

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONTENTS

	PAGE
Corporate information	1 - 4
Report of the directors	5
Statement of directors' responsibilities	6
Independent auditors' report	7
Financial statements:	
Consolidated statement of profit or loss and other comprehensive income	8 - 9
Separate statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Separate statement of financial position	12
Consolidated statement of changes in equity	13 -14
Separate statement of changes in equity	15
Consolidated and separate statements of cash flows	16
Notes to the financial statements	17 - 152

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 (BADEA)	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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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CORPORATE INFORMATION (continued)

DIRECTORS

Mr. Armando Manuel	Non-Executive Director for Angola, Comoros, DR Congo, Sudan and Uganda and Chairperson of the Board of Directors
Vacant*	Non-Executive Director for Burundi, Ethiopia, Ghana, Madagascar, Malawi and Seychelles
Mr. Veenay Rambarassah	Non-Executive Director for all other stakeholders
Mr. Abraham Akoi Diing	Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and Tanzania
Mr. George T. Guvamatanga	Non-Executive Director for Botswana, Eritrea, Mauritius, Rwanda, and Zimbabwe
Mr. 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-Nsibande	Alternate Non-Executive Director for Djibouti, Egypt, Eswatini, South Sudan and Tanzania
Vacant	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 in line with the resolutions of the Board of Governors.

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CORPORATE INFORMATION (continued)

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

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

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 period ended 30 June 2026.

1 PRINCIPAL ACTIVITIES

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

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

2 FINANCIAL RESULTS

The results for the period are set out on pages 8 to 10.

3 DIVIDENDS

The Board does not recommend a dividend in respect of the period ended (December 2025: Nil).

4 BOARD OF GOVERNORS

The current shareholders are shown on page 1 to 2.

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

5 DIRECTORS

The current members of the Board of Directors are shown on page 3.

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

6 EVENTS AFTER REPORTING PERIOD

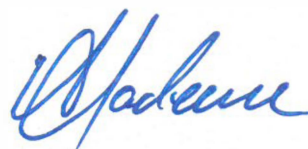
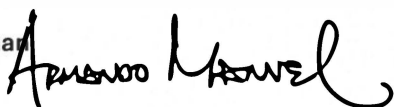
There were no material events after the reporting date which would require adjustments to, or disclosure in, these financial statements as at the date of the approval of the financial statements.

7 AUDITORS

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

BY ORDER OF THE BOARD

Chairman



16 September 2026

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

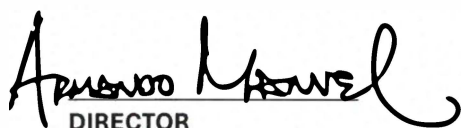
STATEMENT OF DIRECTORS' RESPONSIBILITIES

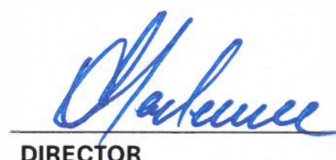
The Bank's Charter requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Bank at the end of the financial period and of the operating results of the Group and of the Bank for that period. It also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

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

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

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


DIRECTOR


DIRECTOR

16 September 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 reviewed the accompanying interim financial statements of the Eastern and Southern African Trade and Development Bank (TDB), set out on pages 8 to 152, comprising the consolidated and separate statements of financial position as at 30 June 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the six-month period then ended, and a summary of material accounting policy information.

Responsibilities of the Directors and the Auditors

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

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the consolidated and separate financial position of Eastern and Southern African Trade and Development Bank (TDB) as at 30 June 2026, its consolidated and separate financial performance and its consolidated and separate cash flows for the six-month period then ended in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board and the requirements of the Bank's Charter.

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



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

Date: 16 September 2026



EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INCOME		6 MONTHS 30 JUNE 2026 USD	6 MONTHS 30 JUNE 2025 USD
	Note		
Interest revenue calculated using the effective interest method	4	327,432,370	396,991,018
Interest expense	5	(205,250,005)	(213,792,135)
Net interest income		122,182,365	183,198,883
Other borrowing costs	6	(2,307,919)	(7,669,633)
Fee and commission income	7	15,116,214	6,199,352
Gain/(loss) on FVTPL - Derivatives	17	1,948,780	(10,616,503)
Gains on FVTPL - Trade and other funds loan assets	23	4,712,461	1,664,401
Trading income	12	141,651,902	172,776,500
Risk mitigating costs	8	(12,516,926)	(21,705,020)
Other income	9	24,435,697	21,480,238
Operating Income	12	153,570,672 =====	172,551,718 =====
EXPENDITURE			
Operating expenses	10	(36,061,167)	(28,584,361)
Impairment on project and trade finance loans	20	(24,241,630)	(51,473,247)
Net foreign exchange gains/ (losses)	14	532,080	(2,404,677)
Other financial assets written-off	13	-	(15,357)
Impairment (charge)/reversal on corporate bonds	22	(56,500)	538,715
TOTAL EXPENDITURE		(59,827,217)	(81,938,927)
PROFIT FOR THE PERIOD		93,743,455 =====	90,612,791 =====
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit and loss:			
Fair value gain/ (loss) through other comprehensive income - equity investments	25	6,856,116	(2,661,502)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		100,599,571 =====	87,951,289 =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

	6 MONTHS 30 JUNE 2026 USD	6 MONTHS 30 JUNE 2025 USD
PROFIT FOR THE PERIOD	93,743,455 =====	90,612,791 =====
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	100,599,571 =====	87,951,289 =====
Profit for the period is attributable to:		
Owners of the Bank	79,627,948	81,844,637
Non-controlling interest	14,115,507 _____	8,768,154 _____
	93,743,455 =====	90,612,791 =====
Total comprehensive income for the period is attributable to:		
Owners of the Bank	86,484,065	79,183,135
Non-controlling interest	14,115,507 _____	8,768,154 _____
	100,599,571 =====	87,951,289 =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INCOME		6 MONTHS 30 JUNE 2026 USD	6 MONTHS 30 JUNE 2025 USD
	Note		
Interest revenue calculated using the effective interest method	4	324,421,395	394,681,259
Interest expense	5	(204,455,922)	(213,304,372)
Net interest income		119,965,473	181,376,887
Other borrowing costs	6	(2,307,919)	(7,669,633)
Fee and commission income	7	13,603,444	6,039,352
Gain/(loss) on FVTPL - Derivatives	17	1,948,780	(10,616,503)
Trading income	12	133,209,778	169,130,103
Risk mitigating costs	8	(10,004,292)	(19,093,095)
Other income	9	2,474,389	8,642,361
Operating income	12	125,679,875	158,679,369
EXPENDITURE			
Operating expenses	10	(29,143,008)	(27,162,498)
Impairment allowance on loans	20	(23,947,113)	(51,555,323)
Net foreign exchange gains/ (losses)	14	529,085	(2,425,195)
Other financial assets written-off	13	-	(15,357)
TOTAL EXPENDITURE		(52,561,036)	(81,158,373)
PROFIT FOR THE PERIOD		73,118,839	77,520,996
OTHER COMPREHENSIVE INCOME		=====	=====
Items that will not be subsequently reclassified to profit and loss:			
Fair value gain/ (loss) through other comprehensive income - equity investments	25	6,856,116	(2,661,502)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		79,974,955	74,859,494
		=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		AS AT 30 JUNE 2026 USD	AS AT 31 DECEMBER 2025 USD
	Note		
Cash and balances held with other banks -less than 90 days	16	1,708,903,503	1,324,906,832
Cash and balances held with other banks -over 90 days	16	119,588,151	396,440,076
Derivative financial instruments	17	12,165,492	-
Trade finance loans	18	5,144,511,216	5,023,537,528
Project loans	19	2,151,867,597	2,165,783,860
Investment in government securities	21	1,007,260,053	972,702,558
Investment in corporate bonds	22	58,376,633	57,253,565
Trade and other funds loan receivables	23	465,830,497	487,912,924
Other receivables	24	83,192,657	55,738,217
Equity investments - at fair value through other comprehensive income	25	71,665,552	64,809,436
Property and equipment	27	35,779,557	36,080,095
Investment property	28	7,641,905	7,553,586
Right-of-use assets	29	2,191,541	2,203,934
Intangible assets	30	1,892	4,161
TOTAL ASSETS		10,868,976,246 =====	10,594,926,772 =====
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	336,718,720	173,539,051
Derivative financial instruments	17	-	1,054,745
Short term borrowings	32	4,537,303,437	4,612,399,340
Provision for service and leave pay	33	15,662,662	15,017,149
Non-controlling interest payables	34	329,375,727	285,823,678
Other payables	35	392,880,335	438,138,219
Long term borrowings	36	2,921,613,777	2,854,954,823
TOTAL LIABILITIES		8,533,554,658 =====	8,380,927,005 =====
EQUITY			
Ordinary share capital	38	511,410,275	511,410,275
Share premium	38	234,633,140	234,633,140
Retained earnings		1,288,617,536	1,224,280,051
Fair value reserve -Equity investments	40	29,260,309	22,404,193
Management reserve	41	19,842,913	19,842,913
Total capital		2,083,764,173 =====	2,012,570,572 =====
Hybrid equity instrument	39	98,300,000	98,300,000
Equity attributable to owners of the Bank		2,182,064,173 =====	2,110,870,572 =====
Non-controlling interest		153,357,415	103,129,195
TOTAL EQUITY		2,335,421,588 =====	2,213,999,767 =====
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		10,868,976,246 =====	10,594,926,772 =====

The notes on page 8 to 152 are an integral part of these financial statements.

The financial statements were approved by the board of directors on **16 September 2026** and were signed on its behalf by:

.....
Group MD/Director

.....
Director

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS		AS AT 30 JUNE 2026 USD	AS AT 31 DECEMBER 2025 USD
	Note		
Cash and balances held with other banks -less than 90 days	16	1,561,815,367	1,304,922,381
Cash and balances held with other banks -over 90 days	16	119,588,151	388,016,310
Derivative financial instruments	17	12,165,492	-
Trade finance loans	18	5,139,569,993	5,022,649,814
Project loans	19	2,151,867,597	2,165,783,860
Investment in government securities	21	986,982,564	942,303,439
Other receivables	24	63,160,161	61,925,126
Equity investments - at fair value through other comprehensive	25	71,665,552	64,809,436
Investment in subsidiaries	26	204,478,580	164,478,580
Property and equipment	27	35,779,557	36,080,095
Investment property	28	7,641,905	7,553,586
Right-of-use assets	29	2,191,541	2,203,934
Intangible assets	30	1,892	4,161
TOTAL ASSETS		10,356,908,352 =====	10,160,730,722 =====
LIABILITIES AND EQUITY			
LIABILITIES			
Collection account deposits	31	336,718,720	173,539,051
Derivative financial instruments	17	-	1,054,745
Short term borrowings	32	4,537,303,437	4,612,399,340
Provision for service and leave pay	33	15,485,702	14,815,560
Other payables	35	340,054,824	374,032,516
Long term borrowings	36	2,921,613,777	2,854,954,823
TOTAL LIABILITIES		8,151,176,460 =====	8,030,796,035 =====
EQUITY			
Ordinary share capital	38	511,410,275	511,410,275
Share premium	38	234,633,140	234,633,140
Retained earnings		1,312,285,255	1,243,344,166
Fair value reserve -Equity investments	40	29,260,309	22,404,193
Management reserve	41	19,842,913	19,842,913
Hybrid equity instrument	39	2,107,431,892 98,300,000	2,031,634,687 98,300,000
TOTAL EQUITY		2,205,731,892 =====	2,129,934,687 =====
TOTAL LIABILITIES AND EQUITY		10,356,908,352 =====	10,160,730,722 =====

The notes on page 8 to 152 are an integral part of these financial statements.

The financial statements were approved by the board of directors on ... **16 September 2026** ... and were signed on its behalf by:

.....
Group MD/Director

.....
Director

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2026	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 2026		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
Hybrid equity instrument	39	-	-	-	(4,177,750)	-	-	(4,177,750)	-	(4,177,750)
ESATF opening reserves ceded to NCI*		-	-	-	(11,112,713)	-	-	(11,112,713)	11,112,713	-
Acquisition of 50% stake in AETDF**		-	-	-	-	-	-	-	25,000,000	25,000,000
Profit for the period		-	-	-	79,627,948	-	-	79,627,948	14,115,507	93,743,455
Fair value gain through other comprehensive income	25	-	-	-	-	6,856,116	-	6,856,116	-	6,856,116
As at 30 June 2026		511,410,275	234,633,140	98,300,000	1,288,617,536	29,260,309	19,842,913	2,182,064,173	153,357,415	2,335,421,588
		=====	=====	=====	=====	=====	=====	=====	=====	=====

*TDB Group % of shareholding in ESATF changed from 18.62% in December 2025 to 18.91% in June 2026 (Bank: from 18.31% to 16.03). 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.

** During the period, TDB acquired a non-controlling interest in Angola Export and Trade Development Facility (AETDF) and obtained control through governance rights, including the ability to direct activities of the entity through majority representation on the Board of Directors. Consequently, AETDF has been consolidated from 30 January 2026. The increase in non-controlling interest of USD 25 million represents the equity interest attributable to shareholders other than TDB upon consolidation. At acquisition, TDB acquired 50% of the USD 50 million issued capital, while the remaining 50% is held by a third party investor, Fundo Soberano de Angola (FSDEA), and is presented as non-controlling interest within equity.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

		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 30 June 2025	Note									
As at 1 January 2025		602,717,362	306,326,253	-	1,306,342,101	25,287,096	19,842,913	2,260,515,725	43,285,896	2,303,801,621
Capital subscription	38	-	-	-	-	-	-	-	-	-
Share repurchase	38	(65,566,792)	(69,491,626)	-	(109,905,393)	-	-	(244,963,811)	-	(244,963,811)
Hybrid equity coupon	39	-	-	42,600,000	(1,036,008)	-	-	41,563,992	-	41,563,992
ESATF opening reserves ceded to NCI*		-	-	-	(20,766,731)	-	-	(20,766,731)	20,766,731	-
Profit for the period		-	-	-	81,844,637	-	-	81,844,637	8,768,154	90,612,791
Fair value loss through other comprehensive income	25	-	-	-	-	(2,661,502)	-	(2,661,502)	-	(2,661,502)
As at 30 June 2025		<u>537,150,570</u>	<u>236,834,627</u>	<u>42,600,000</u>	<u>1,256,478,606</u>	<u>22,625,594</u>	<u>19,842,913</u>	<u>2,115,532,310</u>	<u>72,820,781</u>	<u>2,188,353,091</u>
		=====	=====	=====	=====	=====	=====	=====	=====	=====

*TDB Group % of shareholding in ESATF changed from 30.83% in 2024 to 23.93% in June 2025. 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)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

SEPARATE STATEMENT OF CHANGES IN EQUITY (Continued)

		Share capital USD	Share premium USD	Hybrid Equity USD	Retained earnings USD	Fair value reserve USD	Management reserve USD	Total equity USD
As at 30 June 2026	Note							
As at 1 January 2026		511,410,275	234,633,140	98,300,000	1,243,344,166	22,404,193	19,842,913	2,129,934,687
Hybrid equity instrument coupon	39				(4,177,750)			(4,177,750)
Profit for the period		-	-		73,118,839	-	-	73,118,839
Fair value gain through other comprehensive income	25	-	-		-	6,856,116	-	6,856,116
As at 30 June 2026		<u>511,410,275</u>	<u>234,633,140</u>	<u>98,300,000</u>	<u>1,312,285,255</u>	<u>29,260,309</u>	<u>19,842,913</u>	<u>2,205,731,892</u>
		=====	=====	=====	=====	=====	=====	=====
As at 30 June 2025								
As at 1 January 2025		602,717,362	306,326,253	-	1,297,636,683	25,287,096	19,842,913	2,251,810,307
Share repurchase	38	(65,566,792)	(69,491,626)	-	(109,905,393)	-	-	(244,963,811)
Hybrid equity instrument coupon	39	-	-	42,600,000	(1,036,008)	-	-	41,563,992
Profit for the period		-	-		77,520,996	-	-	77,520,996
Fair value loss through other comprehensive income	25	-	-		-	(2,661,502)	-	(2,661,502)
As at 30 June 2025		<u>537,150,570</u>	<u>236,834,627</u>	<u>42,600,000</u>	<u>1,264,216,278</u>	<u>22,625,594</u>	<u>19,842,913</u>	<u>2,123,269,982</u>
		=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

		GROUP		BANK	
		6 MONTHS 30 JUNE 2026 USD	6 MONTHS 30 JUNE 2025 USD	6 MONTHS 30 JUNE 2026 USD	6 MONTHS 30 JUNE 2025 USD
	Note				
OPERATING ACTIVITIES					
Cash generated from operations	42 (a)	402,185,914	470,352,940	351,002,237	485,881,397
Interest received		231,380,588	252,605,002	228,539,441	250,295,243
Interest paid		(251,246,532)	(208,531,302)	(249,861,376)	(208,043,539)
Net cash generated from /(used in) operations		382,319,969	514,426,640	329,680,302	528,133,101
INVESTING ACTIVITIES					
Purchase of property and equipment	27	(727,939)	(528,352)	(727,939)	(528,352)
Purchase of investment property	28	(88,319)	(29,484)	(88,319)	(29,484)
Purchase of equity investments	25	-	(520,000)	-	(520,000)
Investment in government securities	21	(27,928,056)	(87,957,734)	(27,928,056)	(87,872,352)
Redemption of government securities	21	10,446,630	18,074,289	-	17,151,247
Investment in corporate bonds	22	(6,906,463)	(6,371,522)	-	-
Proceeds from corporate bonds maturities	22	5,923,850	-	-	-
Dividend received	9	-	2,475,324	-	2,475,324
Investment in subsidiaries	26	-	-	(40,000,000)	-
Net cash (used in) investing activities		(19,280,297)	(74,857,479)	(68,744,314)	(69,323,617)
FINANCING ACTIVITIES					
Proceeds from capital contribution by non-controlling interest	26	25,000,000	-	-	-
Share repurchase	38	-	(244,963,811)	-	(244,963,811)
Hybrid equity instrument	39	-	42,600,000	-	42,600,000
Coupon paid on hybrid equity instrument	39	(4,177,750)	(1,036,008)	(4,177,750)	(1,036,008)
Net cash (used in) financing activities		20,822,250	(203,399,819)	(4,177,750)	(203,399,819)
INCREASE IN CASH AND CASH EQUIVALENTS		383,861,922	236,169,342	256,758,238	255,409,665
Effect of foreign exchange rate changes on cash and cash equivalents	14	134,748	(532,594)	134,748	(532,594)
CASH AND CASH EQUIVALENTS AT 01 JANUARY		1,324,906,832	1,198,858,759	1,304,922,381	1,179,618,435
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16	1,708,903,502 =====	1,434,495,507 =====	1,561,815,367 =====	1,434,495,506 =====

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

NOTES TO THE 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 vote
- 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)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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 period 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 period. 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 period.

(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).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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)

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.

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)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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

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

(d) Key sources of estimation uncertainty

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

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

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

- (ii) Probability of default (PD):

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

- (iii) Loss given default (LGD):

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

- (v) Fair value measurement and valuation process:

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition

i. Interest income from loans and investment

Interest income is recognised in profit or loss on accrual basis using effective interest method for all interest bearing financial instruments which comprise project finance loans, trade finance loans, placements with banks, corporate bonds and government securities.

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Revenue recognition (continued)

i. Interest income from loans and investment (continued)

Calculation of interest income (continued)

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

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

Presentation

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

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

ii. Fees and commissions

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

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

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

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

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Borrowings and financing costs

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

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

(g) Foreign currencies

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

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

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

(h) Property and equipment

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

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

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

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

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Property and equipment (continued)

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

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

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

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

(i) Investment property

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

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

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

(j) Intangible assets

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

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Taxation

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

(l) Share capital

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

(m) Financial instruments

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

Initial recognition and measurement

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

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

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

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

- 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Fair value through profit or loss (FVTPL)

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

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

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

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

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

In making the assessment, the Group considered:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayments and extension terms;
- terms that limit the Group's claim to cash flows from specified assets - e.g non-recourse asset arrangements;
- 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

De minimis

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

Business model assessment

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

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

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

Derecognition and modification

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Derecognition and modification (continued)

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

Reclassification

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

Write-off

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event. The exposures are written off against the respective impairment allowances for losses. This is in compliance with both the provisions of the 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

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

Derecognition

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

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

Classification of loans under IFRS 9

TDB classifies its loan exposures as follows:

Classification	Explanation of Stage
Stage 1	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. The Group has made an assessment that this classification and explanation is consistent with the requirements of IFRS 9.
Stage 2	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. 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. 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. The Group has made an assessment that this classification and explanation is consistent with the requirements of IFRS 9.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

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

Financial guarantees, letters of credit, and loan commitments

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

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

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

Derecognition policies are applied to loan commitments issued and held. For loan commitments, the Group recognises allowance for expected credit losses in line with the ECL IFRS 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Financial instruments (continued)

Financial Instruments—Equity and Financial Liability

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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 2026. 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 period

In the current period, 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 2026. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

i Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of financial instruments

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.

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 of the period.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amended IFRS Accounting Standards that are effective for the current period (continued)

i Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of financial instruments (continued)

Disclosures

- *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 directors of TDG Group have adopted the amendments to IFRS 9 and IFRS 7 for the first time in the current period.

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) 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.

- f) 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amended IFRS Accounting Standards that are effective for the current period (continued)

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

g) 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.

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 Group has adopted the amendments to IFRS Accounting Standards -Volume 11 (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) for the first time in the current year.

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:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - 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 key considerations for renewable electricity contracts, hedge accounting and disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The management of the Group has adopted the amendments to IFRS 9 and IFRS 7 for the first time in the current period.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE 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

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>
IFRS 18 - Presentation and Disclosure in Financial Statements	1-Jan-27
IFRS 19 - Subsidiaries without Public Accountability:	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) 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.

(ii) 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 application

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
	USD	USD	USD	USD
4. INTEREST INCOME				
<i>Effective Interest Rate Income:*</i>				
On loans and facilities:				
Project finance loans	99,436,604	106,507,665	99,436,604	106,507,665
Trade finance loans	176,610,664	234,009,522	176,513,355	233,906,406
Total interest income on loans and facilities:	276,047,268	340,517,187	275,949,959	340,414,071
<i>Other interest income:</i>				
On placements: Deposits at amortised cost	51,385,102	56,473,831	48,471,436	54,267,188
Total effective interest income	327,432,370	396,991,018	324,421,395	394,681,259
	=====	=====	=====	=====
5. INTEREST EXPENSE				
Effective interest expense:				
Regional and international bond markets	13,010,153	14,949,018	13,010,153	14,949,018
Interest on funds borrowed from:				
- Banks and financial institutions	168,529,976	173,783,680	167,735,893	173,295,917
- Amortisation of deferred borrowing costs	15,680,695	15,796,240	15,680,695	15,796,240
- Other institutions	8,029,181	9,263,197	8,029,181	9,263,197
	205,250,005	213,792,135	204,455,922	213,304,372
	=====	=====	=====	=====
6. OTHER BORROWING COSTS				
Other costs**	2,217,551	7,569,004	2,217,551	7,569,004
Bank commission	90,368	100,629	90,368	100,629
	2,307,919	7,669,633	2,307,919	7,669,633
	=====	=====	=====	=====

*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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
7. FEES AND COMMISSIONS INCOME	USD	USD	USD	USD
Letter of credit fees in trade finance	6,417,412	2,915,118	6,417,412	2,915,118
Other project fees	5,748,728	150,293	5,748,728	150,293
Other fees in trade finance	1,522,035	488,119	9,265	328,119
Syndication fees in trade finance	411,689	-	411,689	-
Commitment fees on project finance	400,662	406,170	400,662	406,170
Syndication fees in project finance	326,944	2,087,920	326,944	2,087,920
Guarantee fees in project finance	143,490	114,397	143,490	114,397
Commitment fees in trade finance	135,395	27,309	135,395	27,309
Guarantee fees in trade finance	6,796	1,000	6,796	1,000
Letter of credit fees in project finance	3,063	9,026	3,063	9,026
	15,116,214	6,199,352	13,603,444	6,039,352
	=====	=====	=====	=====
8. RISK MITIGATION COSTS				
Insurance cover costs*	12,166,926	20,820,645	9,654,292	18,208,720
Risk participation costs**	350,000	884,375	350,000	884,375
	12,516,926	21,705,020	10,004,292	19,093,095
	=====	=====	=====	=====

*Insurance cover costs are premiums on insurance cover taken on loans made to various borrowers. As at 30 June 2026, the insurance cover was USD 841 million (December 2025: USD 1.35 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 600.74 million (December 2025: USD 494.64 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER INCOME	GROUP		BANK	
	JUNE 2026 USD	JUNE 2025 USD	JUNE 2026 USD	JUNE 2025 USD
Realised gain on disposal of ESATF loan assets (Note 23)	16,684,976	12,685,068	-	-
Other income	6,332,627	1,084,540	1,056,295	931,730
Impaired assets recovered	647,660	4,737,489	647,660	4,737,489
Interest on staff loans	571,957	394,256	571,957	394,257
Rental income	198,477	103,561	198,477	103,561
Dividend income	-	2,475,324	-	2,475,324
	24,435,697	21,480,238	2,474,389	8,642,361
	=====	=====	=====	=====
10. OPERATING EXPENSES				
Staff costs (Note 11)	20,701,580	18,870,727	20,504,230	18,475,959
Other operating expenses	8,127,114	2,416,115	1,466,701	1,546,828
Consultants and advisers	3,616,842	4,049,808	3,600,461	3,944,808
Official missions	1,094,772	997,934	1,094,772	996,684
Depreciation of property and equipment	1,028,477	1,075,306	1,028,477	1,075,306
Business promotion	874,881	523,104	861,881	523,104
Board of Directors meetings	349,060	363,441	349,060	343,891
Board of Governors meetings	101,589	122,449	101,589	113,397
Audit fees	91,515	80,706	60,500	57,750
Short term leases and other rentals	60,676	56,532	60,676	56,532
Depreciation of right-of-use assets	12,392	12,393	12,392	12,393
Amortisation of intangible assets	2,269	13,824	2,269	13,824
Loss on disposal of property and equipment	-	2,022	-	2,022
	36,061,167	28,584,361	29,143,008	27,162,498
	=====	=====	=====	=====
Auditors' Remuneration:				
<i>Audit Services:</i>				
Deloitte: Audit of Group consolidated and separate financial statements	91,515	80,706	60,500	57,750
<i>Non-audit Services:*</i>				
Deloitte firms	57,710	9,314	57,710	87,272
Total Deloitte Firms	149,225	90,020	118,210	145,022
	=====	=====	=====	=====
Non-Deloitte firms: Non-audit services	179,286	56,070	179,286	295,066
	=====	=====	=====	=====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. STAFF COSTS

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
	USD	USD	USD	USD
Salaries and wages	10,448,454	9,621,055	10,251,104	9,355,549
Staff reward and recognition scheme	3,924,048	2,792,446	3,924,048	2,792,446
School fees for dependents	2,066,422	2,391,373	2,066,422	2,391,373
Staff provident fund defined contribution plan	1,739,958	1,616,314	1,739,958	1,565,814
Medical costs	1,022,816	848,545	1,022,816	848,545
Service pay provision	704,367	721,353	704,367	707,548
Other costs*	666,669	811,705	666,669	738,556
Leave pay expense	128,846	67,936	128,846	76,128
	<u>20,701,580</u>	<u>18,870,727</u>	<u>20,504,230</u>	<u>18,475,959</u>
	=====	=====	=====	=====

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	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
	USD	USD	USD	USD
Other receivables (Note 24)**	-	15,357	-	15,357
	=====	=====	=====	=====

14. NET FOREIGN EXCHANGE LOSSES/(GAINS)

Realised exchange gains on bank balance	666,828	(532,594)	663,833	(532,594)
Unrealized gains bank balances	(134,748)	(1,872,083)	(134,748)	(1,892,601)
	<u>532,080</u>	<u>(2,404,677)</u>	<u>529,085</u>	<u>(2,425,195)</u>
	=====	=====	=====	=====

*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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. TAXATION

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

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

16. CASH AND BALANCES HELD WITH OTHER BANKS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
	USD	USD	USD	USD
Current accounts	717,633,851	266,770,085	613,740,374	241,373,841
Call and term deposits with banks	1,110,857,803	1,454,576,823	1,067,663,144	1,451,564,850
	<u>1,828,491,654</u>	<u>1,721,346,908</u>	<u>1,681,403,518</u>	<u>1,692,938,691</u>
	=====	=====	=====	=====
<i>Maturity Analysis*</i>				
With less than 90 days maturity	1,708,903,503	1,324,906,832	1,561,815,367	1,304,922,381
With more than 90 days maturity	119,588,151	396,440,076	119,588,151	388,016,310
	<u>1,828,491,654</u>	<u>1,721,346,908</u>	<u>1,681,403,518</u>	<u>1,692,938,691</u>
	=====	=====	=====	=====
(i) Current accounts:				
Amounts maintained in US Dollars (USD)	499,522,942	101,694,394	395,629,463	76,298,368
Amounts maintained in other currencies:				
Malawi Kwacha	127,552,758	110,568,469	127,552,758	110,568,469
Euro	51,830,957	2,175,857	51,830,957	2,175,755
Kenyan Shillings	33,609,128	34,763,852	33,609,128	34,763,852
Ethiopian Birr	2,955,288	4,422,972	2,955,288	4,422,972
Burundi Francs	1,344,129	1,189,642	1,344,129	1,189,642
Tanzania Shillings	446,316	5,599,584	446,316	5,599,584
United Arab Emirates Dirrham	133,324	104,040	133,324	104,040
Seychelles Rupee	60,558	249,286	60,558	249,286
British Pounds	50,108	39,019	50,108	39,019
Zambia Kwacha	40,498	5,913,706	40,498	5,913,706
Mauritian Rupee	28,240	35,263	28,240	35,145
Ugandan Shillings	23,875	6,394	23,875	6,394
Japanese Yen	22,259	967	22,259	967
Zimbabwe Gold	7,068	5,437	7,068	5,437
South African Rand	6,595	1,395	6,595	1,395
Zimbabwe Dollar	(192)	(192)	(190)	(190)
	<u>218,110,909</u>	<u>165,075,691</u>	<u>218,110,911</u>	<u>165,075,473</u>
	=====	=====	=====	=====
	<u>717,633,851</u>	<u>266,770,085</u>	<u>613,740,374</u>	<u>241,373,841</u>
	=====	=====	=====	=====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
	USD	USD	USD	USD
(ii) Call and term deposits with banks:				
United States Dollars (USD)	1,081,302,475	1,419,053,861	1,038,107,816	1,416,041,888
Amounts maintained in other currencies:				
United Arab Emirates Dirham	20,997,073	20,998,788	20,997,073	20,998,788
Ugandan Shillings	6,051,767	6,179,271	6,051,767	6,179,271
Euro	485	5,838,900	485	5,838,900
Sudanese Pounds	2,506,003	2,506,003	2,506,003	2,506,003
	29,555,328	35,522,962	29,555,328	35,522,962
	1,110,857,803	1,454,576,823	1,067,663,144	1,451,564,850
	=====	=====	=====	=====
(iii) Movement in over 90 days balances				
At the beginning of period	396,440,076	452,674,208	388,016,310	452,674,208
Additions	90,167,312	477,441,438	98,591,078	469,017,672
Maturities	(367,019,237)	(533,675,570)	(367,019,237)	(533,675,570)
	119,588,151	396,440,076	119,588,151	388,016,310
	=====	=====	=====	=====
(iv) Effective interest rates on deposits with banks			GROUP AND BANK	
			2026	2025
			%	%
United States Dollars			3.97%	3.84%
Euro			-	2.12%
United Arab Emirates Dirham			4.10%	3.53%
Ugandan Shillings*			14.90%	13.35%
Zambian Kwacha			18.20%	-

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As at 30 June 2026, and 31 December 2025, the Group only had currency forward exchange contracts in its derivative financial instruments portfolio.

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

	GROUP		BANK	
	JUNE 2026 USD	DECEMBER 2025 USD	JUNE 2026 USD	DECEMBER 2025 USD
Currency forward exchange contracts				
Net opening balance at start of year	(1,054,745)	62,162,697	(1,054,745)	62,162,697
Contracts transacted during the year-Net	33,906,000	36,207,713	33,906,000	36,207,713
Net amounts settled	(22,634,543)	(81,235,055)	(22,634,543)	(81,235,055)
Fair value gain/ (losses) through profit or loss	1,948,780	(18,190,100)	1,948,780	(18,190,100)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net closing balance as at end of period	12,165,492	(1,054,745)	12,165,492	(1,054,745)
	=====	=====	=====	=====

18. TRADE FINANCE LOANS

Principal loans	4,972,965,995	4,452,537,868	4,966,646,732	4,450,543,525
Interest receivable	372,999,572	775,321,257	372,999,573	775,321,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Gross loans	5,345,965,567	5,227,859,125	5,339,646,305	5,225,864,782
Impairment on trade finance loans (Note 20)*	(201,454,351)	(204,321,597)	(200,076,312)	(203,214,968)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net loans	5,144,511,216	5,023,537,528	5,139,569,993	5,022,649,814
	=====	=====	=====	=====

Analysis of gross loans by maturity:

Maturing:

Within one year	2,675,668,377	5,060,232,474	2,675,668,377	5,060,232,474
One to three years	2,576,744,678	153,029,371	2,570,425,415	151,035,028
Over three years	93,552,512	14,597,280	93,552,512	14,597,280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,345,965,567	5,227,859,125	5,339,646,304	5,225,864,782
	=====	=====	=====	=====

As at 30 June 2026, as disclosed in Note 48 (b) the Group gross non-performing trade finance loans (stage 3) amounted to USD 142,154,646 (December 2025- USD 139,202,445). The specific impairment provisions related to these loans amounted to USD 72,899,953(December 2025: USD 72,448,644) hence the carrying amount of the stage 3 loans amounted to USD 69,254,693 (December 2025: USD 66,753,801). The provisions related to stage 1 and stage 2 trade finance loans amounted to USD 128,554,398(December 2025: USD 131,872,953) for the Group. Stage 1 and 2 provisions for the Bank were USD 128,554,398 (December 2025: USD 131,821,855).

*Includes impairment charge for off-balance sheet commitments.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROJECT LOANS

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
	USD	USD	USD	USD
Loans disbursed	6,120,112,143	5,839,019,274	6,120,112,143	5,839,019,274
Interest capitalized*	220,214,528	214,932,005	220,214,528	214,932,005
Loans repaid	(4,146,511,039)	(3,872,939,169)	(4,146,511,039)	(3,872,939,169)
	_____	_____	_____	_____
Principal loan balances	2,193,815,632	2,181,012,110	2,193,815,632	2,181,012,110
Interest receivable	77,136,451	77,630,924	77,136,451	77,630,924
	_____	_____	_____	_____
Gross loans	2,270,952,083	2,258,643,034	2,270,952,083	2,258,643,034
Impairment on project loans (Note 20)**	(119,084,486)	(92,859,174)	(119,084,486)	(92,859,174)
	_____	_____	_____	_____
Net loans	2,151,867,597	2,165,783,860	2,151,867,597	2,165,783,860
	=====	=====	=====	=====
Analysis of gross loans by maturity:				
<i>Maturing:</i>				
Within one year	923,722,874	739,659,337	923,722,874	739,659,337
One year to three years	724,270,337	1,018,236,118	724,270,337	1,018,236,118
Three to five years	258,617,919	346,018,158	258,617,919	346,018,158
Over five years	364,340,954	154,729,421	364,340,954	154,729,421
	_____	_____	_____	_____
	2,270,952,084	2,258,643,034	2,270,952,084	2,258,643,034
	=====	=====	=====	=====

The gross non-performing (Stage 3) Group and Bank project loans as disclosed in Note 48 (b) was USD 146,224,460 (December 2025: USD 146,091,344). The impairment provisions on stage 3 loans amounted to USD 52,482,784 (December 2025: USD 32,881,103) hence the carrying value of the loans amounted to USD 93,741,676 (December 2025: USD 113,210,241). Stage 1 and 2 provisions for project finance loans amounted to USD 66,601,703 (December 2025: USD 59,978,071).

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

GROUP	Project Finance Loans			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 2026	90,749,578	2,109,596	92,859,174	198,125,804	6,195,792	204,321,596	11,391,972	308,572,742
Amount written back	-	-	-	-	-	-	(17,021)	(17,021)
Charge for the period	27,206,037	(980,725)	26,225,312	(13,707,632)	10,840,387	(2,867,245)	883,563	24,241,630
As at 30 June 2026	117,955,615 =====	1,128,871 =====	119,084,486 =====	184,418,172 =====	17,036,179 =====	201,454,351 =====	12,258,514 =====	332,797,351 =====
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 off	(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	90,749,578 =====	2,109,596 =====	92,859,174 =====	198,125,804 =====	6,195,792 =====	204,321,596 =====	11,391,972 =====	308,572,742 =====
Prior Period charge:								
As at 30 June 2025	26,165,735 =====	1,611,671 =====	27,777,406 =====	19,889,187 =====	2,372,517 =====	22,261,704 =====	1,434,137 =====	51,473,247 =====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. IMPAIRMENT ALLOWANCE ON PROJECT AND TRADE FINANCE LOANS

The movement in provisions is as follows:

BANK	Project Finance Loans			Trade Finance Loans			Low Credit Risk Assets*	Total provisions
	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD	On-statement of Financial Position USD	Off-statement of Financial Position USD	Total USD		
As at 1 January 2026	90,749,578	2,109,596	92,859,174	197,019,176	6,195,792	203,214,968	11,352,494	307,426,636
Amount written off	-	-	-	-	-	-	-	-
Charge for the period	27,206,037	(980,725)	26,225,312	(13,979,043)	10,840,387	(3,138,656)	860,457	23,947,113
As at 30 June 2026	117,955,615 =====	1,128,871 =====	119,084,486 =====	183,040,133 =====	17,036,179 =====	200,076,312 =====	12,212,951 =====	331,373,749 =====
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	90,749,578 =====	2,109,596 =====	92,859,174 =====	197,019,176 =====	6,195,792 =====	203,214,968 =====	11,352,494 =====	307,426,636 =====
<i>Prior Period charge:</i>								
As at 30 June 2025	26,165,735 =====	1,611,671 =====	27,777,406 =====	20,033,609 =====	2,372,947 =====	22,406,556 =====	1,371,361 =====	51,555,323 =====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. INVESTMENTS IN GOVERNMENT SECURITIES

Held at Amortised Cost:	GROUP		BANK	
	JUNE 2026 USD	DECEMBER 2025 USD	JUNE 2026 USD	DECEMBER 2025 USD
Treasury Notes and Treasury Bonds:				
At 1 January:	972,702,558	841,906,952	942,303,439	805,677,931
Additional investments	27,928,056	91,784,862	27,928,056	91,784,863
Interest earned	17,076,069	59,752,847	16,751,069	59,310,833
Maturities	(10,446,630)	(20,742,103)	-	(14,470,188)
	<u>1,007,260,053</u>	<u>972,702,558</u>	<u>986,982,564</u>	<u>942,303,439</u>
	=====	=====	=====	=====
ECL Impairment provisions	9,861,899	7,380,475	9,838,793	7,380,475
	<u>9,861,899</u>	<u>7,380,475</u>	<u>9,838,793</u>	<u>7,380,475</u>
	=====	=====	=====	=====

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, and in Zambian Kwacha and Swazi Lilangeni for investments in Zambian and Eswatini government securities respectively.

The effective interest rate for the Zambian Kwacha government securities was 13.27% (December 2025: 20.11%) while that for the Swazi Lilangeni securities was 12.18%. The USD securities had an effective interest rate of 5.30% (December 2025: 5.00%).

22. INVESTMENTS IN CORPORATE BONDS

Held at Amortised Cost:	GROUP	
	JUNE 2026 USD	DECEMBER 2025 USD
At 1 January:	57,253,565	40,630,615
Investment in corporate bonds*	6,906,463	15,957,289
Maturities	(5,923,850)	-
Interest earned	435,901	904,607
Impairment provision	(295,446)	(238,946)
	<u>58,376,633</u>	<u>57,253,565</u>
	=====	=====
<i>Movement in provisions:</i>		
As at 1 January	238,946	709,894
Net (credit)/charge for the period	56,500	(470,948)
	<u>295,446</u>	<u>238,946</u>
	=====	=====

*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 4.50% as 30 June 2026 (December 2025: 4.60%).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. TRADE AND OTHER FUNDS LOANS RECEIVABLES

Held at Fair Value Through Profit or Loss

	AETDF USD	ETEDF USD	GROUP ESATF USD	TOTAL USD
As at 30 June 2026				
At 1 January:	-	25,303,290	462,609,634	487,912,924
<i>Movement during the period:</i>				
Additions	14,826,300	21,979,128	337,624,269	374,429,697
Disposals	-	(25,657,764)	(392,251,797)	(417,909,561)
Unrealised gain on revaluation	31,201	(275,999)	4,957,259	4,712,461
Realised gain on disposal	-	1,508,526	15,176,450	16,684,976
Net change	14,857,501	(2,446,109)	(34,493,819)	(22,082,427)
At end of period:	14,857,501 =====	22,857,181 =====	428,115,815 =====	465,830,497 =====
As at 31 December 2025				
At 1 January:		-	256,359,097	256,359,097
<i>Movement during the period:</i>				
Additions		25,000,000	596,121,825	621,121,825
Disposals		-	(423,579,860)	(423,579,860)
Unrealised gain on revaluation		303,290	2,223,412	2,526,702
Realised gain on disposal		-	31,485,160	31,485,160
Net change		25,303,290	206,250,537	231,553,827
At end of period:		25,303,290 =====	462,609,634 =====	487,912,924 =====

Trade and other Funds receivables relate to ESATF, ETEDF and AETDF loan participation transactions.

These receivables are carried at fair value through profit or loss.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. OTHER RECEIVABLES

	GROUP		BANK	
	2026	2025	2026	2025
	JUNE	DECEMBER	JUNE	DECEMBER
	USD	USD	USD	USD
Prepayments and other receivables*	50,615,456	26,408,643	30,582,960	32,595,552
Staff loans and advances**	28,145,826	28,148,199	28,145,826	28,148,199
Appraisal fees***	4,431,375	1,181,375	4,431,375	1,181,375
	83,192,657	55,738,217	63,160,161	61,925,126
	=====	=====	=====	=====
<i>Appraisal fees receivable***</i>				
At the beginning of the year	1,181,375	1,383,875	1,181,375	1,383,875
Accrued Income	3,250,000	365,982	3,250,000	365,982
Receipts	-	(553,125)	-	(553,125)
Written-off amounts (Note 13)	-	(15,357)	-	(15,357)
At the end of the period	4,431,375	1,181,375	4,431,375	1,181,375
	=====	=====	=====	=====
<i>Maturity analysis:</i>				
Amounts due within one year	59,191,296	42,780,187	39,158,800	48,967,096
Amounts due after one year	24,001,361	12,958,030	24,001,361	12,958,030
	83,192,657	55,738,217	63,160,161	61,925,126
	=====	=====	=====	=====

*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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. EQUITY INVESTMENTS

	GROUP AND BANK						
(i) Equity participation:							
At fair value through OCI	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	TDB's Share- holding* %
As at 30 June 2026 :							
PTA Reinsurance (ZEP-RE)	31,938,654	-	31,938,654	53,010,000	48,566,000	4,444,000	17.93
Cable and Wireless	2,729,000	-	2,729,000	1,746,560	1,746,560	-	2.80
African Export Import Bank	2,364,160	-	2,364,160	12,309,000	10,691,000	1,618,000	0.14
Gulf African Bank	1,978,734	-	1,978,734	3,114,000	2,626,000	488,000	5.23
African Trade & Investment Development Insurance	1,000,000	-	1,000,000	1,421,000	1,117,000	304,000	0.22
Pan African Housing Fund	761,042	-	761,042	64,992	62,876	2,116	1.00
	=====	=====	=====	=====	=====	=====	
TOTAL	40,771,590	-	40,771,590	71,665,552	64,809,436	6,856,116	
	=====	=====	=====	=====	=====	=====	
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
African Trade & Investment Development Insurance (ATIDI)	1,978,734	-	1,978,734	2,626,000	2,372,000	254,000	5.23
Gulf African Bank	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)	
	=====	=====	=====	=====	=====	=====	

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 30 June 2026, 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. EQUITY INVESTMENTS (Continued)	GROUP AND BANK	
	JUNE 2026 USD	DECEMBER 2025 USD
(ii) Installments paid:		
Total subscribed capital*	42,147,726	42,136,337
Less: Installments not due – Note 25(iii)	(1,376,136)	(1,364,747)
	=====	=====
Installments paid as at end of period– Note 25 (iv)	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
	=====	=====
(iv) Movement in the installments paid:		
At beginning of period	40,771,590	40,782,979
Divestiture– Note 25(i)	-	(11,389)
	=====	=====
At end of period	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. 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.

**EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(a) TDB Subsidiaries (continued)

(iii) TDB Infrastructure Investment Management Company (TDB IIMC) - (Formerly Eastern and Southern African Infrastructure Fund (ESAIF))

The Bank has a 100% interest in TDB Infrastructure Investment Management Company (TDB IIMC). TDB IIMC (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 IIMC is Ebene, Mauritius. TDB IIMC is an investment Manager for COMESA Infrastructure Fund - "CIF". TDB IIMC has a 31 December year end for reporting purposes.

TDB investment in TDB IIMC is impaired.

(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 ESATL 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 16.03% and 18.91% for the Bank and Group respectively, (December 2025: Bank -18.31%; Group - 18.62%) 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. Currently, TDF has invested 100% interest in Ethiopia Trade and Export Development Facility (ETEDF). ETEDF has a 31 December year end for reporting purposes.

(vii) Angola Export Trade and Development Facility (AETDF)

AETDF was incorporated in January 2026 and the principal place of business is Mauritius. TDB acquired a non-controlling interest in AETDF and obtained control through governance rights, including the ability to direct activities of the entity through majority representation on the Board of Directors. Consequently, AETDF has been consolidated from 30 January 2026. The increase in non-controlling interest of USD 25 million represents the equity interest attributable to shareholders other than TDB upon consolidation. At acquisition, TDB acquired 50% of the USD 50 million issued capital, while the remaining 50% is held by a third party investor, Fundo Soberano de Angola (FSDEA), and is presented as non-controlling interest within equity. AETDF primarily invests in trade finance, structured trade finance, and export finance transactions involving entities located in, operating in, or having significant trade exposure to Angola and its neighbouring countries. AETDF has a 31 December year end for reporting purposes.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(viii) 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 on-going winding up process.

(b) TDB Investment in subsidiaries

	TDF	TAMCO	ESATF	TCI	ETEDF	AETDF	TOTAL
As at 30 June 2026:				No. of shares			
<i>Subsidiary's Issued Shares:</i>							
As at 1 January 2026	9,916,865	139,967	411,248,892	80,000,000	25,000,000	-	526,305,724
Subscriptions during the period	-	-	78,862,010	15,000,000	-	50,000,000	143,862,010
Redemption of shares during the period	-	-	(19,100,869)	-	-	-	(19,100,869)
Increase in NAV	-	-	16,389,754	-	-	-	16,389,754
Total issued and fully paid	9,916,865	139,967	487,399,787	95,000,000	25,000,000	50,000,000	667,456,619
	=====	=====	=====	=====	=====	=====	=====
TDB's share	86.41%	100%	16.03%	100%	100%	50%	
Fully paid	8,569,378	139,967	158,024,060	95,000,000	25,000,000	25,000,000	311,733,405
	=====	=====	=====	=====	=====	=====	=====
Non-controlling interest*	1,347,487	-	329,375,727	-	-	25,000,000	355,723,214
	=====	=====	=====	=====	=====	=====	=====
<i>Share capital:</i>	USD	USD	USD	USD	USD	USD	USD
Total Investment in subsidiaries	8,569,378	1,359,463	49,549,739	95,000,000	25,000,000	25,000,000	204,478,580
	=====	=====	=====	=====	=====	=====	=====
Total issued and fully paid	8,569,378	1,359,463	49,549,739	95,000,000	25,000,000	25,000,000	204,478,580
	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(b) TDB Investment in subsidiaries

	TDF	TAMCO	ESATF	TCI	ETEDF	TOTAL
As at 31 December 2025:						
<i>Subsidiary's Issued Shares:</i>			No. of shares			
As at 1 January 2025	9,916,865	139,967	221,846,468	80,000,000	-	311,903,300
Subscriptions	-	-	204,564,799	-	25,000,000	229,564,799
Shares redemption during the year	-	-	(42,373,170)	-	-	(42,373,170)
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%		
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 =====
<i>Share capital:</i>	USD	USD	USD	USD	USD	USD
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 =====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

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

As at 30 June 2026	TDF USD	ESATF USD	AETDF USD	TOTAL USD
(i) Statement of Financial Position				
Total assets	59,081,318	543,791,341	50,415,010	653,287,669
Total liabilities	(53,500,002)	(56,391,555)	(8,822)	(109,900,379)
Net assets	5,581,316	487,399,786	50,406,188	543,387,290
	=====	=====	=====	=====
Attributable to owners of the Bank	4,822,815	158,024,060	25,203,094	188,049,969
Non-controlling interest	758,501	329,375,726	25,203,094	355,337,321
	5,581,316	487,399,786	50,406,188	543,387,290
	=====	=====	=====	=====
(ii) Statement of Profit and Loss and Other				
Income	6,453,085	21,264,454	418,057	28,135,596
Expenditure	(5,349,012)	(4,874,800)	(11,869)	(10,235,681)
Comprehensive (loss)/income for the period	1,104,073	16,389,654	406,188	17,899,915
	=====	=====	=====	=====
Attributable to owners of the Bank	954,029	2,627,262	203,094	3,784,385
Non-controlling interest	150,044	13,762,392	203,094	14,115,530
	1,104,073	16,389,654	406,188	17,899,915
	=====	=====	=====	=====
(iii) Statement of Cash Flows				
Net cash generated from (used in) operating activities	33,839,831	45,304,374	(24,870,708)	54,273,497
Net cash generated from financing activities	-	15,371,134	50,000,000	65,371,134
Net cash generated used in investing activities	-	-	(14,857,500)	(14,857,500)
Net increase/(decrease) in cash and cash equivalents	33,839,831	60,675,508	10,271,792	104,787,131
Cash and cash equivalents at beginning of period	19,967,077	(39,862,550)	-	(19,895,473)
Cash and cash equivalents at end of period	53,806,908	20,812,958	10,271,792	84,891,658
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENT IN SUBSIDIARIES (Continued)

(c) Summarised Financial Information

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	415,726,234
	=====	=====	=====
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 Comprehensive			
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)	22,228,498	22,162,206
	=====	=====	=====
	(487,800)	27,210,795	26,722,995
	=====	=====	=====
(iii) Statement of Cash Flows			
Net cash (used in) operating activities	16,302,933	(172,748,230)	(156,445,297)
Net cash generated from financing activities	-	162,191,628	162,191,628
	=====	=====	=====
Net increase/ (decrease) in cash and cash equivalents	16,302,933	(10,556,602)	5,746,331
Cash and cash equivalents at beginning of year	3,664,144	(29,305,948)	(25,641,804)
	=====	=====	=====
Cash and cash equivalents at end of period	19,967,077	(39,862,550)	(19,895,473)
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. PROPERTY AND EQUIPMENT

	GROUP AND BANK					
	Freehold land USD	Buildings and freehold land USD	Motor vehicles USD	Furniture and fittings USD	Office and computer equipment USD	Total USD
As at 30 June 2026						
COST						
As at 1 January 2026	142,110	35,680,841	1,363,183	3,097,626	6,649,846	46,933,606
Additions	-	727,939	-	-	-	727,939
Disposals	-	-	(27,099)	(907,404)	(1,810,967)	(2,745,470)
As at 30 June 2026	142,110	36,408,780	1,336,084	2,190,222	4,838,879	44,916,075
DEPRECIATION						
As at 1 January 2026	-	2,901,181	1,185,014	1,889,296	4,878,020	10,853,511
Charge for the period	-	420,774	35,592	92,181	479,930	1,028,477
Disposals	-	-	(27,099)	(907,404)	(1,810,967)	(2,745,470)
As at 30 June 2026	-	3,321,955	1,193,507	1,074,073	3,546,983	9,136,518
NET BOOK VALUE	142,110	33,086,825	142,577	1,116,149	1,291,896	35,779,557
	=====	=====	=====	=====	=====	=====

None of the assets have been pledged to secure borrowings of the Group (December 2025: Nil).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. PROPERTY AND EQUIPMENT (Continued)

GROUP AND BANK

As at 31 December 2025	Freehold land USD	Buildings and freehold land USD	Motor vehicles USD	Furniture and fittings USD	Office and computer equipment USD	Total USD
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)
As at 31 December 2025	142,110	35,680,841	1,363,183	3,097,626	6,649,846	46,933,606
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)
As at 31 December 2025	-	2,901,181	1,185,014	1,889,296	4,878,020	10,853,511
NET BOOK VALUE	142,110	32,779,660	178,169	1,208,330	1,771,826	36,080,095
	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 30 June 2026

	USD	USD	USD
COST/FAIR VALUE			
As at 1 January 2026	4,926,520	2,627,066	7,553,586
Additions	-	88,319	88,319
As at 30 June 2026	4,926,520	2,715,385	7,641,905
	=====	=====	=====

As at 31 December 2025

COST/FAIR VALUE			
As at 1 January 2025	5,736,218	3,187,772	8,923,990
Revaluation	(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
	=====	=====	=====

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

The Group did not earn rental income from its Nairobi office investment property, as the property had not been leased as at the reporting date. Rental income from the Bujumbura property amounted to USD198,477 (December 2025: USD 213,137).

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

Fair Valuation:

Fair valuation of investment properties is done every end of the year. Therefore, no valuation has been done as at 30 June 2026. 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 fair value of the Bujumbura investment property at 31 December 2025 was 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 were recognised through profit and loss.

The fair value of the Nairobi investment property at 31 December 2025 was 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.

Valuation of the investment properties will be done at the end of 2026.

29. RIGHT-OF-USE ASSETS

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

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
COST	USD	USD	USD	USD
At the beginning of the year	2,453,865	2,453,865	2,453,865	2,453,865
Movement during the period	-	-	-	-
At the end of the period	2,453,865	2,453,865	2,453,865	2,453,865
AMORTISATION				
At the beginning of the year	249,931	225,145	249,931	225,145
Charge for the period	12,393	24,786	12,393	24,786
At the end of the year	262,324	249,931	262,324	249,931
NET BOOK VALUE				
At the end of the year	2,191,541	2,203,934	2,191,541	2,203,934
<i>Amounts recognised in profit and loss:</i>				
Depreciation expense on right-of-use assets	12,393	24,786	12,393	24,786
At the end of the year	12,393	24,786	12,393	24,786

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. INTANGIBLE ASSETS	GROUP		BANK	
	JUNE 2026 USD	DECEMBER 2025 USD	JUNE 2026 USD	DECEMBER 2025 USD
COST				
At the beginning of the year	32,187	32,187	32,187	32,187
Write-offs	-	-	-	-
At the end of the period	32,187	32,187	32,187	32,187
AMORTISATION				
At the beginning of the year	28,026	2,304	28,026	2,304
Charge for the period	2,269	25,722	2,269	25,722
At the end of the period	30,295	28,026	30,295	28,026
NET BOOK VALUE				
At the end of the period	1,892	4,161	1,892	4,161
	=====	=====	=====	=====

Intangible assets relate to cost of acquired computer software.

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

31. COLLECTION ACCOUNT DEPOSITS

	GROUP		BANK	
	JUNE 2026 USD	DECEMBER 2025 USD	JUNE 2026 USD	DECEMBER 2025 USD
At beginning of the year	173,539,051	172,330,020	173,539,051	172,330,020
Increase	168,361,623	63,894,864	168,361,623	63,894,864
Reduction	(5,181,954)	(62,685,833)	(5,181,954)	(62,685,833)
At end of the period	336,718,720	173,539,051	336,718,720	173,539,051
	=====	=====	=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SHORT TERM BORROWINGS

				GROUP AND BANK	
	Date of Renewal/ Advance	Maturity Date	Currency	2026 JUNE USD	2025 DECEMBER USD
Global Syndication 2025	Dec-25	Dec-28	USD	856,270,210	853,582,500
Global Syndication 2024	Dec-24	Nov-27	USD	795,212,500	1,000,000,000
Global Syndication 2026	Jun-26	Jun-29	USD	700,000,000	-
Asia Syndication 2025	Oct-25	Sep-28	USD	500,000,000	500,000,000
National Bank of Ethiopia	Apr-26	Apr-27	USD	435,298,721	301,000,000
Mashreq Bank	Sep-25	Sep-27	USD	200,383,888	260,383,888
The Bank of Tokyo Mitsubishi UFJ, Ltd	May-23	Jun-26	USD	200,000,000	250,000,000
Sumurai 2024	Mar-24	Nov-26	USD	125,000,000	195,000,000
Citibank	Jun-25	Jun-26	USD	105,933,751	50,000,000
China Development Bank	Jun-26	Aug-28	USD	100,000,000	-
Commerzbank	Jun-22	Jul-27	USD	88,178,909	185,964,909
British International Investment plc	Dec-23	Dec-26	USD	50,000,000	100,000,000
Standard Chartered Bank Dubai	Aug-25	Aug-26	USD	50,000,000	50,000,000
Commercial Bank of Ethiopia	Jun-26	Aug-26	USD	50,000,000	-
Bank of Kigali	Apr-26	Nov-26	USD	50,000,000	-
Central Bank of Kenya	Jan-26	Aug-26	USD	40,000,000	40,000,000
Rwanda Social Security Fund	Dec-25	Jan-26	USD	30,932,977	30,314,708
Nouvbank	Sep-25	Sep-26	EUR	22,647,470	38,513,030
National Bank of Rwanda	Apr-26	Aug-26	USD	20,160,187	10,000,000
ZEMEN	Apr-26	Aug-26	USD	20,000,000	-
Cassa Depositi e Prestiti	Jan-21	Dec-26	EUR	19,752,000	42,904,000
Kenya Commercial Bank	Jul-26	Jul-26	USD	15,283,040	15,227,606
Africa 50 Financement de Projets	Jan-26	Aug-26	USD	15,164,142	22,781,661
African Trade & Investment Development Insurance	Jan-26	Mar-27	USD	9,253,652	8,850,619
African Economic Research Consortium	Jan-26	Jan-27	USD	3,554,588	3,415,319
Global Syndication 2023	Dec-23	Dec-26	USD	-	381,170,175
Standard Chartered Bank Mauritius	Sep-25	Aug-26	USD	-	70,000,000
Standard Chartered Bank Kenya	Jun-25	Jun-26	USD	-	50,000,000
International Islamic Trade Finance and Corporation	Aug-25	Feb-26	USD	-	40,837,381
European Investment Bank	Dec-24	Mar-30	USD	-	30,000,000
Agency Syndications	Dec-25	Jan-26	USD	-	10,000,000
Sub total for other short term borrowings				4,503,026,035	4,539,945,796
Interest payable				34,277,402	72,453,544
TOTAL SHORT TERM BORROWINGS				4,537,303,437	4,612,399,340
				=====	=====
Amount due within one year				1,625,478,948	2,501,349,129
Amount due after one year				2,911,824,489	2,111,050,211
				4,537,303,437	4,612,399,340
				=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. PROVISION FOR SERVICE AND LEAVE PAY

	GROUP		BANK	
	JUNE 2026 USD	DECEMBER 2025 USD	JUNE 2026 USD	DECEMBER 2025 USD
(i) PROVISION FOR SERVICE PAY				
At 1 January	11,894,517	10,774,921	11,827,638	10,668,050
Increase in provision	772,197	1,522,352	704,367	1,455,473
Payment of service pay	(153,009)	(402,756)	(136,228)	(295,885)
	=====	=====	=====	=====
At end of period	12,513,705	11,894,517	12,395,777	11,827,638
	=====	=====	=====	=====
(ii) PROVISION FOR LEAVE PAY				
At 1 January	3,122,632	2,949,596	2,987,922	2,872,214
Increase in provision	61,015	323,557	128,846	188,847
Payment of leave pay	(34,691)	(150,521)	(26,844)	(73,139)
	=====	=====	=====	=====
At end of period	3,148,956	3,122,632	3,089,924	2,987,922
	=====	=====	=====	=====
TOTAL PROVISION FOR SERVICE AND LEAVE PAY	15,662,662	15,017,149	15,485,702	14,815,560
	=====	=====	=====	=====

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

34. NON CONTROLLING INTEREST PAYABLES

	GROUP			
	As at 30 June 2026		As at 31 December 2025	
Redeemable Participating Shares:	No. of Shares	USD	No. of Shares	USD
As at 1 January	2,725,236	411,248,892	1,606,918	221,846,468
Shares issued	168,041	78,862,010	1,404,620	204,564,799
Redemption of shares	(115,112)	(19,100,869)	(286,302)	(42,373,170)
Increase in Net Asset Value		16,389,754		27,210,795
	=====	=====	=====	=====
As at end of period	2,778,165	487,399,787	2,725,236	411,248,892
	=====	=====	=====	=====
TDB Group Share 18.91%		92,167,300		76,574,544
(December 2025: 18.62%)		=====		=====
Non-controlling interest in reserves		65,856,760		48,850,670
		=====		=====
Non -controlling interest payable		329,375,727		285,823,678
		=====		=====
<i>Maturity Analysis:</i>				
Amounts due within one year		-		-
Amounts due after one year		329,375,727		285,823,678
		=====		=====
		329,375,727		285,823,678
		=====		=====

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 16.03% while TCI participation is 2.88%, bringing the Group investment to 18.91% (December 2025: TDB 18.31%, TCI 0.19% and TAMCO 0.12%).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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. TAMCO, as Fund Manager for ESATF, may in its sole and absolute discretion, waive or reduce the management fees charged in relation to any redeemable participating shares. Accordingly, the redeemable participating shares of ESATF have been classified as financial liabilities in accordance with their contractual terms.

35. OTHER PAYABLES	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
	USD	USD	USD	USD
Other creditors	150,869,601	154,678,350	98,044,090	90,572,647
Deferred fees - trade finance	104,016,142	107,804,399	104,016,142	107,804,399
Provident fund*	84,508,908	80,808,014	84,508,908	80,808,014
Deferred fees - project finance	24,418,977	25,014,385	24,418,977	25,014,385
Dividend payable**	17,130,196	17,130,196	17,130,196	17,130,196
Accrued reward & recognition	5,827,875	6,010,001	5,827,875	6,010,001
Accrued long term incentive scheme	2,660,564	6,194,564	2,660,564	6,194,564
Repurchased shares	2,078,158	39,316,780	2,078,158	39,316,780
Accrued expenses	617,164	694,005	617,164	694,005
Accrued fees - trade finance	669,926	404,770	669,926	404,770
Prepaid rent	82,865	82,865	82,865	82,865
Accrued syndication fees	(41)	(110)	(41)	(110)
OTHER PAYABLES	392,880,335	438,138,219	340,054,824	374,032,516
<i>Analysis of other payables by maturity:</i>				
Amounts due within one year	308,288,562	357,247,340	255,463,051	293,141,637
Amounts due after one year	84,591,773	80,890,879	84,591,773	80,890,879
	392,880,335	438,138,219	340,054,824	374,032,516

*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 June 2026 and December 2025 is the Hybrid Equity coupon amounting to USD 6,411,290.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 30 June 2026		
					Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
US\$ 1.0 Billion Euro Medium Term Note Programme: Second Tranche	Jun-21	Jun-28	USD	650,000,000	650,000,000	-	650,000,000
World Bank Facility-Infrastructure Facility	Mar-21	Aug-39	USD	391,110,916	391,109,164	1,825,714	389,283,450
MIGA Guaranteed Syndicated II	Dec-23	Jun-30	EUR	267,547,902	310,542,850	77,635,712	232,907,138
MIGA Guaranteed Syndicated I	Jul-20	Jun-30	EUR	252,167,086	292,690,337	73,124,100	219,566,237
Standard Chartered Bank -ICIEC Facility	Jun-25	Nov-34	EUR	250,000,000	290,175,000	-	290,175,000
Japan International Cooperation Agency	Feb-24	Dec-36	EUR	150,000,000	174,105,000	-	174,105,000
European Investment Bank	Aug-16	Nov-33	USD	119,165,258	119,165,258	24,773,095	94,392,163
Agence Francaise De Development	Dec-17	Jun-36	USD	113,253,062	113,253,062	9,971,212	103,281,850
Sumitomo Mitsui Banking Corporation	Aug-24	Jul-29	USD	111,834,643	111,834,643	33,333,333	78,501,310
Sumitomo Mitsui Banking Corporation -SACE Push Facility	Apr-24	Mar-34	EUR	100,000,000	116,070,000	-	116,070,000
African Development Bank	Nov-08	Feb-32	USD	90,142,857	90,142,857	25,000,000	65,142,857
KfW	Dec-13	Nov-36	USD	67,931,091	67,931,091	15,238,095	52,692,996
Japan Bank for International Corporation	Dec-23	Dec-27	EUR	67,500,000	78,347,250	52,231,500	26,115,750
World Bank - ASCENT and REAF Facility	May-25	Aug-39	USD	33,540,773	33,540,773	-	33,540,773
Opec Fund for International Development	Mar-19	Sep-32	USD	30,000,000	30,000,000	-	30,000,000
Finnish Export Credit -Sumitomo Mitsui Banking Corporation	Jul-17	Dec-29	USD	25,215,099	25,215,099	6,292,724	18,922,375
Cassa Depositi e Prestiti	Jul-20	Jun-30	EUR	23,529,412	27,310,588	6,827,647	20,482,941
Industrial Development Corporation	Mar-18	Jul-26	USD	22,686,275	6,952,914	6,952,914	-
Development Bank of the Republic of Belarus -1	Jun-20	Apr-27	USD	19,901,330	19,901,330	19,901,330	-
Arab Bank for Econmic Development in Africa	Feb-18	Jan-28	USD	19,479,167	19,479,167	18,541,667	937,500
World Bank Facility-Technical Assistance Facility	Jan-21	Aug-58	USD	12,156,778	12,156,778	-	12,156,778
Oesterreichische Entwicklungsbank AG	Jun-20	Jun-30	USD	11,764,706	11,764,706	2,941,176	8,823,530
Japan International Cooperation Agency-Mizuho Bank Facility	Mar-25	Oct-37	USD	10,307,983	10,307,983	-	10,307,983
Development Finance institute Canada -FinDev Canada	Nov-21	Nov-29	USD	10,045,583	10,045,583	2,666,667	7,378,916
BADEA Hybrid Capital-Long Term Borrowing - Note 39	Mar-25	Mar-55	USD	1,700,000	1,700,000	-	1,700,000
British International Investment	Oct-16	May-26	USD	2,833	2,833	2,833	-
					3,013,744,266	377,259,719	2,636,484,547
					=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS (Continued)

	GROUP AND BANK		
	As at 30 June 2026		
	Balance outstanding USD	Amount due within one year USD	Amount due after one year USD
Total for long term borrowings	3,013,744,266	377,259,719	2,636,484,547
Interest payable	18,094,575	18,094,575	-
Total long term borrowings	3,031,838,841	395,354,294	2,636,484,547
Deferred expenditure *	(110,225,063)	(29,483,213)	(80,741,850)
	2,921,613,777	365,871,081	2,555,742,697
	=====	=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. LONG TERM BORROWINGS (Continued)

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 Tranche	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
					=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. COVENANTS ATTACHED TO BORROWINGS

As at 30 June 2026, TDB had the following covenants with its lenders.

GROUP AND BANK										Liquidity Cover - 1.31 Borrowing Limit - 61.4% Debt to Tier I Capital - 3.55 Single Group (Tier I/Tier I & II) - 20%/21% Single Sector - 26% Cost to Income - 15.6% Un-hedged Currency Position - 18.9%
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%)	
TDB Actual Ratios		33.5% /35.1%	3.7%	16.2%	2,206.00	7.61% /7.27%	17%	16%	20%	As above
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%) Single Group<25%;
USD 30,000,000	09/2022-09/2028	>30%	<8%	>12%	-	-	<25%	-	-	Cost to Income <30%; Un-hedged currency position <25%
USD 350,000,000	05/2019-05/2041	>25%	<8%	-	>300	-	-	-	-	Liquidity Cover>1.25; Borrowing Limit <100%
USD 15,000,000	02/2018-09/2027	>30%	-	-	>856	-	-	-	-	Liquidity Cover>1.25; Cost to Income <45%
USD 100,000,000	03/2025-03/2055	-	-	-	-	-	-	-	-	Asset to Equity ratio
USD 1,000,000,000	11/2024-11/2027	> 25%	<6%	>10%	> 1,250	-	-	-	-	-
USD 700,000,000	06/2026-06/2029	>25%	<6%	>10%	>1,250	-	-	-	-	-
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%	-

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. COVENANTS ATTACHED TO BORROWINGS (Continued)

Facility Amount	Term	Capital Adequacy Ratio (Tier I/Tier I & II)	Non- performing Loans	Liquid Assets	GROUP AND BANK					Single Party Net exposure (Investment Grade 30%)	Borrowing Limit - 61.4% Liquidity Cover - 1.31 Cost to Income - 15.6% Aggregate Maturity Gap - 125%
					Tangible Net Worth (USD Million)	Open Asset Exposure (Tier I/Tier I & II)	Single Country Net Exposure	Single Country Gross Exposure			
TDB Actual Ratios		33.5% /35.1%	3.7%	16.2%	2206.00	7.61% /7.27%	17.0%	16.0%	20.0%	As above	
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%	-	-
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%	-	-	Aggregare 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%	-	Aggregare Maturity Gap >-100%
USD 100,000,000	12/2025-12/2028	>25%	-	-	-	-	-	-	-	-	-
USD 60,000,000	12/2013-12/2028	>25%	-	-	-	<15%	-	<30%	<25%	-	Aggregare Maturity Gap >-100%
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 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 30 June 2026.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL

	GROUP AND BANK As at 30 June 2026			
	CLASS 'A' USD	CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
Authorised capital:				
176,468 Class 'A' ordinary shares of USD 22,667 each	4,000,000,156	-	-	4,000,000,156
220,585 Class 'B' ordinary shares of USD 4,533.40 each	-	1,000,000,039	-	1,000,000,039
220,585 Class 'C' ordinary shares of USD 4,533.40 each	-	-	1,000,000,039	1,000,000,039
Less: Unsubscribed				
- Class 'A'	(1,214,475,193)	-	-	(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 each	-	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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

	GROUP AND BANK			
	As at 31 December 2025			
	CLASS 'A'	CLASS 'B'	CLASS 'C'	TOTAL
	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 each	-	1,000,000,039	-	1,000,000,039
220,585 Class 'C' ordinary shares of USD 4,533.40 each	-	-	1,000,000,039	1,000,000,039
Less: Unsubscribed				
- Class 'A'	(1,214,475,193)	-	-	(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 each	-	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	649,473,348
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
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

Movement in paid - up share capital	CLASS 'A' USD	GROUP AND BANK CLASS 'B' USD	CLASS 'C' USD	TOTAL USD
As at 30 June 2026				
At beginning of year	419,041,923	83,510,088	8,858,264	511,410,275
	-----	-----	-----	-----
Movement during the period (nil)	-	-	-	-
A the end of the period	419,041,923	83,510,088	8,858,264	511,410,275
	=====	=====	=====	=====
As at 31 December 2025				
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)
Board of Trustees of the National Social Security				
Fund of 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				
At beginning of year	419,041,923	83,510,088	8,858,264	511,410,275
	-----	-----	-----	-----
Capital subscriptions	350	-	-	350
Capital substitution	(25,740,645)	-	-	(25,740,645)
Share repurchase	-	(65,566,792)	-	(65,566,792)
	-----	-----	-----	-----
As at 31 December 2025	393,301,628	17,943,296	8,858,264	420,103,188
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

SHARE PREMIUM	GROUP AND BANK			
	Number of Shares	Share Value USD	Price Paid USD	Share Premium USD
As at 30 June 2026				
Share Premium - Class A:				
At beginning and end of period (no movement)	122,888	47,868,374	173,840,688	119,826,177
	=====	=====	=====	=====
Share Premium - Class B:				
At beginning and end of period (no movement)	18,421	83,510,088	177,179,461	93,669,373
	=====	=====	=====	=====
Share Premium - Class C:				
At beginning and end of period (no movement)	1,954	8,858,264	29,995,854	21,137,590
	=====	=====	=====	=====
TOTAL PREMIUM				
As at 30 June 2026	143,263	140,236,726	381,016,003	234,633,140
	=====	=====	=====	=====
As at 31 December 2025				
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
	=====	=====	=====	=====
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 period (no movement)	1,954	8,858,264	29,995,854	21,137,590
	=====	=====	=====	=====
TOTAL PREMIUM				
As at 31 December 2025	143,263	140,236,726	381,016,003	234,633,140
	=====	=====	=====	=====
Additional premium for the year				
Net movement -Maturities/disposals	(20,141)	(91,307,437)	(346,713,571)	(255,406,134)
	=====	=====	=====	=====
Share appreciation at disposal and capital substitution	(20,141)	(91,307,437)	(163,000,550)	(71,693,113)
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. SHARE CAPITAL (Continued)

SHARE PREMIUM (continued)

**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 was recognised through retained earnings.

***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. In 2025, the Bank repurchased 14,463 Class 'B' shares, at a price of USD 244,963,811 resulting in share appreciation of USD 109,905,393. In 2024, the repurchase was 5,706 Class 'B' and Class 'C' shares, resulting in share appreciation of USD 71,331,842. The repurchase amounts were recognised through retained earnings.

Nature and purpose of the share premium

Class 'B' and Class 'C' shares are issued at a premium of USD 19,485.26 (December 2025: USD 18,880.89) that is determined after a valuation of the Group's shares. The share premium is used to finance the operations of the Group. The share premium for Class 'A' shares was introduced in 2019.

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

As at 30 June 2026, there were 122,889 Class 'A' ordinary shares (December 2025: 122,889), 18,421 Class 'B' ordinary shares (December 2025: 18,421) and 1,954 Class 'C' ordinary shares (December 2025: 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

There were no dividends proposed, declared or paid for the period ended 30 June 2026 (December 2025: Nil)
As at 30 June 2026, dividends payable were USD 10,718,906 (December 2025: 10,718,906).

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 period. 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

39. HYBRID EQUITY INSTRUMENT (Continued)

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

Based on 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

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%

	JUNE 2026 USD	DECEMBER 2025 USD
Initial nominal value	98,300,000 =====	98,300,000 =====
Carrying amount as at end of period	98,300,000 =====	98,300,000 =====
Coupon	4,177,750 =====	9,257,798 =====
<i>Movement in coupon:</i>		
<i>At beginning of period</i>	6,411,290	-
<i>Accrued during the period</i>	4,177,750	9,257,798
<i>Paid during the period</i>	(4,177,750)	(2,846,508)
	-----	-----
Balance outstanding at period end	6,411,290 =====	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 Hybrid Capital Discretionary coupon of USD 4,177,750 (December 2025: USD 2,846,508) was paid to Hybrid Capital investors from equity of the Bank.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

42. NOTES TO THE STATEMENT OF CASH FLOWS:

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
	USD	USD	USD	USD
(a) Cash generated from operations:				
Profit for the period	93,743,455	90,612,791	73,118,839	77,520,996
<i>Adjustments:</i>				
Depreciation on property and equipment	1,028,477	1,075,306	1,028,477	1,075,306
Depreciation of right of use assets	12,392	12,393	12,392	12,393
Amortisation of intangible assets	2,269	13,824	2,269	13,824
Loss from disposal of property and equipment	-	2,022	-	2,022
Losses on foreign exchange	-	2,404,677	-	2,425,195
Unrealized losses on non-cash items	(134,748)	(1,872,083)	(134,748)	(1,892,601)
Interest income	(327,432,370)	(396,991,018)	(324,421,395)	(394,681,259)
Interest expense	205,250,005	213,792,135	204,455,922	213,304,372
Dividend income	-	(2,475,324)	-	(2,475,324)
Provision for impairment on loans and advances	13,498,405	46,054,922	13,226,994	46,199,344
Increase in provision for service and leave pay	457,813	320,915	507,070	333,342
Provision for impairment on low credit risk and off-balance sheet items	10,743,225	5,418,325	10,720,119	5,355,979
Other financial assets written-off	-	15,357	-	15,357
Impairment of corporate bonds	295,446	(538,715)	-	-
Loss before working capital changes	(2,535,631)	(42,154,471)	(21,484,061)	(52,791,053)
Decrease in bank balances with more than 90 days to maturity	276,851,925	323,763,709	268,428,159	371,672,845
(Increase)/(decrease) in other receivables	(27,454,440)	16,374,896	(1,235,035)	16,944,369
Decrease/(increase) in trade and other funds receivables	22,082,427	(15,994,571)	-	-
Decrease/(increase) in derivatives financial instruments - assets	(12,165,492)	62,162,697	(12,165,492)	62,162,697
(Decrease)/increase in derivatives financial instruments - liabilities	(1,054,745)	13,344,638	(1,054,745)	13,344,638
(Increase) in trade finance loans	(79,269,303)	(285,288,227)	(74,330,204)	(284,773,395)
Decrease/(increase) in project loans	26,510,059	(122,790,688)	26,510,059	(122,790,688)
Increase/(decrease) in collection accounts deposits	163,179,669	(8,732,779)	163,179,669	(8,732,779)
Increase in non-controlling payables	43,552,050	39,448,586	-	-
(Decrease)/increase in other payables	(45,257,883)	259,590,831	(33,977,690)	260,234,484
Provision for service and leave pay paid	187,700	243,207	163,072	225,167
Increase in borrowings - Note 42 (b)	37,559,578	230,385,113	36,968,505	230,385,113
Cash generated from operations	402,185,914	470,352,940	351,002,237	485,881,397
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
(b) Analysis of changes in borrowings:	USD	USD	USD	USD
Short term borrowings:				
At beginning of year	4,612,399,340	4,482,774,367	4,612,399,340	4,482,774,367
Loans received	1,498,862,480	610,458,289	1,498,862,480	610,458,289
Repayments	(1,573,958,384)	(764,162,639)	(1,573,958,384)	(764,162,639)
	=====	=====	=====	=====
At end of period	4,537,303,436	4,329,070,017	4,537,303,436	4,329,070,017
	=====	=====	=====	=====
Long term borrowings:				
At beginning of year	2,854,954,823	2,530,610,185	2,854,954,823	2,530,610,185
Loans received	454,172,337	643,762,060	454,172,337	643,762,060
Repayments	(387,513,382)	(254,411,764)	(387,513,382)	(254,411,764)
	=====	=====	=====	=====
At end of period	2,921,613,778	2,919,960,481	2,921,613,778	2,919,960,481
	=====	=====	=====	=====
Total at end of year	7,458,917,214	7,249,030,498	7,458,917,214	7,249,030,498
	=====	=====	=====	=====
Total at beginning of year	7,467,354,163	7,013,384,552	7,467,354,163	7,013,384,552
	=====	=====	=====	=====
Decrease/(increase) in total borrowings	(8,436,949)	235,645,946	(8,436,949)	235,645,946
Accrued interest expense	45,996,527	(5,260,833)	45,405,454	(5,260,833)
	=====	=====	=====	=====
	37,559,578	230,385,113	36,968,505	230,385,113
	=====	=====	=====	=====
(c) Analysis of cash and cash equivalents				
Less than 90 days to maturity (Note 48 c)	1,708,903,503	1,434,495,506	1,561,815,367	1,434,495,506
More than 90 days to maturity (Note 16)	119,588,151	128,910,499	119,588,151	81,001,363
	=====	=====	=====	=====
Cash and balances with other banks (Note 16)	1,828,491,654	1,563,406,005	1,681,403,518	1,515,496,869
	=====	=====	=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending

As at 30 June 2026 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	364,363,450	35,636,550
MIGA Guaranteed Syndicated Facility II	378,847,829	378,847,829	-
Japan Bank for International Corporation	350,000,000	-	350,000,000
MIGA Guaranteed Syndicated Facility I	340,404,750	340,404,750	-
Standard Chartered Bank -ICIEC Facility	290,350,000	290,350,000	-
World Bank -ASCENT and REAF Facility	265,000,000	19,000,000	246,000,000
Agence Francaise De Development	263,720,000	163,800,000	99,920,000
African Development Bank	230,000,000	230,000,000	-
Japan International Cooperation Agency -JICA Facility	174,210,000	174,210,000	-
KfW	160,000,000	160,000,000	-
Sumitomo Mitsui Banking Corporation	150,000,000	150,000,000	-
European Investment Bank	118,120,000	118,120,000	-
Sumitomo Mitsui Banking Corporation-SACE Facility	116,140,000	116,140,000	-
Japan International Cooperation Agency -Commercial Facility	105,088,500	105,088,500	-
Industrial Development Corporation	100,565,184	100,565,184	-
Exim Bank India	100,000,000	75,000,000	25,000,000
KfW	100,000,000	-	100,000,000
The Export-Import Bank of Korea	100,000,000	-	100,000,000
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	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 long Term Borrowing	1,700,000	1,700,000	-
	4,902,276,701	3,843,894,954	1,058,381,747
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending (continued)

As at 30 June 2026 (continued)

SHORT-TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2025	856,270,210	856,270,210	-
Global Syndication 2024	795,212,500	795,212,500	-
Global Syndication 2026	700,000,000	700,000,000	-
Asia Syndication 2025	500,000,000	500,000,000	-
National Bank of Ethiopia	435,298,721	435,298,721	-
Mashreq Bank	200,383,888	200,383,888	-
Sumitomo Mitsui Banking Corporation	200,000,000	-	200,000,000
The Bank of Tokyo Mitsubishi	200,000,000	200,000,000	-
Standard Chartered Bank London	150,000,000	-	150,000,000
Samurai 2024	125,000,000	125,000,000	-
Citibank	120,000,000	105,933,751	14,066,249
China Development Bank	100,000,000	100,000,000	-
Commerzbank	88,178,909	88,178,909	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
Abu Dhabi Commercial Bank	75,000,000	-	75,000,000
ING Bank	58,035,000	-	58,035,000
Standard Chartered Bank Dubai	50,000,000	50,000,000	-
British International Investment PLC	50,000,000	50,000,000	-
Commercial Bank of Ethiopia	50,000,000	50,000,000	-
Bank of Kigali	50,000,000	50,000,000	-
Central Bank of Kenya	40,000,000	40,000,000	-
Emirates NBD Group	35,000,000	-	35,000,000
BHF Bank	34,821,000	-	34,821,000
National Bank of Rwanda	30,932,977	30,932,977	-
KBC Bank	29,017,500	-	29,017,500
Nouvbank	22,647,470	22,647,470	-
National Bank of Rwanda	20,160,187	20,160,187	-
ZEMEN	20,000,000	20,000,000	-
Cassa Depositi e Prestiti	19,752,000	19,752,000	-
Kenya Commercial Bank	15,283,040	15,283,040	-
Africa 50 Financement De Projects	15,164,142	15,164,142	-
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
African Trade And Investment Development Insurance	9,253,652	9,253,652	-
Banque de Commerce de placement	7,920,500	-	7,920,500
African Economic Research Consortium	3,554,588	3,554,588	-
	5,227,044,510	4,503,026,035	724,018,475
	=====	=====	=====
TOTAL FACILITIES			
As at 30 June 2026	10,129,321,211	8,346,920,989	1,782,400,222
	=====	=====	=====

Note:

Facilities utilised include outstanding letters of credit amounting to USD 316,342,917 (June 2025: USD 286,530,550) - Note 45.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(d) Facilities available for lending (continued)

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

LONG TERM FACILITIES	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Euro bond	650,000,000	650,000,000	-
World Bank Facility-Infrastructure Facility	400,000,000	75,560,000	324,440,000
MIGA Guaranteed Syndicated facility -II	378,847,829	378,847,829	-
Japan Bank for International Corporation	350,000,000	-	350,000,000
Agence Francaise De Development	347,520,000	163,800,000	183,720,000
MIGA Guaranteed Syndicated facility -I	340,404,750	340,404,750	-
Standard Chartered Bank -ICIEC	289,687,500	289,687,500	-
African Development Bank	230,000,000	220,000,000	10,000,000
European Investment Bank	210,443,200	118,120,000	92,323,200
KfW	160,000,000	160,000,000	-
Japan International Cooperation Agency - JICA Facility	155,377,500	155,377,500	-
Sumitomo Mitsui Banking Corporation	150,000,000	150,000,000	-
SACE-Sumitomo Mitsui Banking Corporation	103,585,000	103,585,000	-
Industrial Development Corporation	100,565,184	100,565,184	-
Exim Bank India	100,000,000	75,000,000	25,000,000
KfW	100,000,000	-	100,000,000
Export-Import Bank of Korea	100,000,000	-	100,000,000
Japan International Cooperation Agency-Commercial Facility	93,226,500	93,226,500	-
Opec Fund for International Development	90,000,000	90,000,000	-
Development Bank of the Republic of Belarus -I	71,055,917	22,533,452	48,522,465
Arab Bank for Economic Development in Africa	65,000,000	65,000,000	-
BADEA Hybrid Capital-Long Term Borrowing	57,400,000	57,400,000	-
Cassa Depositi e Prestiti	56,640,000	56,640,000	-
Finnish Export Credit-Sumitomo Mitsui Banking Corporation	56,634,521	56,634,521	-
British International Investment	50,000,000	50,000,000	-
Invest International (formerly FMO)	44,400,000	-	44,400,000
Oesterreichische Entwicklungsbank AG	25,000,000	25,000,000	-
Development Finance institute Canada-FinDev Canada	20,000,000	20,000,000	-
World Bank Facility-Technical Assistance Facility	15,000,000	12,156,778	2,843,222
Japan International Cooperation Agency-Mizuho Bank Facility	14,400,000	8,340,490	6,059,510
Export-Import Bank of the United States	No limit	-	No limit
	4,825,187,901	3,537,879,504	1,287,308,397
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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	GROUP AND BANK		
	Facilities available USD	Facilities utilised USD	Facilities unutilised USD
LENDER			
Global Syndication 2024	1,000,000,000	1,000,000,000	-
Global Syndication 2022	517,484,377	517,484,377	-
Global Syndication 2023	506,251,085	506,251,085	-
Syndicated Loan 2022 - Asia	500,000,000	500,000,000	-
National Bank of Ethiopia	301,000,000	301,000,000	-
China Export and Import Bank	300,000,000	300,000,000	-
The Bank of Tokyo Mitsubishi UFJ, Ltd	250,000,000	100,000,000	150,000,000
Sumitomo Mitsui Banking Corporation Euro	200,000,000	-	200,000,000
Mashreq Bank	195,435,152	195,435,152	-
Samurai 2021	195,000,000	195,000,000	-
Commerzbank	183,385,660	183,385,660	-
Standard Chartered Bank London	150,000,000	50,000,000	100,000,000
Citibank	120,000,000	50,000,000	70,000,000
British International Investment PLC	100,000,000	100,000,000	-
Mauritius Commercial Bank	75,000,000	-	75,000,000
Cassa Depositi e Prestiti	66,409,000	66,409,000	-
ING Bank	57,937,500	-	57,937,500
African Development Bank	50,000,000	50,000,000	-
Mizuho Bank London	50,000,000	-	50,000,000
NORFUND	40,000,000	40,000,000	-
Nedbank	35,000,000	35,000,000	-
Emirates NBD Group	35,000,000	-	35,000,000
BHF Bank	34,762,500	-	34,762,500
Nouvbanq	30,011,796	30,011,796	-
KBC Bank	28,968,750	-	28,968,750
Africa 50 Financement de Projets	26,202,812	26,202,812	-
DZ Bank	15,158,226	-	15,158,226
Rand Merchant Bank	15,000,000	-	15,000,000
Absa Bank	15,000,000	-	15,000,000
Banque Nationale Du Rwanda	10,000,000	10,000,000	-
African Trade & Investment Development Insurance	8,092,910	8,092,910	-
Banque de Commerce de placement	8,086,500	-	8,086,500
Agency Syndications	6,835,997	6,835,997	-
African Economic Research Consortium	3,415,319	3,415,319	-
Kenya CommercialBank	490,764	490,764	-
	5,129,928,348	4,275,014,872	854,913,476
	=====	=====	=====
TOTAL FACILITIES			
As at 30 June 2025	9,955,116,249	7,812,894,376	2,142,221,873
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

The following table shows an analysis of the Group's and Bank's financial instruments and non-financial assets that are measured subsequent to initial recognition at fair value, grouped by fair value hierarchy level:

As at 30 June 2026	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Derivative financial instruments	-	12,165,492	-	12,165,492
Trade and other funds loan receivables	-	465,830,497	-	465,830,497
Equity investments at fair value through OCI	1,746,560	-	69,918,992	71,665,552
<i>Non-financial assets:</i>				
Investment property	-	-	7,641,905	7,641,905
	1,746,560	477,995,989	77,560,897	557,303,446
	=====	=====	=====	=====
<i>Financial Liabilities:</i>				
	-	-	-	-
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Determination of Fair Value and Fair Value hierarchy (continued)

As at 31 December 2025	GROUP			Total USD
	Level 1 USD	Level 2 USD	Level 3 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)
	=====	=====	=====	=====
As at 30 June 2026	BANK			Total USD
	Level 1 USD	Level 2 USD	Level 3 USD	
<i>Financial assets:</i>				
Net derivative financial instruments	-	12,165,492	-	12,165,492
Equity investments at fair value through OCI	1,746,560	-	69,918,992	71,665,552
<i>Non-financial assets:</i>				
Investment property	-	-	7,641,905	7,641,905
	1,746,560	12,165,492	77,560,897	91,472,949
	=====	=====	=====	=====
<i>Financial liabilities:</i>				
	-	-	-	-
	=====	=====	=====	=====
As at 31 December 2025				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
	=====	=====	=====	=====
<i>Financial Liabilities:</i>				
Derivative financial instruments	(1,054,745)	-	-	(1,054,745)
	=====	=====	=====	=====

There were no transfers in between fair value hierarchy levels.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 1,746,560 CWS is listed on MERJ Exchange.

Unquoted investments valuation:

Currency swaps, interest rate swaps and currency forward contracts are derivative products valued using a valuation technique with market-observable inputs. The most frequently applied valuation technique is the swap model using present value calculations for determining fair values of financial instruments, which are included within Level 2. The valuation is done in the Treasury Management System where these instruments are managed.

The Group invests in private equity companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group contracts experts to value these investments. Valuation is done using International Private Equity Valuation Guidelines for these positions. These have been recognised as Level 3.

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

For Investment Property at fair value, 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 30 June 2026	GROUP			Fair value USD	Carrying value USD
	Level 1 USD	Level 2 USD	Level 3 USD		
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,828,491,654	1,828,491,654	1,828,491,654
Project and Trade finance loans	-	-	7,296,378,813	7,296,378,813	7,296,378,813
Investment in Government securities	-	-	1,007,260,053	1,007,260,053	1,007,260,053
Investment in Corporate Bonds	-	-	58,376,633	58,376,633	58,376,633
Other receivables	-	-	83,192,657	83,192,657	83,192,657
Other assets	-	-	37,972,990	37,972,990	37,972,990
	-	-	10,311,672,800	10,311,672,801	10,311,672,801
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	336,718,720	336,718,720	336,718,720
Short term and long term borrowings	-	-	7,458,917,214	7,458,917,214	7,458,917,214
Other payables and provisions	-	-	722,256,062	722,256,062	722,256,062
	-	-	8,517,891,996	8,517,891,996	8,517,891,996
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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)

	GROUP				
As at 31 December 2025	Level 1 USD	Level 2 USD	Level 3 USD	Fair value USD	Carrying value USD
Cash and balances held with other banks	-	-	1,721,346,908	1,721,346,908	1,721,346,908
Project and Trade finance loans	-	-	7,189,321,388	7,189,321,388	7,189,321,388
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	-	-	36,084,256	36,084,256	36,084,256
	-	-	10,032,446,892	10,032,446,892	10,032,446,892
	=====	=====	=====	=====	=====
<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
	-	-	8,364,855,110	8,364,855,110	8,364,855,110
	=====	=====	=====	=====	=====
As at 30 June 2026			BANK		
	Level 1 USD	Level 2 USD	Level 3 USD	Fair value USD	Carrying value USD
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,561,815,367	1,561,815,367	1,561,815,367
Project and Trade finance loans	-	-	7,291,437,590	7,291,437,590	7,291,437,590
Investment in Government securities	-	-	986,982,564	986,982,564	986,982,564
Other receivables	-	-	63,160,161	63,160,161	63,160,161
Other assets	-	-	242,451,570	242,451,570	242,451,570
	-	-	10,145,847,252	10,145,847,252	10,145,847,252
	=====	=====	=====	=====	=====
<i>Liabilities:</i>					
Collection accounts	-	-	336,718,720	336,718,720	336,718,720
Short term and long term borrowings	-	-	7,458,917,214	7,458,917,214	7,458,917,214
Other payables and provisions	-	-	355,540,526	355,540,526	355,540,526
	-	-	8,151,176,460	8,151,176,460	8,151,176,460
	=====	=====	=====	=====	=====
As at 31 December 2025					
<i>Assets:</i>					
Cash and balances held with other banks	-	-	1,692,938,691	1,692,938,691	1,692,938,691
Project and Trade finance loans	-	-	7,188,433,674	7,188,433,674	7,188,433,674
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
	-	-	10,088,367,700	10,088,367,700	10,088,367,700
	=====	=====	=====	=====	=====
<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
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 companies.

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Unobservable Inputs Sensitivity Analysis (continued)

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

GROUP	Valuation	As at 30 June 2026		As at 31 December 2025	
		Carrying USD	Effect of 5% USD	Carrying USD	Effect of 5% USD
Derivative financial instruments	System-built Model	12,165,492	608,275	-	-
Trade and other funds loan receivables	Similar Companies	465,830,497	23,291,525	487,912,924	24,395,647
Equity investments at FVOCI	EV/EBITDA Multiple	69,918,992	3,495,950	63,062,876	3,153,144
Investment property	Market comparable approach	7,641,905	382,095	7,553,586	377,679
		=====	=====	=====	=====
		555,556,886	27,777,845	558,529,386	27,926,470
		=====	=====	=====	=====
BANK					
Derivative financial instruments	System-built Model	12,165,492	608,275	-	-
Equity investments at FVOCI	EV/EBITDA Multiple	69,918,992	3,495,950	63,062,876	3,153,144
Investment property	Market comparable approach	7,641,905	382,095	7,553,586	377,679
		=====	=====	=====	=====
		89,726,389	4,486,320	70,616,462	3,530,823
		=====	=====	=====	=====

Level 3 reconciliation

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

	GROUP AND BANK		
	Equity Investments USD	Investment Property USD	Total USD
As at 30 June 2026			
As at 1 January	64,809,436	7,553,586	72,363,022
Additions	-	88,319	88,319
Total fair value losses	6,856,116	-	6,856,116
	=====	=====	=====
As at end of period	71,665,552	7,641,905	79,307,457
	=====	=====	=====
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 gains and losses	(2,882,903)	(1,431,054)	(4,313,957)
	=====	=====	=====
As at end of year	64,809,436	7,553,586	72,363,022
	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME

	GROUP AND BANK				
For the period ended 30 June 2026	Trade finance USD	Project finance USD	Corporate USD	Subsidiaries USD	Total USD
Gross interest income	176,827,349	99,704,081	47,889,965	3,010,975	327,432,370
Interest expense	(129,509,827)	(48,736,117)	(26,209,978)	(794,083)	(205,250,005)
Net interest income	47,317,522	50,967,964	21,679,987	2,216,892	122,182,365
Other borrowing costs	-	-	(2,307,919)	-	(2,307,919)
Fee and commission income	6,980,559	6,622,885	-	1,512,770	15,116,214
Fair value loss on financial assets- derivatives	1,948,780	-	-	-	1,948,780
Fair value gains on financial assets-ESATF & ETEDF loans	-	-	-	4,712,461	4,712,461
Risk mitigation costs	(4,822,153)	(4,107,760)	(1,074,379)	(2,512,634)	(12,516,926)
Other income	-	-	2,474,389	21,961,308	24,435,697
Other assets written-off	-	-	-	-	-
Operating expenses	(2,861,915)	(1,394,787)	(23,843,166)	(6,918,159)	(35,018,027)
Depreciation and amortisation	-	-	(1,043,140)	-	(1,043,140)
Impairment on assets	3,138,656	(24,743,243)	(1,482,069)	(294,517)	(23,381,173)
Impairment on off-balance sheet commitments	-	-	(860,457)	-	(860,457)
Impairment on corporate bonds	-	-	-	(56,500)	(56,500)
Foreign exchange gain	-	-	529,085	2,995	532,080
Profit/(loss) for period	51,701,449 =====	27,345,059 =====	(5,927,669) =====	20,624,616 =====	93,743,455 =====
For the period ended 30 June 2025					
Gross interest income	234,885,709	105,528,362	54,267,188	2,309,759	396,991,018
Interest expense	(126,182,980)	(56,690,903)	(30,430,489)	(487,763)	(213,792,135)
Net interest income	108,702,729	48,837,459	23,836,699	1,821,996	183,198,883
Other borrowing costs	-	-	(7,669,633)	-	(7,669,633)
Fee and commission income	4,167,152	1,872,200	-	160,000	6,199,352
Fair value gains on financial assets- derivatives	(7,325,387)	(3,291,116)	-	-	(10,616,503)
Fair value gains on financial assets-ESATF	-	-	-	1,664,401	1,664,401
Risk mitigation costs	(10,828,881)	(4,865,149)	(3,399,065)	(2,611,925)	(21,705,020)
Other income	-	-	8,642,362	12,837,876	21,480,238
Other assets written-off	-	-	(15,357)	-	(15,357)
Operating expenses	(2,858,853)	(1,284,412)	(21,917,712)	(1,421,861)	(27,482,838)
Depreciation and amortisation	-	-	(1,101,523)	-	(1,101,523)
Impairment on assets	(26,165,735)	(20,033,609)	(1,371,361)	82,076	(47,488,629)
Impairment on off-balance sheet commitments	(1,611,671)	(2,372,947)	-	-	(3,984,618)
Impairment on corporate bonds	-	-	-	538,715	538,715
Foreign exchange gain	-	-	(2,425,195)	20,518	(2,404,677)
Profit/(loss) for period	64,079,354 =====	18,862,426 =====	(5,420,785) =====	13,091,796 =====	90,612,791 =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

	GROUP		BANK	
	JUNE	JUNE	JUNE	JUNE
	2026	2025	2026	2025
	USD	USD	USD	USD
Gross Interest income from major groups				
Groups contributing 10% or more of revenue	73,459,440	179,620,199	73,459,440	179,620,199
All other customers	253,972,930	217,370,819	250,961,955	215,061,060
	<u>327,432,370</u>	<u>396,991,018</u>	<u>324,421,395</u>	<u>394,681,259</u>
	=====	=====	=====	=====

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 :	GROUP AND BANK				
	Trade finance	Project finance	Corporate	Subsidiaries	Total
	USD	USD	USD	USD	USD
Assets:					
Cash and balances with other banks	2,506,005	-	1,678,897,513	147,088,136	1,828,491,654
Investment in government securities	-	-	986,982,564	20,277,489	1,007,260,053
Investment in corporate bonds	-	-	-	58,376,633	58,376,633
Derivative financial instruments	12,165,492	-	-	-	12,165,492
Other receivables	-	-	63,160,161	20,032,496	83,192,657
Trade and other funds loan					
receivables	-	-	-	465,830,497	465,830,497
Trade finance loans	5,139,569,993	-	-	4,941,223	5,144,511,216
Project loans		2,151,867,597	-	-	2,151,867,597
Equity investments - at FVOCI		71,665,552	-	-	71,665,552
Property and equipment	-	-	35,779,557	-	35,779,557
Investment property	-	-	7,641,905	-	7,641,905
Right of use asset	-	-	2,191,541	-	2,191,541
Intangible assets	-	-	1,892	-	1,892
	<u>5,154,241,490</u>	<u>2,223,533,149</u>	<u>2,774,655,133</u>	<u>716,546,474</u>	<u>10,868,976,247</u>
	=====	=====	=====	=====	=====
Total Assets					
Liabilities:					
Short term borrowings	4,537,303,437	-	-	-	4,537,303,437
Long term borrowings	-	2,921,613,777	-	-	2,921,613,777
Collection account deposits	336,718,720	-	-	-	336,718,720
Provision for service and leave pay	-	-	15,485,702	176,960	15,662,662
Non-controlling interest payables	-	-	-	329,375,727	329,375,727
Other payables	-	-	340,054,824	52,825,511	392,880,335
	<u>4,874,022,157</u>	<u>2,921,613,777</u>	<u>355,540,526</u>	<u>382,378,198</u>	<u>8,533,554,658</u>
	=====	=====	=====	=====	=====
Total Liabilities					
Shareholders' funds	-	-	2,083,764,173	-	2,083,764,173
Hybrid equity instrument			98,300,000	-	98,300,000
Non-controlling Interest	-	-	-	153,357,415	153,357,415
	<u>-</u>	<u>-</u>	<u>2,182,064,173</u>	<u>153,357,415</u>	<u>2,335,421,588</u>
	=====	=====	=====	=====	=====
Total Equity					
Total Equity and Liabilities	<u>4,874,022,157</u>	<u>2,921,613,777</u>	<u>2,537,604,699</u>	<u>535,735,613</u>	<u>10,868,976,246</u>
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025	GROUP AND BANK				
	Trade finance USD	Project finance USD	Other USD	Subsidiaries USD	Total USD
Assets:					
Cash and balances with other 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
Derivative financial instruments	-	-	-	-	-
Other receivables	-	-	61,925,126	(6,186,909)	55,738,217
Trade fund loan receivables	-	-	-	487,912,924	487,912,924
Trade finance loans	5,022,649,814	-	-	887,714	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 =====	388,848,076 =====	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 =====	2,213,999,767 =====
Total Liabilities and Equity	4,786,993,136 =====	2,854,954,823 =====	2,499,718,648 =====	453,260,165 =====	10,594,926,772 =====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

	GROUP AND BANK								
For the period ended 30 June 2026	East Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi Regional USD	Total Lending Operations USD	Corporate USD	Subsidiaries USD	Consolidated/ Group Total USD
Interest income	57,953,501	85,498,130	75,311,309	12,879,654	44,888,836	276,531,430	47,889,965	3,010,975	327,432,370
Interest expense	(32,807,771)	(62,776,447)	(52,929,153)	(8,541,051)	(21,191,522)	(178,245,944)	(26,209,978)	(794,083)	(205,250,005)
Net interest income	25,145,730	22,721,683	22,382,156	4,338,603	23,697,314	98,285,486	21,679,987	2,216,892	122,182,365
Other borrowing costs	-	-	-	-	-	-	(2,307,919)	-	(2,307,919)
Fees and commission	5,576,225	5,959,659	1,434,199	81,986	551,375	13,603,444	-	1,512,770	15,116,214
FV gains on financial assets - derivatives	-	1,948,780	-	-	-	1,948,780	-	-	1,948,780
FV gains on financial assets - ESATF/ETEDF loans	-	-	-	-	-	-	-	4,712,461	4,712,461
Net trading income	30,721,955	30,630,122	23,816,355	4,420,589	24,248,689	113,837,710	19,372,068	8,442,123	141,651,901
Risk mitigation risk	(1,284,987)	(6,371,858)	(300,000)	(346,887)	(626,181)	(8,929,913)	(1,074,379)	(2,512,634)	(12,516,926)
Other income	-	-	-	-	-	-	2,474,389	21,961,308	24,435,697
Depreciation and amortisation	-	-	-	-	-	-	(1,043,140)	-	(1,043,140)
Operating expenses	(370,022)	(328,040)	(906,410)	(317,028)	(2,335,202)	(4,256,702)	(23,843,166)	(6,918,159)	(35,018,027)
Impairment on assets	(27,088,696)	(21,764,632)	45,528,480	(4,976,050)	(13,303,689)	(21,604,587)	(2,342,526)	(294,517)	(24,241,630)
Impairment on corporate bonds	-	-	-	-	-	-	-	(56,500)	(56,500)
Foreign exchange gain	-	-	-	-	-	-	529,085	2,995	532,080
Profit for the period	1,978,250	2,165,592	68,138,425	(1,219,376)	7,983,617	79,046,508	(5,927,669)	20,624,616	93,743,455
	=====	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. SEGMENT REPORTING (Continued)

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2025	GROUP AND BANK								
	East Africa Africa USD	North East Africa USD	Southern Africa USD	Central and West Africa USD	Multi- Regional USD	Total Lending Operations USD	Corporate USD	Subsidiaries USD	Consolidated/ Group Total USD
Interest income	84,216,053	135,186,008	94,255,747	10,209,476	16,546,787	340,414,071	54,267,188	2,309,759	396,991,018
Interest expense	(49,550,717)	(50,685,322)	(61,478,791)	(8,615,457)	(12,543,596)	(182,873,883)	(30,430,489)	(487,763)	(213,792,135)
Net interest income	34,665,336	84,500,686	32,776,956	1,594,019	4,003,191	157,540,188	23,836,699	1,821,996	183,198,883
Other borrowing costs	-	-	-	-	-	-	(7,669,633)	-	(7,669,633)
Fees and commission income	3,129,511	2,119,334	748,128	42,379	-	6,039,352	-	160,000	6,199,352
FV gains on financial assets - derivatives	-	(10,616,503)	-	-	-	(10,616,503)	-	-	(10,616,503)
FV gains on financial assets - ESATF/ETEDF loans	-	-	-	-	-	-	-	1,664,401	1,664,401
Net trading income	37,794,847	76,003,517	33,525,084	1,636,398	4,003,191	152,963,037	16,167,066	3,646,397	172,776,500
Risk mitigation risk	(3,351,135)	(7,037,576)	(5,192,967)	112,352.00	-	(15,694,030)	(3,399,065)	(2,611,925)	(21,705,020)
Other income	-	-	-	-	-	-	8,642,362	12,837,876	21,480,238
Depreciation and amortisation	-	-	-	-	-	-	(1,101,523)	-	(1,101,523)
Operating expenses	(548,370)	(362,218)	(875,421)	(234,409)	(2,122,848)	(4,143,266)	(21,917,710)	(1,421,862)	(27,482,838)
Impairment on assets	(6,654,977)	(11,248,741)	(10,120,882)	(5,864,483)	(16,294,878)	(50,183,961)	(1,371,362)	82,076	(51,473,247)
Impairment on other assets	-	-	-	-	-	-	(15,357)	-	(15,357)
Impairment on corporate bonds	-	-	-	-	-	-	-	538,715	538,715
Foreign exchange gain	-	-	-	-	-	-	(2,425,195)	20,518	(2,404,677)
Profit for the period	27,240,365	57,354,982	17,335,814	(4,574,846)	(14,414,535)	82,941,780	(5,420,784)	13,091,795	90,612,791
	=====	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

45. CONTINGENCIES AND COMMITMENTS

	GROUP AND BANK	
	2026	2025
	JUNE	DECEMBER
	USD	USD
(a) Approved Capital Expenditure		
Approved but not contracted	6,759,845	2,374,869
	=====	=====
Approved and contracted	1,421,277	855,131
	=====	=====
(b) Loans Committed but not Disbursed		
Project loans	21,248,328	140,346,696
Trade finance loans	5,761,000	1,053,598
	-----	-----
	27,009,328	141,400,294
	=====	=====
(c) Letters of Credit and Guarantees*		
Letters of credit - Project loans	40,543,740	84,992,790
- Trade loans	275,799,177	300,897,709
	-----	-----
	316,342,917	385,890,499
Guarantees	6,702,600	6,702,600
	-----	-----
	323,045,517	392,593,099
	=====	=====
(d) Unpaid capital subscriptions		
Equity investments (Note 25)	1,376,136	1,364,747
	=====	=====

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

(e) Pending Litigation

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

As at 30 June 2026, there were no material legal proceedings involving the Group (December 2025: 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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	
	JUNE	DECEMBER
	2026	2025
	USD	USD
Outstanding loans at 1 January	4,259,349,323	3,767,061,119
Loans disbursed during the year	158,180,885	618,540,158
Loan repaid during the year	(803,468,603)	(126,251,954)
Outstanding balances at end of year	3,614,061,605	4,259,349,323
	=====	=====
ECL Provisions	83,029,480	107,555,139
	=====	=====

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	
	JUNE	DECEMBER
	2026	2025
	USD	USD
Outstanding borrowings at 1 January	102,500,000	177,500,000
Borrowings received during the year	4,117,978	13,438,835
Borrowings repaid during the year	(16,475,120)	(88,438,835)
Outstanding balances at end of year	90,142,858	102,500,000
	=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

46. RELATED PARTY TRANSACTIONS (Continued)

GROUP AND BANK

	JUNE 2026 USD	JUNE 2025 USD
(d) Income and Expenses		
Interest income from loans to members earned during the period	113,720,073 =====	183,479,227 =====
Interest expense on borrowings from members incurred during the period	2,834,669 =====	(6,644,806) =====
Fees and commissions	2,516,647 =====	4,814,949 =====
(e) Other Related Parties		
The remuneration of members of key management staff during the period was as follows:		
Salaries and other short-term benefits	2,259,379	2,293,650
Defined contribution provident fund	335,212	328,665
Board of Directors' and Board of Governors' allowances	111,340	142,650
Post-employment benefits: Other long term employee benefits	133,021	130,433
	2,838,952 =====	2,895,398 =====
(f) Subsidiaries		
Payable to subsidiaries	29,293,341 =====	9,334,115 =====
Receivable from subsidiaries	61,473,108 =====	10,678,634 =====
Income from related parties	764,723 =====	1,962,405 =====
Expenses for related parties	(591,073) =====	(124,708) =====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

47. CURRENCY

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

	GROUP AND BANK	
	JUNE	DECEMBER
	2026	2025
British Pound	0.7455	0.7438
Euro	0.8615	0.8564
United Arab Emirates Dirham	3.6731	3.6730
South Africa Rand	16.2057	6.5040
Zambian Kwacha	17.8313	19.9177
Zimbabwe Gold	26.7698	25.9807
Mauritian Rupee	47.1300	46.5757
Kenya Shilling	129.4850	129.0000
Ethiopian Birr	158.4480	155.1440
Japanese Yen	160.2700	156.6850
Zimbabwe Dollar	306.7197	306.7197
Sudanese Pound	647.8102	647.8102
Malawi Kwacha	1,731.1500	1,734.0118
Tanzania Shilling	2,627.4350	2,487.8200
Burundi Franc	2,970.2810	2,947.3611
Uganda Shilling	3,668.1700	3,592.4800
	=====	=====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 30 June 2026.

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 loan.

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

Country risk

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

Notes 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).

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2026				As at 31 December 2025			
	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	1,704,608,808	-	-	1,704,608,808	1,634,134,308	-	-	1,634,134,308
LCC3-LCC4/Low-moderate risk	-	420,118,816	-	420,118,816	-	478,417,382	-	478,417,382
LCC5-LCC7/High risk	-	-	146,224,460	146,224,460	-	-	146,091,344	146,091,344
Gross amount	1,704,608,808	420,118,816	146,224,460	2,270,952,084	1,634,134,308	478,417,382	146,091,344	2,258,643,034
Loss allowance	(26,815,270)	(39,786,433)	(52,482,784)	(119,084,487)	(29,840,276)	(30,137,795)	(32,881,103)	(92,859,174)
Net carrying amount	1,677,793,538	380,332,383	93,741,676	2,151,867,597	1,604,294,032	448,279,587	113,210,241	2,165,783,860
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
LCC1-LCC2/Very low risk	2,760,084,094	-	-	2,760,084,094	2,311,055,337	-	-	2,311,055,337
LCC3-LCC4/Low-moderate risk	-	2,443,726,827	-	2,443,726,827	-	2,777,601,343	-	2,777,601,343
LCC5-LCC7/High risk	-	-	142,154,646	142,154,646	-	-	139,202,445	139,202,445
Gross amount	2,760,084,094	2,443,726,827	142,154,646	5,345,965,567	2,311,055,337	2,777,601,343	139,202,445	5,227,859,125
Loss allowance	(42,711,643)	(85,842,755)	(72,899,953)	(201,454,351)	(27,469,899)	(104,403,054)	(72,448,644)	(204,321,597)
Net carrying amount	2,717,372,451	2,357,884,072	69,254,693	5,144,511,216	2,283,585,438	2,673,198,289	66,753,801	5,023,537,528
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2026				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	1,704,608,808	-	-	1,704,608,808	1,634,134,308	-	-	1,634,134,308
LCC3-LCC4/Low-moderate risk	-	420,118,816	-	420,118,816	-	478,417,382	-	478,417,382
LCC5-LCC7/High risk	-	-	146,224,460	146,224,460	-	-	146,091,344	146,091,344
Gross amount	1,704,608,808	420,118,816	146,224,460	2,270,952,084	1,634,134,308	478,417,382	146,091,344	2,258,643,034
Loss allowance	(26,815,270)	(39,786,433)	(52,482,784)	(119,084,487)	(29,840,276)	(30,137,795)	(32,881,103)	(92,859,174)
Net carrying amount	1,677,793,538	380,332,383	93,741,676	2,151,867,597	1,604,294,032	448,279,587	113,210,241	2,165,783,860
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
LCC1-LCC2/Very low risk	2,758,421,416	-	-	2,758,421,416	2,310,346,820	-	-	2,310,346,820
LCC3-LCC4/Low-moderate risk	-	2,443,046,693	-	2,443,046,693	-	2,777,468,567	-	2,777,468,567
LCC5-LCC7/High risk	-	-	138,178,195	138,178,195	-	-	138,049,395	138,049,395
Gross amount	2,758,421,416	2,443,046,693	138,178,195	5,339,646,304	2,310,346,820	2,777,468,567	138,049,395	5,225,864,782
Loss allowance	(42,711,643)	(85,842,755)	(71,521,913)	(200,076,311)	(27,469,899)	(104,351,956)	(71,393,113)	(203,214,968)
Net carrying amount	2,715,709,773	2,357,203,938	66,656,282	5,139,569,993	2,282,876,921	2,673,116,611	66,656,282	5,022,649,814
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

	As at 30 June 2026				As at 31 December 2025			
	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	33,711,928	-	-	33,711,928	148,102,894	-	-	148,102,894
Loss allowance	(1,146,587)	-	-	(1,146,587)	(2,653,039)	-	-	(2,653,039)
carrying amount	32,565,341	-	-	32,565,341	145,449,855	-	-	145,449,855
	=====	=====	=====	=====	=====	=====	=====	=====
Letters of credit:								
LCC1-LCC2/Very low risk	316,342,917	-	-	316,342,917	385,890,499	-	-	385,890,499
Loss allowance	(5,634,648)	-	-	(5,634,648)	(6,057,545)	-	-	(6,057,545)
	310,708,269	-	-	310,708,269	379,832,954	-	-	379,832,954
	=====	=====	=====	=====	=====	=====	=====	=====
Total off-balance sheet items:								
Gross amount	350,054,845	-	-	350,054,845	533,993,393	-	-	533,993,393
Loss allowance	(6,781,235)	-	-	(6,781,235)	(8,710,584)	-	-	(8,710,584)
	343,273,610	-	-	343,273,610	525,282,809	-	-	525,282,809
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held:	GROUP			
	JUNE 2026		DECEMBER 2025	
On - Statement of financial position items:	USD	%	USD	%
Cash and balances held with other banks -less than 90 days	1,708,903,503	15.43%	1,324,906,832	12.29%
Cash and balances held with other banks -over 90 days	119,588,151	1.08%	396,440,076	3.68%
Investment in government securities	1,007,260,053	9.10%	972,702,558	9.02%
Investment in corporate bonds	58,376,633	0.53%	57,253,565	0.53%
Derivative financial Instruments	12,165,492	0.11%	-	0.00%
Other receivable	83,192,657	0.75%	55,738,217	0.52%
Trade and other funds loan receivables	465,830,497	4.21%	487,912,924	4.53%
Loans and advances	7,616,917,650	68.79%	7,486,502,159	69.44%
- Trade finance loans	5,345,965,567	48.28%	5,227,859,125	48.49%
- Project loans	2,270,952,083	20.51%	2,258,643,034	20.95%
Sub total	11,072,234,637	100.00%	10,781,456,331	100.00%
	=====	=====	=====	=====
On - Statement of financial position items:	BANK			
Cash and balances held with other banks -less than 90 days	1,561,815,367	15.07%	1,304,922,381	12.81%
Cash and balances held with other banks -over 90 days	119,588,151	1.15%	388,016,310	3.81%
Investment in government securities	986,982,564	9.53%	942,303,439	9.25%
Derivative financial Instruments	12,165,492	0.12%	-	0.00%
Other receivable	63,160,161	0.61%	61,925,126	0.61%
Loans and advances	7,616,917,650	73.52%	7,486,502,159	73.51%
- Trade finance loans	5,345,965,567	51.60%	5,227,859,125	51.34%
- Project loans	2,270,952,083	21.92%	2,258,643,034	22.18%
Sub total	10,360,629,385	100.00%	10,183,669,415	100.00%
	=====	=====	=====	=====
Off-Statement of financial position items:	GROUP AND BANK			
Letter of credit	316,342,917	90.37%	385,890,499	72.27%
Loan commitments not disbursed	27,009,328	7.72%	141,400,294	26.48%
Guarantees and performance bonds	6,702,600	1.91%	6,702,600	1.26%
	350,054,845	100.00%	533,993,393	100.00%
	=====	=====	=====	=====
Total credit exposure - Group	11,422,289,482		11,315,449,724	
	=====		=====	
Total credit exposure - Bank	10,710,684,230		10,717,662,808	
	=====		=====	

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 69.35% as at 30 June 2026 (December 2025: 70.88%) of the total maximum credit exposure. For the Bank, these were 67.85% in June 2026 (December 2025: 64.87%).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

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

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

As at 30 June 2026, the fair value of collateral held for impaired loans and advances was USD 360,352,913 (December 2025: USD 310,867,280) and the gross impaired loans exposure was USD 288,379,106 (December 2025: USD 285,293,789).

Collateral held

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

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

	GROUP AND BANK	
	JUNE	DECEMBER
	2026	2025
	USD	USD
(i) Total Portfolio		
Insurance and Guarantees	1,672,325,729	2,243,825,254
Cash security deposits	1,460,610,926	1,392,855,068
Fixed charge on plant and equipment	728,440,046	624,166,581
Other floating all asset debenture	1,003,661,212	774,741,817
Mortgages on properties	724,031,823	564,486,482
Sovereign undertakings	74,612,871	113,080,383
Total security cover	5,663,682,607	5,713,155,585
Gross portfolio	(7,616,917,650)	(7,486,502,159)
Net (gap)	(1,953,235,043)	(1,773,346,574)
	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Collateral held for loan portfolio (continued)

	GROUP AND BANK	
	JUNE	DECEMBER
	2026	2025
	USD	USD
(ii) Loans not impaired		
Insurance and Guarantees	1,622,733,769	2,243,825,254
Cash security deposits	1,460,242,713	1,392,483,977
Fixed charge on plant and equipment	517,413,883	411,722,918
Other floating all asset debenture	1,003,661,212	774,741,817
Mortgages on properties	624,665,246	466,433,956
Sovereign undertakings	74,612,871	113,080,383
Total security cover	5,303,329,694	5,402,288,305
Gross portfolio	(7,201,208,370)	(7,201,208,370)
Net (gap)	(1,897,878,676)	(1,798,920,065)
	=====	=====
(iii) Impaired loans:		
Mortgages on properties	99,366,577	98,052,526
Fixed charge on plant and equipment	211,026,163	212,443,663
Insurance and Guarantees	49,591,960	-
Cash security deposits	368,213	371,091
Other floating all asset debenture	-	-
Total security cover	360,352,913	310,867,280
Gross Stage 3 portfolio	(288,379,106)	(285,293,789)
Net cover	71,973,807	25,573,491
	=====	=====

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;

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Inputs, assumptions, and techniques used for estimating impairment (continued)

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

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.

Grading: 12-month weighted average PD:

	Trade finance loans	Project finance loans
LCC1-LCC2	4.10%	3.59%
Very low risk		
LCC3-LCC4		
Low risk	5.99%	31.49%
Moderate risk		
LCC5-LCC7		
High risk		
Substandard	100.00%	100.00%
Bad & Doubtful		
loss		

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Incorporation of forward-looking information

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

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

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Restructured and modified loans (continued)

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

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

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

Restructured

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

Modified

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Restructured and modified loans (continued)

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

	GROUP JUNE 2026 USD	DECEMBER 2025 USD
Gross carrying amount before restructuring	-	4,086,141
Loss allowances before restructuring	-	-
Net amortised cost before restructuring	-	4,086,141
Net restructuring loss	-	(1,496,169)
Net amortised cost after restructuring	-	2,589,972
	=====	=====
Analysis of gross amounts by sector		
Hospitality	-	4,086,141
	-	4,086,141
	=====	=====
Project finance loans	-	4,086,141
	-	4,086,141
	=====	=====

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

During the period, there were no new modified or restructured 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).

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Inputs into measurement of ECLs (continued)

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

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

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

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

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

ECL sensitivity analysis

If the loans categorised as stage 2 were to increase by 5% as of 30 June 2026, the ECL would increase by USD 3,287,987 which is 0.99% (December 2025: USD 3,524,622 which is 1.23%).

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 2025: Nil).

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL - Loss allowance

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

As at 30 June 2026	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project Finance loans:				
Balance at 1 January	29,840,276	30,137,795	32,881,103	92,859,174
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(3,563,698)	9,925,663	19,601,681	25,963,646
Net financial assets originated	641,447	-	-	641,447
Financial assets derecognized*	(102,755)	(277,025)	-	(379,780)
	=====	=====	=====	=====
Balance at end of year	26,815,270	39,786,433	52,482,784	119,084,487
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	27,469,898	104,403,055	72,448,644	204,321,597
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	(60,361)	60,361	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	9,447,112	(14,529,824)	-	(5,082,712)
Net financial assets originated	6,389,846	-	128,801	6,518,647
Financial assets derecognized*	(263,442)	(4,039,739)	-	(4,303,181)
	=====	=====	=====	=====
Balance at end of year	42,983,053	85,893,853	72,577,445	201,454,351
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,653,039	-	-	2,653,039
Net remeasurement of loss allowance	(103,697)	-	-	(103,697)
Net financial assets originated	1,071,284	-	-	1,071,284
Financial assets derecognised*	(2,474,039)	-	-	(2,474,039)
	=====	=====	=====	=====
Balance at end of year	1,146,587	-	-	1,146,587
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	6,057,545	-	-	6,057,545
Net remeasurement of loss allowance	(157,762)	-	-	(157,762)
Net financial assets originated	116,080	-	-	116,080
Financial assets derecognised*	(381,215)	-	-	(381,215)
	=====	=====	=====	=====
Balance at end of year	5,634,648	-	-	5,634,648
	=====	=====	=====	=====

*During the period ended 30 June 2026 there were no written off amounts. (2025: Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off).

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Amounts arising from ECL - Loss allowance

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

As at 30 June 2026	BANK			
	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Project Finance loans:				
Balance at 1 January	29,840,276	30,137,795	32,881,103	92,859,174
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	(3,563,698)	9,925,663	19,601,681	25,963,646
Net financial assets originated	641,447	-	-	641,447
Financial assets derecognized*	(102,755)	(277,025)	-	(379,780)
	=====	=====	=====	=====
Balance at end of year	26,815,270	39,786,433	52,482,784	119,084,487
	=====	=====	=====	=====
Trade Finance loans:				
Balance at 1 January	27,469,898	104,351,956	71,393,113	203,214,967
Transfer to 12 months ECL	-	-	-	-
Transfer to lifetime ECL not credit impaired	(60,361)	60,361	-	-
Transfer to lifetime ECL credit impaired	-	-	-	-
Net re-measurement of loss allowance	9,175,702	(14,529,824)	-	(5,354,122)
Net financial assets originated	6,389,846	-	128,801	6,518,647
Financial assets derecognized*	(263,442)	(4,039,739)	-	(4,303,181)
	=====	=====	=====	=====
Balance at end of year	42,711,643	85,842,754	71,521,914	200,076,311
	=====	=====	=====	=====
Undisbursed commitments:				
Balance at 1 January	2,653,039	-	-	2,653,039
Net remeasurement of loss allowance	(103,697)	-	-	(103,697)
Net financial assets originated	1,071,284	-	-	1,071,284
Financial assets derecognised*	(2,474,039)	-	-	(2,474,039)
	=====	=====	=====	=====
Balance at end of year	1,146,587	-	-	1,146,587
	=====	=====	=====	=====
Letters of credit				
Balance at 1 January	6,057,545	-	-	6,057,545
Net remeasurement of loss allowance	(157,762)	-	-	(157,762)
Net financial assets originated	116,080	-	-	116,080.00
Financial assets derecognised*	(381,215)	-	-	(381,215)
	=====	=====	=====	=====
Balance at end of year	5,634,648	-	-	5,634,648
	=====	=====	=====	=====

*During the period ended 30 June 2026 there were no written off amounts. (2025: Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (continued)

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 31 December	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 of financial assets originated	927,996	4,269,159	8,364,865	13,562,020
Net remeasurement of loss allowance	12,008,636	-	-	12,008,636
Financial assets derecognised	(905,839)	(78,467)	(6,849,891)	(7,834,197)
Balance at 31 December	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 31 December	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 year end	6,057,545	-	-	6,057,545
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss allowance (continued)

As at 31 December 2025	BANK			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 31 December	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 of financial assets originated	927,996	4,218,061	7,309,334	12,455,391
Net remeasurement of loss allowance	12,008,636	-	-	12,008,636
Financial assets derecognised	(905,839)	(78,467)	(6,849,891)	(7,834,197)
Balance at 31 December	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 31 December	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 year end	6,057,545	-	-	6,057,545
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (continued)

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

	GROUP							
	As at 30 June 2026				As at 31 December 2025			
	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	1,634,134,305	478,417,384	146,091,345	2,258,643,034	1,832,832,438	301,556,622	170,083,763	2,304,472,823
Transfer to 12 months ECL	-	-	-	-	(157,402,923)	157,402,923	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	83,354,211	(3,879,283)	133,116	79,608,044	(223,851,149)	19,457,839	379,325	(204,013,985)
New financial assets originated	10,236,251	-	-	10,236,251	234,297,426	-	-	234,297,426
Financial assets derecognised*	(23,115,963)	(54,419,282)	-	(77,535,245)	(51,741,487)	-	(24,371,743)	(76,113,230)
As at period end	1,704,608,804	420,118,819	146,224,461	2,270,952,084	1,634,134,305	478,417,384	146,091,345	2,258,643,034
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(3,139,581)	3,139,581	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	(77,039,622)	77,039,622	-
Net remeasurement of loss allowance	320,082,785	481,732,638	-	801,815,423	(163,064,070)	320,271,880	-	157,207,810
Net financial assets originated	186,245,039	-	128,801	186,373,840	526,425,036	-	-	526,425,036
Financial assets derecognized*	(54,765,180)	(815,317,641)	-	(870,082,821)	(211,733,854)	(787,720)	(32,184,403)	(244,705,977)
As at period end	2,760,764,225	2,447,023,146	138,178,196	5,345,965,567	2,312,341,162	2,777,468,568	138,049,395	5,227,859,125
	=====	=====	=====	=====	=====	=====	=====	=====

*During the period ended 30 June 2026 there were no written off amounts. (2025: Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off).

EASTERN AND SOUTHERN AFRICAN TRADE DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (continued)

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

	BANK							
	As at 30 June 2026				As at 31 December 2025			
	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	1,634,134,305	478,417,384	146,091,345	2,258,643,034	1,832,832,438	301,556,622	170,083,763	2,304,472,823
Transfer to 12 months ECL	-	-	-	-	(157,402,923)	157,402,923	-	-
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	83,354,211	(3,879,283)	133,116	79,608,044	(223,851,149)	19,457,839	379,325	(204,013,985)
New financial assets originated	10,236,251	-	-	10,236,251	234,297,426	-	-	234,297,426
Financial assets derecognised*	(23,115,963)	(54,419,282)	-	(77,535,245)	(51,741,487)	-	(24,371,743)	(76,113,230)
As at period end	1,704,608,804	420,118,819	146,224,461	2,270,952,084	1,634,134,305	478,417,384	146,091,345	2,258,643,034
	=====	=====	=====	=====	=====	=====	=====	=====
Trade finance loans:								
Balance at 1 January	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
Transfer to 12 months ECL	-	-	-	-	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(3,139,581)	3,139,581	-	-	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-	-	(77,039,622)	77,039,622	-
Net remeasurement of loss allowance	319,734,316	477,756,187	-	797,490,503	(163,064,070)	320,271,880	-	157,207,810
Net financial assets originated	186,245,039	-	128,801	186,373,840	524,430,693	-	-	524,430,693
Financial assets derecognized*	(54,765,180)	(815,317,641)	-	(870,082,821)	(208,655,797)	(787,720)	(32,184,403)	(241,627,920)
As at period end	2,758,421,413	2,443,046,695	138,178,196	5,339,646,304	2,310,346,819	2,777,468,568	138,049,395	5,225,864,782
	=====	=====	=====	=====	=====	=====	=====	=====

*During the period ended 30 June 2026 there were no written off amounts. (2025: Project Finance loans of USD 24,279,894 and Trade Finance Loans of USD 16,273,908 written off).

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Loss Allowance (continued)

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

	GROUP AND BANK							
	As at 30 June 2026				As at 31 December 2025			
	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	148,102,894	-	-	148,102,894	130,727,022	-	-	130,727,022
Transfer to Lifetime ECL not credit impaired	-	-	-	-	-	-	-	-
Net financial assets originated or purchased	25,453,863	-	-	25,453,863	117,163,420	-	-	117,163,420
Net remeasurement of loss allowance	(2,922,269)	-	-	(2,922,269)	(981,252)	-	-	981,252.00
Financial assets derecognised	(136,922,560)	-	-	(136,922,560)	(98,806,296)	-	-	(98,806,296)
At the end of period	33,711,928	-	-	33,711,928	148,102,894	-	-	148,102,894
	=====	=====	=====	=====	=====	=====	=====	=====
Letters of credit:								
Balance at 1 January	385,890,499	-	-	385,890,499	235,452,843	-	-	235,452,843
Net financial assets originated or purchased	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	(19,671,540)	-	-	(19,671,540)	(50,154,234)	-	-	(50,154,234)
Net financial assets originated or purchased	26,206,176	-	-	26,206,176	215,512,323	-	-	215,512,323
Financial assets derecognized	(76,082,218)	-	-	(76,082,218)	(14,920,433)	-	-	(14,920,433)
At the end of period	316,342,917	-	-	316,342,917	385,890,499	-	-	385,890,499
	=====	=====	=====	=====	=====	=====	=====	=====
Total	350,054,845	-	-	350,054,845	533,993,393	-	-	533,993,393
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	GROUP							
	On statement of		Off statement of		Cash collateral/	Insurance &	Aggregate	
	financial	%	financial	%	in transit	Guarantees	exposure	%
As at 30 June 2026	position		position					
	USD		USD		USD	USD	USD	
Agri- Business	1,829,927,310	24.0	42,099,205	12.0	(123,288,014)	(453,966,504)	1,294,771,997	23.0
Banking and Financial Services	1,460,188,005	19.2	217,783,695	62.2	(3,103,285)	(214,691,615)	1,460,176,800	25.9
Construction	8,397,049	0.1	-	-	-	-	8,397,049	0.1
Energy	257,723,988	3.4	26,395,463	7.5	-	(6,702,600)	277,416,851	4.9
Health Services	22,287,342	0.3	-	-	-	-	22,287,342	0.4
Hospitality	44,287,323	0.6	-	-	-	-	44,287,323	0.8
ICT	168,897,897	2.2	-	-	-	-	168,897,897	3.0
Infrastructure	925,747,877	12.2	16,000,480	4.6	-	(104,500,000)	837,248,357	14.9
Manufacturing and Heavy Industries	474,770,084	6.2	-	-	(1,120,975)	(40,000,000)	433,649,109	7.7
Mining and Quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.4
Oil & Gas	2,222,408,240	29.2	47,776,002	13.6	(1,368,445,129)	(10,000,000)	891,739,113	15.8
Other	17,941,467	0.2	-	-	-	-	17,941,467	0.3
Real Estate	90,158,380	1.2	-	-	-	(10,714,286)	79,444,094	1.4
Transport	3,684,071	0.0	-	-	-	-	3,684,071	0.1
Wholesale Commodities	13,458,996	0.2	-	-	-	-	13,458,996	0.2
Balance at period end	7,616,917,651	100.00	350,054,845	100.00	(1,495,957,403)	(840,575,005)	5,630,440,088	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	BANK							
	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 30 June 2026								
Agri- Business	1,829,927,310	24.0	42,099,205	12.0	(123,288,014)	(453,966,504)	1,294,771,997	23.0
Banking and Financial Services	1,456,633,139	19.1	217,783,695	62.2	(3,103,285)	(214,691,615)	1,456,621,934	25.9
Construction	8,397,049	0.1	-	-	-	-	8,397,049	0.1
Energy	255,274,828	3.4	26,395,463	7.5	-	(6,702,600)	274,967,691	4.9
Health Services	22,287,342	0.3	-	-	-	-	22,287,342	0.4
Hospitality	44,287,323	0.6	-	-	-	-	44,287,323	0.8
ICT	168,897,897	2.2	-	-	-	-	168,897,897	3.0
Infrastructure	925,747,877	12.2	16,000,480	4.57	-	(104,500,000)	837,248,357	14.9
Manufacturing and Heavy Industries	474,770,084	6.2	-	-	(1,120,975)	(40,000,000)	433,649,109	7.7
Mining and Quarrying	77,039,622	1.0	-	-	-	-	77,039,622	1.4
Oil & Gas	2,222,408,240	29.2	47,776,002	13.6	(1,368,445,129)	(10,000,000)	891,739,113	15.9
Other	17,626,230	0.2	-	-	-	-	17,626,230	0.3
Real Estate	90,158,380	1.2	-	-	-	(10,714,286)	79,444,094	1.4
Transport	3,684,071	0.0	-	-	-	-	3,684,071	0.1
Wholesale Commodities	13,458,996	0.2	-	-	-	-	13,458,996	0.2
Balance at period end	7,610,598,388	100.00	350,054,845	100.00	(1,495,957,403)	(840,575,005)	5,624,120,825	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 2025	On statement of financial position USD	%	Off statement of financial position USD	GROUP		Insurance and guarantees USD	Aggregate exposure USD	%
				%	Cash collateral/ in transit USD			
Agri- Business	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	-	-	-	(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	77,039,623	1.0	-	-	-	-	77,039,623	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	7,486,502,159	100.00	533,993,393	100.00	(1,376,927,514)	(1,349,119,626)	5,294,448,412	100.00
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Sector

	BANK							
	On statement of	%	Off statement of	%	Cash collateral/ in transit	Insurance & Guarantees	Aggregate exposure	%
As at 31 December 2025	financial position USD		financial position USD		USD	USD	USD	
Agri- Business	2,062,338,843	27.6	23,613,748	4.42	(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	-	-	-	(347,191,072)	619,569,597	11.7
Manufacturing and Heavy Industries	219,260,506	2.9	21,875,000	4.10	(604,071)	-	240,531,435	4.5
Mining and Quarrying	77,039,623	1.0	-	-	-	-	77,039,623	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	7,484,507,816	100.00	533,993,393	100.00	(1,376,927,514)	(1,349,119,626)	5,292,454,069	100.00
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EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Region

As at 30 June 2026	On statement of financial position USD	%	Off statement of financial position USD	%	GROUP Cash collateral/ in transit USD	Insurance and Guarantees USD	Aggregate exposure USD	%
Central And West Africa	368,789,242	4.8	-	-	(3,405,118)	(30,714,286)	334,669,838	5.9
East Africa	1,427,139,446	18.7	75,607,709	21.60	(130,000,000)	(91,202,600)	1,281,544,555	22.8
Multi-Regional	912,624,562	12.0	47,776,002	13.65	(4,286,388)	(66,410,004)	889,704,172	15.8
North-East Africa	2,652,838,903	34.8	196,209,531	56.05	(664,686,957)	(432,248,115)	1,752,113,362	31.1
Southern africa	2,255,525,498	29.6	30,461,603	8.70	(693,578,940)	(220,000,000)	1,372,408,161	24.4
Balance at period end	7,616,917,651	100.00	350,054,845	100.00	(1,495,957,403)	(840,575,005)	5,630,440,088	100.00
	=====	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2025								
Central and West Africa	352,325,105	4.7	16,441,229	3.1	(10,449,813)	(36,277,000)	322,039,521	6.1
East Africa	1,651,151,266	22.1	180,796,354	33.9	(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	51.1	(535,155,008)	(360,406,621)	1,578,891,086	29.8
Southern Africa	2,732,449,950	36.5	63,918,618	12.0	(696,619,103)	(527,676,233)	1,572,073,232	29.7
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
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Concentration of Risk by Region

	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	%
As at 30 June 2026								
Central And West Africa	368,789,242	4.8	-	-	(3,405,118)	(30,714,286)	334,669,838	6.0
East Africa	1,425,406,710	18.7	75,607,709	21.60	(130,000,000)	(91,202,600)	1,279,811,819	22.8
Multi-Regional	912,624,562	12.0	47,776,002	13.65	(4,286,388)	(66,410,004)	889,704,172	15.8
North-East Africa	2,652,838,903	34.9	196,209,531	56.05	(664,686,957)	(432,248,115)	1,752,113,362	31.2
Southern africa	2,250,938,971	29.6	30,461,603	8.70	(693,578,940)	(220,000,000)	1,367,821,634	24.3
Balance at period end	7,610,598,388	100.00	350,054,845	100.00	(1,495,957,403)	(840,575,005)	5,624,120,825	100.00
	=====	=====	=====	=====	=====	=====	=====	=====
As at 31 December 2025								
Central and West Africa	352,325,105	4.71	16,441,229	3.08	(10,449,813)	(36,277,000)	322,039,521	6.08
East Africa	1,650,818,760	22.06	180,796,354	33.86	(134,703,590)	(353,893,672)	1,343,017,852	25.38
Multi-Regional	548,960,314	7.33	-	-	-	(70,866,100)	478,094,214	9.03
North-East Africa	2,201,615,523	29.42	272,837,192	51.09	(535,155,008)	(360,406,621)	1,578,891,086	29.83
Southern Africa	2,730,788,113	36.49	63,918,618	11.97	(696,619,103)	(527,676,233)	1,570,411,395	29.67
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
	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 possible repayment date.

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

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

As at 30 June 2026	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	1,602,851,736	106,051,767	119,588,151	-	-	-	1,828,491,654
Investment in government securities	61,771,679	20,277,489	-	233,379,610	410,600,336	281,230,939	1,007,260,053
Investment in corporate bonds	-	-	-	-	58,376,633	-	58,376,633
Other receivables	5,885,041	563,690	815,831	1,311,278	7,383,369	16,617,992	32,577,201
Trade and other funds loan receivables	-	-	-	-	465,830,497	-	465,830,497
Derivative financial instruments	1,102,644	878,250	6,418,566	3,766,032	-	-	12,165,492
Trade finance loans	451,881,166	1,147,092,364	291,364,733	984,504,576	2,682,085,092	52,783,157	5,609,711,088
Project loans	78,095,284	548,171,466	148,549,235	292,473,132	1,249,352,165	446,265,794	2,762,907,076
Equity investment at fair value through OCI	-	-	-	-	71,665,552	-	71,665,552
Total assets	2,201,587,550	1,823,035,026	566,736,516	1,515,434,628	4,945,293,644	796,897,882	11,848,985,246
	=====	=====	=====	=====	=====	=====	=====
Liabilities							
Short term borrowings	114,406,482	354,134,107	571,058,512	585,879,847	3,651,843,012	-	5,277,321,960
Long term borrowings	11,115,944	63,461,285	142,250,240	214,251,523	2,242,331,361	648,983,518	3,322,393,871
Collection account	336,718,720	-	-	-	-	-	336,718,720
NCI Redeemable participating shares payable	-	-	-	-	329,375,727	-	329,375,727
Other payables	308,288,562	-	-	-	-	84,508,908	392,797,470
	770,529,708	417,595,392	713,308,752	800,131,370	6,223,550,100	733,492,426	9,658,607,748
Off balance sheet liabilities							
Guarantees	-	-	-	-	6,702,600	-	6,702,600
Letters of credit	-	-	-	316,342,917	-	-	316,342,917
Loan commitments	-	-	-	27,009,328	-	-	27,009,328
Total liabilities	770,529,708	417,595,392	713,308,752	1,143,483,615	6,230,252,700	733,492,426	10,008,662,593
	=====	=====	=====	=====	=====	=====	=====
Net liquidity excess/(gap)	1,431,057,842	1,405,439,634	(146,572,236)	371,951,013	(1,284,959,056)	63,405,456	1,840,322,653
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap excess/(gap)	1,431,057,842	2,836,497,476	2,689,925,240	3,061,876,253	1,776,917,197	1,840,322,653	1,840,322,653
	=====	=====	=====	=====	=====	=====	=====

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

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

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

As at 30 June 2026	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	BANK 6 to 12 months	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	1,455,763,600	106,051,767	119,588,151	-	-	-	1,681,403,518
Investment in government securities	61,771,679	-	-	233,379,610	410,600,336	281,230,939	986,982,564
Other receivables	5,885,041	563,690	815,831	1,311,278	7,383,369	16,617,992	32,577,201
Derivative financial instruments	1,102,644	878,250	6,418,566	3,766,032	-	-	12,165,492
Trade finance loans	451,881,166	1,147,092,364	291,364,733	984,504,576	2,682,085,092	52,783,157	5,609,711,088
Project loans	78,095,284	548,171,466	148,549,235	292,473,132	1,249,352,165	446,265,794	2,762,907,076
Equity investment at fair value through OCI	-	-	-	-	71,665,552	-	71,665,552
Total assets	2,054,499,414	1,802,757,537	566,736,516	1,515,434,628	4,421,086,514	796,897,882	11,157,412,491
	=====	=====	=====	=====	=====	=====	=====
Liabilities							
Short term borrowings	114,406,482	354,134,107	571,058,512	585,879,847	3,651,843,012	-	5,277,321,960
Long term borrowings	11,115,944	63,461,285	142,250,240	214,251,523	2,242,331,361	648,983,518	3,322,393,871
Collection account	336,718,720	-	-	-	-	-	336,718,720
Other payables	255,463,051	-	-	-	-	84,508,908	339,971,959
	717,704,197	417,595,392	713,308,752	800,131,370	5,894,174,373	733,492,426	9,276,406,510
Off balance sheet liabilities							
Guarantees	-	-	-	-	6,702,600	-	6,702,600
Letters of credit	-	-	-	316,342,917	-	-	316,342,917
Loan commitments	-	-	-	27,009,328	-	-	27,009,328
Total liabilities	717,704,197	417,595,392	713,308,752	1,143,483,615	5,900,876,973	733,492,426	9,626,461,355
	=====	=====	=====	=====	=====	=====	=====
Net liquidity excess/(gap)	1,336,795,217	1,385,162,145	(146,572,236)	371,951,013	(1,479,790,459)	63,405,456	1,530,951,136
	=====	=====	=====	=====	=====	=====	=====
Cumulative gap excess/(gap)	1,336,795,217	2,721,957,362	2,575,385,126	2,947,336,139	1,467,545,680	1,530,951,136	1,530,951,136
	=====	=====	=====	=====	=====	=====	=====

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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:

	GROUP						
As at 31 December 2025	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	Over 5 years USD	Total USD
Assets							
Cash and balances with other banks	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 Fund 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
	-----	-----	-----	-----	-----	-----	-----
	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 excess/(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 excess/(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
	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 USD	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
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
	707,494,196	414,053,698	824,889,567	1,555,443,358	4,944,256,870	660,294,940	9,106,432,629
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	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 excess/(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 excess/(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
	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

(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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

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

As at 30 June 2026	GROUP					Fixed interest	Non-interest	Total
	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD	rate USD	bearing USD	USD
Assets								
Cash and balances with other banks	1,576,196,743	106,051,767	119,588,152	-	11,535,176	12,613,813	2,506,003	1,828,491,654
Investment in government securities	61,771,679	30,399,119	-	117,937,105	215,921,211	581,230,939	-	1,007,260,053
Investment in corporate bonds	-	-	-	-	-	58,376,633	-	58,376,633
Other receivables	-	-	-	-	-	-	32,577,201	32,577,201
Trade and other funds loan receivables	-	-	-	465,830,497	-	-	-	465,830,497
Derivative financial instruments	-	-	-	-	-	-	12,165,492	12,165,492
Trade finance loans	4,941,223	1,310,076,050	1,374,002,166	306,033,150	-	2,088,448,855	61,009,772	5,144,511,216
Project loans	6,830,200	1,362,008,297	589,917,514	-	-	88,931,992	104,179,594	2,151,867,597
Equity investment at fair value through OCI	-	-	-	-	-	-	71,665,552	71,665,552
Total financial assets	1,649,739,845	2,808,535,233	2,083,507,832	889,800,752	227,456,387	2,829,602,232	284,103,614	10,772,745,895
Financial Liabilities								
Short term borrowings	802,762,836	1,876,732,532	1,818,941,502	38,866,567	-	-	-	4,537,303,437
Long term borrowings	540,150,907	271,685,257	1,570,002,677	-	-	539,774,936	-	2,921,613,777
Collection account	-	-	-	-	-	-	336,718,720	336,718,720
NCI Redeemable participating shares payable	-	-	-	-	-	-	329,375,727	329,375,727
Other payables	-	-	-	-	-	84,508,908	308,288,562	392,797,470
Total financial liabilities	1,342,913,743	2,148,417,789	3,388,944,179	38,866,567	-	624,283,844	974,383,009	8,517,809,131
Net Interest rate exposure	306,826,102	660,117,444	(1,305,436,347)	850,934,185	227,456,387	2,205,318,388	(690,279,395)	2,254,936,764
Cumulative interest rate exposure	306,826,102	966,943,546	(338,492,801)	512,441,384	739,897,771	2,945,216,159	2,254,936,764	2,254,936,764

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 30 June 2026	BANK					Fixed interest rate USD	Non-interest bearing USD	Total USD
	Up to 1 month USD	2 to 3 months USD	4 to 6 months USD	6 to 12 months USD	1 to 5 years USD			
Assets								
Cash and balances with other banks	1,440,643,783	106,051,767	119,588,152	-	-	12,613,813	2,506,003	1,681,403,518
Investment in government securities	61,771,679	-	-	83,379,610	260,600,336	581,230,939	-	986,982,564
Other receivables	-	-	-	-	-	27,296,394	5,280,807	32,577,201
Derivative financial instruments	-	-	-	-	-	-	12,165,492	12,165,492
Trade finance loans	-	1,310,076,050	1,374,002,166	306,033,150	-	2,088,448,855	61,009,772	5,139,569,993
Project loans	6,830,200	1,362,008,297	589,917,514	-	-	88,931,992	104,179,594	2,151,867,597
Equity investment at fair value through OCI	-	-	-	-	-	-	71,665,552	71,665,552
Total financial assets	1,509,245,662	2,778,136,114	2,083,507,832	389,412,760	260,600,336	2,798,521,993	256,807,220	10,076,231,917
Financial Liabilities								
Short term borrowings	802,762,836	1,876,732,532	1,818,941,502	38,866,567	-	-	-	4,537,303,437
Long term borrowings	540,150,907	271,685,257	1,570,002,677	-	-	539,774,936	-	2,921,613,777
Collection account	-	-	-	-	-	-	336,718,720	336,718,720
Other payables	-	-	-	-	-	84,508,908	255,463,051	339,971,959
Total financial liabilities	1,342,913,743	2,148,417,789	3,388,944,179	38,866,567	-	624,283,844	592,181,771	8,135,607,893
Net Interest rate exposure	166,331,919	629,718,325	(1,305,436,347)	350,546,193	260,600,336	2,174,238,149	(335,374,551)	1,940,624,024
Cumulative interest rate exposure	166,331,919	796,050,244	(509,386,103)	(158,839,910)	101,760,426	2,275,998,575	1,940,624,024	1,940,624,024

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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	Total
	Up to 1 month	2 to 3 months	4 to 6 months	6 to 12 months	1 to 5 years	Fixed interest rate		
	USD	USD	USD	USD	USD	USD	USD	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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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						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	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	55,922,822.00	-	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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk - sensitivity analysis

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

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

- Interest-bearing assets and liabilities outstanding as at 30 June 2026 were outstanding at those levels for the
- Interest-bearing assets and liabilities denominated in currencies other than USD experienced similar movements in interest rates, and
- All other variables are held constant.

If interest rates had been 100 basis points higher or lower with the above assumptions applying, the Bank's net profit for the period ended 30 June 2026 of USD 73,118,839 (December 2025: USD 138,678,302) would increase or decrease by USD 2,561,048 (December 2025: USD 221,988) to USD 745,679,887 and USD 70,557,791 respectively while the Group's profit would change as follows:

Effect on the Group's net profit

The Group's profit of USD 93,743,455 for the period ended 30 June 2026 (December 2025: 170,752,068) would increase to USD 96,304,503 (December 2025: USD 170,974,056) or decrease to USD 91,182,407 (December 2025: USD 170,530,080).

The potential change is 2.7% (December 2025: 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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Group's currency position

As at 30 June 2026	USD	GBP	EURO	KES	SDG	UGX	GROUP AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	1,580,824,557	50,108	51,831,442	33,609,127	2,506,003	6,075,641	21,131,254	127,552,758	446,316	40,498	22,259	4,401,691	1,828,491,654
Investment in government securities	938,790,570	-	-	-	-	-	-	-	-	68,469,483	-	-	1,007,260,053
Investment in corporate bonds	58,376,633	-	-	-	-	-	-	-	-	-	-	-	58,376,633
Other receivables	32,577,201	-	-	-	-	-	-	-	-	-	-	-	32,577,201
Trade and other funds loan receivables	465,830,497	-	-	-	-	-	-	-	-	-	-	-	465,830,497
Derivative financial instruments	(568,743,000)	-	580,908,492	-	-	-	-	-	-	-	-	-	12,165,492
Trade finance loans	2,951,465,688	-	2,193,045,528	-	-	-	-	-	-	-	-	-	5,144,511,216
Project finance loans	1,960,267,233	-	191,600,364	-	-	-	-	-	-	-	-	-	2,151,867,597
Equity investment at fair value through OCI	71,665,552	-	-	-	-	-	-	-	-	-	-	-	71,665,552
Total financial assets	7,491,054,931	50,108	3,017,385,826	33,609,127	2,506,003	6,075,641	21,131,254	127,552,758	446,316	68,509,981	22,259	4,401,691	10,772,745,895
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Financial Liabilities													
Short term borrowings	4,383,165,164	-	154,138,273	-	-	-	-	-	-	-	-	-	4,537,303,437
Long term borrowings	1,636,657,474	-	1,284,956,303	-	-	-	-	-	-	-	-	-	2,921,613,777
Collection account	205,854,153	-	1,018	-	2,459,694	-	-	127,541,006	-	494,636	-	368,213	336,718,720
NCI Redeemable participating shares payable	329,375,727	-	-	-	-	-	-	-	-	-	-	-	329,375,727
Other payables	392,662,335	-	-	131,293	-	-	-	-	-	-	-	3,842	392,797,470
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total financial liabilities	6,947,714,853	-	1,439,095,594	131,293	2,459,694	-	-	127,541,006	-	494,636	-	372,055	8,517,809,131
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Net position	543,340,078	50,108	1,578,290,232	33,477,834	46,309	6,075,641	21,131,254	11,752	446,316	68,015,345	22,259	4,029,636	2,254,936,764
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

The Bank's currency position

As at 30 June 2026

	USD	GBP	EURO	KES	SDG	UGX	BANK AED	MWK	TZSH	ZMW	JPY	OTHER	TOTAL
Assets													
Cash and balances with other banks	1,433,736,421	50,108	51,831,442	33,609,127	2,506,003	6,075,641	21,131,254	127,552,758	446,316	40,498	22,259	4,401,691	1,681,403,518
Investment in government securities	918,513,081	-	-	-	-	-	-	-	-	68,469,483	-	-	986,982,564
Other receivables	32,577,201	-	-	-	-	-	-	-	-	-	-	-	32,577,201
Derivative financial instruments	(568,743,000)	-	580,908,492	-	-	-	-	-	-	-	-	-	12,165,492
Trade finance loans	2,946,524,465	-	2,193,045,528	-	-	-	-	-	-	-	-	-	5,139,569,993
Project finance loans	1,960,267,233	-	191,600,364	-	-	-	-	-	-	-	-	-	2,151,867,597
Equity investment at fair value through OCI	71,665,552	-	-	-	-	-	-	-	-	-	-	-	71,665,552
Total financial assets	6,794,540,953	50,108	3,017,385,826	33,609,127	2,506,003	6,075,641	21,131,254	127,552,758	446,316	68,509,981	22,259	4,401,691	10,076,231,917
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Financial Liabilities													
Short term borrowings	4,383,165,164	-	154,138,273	-	-	-	-	-	-	-	-	-	4,537,303,437
Long term borrowings	1,636,657,474	-	1,284,956,303	-	-	-	-	-	-	-	-	-	2,921,613,777
Collection account	205,854,153	-	1,018	-	2,459,694	-	-	127,541,006	-	494,636	-	368,213	336,718,720
Other payables	339,836,824	-	-	131,293	-	-	-	-	-	-	-	3,842	339,971,959
Total financial liabilities	6,565,513,615	-	1,439,095,594	131,293	2,459,694	-	-	127,541,006	-	494,636	-	372,055	8,135,607,893
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Net position	229,027,338	50,108	1,578,290,232	33,477,834	46,309	6,075,641	21,131,254	11,752	446,316	68,015,345	22,259	4,029,636	1,940,624,024
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 Fund 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
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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 banks	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
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
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
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
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

48. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

Currency risk - sensitivity analysis

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

	GBP	EURO	KES	TSH	AED	UGX	ZMW	JPY
As at 30 June 2026	6,675 =====	130,555,452 =====	21,580 =====	17 =====	574,572 =====	(12,559) =====	381,439 =====	(29) =====
As at 31 December 2025	4,945 =====	9,790,126 =====	(11,547) =====	225 =====	(4,882,060) =====	14,750 =====	236,648 =====	(26) =====

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.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. CAPITAL MANAGEMENT (Continued)

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

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

	GROUP		BANK	
	JUNE	DECEMBER	JUNE	DECEMBER
	2026	2025	2026	2025
	USD	USD	USD	USD
Risk weighted Assets				
On - statement of financial position assets	6,937,981,025	6,718,039,118	6,221,434,551	6,119,364,487
Off - statement of financial position assets	66,636,466	85,705,860	66,636,466	85,705,860
Total risk weighted assets	7,004,617,491	6,803,744,978	6,288,071,017	6,205,070,347
Capital				
Paid up capital - Tier I	511,410,275	511,410,275	511,410,275	511,410,275
Retained earnings and reserves	1,572,353,898	1,501,160,297	1,596,021,617	1,520,224,412
Total Tier I capital	2,083,764,173	2,012,570,572	2,107,431,892	2,031,634,687
Tier II Capital	98,300,000	98,300,000	98,300,000	98,300,000
Total Tier I and Tier II Capital	2,182,064,173	2,110,870,572	2,205,731,892	2,129,934,687
Capital adequacy ratio-Tier I Capital	29.7%	29.6%	33.51%	32.7%
Capital adequacy ratio-Tier I and Tier II Capital	31.2%	31.0%	35.08%	34.3%

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 statements.

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

51. FINANCIAL INSTRUMENTS CATEGORIES

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

As at 30 June 2026	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	1,708,903,503	-	-	1,708,903,503
Cash and balances held with other banks -over 90 days	119,588,151	-	-	119,588,151
Derivative financial instruments	-	12,165,492	-	12,165,492
Trade finance loans	5,144,511,216	-	-	5,144,511,216
Project finance loans	2,151,867,597	-	-	2,151,867,597
Investment in Government securities	1,007,260,053	-	-	1,007,260,053
Investment in corporate bonds	58,376,633	-	-	58,376,633
Trade and other funds loan receivables	-	465,830,497	-	465,830,497
Other receivables	83,192,657	-	-	83,192,657
Equity investments at fair value	-	1,746,560	69,918,992	71,665,552
Total financial assets	10,273,699,810	479,742,549	69,918,992	10,823,361,352
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	336,718,720	-	-	336,718,720
Short term borrowings	4,537,303,437	-	-	4,537,303,437
Non-controlling interest payables	329,375,727	-	-	329,375,727
Other payables	392,880,335	-	-	392,880,335
Long term borrowings	2,921,613,777	-	-	2,921,613,777
Total financial liabilities	8,517,891,996	-	-	8,517,891,996
	=====	=====	=====	=====
As at 31 December 2025				
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
Investment in Government securities	972,702,558	-	-	972,702,558
Investment in corporate bonds	57,253,565	-	-	57,253,565
Trade Fund loan receivables	-	487,912,924	-	487,912,924
Other receivables	55,738,217	-	-	55,738,217
Trade finance loans	5,023,537,528	-	-	5,023,537,528
Project finance loans	2,165,783,860	-	-	2,165,783,860
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
Long term borrowings	2,854,954,823	-	-	2,854,954,823
Non-controlling interest payables	285,823,678	-	-	285,823,678
Other payables	438,138,219	-	-	438,138,219
Total financial liabilities	8,364,855,111	1,054,745	-	8,365,909,856
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

51. FINANCIAL INSTRUMENTS CATEGORIES (Continued)

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

As at 30 June 2026	Amortised cost USD	BANK		Total carrying amount USD
		At fair value through P&L USD	At fair value through OCI USD	
Financial assets				
Cash and balances held with other banks -less than 90 days	1,561,815,367	-	-	1,561,815,367
Cash and balances held with other banks -over 90 days	119,588,151	-	-	119,588,151
Derivative financial instruments	-	12,165,492	-	12,165,492
Trade finance loans	5,139,569,993	-	-	5,139,569,993
Project finance loans	2,151,867,597	-	-	2,151,867,597
Investment in Government securities	986,982,564	-	-	986,982,564
Other receivables	63,160,161	-	-	63,160,161
Equity investments at fair value	-	1,746,560	69,918,992	71,665,552
Total financial assets	10,022,983,833	13,912,052	69,918,992	10,106,814,878
	=====	=====	=====	=====
Financial liabilities				
Collection account deposits	336,718,720	-	-	336,718,720
Short term borrowings	4,537,303,437	-	-	4,537,303,437
Other payables	340,054,824	-	-	340,054,824
Long term borrowings	2,921,613,777	-	-	2,921,613,777
Total financial liabilities	8,135,690,758	-	-	8,135,690,758
	=====	=====	=====	=====
As at 31 December 2025				
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	340,054,824	-	-	340,054,824
Long term borrowings	2,854,954,823	-	-	2,854,954,823
Total financial liabilities	7,980,948,038	1,054,745	-	7,982,002,783
	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

52. TRADE FINANCE LOAN PORTFOLIO

GROUP	As at 30 June 2026			As at 31 December 2025		
	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	148,960,383	148,960,383	-	130,786,990	128,703,658	2,083,332
East Africa	369,180,669	147,962,547	221,218,122	420,635,069	339,878,156	80,756,913
Multi-Regional	431,807,304	431,807,304	-	265,676,655	265,676,655	-
North-East Africa	2,572,069,130	1,239,258,516	1,332,810,614	2,066,750,549	2,049,770,733	16,979,816
Southern Africa	1,823,948,081	707,679,627	1,116,268,454	2,344,009,862	2,276,203,272	67,806,590
Gross Loans	5,345,965,567	2,675,668,377	2,670,297,190	5,227,859,125	5,060,232,474	167,626,651
Impairment on trade finance loans (Note 20)	(201,454,351)	-	(201,454,351)	(204,321,597)	-	(204,321,597)
Net Loans	5,144,511,216	2,675,668,377	2,468,842,839	5,023,537,528	5,060,232,474	(36,694,946)
	=====	=====	=====	=====	=====	=====
BANK						
Central and West Africa	148,960,383	148,960,383	-	130,786,990	128,703,658	2,083,332
East Africa	367,447,933	147,962,547	219,485,386	420,302,563	339,878,156	80,424,407
Multi-Regional	431,807,304	431,807,304	-	265,676,655	265,676,655	-
North-East Africa	2,572,069,130	1,239,258,516	1,332,810,614	2,066,750,549	2,049,770,733	16,979,816
Southern Africa	1,819,361,554	707,679,627	1,111,681,927	2,342,348,025	2,275,515,288	66,832,737
Gross Loans	5,339,646,304	2,675,668,377	2,663,977,927	5,225,864,782	5,059,544,490	166,320,292
Impairment on trade finance loans (Note 20)	(200,076,312)	-	(200,076,312)	(203,214,968)	-	(203,214,968)
Net Loans	5,139,569,992	2,675,668,377	2,463,901,615	5,022,649,814	5,059,544,490	(36,894,676)
	=====	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

53. PROJECT LOAN PORTFOLIO

As at 30 June 2026	Amounts	Interest	Amounts	GROUP	Balance	Due within	Due after
Region	Disbursed	Capitalized	Repaid	Interest	Outstanding	One year	One year
	USD	USD	USD	Receivable	USD	USD	USD
				USD			
Central and West Africa	289,884,762	2,074,720	(72,669,373)	538,749	219,828,859	146,478,829	73,350,030
East Africa	3,911,062,030	45,645,977	(2,932,157,608)	33,408,378	1,057,958,777	531,055,379	526,903,398
Multi-Regional	649,483,426	121,196,300	(318,266,236)	28,403,766	480,817,256	197,578,221	283,239,035
North-East Africa	245,994,025	20,457,539	(190,640,434)	4,958,646	80,769,775	12,803,376	67,966,399
Southern Africa	1,023,687,900	30,839,992	(632,777,388)	9,826,912	431,577,416	35,807,069	395,770,347
Gross loans	6,120,112,143	220,214,528	(4,146,511,039)	77,136,451	2,270,952,083	923,722,874	1,347,229,209
	=====	=====	=====	=====			
Impairment on project loans (Note 20)					(119,084,486)	-	(119,084,486)
Net Loans					2,151,867,597	923,722,874	1,228,144,723
					=====	=====	=====
As at 31 December 2025							
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
					=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

54. STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL STOCK

As at 30 June 2026

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 Ethiopia	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
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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 Ethiopia	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	2,228,419,969	538,868,100
	=====	=====	=====	=====	=====

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

CLASS 'B' SHARES:

	Shares subscribed	Percentage of total	Subscribed value USD	Total paid up capital and premium USD
As at 30 June 2026				
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
	18,421	100%	83,510,088	177,179,461
	=====	=====	=====	=====
As at 31 December 2025				
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
	18,421	100%	83,510,088	177,179,461
	=====	=====	=====	=====

Class 'B' shares were first issued in 2013 following an approval by the Board of Governors in December 2012 to increase the Bank's authorized capital from USD 2.0 billion to USD 3.0 billion.

This increase was achieved through the creation of 220,584 new Class B shares of a par value of US\$ 4,533.42 each.

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

EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK (TDB)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

CLASS 'C' SHARES

	Shares subscribed	Percentage of total	Subscribed value USD	Total paid up capital and premium USD
As at 30 June 2026				
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
	=====	=====	=====	=====
	1,954	100%	8,858,264	29,995,854
As at 31 December 2025				
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
	=====	=====	=====	=====
	1,954	100%	8,858,264	29,995,854

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.