	285,823,678	286,432,135
	-----	-----	-----
	4,477,242	411,248,992	415,726,234
	=====	=====	=====
(ii) Statement of Profit and Loss and Other			
Income	973,520	33,927,787	34,901,307
Expenditure	(1,461,320)	(6,716,992)	(8,178,312)
	-----	-----	-----
Comprehensive (loss)/income for the period	(487,800)	27,210,795	26,722,995
	=====	=====	=====
Attributable to owners of the Bank	(421,508)	4,982,297	4,560,789
Non-controlling interest	(66,292)	22,228,499	22,162,207
	-----	-----	-----
	(487,800)	27,210,795	26,722,995
	=====	=====	=====
(iii) Statement of Cash Flows			
Net cash generated from (used in) operating activities	16,302,933	(4,062,742)	12,240,191
Net cash generated from financing activities	-	67,572,413	67,572,413
	-----	-----	-----
Net increase/(decrease) in cash and cash equivalents	16,302,933	63,509,671	79,812,604
Cash and cash equivalents at beginning of period	3,664,144	(29,305,948)	(29,305,948)
	-----	-----	-----
Cash and cash equivalents at end of period	19,967,077	34,203,723	50,506,656
	=====	=====	=====

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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)
	-----	-----	-----
Net assets	5,145,110	221,846,568	226,991,678
	=====	=====	=====
Attributable to owners of the Bank	4,445,890	68,395,295	72,841,185
Non-controlling interest	699,220	153,451,273	154,150,493
	-----	-----	-----
	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)
	-----	-----	-----
Comprehensive (loss)/income for the year	(889,375)	16,390,795	15,501,420
	=====	=====	=====
Attributable to owners of the Bank	(768,509)	3,001,155	2,232,646
Non-controlling interest	(120,866)	13,389,640	13,268,774
	-----	-----	-----
	(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
	-----	-----	-----
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)
	-----	-----	-----
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					Total USD
	Freehold land USD	Buildings and freehold land USD	Motor vehicles USD	Furniture and fittings USD	Office and computer equipment USD	
As at 31 December 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	-	499,892	-	56,726	237,863	794,481
Disposals	-	-	-	(3,592)	(35,593)	(39,185)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2025	142,110	35,680,841	1,363,183	3,097,626	6,649,846	46,933,606
	<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	-	833,907	87,595	185,585	1,028,299	2,135,386
Disposals	-	-	-	(2,870)	(34,292)	(37,162)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2025	-	2,901,181	1,185,014	1,889,296	4,878,020	10,853,511
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE	142,110	32,779,660	178,169	1,208,330	1,771,826	36,080,095
	=====	=====	=====	=====	=====	=====

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 and freehold land USD	Motor vehicles USD	Furniture and fittings and fittings USD	Office and computer 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	140,953	307,367	2,112,043
Disposals	-	-	-	(5)	(21,595)	(21,600)
As at 31 December 2024	142,110	35,180,949	1,363,183	3,044,492	6,447,576	46,178,310
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)
As at 31 December 2024	-	2,067,274	1,097,419	1,706,581	3,884,013	8,755,287
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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28. INVESTMENT PROPERTY	GROUP AND BANK		
	Bujumbura Office	Nairobi Office	Total
Total space -Square meters	6,566.77	22,948.00	29,514.77
Lettable space -square meters	4,106.62	2,482.00	6,588.62
Leased space-Square meters	2,498.48	-	2,498.48
Lettable space -%	62.54%	10.82%	22.32%
Leased space -%	38.05%	0.00%	8.47%

As at 31 December 2025

	USD	USD	USD
COST/FAIR VALUE			
As at 1 January 2025	5,736,218	3,187,772	8,923,990
Revaluation losses	(809,698)	(621,356)	(1,431,054)
Additions	-	60,650	60,650

As at 31 December 2025	4,926,520	2,627,066	7,553,586
	=====	=====	=====

As at 31 December 2024

COST/FAIR VALUE			
As at 1 January 2024	5,009,560	3,011,356	8,020,916
Revaluation	719,370	-	719,370
Additions	7,288	176,416	183,704

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 213,137 (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 was done in December 2025 by external valuation consultants.

1. Bujumbura Property

The property was valued by an external valuer in December 2025. The entire property was determined to be BIF 24,893,911,356 which translated to USD 8,446,169. The revalued amount was lower than the USD 9,740,933 carrying amount by USD 1,294,763. The valuation loss attributable to the investment portion of the building was USD 809,699 which is 62.54% lettable space. The valuation loss for the investment property was USD 719,370 as at 31 December 2024.

The fair value of the Bujumbura investment property at 31 December 2025 has been arrived at on the basis of a valuation carried out at that date by Societe Burundaise des Travaux de Genie Civil, S.A, independent valuers not connected with the Group. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. INVESTMENT PROPERTY (Continued)

Fair Valuation (continued)

2. Nairobi Property

The Nairobi property was valued in December 2025 at a value of USD 21,317,829 (KES 2.75 Billion) which was USD 5,744,914 lower than the USD 27,062,744 carrying amount. The property has 10.82% lettable space and therefore the revaluation loss for the investment property was USD 621,356. The revaluation losses have been recognised through profit and loss.

The fair value of the Nairobi investment property at 31 December 2025 has been arrived at on the basis of a valuation carried out at that date by Knight Frank Valuers Limited, independent valuers not connected with the Group. The valuation conforms to International Valuation Standards. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

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. Information about the leases in which the Group is a lessee is presented below:

COST	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
At the beginning of the year	2,453,865	2,453,865	2,453,865	2,453,865
Movement during the year	-	-	-	-
At the end of the year	2,453,865	2,453,865	2,453,865	2,453,865
AMORTISATION				
At the beginning of the year	225,145	200,358	225,145	200,358
Charge for the year	24,786	24,787	24,786	24,787
At the end of the year	249,931	225,145	249,931	225,145
NET BOOK VALUE				
At the end of the year	2,203,934	2,228,720	2,203,934	2,228,720
<i>Amounts recognised in profit and loss:</i>				
Depreciation expense on right-of-use assets	24,786	24,787	24,786	24,787
At the end of the year	24,786	24,787	24,786	24,787

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

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30. INTANGIBLE ASSETS	GROUP		BANK	
	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)
	32,187	32,187	32,187	32,187
At the end of the year	32,187	32,187	32,187	32,187
	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 year	25,722	152,326	25,722	152,326
	25,722	152,326	25,722	152,326
At the end of the year	28,026	2,304	28,026	2,304
	28,026	2,304	28,026	2,304
NET BOOK VALUE				
At the end of the year	4,161	29,883	4,161	29,883
	4,161	29,883	4,161	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	
	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	63,894,864	120,701,756	63,894,864	120,701,756
Reduction	(62,685,833)	(237,809,290)	(62,685,833)	(237,809,290)
	173,539,051	172,330,020	173,539,051	172,330,020
At end of the year	173,539,051	172,330,020	173,539,051	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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SHORT TERM BORROWINGS

	Date of			GROUP AND BANK	
	Renewal/ Advance	Maturity Date	Currency	2025 USD	2024 USD
Global Syndication 2024	Dec-24	Nov-27	USD	1,000,000,000	1,000,000,000
Global Syndication 2025	Dec-25	Dec-28	USD	853,582,500	-
Mizuho Bank London	Dec-25	Sep-28	USD	500,000,000	-
Global Syndication 2023	Dec-23	Dec-26	USD	381,170,175	506,923,424
National Bank of Ethiopia	May-25	Apr-26	USD	301,000,000	301,000,000
Mashreq Bank	Dec-25	Sep-27	USD	260,383,888	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	May-23	Jun-26	USD	250,000,000	250,000,000
Sumurai 2024	Mar-24	Nov-26	USD	195,000,000	195,000,000
Commerzbank	Jun-22	Jul-27	USD	185,964,909	176,937,800
British International Investment plc	Dec-23	Dec-26	USD	100,000,000	100,000,000
Standard Chartered Bank Mauritius	Sep-25	Aug-26	USD	70,000,000	-
Citibank	Jun-25	Jun-26	USD	50,000,000	-
Stadrad Chartered Bank Kenya	Jun-25	Jun-26	USD	50,000,000	-
Standard Chartered Bank Dubai	Aug-25	Aug-26	USD	50,000,000	-
Cassa Depositi e Prestiti	Jan-21	Dec-26	EUR	42,904,000	82,868,000
International Islamic Trade Finance and Corporation	Aug-25	Feb-26	USD	40,837,381	7,125,658
Central Bank of Kenya	Oct-25	Jan-26	USD	40,000,000	-
Nouvbank	Mar-25	Aug-25	EUR	38,513,030	13,819,000
Rwanda Social Security Fund	Dec-25	Jan-26	USD	30,314,708	-
European Investment Bank	Dec-24	Mar-30	USD	30,000,000	-
Africa 50 Financement de Projets	Dec-25	Jan-26	USD	22,781,661	11,682,252
Kenya Commercial Bank	Jul-26	Jul-26	USD	15,227,606	50,491,144
Banque Nationale du Rwanda	Jan-25	Jul-25	USD	10,000,000	10,000,000
Agency Syndications	Dec-25	Jan-26	USD	10,000,000	-
African Trade & Investment Development Insurance	Jul-25	Dec-26	USD	8,850,619	-
African Economic Research Consortium	Jun-25	Jun-26	USD	3,415,319	-
Global Syndication 2022	Dec-22	Dec-25	USD	-	494,949,725
Asia Syndication 2022	Aug-22	Jul-25	USD	-	500,000,000
China Export and Import Bank	Sep-22	Sep-25	USD	-	300,000,000
Mashreq Bank	Nov-23	Aug-25	USD	-	186,126,652
Abu Dhabi Exports Office	Apr-24	Apr-25	USD	-	75,000,000
Standard Chartered Bank London	Jun-22	Dec-25	USD	-	50,000,000
African Development Bank	Jul-22	Jan-26	USD	-	50,000,000
NORFUND	Jul-24	Jul-25	USD	-	40,000,000
Nedbank	Aug-22	Aug-25	USD	-	35,000,000
Sub total for other short term borrowings				4,539,945,796	4,436,923,655
Interest payable				72,453,544	45,850,712
TOTAL SHORT TERM BORROWINGS				4,612,399,340	4,482,774,367
Amount due within one year				2,501,349,129	3,231,522,729
Amount due after one year				2,111,050,211	1,251,251,638
				4,612,399,340	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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33. PROVISION FOR SERVICE AND LEAVE PAY	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	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	1,522,352	1,484,280	1,455,473	1,453,816
Payment of service pay	(402,756)	(710,301)	(295,885)	(724,489)
	-----	-----	-----	-----
At end of period	11,894,517	10,774,921	11,827,638	10,668,050
	=====	=====	=====	=====
(ii) PROVISION FOR LEAVE PAY				
At 1 January	2,949,596	3,049,571	2,872,214	2,973,164
Increase in provision	323,557	58,080	188,847	58,080
Payment of leave pay	(150,521)	(158,055)	(73,139)	(159,030)
	-----	-----	-----	-----
At end of period	3,122,632	2,949,596	2,987,922	2,872,214
	=====	=====	=====	=====
TOTAL PROVISION FOR SERVICE AND LEAVE PAY	15,017,149	13,724,517	14,815,560	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 31 December 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	1,404,620	204,564,799	1,006,298	135,107,173
Redemption of shares	(286,302)	(42,373,170)	(522,771)	(70,844,155)
Increase in Net Asset Value		27,210,795		16,390,795
	-----	-----	-----	-----
As at end of period	2,725,236	411,248,892	1,606,918	221,846,468
	=====	=====	=====	=====
TDB Group Share 18.62% (December 2024: 30.83%)		76,574,544		68,395,196
		=====		=====
Non-controlling interest in reserves		48,850,671		-
		=====		=====
Non -controlling interest payable		285,823,678		153,451,272
		=====		=====
<i>Maturity Analysis:</i>				
Amounts due within one year		-		-
Amounts due after one year		285,823,678		153,451,272
		-----		-----
		285,823,678		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 18.31% while TCI and ESATAL participation is 0.19% and 0.12% respectively, bringing the Group investment to 18.61%. 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.

	GROUP		BANK	
	2025	2024	2025	2024
	USD	USD	USD	USD
Other creditors	154,678,350	68,420,884	90,572,647	52,382,829
Deferred fees - trade finance	107,804,399	73,451,831	107,804,399	73,451,831
Provident fund*	80,808,014	80,876,220	80,808,014	80,876,220
Repurchased shares	39,316,780	4,403,217	39,316,780	4,403,217
Deferred fees - project finance	25,014,385	-	25,014,385	16,982,653
Dividend payable**	17,130,196	10,730,247	17,130,196	10,730,247
Accrued long term incentive scheme	6,194,564	9,343,754	6,194,564	9,343,754
Accrued reward & recognition	6,010,001	3,189,617	6,010,001	3,189,617
Accrued expenses	694,005	277,214	694,005	277,214
Accrued fees - trade finance	404,770	287,652	404,770	287,652
Prepaid rent	82,865	82,865	82,865	82,865
Accrued fees - project finance	-	16,139	-	16,139
Accrued syndication fees	(110)	1,542	(110)	1,542
	-----	-----	-----	-----
OTHER PAYABLES	438,138,219	251,081,182	374,032,516	252,025,780
	=====	=====	=====	=====
<i>Analysis of other payables by maturity:</i>				
Amounts due within one year	357,247,340	195,266,974	293,141,637	196,211,571
Amounts due after one year	80,890,879	55,814,208	80,890,879	37,949,590
	-----	-----	-----	-----
	438,138,219	251,081,182	374,032,516	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.

**Included within the dividend payable for the year 2025 is the Hybrid Equity coupon amounting to USD 6,411,290.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS

Lender	Date of Renewal/ disbursement	Maturity Date	Currency	Amount in Currency	GROUP AND BANK As at 31 December 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 1	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
MIGA Guaranteed Syndicated I	Jul-20	Jun-30	EUR	300,991,390	351,452,596	78,100,577	273,352,019
MIGA Guaranteed Syndicated II	Dec-23	Jun-30	EUR	283,667,086	331,223,873	73,561,950	257,661,923
Standard Chartered Bank -ICIEC	Jun-25	Nov-34	EUR	250,000,000	291,912,500	-	291,912,500
Japan International Cooperation Agency - JICA Facility	Feb-24	Dec-36	EUR	150,000,000	175,147,500	8,337,021	166,810,479
Sumitomo Mitsui Banking Corporation	Aug-24	Jul-29	USD	133,333,333	133,333,333	33,333,333	100,000,000
Agence Francaise De Development	Dec-17	Jun-36	USD	122,992,988	122,992,988	9,971,212	113,021,776
African Development Bank	Nov-08	Feb-32	USD	102,500,000	102,500,000	25,000,000	77,500,000
Sumitomo Mitsui Banking Corporation-SACE Push Facility	Apr-24	Mar-34	EUR	100,000,000	116,765,000	-	116,765,000
China Development Bank	Dec-25	Dec-28	USD	100,000,000	100,000,000	-	100,000,000
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	90,000,000	105,088,500	52,544,250	52,544,250
European Investment Bank	Aug-16	Nov-33	USD	102,472,500	102,472,500	23,499,333	78,973,167
KfW	Dec-13	Nov-36	USD	72,294,794	72,294,794	15,238,095	57,056,699
World Bank -Infrastructure Facility	Mar-21	Aug-39	USD	72,861,429	72,861,429	5,397,143	67,464,286
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	28,750,000	28,750,000	18,541,667	10,208,333
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	26,470,588	30,908,382	6,868,529	24,039,853
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	25,215,098	25,215,098	6,292,724	18,922,374
Industriial Development Corporation	Mar-18	Feb-26	USD	22,686,275	6,704,346	6,704,346	-
Development Bank of the Republic of Belarus -1	Jun-20	Apr-25	USD	19,901,330	19,901,330	19,901,330	-
World Bank -ASCENT and REAF Facility	May-25	Aug-39	USD	19,000,000	19,000,000	-	19,000,000
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	13,235,294	13,235,294	2,941,176	10,294,118
Development Finance institute Canada -FinDev Canada	Nov-21	Nov-29	USD	11,809,524	11,809,524	2,666,667	9,142,857
World Bank -Technical Assistance Facility	Jan-21	Aug-58	USD	12,156,779	12,156,779	-	12,156,779
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	4,166,667	4,166,667	4,166,667	-
BADEA Hybrid Capital-Long Term Borrowing - Note 39	Mar-25	Mar-55	USD	1,700,000	1,700,000	-	1,700,000
African Economic Research Consortium	Nov-19	Nov-26	USD	56,449	56,449	56,449	-
					2,939,989,372	393,122,469	2,546,866,903
					2,939,989,372	393,122,469	2,546,866,903

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36. LONG TERM BORROWINGS (Continued)

	GROUP AND BANK		
	As at 31 December 2025		
	Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
Total for long term borrowings	2,939,989,372	393,122,469	2,546,866,903
Interest payable	27,116,209	27,116,209	-
Total long term borrowings	2,967,105,581	420,238,678	2,546,866,903
Deferred expenditure *	(112,150,758)	(29,483,213)	(82,667,545)
	2,854,954,823	390,755,465	2,464,199,358
	=====	=====	=====

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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS (Continued)

Lender	Date of Renewal/ disbursement	Maturity Date	Currency	Amount in Currency	Balance outstanding USD	GROUP AND BANK As at 31 December 2024	
						Amount due within one year USD	Amount due after one Year USD
US\$ 1.0 Billion Euro Medium Term Note Programme: Second Tranche	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
MIGA Guaranteed Syndicated	Jul-20	Jun-30	EUR	334,434,877	346,424,366	34,642,437	311,781,929
MIGA Guaranteed Syndicated	Dec-23	Jun-30	EUR	315,185,651	326,485,057	-	326,485,057
Japan International Cooperation Agency	Feb-24	Dec-36	EUR	150,000,000	155,377,500	-	155,377,500
Sumitomo Mitsui Banking Corporation	Aug-24	Jul-29	USD	150,000,000	150,000,000	-	150,000,000
Agence Francaise De Development	Dec-17	Jun-36	USD	135,675,000	135,675,000	8,943,939	126,731,061
African Development Bank	Nov-08	Feb-32	USD	127,500,000	127,500,000	24,000,000	103,500,000
Sumitomo Mitsui Banking Corporation-SACE Push Facility	Apr-24	Mar-34	EUR	100,000,000	103,585,000	-	103,585,000
European Investment Bank	Aug-16	Nov-33	USD	97,340,772	97,340,772	14,907,228	82,433,544
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	90,000,000	93,226,500	-	93,226,500
KfW	Dec-13	Nov-36	USD	89,523,810	89,523,810	15,238,095	74,285,715
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	75,560,000	75,560,000	2,698,571	72,861,429
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	55,625,000	55,625,000	18,541,667	37,083,333
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	32,352,941	33,512,794	6,093,235	27,419,559
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	31,463,622	31,463,622	6,292,724	25,170,898
Opec Fund for International Development	Mar-19	Sep-32	USD	30,000,000	30,000,000	-	30,000,000
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
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
					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	-
	-----	-----	-----
Total long term borrowings	2,625,990,501	204,504,917	2,421,485,584
Deferred expenditure *	(95,380,316)	(24,007,115)	(71,373,201)
	-----	-----	-----
	2,530,610,185	180,497,802	2,350,112,383
	=====	=====	=====

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. COVENANTS ATTACHED TO BORROWINGS

As at 31 December 2025, TDB had the following covenants with its lenders.

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%)	GROUP AND BANK	
										Liquidity Cover - 1.87	Borrowing Limit - 63.2%
											Debt to Tier I Capital - 3.68
											Single Group - 23%
											Single Sector - 28%
											Cost to Income - 18.6%
											Un-hedged Currency Position - 5%
TDB Actual Ratios		32.7%/34.3%	3.8%	16.7%	2,130	8.6% /8.4%	11%	16%	23%		As above
USD 1,000,000,000	11/2024-11/2027	> 25%	<6%	>10%	> 1,250	-	-	-	-		-
USD 350,000,000	05/2019-05/2041	>25%	<8%	-	>300	-	-	-	-		Liquidity Cover>1.25; Borrowing Limit <100%
USD 100,000,000	12/2023-12/2026	>25%	<8%	>10%	-	<25%	<25%	-	<25%/30%		Debt to Equity<5:1; Single Group <25%/30%; Single Sector - BOD level (35%)
USD 50,000,000	05/2018-06/2026	>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%
EUR 845,600,000	12/2025-12/2028	>25%	<6%	>10%	>1,250	-	-	-	-		-
AED 736,000,000	09/2025-09/2027	>25%	<6%	>10%	>1,250	-	-	-	-		-
EUR 505,205,961	11/2023-11/2026	>25%	<6%	>10%	>1,250	-	-	-	-		-
USD 500,000,000	09/2025-09/2028	>25%	<6%	>10%	>1,250	-	-	-	-		-
EUR 334,434,877	06/2020-06/2030	>25%	<6%	>10%	>800	<10%	-	-	-		-
EUR 250,000,000	11/2024-06/2032	>25%	<6%	>10%	>1,250	<10%	-	-	-		-
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	-	-	-	-		-
USD 150,000,000	08/2020-08/2035	>30%	-	-	-	<25%	<30%	-	<25%/30%		-

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37. COVENANTS ATTACHED TO BORROWINGS (Continued)

Facility Amount	Term	GROUP AND BANK								
		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 - 63.2% Liquidity Cover - 1.87 Cost to Income - 18.6% Aggregate Maturity Gap - 82%
TDB Actual Ratios		32.7%/34.3%	3.80%	16.7%	2,130	8.6% /8.4%	11%	16%	23%	As above
USD 150,000,000	07/2024-07/2029	>25%	<6%	>10%	>1,250	-	-	-	-	-
USD 150,000,000	12/2025-12/2027	>25%	<6%	>10%	>1,250	-	-	-	-	-
USD 180,000,000	03/2017-02/2029	>10%	-	-	-	-	-	-	-	Borrowing Limit <100%
USD 125,000,000	09/2024-09/2027	>25%	<6%	>10%	>1,250	-	-	-	-	-
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 100,000,000	12/2025-12/2028	>25%	-	-	-	-	-	-	-	-
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 50,000,000	06/2020-06/2030	>25%	<8%	>10%	>800	-	-	-	-	-
USD 35,000,000	03/2024-03/2026	>25%	<6%	>10%	>1,250	-	-	-	-	-
EUR 40,000,000	04/2020-04/2032	>25%	<8%	>10%	>800	-	-	-	-	-
USD 40,000,000	07/2024-07/2026	>25%	<7.5%	-	-	>25%	-	-	-	-
USD 25,000,000	06/2020-06/2030	>25%	<8%	>10%	>800	-	-	-	-	-
USD 20,000,000	11/2021-11/2030	>25%	<8%	>10%	>800	-	-	-	-	-
USD 14,400,000	10/2024-10/2037	>25%	<8%	-	>300	-	-	-	-	Liquidity Cover>1.25

Breach of covenants triggers repayment on demand. Covenants are tested quarterly. TDB complied with all lenders covenants as at 31 December 2025.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL

	GROUP AND BANK			TOTAL USD
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' 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'	(1,214,475,193)	-	-	(1,214,475,193)
- Class 'B'	-	(916,489,951)	-	(916,489,951)
- Class 'C'	-	-	(991,141,775)	(991,141,775)
Subscribed capital:				
122,889 Class 'A' ordinary shares of USD 22,667 each	2,785,524,963	-	-	2,785,524,963
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	(2,228,419,967)	-	-	(2,228,419,967)
Payable capital				
	557,104,996	83,510,088	8,858,264	649,473,349
Less: Amounts not yet due	(137,859,459)	-	-	(137,859,459)
Capital due				
	419,245,537	83,510,088	8,858,264	511,613,889
Less: subscriptions in arrears	(203,614)	-	-	(203,614)
Paid up capital (Note 54)				
	419,041,923	83,510,088	8,858,264	511,410,275
Number of shares attributable to the share capital:				
	122,889	18,421	1,954	143,264

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)

	GROUP AND BANK			TOTAL
	As at 31 December 2024			
	CLASS 'A'	CLASS 'B'	CLASS 'C'	
	USD	USD	USD	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:				
128,567 Class 'A' ordinary shares of USD 22,667 each	2,914,228,189	-	-	2,914,228,189
32,884 Class 'B' ordinary shares of USD 4,533.40	-	149,076,880		149,076,880
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	149,076,880	8,858,264	740,780,783
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)

	GROUP AND BANK			TOTAL
	As at 31 December 2025			
Movement in paid - up share capital	CLASS 'A'	CLASS 'B'	CLASS 'C'	
	USD	USD	USD	USD
At beginning of year	444,782,218	149,076,880	8,858,264	602,717,362
Federal Republic of Ethiopia	20	-	-	20
Republic of Rwanda	330	-	-	330
Republic of Zambia	(25,740,645)	-	-	(25,740,645)
AGDF Corporate Trust Ltd (Rwanda)	-	(2,665,639)	-	(2,665,639)
Banco Nacional de Investimento	-	(4,220,614)	-	(4,220,614)
Fund of Tanzania				
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 year	(25,740,295)	(65,566,792)	-	(91,307,087)
At end of year	419,041,923	83,510,088	8,858,264	511,410,275
Reconciliation with Statement of Changes in Equity:				
At beginning of year	444,782,218	149,076,880	8,858,264	602,717,362
Capital subscriptions	350	-	-	350
Capital substitution	(25,740,645)	-	-	(25,740,645)
Share repurchase		(65,566,792)		(65,566,792)
	419,041,923	83,510,088	8,858,264	511,410,275

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

	GROUP AND BANK			TOTAL USD
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	
As at 31 December 2024				
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	-	113,333	-	113,333
SICOM Global Fund Limited	-	(652,810)	-	(652,810)
African Economic Research Consortium	-	(847,747)	-	(847,747)
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
Reconciliation with Statement of Changes in				
At beginning of year	434,537,811	149,525,724	19,017,648	603,081,183
Capital subscriptions	10,224,407	8,812,928	9,987,080	29,024,415
<i>Cash</i>	3,000,034	8,481,990	9,987,080	21,469,104
<i>Non cash: dividends/GCI 2</i>	7,224,373	330,938	-	7,555,311
Share repurchase	-	(9,261,772)	(20,146,464)	(29,408,236)
	444,762,218	149,076,880	8,858,264	602,697,362

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

SHARE PREMIUM

As at 31 December 2025	Number of Shares	GROUP AND BANK		Share Premium USD
		Share Value USD	Price Paid 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 year	18,421	83,510,088	177,179,461	93,669,373
Share Premium - Class C:				
At beginning and end of year (no movement)	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
Diposal	(5,678)	(25,740,645)	(101,749,760)	(76,009,115)
Capital substitution**	-	-	73,807,628	73,807,628
As at end of year	122,888	47,868,374	173,840,688	119,826,177
TOTAL PREMIUM				
As at 31 December 2025	143,263	140,236,726	381,016,003	234,633,140
Additional premium for the period:				
Additions	-	-	-	-
Maturities/disposals	(20,141)	(91,307,437)	(346,713,571)	(255,406,134)
Net movement	(20,141)	(91,307,437)	(346,713,571)	(255,406,134)
Share premium disposal, appreciation and substitution.	(20,141)	(91,307,437)	(163,000,550)	(71,693,113)

***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 year, 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.

****Capital Substitution**

In 2025, the Bank invoked Article 7(7)(B)(1) of the TDB Charter and applied Board of Governors resolutions and Board of Directors guidance in a matter relating to a debt owed by a shareholder. This resulted in settlement of a portion of debt amounting to USD 101,749,760, and capital substitution of USD 73,807,628 at the 2025 NAV. 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	GROUP AND BANK			Share Premium
	Number of	Share Value	Price Paid	USD
	Shares	USD	USD	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 46 (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 46 (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 46 (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 18,880.89 (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 31 December 2025, there were 122,889 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	
	2025	2024
	USD	USD
Dividend on ordinary shares declared and paid:		
Final dividend for 2025: Nil (2024: Nil)		
Declared and paid	11,341	11,340,525
Declared and allocated to Members' capital subscriptions	-	27,427,793
Declared and not paid/payable (Note 35)	10,718,906	10,730,247
	10,730,247	49,498,565
	10,730,247	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, 5-year Non-Call, Deeply Subordinated Fixed Rate Step-Up Notes (Hybrid Capital Instrument) with USD 98,300,000 equity component and USD 1,700,000 (Note 36) liability component with maturity a coupon rate of 8.5% and maturity of 30 years. The equity and liability have been recognised through other reserves and long-term borrowings respectively.

The determination of the fair value of the liability portion of the hybrid instrument at inception of the agreement was done by discounting the USD 100 000 000 capital amount received at an Internal Rate of Return (IRR) of 14% over the term of the instrument which is 30 years. The 14% fair value discount rate reflects the return a market participant would require under IFRS 13's exit price principle to hold a long dated, deeply subordinated hybrid issued by an emerging market development finance institution with a high yield international risk profile.

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

39. HYBRID EQUITY INSTRUMENT (Continued)

Based on the terms the capital received under the hybrid instrument meets the definition of a financial liability under IFRS 9 as there is a contractual right to repay the capital portion. Interest does accrue on the liability component at a rate of 14%. The payment of coupon interest is discretionary and therefore recognised as equity. The equity component is recognised at historical cost and not remeasured over time. For the liability portion, the transaction costs and discretionary coupons would be recorded as borrowings costs in the statement of comprehensive income.

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

	GROUP AND BANK	
	2025	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	98,300,000 =====	-
Carrying amount as at end of period	98,300,000 =====	-
Coupon	9,257,798 =====	-
<i>Movement in coupon:</i>		
Accrued during the year	9,257,798	-
Paid during the year	(2,846,508)	-
Balance outstanding at year end	6,411,290 =====	-

The contractual interest on the hybrid capital is discretionary and is repayable semi annually with a reset mechanism on the first step-up date of February 2035 at 8.5% and thereafter at a reset rate of 9.5%. Due the interest accrued being discretionary, this was recognised directly in equity. 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 2,846,508 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:

(a) Cash generated from operations:	GROUP		BANK	
	2025 USD	2024 USD Restated*	2025 USD	2024 USD Restated*
Profit for the year	170,752,068	170,541,625	138,678,302	143,491,909
<i>Adjustments:</i>				
Depreciation on property and equipment	2,135,386	2,108,111	2,135,386	2,108,111
Depreciation of right of use assets	24,786	24,787	24,786	24,787
Amortisation of intangible assets	25,722	152,326	25,722	152,326
Loss from disposal of property and equipment	2,023	2,709	2,023	2,709
Loss from disposal of intangible assets	-	13,075	-	13,075
Revaluation of investment property	1,431,054	(719,370)	1,431,054	(719,370)
Loss on impairment of subsidiary	-	-	-	63,951
Unrealized losses on non-cash items	195,851	(19,941,784)	195,851	(19,841,381)
Interest income *	(748,637,179)	(742,440,511)	(743,890,258)	(739,343,081)
Interest expense	432,544,063	477,436,083	432,544,063	476,397,803
Dividend income	(3,898,273)	(1,616,188)	(3,898,273)	(1,616,188)
Provision for impairment on loans and advances	80,391,025	54,762,489	79,705,469	54,687,756
Increase in provision for service and leave pay	739,355	(194,352)	906,272	(255,142)
Provision for impairment on low credit risk and off-balance sheet items	6,123,167	(595,209)	6,083,689	(595,209)
Other financial assets written-off	15,357	2,500,188	15,357	2,500,188
Impairment of corporate bonds	238,946	709,894	-	-
Adjusted loss before working capital changes*	(57,916,649)	(57,256,127)	(86,040,557)	(82,927,756)
Hybrid equity coupon - Note 39 (Increase)/decrease in bank balances with more than 90 days to maturity*	(6,411,290)	-	(6,411,290)	-
Decrease/(increase) in other receivables	56,234,132	470,583,060	64,657,898	470,583,060
(Increase) in trade and other funds receivables	42,923,447	(56,328,520)	47,866,824	(54,029,704)
Decrease/(Increase) in derivatives financial instruments - assets	(231,553,827)	(110,218,119)	-	-
Increase in derivatives financial instruments - liabilities	62,162,697	(57,913,746)	62,162,697	(57,913,746)
(Increase) in trade finance loans	1,054,745	-	1,054,745	-
(Increase) in project loans	(430,648,853)	567,834,804	(431,868,157)	567,982,967
(Decrease) in collection accounts deposits	56,379,360	(98,991,269)	56,379,360	(98,991,269)
Increase in non-controlling payables	1,209,031	(117,107,534)	1,209,031	(117,107,534)
Increase in other payables	132,372,406	74,386,398	-	-
Provision for service and leave pay paid	187,057,037	69,922,506	122,006,736	63,415,373
Increase/(decrease) in borrowings - Note 42 (b)	553,277	868,356	369,024	883,519
Cash generated from operations*	426,179,440	(404,157,178)	426,179,440	(404,157,178)
	=====	=====	=====	=====
	239,594,953	281,622,630	257,565,751	287,737,732

*Details of restatements 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	
	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	893,787,612	2,638,287,194	893,787,612	2,638,287,194
Repayments	(764,162,639)	(2,534,914,790)	(764,162,639)	(2,534,914,790)
	-----	-----	-----	-----
At end of period	4,612,399,340	4,482,774,367	4,612,399,340	4,482,774,367
	=====	=====	=====	=====
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	815,127,329	647,157,681	815,127,329	647,157,681
Repayments	(490,782,691)	(1,082,907,682)	(490,782,691)	(1,082,907,682)
	-----	-----	-----	-----
At end of year	2,854,954,823	2,530,610,185	2,854,954,823	2,530,610,185
	=====	=====	=====	=====
Total at end of year	7,467,354,163	7,013,384,552	7,467,354,163	7,013,384,552
	=====	=====	=====	=====
Total at beginning of year	7,013,384,552	7,345,762,149	7,013,384,552	7,345,762,149
	-----	-----	-----	-----
Decrease/(increase) in total borrowings	453,969,611	(332,377,597)	453,969,611	(332,377,597)
Accrued interest expense	(27,790,171)	(71,779,581)	(27,790,171)	(71,779,581)
	-----	-----	-----	-----
	426,179,440	(404,157,178)	426,179,440	(404,157,178)
	=====	=====	=====	=====
(c) Analysis of cash and cash equivalents				
Less than 90 days to maturity (Note 48 c)	1,324,906,832	1,198,858,759	1,304,922,381	1,179,618,435
More than 90 days to maturity (Note 16)	396,440,076	452,674,208	388,016,310	452,674,208
	-----	-----	-----	-----
Cash and balances with other banks (Note 16)	1,721,346,908	1,651,532,967	1,692,938,691	1,632,292,643
	=====	=====	=====	=====

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

(d) Facilities available for lending

As at 31 December 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	263,720,000	163,800,000	99,920,000
MIGA Guaranteed Syndicated facility -I	340,404,750	340,404,750	-
Standard Chartered Bank -ICIEC	291,912,500	291,912,500	-
World Bank -ASCENT and REAF Facility	265,000,000	19,000,000	246,000,000
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	175,147,500	175,147,500	-
Sumitomo Mitsui Banking Corporation	150,000,000	150,000,000	-
Sumitomo Mitsui Banking Corporation - SACE	116,765,000	116,765,000	-
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
China Development Bank (CDB)	100,000,000	100,000,000	-
Japan International Cooperation Agency-Commercial Facility	105,088,500	105,088,500	-
Opec Fund for International Development	90,000,000	90,000,000	-
Development Bank of the Republic of Belarus -I	71,055,917	22,533,452	48,522,465
Arab Bank for Econmic Development in Africa	65,000,000	65,000,000	-
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
BADEA Hybrid Capital-Long Term Borrowing	1,700,000	1,700,000	-
Export-Import Bank of the United States	No limit	-	No limit
	5,097,724,901	3,648,216,504	1,449,508,397
	=====	=====	=====

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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 31 December 2025 (continued)

SHORT-TERM FACILITIES LENDER	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
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 31 December 2025	10,227,653,249	7,923,231,376	2,304,421,873
	=====	=====	=====

Note:

Facilities utilised include outstanding letters of credit amounting to USD 385,890,499 (2024: USD 235,452,843) - Note 45.

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

LONG TERM FACILITIES LENDER	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
Global Syndication 2024	1,000,000,000	1,000,000,000	-
Global Syndication 2025	853,582,500	853,582,500	-
Mizuho Bank London	500,000,000	500,000,000	-
Global Syndication 2023	381,170,175	381,170,175	-
National Bank of Ethiopia	301,000,000	301,000,000	-
Mashreq Bank	260,383,888	260,383,888	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	250,000,000	250,000,000	-
Sumitomo Mitsui Banking Corporation	200,000,000	-	200,000,000
Samurai 2024	195,000,000	195,000,000	-
Commerzbank	185,964,909	185,964,909	-
Standard Chartered Bank London	150,000,000	-	150,000,000
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
Abu Dhabi Commercial Bank	75,000,000	-	75,000,000
Accrued interest	72,453,544	72,453,544	-
Standard Chartered Bank Mauritius	70,000,000	70,000,000	-
ING Bank	58,382,500	-	58,382,500
Standard Chartered Bank Kenya	50,000,000	50,000,000	-
Standard Chartered Bank Dubai	50,000,000	50,000,000	-
Cassa Depositi e Prestiti	42,904,000	42,904,000	-
International Islamic Trade Finance and Corporation	40,837,381	40,837,381	-
Central Bank of Kenya	40,000,000	40,000,000	-
Nouvbank	38,513,030	38,513,030	-
Emirates NBD Group	35,000,000	-	35,000,000
Rwanda Social Security Fund	30,314,708	30,314,708	-
BHF Bank	35,029,500	-	35,029,500
European Investment Bank	30,000,000	30,000,000	-
KBC Bank	29,191,250	-	29,191,250
Africa 50 Financement de Projets	22,781,661	22,781,661	-
Kenya Commercial Bank	15,227,606	15,227,606	-
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	-
Agency Syndication	10,000,000	10,000,000	-
African Trade and Investment Development Insurance	8,850,619	8,850,619	-
Banque de Commerce de placement	7,975,100	-	7,975,100
African Economic Research Consortium	3,415,319	3,415,319	-
	5,393,135,916	4,612,399,340	780,736,576
	5,393,135,916	4,612,399,340	780,736,576

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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 31 December 2024 (continued)

SHORT-TERM FACILITIES LENDER	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
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
	4,947,415,546	4,150,778,070	796,637,476
TOTAL FACILITIES			
As at 31 December 2024	10,340,551,462	8,763,177,410	1,577,374,052
	10,340,551,462	8,763,177,410	1,577,374,052

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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 measurement date.

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

As at 31 December 2025	GROUP			Total
	Level 1	Level 2	Level 3	USD
	USD	USD	USD	USD
<i>Financial assets:</i>				
Trade and other funds loan receivables	-	487,912,924	-	487,912,924
Equity investments at fair value through OCI	1,746,560	-	63,062,876	64,809,436
<i>Non-financial assets:</i>				
Investment property	-	-	7,553,586	7,553,586
	-----	-----	-----	-----
	1,746,560	487,912,924	70,616,462	560,275,946
	=====	=====	=====	=====
<i>Financial Liabilities:</i>				
Derivative financial instruments	1,054,745	-	-	1,054,745
	=====	=====	=====	=====

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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 and other funds 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
	1,970,338	318,521,794	74,645,991	395,138,123
	1,970,338	318,521,794	74,645,991	395,138,123

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

As at 31 December 2025	BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Equity investments at fair value through OCI	1,746,560	-	63,062,876	64,809,436
<i>Non-financial assets:</i>				
Investment property	-	-	7,553,586	7,553,586
	1,746,560	-	70,616,462	72,363,022
	1,746,560	-	70,616,462	72,363,022
<i>Financial liabilities:</i>				
Net derivative financial instruments	1,054,745	-	-	1,054,745
	1,054,745	-	-	1,054,745

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
	1,970,338	62,162,697	74,645,991	138,779,026
	1,970,338	62,162,697	74,645,991	138,779,026

There were no transfers in between fair value hierarchy levels.

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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

For Investment Property at fair value, market comparable approach techniques are used in estimating the fair value of the real estate properties, and have been classified as Level 3.

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

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

As at 31 December 2025	Level 1	Level 2	GROUP Level 3	Fair value	Carrying value
	USD	USD	USD	USD	USD
<i>Assets:</i>					
Cash and balances held with other bank:	-	-	1,721,346,908	1,721,346,908	1,721,346,908
Project and Trade finance loans	-	-	7,189,321,387	7,189,321,387	7,189,321,387
Investment in Government securities	-	-	972,702,558	972,702,558	972,702,558
Investment in Corporate Bonds	-	-	57,253,565	57,253,565	57,253,565
Other receivables	-	-	55,738,217	55,738,217	55,738,217
Other assets	-	-	38,288,190	38,288,190	38,288,190
	-	-	10,034,650,825	10,034,650,826	10,034,650,826
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	173,539,051	173,539,051	173,539,051
Short term and long term borrowings	-	-	7,467,354,162	7,467,354,162	7,467,354,162
Other payables and provisions	-	-	723,961,897	723,961,897	723,961,897
	-	-	8,364,855,111	8,364,855,111	8,364,855,111
	=====	=====	=====	=====	=====

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43. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

As at 31 December 2024	GROUP			Fair value USD	Carrying value USD
	Level 1 USD	Level 2 USD	Level 3 USD		
Cash and balances held with other banks	-	-	1,651,532,967	1,651,532,967	1,651,532,967
Project and Trade finance loans	-	-	6,840,221,217	6,840,221,217	6,840,221,217
Investment in Government securities	-	-	841,906,952	841,906,952	841,906,952
Investment in Corporate Bonds	-	-	40,630,615	40,630,615	40,630,615
Other receivables	-	-	98,661,664	98,661,664	98,661,664
Other assets	-	-	37,452,906	37,452,906	37,452,906
	-----	-----	-----	-----	-----
	-	-	9,510,406,321	9,510,406,321	9,510,406,321
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	172,330,020	172,330,020	172,330,020
Short term and long term borrowings	-	-	7,013,384,552	7,013,384,552	7,013,384,552
Other payables and provisions	-	-	404,532,454	404,532,454	404,532,454
	-----	-----	-----	-----	-----
	-	-	7,590,247,026	7,590,247,026	7,590,247,026
	=====	=====	=====	=====	=====
As at 31 December 2025	BANK			Fair value USD	Carrying value USD
	Level 1 USD	Level 2 USD	Level 3 USD		
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,304,922,381	1,304,922,381	1,304,922,381
Project and Trade finance loans	-	-	7,188,433,673	7,188,433,673	7,188,433,673
Investment in Government securities	-	-	942,303,439	942,303,439	942,303,439
Other receivables	-	-	61,925,126	61,925,126	61,925,126
Other assets	-	-	202,766,770	202,766,770	202,766,770
	-----	-----	-----	-----	-----
	-	-	9,700,351,389	9,700,351,389	9,700,351,389
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	173,539,051	173,539,051	173,539,051
Short term and long term borrowings	-	-	7,467,354,162	7,467,354,162	7,467,354,162
Other payables and provisions	-	-	388,848,077	388,848,077	388,848,077
	-----	-----	-----	-----	-----
	-	-	8,029,741,290	8,029,741,290	8,029,741,290
	=====	=====	=====	=====	=====
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	-	-	6,837,389,165	6,837,389,165	6,837,389,165
Investment in Government securities	-	-	805,677,931	805,677,931	805,677,931
Other receivables	-	-	109,791,952	109,791,952	109,791,952
Other assets	-	-	179,160,206	179,160,206	179,160,206
	-----	-----	-----	-----	-----
	-	-	9,564,311,897	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	-	-	7,013,384,552	7,013,384,552	7,013,384,552
Other payables and provisions	-	-	265,566,044	265,566,044	265,566,044
	-----	-----	-----	-----	-----
	-	-	7,451,280,616	7,451,280,616	7,451,280,616
	=====	=====	=====	=====	=====

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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 31 December 2025		As at 31 December 2024	
		Carrying USD	Effect of 5% USD	Carrying USD	Effect of 5% USD
Derivative financial instruments	System-built Model	-	-	62,162,697	3,108,135
Trade and other funds loan receivables	Similar Companies	487,912,924	24,395,646	256,359,097	12,817,955
Equity investments at FVOCI	EV/EBITDA Multiple	63,062,876	3,153,144	65,722,001	3,286,100
Investment property	Market comparable approach	7,553,586	377,679	8,923,990	446,200
		<u>558,529,386</u>	<u>27,926,469</u>	<u>393,167,785</u>	<u>19,658,390</u>
		=====	=====	=====	=====
BANK					
Derivative financial instruments	System-built Model	-	-	62,162,697	3,108,135
Equity investments at FVOCI	EV/EBITDA Multiple	63,062,876	3,153,144	65,722,001	3,286,100
Investment property	Market comparable approach	7,553,586	377,679	8,923,990	446,200
		<u>70,616,462</u>	<u>3,530,823</u>	<u>136,808,688</u>	<u>6,840,435</u>
		=====	=====	=====	=====

Level 3 reconciliation

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

	Equity Investments USD	GROUP Investment Property USD	Total USD
As at 31 December 2025			
As at 1 January	67,692,339	8,923,990	76,616,329
Additions	-	60,650	60,650
Total fair value losses	(2,882,903)	(1,431,054)	(4,313,957)
	<u>64,809,436</u>	<u>7,553,586</u>	<u>72,363,022</u>
	=====	=====	=====
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>
	=====	=====	=====

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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 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	GROUP AND BANK				
	Trade finance USD	Project finance USD	Corporate USD	Subsidiaries USD	Total USD
For the year ended 31 December 2025					
Gross interest income	436,502,461	214,485,341	92,902,456	4,746,921	748,637,179
Interest expense	(251,451,199)	(123,594,657)	(57,498,207)	-	(432,544,063)
Net interest income	185,051,262	90,890,684	35,404,249	4,746,921	316,093,116
Other borrowing costs	-	-	(5,073,915)	(1,362,267)	(6,436,182)
Fee and commission income	9,511,751	8,036,709	-	486,606	18,035,066
Fair value loss on financial assets-derivatives	(18,190,100)	-	-	-	(18,190,100)
ETEDF loans	-	-	-	2,526,702	2,526,702
Valuation of investment property	-	-	(1,431,054)	-	(1,431,054)
Risk mitigation costs	(18,427,320)	(9,057,496)	(7,640,725)	(3,885,251)	(39,010,792)
Other income	-	-	11,900,338	32,165,404	44,065,742
Other assets written-off	-	-	(15,357)	-	(15,357)
Operating expenses	(5,880,938)	(2,886,809)	(47,184,309)	(2,372,789)	(58,324,845)
Depreciation and amortisation	-	-	(2,185,895)	-	(2,185,895)
Impairment on assets	(49,204,894)	(30,500,575)	-	(725,034)	(80,430,503)
Impairment on off-balance sheet commitments	(1,611,671)	(2,372,947)	(2,099,071)	-	(6,083,689)
Impairment on corporate bonds	-	-	-	470,948	470,948
Foreign exchange gain	-	-	1,646,385	22,526	1,668,911
Profit/(loss) for year	101,248,090	54,109,566	(16,679,354)	32,073,766	170,752,068
	=====	=====	=====	=====	=====
For the year ended 31 December 2024					
Gross interest income	377,422,455	249,958,540	111,962,086	3,097,430	742,440,511
Interest expense	(304,320,288)	(105,382,585)	(66,694,930)	(1,038,280)	(477,436,083)
Net interest income	73,102,167	144,575,955	45,267,156	2,059,150	265,004,428
Other borrowing costs	-	-	(6,420,432)	-	(6,420,432)
Fee and commission income	10,828,223	2,916,063	-	25,000	13,769,286
Fair value gains on financial assets-derivatives	-	-	33,903,387	-	33,903,387
Fair value gains on financial assets-ESATF loans	-	-	-	7,896,904	7,896,904
Valuation of investment property	-	-	719,370	-	719,370
Risk mitigation costs	(30,717,246)	(3,054,626)	(7,021,622)	7,476,910	(33,316,584)
Other income	-	-	2,999,160	13,653,148	16,652,308
Other assets written-off	-	-	(2,500,188)	-	(2,500,188)
Operating expenses	(6,054,708)	(1,487,197)	(41,602,502)	(3,240,317)	(52,384,724)
Depreciation and amortisation	-	-	(2,311,706)	-	(2,311,706)
Impairment on assets	(9,508,320)	(45,179,436)	(460,534)	(74,733)	(55,223,023)
Impairment on off-balance sheet commitments	244,339	811,404	-	-	1,055,743
Impairment on corporate bonds	-	-	-	(709,894)	(709,894)
Foreign exchange gain	-	-	(15,492,847)	(100,403)	(15,593,250)
Profit/(loss) for year	37,894,455	98,582,163	7,079,242	26,985,765	170,541,625
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

	GROUP		BANK	
	2025 USD	2024 USD	2025 USD	2024 USD
Gross Interest income from major groups				
Groups contributing 10% or more of revenue	257,371,893	270,921,179	257,371,893	270,921,179
All other customers	491,265,286	471,519,332	486,518,365	468,421,902
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	748,637,179	742,440,511	743,890,258	739,343,081
	=====	=====	=====	=====

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 :	Trade finance USD	Project finance USD	Corporate USD	Subsidiaries USD	Total USD
Assets:					
banks	2,506,003	-	1,690,432,688	28,408,217	1,721,346,908
Investment in government securities	-	-	942,303,438	30,399,120	972,702,558
Investment in corporate bonds	-	-	-	57,253,565	57,253,565
Other receivables	-	-	61,925,126	(6,186,909)	55,738,217
Trade and other funds loan receivables	-	-	-	487,912,924	487,912,924
Trade finance loans	5,022,649,814	-	-	887,714.00	5,023,537,528
Project loans	-	2,165,783,860	-	-	2,165,783,860
Equity investments - at FVOCI	-	64,809,436	-	-	64,809,436
Property and equipment	-	-	36,080,095	-	36,080,095
Investment property	-	-	7,553,586	-	7,553,586
Right of use asset	-	-	2,203,934	-	2,203,934
Intangible assets	-	-	4,161	-	4,161
	-----	-----	-----	-----	-----
Total Assets	5,025,155,817	2,230,593,296	2,740,503,028	598,674,631	10,594,926,772
	=====	=====	=====	=====	=====
Liabilities:					
Short term borrowings	4,612,399,340	-	-	-	4,612,399,340
Long term borrowings	-	2,854,954,823	-	-	2,854,954,823
Collection account deposits	173,539,051	-	-	-	173,539,051
Derivative financial instruments	1,054,745	-	-	-	1,054,745
Provision for service and leave pay	-	-	14,815,560	201,589	15,017,149
Non-controlling interest payables	-	-	-	285,823,678	285,823,678
Other payables	-	-	374,032,516	64,105,703	438,138,219
	-----	-----	-----	-----	-----
Total Liabilities	4,786,993,136	2,854,954,823	388,848,077	350,130,970	8,380,927,005
	=====	=====	=====	=====	=====
Shareholders' funds	-	-	2,012,570,572	-	2,012,570,572
Hybrid equity instrument	-	-	98,300,000	-	98,300,000
Non-controlling Interest	-	-	-	103,129,195	103,129,195
	-----	-----	-----	-----	-----
Total Equity	-	-	2,110,870,572	103,129,195	2,213,999,766
	=====	=====	=====	=====	=====
Total Equity and Liabilities	4,786,993,136	2,854,954,823	2,499,718,648	453,260,164	10,594,926,772
	=====	=====	=====	=====	=====

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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 year ended 31 December 2025	GROUP								
	East Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi Total Regional USD	Lending Operations USD	Corporate USD	Subsidiaries USD	Consolidated/ Group Total USD
Interest income	156,646,890	237,356,164	176,601,920	29,974,265	50,408,563	650,987,802	92,902,456	4,746,921	748,637,179
Interest expense	(83,068,886)	(110,071,230)	(136,632,351)	(17,709,467)	(27,563,922)	(375,045,856)	(57,498,207)	-	(432,544,063)
Net interest income	73,578,004	127,284,934	39,969,569	12,264,798	22,844,641	275,941,946	35,404,249	4,746,921	316,093,116
Other borrowing costs	-	-	-	-	-	-	(5,073,915)	(1,362,267)	(6,436,182)
Fees and commission	7,028,809	5,981,808	4,085,284	452,559	-	17,548,460	-	486,606	18,035,066
FV gains on financial assets - derivatives	-	(18,190,100)	-	-	-	(18,190,100)	-	-	(18,190,100)
FV gains on financial assets - ESATF/ETEDF	-	-	-	-	-	-	-	2,526,702	2,526,702
Valuation of investment property	-	-	-	-	-	-	(1,431,054)	-	(1,431,054)
Net trading income	80,606,813	115,076,642	44,054,853	12,717,357	22,844,641	275,300,306	28,899,280	6,397,962	310,597,548
Risk mitigation risk	(4,406,385)	(12,852,581)	(10,225,850)	-	-	(27,484,816)	(7,640,725)	(3,885,251)	(39,010,792)
Other income	-	-	-	-	-	-	11,900,338	32,165,404	44,065,742
Depreciation and amortisation	-	-	-	-	-	-	(2,185,895)	-	(2,185,895)
Operating expenses	(1,157,792)	(668,520)	(1,825,556)	(566,384)	(4,549,495)	(8,767,747)	(47,184,309)	(2,372,789)	(58,324,845)
Impairment on assets	(15,554,949)	(10,876,797)	(23,083,389)	(21,288,233)	(11,014,680)	(81,818,048)	(3,971,110)	(725,034)	(86,514,192)
Impairment on other assets	-	-	-	-	-	-	(15,357)	-	(15,357)
Impairment on corporate bonds	-	-	-	-	-	-	-	470,948	470,948
Foreign exchange gain	-	-	-	-	-	-	1,646,385	22,526	1,668,911
Profit for the year	59,487,687	90,678,744	8,920,058	(9,137,260)	7,280,466	157,229,695	(18,551,393)	32,073,766	170,752,068

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 20	GROUP								
	East Africa Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi-Total Regional USD	Lending Operations USD	Corporate USD	Subsidiaries USD	Consolidated/ Group Total USD
Interest income	198,428,705	189,736,884	125,076,629	70,046,173	44,092,604	627,380,995	111,962,086	3,097,430	742,440,511
Interest expense	(129,342,921)	(123,722,394)	(82,227,594)	(45,680,016)	(28,729,948)	(409,702,873)	(66,694,930)	(1,038,280)	(477,436,083)
Net interest income	69,085,784	66,014,490	42,849,035	24,366,157	15,362,656	217,678,122	45,267,156	2,059,150	265,004,428
Other borrowing costs	-	-	-	-	-	-	(6,420,432)	-	(6,420,432)
Fees and commission income	5,245,105	7,845,344	155,187	498,650	-	13,744,286	-	25,000	13,769,286
FV gains on financial assets - derivatives	-	-	-	-	-	-	33,903,387	-	33,903,387
FV gains on financial assets - ESATF	-	-	-	-	-	-	-	7,896,904	7,896,904
Valuation of investment property	-	-	-	-	-	-	719,370	-	719,370
Net trading income	74,330,889	73,859,834	43,004,222	24,864,807	15,362,656	231,422,408	73,469,481	9,981,054	314,872,943
Risk mitigation risk	(9,662,685)	(12,285,244)	(11,823,943)	-	-	(33,771,872)	(7,021,622)	7,476,910	(33,316,584)
Other income	-	-	-	-	-	-	2,999,160	13,653,148	16,652,308
Depreciation and amortisation	-	-	-	-	-	-	(2,311,706)	-	(2,311,706)
Operating expenses	(518,814)	(781,879)	(693,651)	(1,368,130)	(4,179,430)	(7,541,904)	(41,602,503)	(3,240,317)	(52,384,724)
Impairment on assets	(30,440,420)	(17,172,871)	(13,865,272)	4,666,622	3,179,928	(53,632,013)	(460,534)	(74,733)	(54,167,280)
Impairment on other assets	-	-	-	-	-	-	(2,500,188)	-	(2,500,188)
Foreign exchange gain	-	-	-	-	-	-	-	(709,894)	(709,894)
	-	-	-	-	-	-	(15,492,847)	(100,403)	(15,593,250)
Profit for the year	33,708,970	43,619,840	16,621,356	28,163,299	14,363,154	136,476,619	7,079,241	26,985,765	170,541,625

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. CONTINGENCIES AND COMMITMENTS

	GROUP AND BANK	
(a) Approved Capital Expenditure	2025	2024
	USD	USD
Approved but not contracted	2,374,869	3,144,957
	=====	=====
Approved and contracted	855,131	2,112,043
	=====	=====
(b) Loans Committed but not Disbursed		
Project loans	140,346,696	68,092,427
Trade finance loans	1,053,598	55,931,995
	-----	-----
	141,400,294	124,024,422
	=====	=====
(c) Letters of Credit and Guarantees*		
Letters of credit - Project loans	84,992,790	-
- Trade loans	300,897,709	235,452,843
	-----	-----
	385,890,499	235,452,843
Guarantees	6,702,600	6,702,600
	-----	-----
	392,593,099	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 31 December 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 three COMESA /African States (the "Member States") two non COMESA States, two non-African States and one institutional member; Class 'B' Shareholders:- one non-African State and four 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	
	2025	2024
	USD	USD
Outstanding loans at 1 January	3,767,061,119	3,620,690,457
Loans disbursed during the year	618,540,158	357,992,489
Loan repaid during the year	(126,251,954)	(211,621,827)
	4,259,349,323	3,767,061,119
	4,259,349,323	3,767,061,119
ECL Provisions	107,555,139	97,583,762
	107,555,139	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 year of one year.

(c) Borrowings from Member States

	GROUP AND BANK	
	2025	2024
	USD	USD
Outstanding borrowings at 1 January	177,500,000	200,000,000
Borrowings received during the year	13,438,835	13,294,305
Borrowings repaid during the year	(88,438,835)	(35,794,305)
	102,500,000	177,500,000
	102,500,000	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 year of ten years.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

46. RELATED PARTY TRANSACTIONS (Continued)

	GROUP AND BANK	
	2025	2024
(d) Income and Expenses	USD	USD
Interest income from loans to members earned during the year	358,517,367 =====	331,735,781 =====
Interest expense on borrowings from members incurred during the year	11,948,793 =====	(14,383,926) =====
Fees and commissions	9,550,067 =====	10,637,213 =====

(e) Other Related Parties

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

Salaries and other short-term benefits	4,611,962	4,398,340
Defined contribution provident fund	670,423	693,045
Board of Directors' and Board of Governors' allowances	404,950	348,680
Post-employment benefits: Other long term employee benefits	266,041	265,208
	<hr/>	<hr/>
	5,953,376 =====	5,705,273 =====

(f) Subsidiaries

	BANK	
	2025	2024
	USD	USD
Payable to subsidiaries	- =====	14,827,657 =====
Receivable from subsidiaries	6,171,106 =====	11,586,592 =====
Income from related parties	1,269,053 =====	- =====
Expenses for related parties	37,185 =====	63,951 =====

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 31 December 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	
	2025	2024
British Pound	0.7438	0.7982
Euro	0.8564	0.9654
United Arab Emirates Dirham	3.6730	3.6731
South Africa Rand	6.5040	18.8008
Zambian Kwacha	19.9177	27.8838
Zimbabwe Gold	25.9807	25.7985
Mauritian Rupee	46.5757	46.9500
Kenya Shilling	129.0000	129.2900
Ethiopian Birr	155.1440	126.7070
Japanese Yen	156.6850	157.2400
Zimbabwe Dollar	306.7197	306.7197
Sudanese Pound	647.8102	647.8102
Malawi Kwacha	1,734.0118	1,734.0000
Tanzania Shilling	2,487.8200	2,408.8150
Burundi Franc	2,947.3611	2,906.5054
Uganda Shilling	3,592.4800	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.

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

Risk measurement and reporting systems

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

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

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

(b) Credit risk

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

Credit risk appetite

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

All limits were within approved risk appetite thresholds as at 31 December 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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 regional 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)

	As at 31 December 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	1,634,134,308	-	-	1,634,134,308	1,832,832,439	-	-	1,832,832,439
LCC3-LCC4/Low-moderate risk	-	478,417,382	-	478,417,382	-	301,556,622	-	301,556,622
LCC5-LCC7/High risk	-	-	146,091,344	146,091,344	-	-	170,083,762	170,083,762
Gross amount	1,634,134,308	478,417,382	146,091,344	2,258,643,034	1,832,832,439	301,556,622	170,083,762	2,304,472,823
Loss allowance	(29,840,276)	(30,137,795)	(32,881,103)	(92,859,174)	(13,602,021)	(6,586,703)	(46,133,779)	(66,322,503)
Net carrying amount	1,604,294,032	448,279,587	113,210,241	2,165,783,860	1,819,230,418	294,969,919	123,949,983	2,238,150,320
Trade finance loans:								
LCC1-LCC2/Very low risk	2,311,055,337	-	-	2,311,055,337	2,160,714,051	-	-	2,160,714,051
LCC3-LCC4/Low-moderate risk	-	2,777,601,343	-	2,777,601,343	-	2,535,024,030	-	2,535,024,030
LCC5-LCC7/High risk	-	-	139,202,445	139,202,445	-	-	93,194,175	93,194,175
Gross amount	2,311,055,337	2,777,601,343	139,202,445	5,227,859,125	2,160,714,051	2,535,024,030	93,194,175	4,788,932,256
Loss allowance	(27,469,899)	(104,403,054)	(72,448,644)	(204,321,597)	(15,469,322)	(102,441,582)	(68,950,455)	(186,861,359)
Net carrying amount	2,283,585,438	2,673,198,289	66,753,801	5,023,537,528	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 31 December 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	1,634,134,308	-	-	1,634,134,308	1,832,832,439	-	-	1,832,832,439
LCC3-LCC4/Low-moderate risk	-	478,417,382	-	478,417,382	-	301,556,622	-	301,556,622
LCC5-LCC7/High risk	-	-	146,091,344	146,091,344	-	-	170,083,762	170,083,762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross amount	1,634,134,308	478,417,382	146,091,344	2,258,643,034	1,832,832,439	301,556,622	170,083,762	2,304,472,823
Loss allowance	(29,840,276)	(30,137,795)	(32,881,103)	(92,859,174)	(13,602,021)	(6,586,703)	(46,133,779)	(66,322,503)
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Net carrying amount	1,604,294,032	448,279,587	113,210,241	2,165,783,860	1,819,230,418	294,969,919	123,949,983	2,238,150,320
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Trade finance loans:								
LCC1-LCC2/Very low risk	2,310,346,820	-	-	2,310,346,820	2,157,635,994	-	-	2,157,635,994
LCC3-LCC4/Low-moderate risk	-	2,777,468,567	-	2,777,468,567	-	2,535,024,030	-	2,535,024,030
LCC5-LCC7/High risk	-	-	138,049,395	138,049,395	-	-	93,194,175	93,194,175
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross amount	2,310,346,820	2,777,468,567	138,049,395	5,225,864,782	2,157,635,994	2,535,024,030	93,194,175	4,785,854,199
Loss allowance	(27,469,899)	(104,351,956)	(71,393,113)	(203,214,968)	(15,223,317)	(102,441,582)	(68,950,455)	(186,615,354)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net carrying amount	2,282,876,921	2,673,116,611	66,656,282	5,022,649,814	2,142,412,677	2,432,582,448	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)

	As at 31 December 2025			GROUP AND BANK				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 and guarantees:										
LCC1-LCC2/Very low risk	148,102,894	-	-	148,102,894	130,727,022	-	-	130,727,022		
Loss allowance	(2,653,039)	-	-	(2,653,039)	(2,352,544)	-	-	(2,352,544)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
carrying amount	145,449,855	-	-	145,449,855	128,374,478	-	-	128,374,478		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
Letters of credit:										
LCC1-LCC2/Very low risk	385,890,499	-	-	385,890,499	235,452,843	-	-	235,452,843		
Loss allowance	(6,057,545)	-	-	(6,057,545)	(1,968,226)	-	-	(1,968,226)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
	379,832,954	-	-	379,832,954	233,484,617	-	-	233,484,617		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
Total off-balance sheet items:										
Gross amount	533,993,393	-	-	533,993,393	552,507,281	-	-	552,507,281		
Loss allowance	(8,710,584)	-	-	(8,710,584)	(4,320,770)	-	-	(4,320,770)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
	525,282,809	-	-	525,282,809	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			
	2025 USD	%	2024 USD	%
Cash and balances held with other banks -less than 90 days	1,324,906,832	12.29%	1,198,858,759	11.94%
Cash and balances held with other banks -over 90 days	396,440,076	3.68%	452,674,208	4.51%
Investment in government securities	972,702,558	9.02%	841,906,952	8.38%
Investment in corporate bonds	57,253,565	0.53%	40,630,615	0.40%
Derivative financial Instruments	-	0.00%	62,162,697	0.62%
Other receivable	55,738,217	0.52%	98,661,664	0.98%
Trade and other funds loan receivables	487,912,924	4.53%	256,359,097	2.55%
Loans and advances	7,486,502,159	69.44%	7,093,405,079	70.62%
- Trade finance loans	5,227,859,125	48.49%	4,788,932,256	47.68%
- Project loans	2,258,643,034	20.95%	2,304,472,823	22.94%
Sub total	10,781,456,331	100.00%	10,044,659,071	100.00%

On - Statement of financial position items:

On - Statement of financial position items:	BANK			
	2025 USD	%	2024 USD	%
Cash and balances held with other banks -less than 90 days	1,304,922,381	12.81%	1,179,618,435	12.16%
Cash and balances held with other banks -over 90 days	388,016,310	3.81%	452,674,208	4.67%
Investment in government securities	942,303,439	9.25%	805,677,931	8.30%
Derivative financial Instruments	-	0.00%	62,162,697	0.64%
Other receivable	61,925,126	0.61%	109,791,952	1.13%
Loans and advances	7,486,502,159	73.51%	7,093,405,079	73.10%
- Trade finance loans	5,227,859,125	51.34%	4,788,932,256	49.35%
- Project loans	2,258,643,034	22.18%	2,304,472,823	23.75%
Sub total	10,183,669,414	100.00%	9,703,330,302	100.00%

Off-Statement of financial position items:

Off-Statement of financial position items:	GROUP			
	2025 USD	%	2024 USD	%
Letter of credit	385,890,499	72.27%	235,452,843	64.30%
Loan commitments not disbursed	141,400,294	26.48%	124,024,422	33.87%
Guarantees and performance bonds	6,702,600	1.26%	6,702,600	1.83%
	533,993,393	100.00%	366,179,865	100.00%
Total credit exposure - Group	11,315,449,724		10,410,838,936	
Total credit exposure - Bank	10,717,662,807		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 70.88% as at 31 December 2025 (2024: 71.65%) of the total maximum credit exposure. For the Bank, these were 64.87% in December 2025 (2024: 66.81%).

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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 31 December 2025, the fair value of collateral held for impaired loans and advances was USD 310,867,280 (2024: USD 393,331,236) and the gross impaired loans exposure was USD 284,140,739(2024: USD 263,277,937).

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	
	2025	2024
	USD	USD
(i) Total Portfolio		
Insurance and Guarantees	2,243,825,254	2,453,849,978
Cash security deposits	1,392,855,068	1,406,546,540
Fixed charge on plant and equipment	624,166,581	455,649,807
Other floating all asset debenture	774,741,817	970,212,032
Mortgages on properties	564,486,482	292,830,078
Sovereign undertakings	113,080,383	99,229,267
	<hr/>	<hr/>
Total security cover	5,713,155,585	5,678,317,702
Gross portfolio	(7,486,502,159)	(7,093,405,079)
	<hr/>	<hr/>
Net (gap)	(1,773,346,574)	(1,415,087,377)
	=====	=====
(ii) Loans not impaired		
Insurance and Guarantees	2,243,825,254	2,302,527,512
Cash security deposits	1,392,483,977	1,406,170,223
Fixed charge on plant and equipment	411,722,918	397,143,621
Other floating all asset debenture	774,741,817	868,958,473
Mortgages on properties	466,433,956	210,957,370
Sovereign undertakings	113,080,383	99,229,267
	<hr/>	<hr/>
Total security cover	5,402,288,305	5,284,986,466
Gross portfolio	(7,201,208,370)	(6,830,127,142)
	<hr/>	<hr/>
Net (gap)	(1,798,920,065)	(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	
	2025	2024
	USD	USD
(iii) Impaired loans:		
Mortgages on properties	98,052,526	81,872,708
Fixed charge on plant and equipment	212,443,663	58,506,186
Insurance and Guarantees	-	151,322,466
Cash security deposits	371,091	376,317
Other floating all asset debenture	-	101,253,559
	<hr/>	<hr/>
Total security cover	310,867,280	393,331,236
Gross Stage 3 portfolio	(285,293,789)	(263,277,937)
	<hr/>	<hr/>
Net cover	25,573,491	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 Very low risk	3.70%
LCC3-LCC4 Low risk Moderate risk	7.90%
LCC5-LCC7 High risk Substandard Bad & Doubtful loss	100.00%

Project finance loans

Grading:	12-month weighted average PD
LCC1-LCC2 Very low risk	3.75%
LCC3-LCC4 Low risk Moderate risk	27.22%
LCC5-LCC7 High risk Substandard Bad & Doubtful loss	100.00%

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

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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 2025 USD	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	(1,496,169)	1,316,594
	<hr/>	<hr/>
Net amortised cost after restructuring	2,589,972	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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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 31 December 2025, the ECL would increase by USD 3,524,622 which is 1.23 % (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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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 31 December 2025	GROUP			Total USD
	Stage 1 USD	Stage 2 USD	Stage 3 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	(1,665,115)	1,665,115	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	8,343,528	21,885,977	11,119,067	41,348,572
Net financial assets originated	9,627,876	-	-	9,627,876
Financial assets derecognized*	(68,034)	-	(24,371,743)	(24,439,777)
	-----	-----	-----	-----
Balance at end of year	29,840,276	30,137,795	32,881,103	92,859,174
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	15,439,105	102,195,578	68,950,455	186,585,138
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	(1,983,215)	1,983,215	-
Net re-measurement of loss allowance	927,996	4,269,159	8,364,865	13,562,020
Net financial assets originated	12,008,636	-	-	12,008,636
Financial assets derecognized*	(905,839)	(78,467)	(6,849,891)	(7,834,197)
	-----	-----	-----	-----
Balance at end of year	27,469,898	104,403,055	72,448,644	204,321,597
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,352,544	-	-	2,352,544
Net remeasurement of loss allowance	(10,071)	-	-	(10,071)
Net financial assets originated	2,453,831	-	-	2,453,831
Financial assets derecognised*	(2,143,265)	-	-	(2,143,265)
	-----	-----	-----	-----
Balance at end of year	2,653,039	-	-	2,653,039
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	1,968,226	-	-	1,968,226
Net remeasurement of loss allowance	49,733	-	-	49,733
Net financial assets originated	4,084,347	-	-	4,084,347
Financial assets derecognised*	(44,761)	-	-	(44,761)
	-----	-----	-----	-----
Balance at end of year	6,057,545	-	-	6,057,545
	=====	=====	=====	=====

*During the year ended 31 December 2025, Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off. (2024: Trade Finance loans of USD 27,673,718).

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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 31 December 2025	BANK			
	Stage 1	Stage 2	Stage 3	Total
	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	(1,665,115)	1,665,115	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	8,343,528	21,885,977	11,119,067	41,348,572
Net financial assets originated	9,627,876	-	-	9,627,876
Financial assets derecognized*	(68,034)	-	(24,371,743)	(24,439,777)
	-----	-----	-----	-----
Balance at end of year	29,840,276	30,137,795	32,881,103	92,859,174
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	15,439,105	102,195,578	68,950,455	186,585,138
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	(1,983,215)	1,983,215	-
Net re-measurement of loss allowance	927,996	4,218,061	7,309,334	12,455,391
Net financial assets originated	12,008,636	-	-	12,008,636
Financial assets derecognized*	(905,839)	(78,467)	(6,849,891)	(7,834,197)
	-----	-----	-----	-----
Balance at end of year	27,469,898	104,351,957	71,393,113	203,214,968
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,352,544	-	-	2,352,544
Net remeasurement of loss allowance	(10,071)	-	-	(10,071)
Net financial assets originated	2,453,831	-	-	2,453,831
Financial assets derecognised*	(2,143,265)	-	-	(2,143,265)
	-----	-----	-----	-----
Balance at end of year	2,653,039	-	-	2,653,039
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	1,968,226	-	-	1,968,226
Net remeasurement of loss allowance	49,733	-	-	49,733
Net financial assets originated	4,084,347	-	-	4,084,347.00
Financial assets derecognised*	(44,761)	-	-	(44,761)
	-----	-----	-----	-----
Balance at end of year	6,057,545	-	-	6,057,545
	=====	=====	=====	=====

*During the year ended 31 December 2025, Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off. (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
	Stage 1	Stage 2	Stage 3	USD
	USD	USD	USD	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	1,800,966	-	-	1,800,966
Financial assets derecognised	(226,160)	-	(19,734,224)	(19,960,384)
	-----	-----	-----	-----
Balance at 31 December	15,715,325	102,195,578	68,950,455	186,861,358
	=====	=====	=====	=====
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
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
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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
	Stage 1	Stage 2	Stage 3	USD
	USD	USD	USD	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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December	13,602,021	6,586,703	46,133,779	66,322,503
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December	15,469,321	102,195,578	68,950,455	186,615,354
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December	2,352,544	-	-	2,352,544
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at year end	1,968,226	-	-	1,968,226
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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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 31 December 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:								
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	(157,402,923)	157,402,923	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	(26,314,929)	26,314,929	-
Net remeasurement of loss allowance	(223,851,149)	19,457,839	379,325	(204,013,985)	86,184,279	(20,424,497)	16,205,585	81,965,367
New financial assets originated	234,297,426	-	-	234,297,426	154,532,151	-	-	154,532,151
Financial assets derecognised*	(51,741,487)	-	(24,371,743)	(76,113,230)	(40,384,518)	(60,500,140)	-	(100,884,658)
As at period end	1,634,134,305	478,417,384	146,091,345	2,258,643,034	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	-	(77,039,622)	77,039,622	-	-	-	-	-
Net remeasurement of loss allowance	(163,064,070)	320,271,880	-	157,207,810	(62,151,321)	142,626,405	(7,646,521)	72,828,563
Net financial assets originated	526,425,036	-	-	526,425,036	62,808,269	-	-	62,808,269
Financial assets derecognised*	(211,733,854)	(787,720)	(32,184,403)	(244,705,977)	(101,886,618)	-	(21,784,958)	(123,671,576)
As at period end	2,312,341,162	2,777,468,568	138,049,395	5,227,859,125	2,160,714,050	2,535,024,030	93,194,176	4,788,932,256

*During the year ended 31 December 2025, there were no loans written off. (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 31 December 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:								
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	(157,402,923)	157,402,923	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	(26,314,929)	26,314,929	-
Net remeasurement of loss allowance	(223,851,149)	19,457,839	379,325	(204,013,985)	86,184,279	(20,424,497)	16,205,585	81,965,367
New financial assets originated	234,297,426	-	-	234,297,426	154,532,151	-	-	154,532,151
Financial assets derecognised*	(51,741,487)	-	(24,371,743)	(76,113,230)	(40,384,518)	(60,500,140)	-	(100,884,658)
As at period end	1,634,134,305	478,417,384	146,091,345	2,258,643,034	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	-	(77,039,622)	77,039,622	-	-	-	-	-
Net remeasurement of loss allowance	(163,064,070)	320,271,880	-	157,207,810	(62,151,321)	142,626,405	(7,646,521)	72,828,563
Net financial assets originated	524,430,693	-	-	524,430,693	62,660,105	-	-	62,660,105
Financial assets derecognized*	(208,655,797)	(787,720)	(32,184,403)	(241,627,920)	(101,886,618)	-	(21,784,958)	(123,671,576)
As at period end	2,310,346,819	2,777,468,568	138,049,395	5,225,864,782	2,157,635,993	2,535,024,030	93,194,176	4,785,854,199

*During the year ended 31 December 2025, there were no loans written off. (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.

	As at 31 December 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	117,163,420	-	-	117,163,420	130,727,022	-	-	130,727,022
Net remeasurement of loss allowance	(981,252)	-	-	(981,252)	-	-	-	-
Financial assets derecognised	(98,806,296)	-	-	(98,806,296)	(512,522,207)	-	-	(512,522,207)
	-----	-----	-----	-----	-----	-----	-----	-----
At the end of period	148,102,894	-	-	148,102,894	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	-	-	-	-	235,452,843	-	-	235,452,843
Net remeasurement of loss allowance	(50,154,234)	-	-	(50,154,234)	-	-	-	-
Net financial assets originated or purchased	215,512,323	-	-	215,512,323	-	-	-	-
Financial assets derecognized	(14,920,433)	-	-	(14,920,433)	(39,985,074)	-	-	(39,985,074)
	-----	-----	-----	-----	-----	-----	-----	-----
At the end of period	385,890,499	-	-	385,890,499	235,452,843	-	-	235,452,843
	=====	=====	=====	=====	=====	=====	=====	=====
Total	533,993,393	-	-	533,993,393	366,179,865	-	-	366,179,865
	=====	=====	=====	=====	=====	=====	=====	=====

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

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	GROUP							
	On statement of financial position USD	%	Off statement of financial position USD	%	Cash collateral/ in transit USD	Insurance & Guarantees USD	Aggregate exposure USD	%
As at 31 December 2025								
Agri- Business	2,062,338,843	27.5	23,613,748	4.4	(117,505,933)	(505,673,100)	1,462,773,558	27.6
Banking and Financial Services	832,488,585	11.1	293,021,746	54.9	(29,407,454)	(131,876,621)	964,226,256	18.2
Construction	16,205,977	0.2	-	-	(46,678)	-	16,159,299	0.3
Energy	389,934,395	5.2	173,623,835	32.5	(3,679,725)	-	559,878,505	10.6
Health Services	24,005,139	0.3	-	-	-	(6,702,600)	17,302,539	0.3
Hospitality	43,888,311	0.6	-	-	-	-	43,888,311	0.8
ICT	171,823,200	2.3	-	-	-	-	171,823,200	3.2
Infrastructure	966,760,669	12.9	-	0.0	-	(347,191,072)	619,569,597	11.7
Manufacturing and Heavy Industries	219,260,506	2.9	21,875,000	4.1	(604,071)	-	240,531,435	4.5
Mining and Quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.5
Oil & Gas	2,488,683,102	33.2	21,859,064	4.1	(1,225,683,653)	(357,676,233)	927,182,280	17.5
Other	40,902,115	0.5	-	-	-	-	40,902,115	0.8
Real Estate	97,450,197	1.3	-	-	-	-	97,450,197	1.8
Transport	18,730,452	0.3	-	-	-	-	18,730,452	0.4
Wholesale Commodities	36,991,045	0.5	-	-	-	-	36,991,045	0.7
Balance at year end	7,486,502,158	100.00	533,993,393	100.00	(1,376,927,514)	(1,349,119,626)	5,294,448,411	100.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

					BANK		Aggregate exposure	%
	On statement of financial position	%	Off statement of financial position	%	Cash collateral/ in transit	Insurance & Guarantees		
As at 31 December 2025	USD		USD		USD	USD	USD	
Agri- Business	2,062,338,843	27.6	23,613,748	4.4	(117,505,933)	(505,673,100)	1,462,773,558	27.6
Banking and Financial Services	830,826,748	11.1	293,021,746	54.9	(29,407,454)	(131,876,621)	962,564,419	18.2
Construction	16,205,977	0.2	-	-	(46,678)	-	16,159,299	0.3
Energy	389,934,395	5.2	173,623,835	32.5	(3,679,725)	-	559,878,505	10.6
Health Services	24,005,139	0.3	-	-	-	(6,702,600)	17,302,539	0.3
Hospitality	43,888,311	0.6	-	-	-	-	43,888,311	0.8
ICT	171,823,200	2.3	-	-	-	-	171,823,200	3.2
Infrastructure	966,760,669	12.9	-	0.0	-	(347,191,072)	619,569,597	11.7
Manufacturing and Heavy Industries	219,260,506	2.9	21,875,000	4.1	(604,071)	-	240,531,435	4.5
Mining and Quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.5
Oil & Gas	2,488,683,102	33.3	21,859,064	4.1	(1,225,683,653)	(357,676,233)	927,182,280	17.5
Other	40,569,609	0.5	-	-	-	-	40,569,609	0.8
Real Estate	97,450,197	1.3	-	-	-	-	97,450,197	1.8
Transport	18,730,452	0.3	-	-	-	-	18,730,452	0.4
Wholesale Commodities	36,991,045	0.5	-	-	-	-	36,991,045	0.7
Balance at year end	7,484,507,815	100.00	533,993,393	100.00	(1,376,927,514)	(1,349,119,626)	5,292,454,068	100.00

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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		Aggregate exposure USD	%	
				%	Cash collateral/ in transit USD			Insurance and guarantees 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 & 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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

					BANK		Aggregate exposure	%
	On statement of financial position	%	Off statement of financial position	%	Cash collateral/ in transit	Insurance & Guarantees		
As at 31 December 2024	USD		USD		USD	USD	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	5,000,000.00	1.37	-	-	49,245,456	1.1
ICT	151,246,502	2.1	-	-	-	-	151,246,502	3.3
Infrastructure	1,211,982,325	17.1	23,515,447.00	6.4	-	(388,816,034)	846,681,738	18.3
Manufacturing and Heavy Industries	140,316,203	2.0	67,600	0.02	-	-	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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Region

As at 31 December 2025	On statement of financial position USD	%	Off statement of financial position USD	%	GROUP		Aggregate exposure USD	%
					Cash collateral/ in transit USD	Insurance and Guarantees USD		
Central And West Africa	352,325,105	4.7	16,441,229	3.08	(10,449,813)	(36,277,000)	322,039,521	6.1
East Africa	1,651,151,266	22.1	180,796,354	33.86	(134,703,590)	(353,893,672)	1,343,350,358	25.4
Multi-Regional	548,960,314	7.3	-	-	-	(70,866,100)	478,094,214	9.0
North-East Africa	2,201,615,523	29.4	272,837,192	51.09	(535,155,008)	(360,406,621)	1,578,891,086	29.8
Southern africa	2,732,449,950	36.5	63,918,618	11.97	(696,619,103)	(527,676,233)	1,572,073,232	29.7
Balance at year end	7,486,502,158	100	533,993,393	100	(1,376,927,514)	(1,349,119,626)	5,294,448,411	100
As at 31 December 2024								
Central and West Africa	258,722,123	3.6	668,437	0.2	(10,455,039)	-	248,935,521	5.4
East Africa	1,979,342,418	27.9	84,647,859	23.1	(175,098,627)	(411,882,706)	1,477,008,944	32.0
Multi-Regional	427,472,757	6.0	-	-	(4,091,679)	(49,155,508)	374,225,570	8.1
North-East Africa	1,942,464,846	27.4	164,229,513	44.8	(455,003,278)	(546,231,168)	1,105,459,913	23.9
Southern Africa	2,485,402,935	35.0	116,634,056	31.9	(676,499,633)	(512,676,233)	1,412,861,125	30.6
	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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NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Region

As at 31 December 2025	On statement of financial position USD	Off statement of % financial position USD	%	BANK Cash collateral/ in transit USD	Insurance and Guarantees USD	Aggregate exposure USD	%	
Central And West Africa	352,325,105	4.7	16,441,229	3.08	(10,449,813)	(36,277,000)	322,039,521	6.1
East Africa	1,650,818,760	22.1	180,796,354	33.86	(134,703,590)	(353,893,672)	1,343,017,852	25.4
Multi-Regional	548,960,314	7.3	-	-	-	(70,866,100)	478,094,214	9.0
North-East Africa	2,201,615,523	29.4	272,837,192	51.09	(535,155,008)	(360,406,621)	1,578,891,086	29.8
Southern africa	2,730,788,113	36.5	63,918,618	11.97	(696,619,103)	(527,676,233)	1,570,411,395	29.7
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Balance at year end	7,484,507,815	100	533,993,393	100	(1,376,927,514)	(1,349,119,626)	5,292,454,068	100
	=====	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2024								
Central and West Africa	258,031,414	3.64	668,437	0.18	(10,455,039)	-	248,244,812	5.38
East Africa	1,979,342,418	27.92	84,647,859	23.12	(175,098,627)	(411,882,706)	1,477,008,944	32.00
Multi-Regional	427,472,757	6.03	-	-	(4,091,679)	(49,155,508)	374,225,570	8.11
North-East Africa	1,942,464,848	27.40	164,229,513	44.85	(455,003,278)	(546,231,168)	1,105,459,915	23.95
Southern Africa	2,483,015,585	35.02	116,634,056	31.85	(676,499,633)	(512,676,233)	1,410,473,775	30.56
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	7,090,327,022	100	366,179,865	100	(1,321,148,256)	(1,519,945,615)	4,615,413,016	100
	=====	=====	=====	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 latest

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 31 December 2025	GROUP						Total USD
	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	
Assets							
Cash and balances with other banks	911,415,284	413,491,548	369,262,016	27,178,060	-	-	1,721,346,908
Investment in government securities	51,755,593	-	44,705,430	30,399,119	414,611,477	431,230,939	972,702,558
Investment in corporate bonds	-	-	-	-	57,253,565	-	57,253,565
Other receivables	15,806,885	130,762	167,973	265,925	468,037	12,489,993	29,329,574
Trade and other funds loan receivables	-	-	-	-	487,912,924	-	487,912,924
Trade finance loans	627,004,028	468,872,833	584,244,579	4,141,987,746	184,065,348	-	6,006,174,534
Project loans	225,864,209	179,717,652	126,881,633	331,609,347	1,502,140,656	214,778,829	2,580,992,326
Equity investment at fair value through OCI	-	-	-	-	64,809,436	-	64,809,436
Total assets	1,831,845,999	1,062,212,795	1,125,261,631	4,531,440,197	2,711,261,443	658,499,761	11,920,521,825
Liabilities							
Short term borrowings	232,103,147	336,254,489	629,736,638	1,303,254,855	2,586,074,376	-	5,087,423,505
Long term borrowings	8,936,307	75,024,125	191,016,811	257,819,014	2,358,182,494	579,486,926	3,470,465,677
Derivative financial instruments	(225,946)	2,775,084	4,136,118	(5,630,511)	-	-	1,054,745
Collection account	173,539,051	-	-	-	-	-	173,539,051
NCI Redeemable participating shares payable	-	-	-	-	285,823,678	-	285,823,678
Other payables	357,247,340	-	-	-	-	80,808,014	438,055,354
Total liabilities	771,599,899	414,053,698	824,889,567	1,555,443,358	5,230,080,548	660,294,940	9,456,362,010
Off balance sheet liabilities							
Guarantees	-	-	-	-	6,702,600	-	6,702,600
Letters of credit	-	-	-	385,890,499	-	-	385,890,499
Loan commitments	-	-	-	141,400,294	-	-	141,400,294
Total liabilities	771,599,899	414,053,698	824,889,567	2,082,734,151	5,236,783,148	660,294,940	9,990,355,403
Net liquidity gap	1,060,246,100	648,159,097	300,372,064	2,448,706,046	(2,525,521,705)	(1,795,179)	1,930,166,422
Cumulative gap	1,060,246,100	1,708,405,197	2,008,777,260	4,457,483,306	1,931,961,601	1,930,166,422	1,930,166,422

The above table analyses financial assets and financial liabilities of the Group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Excluded from 'other receivables' are non-financial assets particularly prepayments and other receivables in Note 24. Excluded from 'other payables' are non-financial liabilities particularly prepaid rent in Note 35.

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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 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	911,415,284	393,507,097	360,838,250	27,178,060	-	-	1,692,938,691
Investment in government securities	51,755,593	-	44,705,430	-	414,611,477	431,230,939	942,303,439
Other receivables	15,806,885	130,762	167,973	265,925	468,037	12,489,993	29,329,574
Trade finance loans	627,004,028	468,872,833	584,244,579	4,141,987,746	184,065,348	-	6,006,174,534
Project loans	225,864,209	179,717,652	126,881,633	331,609,347	1,502,140,656	214,778,829	2,580,992,326
Equity investment at fair value through OCI	-	-	-	-	64,809,436	-	64,809,436
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Total assets	1,831,845,999	1,042,228,344	1,116,837,865	4,501,041,078	2,166,094,954	658,499,761	11,316,548,000
	=====	=====	=====	=====	=====	=====	=====
Liabilities							
Short term borrowings	232,103,147	336,254,489	629,736,638	1,303,254,855	2,586,074,376	-	5,087,423,505
Long term borrowings	8,936,307	75,024,125	191,016,811	257,819,014	2,358,182,494	579,486,926	3,470,465,677
Derivative financial instruments	(225,946)	2,775,084	4,136,118	(5,630,511)	-	-	1,054,745
Collection account	173,539,051	-	-	-	-	-	173,539,051
Other payables	293,141,637	-	-	-	-	80,808,014	373,949,651
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Off balance sheet liabilities	707,494,196	414,053,698	824,889,567	1,555,443,358	4,944,256,870	660,294,940	9,106,432,629
Guarantees	-	-	-	-	6,702,600	-	6,702,600
Letters of credit	-	-	-	385,890,499	-	-	385,890,499
Loan commitments	-	-	-	141,400,294	-	-	141,400,294
	-----	-----	-----	-----	-----	-----	-----
Total liabilities	707,494,196	414,053,698	824,889,567	2,082,734,151	4,950,959,470	660,294,940	9,640,426,022
	=====	=====	=====	=====	=====	=====	=====
Net liquidity gap	1,124,351,803	628,174,646	291,948,298	2,418,306,927	(2,784,864,516)	(1,795,179)	1,676,121,978
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap	1,124,351,803	1,752,526,449	2,044,474,746	4,462,781,673	1,677,917,157	1,676,121,978	1,676,121,978
	=====	=====	=====	=====	=====	=====	=====

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 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	Over 5 years USD	
Assets							
Cash and balances with other banks	886,244,946	312,613,813	150,000,000	302,674,208	-	-	1,651,532,967
Investment in government securities	24,280,972.00	-	-	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
Trade Fund loan receivables	-	-	-	-	256,359,097	-	256,359,097
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	1,361,502,355	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
Total liabilities	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	-	-	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
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Off balance sheet 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
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 31 December 2025	GROUP						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	Fixed interest rate USD		
Assets								
Cash and balances with other banks	924,703,685	393,507,097	360,838,250	27,178,060	-	12,613,813	2,506,003	1,721,346,908
Investment in government securities	51,755,593	30,399,119	44,705,430	-	154,842,416	691,000,000	-	972,702,558
Investment in corporate bonds	-	-	-	-	-	57,253,565	-	57,253,565
Other receivables	-	-	-	-	-	-	29,329,574	29,329,574
Trade and other funds loan receivables	-	-	-	487,912,924	-	-	-	487,912,924
Trade finance loans	-	1,934,171,881	791,044,160	366,554,868	-	1,870,756,847	61,009,772	5,023,537,528
Project loans	83,808,086	1,237,425,647	610,408,000	-	-	88,050,783	146,091,344	2,165,783,860
Equity investment at fair value through OCI	-	-	-	-	-	-	64,809,436	64,809,436
Total financial assets	1,060,267,364	3,595,503,744	1,806,995,840	881,645,852	154,842,416	2,719,675,008	303,746,129	10,522,676,353
Financial Liabilities								
Short term borrowings	824,912,832	3,297,989,563	433,574,123	55,922,822	-	-	-	4,612,399,340
Long term borrowings	112,134,416	453,753,323	1,751,161,393	-	-	537,905,691	-	2,854,954,823
Derivative financial instruments	-	-	-	-	-	-	1,054,745	1,054,745
Collection account	-	-	-	-	-	-	173,539,051	173,539,051
NCI Redeemable participating shares payable	-	-	-	-	-	-	285,823,678	285,823,678
Other payables	-	-	-	-	-	80,808,014	357,247,337	438,055,351
Total financial liabilities	937,047,248	3,751,742,886	2,184,735,516	55,922,822	-	618,713,705	817,664,811	8,365,826,988
Net Interest rate exposure	123,220,116	(156,239,142)	(377,739,676)	825,723,030	154,842,416	2,100,961,303	(513,918,682)	2,156,849,365
Cumulative interest rate exposure	123,220,116	(33,019,026)	(410,758,702)	414,964,328	569,806,744	2,670,768,047	2,156,849,365	2,156,849,365

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 Bank's exposure to interest rate risk.

As at 31 December 2025	BANK					Fixed interest rate rate USD	Non-interest bearing 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	896,295,468	393,507,097	360,838,250	27,178,060	-	12,613,813	2,506,003	1,692,938,691
Investment in government securities	51,755,593	-	44,705,430	-	154,842,416	691,000,000	-	942,303,439
Other receivables	-	-	-	-	-	1,112,534	28,217,040	29,329,574
Trade finance loans	-	1,933,284,167	791,044,160	366,554,868	-	1,870,756,847	61,009,772	5,022,649,814
Project loans	83,808,086	1,237,425,647	610,408,000	-	-	88,050,783	146,091,344	2,165,783,860
Equity investment at fair value through OCI	-	-	-	-	-	-	64,809,436	64,809,436
Total financial assets	1,031,859,147	3,564,216,911	1,806,995,840	393,732,928	154,842,416	2,663,533,977	302,633,595	9,917,814,814
Financial Liabilities								
Short term borrowings	824,912,832	3,297,989,563	433,574,123	55,922,822	-	-	-	4,612,399,340
Long term borrowings	112,134,416	453,753,323	1,751,161,393	-	-	537,905,691	-	2,854,954,823
Derivative financial instruments	-	-	-	-	-	-	1,054,745	1,054,745
Collection account	-	-	-	-	-	-	173,539,051	173,539,051
Other payables	-	-	-	-	-	80,808,014	293,141,634	373,949,648
Total financial liabilities	937,047,248	3,751,742,886	2,184,735,516	55,922,822	-	618,713,705	467,735,430	8,015,897,607
Net Interest rate exposure	94,811,899	(187,525,975)	(377,739,676)	337,810,106	154,842,416	2,044,820,272	(165,101,835)	1,901,917,207
Cumulative interest rate exposure	94,811,899	(92,714,076)	(470,453,752)	(132,643,646)	22,198,770	2,067,019,042	1,901,917,207	1,901,917,207

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
Trade Fund loan receivables	-	-	-	256,359,097	-	-	-	256,359,097
Derivative financial instruments	-	-	-	-	-	-	62,162,697	62,162,697
Trade finance loans	-	384,810,176	1,773,899,384	516,688,546	45,326,371	1,788,152,245	93,194,175	4,602,070,897
Project loans	100,436,092	295,742,109	1,517,293,750	-	-	154,594,606	170,083,763	2,238,150,320
Equity investment at fair value through OCI	-	-	-	-	-	-	67,692,339	67,692,339
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 OC	-	-	-	-	-	-	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 31 December 2025 were outstanding at those levels
- 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 Bank's net profit for the year ended 31 December 2025 of USD 138,678,302 (2024: USD 143,491,909) would increase or decrease by USD 221,988 (2024: USD 337,769) to USD 138,900,290 and USD 138,456,314 respectively while the

Effect on the Group's net profit

The Group's profit of USD 170,752,068 for the year ended 31 December 2025 (2024: 170,541,625) would increase to USD 170,974,056 (2024: USD 170,879,394) or decrease to USD 170,530,080 (2024: USD

The potential change is 0.2% (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 31 December 2025

	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	1,520,748,471	39,019	8,014,655	34,763,852	2,506,003	6,185,665	21,102,829	110,568,469	5,599,584	5,913,706	967	5,903,688	1,721,346,908
Investment in government securities	930,983,568	-	-	-	-	-	-	-	-	41,718,990	-	-	972,702,558
Investment in corporate bonds	57,253,565	-	-	-	-	-	-	-	-	-	-	-	57,253,565
Other receivables	29,329,574	-	-	-	-	-	-	-	-	-	-	-	29,329,574
Trade and other funds loan receivables	487,912,924	-	-	-	-	-	-	-	-	-	-	-	487,912,924
Trade finance loans	2,920,628,200	-	2,102,909,328	-	-	-	-	-	-	-	-	-	5,023,537,528
Project finance loans	1,909,374,853	-	252,652,958	-	-	-	-	-	-	-	-	3,756,049	2,165,783,860
Equity investment at fair value through OCI	64,809,436	-	-	-	-	-	-	-	-	-	-	-	64,809,436
Total financial assets	7,921,040,591	39,019	2,363,576,941	34,763,852	2,506,003	6,185,665	21,102,829	110,568,469	5,599,584	47,632,696	967	9,659,737	10,522,676,353
Financial Liabilities													
Short term borrowings	4,149,657,086	-	247,598,676	14,759,690	-	-	200,383,888	-	-	-	-	-	4,612,399,340
Long term borrowings	1,452,456,471	-	1,402,498,352	-	-	-	-	-	-	-	-	-	2,854,954,823
Derivative financial instruments	(611,961,505)	-	613,016,250	-	-	-	-	-	-	-	-	-	1,054,745
Collection account	59,653,076	-	650	-	2,459,694	-	-	110,556,728	-	497,812	-	371,091	173,539,051
NCI Redeemable participating shares payable	285,823,678	-	-	-	-	-	-	-	-	-	-	-	285,823,678
Other payables	437,853,504	-	-	196,904	-	-	-	-	-	-	-	4,946	438,055,354
Total financial liabilities	5,773,482,310	-	2,263,113,928	14,956,594	2,459,694	-	200,383,888	110,556,728	-	497,812	-	376,037	8,365,826,991
Net position	2,147,558,281	39,019	100,463,013	19,807,258	46,309	6,185,665	(179,281,059)	11,741	5,599,584	47,134,884	967	9,283,700	2,156,849,362

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 31 December 2025

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other bank	1,492,340,254	39,019	8,014,655	34,763,852	2,506,003	6,185,665	21,102,829	110,568,469	5,599,584	5,913,706	967	5,903,688	1,692,938,691
Investment in government securities	900,584,449	-	-	-	-	-	-	-	-	41,718,990	-	-	942,303,439
Other receivables	29,329,574	-	-	-	-	-	-	-	-	-	-	-	29,329,574
Trade finance loans	2,919,740,486	-	2,102,909,328	-	-	-	-	-	-	-	-	-	5,022,649,814
Project finance loans	1,909,374,853	-	252,652,958	-	-	-	-	-	-	-	-	3,756,049	2,165,783,860
Equity investment at fair value through OCI	64,809,436	-	-	-	-	-	-	-	-	-	-	-	64,809,436
Total financial assets	7,316,179,052	39,019	2,363,576,941	34,763,852	2,506,003	6,185,665	21,102,829	110,568,469	5,599,584	47,632,696	967	9,659,737	9,917,814,814
Financial Liabilities													
Short term borrowings	4,149,657,086	-	247,598,676	14,759,690	-	-	200,383,888	-	-	-	-	-	4,612,399,340
Long term borrowings	1,452,456,471	-	1,402,498,352	-	-	-	-	-	-	-	-	-	2,854,954,823
Derivative financial instruments	(611,961,505)	-	613,016,250	-	-	-	-	-	-	-	-	-	1,054,745
Collection account	59,653,076	-	650	-	2,459,694	-	-	110,556,728	-	497,812	-	371,091	173,539,051
Other payables	373,747,801	-	-	196,904	-	-	-	-	-	-	-	4,946	373,949,651
Total financial liabilities	5,423,552,929	-	2,263,113,928	14,956,594	2,459,694	-	200,383,888	110,556,728	-	497,812	-	376,037	8,015,897,610
Net position	1,892,626,123	39,019	100,463,013	19,807,258	46,309	6,185,665	(179,281,059)	11,741	5,599,584	47,134,884	967	9,283,700	1,901,917,204

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
Trade Fund loan receivables	256,359,097	-	-	-	-	-	-	-	-	-	-	-	256,359,097
Derivative financial instruments	901,201,197	-	(839,038,500)	-	-	-	-	-	-	-	-	-	62,162,697
Trade finance loans	2,949,453,443	-	1,652,617,454	-	-	-	-	-	-	-	-	-	4,602,070,897
Project finance loans	1,908,193,784	-	306,314,837	14,720,771	-	-	-	-	-	-	-	8,920,928	2,238,150,320
Equity investment at fair value through OCI	67,692,339	-	-	-	-	-	-	-	-	-	-	-	67,692,339
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 31 December 2025	4,945	9,790,126	(11,547)	225	(4,882,060)	14,750	236,648	(26)
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:

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

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

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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	
	2025	2024	2025	2024
	USD	USD	USD	USD
Risk weighted Assets				
On - statement of financial position assets	6,718,039,118	6,372,286,391	6,119,364,487	5,891,376,693
Off - statement of financial position assets	85,705,860	68,045,816	85,705,860	68,045,816
	-----	-----	-----	-----
Total risk weighted assets	6,803,744,978	6,440,332,207	6,205,070,347	5,959,422,509
	=====	=====	=====	=====
Capital				
Paid up capital - Tier I	511,410,275	602,717,362	511,410,275	602,717,362
Retained earnings and reserves	1,501,160,297	1,657,798,363	1,520,224,412	1,649,092,945
	-----	-----	-----	-----
Total Tier I capital	2,012,570,572	2,260,515,725	2,031,634,687	2,251,810,307
	=====	=====	=====	=====
Tier II Capital	98,300,000	-	98,300,000	-
	-----	-----	-----	-----
Total Tier I and Tier II Capital	2,110,870,572	2,260,515,725	2,129,934,687	2,251,810,307
	=====	=====	=====	=====
Capital adequacy ratio-Tier I Capital	29.6%	35.1%	32.7%	37.8%
	=====	=====	=====	=====
Capital adequacy ratio-Tier I and Tier II Capital	31.0%	35.1%	34.3%	37.8%
	=====	=====	=====	=====

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 31 December 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	1,324,906,832	-	-	1,324,906,832
Cash and balances held with other banks -over 90 days	396,440,076	-	-	396,440,076
Trade finance loans	5,023,537,528	-	-	5,023,537,528
Project finance loans	2,165,783,860	-	-	2,165,783,860
Investment in Government securities	972,702,558	-	-	972,702,558
Investment in corporate bonds	57,253,565	-	-	57,253,565
Trade and other funds loan receivables	-	487,912,924	-	487,912,924
Other receivables	55,738,217	-	-	55,738,217
Equity investments at fair value	-	1,746,560	63,062,876	64,809,436
Total financial assets	9,996,362,636	489,659,484	63,062,876	10,549,084,996
Financial liabilities				
Collection account deposits	173,539,051	-	-	173,539,051
Derivative financial instruments	-	1,054,745	-	1,054,745
Short term borrowings	4,612,399,340	-	-	4,612,399,340
Non-controlling interest payables	285,823,678	-	-	285,823,678
Other payables	438,138,219	-	-	438,138,219
Long term borrowings	2,854,954,823	-	-	2,854,954,823
Total financial liabilities	8,364,855,111	1,054,745	-	8,365,909,856
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
Investment in corporate bonds	40,630,615	-	-	40,630,615
Trade Fund loan receivables	-	256,359,097	-	256,359,097
Other receivables	98,661,664	-	-	98,661,664
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	9,472,953,415	320,492,132	65,722,001	9,859,167,548
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	251,081,182	-	-	251,081,182
Total financial liabilities	7,590,247,026	-	-	7,590,247,026

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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 31 December 2025	cost	BANK		amount
	USD	through P&L	through OCI	USD
		USD	USD	
Financial assets				
Cash and balances held with other banks -less than 90 days	1,304,922,381	-	-	1,304,922,381
Cash and balances held with other banks -over 90 days	388,016,310	-	-	388,016,310
Trade finance loans	5,022,649,814	-	-	5,022,649,814
Project finance loans	2,165,783,860	-	-	2,165,783,860
Investment in Government securities	942,303,439	-	-	942,303,439
Other receivables	61,925,126	-	-	61,925,126
Equity investments at fair value	-	1,746,560	63,062,876	64,809,436
	-----	-----	-----	-----
Total financial assets	9,885,600,930	1,746,560	63,062,876	9,950,410,366
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	173,539,051	-	-	173,539,051
Derivative financial instruments	-	1,054,745	-	1,054,745
Short term borrowings	4,612,399,340	-	-	4,612,399,340
Other payables	374,032,516	-	-	374,032,516
Long term borrowings	2,854,954,823	-	-	2,854,954,823
	-----	-----	-----	-----
Total financial liabilities	8,014,925,730	1,054,745	-	8,015,980,475
	=====	=====	=====	=====
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	109,791,952	-	-	109,791,952
Equity investments at fair value	-	1,970,338	65,722,001	67,692,339
	-----	-----	-----	-----
Total financial assets	9,385,151,691	64,133,035	65,722,001	9,515,006,727
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	172,330,020	-	-	172,330,020
Short term borrowings	4,482,774,367	-	-	4,482,774,367
Other payables	374,032,516	-	-	374,032,516
Long term borrowings	2,530,610,185	-	-	2,530,610,185
	-----	-----	-----	-----
Total financial liabilities	7,559,747,088	-	-	7,559,747,088
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

52. TRADE FINANCE LOAN PORTFOLIO

GROUP	As at 31 December 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
Region						
Central and West Africa	130,786,990	128,703,658	2,083,332	19,099,678	10,075,636	9,024,042
East Africa	420,635,069	339,878,156	80,756,913	1,352,455,615	276,025,663	1,076,429,952
Multi-Regional	265,676,655	265,676,655	-	87,096,533	87,096,533	-
North-East Africa	2,066,750,549	2,049,770,733	16,979,816	1,402,526,021	742,646,668	659,879,353
Southern Africa	2,344,009,862	2,276,203,272	67,806,590	1,927,754,409	1,608,154,997	319,599,412
Gross Loans	5,227,859,125	5,060,232,474	167,626,651	4,788,932,256	2,723,999,497	2,064,932,759
Impairment on trade finance loans (Note 20)	(204,321,597)	-	(204,321,597)	(186,861,359)	-	(186,861,359)
Net Loans	5,023,537,528	5,060,232,474	(36,694,946)	4,602,070,897	2,723,999,497	1,878,071,400
BANK						
Central and West Africa	130,786,990	128,703,658	2,083,332	18,408,969.00	10,075,635.00	8,333,334
East Africa	420,302,563	339,878,156	80,424,407	1,352,455,615	276,025,663	1,076,429,952
Multi-Regional	265,676,655	265,676,655	-	87,096,533	87,096,533	-
North-East Africa	2,066,750,549	2,049,770,733	16,979,816	1,402,526,021	742,646,668	659,879,353
Southern Africa	2,342,348,025	2,275,515,288	66,832,737	1,925,367,060	1,608,154,997	317,212,063
Gross Loans	5,225,864,782	5,059,544,490	166,320,292	4,785,854,198	2,723,999,496	2,061,854,702
Impairment on trade finance loans (Note 20)	(203,214,968)	-	(203,214,968)	(186,615,354)	-	(186,615,354)
Net Loans	5,022,649,814	5,059,544,490	(36,894,676)	4,599,238,844	2,723,999,496	1,875,239,348

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53. PROJECT LOAN PORTFOLIO

As at 31 December 2025	GROUP						
	Amounts Disbursed USD	Interest Capitalized USD	Amounts Repaid USD	Interest Receivable USD	Balance Outstanding USD	Due within One year USD	Due after One year USD
Central and West Africa	283,094,400	2,074,720	(64,310,978)	679,971	221,538,114	53,026,768	168,511,346
East Africa	3,907,672,387	45,645,977	(2,761,039,354)	38,237,191	1,230,516,198	507,545,320	722,970,878
Multi-Regional	417,524,082	115,913,776	(280,169,727)	30,015,525	283,283,659	99,212,320	184,071,339
North-East Africa	246,397,677	20,457,539	(136,529,469)	4,539,227	134,864,974	31,132,916	103,732,058
Southern Africa	984,330,728	30,839,993	(630,889,641)	4,159,010	388,440,089	48,742,013	339,698,076
Gross loans	5,839,019,274	214,932,005	(3,872,939,169)	77,630,924	2,258,643,034	739,659,337	1,518,983,697
Impairment on project loans (Note 20)					(92,859,174)	-	(92,859,174)
Net Loans					2,165,783,860	739,659,337	1,426,124,523
As at 31 December 2024							
Central and West Africa	264,535,628	2,074,720	(30,855,547)	867,643	236,622,445	129,602,784	107,019,661
East Africa	3,515,141,820	40,311,889	(2,200,964,336)	48,446,272	1,402,935,645	447,133,937	955,801,708
Multi-Regional	417,524,082	115,913,776	(280,454,001)	8,268,411	261,252,267	149,549,038	111,703,229
North-East Africa	246,397,677	20,457,539	(130,770,249)	3,373,828	139,458,796	69,560,783	69,898,013
Southern Africa	856,777,206	30,839,993	(624,887,453)	1,473,924	264,203,669	38,776,007	225,427,662
Gross loans	5,300,376,413	209,597,917	(3,267,931,586)	62,430,078	2,304,472,822	834,622,549	1,469,850,273
Impairment on project loans (Note 20)					(66,322,503)	-	(66,322,503)
Net Loans					2,238,150,319	834,622,549	1,403,527,770

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

54. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK

As at 31 December 2025

CLASS 'A' SHARES	Shares subscribed	Percentage of total	Subscribed value USD	Callable capital USD	Total paid up capital and premium USD
African Development Bank	4,855	3.95%	110,048,285	88,038,628	30,252,178
Arab Republic of Egypt	11,030	8.98%	250,017,010	200,013,608	52,111,275
Democratic Republic of Congo	8,877	7.22%	201,214,959	160,971,967	38,047,439
Federal Democratic Republic of Ethir	12,133	9.87%	275,018,711	220,014,969	58,067,032
Federal Republic of Somalia	490	0.40%	11,106,830	8,885,464	1,663,975
Kingdom of eSwatini	689	0.56%	15,617,563	12,494,050	2,737,027
People's Republic of China	5,492	4.47%	124,487,164	99,589,731	34,152,918
Republic of Belarus	1,900	1.55%	43,067,300	34,453,840	8,055,794
Republic of Botswana	147	0.12%	3,332,049	2,665,639	2,040,498
Republic of Burundi	2,538	2.07%	57,528,846	46,023,077	12,003,180
Republic of Djibouti	601	0.49%	13,622,867	10,898,294	2,094,445
Republic of Ghana	80	0.07%	1,813,360	1,450,688	1,044,405
Republic of Kenya	11,556	9.40%	261,939,852	209,551,882	59,518,828
Republic of Madagascar	683	0.56%	15,481,561	12,385,249	2,585,475
Republic of Malawi	2,726	2.22%	61,790,242	49,432,194	11,365,818
Republic of Mauritius	5,216	4.24%	118,231,072	94,584,858	24,047,530
Republic of Mozambique	3,511	2.86%	79,583,837	63,667,070	14,108,004
Republic of Rwanda	5,307	4.32%	120,293,769	96,235,015	25,970,392
Republic of Senegal	72	0.06%	1,632,024	1,305,618	196,324
Republic of Seychelles	557	0.45%	12,625,519	10,100,415	2,641,481
Republic of South Sudan	3,500	2.85%	79,334,500	63,467,600	13,912,018
Republic of Sudan	8,136	6.62%	184,418,712	147,534,970	23,922,752
Republic of Uganda	8,150	6.63%	184,736,050	147,788,840	36,942,333
Republic of Zambia	3,810	3.10%	86,361,270	69,089,014	3,105,187
Republic of Zimbabwe	9,771	7.95%	221,479,257	177,183,406	28,728,156
State of Eritrea	370	0.30%	8,386,790	6,709,432	1,263,257
Union of the Comoros	274	0.22%	6,210,758	4,968,606	1,112,972
United Republic of Tanzania	10,418	8.48%	236,144,806	188,915,845	47,177,407
	122,889	100%	2,785,524,963	2,228,419,967	538,868,100
	=====	=====	=====	=====	=====

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

As at 31 December 2024

CLASS 'A' SHARES	Shares subscribed	Percentage of total	Subscribed value USD	Callable capital USD	Total paid up capital and premium USD
African Development Bank	4,855	3.78%	110,048,285	88,038,628	30,252,178
Arab Republic of Egypt	11,030	8.58%	250,017,010	200,013,608	52,111,275
Democratic Republic of Congo	8,877	6.90%	201,214,959	160,971,967	38,047,439
Federal Democratic Republic of Eth	12,133	9.44%	275,018,711	220,014,969	58,067,012
Federal Republic of Somalia	490	0.38%	11,106,830	8,885,464	1,663,975
Kingdom of eSwatini	689	0.54%	15,617,563	12,494,050	2,737,027
People's Republic of China	5,492	4.27%	124,487,164	99,589,731	34,152,918
Republic of Belarus	1,900	1.48%	43,067,300	34,453,840	8,055,794
Republic of Botswana	147	0.11%	3,332,049	2,665,639	2,040,498
Republic of Burundi	2,538	1.97%	57,528,846	46,023,077	12,003,180
Republic of Djibouti	601	0.47%	13,622,867	10,898,294	2,094,445
Republic of Ghana	80	0.06%	1,813,360	1,450,688	1,044,405
Republic of Kenya	11,556	8.99%	261,939,852	209,551,882	59,518,828
Republic of Madagascar	683	0.53%	15,481,561	12,385,249	2,585,475
Republic of Malawi	2,726	2.12%	61,790,242	49,432,194	11,365,818
Republic of Mauritius	5,216	4.06%	118,231,072	94,584,858	24,047,530
Republic of Mozambique	3,511	2.73%	79,583,837	63,667,070	14,108,004
Republic of Rwanda	5,307	4.13%	120,293,769	96,235,015	25,970,062
Republic of Senegal	72	0.06%	1,632,024	1,305,618	196,324
Republic of Seychelles	557	0.43%	12,625,519	10,100,415	2,641,481
Republic of South Sudan	3,500	2.72%	79,334,500	63,467,600	13,912,018
Republic of Sudan	8,136	6.33%	184,418,712	147,534,970	23,922,752
Republic of Uganda	8,150	6.34%	184,736,050	147,788,840	36,942,333
Republic of Zambia	9,488	7.38%	215,064,496	172,051,595	31,047,319
Republic of Zimbabwe	9,771	7.60%	221,479,257	177,183,406	28,728,156
State of Eritrea	370	0.29%	8,386,790	6,709,432	1,263,257
Union of the Comoros	274	0.21%	6,210,758	4,968,606	1,112,972
United Republic of Tanzania	10,418	8.10%	236,144,806	188,915,845	47,177,407
	128,567	100%	2,914,228,189	2,331,382,550	566,809,882
	=====	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

CLASS 'B' SHARES

As at 31 December 2025	Shares subscribed	Percentage of total	Subscribed value USD	Total paid up capital and premium USD
African Development Bank	5,895	32.00%	26,724,512	46,975,931
Arab Bank for Economic Development in Africa	1,134	6.16%	5,140,896	12,373,918
Fundo Soberano de Angola	1,219	6.62%	5,526,215	20,008,666
Investment Fund for Developing Countries	3,383	18.36%	15,336,561	39,695,877
OPEC Fund for International Development	2,875	15.61%	13,033,568	31,201,922
People's Republic of China	3,915	21.25%	17,748,336	26,923,147
	<u>18,421</u>	<u>100%</u>	<u>83,510,088</u>	<u>177,179,461</u>
	=====	=====	=====	=====
As at 31 December 2024				
African Development Bank	5,895	17.93%	26,724,512	46,975,931
AGDF Corporate Trust Ltd (Rwanda)	588	1.79%	2,665,639	8,141,488
Arab Bank for Economic Development in Africa	1,134	3.45%	5,140,896	12,373,918
Banco Nacional de Investimento	931	2.83%	4,220,614	6,037,774
Board of Trustees of the National Social Security Fund of Tanzania	1,458	4.43%	6,609,697	21,177,758
Caisse Nationale de la Sécurité Sociale (Djibouti)	1,150	3.50%	5,213,418	15,426,000
Fundo Soberano de Angola	1,219	3.71%	5,526,215	20,008,666
Investment Fund for Developing Countries	3,383	10.29%	15,336,561	39,695,877
National Pension Fund (Mauritius)	2,166	6.59%	9,819,385	16,178,541
National Social Security Fund (Uganda)	3,443	10.47%	15,608,562	31,909,070
OPEC Fund for International Development	2,875	8.74%	13,033,568	31,201,922
People's Republic of China	3,915	11.91%	17,748,336	26,923,147
Rwanda Social Security Board	3,649	11.10%	16,542,450	28,581,956
Seychelles Pension Fund	1,078	3.28%	4,887,027	7,605,831
	<u>32,884</u>	<u>100%</u>	<u>149,076,880</u>	<u>312,237,879</u>
	=====	=====	=====	=====

Class 'B' shares were first issued in 2013 following an approval by the Board of Governors in December 2012 to increase the Bank's authorized capital from USD 2.0 billion to USD 3.0 billion. This increase was achieved through the creation of 220,584 new Class B shares of a par value of US\$ 4,533.42 each.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

CLASS 'C' SHARES

As at 31 December 2025	Shares subscribed	Percentage of total	Subscribed value USD	Total paid up capital and premium USD
African Development Bank	977	50.00%	4,429,132	14,997,927
African Development Bank (as Implementing Entity of the Clean Technology Fund)	977	50.00%	4,429,132	14,997,927
	<u>1,954</u>	<u>100%</u>	<u>8,858,264</u>	<u>29,995,854</u>
	=====	=====	=====	=====
As at 31 December 2024				
African Development Bank	977	50.00%	4,429,132	14,997,927
African Development Bank (as Implementing Entity of the Clean Technology Fund)	977	50.00%	4,429,132	14,997,927
	<u>1,954</u>	<u>100%</u>	<u>8,858,264</u>	<u>29,995,854</u>
	=====	=====	=====	=====

Class 'C' shares were first issued in 2022 and have a par value of USD 4,533.40 each.

Class 'C' shares do not have voting rights.

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

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55. PRIOR YEAR ADJUSTMENT

- (A) In the previous year, the Group and Bank statement of cash flows, net foreign exchange loss had been included as part of the adjustments for non-cash items. A restatement has been made to remove the amount since this does not relate to unrealized foreign exchange. The resulting impact is on net cash used in operations and the disclosure of effect of foreign exchange rate changes on cash and cash equivalents.
- (B) In the previous year, in the Group and Bank statements 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.
- (C) In the previous year, in the Bank statement of cash flows, cash flows used in investment in subsidiary were incorrectly classified as financing activities. A restatement has been made to correctly classify the cash used in investment in subsidiary as investing activities.
- (D) In the previous year, in the Group and Bank statements of cash flows, interest earned from investments in government securities (Note 21) and interest earned from investments in corporate bonds (Note 22- Group only) was added to the interest income in operating activities. A restatement has been made to correctly classify the interest earned from investments in government securities and interest earned from investments in corporate bonds (Group) to interest received from interest income within operating activities.

Effects on Statement of Cash Flows

As at 30 December 2024		Balance as previously stated USD	Adjustment for restatement USD	Restated USD
GROUP:				
Cash (used in) operations				
Net foreign exchange losses	(A)	15,593,250	(15,593,250)	-
Increase in bank balances with more than 90 days to maturity	(B)	-	470,583,060	470,583,060
Interest income	(D)	(800,107,738)	57,667,227	(742,440,511)
Interest received	(D)	95,384,421	(57,667,227)	37,717,193
Net cash (used in)/generated from operations		(541,306,489)	454,989,810	(86,316,679)
Investing activities				
Bank balances with more than 90 days to maturity	(B)	470,583,060	(470,583,060)	-
Net cash (used in) investing activities		(303,798,310)	(470,583,060)	(774,381,370)
=====				
Effect of foreign exchange rate changes on cash and cash equivalents	(A)	4,348,534	15,593,250	19,941,784
=====				
BANK:				
Cash (used in) operations				
Net foreign exchange losses	(A)	15,492,847	(15,492,847)	-
Increase in bank balances with more than 90 days to maturity	(B)	-	470,583,060	470,583,060
Interest income	(D)	(796,115,254)	56,772,173	(739,343,081)
Interest received	(D)	92,286,990	(56,772,173)	35,514,817
Net cash (used in)/generated from operations		(536,455,886)	455,090,213	(81,365,673)
Investing activities				
Investment in subsidiary	(C)	-	(50,000,000)	(50,000,000)
Bank balances with more than 90 days to maturity	(B)	470,583,060	(470,583,060)	-
Net cash (used in) investing activities		(236,822,100)	(520,583,060)	(757,405,160)
=====				
Financing activities				
Investment in subsidiary	(C)	(50,000,000)	50,000,000	-
Net cash used in financing activities		(110,323,545)	50,000,000	(60,323,545)
=====				
Effect of foreign exchange rate changes on cash and cash equivalents	(A)	4,348,534	15,492,847	19,841,381
=====				

The effects of the changes in the consolidated and separate financial statements arise from the outlined changes above have been reflected in the respective statements of cash flows.