

**ARAB BANK FOR ECONOMIC  
DEVELOPMENT IN AFRICA (“BADEA”)**

**Interim Financial Information and  
Independent Auditor’s Review Report (Unaudited)**

**For the six month period ended 30 June 2024**

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

**Interim financial information and independent auditor's review report  
For the period ended 30 June 2024**

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## Arab Bank for Economic Development in Africa (“BADEA”)

### Report on review of interim financial information

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The Board of Directors

#### Introduction

We have reviewed the accompanying interim statement of financial position of Arab Bank for Economic Development in Africa (“BADEA” or the “Bank”) as at 30 June 2024 and the related interim statements of income and expenditure, changes in member countries’ equity and cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of these interim financial statements in accordance with the basis of preparation set out in note 2. Our responsibility is to express a conclusion on these 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 statements 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 are not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the interim financial statements.

#### Emphasis of matter

We draw attention to Note 2 to the interim financial statements, which describes the basis of accounting approved by the Board of Directors that has been adopted in the preparation of these interim financial statements. As a result, the interim financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read 'Khalid Ebrahim Al-Shatti', is written over a horizontal line.

Khalid Ebrahim Al-Shatti  
License No. 175  
PricewaterhouseCoopers (Al-Shatti and Co.)

3 November 2024  
Kuwait

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Interim statement of financial position

(All amounts in USD thousands unless otherwise stated)

	Notes	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
<b>Assets</b>				
Cash and cash equivalents	3	730,988	288,028	110,146
Investments	4	2,418,136	2,266,032	2,410,058
Net trade finance	5	389,931	437,942	359,841
Net accrued interest on trade finance		6,695	5,017	6,555
Net loans	6	2,835,441	2,781,506	2,574,528
Net accrued interest on loans	7	61,562	62,534	62,689
Equity participation in financial institutions	8	108,909	108,895	105,690
Fixed assets		5,639	5,848	12,448
Other assets		16,067	12,678	8,343
<b>Total assets</b>		<b>6,573,368</b>	<b>5,968,480</b>	<b>5,650,298</b>
<b>Liabilities</b>				
Deposits from another financial institution	9	107,175	110,465	65,460
Borrowings from another financial institution	10	112,534	149,128	-
Debt securities in issue	11	535,875	-	-
Other liabilities		131,459	94,763	95,848
Provision for end of service benefits		13,974	13,862	12,376
<b>Total liabilities</b>		<b>901,017</b>	<b>368,218</b>	<b>173,684</b>
<b>Net assets</b>		<b>5,672,351</b>	<b>5,600,262</b>	<b>5,476,614</b>
<b>Member countries' equity</b>				
Share capital	12	5,000,000	5,000,000	5,000,000
General reserve	13	571,061	308,244	308,244
Net income for the period / year		101,290	292,018	168,370
<b>Total member countries' equity</b>		<b>5,672,351</b>	<b>5,600,262</b>	<b>5,476,614</b>

The accompanying notes set out on pages 6 to 21 form an integral part of this interim financial information.

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

**Interim statement of income and expenditure**

*(All amounts in USD thousands unless otherwise stated)*

	Notes	(Unaudited)	
		Six months ended 30 June	
		2024	2023 (Restated)
<b>Operating income</b>			
Net income from investments	14	67,034	138,664
Income from net loans and net trade finance	15	54,144	43,184
Interest expenses		(15,507)	(742)
Profit on exchange and derivatives valuation		1,127	945
Other income		14,081	3,264
<b>Net operating income</b>		<b>120,879</b>	<b>185,315</b>
<b>Expenses</b>			
Grants disbursed to beneficiary countries		(3,460)	(4,719)
Provisions for loans and trade finance	5&6	(279)	(130)
General and administrative expenses	16	(15,850)	(12,096)
<b>Total expenditure</b>		<b>(19,589)</b>	<b>(16,945)</b>
<b>Net income for the period</b>		<b>101,290</b>	<b>168,370</b>

The accompanying notes set out on pages 6 to 21 form an integral part of this interim financial information.

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

**Interim statement of changes in member countries' equity**  
*(All amounts in USD thousands unless otherwise stated)*

	Notes	Share capital	General reserve	Net income for the period	Total
<b>Balance at 1 January 2023 (audited)</b>		5,000,000	496,160	(187,916)	5,308,244
Transfer from general reserve	13	-	(187,916)	187,916	-
Net income for the period		-	-	168,370	168,370
<b>Balance at 30 June 2023 (unaudited)</b>		<b>5,000,000</b>	<b>308,244</b>	<b>168,370</b>	<b>5,476,614</b>
<b>Balance at 1 January 2024 (audited)</b>		5,000,000	308,244	292,018	5,600,262
Appropriations		-	-	(29,201)	(29,201)
Transfer to general reserve	13	-	262,817	(262,817)	-
Net income for the period		-	-	101,290	101,290
<b>Balance at 30 June 2024 (unaudited)</b>		<b>5,000,000</b>	<b>571,061</b>	<b>101,290</b>	<b>5,672,351</b>

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

**Interim statement of cash flows**

*(All amounts in USD thousands unless otherwise stated)*

	Notes	(Unaudited) Six months ended 30 June	
		2024	2023 (Restated)
<b>Cash flows from operating activities:</b>			
Net income for the period		101,290	168,370
Adjustments to:			
Dividend income		(4,726)	(7,739)
Unrealized gain on investments	14	(58,000)	(131,470)
Interest expenses		15,507	742
Depreciation of fixed assets		387	381
Provisions for loans and trade finance	5&6	279	130
Provision charge for end of service benefits		1,048	517
		<u>55,785</u>	<u>30,931</u>
<b>Net change in operating assets and liabilities:</b>			
Investments		(94,104)	(17,967)
Net trade finance		47,861	107,212
Net accrued interest on trade finance		(1,678)	(1,257)
Net loans		(54,064)	(178,607)
Net accrued interest on loans		972	(928)
Other assets		(2,999)	(1,280)
Deposits from another financial institution		(3,290)	65,460
Interest expenses paid		(6,989)	(164)
Other liabilities, net of appropriation		(1,023)	(7,364)
End of service benefits paid		(1,326)	(2)
Dividends received		4,726	7,739
<b>Net cash (used in) / generated from operating activities</b>		<u>(56,129)</u>	<u>3,773</u>
<b>Cash flows from investing activities:</b>			
Equity participation in financial institutions		(14)	(2,500)
Additions to fixed assets		(178)	(13)
<b>Net cash used in investing activities</b>		<u>(192)</u>	<u>(2,513)</u>
<b>Cash flows from financing activities:</b>			
Net proceeds from debt securities in issue		535,875	-
Borrowings from another financial institution		(36,594)	-
<b>Net cash generated from financing activities</b>		<u>499,281</u>	<u>-</u>
Net increase in cash and cash equivalents		442,960	1,260
Cash and cash equivalents at the beginning of the period		288,028	108,886
<b>Cash and cash equivalents at the end of the period</b>	3	<u>730,988</u>	<u>110,146</u>

The accompanying notes set out on pages 6 to 21 form an integral part of this interim financial information.

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

*(All amounts in USD thousands unless otherwise stated)*

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#### 1 ESTABLISHMENT AND OBJECTIVES

Arab Bank for Economic Development in Africa (“BADEA” or the “Bank”) was established in accordance with the resolution of the Sixth Arab Summit Conference held on 28 November 1973 following the recommendations of the Economic Council of the League of Arab States. BADEA was established with a capital of USD 231 million and was subsequently increased in accordance with resolutions issued by the Board of Governors until it reached USD 5 billion as at 31 December 2022.

BADEA is an independent international financial institution domiciled in Khartoum, Sudan. It has international legal status, enjoys full legal personality and full autonomy in administrative and financial areas. BADEA is governed by the articles of its Establishment Agreement and by the principles of International Law.

BADEA’s carries out its activities from its temporary offices located in Al-Amiriya Tower, Al-Olaya District, King Fahd Road, Building Number 7922, Postal Code 12333- Riyadh, Kingdom of Saudi Arabia.

BADEA aims at consolidating economic, financial and technical cooperation between African and Arab countries. In order to achieve its objectives, BADEA undertakes the following functions:

- Participation in the financing of economic development in Africa.
- Stimulate the participation of Arab capital to African development.
- Support in Provision of technical assistance required for African development.
- Support the development of private sector institutions in African countries.
- Financing Arab African trade and Intra-African trade.

As per BADEA’s agreement of establishment, the parties that may benefit from the Bank’s operations are as follows:

- a) The Governments of the African countries, including any province, agency or organization thereof.
- b) Public or private companies, organizations and projects carrying out their business in African countries and in which capital the governments or citizens of those countries have a majority holding.
- c) Mixed, African or Arab-African companies whose purpose is economic development and that need financing for a specific project.

The interim financial information for the period ended 30 June 2024 was approved for issuance by the Board of Directors on 17 October 2024.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

BADEA's interim financial information has been prepared in accordance with the accounting policies prescribed in the Bank’s manual of accounting approved by the Board of Directors and set out in note 2.2 through note 2.19. These accounting policies have been consistently applied in prior years.



Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.2 Basis of measurement**

The interim financial statements have been prepared on the historical cost basis except for investments held for trading and all financial derivatives' contracts that are measured at fair value.

**2.3 Presentation currency**

The currency used in BADEA's operation and preparation of the interim financial statements is the United States Dollar ("USD"). The interim financial statements are expressed in USD and are rounded off to the nearest thousands.

**2.4 Accrual basis**

The bank prepares its interim financial statements using the accrual basis. All regular purchases and sales of financial assets are recognized on the trade date.

**2.5 Use of estimates**

The preparation of interim financial statements approved by the Bank requires the use of estimates and assumptions that may affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, in addition to the amounts of income and expenditure for the period then ended. Such estimates are continually reviewed, based on past experience and other factors. The significant items in which these estimates are used comprise the following:

*Provision for impairment loans*

BADEA's method for determining the provision for impairment of loans is described in note 2.8 "loans and provision for loans".

*Impairment of investments carried at cost*

Financial assets that are not listed are carried at cost less impairment. At the end of each reporting period, management assesses whether any impairment indicators exist considering different factors stated in the Bank's accounting policies. If such an indicator is identified, an impairment assessment is carried out whereby the fair value of the investee is compared to its carrying amount. Fair value for the purpose of the impairment assessment is determined using either discounted cash flows or matrix pricing.

**2.6 Investments**

*Investment in bonds and equity securities*

Investments in bonds and equity securities are classified as investments held for trading; and are initially recognized at the fair value of the consideration given. Such investments are revalued at fair value that is the quoted market prices at the date of the interim statement of financial position. Changes in the fair value are recognized in the interim statement of income and expenditure.

*Investment in managed funds*

Investments in managed funds that are not listed in the financial markets, are recorded at cost less provision for impairment, if any.

Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.6 Investments (Continued)**

*Sukuk*

Sukuk are financial assets which are acquired to be held to maturity. Sukuk are stated at cost less provision for impairment, if any.

**2.7 Equity participation in financial institutions**

Equity participation in financial institutions represents participations in regional and international development organizations are carried at cost.

**2.8 Net loan balances**

Financial assets of fixed or determined payments that are not traded in an active market are classified as loans presented at amounts disbursed after deduction of repaid amounts and provision for loans.

All loans granted by BADEA are recognized as assets when disbursed in cash, and are recorded at the value of amounts disbursed.

Impairment of loans is performed based on provision policies approved by the Board of Directors. According to these policies, the Bank regularly performs a classification of loans based on past due date and other qualitative indicators and an internal rating is allocated to each counterparty. At each reporting period:

- Provision for loans to the public sector is calculated as a percentage from the past due instalments and a percentage from the balance of the outstanding loans less past due instalments; provision percentage is determined based on the counterparty internal rating.
- Provision for loans to the private sector and trade finance is calculated as a percentage from the outstanding balance of loans, in accordance with the days of past due and the internal risk classification; provision percentage is determined based on the counterparty internal rating.

Loans are presented in the interim statement of financial position net of provision for loans.

Loans under renegotiated repayment arrangements, or instalment rescheduling as well as loans under the Initiative of Highly Indebted Poor Countries (HIPC) are classified as performing loans and treated as new loans under the new arrangements.

**2.9 Impairment of financial assets**

An assessment is made at each date of interim statement of financial position to determine whether there is objective evidence that a financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount and any impairment loss for changes in its carrying amount is determined for that asset and recognized in the interim statement of income and expenditure.

Notes to the interim financial information

*(All amounts in USD thousands unless otherwise stated)*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.10 Income recognition**

Income from interest on bank deposits, fixed income securities, sukuk, market opportunities, global trade finance portfolio and loans is recognized on an accrual basis.

BADEA excludes from its income any interest on the principal of public sector loans when the payment of interest is delayed for a period of more than 180 days. BADEA also excludes from its income any interest on the principal of the private sector and trade finance loans when the payment of interest is delayed for a period of more than 90 days, when the value of the excluded interest provision is lower than what was charged previously, the difference will be charged to the interim statement of income and expenditure.

Interest excluded during prior years are reviewed on a case by case basis by the management to assess the amount of interest to be reversed prospectively to the interim statement of income and expenditure. The criteria considered by the management when performing such review are the absence of arrears and the regular repayment of instalments in due dates during an appropriate period so that the management will have no doubt that the amount of interest is not recoverable.

Dividend income is recognized when it is declared.

**2.11 Grants**

Cost of study, preparation, and technical assistance of the projects are classified as grants and charged to expenditure when disbursed.

**2.12 Fixed assets**

Fixed assets are stated at cost net of accumulated depreciation. The cost of fixed assets is depreciated using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for the current and comparative period are as follows:

Buildings	30 years
Furniture and equipment	5 years
Vehicles	5 years

The Bank assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Bank estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**2.13 Provisions**

Provisions are recognized when the Bank has a present obligation, legal or constructive, arising from past events and it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably.

**Notes to the interim financial information**

*(All amounts in USD thousands unless otherwise stated)*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.14 Derivative financial instruments and hedging**

Derivative financial instruments, including forward contracts and futures, are initially measured at cost; and are subsequently re-measured at fair value. Fair values are generally determined by reference to quoted market prices, discounted cash flow models and pricing models as appropriate.

Any changes in the fair values of derivatives that are held for trading purposes are directly included in the interim statement of income and expenditure.

**2.15 Foreign currency translation**

Transactions denominated in currencies other than United States Dollars are translated into United States Dollars at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at exchange rates prevailing at the date of the interim statement of financial position. Foreign exchange adjustments are included in the interim statement of income and expenditure.

**2.16 Provision for end of service benefits**

Provision for end of service benefits for the president of the Bank are computed in accordance with Article No. 6 of the Resolution of the Ministerial Committee selected to review the salaries and benefits of the Presidents and Directors General of Arab Financial Institutions.

Provision for end of service benefits for employees are calculated in accordance with Article No. (13/1) of BADEA's Employees Regulations as amended by the Board of Directors' resolutions.

**2.17 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and with banks; call accounts and time deposits maturing within three months or less from the date of acquisition and excluding any cash within externally managed investment portfolios.

**2.18 Deposits and borrowings from other financial institutions**

Deposits and borrowings from other financial institutions are interest bearing instruments maturing within one year and can be renewed for additional periods. These are recognized initially at fair value of amounts received less transaction costs.

**2.19 Debt securities in issue**

Debt securities in issue comprise notes issued in Euro under a Euro Medium Term Note (EMTN) programme and are listed in London Stock Exchange. These notes mature in January 2027.

Debt securities in issue are initially measured at fair value and subsequently measured at amortized cost. The discount and issuance cost amortized over the life of the bond using straight line method.

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 3 CASH AND CASH EQUIVALENTS

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
Cash on hand	-	-	83
Bank balances	147,507	134,520	17,312
Term deposits*	583,481	153,508	92,751
	<u>730,988</u>	<u>288,028</u>	<u>110,146</u>

\*Represents deposits held at regional and international financial institutions with original maturity of less than three months. These deposits are denominated in USD and Euro under commercial terms.

#### 4 INVESTMENTS

These consist of investments in externally managed equity and debt portfolios held for trading as well as directly managed sukuk, as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
<b><i>Investments in managed portfolios</i></b>			
Bonds	1,399,352	1,438,753	1,317,687
Bonds – emerging markets	190,066	180,209	168,601
Equity securities	514,522	461,223	681,762
Cash and deposits within managed portfolios	39,945	46,944	48,705
Fair value of derivative instruments	2,462	(20,536)	(1,183)
Accrued interest and other payable balances	(52,752)	(81,508)	(17,951)
	<u>2,093,595</u>	<u>2,025,085</u>	<u>2,197,621</u>
<b><i>Direct investments</i></b>			
Sukuk	271,305	180,703	153,772
Investment in managed funds	51,012	58,674	56,332
Fair value of derivative instruments	2,224	1,570	2,333
	<u>324,541</u>	<u>240,947</u>	<u>212,437</u>
<b>Total investments</b>	<u>2,418,136</u>	<u>2,266,032</u>	<u>2,410,058</u>

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 5 NET TRADE FINANCE

Net trade finance represents credit facilities granted to finance Arab-Africa trade and trade between African countries. The balances as at 30 June 2024, 31 December 2023 and 30 June 2023 are as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
Approved Loans	2,962,756	2,991,262	2,285,299
Less: unsigned Loans	(986,861)	(1,044,593)	(710,465)
Total approved and signed loans	1,975,895	1,946,669	1,574,834
Less: ineffective loans	(120,000)	(260,000)	(242,730)
Total effective loans	1,855,895	1,686,669	1,332,104
Less: undisbursed loans	(381,077)	(279,706)	(169,174)
Total disbursements from loans	1,474,818	1,406,963	1,162,930
Less: loan instalments repaid	(1,084,737)	(969,021)	(803,593)
Balance as at reporting date	390,081	437,942	359,337
Less: net trade finance provision	(150)	-	-
Fair value of forward contracts	-	-	504
<b>Net balance as at reporting date</b>	<b>389,931</b>	<b>437,942</b>	<b>359,841</b>

Ineffective loans represent loans signed, but their terms of effectiveness have not been fulfilled yet.

The movement on net trade finance for the period ended 30 June 2024, the year ended 31 December 2023 and the period ended 30 June 2023 is as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
Opening balance	437,942	467,053	467,053
Disbursements during the period / year	69,976	339,105	100,021
Repayments during the period / year	(117,015)	(368,863)	(207,419)
Effect of foreign currency translation	(822)	647	(318)
Balance as at reporting date	390,081	437,942	359,337
Less: net trade finance provision	(150)	-	-
Fair value of forward contracts	-	-	504
<b>Net balance as at reporting date</b>	<b>389,931</b>	<b>437,942</b>	<b>359,841</b>

Details of the movement on net trade finance provision during the period ended 30 June 2024 is as follows:

	(Unaudited) 30 June 2024
Opening balance	-
Charge during the period	150
<b>Closing balance as at reporting date</b>	<b>150</b>

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 6 NET LOANS

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
Project loans	2,748,616	2,680,381	2,457,700
SAFAA loans	15,625	16,051	16,387
Total bilateral loans (a)	2,764,241	2,696,432	2,474,087
Participation in syndicated loans (b)	71,200	85,074	100,441
<b>Net balance as at reporting date</b>	<b>2,835,441</b>	<b>2,781,506</b>	<b>2,574,528</b>

#### a) Bilateral loans

The details of bilateral loan balances as at 30 June 2024, 31 December 2023 and 30 June 2023 are as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)		30 June 2023 (Unaudited)	
	Public Sector	Private Sector	SAFAA Loans	Total	(Audited) 31 December 2023	(Unaudited) 30 June 2023
Approved Loans	6,486,718	1,235,363	214,244	7,936,325	7,904,052	7,249,821
Less: unsigned Loans	(389,000)	(393,783)	-	(782,783)	(765,086)	(909,723)
Total approved and signed loans	6,097,718	841,580	214,244	7,153,542	7,138,966	6,340,098
Less: ineffective loans	(446,100)	(25,000)	-	(471,100)	(514,500)	(426,030)
Total effective loans	5,651,618	816,580	214,244	6,682,442	6,624,466	5,914,068
Less: undrawn loans	(1,749,740)	(83,730)	-	(1,833,470)	(1,942,377)	(1,535,641)
Total disbursements from loans	3,901,878	732,850	214,244	4,848,972	4,682,089	4,378,427
Less: loan instalments repaid	(1,699,195)	(181,386)	(193,202)	(2,073,783)	(1,973,364)	(1,892,889)
<b>Balance as at reporting date</b>	<b>2,202,683</b>	<b>551,464</b>	<b>21,042</b>	<b>2,775,189</b>	<b>2,708,725</b>	<b>2,485,538</b>
Fair value of forward contracts	-	(1,608)	-	(1,608)	(3,082)	(2,371)
Less: loans provision	(3,923)	-	(5,417)	(9,340)	(9,211)	(9,080)
<b>Net balance as at reporting date</b>	<b>2,198,760</b>	<b>549,856</b>	<b>15,625</b>	<b>2,764,241</b>	<b>2,696,432</b>	<b>2,474,087</b>

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 6 NET LOANS (CONTINUED)

##### a) Bilateral loans (Continued)

Ineffective loans represent loans signed, but their terms of effectiveness have not been fulfilled yet.

SAAFA (the “Fund”) loans represent amounts granted by the Fund to non-Arab African countries prior to the merging of its loans in BADEA’s capital in 1977.

The movement of net bilateral loan balances during the period ended 30 June 2024, the year ended 31 December 2023 and the period ended 30 June 2023, is as follows:

	30 June 2024 (Unaudited)			(Audited)		(Unaudited) 30 June 2023
	Public Sector	Private Sector	Total	31 December 2023		
Opening balance	2,089,318	597,944	2,708,725	2,285,391		2,285,391
Disbursements during the period / year	152,694	18,219	170,913	547,661		249,151
Repayments during the period / year	(39,329)	(60,669)	(100,419)	(130,429)		(49,954)
Effect of foreign currency translation	-	(4,030)	(4,030)	6,102		950
<b>Balance as at reporting date</b>	<b>2,202,683</b>	<b>551,464</b>	<b>2,775,189</b>	<b>2,708,725</b>		<b>2,485,538</b>
Fair value of forward contracts	-	(1,608)	(1,608)	(3,082)		(2,371)
Less: loans provision	(3,923)	-	(5,417)	(9,340)		(9,080)
<b>Net balance as at reporting date</b>	<b>2,198,760</b>	<b>549,856</b>	<b>2,764,241</b>	<b>2,696,432</b>		<b>2,474,087</b>





## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 7 NET ACCRUED INTEREST ON LOANS

	Public sector	Private Sector	Syndicated loans	(Unaudited) Total 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
Accrued interest on loans	63,319	6,633	1,344	71,296	72,240	72,395
Excluded interest on loans*	(9,734)	-	-	(9,734)	(9,706)	(9,706)
Net accrued interest on loans	53,585	6,633	1,344	61,562	62,534	62,689

\*BADEA excludes from its revenues any interest on public sector loans when the payment of these interest is pas due for more than 180 days. BADEA also excludes from its revenues any interest on private sector loans when the payment of these interests is past due for a period of more than 90 days.

Details of movement on excluded interest from loans during the period ended 30 June 2024, the year ended 31 December 2023 and the period ended 30 June 2023, is as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023
Opening balance	9,706	9,706	9,706
Charge during the period / year	28	-	-
Net balance as at reporting date	9,734	9,706	9,706

#### 8 EQUITY PARTICIPATION IN FINANCIAL INSTITUTIONS

These represent participation in the equity of international and regional financial institutions as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023 (Restated)
African Export & Import Bank	58,872	58,872	56,082
Arab Investment & Export Credit Guarantee Corporation	25,950	25,950	25,950
Trade and Development Bank	11,403	11,403	10,988
Africa Finance Corporation	12,500	12,500	12,500
Development Bank of the Central African States	184	170	170
	108,909	108,895	105,690

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 9 DEPOSITS FROM ANOTHER FINANCIAL INSTITUTION

Deposits from another financial institution are denominated in Euro under commercial terms. The movement on deposits from another financial institution during the period/year was as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023
Opening balance	110,465	-	-
Placements during the period/year	-	106,250	63,900
Effect of foreign currency translation	(3,290)	4,215	1,560
<b>Closing balance as at reporting date</b>	<b>107,175</b>	<b>110,465</b>	<b>65,460</b>

#### 10 BORROWINGS FROM ANOTHER FINANCIAL INSTITUTION

Borrowings from another financial institution are unsecured, denominated in EURO under commercial terms. All principal borrowing balances have maturities more than one year from financial position date. The movement on borrowings during the period/year was as follows:

	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023
Opening balance	149,128	-	-
Borrowings obtained during the period/year	-	144,583	-
Repayments during the period/year	(32,465)	-	-
Effect of foreign currency translation	(4,129)	4,545	-
<b>Closing balance as at reporting date</b>	<b>112,534</b>	<b>149,128</b>	<b>-</b>

Under the terms of the borrowings, the Bank is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- "Tangible Net Worth" shall not be less than USD 4,000 million.
- The Bank must maintain a minimum capital adequacy ratio of 25% of Tier 1 capital against risk weighted assets calculated in accordance with the provisions of the Basel Paper.

The Bank has complied with these covenants throughout the reporting period.

#### 11 DEBT SECURITIES IN ISSUE

On 29 November 2023, BADEA established a Euro Medium Term note ("EMTN") Programme with the underlying notes to be listed in London stock exchange. On 25 January 2024, the bank has issued 3 years Euro 500,000,000 social bonds with a fixed interest rate of 3.75% payable annually on 28 January of each year. The bonds have a par value of Euro 100,000 per unit and were issued at a discount of 0.156%.

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 11 DEBT SECURITIES IN ISSUE (CONTINUED)

Details of the movement of debt securities in issue during the period ended 30 June 2024 is as follows:

	(Unaudited) 30 June 2024
Opening balance	-
Withdrawals during the period	543,125
Effect of foreign currency translation	(7,250)
<b>Closing balance as at reporting date</b>	<b>535,875</b>

#### 12 SHARE CAPITAL

As at 30 June 2024, the authorised capital amounted to USD 20 billion (31 December 2023: USD 20 billion and 30 June 2023: USD 20 billion), the subscribed capital amounted to USD 10 billion (31 December 2023: USD 10 billion and 30 June 2023: USD 10 billion) and the paid-up capital amounted to USD 5 billion (31 December 2023: USD 5 billion and 30 June 2023: USD 5 billion). The contribution of each member country in the paid-up capital as at 30 June 2024, 31 December 2023 and 30 June 2023 is as follows:

Country	(Unaudited) 30 June 2024	(Audited) 31 December 2023	(Unaudited) 30 June 2023
Hashemite Kingdom of Jordan	10,704	10,704	10,704
State of United Arab Emirates	535,217	535,217	535,217
Kingdom of Bahrain	10,704	10,704	10,704
Republic of Tunisia	44,601	44,601	44,601
People's Democratic Republic of Algeria	214,087	214,087	214,087
Kingdom of Saudi Arabia	1,284,520	1,284,520	1,284,520
Republic of Sudan	10,704	10,704	10,704
Arab Republic of Syria	5,947	5,947	5,947
Republic of Iraq	749,304	749,304	749,304
Sultanate of Oman	64,226	64,226	64,226
State of Palestine	10,704	10,704	10,704
State of Qatar	428,174	428,174	428,174
State of Kuwait	784,985	784,985	784,985
Republic of Lebanon	35,681	35,681	35,681
State of Libya	713,622	713,622	713,622
Arab Republic of Egypt	10,704	10,704	10,704
Kingdom of Morocco	78,498	78,498	78,498
Islamic Republic of Mauritania	7,618	7,618	7,618
<b>Total</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

Suspension and withdrawal of memberships are governed by article no. 42 of BADEA's agreement of establishment.

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 13 GENERAL RESERVE

In accordance with Article 36 of the Establishment Agreement, and based on recommendation of the Board of Directors; the Board of Governors shall annually determine the portion of net income that should be transferred to the general reserve, to the shareholders' capital, or any other transfers in line with the objectives of BADEA.

Pursuant to resolution No.1 of 2024 of the Board of Governors, 10% of the net profit for the year ended 31 December 2023 was appropriated and transferred to other liabilities and the remaining amount of USD 262.817 million was transferred to the general reserve (30 June 2023: USD 187.916 million transferred from general reserve).

#### 14 NET INCOME FROM INVESTMENTS

	Period ended 30 June (unaudited)	
	2024	2023 (Restated)
Interest income	30,017	29,132
Dividends income	4,376	7,390
Net realized loss	(1,437)	(14,769)
Net unrealized gain	58,000	131,470
Foreign currency exchange loss	(21,626)	(12,403)
Investment expenses	(2,296)	(2,156)
	<b>67,034</b>	<b>138,664</b>

#### 15 INCOME FROM NET LOANS AND NET TRADE FINANCE

	Period ended 30 June (unaudited)	
	2024	2023 (Restated)
Public sector loans	10,444	9,415
Private sector loans	21,627	14,794
SAAFA loans	5	57
Syndicated loans	3,193	4,242
Income from net loans	35,269	28,508
Income from net trade finance	18,875	14,676
	<b>54,144</b>	<b>43,184</b>

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 16 GENERAL AND ADMINISTRATIVE EXPENSES

	Period ended 30 June (unaudited)	
	2024	2023
Board of Governors	94	121
Board of Directors	640	586
Salaries and employee benefits	8,652	7,876
Travel and services	3,120	2,428
Utilities	774	535
Depreciation of fixed assets	387	381
Other expenses	2,183	169
	<b>15,850</b>	<b>12,096</b>

\*Other expenses include costs of relocation to BADEA's new offices in Riyadh, Kingdom of Saudi Arabia.

#### 17 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a current transaction between knowledgeable and willing parties in an arm's length transaction conducted with other parties. Then, differences between the carrying value and fair value are generated. The carrying value of investments in equity and bonds approximates their fair value as at the date of the interim statement of financial position.

BADEA doesn't currently sell its net loans, net trade finance nor equity participation in financial institutions. Accordingly, it is impractical to determine reliable fair value of these instruments.

#### 18 RESTATEMENT OF PRIOR PERIOD'S FINANCIAL STATEMENTS

During the year ended 31 December 2023, BADEA's management assessed the classification of certain balances as to whether these balances are classified within financial statement line items that are consistent with their nature. Based on this assessment, the following key reclassifications were made:

- Syndicated loans classified under "market opportunities" and "global trade finance" note lines within investments were reclassified to net loans and net trade finance respectively as this classification is more consistent with their nature. Also, accrued interest on these syndicated loans classified under "accrued interest" note line within investments were reclassified to the financial statement line items "net accrued interest on loans" and "net accrued interest on trade finance".
- Interest income from syndicated loans was reclassified from "net income from investments" to "income from net loans and net trade finance".
- Directly managed bank balances and short-term deposits (with original maturity less than three months) were reclassified from investments to cash and cash equivalents as these balances are highly liquid and subject to insignificant risk of changes in value.
- Accrued interest on directly managed bank balances, short-term deposits (with original maturity less than three months) and sukuk were reclassified from investments to other assets as this classification is more consistent with their nature.
- An investment in unlisted security was reclassified from investments to equity participation in financial institutions as such classification is consistent with the nature of investment.

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

**Notes to the interim financial information**

*(All amounts in USD thousands unless otherwise stated)*

**18 RESTATEMENT OF PRIOR PERIOD'S FINANCIAL STATEMENTS (CONTINUED)**

The below schedule shows the effect of the reclassification of the related interim financial statement line items:

	<b>30 June 2023 (As previously stated)</b>	<b>Increase/ (Decrease)</b>	<b>30 June 2023 (Restated)</b>
<b>Items in the interim statement of financial position</b>			
Cash and cash equivalents	616	109,530	110,146
Investments	2,676,436	(266,378)	2,410,058
Net trade finance	318,779	41,062	359,841
Net accrued interest on trade finance	6,324	231	6,555
Net loans	2,474,087	100,441	2,574,528
Net accrued interest on loans	61,232	1,457	62,689
Equity participation in financial institutions	94,702	10,988	105,690
Other assets	5,674	2,669	8,343

	<b>Period ended 30 June 2023 (As previously stated)</b>	<b>Increase / (Decrease)</b>	<b>Period ended 30 June 2023 (Restated)</b>
<b>Items in the interim statement of income and expenditure</b>			
Net income from investments	148,778	(10,114)	138,664
Income from net loans and net trade finance	37,689	5,495	43,184
Interest expenses	(2,309)	1,567	(742)
Profit on exchange and derivatives valuation	-	945	945
Other income	1,157	2,107	3,264

<b>Items in the interim statement of cash flows</b>			
Net cash used in operating activities	(82,234)	86,007	3,773

Changes on disclosures to the interim financial statements

- Investment note was split by nature into two categories, externally managed and under management.
- Unrealized income note lines from all financial instruments were aggregated.
- The note lines "interest from fixed income securities" and "margin profit on Sukuk" within "Net income / (loss) from investments" note, were aggregated under a new note line named "Interest income".