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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE SECURITIES DESCRIBED IN THE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTIONS OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED, AND WILL NOT BE ABLE, TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

The Prospectus does not constitute an offer of the securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities. The Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iv) other persons to whom it may lawfully be communicated (all such persons in (i), (ii), (iii) and (iv) above together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on the Prospectus or any of its contents.

Confirmation of your representation: In order to be eligible to view the Prospectus or make an investment decision with respect to the securities, investors must be either (1) Qualified Institutional Buyers (“QIBs”) (within the meaning of Rule 144A under the Securities Act) who are also qualified purchasers (“QPs”) as defined in Section 2(a)(51) of the Investment Company Act; or (2) non-U.S. persons within the meaning of Regulation S outside the United States. The Prospectus is being sent at your request and by accepting the email and accessing the Prospectus, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs who are also QPs; or (b) non-U.S. persons within the meaning of Regulation S outside the United States, (2) unless you are a QIB who is also a QP, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, (3) you are a person who is permitted under applicable law and regulation to receive the Prospectus and (4) you consent to delivery of the Prospectus by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

This Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any jurisdiction where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Joint Bookrunners or any affiliate of the Joint Bookrunners is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made

by the Joint Bookrunners or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The attached document has not been and will not be registered with the Nigerian Securities and Exchange Commission pursuant to the Nigerian Investments and Securities Act, No. 29 of 2007 (as amended) and the Consolidated Securities and Exchange Commission Rules and Regulations, 2013 (as amended). The attached document is not a prospectus or an invitation to the public within the meaning of the Nigerian Investments and Securities Act, No. 29 of 2007 (as amended) and may not be utilised in connection with any offering to the public within Nigeria. Accordingly, the attached document is not directed to any persons within Nigeria other than the selected investors to whom the Prospectus has been addressed as a private sale, or domestic concern, within the exemption and meaning of Section 69(2) of the Nigerian ISA.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Joint Bookrunners nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer and the Joint Bookrunners.

Please ensure that your copy is complete. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



AFRICA FINANCE CORPORATION

U.S.\$500,000,000 Undated 5.25 Year Non-Call Deeply Subordinated Fixed Rate Reset Notes

Issue price: 99.485 per cent.

The U.S.\$500,000,000 Undated 5.25 Year Non-Call Deeply Subordinated Fixed Rate Reset Notes (the “Notes”) are to be issued by Africa Finance Corporation (the “Issuer” or the “Corporation”) on 21 January 2025 (the “Issue Date”). The Notes are constituted by, are subject to, and have the benefit of, a trust deed to be dated on or around the Issue Date (the “Trust Deed”) between the Issuer and Citibank, N.A., London Branch as trustee (the “Trustee”) for the benefit of the holders of the Notes (the “Noteholders”).

Unless previously redeemed as set out in the terms and conditions of the Notes (the “Conditions”) and subject to the further provisions described in Condition 4.6 (*Cancellation of Interest*), the Notes will bear interest from (and including) the Issue Date to (but excluding) 21 April 2030 (the “First Reset Date” and, together with each date falling on the fifth anniversary thereof and each such subsequent date, each a “Reset Date”) at a fixed rate of 7.50 per cent. per annum. In respect of the period from (and including) the First Reset Date to (but excluding) the Reset Date falling on 21 April 2035, the Notes will bear interest at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date (each as defined herein) and (ii) the Initial Margin (as defined herein), rounded in accordance with the Conditions. In respect of each subsequent period from (and including) the Reset Date after the First Reset Date to (but excluding) the next succeeding Reset Date, the Notes will bear interest at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date, (ii) the Initial Margin and (iii) 1 percentage point. Each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date is hereinafter referred to as a “Reset Period”).

Interest will be paid semi-annually in arrear on 21 April and 21 October of each year (each an “Interest Payment Date”) up to, and including, the due date for redemption of the Notes.

Payment of interest on the Notes shall be cancelled mandatorily upon the occurrence of a Trigger Event (as defined herein) and for so long as that Trigger Event is continuing or may be cancelled at the option of the Issuer (in its sole and absolute discretion and for any reason in whole or in part), as set out in Condition 4.6 (*Cancellation of Interest*). Any interest payment so cancelled shall not constitute a default by the Issuer under the Notes for any purpose. See “Risk Factors - Risks Related to the Structure of the Notes - Interest Payment under the Notes shall be cancelled mandatorily upon the occurrence of a Trigger Event or may be cancelled at the option of the Issuer”.

In case of a Permanent Write-Down Event (as defined herein), the Issuer will (i) cancel any accrued and unpaid interest in respect of the Notes and no further interest shall accrue or be due and payable on the Notes at any time thereafter; and (ii) permanently reduce the outstanding principal amount of the Notes to zero and such principal amount shall, accordingly, equal zero at all times thereafter. A Permanent Write-Down Event shall not constitute a default by the Issuer under the Notes for any purpose. See “Risk Factors - Risks Related to the Structure of the Notes - Upon the occurrence of a Permanent Write-Down Event, the Notes will be subject to a Permanent Write-Down”.

The Notes are undated securities with no specified maturity date. The Issuer may, at its sole and absolute discretion, redeem all (but not some only) of the Notes at their outstanding principal amount together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date on any date during the period commencing on (and including) the date falling three months prior to the next succeeding Reset Date and ending on (and including) such Reset Date. The Issuer may also redeem all (but not some only) of the Notes at any time (A) following the occurrence of an Accounting Event or a Rating Event (each as defined herein) (i) at 101 per cent. of their outstanding principal amount at any time until 21 January 2030 and (ii) at any time thereafter at their outstanding principal amount or (B) upon the occurrence of a Substantial Repurchase Event (as defined herein) at their outstanding principal amount, in each case together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date and as further described in Condition 6 (*Redemption, Substitution, Variation and Purchase*). Notwithstanding any other provision of the Conditions, upon the occurrence of a Trigger Event, and for so long as that Trigger Event is continuing, the Issuer may not redeem the Notes.

If an Accounting Event, a Rating Event or a Tax Event has occurred, the Issuer may, instead of giving notice to redeem the Notes pursuant to Condition 6.3 (*Redemption following an Accounting Event or a Rating Event*), either substitute all (but not some only) of the Notes for Qualifying Deeply Subordinated Notes (as defined herein) or vary the terms of the Notes so that they remain or become Qualifying Deeply Subordinated Notes, without any requirement for the consent or approval of the Noteholders, as further described in Condition 6.6 (*Substitution or Variation*).

This Prospectus has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129, as amended (the “Prospectus Regulation”). The Central Bank of Ireland (“Central Bank of Ireland”) only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus is valid within twelve months from the date of this Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

Application has been made to the Irish Stock Exchange Plc trading as Euronext Dublin (“Euronext Dublin”) for the Notes to be admitted to its official list (the “Official List”) and to trading on the regulated market of Euronext Dublin. References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to the Official List and to trading on the regulated market of Euronext Dublin.

Application has been made to the United Kingdom (“UK”) Financial Conduct Authority (the “FCA”) for the Notes to be admitted to listing on the official list of the FCA (the “FCA Official List”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Notes to be admitted to trading on the London Stock Exchange's main market. For the purposes of such application, the Issuer is an exempt issuer pursuant to Article 1(2) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”) (as amended, the “UK Prospectus Regulation”). Accordingly, this Prospectus has not been reviewed or approved by the FCA as competent authority under the UK Prospectus

Regulation and the Notes will not be subject to the prospectus requirements but will be issued in accordance with the listing rules of the London Stock Exchange.

The long-term senior debt of the Issuer has been rated A3 by Moody's Investors Service Ltd ("Moody's"). The Notes are expected to be assigned a rating of Baa3 by Moody's. As at the date of this Prospectus, Moody's is established in the UK and is registered under Regulation (EU) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (as amended, the "**UK CRA Regulation**") and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). A list of EU registered credit rating agencies is available on the European Securities and Markets Authority ("**ESMA**") website at www.esma.europa.eu/supervision/credit-rating-agencies/risk. A list of UK registered credit rating agencies is available on the FCA website at <https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras>. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances, there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes.

Interest on the Notes payable from (and including) the First Reset Date will be calculated by reference to the CMT Rate which is published in "H.15(519)" under the caption "treasury constant maturities (nominal)", which is provided by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"). As at the date of this Prospectus, the Federal Reserve is not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") or the register of administrators of the FCA under Article 36 of Regulation (EU) No 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") and, together with the EU Benchmarks Regulations, the "**Benchmarks Regulations**"). As far as the Issuer is aware, under Article 2 of the Benchmarks Regulations, the Federal Reserve as the administrator of the CMT Rate is not required to obtain authorisation or registration under the Benchmarks Regulations.

The Corporation has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and related rules, and investors will not be entitled to the benefits of that Act. The Notes have not been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and any Notes issued in bearer form will be subject to U.S. tax law requirements. The Notes may be offered and sold only (i) outside of the United States to persons other than U.S. persons as defined in and in accordance with Regulation S under the Securities Act and (ii) in the United States to purchasers who are qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the Securities Act that are also qualified purchasers ("**QPs**") as defined in Section 2(a)(51)(A) of the Investment Company Act in each case acting for their own account of one or more QIBs that are also QPs in reliance on and in compliance with Rule 144A. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. The Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Issuer is a "covered fund" as defined in Section 13 of the Bank Holding Company Act (the "**Volcker Rule**"). However, the Issuer does not believe that an investment in the Notes would constitute an acquisition of an "ownership interest" (as defined in the Volcker Rule regulation) in a covered fund. See "*Subscription and Sale and Transfer and Selling Restrictions—Covered Fund*".

The Notes will be issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Notes offered and sold in reliance on Regulation S (the "**Regulation S Notes**") will upon issue be represented by a single global note certificate (the "**Regulation S Global Note**") in registered form, which will be deposited with a common depository (the "**Common Depository**"), and registered in the name of a nominee of the Common Depository for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date for the accounts of their respective accountholders. The Notes offered and sold in reliance on Rule 144A (the "**Rule 144A Notes**") will be evidenced by a global note certificate (the "**Rule 144A Global Note**") and, together with the Regulation S Global Note, the "**Global Notes**"), which will be registered in the name of a nominee of, and deposited with a custodian for, The Depository Trust Company (the "**DTC**"), and together with Euroclear and Clearstream, Luxembourg, the "**Clearing Systems**"). Ownership interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg (as applicable) and their respective participants.

THE NOTES ARE COMPLEX FINANCIAL INSTRUMENTS THAT INVOLVE A HIGH DEGREE OF RISK AND MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE HEADING "RISK FACTORS" ON PAGE 8.

Joint Bookrunners

BOFA SECURITIES	EMIRATES NBD CAPITAL	J.P. MORGAN
MASHREQBANK PSC	MUFG	SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

The date of this Prospectus is 16 January 2025.

This Prospectus comprises a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”).

The Issuer, having taken all reasonable care to ensure that such is the case, accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*” below). This Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Prospectus. Other than in relation to those documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus refers does not form part of this Prospectus.

This Prospectus has been filed with and approved by the Central Bank of Ireland as required by the Prospectus Regulation. No representation or warranty, express or implied, is made by the Joint Bookrunners (as defined below) or the Trustee nor any of their directors, affiliates, advisers or agents, as to the accuracy, completeness or verification of the information contained in this Prospectus. The Joint Bookrunners, the Trustee and any of their directors, affiliates, advisers or agents assume no responsibility for its accuracy, completeness or verification and accordingly disclaim to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement. No responsibility is accepted by the Joint Bookrunners or the Trustee or any of their directors, affiliates, advisers or agents for any act of omission of the Issuer, or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Notes. Nothing contained in this Prospectus is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Joint Bookrunners, the Trustee or any of their respective directors, affiliates, advisers or agents in any respect.

The contents of this Prospectus are not, are not to be construed as, and should not be relied on as, legal, business or tax advice, and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorised to give any information or to make any representation not contained in the Prospectus or any other information approved by the Issuer in connection with the offering of the Notes. If any such information or representation is nevertheless given or made by any dealer, broker, seller or other person, it must not be relied upon as having been authorised by the Issuer or by any of the Joint Bookrunners.

Certain information under the headings “*Risk Factors*” and “*Clearing and Settlement Arrangements*” in this Prospectus and under the headings “*Risk Factors – Risks relating to the Corporation and its jurisdictions of operation*” and “*Description of the Corporation*” in the Base Prospectus incorporated by reference into this Prospectus has been extracted from information provided by the clearing systems, and certain governmental and other third-party sources, referred to therein. Where such third-party information appears in this Prospectus, or in sections of the Base Prospectus incorporated by reference into this Prospectus, it has been cited as such. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has relied on the accuracy of this information without independent verification.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Bookrunners that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information

supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Bookrunners to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Bookrunners expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Joint Bookrunners and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Bookrunners or the Trustee which is intended to permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or the Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area and the UK. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

In particular, this Prospectus and the Notes have not been and will not be registered with the Nigerian Securities and Exchange Commission (the “**Nigerian SEC**”) under the Nigerian Investments and Securities Act, No. 29 of 2007 (as amended) (the “**Nigerian ISA**”) or the Consolidated Securities and Exchange Commission Rules and Regulations, 2013 (as amended) (the “**Nigerian SEC Rules**”) and the Nigerian SEC has not approved or recommended an investment in the Notes. This Prospectus may not be utilised in connection with any offering to the public within Nigeria. Accordingly, this Prospectus is not directed to, and the Notes are not available for subscription by, any persons within Nigeria other than the selected investors to whom the Prospectus has been addressed as a private sale, or domestic concern, within the exemption and meaning of Section 69(2) of the Nigerian ISA.

In making an investment decision, investors must rely on their own independent examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

None of the Joint Bookrunners, the Issuer or the Trustee makes any representation to any investor regarding the legality of its investment under any applicable laws. Any investor should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in “*Conditions of the Notes*” or any other section of this Prospectus. In addition, in this Prospectus, unless otherwise specified, references to “**U.S.\$**” and “**U.S. dollars**” are to United States dollars.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES PLC AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Each purchaser or holder of interests in the Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements as set out in “*Subscription and Sale and Transfer and Selling Restrictions*”.

THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS.

Investors must determine the suitability of an investment in the Notes in light of their own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's home currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

NOTICE TO U.S. INVESTORS

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) except in certain transactions exempt from the registration requirements of the Securities Act). See "*Subscription and Sale and Transfer and Selling Restrictions*".

The Notes may be offered or sold within the United States only to “qualified institutional buyers” (“**QIBs**”) within the meaning of Rule 144A (“**Rule 144A**”) of the Securities Act who are also qualified purchasers (“**QPs**”) as defined in Section 2(a)(51) of the Investment Company Act in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Notes is hereby notified that the offer and sale of any Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

The Issuer has agreed that, for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish to each holder of such Notes in connection with any resale thereof and to any prospective purchaser of such Notes from such holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

NOTICE TO SOUTH AFRICAN INVESTORS

The Notes may not be, and accordingly are not being, offered or sold to the public in South Africa. Accordingly, any offer of Notes will not be an “offer to the public” as such expression is defined in the South African Companies Act, 2008 (the “**SA Companies Act**”). This Prospectus does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the SA Companies Act) prepared and registered under the SA Companies Act.

NOTICE TO KINGDOM OF SAUDI ARABIAN INVESTORS

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If you do not understand the contents of this document, you should consult an authorised financial advisor.

PROHIBITION ON MARKETING AND SALES OF NOTES TO RETAIL INVESTORS

The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of certain securities with characteristics similar to the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the FCA Conduct of Business Sourcebook (“**COBS**”) requires, in summary, that certain securities with characteristics similar to the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “retail client”) in the UK.

In October 2018, the Hong Kong Monetary Authority (the “**HKMA**”) issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss absorption features and related products (the “**HKMA Circular**”). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments, are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO, a “**Hong Kong professional investor**”) only and are generally not suitable for retail investors in either the primary or secondary markets.

In Singapore, the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”), the Financial Advisers Act (Chapter 110 of Singapore) (the “**FAA**”), the Guidelines on Fair Dealing - Board and Senior Management Responsibilities for Delivering Fair Dealing Outcomes to Customers (the “**Guidelines on Fair Dealing**”) and the Code of Conduct for Private Banking in Singapore (the “**PB Code**”) contain additional obligations and/or guidance in relation to the marketing, offer and sale of the Notes to investors in Singapore. The SFA, the FAA, the Guidelines on Fair Dealing and the PB Code are together referred to as the “**Singapore Regulations**”.

Each of the Joint Bookrunners is required to comply with COBS, the HKMA Circular and the Singapore Regulations (together, the “**Regulations**”) (as if the Regulations apply to the Notes).

By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Bookrunner (acting as Joint Bookrunner), each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and the Joint Bookrunners that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus, in preliminary or final form) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that communication, invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK;
3. whether or not it is subject to the Regulations, it will not:
 - (i) sell or offer the Notes (or any beneficial interests therein) to any retail clients or any person in Hong Kong that is not a Hong Kong professional investor or any person in Singapore that is not an “accredited investor” or an “institutional investor” (each as defined in Section 4A of the SFA, a “**Singapore professional investor**”); or
 - (ii) communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail or any person in Hong Kong or Singapore that is not a Hong Kong professional investor or a Singapore professional investor, respectively;
4. if it is in Hong Kong, it is a Hong Kong professional investor; and
5. if it is in Singapore, it is a Singapore professional investor.

In selling or offering the Notes or making or approving communications, invitations or inducements relating to the Notes, each prospective investor may not rely on the limited exemptions set out in COBS (as if COBS 22.3 applies to the Notes).

The above obligations and Regulations are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA the UK, Hong Kong

or Singapore) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interest therein), whether or not specifically mentioned in this Prospectus, in preliminary or final form, including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interest therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interest therein) from the Issuer and/or any of the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The Issuer is not subject to Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (“**UK MiFIR**”) or the requirements of an “investment firm”, “manufacturer” or “distributor” under the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”). For the purposes of UK MiFIR, each of J.P. Morgan Securities plc, Merrill Lynch International and MUFG Securities EMEA plc shall be deemed to be a “manufacturer” in respect of the Notes. Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties (as defined in the FCA Handbook Conduct of Business Sourcebook), and professional clients (as defined in UK MiFIR); and (ii) all channels for distribution of the Notes are appropriate including investment advice, portfolio management, non-advised sales and pure execution services. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Issuer is not subject to MiFID II or the requirements of an “investment firm”, “manufacturer” or “distributor” under the MiFID II product governance rules of EU Delegated Directive 2017/593. For the purposes of MiFID II, Société Générale shall be deemed to be a “manufacturer” in respect of the Notes. Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is professional investors and eligible counterparties only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services. Any distributor should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

DOCUMENTS INCORPORATED BY REFERENCE

The following sections of the base prospectus dated 27 September 2024 relating to the Issuer's global medium term note programme (the "**Base Prospectus**") (which can be viewed online at <https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202409/f3f86d01-cd7f-43a2-8b52-e9b7bfb7ab4a.pdf>) shall be deemed to be incorporated by reference in, and to form part of, this Prospectus:

- (i) "*Risk Factors – Risks relating to the Corporation and its jurisdictions of operation*" on pages 7 to 31 of the Base Prospectus;
- (ii) "*Overview of the Corporation*" on pages 45 and 46 of the Base Prospectus;
- (iii) "*Selected Consolidated Financial and other Information*" on pages 47 to 49 of the Base Prospectus;
- (iv) "*Capital Structure*" on pages 116 to 118 of the Base Prospectus;
- (v) "*Description of the Corporation*" on pages 119 to 157 of the Base Prospectus;
- (vi) "*Risk Management*" on pages 156 to 172 of the Base Prospectus;
- (vii) "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" on pages 173 to 196 of the Base Prospectus subject to the following:

(A) the seventh sentence in the first paragraph of the section titled "*Interest Rates*" under "*Key Factors affecting the Corporation's Results of Operations*" appearing on page 176 of the Base Prospectus beginning with "As a result, the Corporation recorded U.S.\$2.4 billion" is replaced by the following:

"As a result, the Corporation recorded U.S.\$2.4 billion of proceeds in other borrowings from other financial institutions during the year ended 2023 and total net borrowing of U.S.\$756.3 million, demonstrating investor confidence in its strong credit risk profile and broadening global appeal and further diversification of its borrowing which amounted to U.S.\$8.3 billion as at 31 December 2023."

(B) the last sentence under the section titled "*Interest Expense*" under "*Results of Operations—Six Months ended 30 June 2024 as compared to six months ended 30 June 2023*" beginning with "Interest expense was U.S.\$215.2 million for the six months ended 30 June 2024" appearing on page 179 of the Base Prospectus is replaced by the following:

"Interest expense increased mainly as a result of the Corporation's higher cost of funding (its cost of funding increased to 5.1% in the period ended 30 June 2024 from 4.6% in the period ended 30 June 2023) and increased borrowing by 6.1% or U.S.\$0.5 billion as at 30 June 2024 compared 30 June 2023."

(C) the last sentence of the last paragraph under the section titled "*Operating Expenses*" under "*Results of Operations—Six Months ended 30 June 2024 as compared to six months ended 30 June 2023*" appearing on page 181 to 182 of the Base Prospectus beginning with "Cost to income ratio was 14.6% for the period 30 June 2024" is replaced by the following:

"Cost to income ratio was 14.6% for the period 30 June 2024, well within the Corporation's prudential target."

(D) the last sentence of the last paragraph in the section titled "*Interest Expense*" under "*Results of Operations—Year ended 31 December 2023 as compared to Year ended 31 December 2022*" on page 183 of the Base Prospectus is updated to the following:

"Interest expense increased mainly as a result of the Corporation's higher cost of funding, which increased to 4.6% in the year ended 31 December 2023 from 3.1% in the year ended 31 December 2022, and an increase of 10.0% or U.S.\$0.8 billion in the Corporation's borrowings in the year ended 31 December 2023."

(E) the last paragraph of the section titled "*Net gain on financial instruments at fair value through profit or loss*" under "*Year ended 31 December 2023 as compared to Year ended 31 December 2022*" appearing on page 184 of the Base Prospectus is replaced by the following:

"Net gains on financial instruments at fair value through profit or loss was U.S.\$2.4 million for the year ended 31 December 2023, a decrease of U.S.\$30.8 million, or 92.6%, from U.S.\$33.2 million for the year ended 31 December 2022. The decrease was mainly as a result of a 58.8% or U.S.\$69.9 million decrease in fair value gains recorded on equity investments despite recording a lower fair value losses on hybrid instruments. A net loss of US\$0.8 million was recorded on derivatives held for risk management purposes compared to the losses recorded as at 31 December 2022."

(F) the last paragraph of the section titled "*Investment Securities*" under "*Changes in Financial Condition*" appearing on page 193 of the Base Prospectus is replaced by the following:

"As at 31 December 2022, investment securities were U.S.\$2,920.6 million, an increase of U.S.\$1,312.6 million, or 81.6%, from U.S.\$1,607.9 million as at 31 December 2021. The increase in investment securities in 2022 was largely driven by the US treasuries investment of U.S.\$1.5 billion during the year. The increase in investment securities in 2021 was primarily due to additional purchases of corporate and sovereign debt securities to stabilise the Corporation's operating income and balance the yield generated by its assets.";

- (viii) "*Management of the Corporation*" on pages 197 to 204 of the Base Prospectus; and
- (ix) The Corporation's financial statements for the six months ended 30 June 2024 and the years ended 31 December 2023 and 31 December 2022 on pages F-3 to F-266 of the Base Prospectus.

The Corporation's financial statements for the nine months ended 30 September 2024 are included in this Prospectus from pages F-1 to F-73.

Any statement contained in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Issuer will, at the specified offices of the Trustee and the Paying Agents, provide, free of charge, upon the oral or written request therefor, a copy of this Prospectus (or any document incorporated by reference in this Prospectus). Written or oral requests for such documents should be directed to the specified office of the Trustee or any Paying Agent.

PRESENTATION OF FINANCIAL INFORMATION

Financial statements

The Corporation maintains its books of accounts in U.S. dollars in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

Unless otherwise indicated, financial information set forth or incorporated by reference herein related to the Corporation has been extracted from the Corporation's unaudited condensed consolidated interim financial statements as at and for the nine months ended 30 September 2024, including comparative information for the nine months ended 30 September 2023 (the "**September 2024 Interim Financial Statements**"), as at and for the six months ended 30 June 2024, including comparative information for the six months ended 30 June 2023 (the "**June 2024 Interim Financial Statements**" and together with the September 2024 Interim Financial Statements, the "**Interim Financial Statements**"), the annual financial statements as at and for the year ended 31 December 2023, including comparative information as at and for the year ended 31 December 2022 (the "**2023 Financial Statements**") and the annual financial statements as at and for the year ended 31 December 2022, including comparative information as at and for the year ended 31 December 2021 (the "**2022 Financial Statements**" and together with the Interim Financial Statements and the 2023 Financial Statements, the "**Financial Statements**"), each of which was prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

With respect to the unaudited condensed consolidated interim financial statements for the periods ended 30 September 2024 and 30 June 2024, included or incorporated by reference herein, as applicable, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included therein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The Financial Statements incorporated by reference in this Prospectus are not intended to comply with the SEC's reporting requirements and have been prepared in accordance with IFRS which differs in various significant respects from generally accepted accounting principles in the United States ("**U.S. GAAP**"). Additionally, compliance with such reporting requirements would require, among other things, compliance with the requirements of Regulation S-X and the exclusion of certain non-IFRS measures. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in those Financial Statements. In making an investment decision, investors should rely upon their own examination of the terms of the Notes and the financial information contained or incorporated by reference in this Prospectus. Investors should consult their own professional advisers for an understanding of the differences between IFRS, on one hand, and U.S. GAAP on the other hand, and how those differences could affect the financial information contained or incorporated by reference in this Prospectus.

Certain financial information in the Base Prospectus

Loan Loss Reserve

Loan loss reserve ratio as used in the sections of the Base Prospectus incorporated by reference in this Prospectus is calculated as the impairment allowance on the Corporation's loan portfolio divided by the gross amount of its loan portfolio.

Shareholders' Funds

Shareholders' funds as used in the sections of the Base Prospectus incorporated by reference in this Prospectus means the Corporation's total equity as reported on its balance sheet.

Cost of Funds

Cost of funds as used in the sections of the Base Prospectus incorporated by reference in this Prospectus refers to the average interest rate calculated on liabilities (borrowings).

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is an international organisation established by the Agreement for the Establishment of the Africa Finance Corporation dated 28 May 2007 (the “**Establishment Agreement**”).

As at the date of this Prospectus, the Issuer has 44 member countries: the Federal Republic of Nigeria (“**Nigeria**”), Angola, the Republic of Benin (“**Benin**”), Botswana, Burkina Faso, the Republic of Burundi (“**Burundi**”), Cameroon, the Republic of Cabo Verde (“**Cape Verde**”), the Republic of Chad (“**Chad**”), the Republic of Congo (“**Congo-Brazzaville**”), the Republic of Côte d'Ivoire (“**Côte d'Ivoire**”), the Democratic Republic of Congo (the “**DRC**”), the Union of Comoros (“**Comoros**”), the Republic of Djibouti (“**Djibouti**”), the Arab Republic of Egypt (“**Egypt**”), the State of Eritrea (“**Eritrea**”), the Kingdom of Eswatini (“**Eswatini**”), Ethiopia, the Gabonese Republic (“**Gabon**”), the Republic of Ghana (“**Ghana**”), the Republic of Guinea-Bissau (“**Guinea-Bissau**”), the Republic of Guinea (“**Guinea-Conakry**”), the Republic of Kenya (“**Kenya**”), the Republic of Liberia (“**Liberia**”), the Republic of Madagascar (“**Madagascar**”), the Republic of Malawi (“**Malawi**”), the Republic of Mali (“**Mali**”), the Islamic Republic of Mauritania (“**Mauritania**”), the Republic of Mauritius (“**Mauritius**”), the Kingdom of Morocco (“**Morocco**”), the Republic of Namibia (“**Namibia**”), the Republic of Niger (“**Niger**”), the Republic of Rwanda (“**Rwanda**”), the Democratic Republic of São Tomé and Príncipe (“**São Tomé and Príncipe**”), the Republic of Senegal (“**Senegal**”), the Republic of Sierra Leone (“**Sierra Leone**”), Somalia, South Sudan, The Islamic Republic of the Gambia (“**The Gambia**”), the Togolese Republic (“**Togo**”), the Republic of Tunisia (“**Tunisia**”), the Republic of Uganda (“**Uganda**”), the Republic of Zambia (“**Zambia**”) and the Republic of Zimbabwe (“**Zimbabwe**”) (together, the “**Member Countries**”) and three multilateral financial institution members, the Africa Reinsurance Corporation (“**Africa Re**”), the African Development Bank Group (“**African Development Bank**”) and the Arab Bank for Economic Development in Africa (“**BADEA**”).

As an international organisation, the Issuer is not incorporated under the laws of any state and it is a creature of, and subject to, public international law. In a situation where the United Kingdom is not a party to the agreement establishing an international organisation and no Order in Council has been made under the International Organisations Act 1968 of the United Kingdom in relation to the relevant organisation (as is currently the case for the Issuer), the English courts have held that an international organisation will be recognised as an entity with separate legal personality that can sue and be sued before the English courts where the organisation concerned has been incorporated in, or has separate legal personality otherwise conferred upon it by the laws of, at least one state which is recognised by the United Kingdom.

In this connection, the Establishment Agreement and the Charter of the Africa Finance Corporation dated 28 May 2007 (the “**Charter**”) provide that the Issuer is an international institution with international legal capacity, including the right to enter into international agreements within its competence and that the Issuer is recognised as a separate legal entity in its Member Countries, all of which are sovereign states recognised by the United Kingdom.

The Notes are not an obligation of any government.

The issue of this Prospectus and the issue, subscription, offering and sale of the Notes are not a waiver by the Issuer or by any of its members, governors, directors, alternates, officers or employees of any of the rights, immunities, privileges or exemptions conferred upon any of them by the Establishment Agreement, or by any statute, law or regulation of any member of the Issuer or any political subdivision of any member, all of which are hereby expressly reserved. The Issuer cannot, however, generally claim immunity if an action is instituted in relation to, and accordance with, the Conditions. The Notes and the Trust Deed are governed by the laws of England, and the Issuer has agreed in the Trust Deed that disputes arising thereunder or in respect of the Notes

shall be referred to and finally resolved by arbitration in accordance with the Rules of the London Court of International Arbitration. The courts of a Member Country may not enforce any judgment obtained in a court established in a country other than that Member Country unless there is in effect a treaty between such country and such Member Country providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty. There is no such treaty in effect between any of the Member Countries and the United Kingdom or the United States. Accordingly, judgments may be enforceable in Member Countries following compliance with certain procedural or other requirements. However, should a holder of the Notes be successful in obtaining a judgment against the Issuer in any jurisdiction other than a Member Country, no assurance can be given that such judgment will be enforced against the Issuer in such Member Country. However, each of the Member Countries (except for Chad, Congo-Brazzaville, The Gambia, Guinea-Bissau, Malawi, Sierra Leone and Togo), the United States and the United Kingdom are parties to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the New York Convention (the “**Convention**”) and, accordingly, an award by an arbitration tribunal should be recognised and enforceable in a Member Country (except for Chad, Congo-Brazzaville, The Gambia, Guinea-Bissau, Malawi, Sierra Leone and Togo) provided the conditions to enforcement set out in the Convention are met and such Member Country’s procedures and laws relating to enforcement of arbitral awards are satisfied.

In the circumstances described in this paragraph, however, the enforcement in the Member Countries of an arbitral award obtained under the Convention cannot be assured. Provided any new Member Country which accedes to the Establishment Agreement in the future is a party to the Convention, an award by an arbitration tribunal should be recognised and enforced in the new Member Country, provided the conditions to enforcement set out in the Convention are met and such new Member Country’s procedures and laws relating to enforcement of arbitral awards are satisfied. If a Member Country is not a party to the Convention, an arbitration award may not be enforceable in that new Member Country.

As a substantial portion of the Issuer’s property and assets are located in Member Countries, it may be difficult to effect service of process or enforce judgments against the Issuer. The Establishment Agreement provides that no judgment or award other than a final judgment or award may be enforced against the Issuer and all property and assets of the Issuer shall, wherever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Issuer. See “*Risk Factors—Risks related to the market generally—It may be difficult to effect service of legal process and enforce judgments obtained in Member Countries against the Issuer and its officers*”.

Most of the members of the Board of Directors of the Corporation (“**Board of Directors**”) are residents of a Member Country. A substantial portion of the assets of the Issuer and most of such persons are located in the Member Countries. As a result, it may not be possible to effect service of process upon the Issuer or any such person outside the Member Countries to enforce against any of them, in courts of jurisdictions other than the Member Countries, judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or to enforce against any of them, in the courts of the Member Countries, judgments obtained in jurisdictions other than the Member Countries, including judgments obtained in relation to the Trust Deed in the courts of England.

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward looking statements that involve a number of risks and uncertainties. They may also constitute “*forward looking statements*” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act; however, this Prospectus is not entitled to the benefit of the safe harbour created thereby. Certain such forward looking statements can be identified by the use of forward looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Corporation’s intentions, beliefs or current expectations concerning, among other things, the Corporation’s results of operations, financial condition, liquidity, prospects, growth, strategies and

the industry in which it operates. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward looking statements are not guarantees of future performance and that the Corporation's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward looking statements contained in this Prospectus. In addition, even if the Corporation's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- the anticipated growth of the Corporation's business; and
- expectations as to the Corporation's investments.

Factors that could cause actual results to differ materially from the Corporation's expectations are contained in cautionary statements in this Prospectus and the documents incorporated by reference into this Prospectus and include, among other things, the following:

- the Corporation may be negatively affected by significant political, legal, regulatory and social uncertainties in its jurisdictions of operation;
- the Corporation's growth strategy and performance is dependent on identifying appropriate investments in its target markets as well as the availability of external financing and capital. Failure to identify such investments or financing could have a material adverse effect on the Corporation's business, results of operations or financial condition;
- the outbreak of communicable diseases around the world, in particular successive variants of the COVID-19 pandemic, has led to higher volatility in the global economy and capital markets, which may materially and adversely affect the Corporation's business, financial condition and results of operations;
- the Corporation may be materially adversely affected by economic instability and adverse business and operating conditions in the markets in which it conducts its investment operations;
- oil prices are subject to wide fluctuations in response to changes in the supply of and demand for oil and the Corporation operates in markets that are highly dependent on oil revenue;
- unlike other regulated financial institutions, the Corporation is not subject to external regulatory oversight;
- the Corporation is exposed to credit risks arising from its lending activities and its risk management strategies may not adequately address unidentified or unanticipated risks;
- the Corporation could be adversely affected by non-performing loans, other impaired investments and realised losses on its investments;
- the Corporation may be subject to liquidity risk;
- Member Countries and existing shareholders have a low ability to support the Corporation, which could have a material adverse effect on the Corporation's operations if a capital request were initiated;
- Member Countries may take actions that will have direct or indirect adverse consequences for the Corporation's business or have interests that do not coincide with those of the Corporation;

- the Corporation has historically benefited from rights and immunities granted to it by its Member States; however, there can be no assurance that it will continue to do so in the future;
- militant activity and terrorism in certain of the jurisdictions in which the Corporation operates may impact its business;
- the Corporation operates in jurisdictions with inherent risks relating to fraud, bribery and corruption which may have a material adverse effect on its business, results of operations or financial condition;
- currency fluctuations could materially adversely affect the Corporation's results of operations;
- the Corporation makes equity investments and this might potentially increase the volatility of earnings;
- the Corporation is exposed to fluctuations in interest rates and its variable interest rate debt may be impacted by applicable regulation and may bear interest that could rise significantly, thereby increasing its costs and reducing its cash flow;
- the Corporation is subject to competition from other lenders and investors. If the Corporation is not able to successfully maintain its competitive position, its financial performance and business prospects may be materially adversely affected;
- the Corporation is exposed to operational risk;
- the Corporation faces certain risks dealing with HIV/AIDS and with outbreaks, such as malaria, the Ebola virus and COVID-19, which could adversely affect the Corporation's business, results of operations and financial condition;
- the Corporation relies on its ability to recruit and retain qualified personnel, without whom it may not be able to manage its business effectively; and
- statistical information published by the governments in the jurisdictions that the Corporation operates in may differ from that produced by other sources and may be unreliable, which may subject its operations to uncertainty.

The sections of the Base Prospectus entitled “*Risk Factors*” and “*Description of the Corporation*” incorporated by reference into this Prospectus contain a more complete discussion of the factors that could affect the Corporation’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward looking events described in this Prospectus and the sections of the Base Prospectus incorporated by reference into this Prospectus may not occur.

These forward looking statements speak only as at the date of this Prospectus. Save as required by the Central Bank of Ireland, the Corporation does not undertake any obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward looking statements attributable to the Corporation or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

CONTENTS

	Page
Overview of the Notes	1
Risk Factors	8
Recent Developments	20
Conditions of the Notes	34
Use of Proceeds	54
Capitalisation of the Issuer	55
Taxation	58
Clearing and Settlement Arrangements	66
Related Derivatives Transactions	70
Subscription and Sale and Transfer and Selling Restrictions	71
General Information	82
Index to Financial Statements	84

OVERVIEW OF THE NOTES

The following is an overview of certain information relating to the offering of the Notes, including the principal provisions of the terms and conditions thereof. This overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. See, in particular, "Conditions of the Notes". Words and expressions defined in "Conditions of the Notes" shall have the same meanings in this overview.

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference herein.

Issuer:	Africa Finance Corporation LEI: 213800LXFHRRXIJR97
Description of Notes:	U.S.\$500,000,000 Undated 5.25 Year Non-Call Deeply Subordinated Fixed Rate Reset Notes
Joint Bookrunners:	Emirates NBD Bank PJSC J.P. Morgan Securities plc Mashreqbank psc Merrill Lynch International MUFG Securities EMEA plc Société Générale
Trustee:	Citibank, N.A., London Branch
Principal Paying and Transfer Agent:	Citibank, N.A., London Branch
Registrar:	Citibank, N.A., London Branch
Calculation Agent:	Citibank, N.A., London Branch
Issue Date:	21 January 2025
Maturity Date:	Undated. The Notes have no final maturity and are only redeemable or repayable as set out in the Conditions.
Optional Early Redemption:	The Issuer may, at its sole and absolute discretion, on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (<i>Notices</i>), redeem all (but not some only) of the Notes on any date during the period commencing on (and including) the date falling three months prior to the next succeeding Reset Date and ending on (and including) such Reset Date (each such date, a " Redemption Date "), in each case at their outstanding principal amount together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (<i>Cancellation</i>

of Interest)) to (but excluding) the relevant Redemption Date.

First Reset Date:

21 April 2030

Issue Price:

99.485 per cent. of the principal amount of the Notes.

Status of the Notes:

The Notes constitute direct, unsecured and general obligations of the Issuer and will rank:

- (a) *pari passu* and without any preference among themselves;
- (b) subordinated in right of payment to the repayment in full of all Senior Obligations; and
- (c) senior only to Junior Obligations.

No call shall be made on the callable capital of the Issuer in accordance with the Charter in respect of any obligations of the Issuer deriving from the Notes.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Jurisdiction to the extent provided in Condition 8 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

There will be no negative pledge in respect of the Notes.

Interest and Interest Payment Dates:

The Notes will bear interest on their outstanding principal amount:

- (a) from (and including) the Issue Date to (but excluding) the First Reset Date at a fixed rate of 7.50 per cent. per annum (the “**Initial Interest Rate**”);
- (b) from (and including) the First Reset Date to (but excluding) the Reset Date falling on 21 April 2035 at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date and (ii) the Initial Margin (the “**First Reset Interest Rate**”); and
- (c) for each Reset Period thereafter, at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date, (ii) the Initial Margin and (iii) 1 percentage point (each, a “**Subsequent Reset Interest Rate**” and, together with the First Reset Interest Rate and the Initial Interest Rate, each a “**Rate of Interest**”).

Interest will be paid semi-annually in arrear on 21 April and 21 October in each year (each an “**Interest Payment Date**”) up to, and including, the due date for redemption of the Notes. See Condition 4.1 (*Interest Rate and Interest Payment Dates*).

Initial Margin:

3.015 per cent. per annum

Cancellation of Interest:

Optional Interest Cancellation

Interest will be payable on each Interest Payment Date unless the Issuer elects, in its sole and absolute discretion and for any reason, to cancel any such payment in whole or in part.

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) and, accordingly, such interest (or part thereof) shall not in any such case be due and payable.

Mandatory Interest Cancellation

Upon the occurrence of a Trigger Event, the Issuer shall cancel any accrued and unpaid interest due on the Interest Payment Date immediately following the relevant Determination Date and on any subsequent Interest Payment Date for so long as that Trigger Event is continuing.

A “**Trigger Event**” is deemed to occur if on any date on which the Issuer’s annual audited financial statements are published or, to the extent the Issuer publishes such interim statements, any date on which the Issuer publishes any semi-annual interim reviewed financial statements (each a “**Determination Date**”), the ratio of Total Assets to Paid-in Capital and Reserves exceeds 7.5 to 1.0. Any such Trigger Event shall be deemed to be continuing until the next Determination Date on which the ratio of Total Assets to Paid-in Capital and Reserves is not more than 7.5 to 1.0.

Any interest payment so cancelled pursuant to Condition 4.6(a) (*Optional Interest Cancellation*) or Condition 4.6(b) (*Mandatory Interest Cancellation*) shall not constitute a default by the Issuer under the Notes for any purpose.

Interest Payments Non-cumulative:

Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes as a result of any Optional Interest Cancellation in accordance with Condition 4.6(a) (*Optional Interest Cancellation*) or Mandatory Interest Cancellation in accordance with Condition 4.6(b) (*Mandatory Interest Cancellation*), then the right of Noteholders to receive the relevant interest

payment (or part thereof) in respect of the relevant interest period will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) accrued for such interest period or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future interest period. Noteholders shall have no rights to such cancelled interest (or part thereof) or to receive any additional interest or compensation as a result of such cancellation.

Undertaking in relation to interest cancellation

If, on any Interest Payment Date, any payment of interest is not made as a result of an Optional Interest Cancellation, or a Mandatory Interest Cancellation, the Issuer shall not make any Discretionary Payments until the interest payment due on any subsequent Interest Payment Date is made in full, as further described in Condition 4.6(c) (*Issuer Undertaking in relation to interest cancellation*).

Permanent Write-Down

If, on any Determination Date or at any other time as determined by the Issuer, the ratio of Total Assets to Paid-in Capital and Reserves exceeds 15.0 to 1.0 (a “**Permanent Write-Down Event**”), the Issuer will:

- (a) cancel any accrued and unpaid interest in respect of the Notes and no further interest shall accrue or be due and payable on the Notes at any time thereafter; and
- (b) permanently reduce the outstanding principal amount of the Notes to zero and such principal amount shall, accordingly, equal zero at all times thereafter,

(a “**Permanent Write-Down**”).

From and including a Permanent Write-Down Event, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Notes and the Issuer shall have no further obligations under the Notes.

A Permanent Write-Down Event shall not constitute a default by the Issuer under the Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

See Condition 5 (*Permanent Write-Down*) and “*Risk Factors - Risks Related to the Structure of the Notes - Upon the occurrence of a Permanent Write-Down Event, the Notes will be subject to a Permanent Write-Down*” below.

Redemption following an Accounting Event or a Rating Event:

The Issuer may, on giving not less than 10 nor more than 60 calendar days’ notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (*Notices*), redeem all (but

not some only) of the Notes at any time following the occurrence of an Accounting Event or a Rating Event, (i) at 101 per cent. of their outstanding principal amount at any time until 21 January 2030 and (ii) at any time thereafter at their outstanding principal amount, together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date.

Redemption following a Substantial Repurchase Event:

The Issuer may, on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (*Notices*), redeem all (but not some only) of the Notes at any time upon at least 75 per cent. in aggregate principal amount of the Notes issued on the Issue Date having been redeemed or purchased by or on behalf of the Issuer and cancelled (a “**Substantial Repurchase Event**”) at their outstanding principal amount together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date.

Redemption due to a Tax Event

The Issuer may redeem the Notes, in whole but not in part, at their outstanding principal amount together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the date fixed for redemption, in the event of certain changes affecting taxation in any Relevant Jurisdiction. See Condition 6.5 (*Redemption due to a Tax Event*).

Mandatory Redemption Deferral:

Upon the occurrence of a Trigger Event, and for so long as that Trigger Event is continuing, the Issuer may not redeem the Notes.

Substitution or Variation:

If an Accounting Event, a Rating Event or a Tax Event (each a “**Substitution or Variation Event**”) has occurred, then the Issuer may (without any requirement for the consent or approval of the Noteholders), on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as applicable) in accordance with Condition 12 (*Notices*), at any time either:

- (a) substitute all, but not some only, of the Notes for Qualifying Deeply Subordinated Notes; or
- (b) vary the terms of the Notes so that they remain or become Qualifying Deeply Subordinated Notes.

See Condition 6.6 (*Substitution or Variation*).

Events of Default:

There will be no events of default in respect of the Notes.
There will be no cross default under the Notes.

Noteholders may, at their discretion and without further notice, institute proceedings against the Issuer if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes), provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it.

See Condition 10 (*Enforcement Events, no Events of Default and no Cross Default*) and “*Risk Factors - Risks Related to the Structure of the Notes - There will be no events of default in respect of the Notes and no cross default under the Notes. Noteholders have no rights in relation to the enforcement of payments on the Notes*” below.

Listing and admission to trading:

Application has been made to Euronext Dublin for the Notes to be admitted to its Official List and to trading on the regulated market of Euronext Dublin.

Application has been made to FCA for the Notes to be admitted to listing on the FCA Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s main market.

Governing Law:

The Notes will be governed by, and construed in accordance with, English law.

Form:

The Notes will be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Ratings:

The Notes are expected to be assigned on issue a rating of Baa3 by Moody’s. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances, there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the EEA, Canada, Nigeria, Hong Kong, Singapore, South Africa, Switzerland, the United Arab Emirates (excluding Dubai International Financial Centre), Dubai International

Financial Centre, Qatar, Bahrain, Kingdom of Saudi Arabia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*".

United States Selling Restrictions:

Regulation S (Category 2), Rule 144A and Section 4(a)(2).

Risk Factors:

For a discussion of certain risk factors relating to the Issuer and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see "*Risk Factors*" and the relevant sections under "*Documents Incorporated by Reference*" herein.

Use of Proceeds:

The proceeds of the Notes will be used by the Corporation for its general corporate purposes.

Security Codes:

Regulation S ISIN: XS2933422888
Regulation S Common Code: 293342288
Rule 144A ISIN: US00832XAA90
Rule 144A CUSIP: 00832X AA9

RISK FACTORS

Investment in the Notes involves a high degree of risk. Prospective investors should consider carefully, among other things, the risks set forth below and under “Risk Factors– Risks relating to the Corporation and its jurisdictions of operation” in the Base Prospectus incorporated by reference into this Prospectus. The following section does not describe all of the risks and investment considerations (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. Prospective investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in the Notes, the appropriate resources to analyse such investment (in particular, to evaluate the sensitivity of such investment to changes in economic conditions, interest rate, exchange rate or other indices, and other factors which may have a bearing on the merits and risks of an investment), and the suitability of such investment in such investor's particular circumstances. Words and expressions defined or used in "Conditions of the Notes" shall have the same meaning in this section.

Risks Related to the Structure of the Notes

Claims of Noteholders under the Notes will be unsecured and deeply subordinated

The Notes are direct, unsecured and general obligations of the Issuer. The obligations deriving from the Notes will be direct, unsecured and general obligations of the Issuer and will rank (a) *pari passu* and without any preference among themselves; (b) subordinated in right of payment to the repayment in full of all Senior Obligations; and (c) senior only to Junior Obligations. By virtue of such subordination, payments to a Noteholder will, in the events described in the Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied.

In addition, there is no restriction in the Conditions on the amount of debt which the Issuer may issue or guarantee. A Noteholder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer.

No call shall be made on the callable capital of the Issuer in accordance with the Charter in respect of any obligations of the Issuer deriving from the Notes.

Although subordinated debt securities, such as the Notes, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Notes will lose all or some of their investment. If the Issuer does not have sufficient assets to settle claims in respect of all of its Senior Obligations in full, no payment in respect of the claims of Noteholders will be made and, as a result, Noteholders will lose the entire amount of their investment in the Notes. Similarly, the Notes will share equally in payment among themselves and with claims ranking *pari passu* with the Notes, so if the Issuer does not have sufficient funds to make full payment on all such parity ranking claims, Noteholders will lose some (which may be substantially all) of their investment in the Notes.

Upon the occurrence of a Permanent Write-Down Event, the Notes will be subject to a Permanent Write-Down

Upon the occurrence of a Permanent Write-Down Event, (i) any accrued and unpaid interest in respect of the Notes will be cancelled and no further interest shall accrue or be due and payable on the Notes at any time thereafter; and (ii) the outstanding principal amount of the Notes will be permanently written-down to zero in accordance with Condition 5 (*Permanent Write-Down*). A Permanent Write-Down Event shall not constitute a default by the Issuer under the Notes for any purpose.

A Permanent Write-Down Event will occur if, on any Determination Date or at any other time as determined by the Issuer, the ratio of Total Assets to Paid-in Capital and Reserves exceeds 15.0 to 1.0.

In addition, prospective investors should be aware that any Permanent Write-Down of the Notes will be made without any losses being required to be borne by the Issuers' shareholders in respect of their paid-in shares.

Any Permanent Write-Down of the Notes is in addition to and separate from any mandatory cancellation of interest upon the occurrence of a Trigger Event pursuant to Condition 4.6(b) and could happen independently from (prior to or after) any mandatory cancellation of interest.

From and including a Permanent Write-Down Event, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Notes and the Issuer shall have no further obligations under the Notes. Consequently, there is a real risk that an investor in the Notes will lose all of its investment. Therefore, the occurrence of any such event or any suggestion of such occurrence could materially adversely affect the rights of Noteholders, the market price of investments in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The Permanent Write-Down feature of the Notes may materially and adversely affect the market value of the Notes, even if a Permanent Write-Down Event does not occur. The perception by other Noteholders or potential investors that a Permanent Write-Down Event may occur in the future would reduce the price – if any – at which a potential investor is able to sell the Notes.

The Notes are undated securities with no scheduled maturity. Noteholders have no right to cause the Notes to be redeemed and therefore an investment in the Notes constitutes a financial risk for an indefinite period

The Notes are perpetual securities in respect of which there is no fixed maturity or redemption date. The Issuer is under no obligation to redeem or repurchase the Notes at any time and the Noteholders have no right to call for redemption of the Notes. In addition, upon the occurrence of a Trigger Event, and for so long as that Trigger Event is continuing, the Issuer may not redeem the Notes.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future.

There will be no events of default in respect of the Notes and no cross default under the Notes. Noteholders have no rights in relation to the enforcement of payments on the Notes

There will be no events of default in respect of the Notes. There will be no cross default under the Notes. The Conditions provide that the Notes are perpetual securities and there is, therefore, no obligation on the Issuer to repay the principal on any given date. In addition, payments of interest on the Notes shall be cancelled mandatorily upon the occurrence of a Trigger Event or may be cancelled at the option of the Issuer (in its sole and absolute discretion and for any reason), as set out in Condition 4.6 (*Cancellation of Interest*). Payments of interest on the Notes will also be cancelled in the event of the occurrence of a Permanent Write-Down Event.

Noteholders may institute proceedings against the Issuer if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes), provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it.

Accordingly, the Noteholders have no rights of enforcement in respect of payments under the Notes.

Interest Payment under the Notes shall be cancelled mandatorily upon the occurrence of a Trigger Event or may be cancelled at the option of the Issuer

In accordance with Condition 4.6(b) (*Mandatory Interest Cancellation*), upon the occurrence of a Trigger Event, the Issuer shall cancel any accrued and unpaid interest due on the Interest Payment Date immediately following the relevant Determination Date (being the date on which the Issuer's audited financial statements are published) and on any subsequent Interest Payment Date for so long as that Trigger Event is continuing. In addition, in accordance with Condition 4.6(a) (*Optional Interest Cancellation*), the Issuer may elect, in its sole and absolute discretion and for any reason, to cancel (in whole or in part) any payment of interest which would otherwise be paid on any Interest Payment Date.

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) and, accordingly, such interest (or part thereof) shall not in any such case be due and payable.

Any interest payment so cancelled pursuant to the Conditions shall not constitute a default by the Issuer under the Notes for any purpose and the right of Noteholders to receive the relevant interest payment (or part thereof) in respect of any such interest period will be extinguished. The Issuer will therefore have no obligation to pay any such interest (or part thereof) accrued for any such interest period or to pay any interest thereon. Noteholders shall have no rights to such cancelled interest (or part thereof) or to receive any additional interest or compensation as a result of such cancellation.

Any cancellation of interest payments will be likely to have an adverse effect on the market price of the Notes. In addition, as a result of such interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition. The perception by other Noteholders or potential investors that the Issuer may cancel interest payments (whether mandatorily or optionally) in the future would reduce the price – if any – at which a potential investor is able to sell the Notes.

The Notes may be traded with accrued interest but, under certain circumstances described above, such interest may be cancelled and not paid on the relevant Interest Payment Date

The Notes may trade, and/or prices for the Notes may appear, with accrued interest. If this occurs, purchasers of the Notes in the secondary market will pay a price that includes such accrued interest upon purchase of the Notes. However, if a payment of any interest on any Interest Payment Date is cancelled, as described herein, and thus is not due and payable, purchasers of such Notes will not be entitled to that interest payment on the relevant Interest Payment Date.

The Notes will be subject to optional redemption by the Issuer, including upon the occurrence of certain events

The Notes will be redeemable, at the option of the Issuer, in whole but not in part, on any date during the period commencing on (and including) the date falling three months prior to the next succeeding Reset Date and ending on (and including) such Reset Date (each such date, a “**Redemption Date**”) at their outstanding principal amount together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant Redemption Date.

In addition, the Issuer shall have the option to redeem the Notes, in whole but not in part, following the occurrence of an Accounting Event or a Rating Event (i) at 101 per cent. of their outstanding principal amount at any time until 21 January 2030 and (ii) at any time thereafter at their outstanding principal amount, together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date. The Issuer shall also have the option to redeem the Notes, in whole but not in part, upon the occurrence of a Substantial Repurchase Event at their outstanding principal amount (each as more fully described in Condition 5 (*Redemption, Substitution, Variation and Purchase*)) and in each case together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date. The Issuer may also redeem the Notes, in whole but not in part, at their outstanding principal amount together with interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the date fixed for redemption, in the event of certain changes affecting taxation in any Relevant Jurisdiction.

Moody's or any other rating agency may change, amend or clarify their rating methodology or change their interpretation thereof, all of which could result in the occurrence of a Rating Event and the Issuer having the option to redeem the Notes.

In June 2018, the International Accounting Standards Board (the “IASB”) published the Discussion Paper DP/2018/1 on “Financial Instruments with Characteristics of Equity” (the “DP/2018/1 Paper”), which among other things proposed a new classification approach to clearly articulate the principles for classifying financial instruments (such as hybrid instruments or the Notes) as financial liabilities or equity instruments. Feedback from stakeholders on the DP/2018/1 Paper indicated that IAS 32 *Financial Instruments: Presentation* works well in practice for most financial instruments and that there was no need to fundamentally change its classification principle. As a result of the feedback, the IASB decided not to pursue the proposed classification approach set out in the DP/2018/1 Paper. Instead, the IASB published an Exposure Draft IASB/ED/2023/5 ‘Financial Instruments with Characteristics of Equity (Proposed amendments to IAS 32, IFRS 7 and IAS 1)’ (the “Exposure Draft”) on 29 November 2023. In the Exposure Draft, the IASB decided to focus on clarifying the classification requirements in IAS 32, including their underlying principles to address known practice issues that arise in applying IAS 32. The Exposure Draft also sets out proposals to improve the disclosure and presentation requirements of financial instruments classified as financial liabilities or equity instruments in the financial statements for users/investors to better understand their nature and terms, amounts, extent and timing of risks. The IASB had requested feedback on the Exposure Draft by 29 March 2024 and at its July 2024 meeting, the IASB decided to redeliberate the proposals in the Exposure Draft in the period from the fourth quarter of 2024 to the second quarter of 2026. If the proposals in the Exposure Draft are approved by the IASB in their current form, it would most likely result in new or additional disclosures and presentation in the Issuer’s financial statements, but would not be expected to fundamentally change the classification of the Notes as equity. However, as of the date of this Prospectus, the implementation of the amendments set out in the Exposure Draft or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Notes from an accounting or any other perspective or whether any such change may result in the occurrence of an Accounting Event. In such an event, the Issuer will have the option to redeem, in whole but not in part, the Notes under the Conditions.

During any period when the Issuer may elect to redeem the Notes or it is perceived that there is an actual or increased likelihood that the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, Noteholders have no right to request the redemption of the Notes and should not invest in the Notes in the expectation that the Issuer would exercise its option to redeem the Notes. Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of the exercise of such option to redeem the Notes and prevailing market conditions.

Substitution or Variation of the Notes without Noteholders’ consent

There is a risk that, after the issue of the Notes, an Accounting Event, a Rating Event or a Tax Event may occur which would entitle the Issuer, without any requirement for the consent or approval of the Noteholders, to substitute all, but not some only, of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Deeply Subordinated Notes.

Whilst Qualifying Deeply Subordinated Notes are required to have terms which are not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer), there can be no assurance that the Qualifying Deeply Subordinated Notes will not have a significant adverse impact on the

price of, and/or the market for, the Notes, nor that there will not be any adverse tax consequences for any Noteholders arising from such substitution or variation.

The substitution or variation feature of the Notes may materially and adversely affect the market value of the Notes, even if no substitution or variation of the Notes occurs. The perception by other Noteholders or potential investors that a substitution or variation may occur in the future would reduce the price – if any – at which a potential investor is able to sell the Notes.

No limitation on issuing or guaranteeing debt ranking senior to or pari passu with the Notes

There is no restriction in the Conditions on the amount of debt which the Issuer may issue or guarantee. The Issuer may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness that ranks *pari passu* with or senior to the Notes and having similar or preferential terms to the Notes. The issue of any such securities or the incurrence of any such other liabilities may increase the likelihood of a cancellation of interest payments under the Notes.

The interest rate on Notes will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Notes and the market value of the Notes

Although the Notes will earn interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the “**market interest rate**”) typically changes on a daily basis. Since the rate of interest for the Notes will be reset on the First Reset Date, and on each subsequent Reset Date, the interest payment on the Notes will also change. The interest rate following any Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which would result in the amount of any interest under the Notes being lower than the interest prior to such Reset Date and so could affect the amount of any interest payments under the Notes and the market value of the Notes. As the market interest rate changes, the value of the Notes would typically change in the opposite direction. If the market interest rate increases, the value of the Notes would typically fall, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the value of the Notes would typically increase, until the yield of such Notes is approximately equal to the market interest rate. There can be no assurance regarding the future level of market interest rates.

Following the First Reset Date, interest on the Notes for each Reset Period thereafter shall be at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date, (ii) the Initial Margin and (iii) in respect of the second Reset Period onwards, 1 percentage point, as described in the Conditions. The CMT Rate applicable to such Reset Period is not pre-defined for the lifespan of the Notes. A higher CMT Rate for such Reset Period means a higher interest and, *vice versa*, a lower CMT Rate for such Reset Period means a lower interest. Each reset interest rate is not pre-defined at the date of issue of the Notes. Therefore, the interest rate of the Notes may be different from the interest rate prior to the First Reset Date and any interest payable after the First Reset Date and every Reset Period thereafter may be less than a prior fixed rate, which may adversely affect the yield of the Notes. The Issuer has no control over the factors that may affect U.S. treasury rates, including geopolitical conditions and economic, financial, political, regulatory, judicial or other events that may impact U.S. treasury rates.

The Noteholders should be aware that movements in these market interest rates can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

Noteholders are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Notes. Fluctuations in interest rates could therefore affect the levels of capital gains or losses on the Notes and make it impossible to determine the yield of such securities in advance. During periods of rising interest rates, the prices of the Notes typically tends to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

Historical U.S. treasury rates are not an indication of future U.S. treasury rates

In the past, U.S. treasury rates have experienced significant fluctuations. Noteholders should note that historical levels, fluctuations and trends of U.S. treasury rates are not necessarily indicative of future levels. Any historical upward or downward trend in U.S. treasury rates is not an indication that U.S. treasury rates are more or less likely to increase or decrease at any time after the First Reset Date and you should not take the historical U.S. treasury rates as an indication of future treasury rates.

The Notes have an interest rate after the First Reset Date based on the CMT Rate (in accordance with the definition thereof); if such rate is deemed not to be available, this may adversely affect the value of and return on the Notes

The interest rate applicable to the Notes for each Reset Period, is the sum of (i) the CMT Rate on the relevant Reset Determination Date, (ii) the Initial Margin and (iii) in respect of the second Reset Period onwards, 1 percentage point, as described in the Conditions.

The CMT Rate is the rate determined by the Principal Paying Agent and expressed as a percentage equal to the rate expressed as the weekly average (rounded to the nearest integral multiple of 0.001% (with the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the Bloomberg Screen at the Relevant Time.

If the yield referred to in paragraph (a) of the CMT Rate definition does not appear on the Bloomberg Screen by the Relevant Time, the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years as published in the H.15(519) under the caption “treasury constant maturities (nominal)” at the Relevant Time will apply. If the yield referred to in paragraph (b) of the CMT Rate definition, as described in the Conditions, is not published by the Relevant Time, the Reset Reference Bank Rate will apply.

Any of these alternative methods may result in interest payments that are lower than or do not otherwise correlate over time with the payments that would have been made on the Notes had the yield referred to in paragraph (a) of the CMT Rate definition been available on the Bloomberg Screen at the Relevant Time. Any of the foregoing may have an adverse effect on the value of the Notes.

Risks related to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

The U.S. federal income tax characterisation of the Notes is unclear

There is no direct legal authority as to the proper U.S. federal income tax characterisation of the Notes, and such characterisation is subject to substantial uncertainty. It is reasonable to take the position that the Notes are treated as equity interests in a non-U.S. corporation for U.S. federal income tax purposes, because of the perpetual nature of the Notes, the lack of default rights, the potential for cancellation of interest, and the potential for permanent write-down. It is possible, however, that the Internal Revenue Service (“IRS”) would take the position that the Notes should be treated as debt because the Notes are in the legal form of a debt instrument, have a stated interest, and are issued by a supranational organisation whose membership is comprised of countries, rather than a business organization formed under a domestic law. If the Notes are treated as debt for U.S. federal income tax purposes, U.S. holders, as defined in “— United States Federal Income Taxation—” in “— Taxation—”, may be subject to materially different (and potentially adverse) U.S. federal income tax consequences, including potential phantom income inclusions in circumstances where interest payments on the Notes are delayed or cancelled. See “—Certain U.S. Federal Tax Consequences—” in “— Taxation—”. Prospective investors are urged to consult their tax advisers regarding the proper characterization of the Notes.

If the Issuer is classified as a passive foreign investment company for U.S. federal income tax purposes, U.S. holders of the Issuer's Notes could be subject to potentially significant adverse tax consequences

If the Issuer is classified as a passive foreign investment company (“PFIC”) in any taxable year in which a U.S. holder, holds Notes, such U.S. holder may be subject to significant adverse tax consequences.

The Issuer will be classified as a PFIC in respect of any taxable year in which, after taking into account its income and gross assets (and the income and assets of certain affiliates pursuant to applicable “look-through rules”) either (i) 75 per cent. or more of its gross income consists of certain types of “passive income” or (ii) 50 per cent. or more of the average quarterly value of its assets is attributable to “passive assets” (assets that produce or are held for the production of passive income). Passive income generally includes interest, dividends, rents, certain non-active royalties and capital gains. PFIC status is a factual determination that needs to be made annually after the close of each taxable year, on the basis of the composition of the Issuer’s income and assets, the relative value of its active and passive assets from time to time, and its market capitalisation. For this purpose, certain of the Issuer’s assets are treated as passive even though it holds them in the ordinary course of its business operations.

Although the Issuer has not undertaken to determine whether it is a PFIC, based on the present nature of its activities and the present composition of its assets and sources of income, it is anticipated that there is a substantial likelihood that the Issuer will be a PFIC for the current taxable year and for any future taxable year.

If the Issuer were to be classified as a PFIC, a U.S. holder may incur significantly increased U.S. income tax on gain recognized on the sale or other disposition of the Issuer’s Notes and on the receipt of distributions on the Notes to the extent such distribution is treated as an “excess distribution” under the U.S. federal income tax rules. The U.S. holder may be able to elect to be subject to different treatment, which may be more favourable, if it makes a “mark-to-market” election. Additionally, if the Issuer were to be or become classified as a PFIC, a U.S. holder of its Notes may be subject to additional U.S. tax form filing requirements, and the statute of limitations for collections may be suspended if the U.S. Holder does not file the appropriate form. See “— Certain U.S. Federal Tax Consequences —” in “— Taxation—”.

The Notes are not guaranteed by any sovereign entity or agency.

Although established by treaty between its Member Countries, the Issuer is a legal entity separate from both the governments of its members and the agencies of such governments. Therefore, the principal of the Notes, and interest due or to become due in respect of the Notes, constitute obligations solely of the Issuer and do not constitute the obligation of, nor are they guaranteed or insured by, any Member Country or sovereign entity or agency thereof. Noteholders will not have recourse to any one sovereign or Member Country, to enforce judgments against the Issuer.

Emerging markets are subject to greater risks than more developed markets and financial turmoil in any emerging market could cause the price of the Notes to decrease.

Investing in securities of issuers in emerging markets generally involves a higher degree of risk than investments in securities of corporate or sovereign issuers from more developed countries and carries risks that are not typically associated with investing in more mature markets, including in some cases significant economic risks. Investors should note that emerging markets are subject to rapid change and that the information set out in or incorporated by reference into this Prospectus may become outdated relatively quickly. All Member Countries are emerging market economies, and as such investors should consider the risks mentioned below before investing in the Notes. Accordingly, investors should exercise care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisers before making an investment in the Notes.

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to vote upon matters affecting their interests generally or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority. As a result, such binding decisions made by majorities of Noteholders may be adverse to the interests of potential investors.

The Conditions provide that the Issuer and the Trustee may agree, without the consent of Noteholders, to any modification of the Conditions or to any modification of, waiver or authorisation of any breach or proposed breach of or on any failure to comply with, the Trust Deed, which is not, in the reasonable opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

The Issuer may create and issue further Notes

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes, having terms and conditions that are the same as those of the Notes, or the same except for the amount of the first payment of interest, which new Notes may be consolidated and form a single series with the outstanding Notes even if doing so may adversely affect the value of the original Notes.

As the Global Notes are held by or on behalf of DTC, Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented on issue by one or more Global Notes. Such Global Notes will be deposited with either (a) a custodian for, and registered in the name of a nominee of, DTC or (b) a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive notes. DTC, Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through DTC, Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system to receive payments under the Notes. The Issuer shall have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes

The denominations of the Notes are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount of less than U.S.\$200,000 would need to purchase an amount of Notes such that it holds an amount equal to at least U.S.\$200,000 to be able to trade such Notes.

Noteholders should be aware that Notes which have a denomination that is not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The market value of the Notes may be influenced by unpredictable factors. There is no established trading market for the Notes and one may not develop

In addition to the Issuer's own creditworthiness, many factors, most of which are beyond the Issuer's control, will influence the value of the Notes and the price, if any, at which securities dealers may be willing to purchase or sell the Notes in the secondary market, including economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the financial markets generally. The Notes are novel instruments as debt securities with deep subordination features similar to the terms of the Notes have never been issued by a multilateral development bank. Therefore, the Notes will have no established trading market when issued or otherwise, and one may never develop. If a market does develop, it may not be very liquid, and it may perform differently from the market for deeply subordinated debt securities issued by commercial financial institutions and corporations. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market or to obtain a price equal to the principal amount of the Notes or a price equal to the price that they paid for the Notes, and may consequently suffer from increased pricing volatility and market risk. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. As such, if a market does develop, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

Furthermore, an anchor investor has provided commitment of U.S.\$150 million in connection with the offering. See "*Subscription and Sale and Transfer and Selling Restrictions—Anchor Commitments.*" Allocation to this investor may result in trading in the Notes being less liquid than would otherwise be the case, and may also affect the prices of the Notes in the secondary market, particularly if this investor elect to sell all or a substantial portion of its position in the Notes. Furthermore, this investor may vote in a manner that is adverse to other Noteholders.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

Moody's has assigned a credit rating to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a statement as to the likelihood or not of any cancellation of interest on the

Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, rating agencies may assign unsolicited ratings to the Notes. In such circumstances, there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In addition, Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

It may be difficult to effect service of legal process and enforce judgments obtained in Member Countries against the Issuer and its officers.

Under its Establishment Agreement, the Issuer enjoys immunity from every legal process, subject to certain important exceptions. The exceptions comprise cases arising out of or in connection with the exercise of its powers to borrow money, to guarantee obligations, or to buy and sell or underwrite the sale of securities. In such cases actions may be brought against the Issuer in a court of competent jurisdiction in the territory of the Member Country in which the Issuer has its headquarters or in any country where the Issuer has appointed an agent for the purpose of accepting service or notice of process or has issued or guaranteed securities or by arbitration proceedings. See "*Service of Process and Enforcement of Civil Liabilities*".

The Establishment Agreement also provides that no judgment or award other than a final judgment or award may be enforced against the Issuer and all property and assets of the Issuer shall, wherever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final

judgment against the Issuer. The effectiveness of these provisions of the Establishment Agreement in any other country except in the Member Countries, would be a question of the laws of the relevant country.

The Notes and the Trust Deed are governed by the laws of England, and the Issuer has agreed in the Trust Deed that disputes arising thereunder or in respect of the Notes shall be referred to and finally resolved solely by arbitration in accordance with the Rules of the London Court of International Arbitration. The Issuer has not submitted to the jurisdiction of the courts in any other jurisdiction.

Most of the members of the Issuer's Executive Committee (the “EXCO”) and Board of Directors are residents of a Member Country. A substantial portion of the assets of the Issuer and most of such persons are located in the Member Countries. As a result, it may not be possible to effect service of process upon the Issuer or any such person outside the Member Countries to enforce against any of them, in courts of jurisdictions other than the Member Countries, judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or to enforce against any of them, in the courts of the Member Countries, judgments obtained in jurisdictions other than the Member Countries, including judgments obtained on the Trust Deed in the courts of England.

In the Conditions of the Notes, the Issuer agrees that any documents required to be served in relation to any proceedings arising from or connected with the Notes may be served on it by being delivered to its agent for the service of process, Law Debenture Corporate Services Limited. The Issuer's headquarters are located in Lagos, Nigeria.

Return on an investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in any Notes will be affected by the level of fees charged by an agent, nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest and principal. Potential investors are, therefore, advised to investigate the basis on which any such fees will be charged on the relevant Notes.

Legal investment considerations

Investors should consult their own legal advisors in determining whether and to what extent Notes constitute legal investments for such investors and whether and to what extent Notes can be used as collateral for Various types of borrowings. In addition, financial institutions should consult their legal advisors or regulators in determining the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Investors whose investment activities are subject to investment laws and regulations or to review or Regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include Notes. Investors should review and consider such restrictions prior to investing in Notes.

U.S. securities laws may restrict the transfer of Notes

The Issuer is offering the Notes in reliance upon exemptions from registration under the Securities Act and applicable state securities laws. Therefore, the Notes may be transferred or resold only in transactions registered under, exempt from or not subject to the registration requirements of the Securities Act and all applicable state securities laws. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

Volcker Rule

The Issuer is relying on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder and therefore is a “covered fund” under the Volcker Rule, which may negatively affect the liquidity and the value of the Notes. Section 619 of the Volcker Rule generally prohibits covered banking entities and other entities subject to the Volcker Rule from, among other things, acquiring or retaining an “ownership interest” in a “covered fund” (each as defined for the purposes of the Volcker Rule).

The Volcker Rule includes as a “covered fund” any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. As the Issuer is relying on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder, unless the Issuer qualifies for an exemption under the Volcker Rule, it will be considered to be a covered fund. The Issuer does not currently intend to seek to qualify for any exemption to the Volcker Rule. There is no assurance that the Issuer will seek such an exemption in the future or that, if the Issuer did so, it would be successful. As the Issuer is a “covered fund” subject to the Volcker Rule, covered banking entities and other entities subject to the Volcker Rule would be restricted from acquiring and retaining any interests in the Issuer that qualify as “ownership interests” under the Volcker Rule. Limitations on the ability of banking entities to purchase or retain the Notes if they were deemed to be “ownership interests” for purposes of the Volcker Rule could, depending on market conditions, significantly and negatively affect the liquidity and market value of the Notes.

While the Issuer does not believe that an investment in the Notes would constitute acquiring or retaining an ownership interest in a “covered fund”, each investor in the Notes must make its own determination as to whether the investor is a covered banking entity or otherwise subject to the Volcker Rule, whether the Issuer is a “covered fund” under the Volcker Rule, whether its investment in the Notes would or could in the future be restricted or prohibited by any provisions of the Volcker Rule, and the potential impact of the Volcker Rule on its investment, any marketability or liquidity in connection therewith and on its portfolio generally. The Volcker Rule and interpretations thereunder are still uncertain, may restrict or discourage the acquisition of Notes by covered banking entities, and may adversely affect the marketability or liquidity of the Notes. Investors in the Notes are responsible for analysing their own regulatory positions, and none of the Issuer, the Joint Bookrunners, the Trustee or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer or to such investor’s investment in the Notes on the Issue Date or at any time in the future.

RECENT DEVELOPMENTS

Key recent developments occurring after 30 September 2024 include the following:

U.S.\$500 million bond issuance

In October 2024, the Issuer completed the issuance of U.S.\$500 million senior notes under its U.S.\$5 billion global medium term note programme pursuant to the Base Prospectus. The maturity date for the notes is 8 October 2029.

U.S.\$300 million syndicated term loan financing

In November 2024, the Issuer entered into a U.S.\$300 million syndicated loan facility with a consortium of lenders including Bank of Africa UK PLC, State Bank of India, Canara Bank, Bank of India, Indian Bank, UCO Bank, SBI (Mauritius) and Indian Overseas Bank. The Issuer aims to use funds raised from this syndicated loan facility to support projects across Africa.

U.S.\$500 million bilateral term loan financing

In December 2024, the Issuer entered into a U.S.\$500 million bilateral loan facility with a commercial bank. The Issuer aims to use funds raised from this facility for general corporate purposes in accordance with the Establishment Agreement and the Charter.

U.S.\$750 million syndicated term loan financing

In December 2024, the Issuer entered into a U.S.\$750 million syndicated loan facility with a consortium of lenders. The Issuer aims to use funds raised from this facility for general corporate purposes in accordance with the Establishment Agreement and the Charter.

Comoros became a Member State

In December 2024, the Union of Comoros became the 44th Member State of the Issuer.

Equity Investments in the Issuer

In December 2024, County Pension Fund (CPF) Financial Services increased its investment in the Issuer to U.S.\$4 million from U.S.\$2 million in June 2024 and in November 2024, Public Service Superannuation Fund made a U.S.\$20 million equity investment in the Issuer. As of 24 December 2024, the Issuer had raised additional equity investments totalling U.S.\$146.6 million during the fiscal year 2024, comprising of U.S.\$49.8 million from Kenya through the National Social Security Fund, Board of Trustees (Kenya), U.S.\$35 million from Total Energies Closed Pension Fund, U.S.\$20 million from the Public Service Superannuation Fund, US\$20 million from the Angola Sovereign Wealth Fund; U.S.\$5 million from Zimbabwe through the Reserve Bank of Zimbabwe (U.S.\$1 million of paid-up capital and US\$4 million of callable capital); US\$5 million from RawBank S.A, DRC, U.S.\$4 million from CPF Financial Services; U.S.\$3.8 million from the Kenya National Treasury and U.S.\$4 million from dividend reinvestments by existing shareholders.

In December 2024, the board of directors of the African Development Bank (an existing shareholder of the Issuer) approved a U.S.\$30 million equity investment in the Issuer in connection with the rollout of the Issuer's green shares programme aimed at mobilising resources for climate action projects in Africa. This transaction is expected to be completed in the first quarter of 2025.

Publication of the September 2024 Interim Financial Statements

In December 2024, the Issuer published the September 2024 Interim Financial Statements. The following information has been extracted without material adjustment from the Issuer's September 2024 Interim Financial Statements.

Statement of Financial Position Information

	As at 30 September 2024	As at 31 December 2023
	(U.S.\$'000)	
Assets:		
Cash and balances with banks.....	34,360	6,711
Loans and advances to banks.....	2,571,128	1,371,103
Derivative financial instruments.....	198,265	263,583
Loans and advances to other customers.....	5,454,395	4,283,292
Financial assets at fair value through profit or loss ...	1,603,369	1,601,402
Investment securities.....	1,894,319	3,783,322
Pledged assets.....	458,162	521,039
Other assets.....	44,476	30,685
Property and equipment.....	3,324	5,087
Intangible assets.....	158	200
Non-current assets held for sale.....	458,395	478,713
Total assets	12,720,351	12,345,137
Liabilities:		
Accrued expenses and other liabilities.....	262,650	188,576
Derivative financial instruments.....	101,017	128,914
Borrowings.....	8,306,654	8,324,483
Liabilities directly associated with the assets held for sale.....	282,568	282,472
Total liabilities	8,952,889	8,924,445
Equity		
Share capital.....	1,572,063	1,537,719
Share premium.....	464,710	423,675
Share warrants.....	200,000	200,000
Retained earnings.....	1,552,969	1,286,318
Fair value reserves.....	(22,280)	(27,020)
Total equity	3,767,462	3,420,692
Total liabilities and equity	12,720,351	12,345,137

Statement of Profit or Loss and other Comprehensive Income Information

	For the nine months ended 30 September	
	2024	2023
	(U.S.\$'000)	
Interest income.....	796,952	555,348
Interest expense.....	(327,563)	(261,980)
Net interest income	469,389	293,368
Credit risk insurance.....	(15,961)	(15,099)
Dividend income.....	13,172	9,609
Fees, commissions and other income.....	78,609	40,449
Operating income	545,209	328,327
Net gain/loss on financial instruments at fair value through profit or loss	(50,324)	1,014
Net impairment charge on financial assets.....	(47,304)	(50,993)
Gain on sale of financial assets.....	2,199	17,721
Operating expenses.....	(75,807)	(65,201)
Profit for the period from continuing operations	373,973	230,868
(Loss)/profit for the period from discontinued operations.....	(19,984)	(17,974)
Profit for the period	353,986	212,894
Other comprehensive income		
Items that will not be reclassified to profit or loss:		

	For the nine months ended 30 September	
	2024	2023
	(U.S.\$'000)	
Net changes on FVOCI financial assets (equity instruments)	4,740	2,801
Remeasurement of defined benefit liability		
Items that are or may be reclassified to profit or loss:		
Other comprehensive income / loss	4,740	2,801
Total Comprehensive Income for the period	358,729	215,695
Profit for the period is attributable to:		
Owners of the Parent:	353,989	212,894
Profit for the period	353,986	212,935
Total comprehensive income for the period		
Earnings per share - continuing operations (United States cents)	24.15	17.07
Earnings per share - discontinued operations (United States cents)	(1.29)	(1.33)
Earnings per share - Basic/diluted (United States cents)	22.86	15.74

Consolidated Statement of Cash Flow Information

	For the nine months ended 30 September	
	2024	2023
	(U.S.\$'000)	
Net cash flows from operating activities	(660,455)	(307,376)
Net cash flows from investing activities	(158,797)	(374,913)
Net cash from (used in) financing activities	(56,140)	78,397
Net increase in cash and cash equivalents	(875,392)	(603,892)
Cash and cash equivalents at 30 September	2,616,479	2,391,214

Key ratios

	For the nine months ended 30 September	
	2024	2023
	(%)	
Profitability ratios:		
Return on average assets ⁽¹⁾	3.8	2.0
Return on average equity ⁽²⁾	13.1	7.4
Net interest margin ⁽³⁾	6.1	4.5
Cost-to-income ratio ⁽⁴⁾	15.3	18.8
Earning assets to total assets ratio ⁽⁵⁾	94.5	91.1
Impaired assets to total asset ratio ⁽⁶⁾	1.0	1.1
Non-performing loans ratio ⁽⁷⁾	1.5	2.2
Capital adequacy ratios:		
Basel II ratio ⁽⁸⁾	32.6	33.5
Liquidity coverage ratio ⁽⁹⁾	162	142

⁽¹⁾ Return on average assets is calculated as the Issuer's net profit for the year/period attributable to equity holders of the Issuer *divided by* the average of opening and closing balances of its total assets for the relevant year/period. The Issuer targets a return on average assets of 4%.

⁽²⁾ Return on average equity is calculated as the Issuer's net profit for the year/period attributable to equity holders of the Issuer *divided by* the average of opening and closing balances of equity attributable to equity holders of the Issuer. The Issuer targets a return on average equity of 8%.

⁽³⁾ Net interest margin is calculated as interest income earned less interest expense accrued, divided by the Issuer's average interest-earning assets for the period.

⁽⁴⁾ Cost to income ratio is calculated as operating expenses *divided by* operating income *plus* net gains on financial instruments at fair value through profit or loss for the applicable period *plus* gain on sale of financial assets.

⁽⁵⁾ Earning assets to total assets ratio is calculated as total assets *minus* other assets, derivative financial instruments, property and equipment, intangible assets *divided by* total assets. The Issuer targets an earning assets to total assets ratio of greater than 95%.

⁽⁶⁾ Impaired assets to total assets ratio is calculated as the net carrying value of the Issuer's credit-impaired loans *divided by* total assets.

⁽⁷⁾ Non-performing loans ratio is calculated as the gross value of the Issuer's credit-impaired loans and advances to customers as at 30 June, 30 September or 31 December *divided by* the total gross value of the Issuer's loan portfolio. "Credit-impaired loans" are loans for which there is objective evidence that one or more events have occurred that have had or are expected to have a detrimental impact on the estimated future cash flows of the financial asset. Such events might include (i) significant financial difficulty of the borrower or issuer; (ii) a breach of contract such as a default or past due event; (iii) the restructuring of a loan or advance by the Issuer on terms that the Issuer would not consider otherwise; (iv) increased likelihood that the borrower will enter bankruptcy or other financial reorganisation; or (v) the disappearance of an active market for a security because of financial difficulties. There was no material change in the Issuer's non-performing loans portfolio as of 30 September 2024 compared to 30 June 2024.

(8) Basel II ratio is calculated as the Issuer's total risk capital to its risk weighted assets.

(9) Liquidity coverage ratio is calculated as the Issuer's stock of high-quality liquid assets as a proportion of its minimum liquidity level. See note 3.3 to the September 2024 Interim Financial Statements.

Capitalisation and Indebtedness

The table below sets out the Issuer's capitalisation and indebtedness as at 30 September 2024. The information in this table should be read in conjunction with the September 2024 Interim Financial Statements and the notes to those statements included elsewhere and incorporated by reference in this Prospectus.

	As at 30 September 2024
	<i>(U.S.\$'000)</i>
Borrowings:	
Short term borrowings ⁽¹⁾	1,447,557
Medium term and long-term borrowings	6,859,097
Total borrowings	8,306,654
Equity:	
Share capital	1,572,063
Share premium	464,710
Share warrants	200,000
Retained earnings	1,552,969
Fair value reserves	(22,280)
Total equity	3,767,462
Total capitalisation⁽²⁾	12,074,116

(1) Includes interest payments and principal repayments which fall due within one year.

(2) Total capitalisation is the sum of total borrowings and total equity.

Loans by Sector

The following table sets forth, as at 30 September 2024, the total amounts of outstanding loans made by the Issuer by industry to borrowers.

	As at 30 September 2024		
	<i>Number</i>	<i>US\$'000</i>	<i>(%)</i>
Natural Resources:			
Oil and gas (upstream)	12	664	8.1
Oil and gas (downstream)	0	-	0.0
Mining	10	376	4.6
Financial Institutions ⁽¹⁾	38	3,387	41.2
Heavy Industries and Telecommunications	15	1,066	13.0
Power	12	871	10.6
Transport	10	839	10.2
Others ⁽²⁾	7	1,017	12.4
Total	104	8,220	100.0

(1) Includes inter-bank (short-term) money market placements that are not part of the Issuer's core investment assets.

(2) Includes sovereign and commodity finance.

Loans by Geography

The following table sets forth, as at 30 September 2024, the total amount of loans made by the Issuer by country.

	As at 30 September 2024		
	Number	US\$'000	(%)
Angola	3	331	4.0
Botswana	1	41	0.5
Cameroon	2	84	1.0
Chad	1	19	0.2
Côte d'Ivoire	3	553	6.7
DRC	4	176	2.1
Egypt	7	777	9.5
France	2	380	4.6
Gabon	1	129	1.6
Germany	1	30	0.4
Ghana	4	179	2.2
Guinea-Conakry	5	106	1.3
Japan	3	320	3.9
Kenya	1	6	0.1
Kuwait	1	150	1.8
Liberia	1	43	0.5
Mauritania	1	180	2.2
Mauritius	2	61	0.7
Mozambique	1	47	0.6
Nigeria	30	2,092	25.5
Republic of Congo	1	14	0.2
Rwanda	1	143	1.7
Senegal	4	521	6.3
Sierra Leone	2	69	0.8
South Africa	5	644	7.8
Tanzania	1	51	0.6
Togo	3	328	4.0
Tunisia	1	45	0.5
Uganda	1	5	0.1
United Arab Emirates	1	101	1.2
United Kingdom	4	500	6.1
United States of America	2	55	0.7
Various ⁽¹⁾	4	38	0.5
Total	104	8,220	100

(1) Includes loans made to three investments companies with operations that are spread across a number of different countries.

Results of Operations

The below financial information and discussion and analysis thereof is based on information derived from the September 2024 Financial Statements.

Interest Income

The following table sets forth the Issuer's interest income for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	(U.S.\$'000)	
Loans and advances to other customers	402,059	311,229
Loans and advances to banks	126,657	93,761
Financial assets at FVTPL	13,403	18,003
Investment securities:		
Financial assets at amortised cost	254,833	132,355
Total	796,952	555,348

Interest income was U.S.\$796.95 million for the nine months ended 30 September 2024, an increase of U.S.\$241.6 million, or 43.5%, from U.S.\$555.35 million for the nine months ended 30 September 2023. Interest income increased mainly as a result of a 27.7% increase in income from loans and advances to other customers, a 35.1% increase in loans and advances to banks and a 92.5% increase in income from investment securities. Interest income on loans and advances to other customers increased mainly as a result of a 29.1% corresponding increase in the loans to customers portfolio and an increase in the average interest rate to 10.5% for the period ended 30 September 2024 from 10.1% for the period ended 30 September 2023. Interest income on loans and advances to banks increased largely as a result of the U.S.\$1.5 billion or 147.6% increase in the balances and an increase in the average interest rate to 6.5% for the period ended 30 September 2024 from 5.6% for the period ended 30 September 2023. The growth in interest income from investment securities was mainly the result of an increase in the average interest rate to 14.8% for the period ended 30 September 2024 from 8.6% for the period ended 30 September 2023 and an increase in the average balance of US\$237.3 million or 11.5%.

Interest Expense

The following table sets forth the Issuer's interest expense for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	<i>(U.S.\$'000)</i>	
Borrowings from financial institutions	243,005	169,849
Corporate bonds	84,558	92,131
Total	327,563	261,980

Interest expense was U.S.\$327.56 million for the nine months ended 30 September 2024, an increase of U.S.\$65.58 million, or 25.03%, from U.S.\$261.98 million for the nine months period ended 30 September 2023. Interest expense increased mainly as a result of the Issuer's higher cost of funding (its cost of funding increased to 6.1% in the period ended 30 September 2024 from 4.5% in the period ended 30 September 2023) and increased borrowing by 10.4% or U.S.\$779.4 million in the period ended 30 September 2024.

Net Interest Income

As a result of the foregoing, net interest income was U.S.\$469.39 million for the nine months ended 30 September 2024, an increase of U.S.\$176.02 million, or 60.0%, from U.S.\$293.37 million for the nine months ended 30 September 2023.

Credit Risk Insurance

Credit risk insurance for the nine months ended 30 September 2024 was U.S.\$15.96 million, an increase of U.S.\$0.86 million or 5.71%, as compared to U.S.\$15.10 million for the nine months ended 30 September 2023, primarily due to an increase in the amount of risk assets insured by the Issuer during the period as the underlying loans continue to amortise.

Dividend Income

The following table sets forth the Issuer's dividend income for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	<i>(U.S.\$'000)</i>	
Equity securities at FVOCI	2,415	-
Equity securities at FVTPL	10,757	9,609
Total	13,172	9,609

Dividend income was U.S.\$13.17 million for the nine months ended 30 September 2024, an increase of U.S.\$3.56 million, or 37.08%, as compared to U.S.\$9.61 million for the nine months ended 30 September 2023. This increase in dividend income was mainly a result of the U.S.\$4.2 million dividend payment received by the Issuer from the Infrastructure Credit Guarantee Company Limited during the nine months ended 30 September 2024, which was partially offset by the lower dividends paid by other investee companies.

Fees, Commissions and Other Income

The following table sets forth the Issuer's fees, commissions and other income for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	<i>(U.S.\$'000)</i>	
Risk participation and commitment fees	44,873	16,198
Advisory and structuring fees	18,645	17,622
Facility and other fees	11,320	6,629
Development fees	3,771	-
Total	78,609	40,449

Fees, commissions and other income was U.S.\$78.61 million for the nine months ended 30 September 2024, an increase of U.S.\$38.16 million, or 94.34%, as compared to U.S.\$40.45 million for the nine months ended 30 September 2023. The increase was mainly a result of a 177% increase in risk participation and commitment fees, a 70.7% increase in facility and other fees and a 100% increase in development fees. Risk participation and commitment fees increased mainly as a result of fees earned from the Bank of Industry Limited for providing a guarantee and the National Bank of Egypt on unfunded risk participation and letter of credit services. Facility and other fees increased mainly as a result of a loan prepayment penalty from Société Concessionnaire du Pont Riviera-Marcory amounting to U.S.\$3.2 million while development fees increased as a result of the U.S.\$3.8 million development fee earned from Cenpower Generation Company.

Operating Income

Operating income was U.S.\$545.21 million for the nine months ended 30 September 2024, an increase of U.S.\$216.88 million, or 66.06%, from U.S.\$328.33 million for the nine months ended 30 September 2023. This increase was primarily driven by an increase of U.S.\$241.6 million, or 43.5%, in interest income and an increase of U.S.\$3.56 million, or 37.08%, in dividend income for the nine months ended 30 September 2024.

Net gain/(loss) on financial instruments at fair value through profit or loss

The following table sets forth the Issuer's net gains on financial instruments for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	<i>(U.S.\$'000)</i>	
Equity investments	11,054	4,067
Hybrid instruments	(359)	(8,941)
Assets under management	1,310	499
Derivatives held for risk management purposes:		
Interest rate	4,755	5,950
Cross currency swap	662,860	659,759
Foreign exchange	(729,944)	(660,320)
Total	(50,324)	1,014

There was a net loss on financial instruments at fair value through profit or loss of U.S.\$50.32 million for the nine months ended 30 September 2024, compared to a gain of U.S.\$1,014.0 million for the nine months ended 30 September 2023, primarily due to an increase of U.S.\$69.62 million, or 10.54%, in foreign exchange losses recorded in the nine months ended 30 September 2024 as compared to the corresponding period in 2023, which was partly offset by an increase of U.S.\$6.99 million in gains recorded on valuation of equity instruments carried at FVTPL and an increase of U.S.\$3.10 million in gains recorded from cross currency swap arrangements.

Impairment charge on financial assets

Impairment charges on financial assets decreased by U.S.\$3.69 million, or 7.23%, to U.S.\$47.30 million for the nine months ended 30 September 2024 from U.S.\$50.99 million for the corresponding period in 2023, primarily due to a decrease in the impairment charges on pledged assets which was partially offset by an increase in impairment charges on other financial assets.

Gains/losses on sale of financial assets

Gain on disposal of financial assets decreased by U.S.\$15.52 million, or 87.59%, to U.S.\$2.19 million for the nine months ended 30 September 2024 from U.S.\$17.72 million for the nine months ended 30 September 2023, primarily due to no income realized from the sale of equity securities for the nine months ended 30 September 2024 compared to U.S.\$4.50 million in the corresponding period in 2023 and a decrease of U.S.\$11.02 million in income realized from sale of debt securities due to fewer sales of debt securities during the nine months ended 30 September 2024.

Operating Expenses

The following table sets forth the Issuer's operating expenses for the nine months ended 30 September 2024 as compared to the nine months ended 30 September 2023.

	For the nine months ended 30 September	
	2024	2023
	<i>(U.S.\$'000)</i>	
Staff cost:		
Wages and salaries	50,848	45,978
Post-employment benefits	2,405	1,424
Other employee benefits	3,064	1,871
Other operating expenses:		
- Rent, rates and utilities	171	200
- Insurance	347	347
- Advertising and business promotion	2,874	2,599
- Auditor's remuneration	379	215
- Communication	1,293	935
- Travel	642	574
- Board expenses, including directors' fees	3,264	1,972
- Training, seminars and conferences	1,685	987
- Repairs and maintenance	55	62
- Project and other transaction fees	569	1,806
- Consultancy fees	3,973	1,453
- Other expenses	2,017	2,155
- Depreciation and amortisation	2,221	2,623
Total	75,807	65,201

Operating expenses increased by U.S.\$10.61 million, or 16.28%, to U.S.\$75.81 million for the nine months ended 30 September 2024 from U.S.\$65.20 million for the nine months ended 30 September 2023. This increase was primarily driven by an increase in employee and management related expenses as well as costs related to consultancy services. Employee related expenses increased mainly a result of the recruitment of 11 new employees, the promotion of 29 employees and the full year impact of the salaries of employees recruited towards the end of 2023. Cost to income ratio remained steady at 15.3%, well within the Issuer's prudential target.

Profit/loss from discontinued operations

Loss from discontinued operations was U.S.\$19.98 million for the nine months ended 30 September 2024 compared to a loss of U.S.\$17.97 for the same period in 2023. This increase was primarily due to the increase in operating expenses of Pecan Energy Investment Limited, an asset held for sale.

Profit for the period

Profit for the period increased by U.S.\$141.08 million, or 66.27%, to U.S.\$353.99 million for the nine months ended 30 September 2024, compared to U.S.\$212.94 million for the corresponding period in 2023, primarily due to an increase of U.S.\$216.88 million in operating income. This increase was partially offset by an increase in interest expenses of U.S.\$65.58 million, or 25.03%, and an increase in operating expenses of U.S.\$10.61 million, or 16.28% for the nine months ended 30 September 2024.

Net changes on FVOCI financial assets (equity instruments)

Net changes on FVOCI financial assets (equity instruments) were U.S.\$4.74 million for the nine months ended 30 September 2024, an increase of U.S.\$1.94 million, or 69.23%, as compared to U.S.\$2.80 million for the

nine months ended 30 September 2023. This increase was primarily due to the positive market outlook for the investments carried at FVOCI during the nine months ended 30 September 2024 resulting in a higher valuation.

Total Comprehensive Income for the period

As a result of the foregoing, total comprehensive income for the period was U.S.\$358.73 million for the nine months ended 30 September 2024, an increase of U.S.\$143.03 million, or 66.31%, compared to U.S.\$215.70 million for the nine months ended 30 September 2023.

Cash Flows

Net cash used in operating activities in the nine months ended 30 September 2024 amounted to U.S.\$660.46 million compared to U.S.\$307.38 million in the nine months ended 30 September 2023. This variation was primarily due to a lower amount of debt securities and financial assets at fair value through profit or loss purchased which was not sufficiently offset by cash inflows from other investing activities.

Net cash used in investing activities in the nine months ended 30 September 2024 amounted to U.S.\$158.80 million compared to U.S.\$374.91 million for the nine months ended 30 September 2023. This variation was primarily due to a lower amount of debt securities and financial assets at fair value through profit or loss purchased which was not sufficiently offset by cash inflows from other investing activities.

Net cash used in financing activities in the nine months ended 30 September 2024 was U.S.\$56.14 million compared to a net cash inflow of U.S.\$78.40 million from financing activities in the nine months ended 30 September 2023. This variation was primarily due to an increase in the amount of borrowings repaid during the period and a decrease in the proceeds of share issues which was not sufficiently offset by cash inflows from other financing activities.

Financial Condition

The below financial information and discussion and analysis thereof is based on information derived from the September 2024 Interim Financial Statements.

Cash and balances with banks

The following table sets forth the Issuer's cash and balances with banks as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	<i>US\$'000</i>	
Cash in hand.....	29	30
Balances with commercial banks.....	34,331	6,681
Total	34,360	6,711

As at 30 September 2024, cash and balances with banks were U.S.\$34.36 million, an increase of U.S.\$27.65 million, or 411.99%, from U.S.\$6.7 million as at 31 December 2023. This increase was primarily due to an increase in balances held with commercial banks as a result of funds received after the cut-off for investment as at 30 September 2024.

Loans and advances to banks

The following table sets forth the Issuer's loans and advances to banks as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	US\$'000	
Placement with banks.....	2,582,119	1,376,627
Impairment	(10,991)	(5,524)
Total	2,571,128	1,371,103

As at 30 September 2024, loans and advances to banks increased by U.S.\$1,200.03 million, or 87.52%, to U.S.\$2,571.13 million compared to U.S.\$1,371.1 million as at 31 December 2023. This increase was primarily due to the maturity of the investment in U.S. Treasuries at the end of the period.

Financial assets at fair value through profit or loss

The following table sets forth the Issuer's financial assets at fair value through profit or loss as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	US\$'000	
Designated at initial recognition		
Debt securities ⁽¹⁾	160,045	307,132
Equity securities.....	1,419,766	1,272,022
Assets under management ⁽²⁾	23,558	22,248
Total	1,603,369	1,601,402

- (1) Debt securities include hybrid instruments and other debt securities at fair value through profit or loss. The hybrid instruments include a conversion option which results in no closely related risks inherent in the host contract. The Issuer therefore designated the instrument as financial asset at fair value through profit or loss.
- (2) Assets under management represent funds that are managed by a third-party investment company on a discretionary basis. The portfolio comprises of marketable debt securities with observable prices and is managed on a fair value basis.

As at 30 September 2024, financial assets at fair value through profit or loss were U.S.\$1,603.37 million, an increase of U.S.\$1.97 million, or 0.12%, from U.S.\$1,601.40 million as at 31 December 2023. This increase was primarily due to the fair value gains of US\$11.05 million recorded on equity securities measured at fair value, which was partially offset by the repayments on debt securities measured at fair value.

Loans and advances to other customers

The following table sets forth the Issuer's loans and advances to other customers as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	US\$'000	
Project finance loans	4,360,968	3,804,129
Advances under trade finance	1,360,392	714,440
	5,721,360	4,518,569
Impairment allowance:		
- Project finance	(227,544)	(211,018)
- Trade finance	(39,421)	(24,259)
	(266,965)	(235,277)
Total	5,454,395	4,283,292

As at 30 September 2024, loans and advances to other customers were U.S.\$5,454.39 million, an increase of U.S.\$1,171.10 million, or 0.27%, from U.S.\$4,283.29 million as at 31 December 2023, primarily due to an increase disbursements to project finance assets across Africa and trade financing as at 30 September 2024, which was slightly offset by the repayment of loans during the nine months ended 30 September 2024.

Investment securities

The following table sets forth the Issuer's investment securities as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	<i>US\$'000</i>	
Debt securities:		
Corporate debt securities – at amortised cost.....	439,476	418,684
Sovereign debt securities – at amortised cost.....	1,464,298	3,374,482
Corporate debt securities – at FVOCI	<u>1,903,774</u>	<u>3,793,166</u>
Allowance for impairment	(51,174)	(46,824)
Equity securities-unlisted at FVOCI	<u>41,719</u>	<u>36,980</u>
Total	<u>1,894,319</u>	<u>3,783,322</u>

As at 30 September 2024, investment securities were U.S.\$1,894.32 million, a decrease of U.S.\$1,889.0 million, or 49.93%, from U.S.\$3,783.3 million as at 31 December 2023. This decrease was primarily due to a reduction in sovereign debt securities held by the Issuer as at 30 September 2024 compared to 31 December 2023.

Pledged assets

The following table sets forth the Issuer's pledged assets as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	<i>US\$000</i>	
Debt securities:		
Corporate debt securities – at amortised cost.....	337,811	348,583
Sovereign debt securities – at amortised cost.....	<u>132,310</u>	<u>187,876</u>
	<u>470,121</u>	<u>536,459</u>
Allowance for impairment	(11,959)	(15,420)
Total	<u>458,162</u>	<u>521,039</u>

As at 30 September 2024, pledged assets were U.S.\$458.16 million, a decrease of U.S.\$62.88 million, or 12.07%, from U.S.\$521.04 million as at 31 December 2023. This decrease was primarily driven by a reduction in repurchase agreement transactions executed by the Issuer as at 30 September 2024 compared to 31 December 2023.

Total Assets

As at 30 September 2024, total assets amounted to U.S.\$12,720.35 million, an increase of U.S.\$375.21 million, or 3.04%, from U.S.\$12,345.13 million as at 31 December 2023. This increase was primarily attributable to a U.S.\$356.76 million or 10.1% increase in Total Equity as a result of the increase in share capital and share premium, reflecting investments in the Corporation's capital by investors, and retained profits for the period.

Borrowings

The following table sets forth the Issuer's borrowings as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	<i>US\$000</i>	
Short term borrowings (less than 1 year).....	1,447,558	1,069,692
Medium term borrowings (within 1 and 3 years)	3,767,450	4,227,084
Long term borrowings (over 3 years)	3,091,646	3,027,707
Total	8,306,654	8,324,483

As at 30 September 2024, borrowings were U.S.\$8,306.65 million, a decrease of U.S.\$17.83 million, or 0.21%, from U.S.\$8,324.48 million as at 31 December 2023, primarily due to the repayment of the Issuer's U.S.\$500 million Eurobond. This was partially offset by an increase in borrowings from other financial institutions at the end of the nine months ended 30 September 2024.

Total Liabilities

As at 30 September 2024, total liabilities were U.S.\$8,952.89 million, an increase of U.S.\$28.45 million, or 0.32%, from U.S.\$8,924.45 million as at 31 December 2023. This increase was mainly due to a net increase in accrued expenses and other liabilities, primarily the deposit of U.S.\$26.33 million by Total Energies EP Nigeria Closed Pension Fund Administrator towards an investment in the equity capital of the Issuer.

Total Equity

The following table sets forth information regarding the Issuer's total equity as at 30 September 2024 and as at 31 December 2023.

	As at 30 September 2024	As at 31 December 2023
	<i>US\$000</i>	
Share capital	1,572,063	1,537,719
Share premium	464,710	423,675
Share warrants	200,000	200,000
Retained earnings	1,552,969	1,286,318
Fair value reserves.....	(22,280)	(27,020)
Non-controlling interests.....		
Total equity	3,767,462	3,420,692

As at 30 September 2024, total equity amounted to U.S.\$3,767.46 million, an increase of U.S.\$346.77 million, or 10.14%, from U.S.\$3,420.69 million as at 31 December 2023. This increase was primarily due to equity investments of U.S.\$49.9 million from the National Social Security Fund Kenya, U.S.\$20.0 million from Angola Sovereign Wealth Fund and U.S.\$5.0 million from RawBank Democratic Republic of Congo and profit of U.S.\$353.99 million for the nine months ended 30 September 2024, which was partially offset by dividend payments and return on share warrants to shareholders and warrant holders in the amount of U.S.\$81.74 million and U.S.\$5.59 million, respectively.

Total Liabilities and Equity

Total liabilities and equity increased by U.S.\$375.21 million, or 3.04%, to U.S.\$12,720.35 million as at 30 September 2024 compared to U.S.\$12,345.14 as at 31 December 2023.

Off-Balance Sheet Arrangements

As at 30 September 2024 and 31 December 2023, the Issuer had off-balance sheet obligations in the amount of U.S.\$2,902.68 million and U.S.\$2,498.90 million, respectively, which related to debt commitments and financial guarantees.

CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which (subject to completion and amendment) apply to the Notes.

The U.S.\$500,000,000 Undated 5.25 Year Non-Call Deeply Subordinated Fixed Rate Reset Notes (the “**Notes**”, which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) of Africa Finance Corporation (the “**Issuer**”) are constituted by a trust deed dated 21 January 2025 (as supplemented, amended and/or restated from time to time, the “**Trust Deed**”) and made between the Issuer and Citibank, N.A., London Branch, as trustee (the “**Trustee**”, which expression shall include any successor trustee) and have the benefit of a paying agency agreement dated 21 January 2025 (as supplemented, amended and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), and Citibank, N.A., London Branch as calculation agent, (the “**Calculation Agent**”, which expression shall include any successor calculation agent), registrar (the “**Registrar**”, which expression shall include any successor registrar) and a transfer agent (together with the other transfer agents named therein and together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents, and the Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents being together referred to as the “**Agents**”). Copies of the Trust Deed and the Agency Agreement are available for inspection upon reasonable advanced notice during normal business hours at the specified office of each Paying Agent. Each Paying Agent may, in lieu of making such documents available for physical inspection, at its discretion, provide such documents for inspection to any Noteholder electronically, subject to such Noteholder providing evidence satisfactory to the Paying Agent as to its holding and identity. The holders of the Notes (the “**Noteholders**”) are deemed to have notice of all the provisions of the Trust Deed and the Agency Agreement which will be binding upon them.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in registered form in amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (referred to as the “**Specified Denomination**” of a Note).

Subject as set out below, title to the Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law and the Trust Deed) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Notes represented by a registered global note certificate (a “**Global Note**”), without prejudice to the provisions set out in the immediately succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the registered holder of the relevant Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such principal amount of such Notes in accordance with and subject to

the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

For so long as the Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. TRANSFERS OF NOTES

2.1 Transfers of Interests in Global Notes

Transfers of beneficial interests in Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Note only in the Specified Denomination and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Notes in Definitive Form

Subject as provided in Conditions 2.4 and 2.5 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Note in definitive form may be transferred in whole or in part (in the Specified Denomination). In order to effect any such transfer (i) the holder or holders must (A) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or its or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery

of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Note in definitive form of a like aggregate principal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of part only of a Note in definitive form, a new Note in definitive form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. The transfer of part of a Note is not permitted if the principal amount of the balance of the Note is not a Specified Denomination. No holder may require the transfer of a Note in definitive form to be registered during the period of 15 calendar days (i) ending on the due date for any payment of principal or interest in respect of such Note or (ii) before any date on which Notes may be called for redemption, substituted or varied by the Issuer at its option pursuant to Condition 6 (*Redemption, Substitution, Variation and Purchase*).

2.3 Costs of Registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.4 Transfers of Interests in Regulation S Global Notes

Prior to expiry of the Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is also a QP in a transaction meeting the requirements of Rule 144A; or
- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

2.5 Transfers of Interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the Distribution Compliance Period, the interests in the Notes

being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB who is also a QP in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.6 Definitions

In these Conditions, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of the Notes;

“Investment Company Act” means the United States Investment Company Act of 1940, as amended;

“Legended Note” means Notes (whether in definitive form or represented by a Global Note) sold in private transactions to QIBs who are also QPs in accordance with the requirements of Rule 144A;

“person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“QIB” means a qualified institutional buyer within the meaning of Rule 144A;

“QP” means a qualified purchaser under the Investment Company Act;

“Regulation S” means Regulation S under the Securities Act;

“Regulation S Global Note” means a Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Global Note representing Notes sold in the United States or to QIBs; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3. STATUS AND NEGATIVE PLEDGE

The Notes are not the obligations of any government. The obligations deriving from the Notes will be direct, unsecured and general obligations of the Issuer and will rank:

- (a) *pari passu* and without any preference among themselves;
- (b) subordinated in right of payment to the repayment in full of all Senior Obligations; and
- (c) senior only to Junior Obligations.

No call shall be made on the callable capital of the Issuer in accordance with the Charter in respect of any obligations of the Issuer deriving from the Notes.

There will be no negative pledge in respect of the Notes.

In these Conditions:

“**Charter**” refers to the Charter of the Issuer dated 28 May 2007, as amended;

“**Establishment Agreement**” refers to the agreement for the establishment of the Issuer dated 28 May 2007;

“**Junior Obligations**” means the Issuer’s authorised capital stock of paid-in shares;

“**Parity Deeply Subordinated Obligations**” means any obligations of the Issuer that by their terms are expressed to rank *pari passu* in right of payment with the Notes; and

“**Senior Obligations**” means all senior (preferred and non-preferred) and subordinated, secured and unsecured obligations of the Issuer, present and future, other than any Parity Deeply Subordinated Obligations and Junior Obligations.

4. INTEREST

4.1 Interest Rate and Interest Payment Dates

The Notes will bear interest on their outstanding principal amount:

- (a) from (and including) 21 January 2025 (the “**Issue Date**”) to (but excluding) 21 April 2030 (the “**First Reset Date**”) at a fixed rate of 7.50 per cent. per annum (the “**Initial Interest Rate**”);
- (b) from (and including) the First Reset Date to (but excluding) the Reset Date falling on 21 April 2035 at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date and (ii) the Initial Margin (the “**First Reset Interest Rate**”); and
- (c) for each Reset Period thereafter, at a rate per annum equal to the sum of (i) the CMT Rate on the relevant Reset Determination Date, (ii) the Initial Margin and (iii) 1 percentage point (each, a “**Subsequent Reset Interest Rate**” and, together with the First Reset Interest Rate and the Initial Interest Rate, each a “**Rate of Interest**”).

Interest will be paid semi-annually in arrear on 21 April and 21 October in each year (each an “**Interest Payment Date**”) up to, and including, the due date for redemption of the Notes. There will be a short first Interest Period (the “**First Interest Period**”) from (and including) the Issue Date to (but excluding) the first Interest Payment Date of 21 April 2025.

The amount of interest payable in respect of each Note for any Interest Period other than the First Interest Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The amount of interest payable in respect of each Note for the First Interest Period or, in the event interest is required to be calculated for any period other than an Interest Period, such other period, shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

4.2 Determination and notification of Reset Interest Rate

The Calculation Agent will at, or as soon as practicable after, the Relevant Time determine the First Reset Interest Rate and each Subsequent Reset Interest Rate and cause it to be notified to the Issuer, the Trustee and the Paying Agents and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such exchange or other relevant authority and notice thereof to be given to Noteholders in accordance with Condition 12 (*Notices*) as soon as possible after such determination but in no event later than the fourth Business Day thereafter.

4.3 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) shall (in the absence of manifest error) be binding on the Issuer, the Agents, the Trustee and all Noteholders and (in the absence of manifest error) no liability to the Issuer, the Trustee or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.4 Interest Accrual

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 (*Interest*) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid by the Issuer; and
- (b) as provided in Clauses 2.2(b) and (c) of the Trust Deed.

4.5 Interpretation

In these Conditions:

“**Bloomberg Screen**” means the display page on the Bloomberg L.P. information service designated as the “H15T5Y” page or such other page as may replace it on that information service or any successor information service for the purpose of displaying “treasury constant maturities” as reported in H.15(519);

“**Business Day**” means a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in London and New York City;

“**CMT Rate**” means the rate determined by the Calculation Agent and expressed as a percentage equal to:

- (a) the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the Bloomberg Screen at the Relevant Time; or
- (b) if the yield referred to in paragraph (a) above does not appear on the Bloomberg Screen by the Relevant Time, the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years as published in the H.15(519) under the caption “treasury constant maturities (nominal)” at the Relevant Time; or
- (c) if the yield referred to in paragraph (b) above is not published by the Relevant Time, the Reset Reference Bank Rate;

“**H.15(519)**” means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

“**Initial Margin**” means 3.015 per cent. per annum;

“**Interest Period**” means the period from (and including) an Interest Payment Date (or the Issue Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date;

“**Reference Banks**” means five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York City as selected by the Issuer;

“**Relevant Time**” means at or around 4.30 p.m. (New York City time) on the Reset Determination Date;

“**Representative Amount**” means a principal amount of United States Treasury Securities that is representative of a single transaction in such United States Treasury Securities in the New York City market at the Relevant Time;

“**Reset Date**” means the First Reset Date and each date falling on the fifth anniversary thereof and each such subsequent date;

“**Reset Determination Date**” means, in relation to each Reset Date, the second Business Day immediately preceding such Reset Date;

“**Reset Period**” means the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

“**Reset Reference Bank Rate**” means the rate per annum equal to the semi-annual equivalent yield to maturity of the Reset United States Treasury Securities determined by the Calculation Agent on the basis of the arithmetic mean of the Reset Reference Bank Rate Quotations provided by the Reference Banks to the Calculation Agent at the Relevant Time. The Calculation Agent will request the principal office of each of the Reference Banks to provide such quotations. If five quotations are so provided, the Reset Reference Bank Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of those quotations, eliminating the highest such quotation (or, in the event of equality, one of the highest) and the lowest such quotation (or, in the event of equality, one of the lowest). If fewer than five quotations are so provided, the Reset Reference Bank Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of the quotations provided. If only one quotation or no quotations are so provided, the Reset Reference Bank Rate will be the CMT Rate for the immediately preceding Reset Period or if none 4.595 per cent. per annum;

“Reset Reference Bank Rate Quotation” means the secondary market bid prices of the Reference Banks for Reset United States Treasury Securities at the Relevant Time, as quoted in writing to the Issuer by the relevant Reference Bank;

“Reset United States Treasury Securities” means United States Treasury Securities with an original maturity equal to five years, a remaining term to maturity of no less than four years and in a Representative Amount. If two United States Treasury Securities have remaining terms to maturity equally close to five years, the Reset United States Treasury Securities will be the United States Treasury Security with the shorter remaining term to maturity; and

“United States Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

4.6 Cancellation of Interest

(a) Optional Interest Cancellation

Interest will be payable on each Interest Payment Date unless the Issuer elects, in its sole and absolute discretion and for any reason, to cancel any such payment in whole or in part (any such interest cancellation, an **“Optional Interest Cancellation”**).

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) and, accordingly, such interest (or part thereof) shall not in any such case be due and payable.

Any interest payment so cancelled pursuant to this Condition 4.6(a) (*Optional Interest Cancellation*) shall not constitute a default by the Issuer under the Notes for any purpose.

(b) Mandatory Interest Cancellation

Upon the occurrence of a Trigger Event, the Issuer shall cancel any accrued and unpaid interest due on the Interest Payment Date immediately following the relevant Determination Date and on any subsequent Interest Payment Date for so long as that Trigger Event is continuing (any such interest cancellation, a **“Mandatory Interest Cancellation”**).

Any interest payment so cancelled pursuant to this Condition 4.6(b) (*Mandatory Interest Cancellation*) shall not constitute a default by the Issuer under the Notes for any purpose.

In these Conditions, a **“Trigger Event”** is deemed to occur if on any Determination Date that is immediately prior to the relevant Interest Payment Date, the ratio of Total Assets to Paid-in Capital and Reserves exceeds 7.5 to 1.0. Any such Trigger Event shall be deemed to be continuing until the next Determination Date on which the ratio of Total Assets to Paid-in Capital and Reserves is not more than 7.5 to 1.0.

“Determination Date” means each date on which the Issuer’s annual audited financial statements are published and, to the extent the Issuer publishes such interim statements, the date on which the Issuer publishes any semi-annual interim reviewed financial statements;

“Total Assets” means the total assets of the Issuer as shown in the balance sheet of the Issuer contained in (i) in respect of each Determination Date, its annual audited financial statements, or its semi-annual interim reviewed financial statements, as the case may be, published on the relevant Determination Date or (ii) at any other time, its most recently available annual audited financial statements, semi-annual or quarterly interim reviewed financial statements or monthly management accounts, as the case may be; and

“**Paid-in Capital and Reserves**” means the sum of (a) the authorised capital stock of the Issuer comprising paid-up shares but only to the extent any such shares have been paid-in and net of any cumulative exchange adjustment on subscription, and including for the avoidance of doubt any share premium or share warrants issued by the Issuer, and (b) the reserves of the Issuer, each as shown in the balance sheet of the Issuer contained in (i) in respect of each Determination Date, its annual audited financial statements, or its semi-annual interim reviewed financial statements, as the case may be, published on the relevant Determination Date or (ii) at any other time, its most recently available annual audited financial statements, semi-annual or quarterly interim reviewed financial statements or monthly management accounts, as the case may be.

(c) **Undertaking in relation to interest cancellation**

If, on any Interest Payment Date, any payment of interest is not made as a result of an Optional Interest Cancellation in accordance with Condition 4.6(a) (*Optional Interest Cancellation*), or a Mandatory Interest Cancellation in accordance with Condition 4.6(b) (*Mandatory Interest Cancellation*), the Issuer shall not make any Discretionary Payments until the scheduled interest payment in respect of the Notes on any subsequent Interest Payment Date is made in full.

In these Conditions, “**Discretionary Payment**” means at any time the payment of any dividend or any other distribution in cash by the Issuer in respect of its share capital to any of its shareholders pursuant to Article 29 of the Charter.

4.7 Interest Payments Non-cumulative

Interest payments in respect of the Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Notes as a result of any Optional Interest Cancellation in accordance with Condition 4.6(a) (*Optional Interest Cancellation*) or Mandatory Interest Cancellation in accordance with Condition 4.6(b) (*Mandatory Interest Cancellation*), then the right of Noteholders to receive the relevant interest payment (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not interest on the Notes is paid in respect of any future Interest Period. Noteholders shall have no rights to such cancelled interest (or part thereof) or to receive any additional interest or compensation as a result of such cancellation.

5. PERMANENT WRITE-DOWN

If, on any Determination Date or at any other time as determined by the Issuer, the ratio of Total Assets to Paid-in Capital and Reserves exceeds 15.0 to 1.0 (a “**Permanent Write-Down Event**”), the Issuer will:

- (a) cancel any accrued and unpaid interest in respect of the Notes and no further interest shall accrue or be due and payable on the Notes at any time thereafter; and
- (b) permanently reduce the outstanding principal amount of the Notes to zero and such principal amount shall, accordingly, equal zero at all times thereafter,

(a “**Permanent Write-Down**”).

From and including a Permanent Write-Down Event, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Notes and the Issuer shall have no further obligations under the Notes.

A Permanent Write-Down Event shall not constitute a default by the Issuer under the Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

Upon the occurrence of a Permanent Write-Down Event, the Issuer shall (i) deliver to the Trustee a certificate signed by two authorised signatories of the Issuer certifying that a Permanent Write-Down Event has occurred and stating as at which date the Issuer determined that such Permanent Write-Down Event had occurred and (ii) following the delivery of such certificate, give notice of such Permanent Write-Down Event to Noteholders in accordance with Condition 12 (*Notices*) and to the Trustee and the Principal Paying Agent but any failure by the Issuer to give any such certificate or notice will not in any way impact on the effectiveness of, or otherwise invalidate, any Permanent Write-Down, or give Noteholders any rights as a result of such failure.

6. REDEMPTION, SUBSTITUTION, VARIATION AND PURCHASE

6.1 Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

6.2 Optional Redemption

The Issuer may, at its sole and absolute discretion, on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (*Notices*), redeem all (but not some only) of the Notes on any date during the period commencing on (and including) the date falling three months prior to each Reset Date and ending on (and including) such Reset Date, in each case at their outstanding principal amount together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date.

6.3 Redemption following an Accounting Event or a Rating Event

The Issuer may, on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (*Notices*), redeem all (but not some only) of the Notes at any time following the occurrence of an Accounting Event or a Rating Event, (i) at 101 per cent. of their outstanding principal amount at any time until 21 January 2030 and (ii) at any time thereafter at their outstanding principal amount, together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date.

In these Conditions:

“Accounting Event” means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or, in each case, the application thereof) after the Issue Date (the earlier of such date that such change is officially announced by the International Accounting Standards Board or the equivalent body in respect of IFRS or officially adopted or put into practice, the **“Accounting Event Adoption Date”**), the Notes may not or may no longer be classified as “equity” in full in the audited annual or unaudited semi-annual financial statements of the Issuer pursuant to IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may give notice of the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on the Accounting Event Adoption Date. Such period shall include any transitional period between the Accounting Event Adoption Date and the date on which the relevant change in accounting principles comes into effect;

“**Fitch**” means Fitch Ratings Ltd. or any of its subsidiaries or successors in business from time to time;

“**IFRS**” means International Financial Reporting Standards and any other financial reporting framework that may replace IFRS for the purposes of preparing the annual, semi-annual or quarterly financial statements of the Issuer;

“**Moody’s**” means Moody’s Investors Service Ltd or any of its subsidiaries or successors in business from time to time;

“**Rating Agency**” means any of Moody’s, S&P or Fitch;

“**Rating Event**” means the certification by the Issuer in a notice to the Noteholders that an amendment, clarification or change in the “equity credit” or “equity content” criteria, as applicable, of any Rating Agency (or the interpretation or application thereof) from which the Issuer receives a solicited rating, which amendment, clarification or change has occurred or become effective after the Issue Date, has resulted in: (i) all or any of the Notes being assigned a level of “equity credit” or “equity content”, as applicable, that is lower than the level or equivalent level of “equity credit” or “equity content”, as applicable, assigned to the Notes by such Rating Agency on the Issue Date (or if the Notes have been partially or fully re-financed since the Issue Date and are no longer eligible for “equity credit” or “equity content” in part or in full as a result, the Notes would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation or application had they not been re-financed), or if such equity credit or equity content was not assigned on the Issue Date, at the date when the “equity credit” or “equity content” was assigned for the first time; or (ii) the length of time the Notes would be assigned a particular level of “equity credit” or “equity content”, as applicable, by that Rating Agency being shortened as compared to the length of time they would have been assigned that level of “equity credit” or “equity content” by that Rating Agency on the Issue Date, or if such “equity credit” or “equity content” was not assigned on the Issue Date, at the date when the “equity credit” or “equity content” was assigned for the first time; and

“**S&P**” means S&P Global Ratings Europe Limited or any of its subsidiaries or successors in business from time to time.

6.4 Redemption following a Substantial Repurchase Event

The Issuer may, on giving not less than 10 nor more than 60 calendar days’ notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 12 (*Notices*), redeem all (but not some only) of the Notes at any time upon the occurrence of a Substantial Repurchase Event at their outstanding principal amount together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the relevant redemption date.

In these Conditions:

“**Substantial Repurchase Event**” means that prior to the giving of the relevant notice of redemption, at least seventy-five per cent. (75 per cent.) of the aggregate principal amount of the Notes issued on the Issue Date has been redeemed or purchased by or on behalf of the Issuer and has been cancelled.

6.5 Redemption due to a Tax Event

In the event that a Tax Event has occurred and is continuing, the Issuer may at its option, having given not less than 30 nor more than 60 days’ written notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their outstanding principal amount together with any interest accrued but unpaid (other than any interest cancelled in accordance with Condition 4.6 (*Cancellation of Interest*)) to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days

prior to the earliest date on which the Issuer would be obliged to pay additional amounts related to such Tax Event, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the requirement referred to in (i) of the definition of Tax Event will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Issuer shall have received an opinion from independent legal advisers of recognised standing confirming that the requirement in (i) of the definition of Tax Event will apply on the next Interest Payment Date. The Trustee shall accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, and it shall be conclusive and binding on the Noteholders.

A “**Tax Event**” is deemed to have occurred if:

- (i) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 16 January 2025, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*); and
- (ii) the requirement cannot be avoided by the Issuer taking reasonable measures available to it.

6.6 Substitution or Variation

If an Accounting Event, a Rating Event or a Tax Event (each a “**Substitution or Variation Event**”) has occurred, then the Issuer may (without any requirement for the consent or approval of the Noteholders), on giving not less than 10 nor more than 60 calendar days’ notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as applicable) in accordance with Condition 12 (*Notices*), at any time either:

- (a) substitute all, but not some only, of the Notes for Qualifying Deeply Subordinated Notes; or
- (b) vary the terms of the Notes so that they remain or become Qualifying Deeply Subordinated Notes.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 6.6 (*Substitution or Variation*).

In connection with any substitution or variation in accordance with these provisions, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not (i) give rise to any other Substitution or Variation Event with respect to the Qualifying Deeply Subordinated Notes or (ii) result in the Qualifying Deeply Subordinated Notes no longer being eligible for the same, or a higher amount of, “equity credit” or “equity content” (or such similar nomenclature used by the relevant Rating Agency from time to time) (and classified as equity under IFRS) as is attributed to the Notes on the date notice is given to Noteholders of the substitution or variation.

In these Conditions:

“**Qualifying Deeply Subordinated Notes**” means subordinated notes that:

- (i) are issued by the Issuer;

- (ii) rank at least equally with the Notes prior to the substitution or variation and at least *pari passu* with any Parity Deeply Subordinated Obligations;
- (iii) contain terms not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer) and which:
 - (A) provide for the same or a more favourable rate of interest from time to time as applied to the Notes immediately prior to such substitution or variation and preserve the same Interest Payment Dates;
 - (B) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Notes, including (without limitation) as to the timing of, and amounts payable upon, such redemption;
 - (C) preserve any existing rights under these provisions to any accrued interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders and not been paid; and
- (iv) are (i) listed on the official list of the Irish Stock Exchange trading as Euronext Dublin (“**Euronext Dublin**”) and admitted to trading on its regulated market or (ii) listed on such other internationally recognised exchange platform in an OECD country as is selected by the Issuer; and
- (v) will, immediately after such substitution or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Notes at the invitation of the Issuer and classified as equity under IFRS in full in the audited annual or the unaudited semi-annual or quarterly financial statements of the Issuer immediately prior to such substitution or variation (if any).

6.7 Mandatory Redemption Deferral

Notwithstanding any other provision of this Condition 6 (*Redemption, Substitution, Variation and Purchase*), upon the occurrence of a Trigger Event, and for so long as that Trigger Event is continuing, the Issuer may not redeem the Notes.

6.8 Purchases

The Issuer may at any time purchase Notes in the open market, by private treaty, tender offer or otherwise. Any Notes so purchased may be held or resold or, at the discretion of the Issuer, delivered to any Paying Agent and/or the Registrar for cancellation. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. PAYMENTS

Payment of amounts (including any accrued interest) due on the final redemption of the Notes will be made against presentation and, save in the case of a partial redemption by reason of insufficiency of funds, surrender of the relevant Notes at the specified office of the Registrar or any of the Paying Agents. If the due date for payment of the final redemption amount of the Notes is not a Business Day, the Noteholder will not be entitled to payment thereof until the next following such Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.

Payment of amounts (whether principal, interest or otherwise) due in respect of the Notes will be paid to the Noteholders (or, in the case of joint Noteholders, the first-named) as appearing in the register

kept by the Registrar (the “**Register**”) as at opening of business (local time) on the fifteenth calendar day before the due date for such payment (the “**Record Date**”) provided that amounts due in respect of the Notes will be paid to the Noteholders thereof (or, in the case of joint holders, the first-named) as appearing in such Register as at opening of business (local time) on the date on which such payment is made.

Payments of interest in respect of the Notes will be made to the designated account with a bank that processes payments in U.S. dollars (as recorded in the Register) of the Noteholder (or, in the case of joint Noteholders, the first-named) on the Business Day immediately preceding the relevant date for payment.

Payments will be subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Agents agree to be subject and neither the Issuer nor the Agents will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Noteholders in respect of such payments.

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of or within any Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect to any Note:

- (a) presented or surrendered for payment (where presentation or surrender is required) in a Member Country; or
- (b) held by or on behalf of a holder who is liable to the Taxes in respect of the Note by reason of its having some connection with any Relevant Jurisdiction other than the mere holding of the Note; or
- (c) presented or surrendered for payment (where presentation or surrender is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder would have been entitled to additional amounts on presenting or surrendering the same for payment on the last day of the period of 30 days assuming (whether or not such is in fact the case) that day to have been a Business Day (as defined in Condition 4.5 (*Interpretation*)).

As used herein:

- (i) “**Member Country**” means Nigeria, Ghana, Guinea Bissau, Sierra Leone, The Gambia, Liberia, Guinea-Conakry, Chad, Cape Verde and such other states that have become adherents to the Establishment Agreement in accordance with Article 5 of the Establishment Agreement;
- (ii) “**Relevant Date**” means the date on which the payment first becomes due, but if the full amount of the money payable has not been received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and

- (iii) **“Relevant Jurisdiction”** means any Member Country or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

Notwithstanding any other provisions contained herein, each of the Issuer or any other person making payments on behalf of the Issuer shall be entitled to deduct and withhold as required, and shall not be required to pay any additional amounts with respect to any such withholding or deduction imposed on or in respect of any Note, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly referred to as **“FATCA”**), any treaty, law, regulation or other official guidance enacted by any jurisdiction implementing FATCA, any agreement between the Issuer or any other person and the United States or any jurisdiction implementing FATCA, or any law of any jurisdiction implementing an intergovernmental approach to FATCA.

9. PRESCRIPTION

The Notes will become void unless surrendered for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the due date for payment.

10. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There will be no events of default in respect of the Notes. There will be no cross default under the Notes.

The Trustee may, at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights against the Issuer under the Notes and the Trust Deed if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes), provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it, but it shall not be bound to do so unless (i) it has been so requested in writing by the Noteholders of at least one quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution and (ii) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

11. REPLACEMENT OF NOTES

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar on payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

12. NOTICES

Notices to Noteholders will be deemed to be validly given if sent by first class mail (or its equivalent) or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, and, if the Notes are admitted to the Official List of Euronext Dublin and/or admitted to trading on the regulated market of Euronext Dublin, if filed within the Companies Announcement Office of Euronext Dublin or published in a leading English language daily newspaper of general circulation in Ireland and approved by Euronext Dublin (which is expected to be the Irish

Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such delivery by mail or airmail the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a manner which complies with those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second business day (being, for the purposes of this paragraph of Condition 12, a day on which Euroclear, Clearstream, Luxembourg and DTC are open for business) after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Registrar. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

13. MEETINGS OF NOTEHOLDERS

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matters relating to the Notes including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of the Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee or Noteholders holding not less than ten per cent. in principal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the aggregate principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Trust Deed (including, without limitation any date for payment of principal or interest thereon, reducing or cancelling the amount of principal or interest payable in respect of the Notes, altering the currency of payment of the Notes, modifying Condition 3 by way of any further subordination of the Notes or the imposition of further restrictions or limitations on the rights or claims of Noteholders or modifying the provisions of Conditions 4.6, 5, 6 or 16), the quorum shall be one or more persons holding or representing not less than two thirds in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one third in aggregate principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The Trustee may agree, without the consent of the Noteholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act from time to time and at any time, but only insofar as the Trustee is satisfied that the interests of the Noteholders shall not be materially prejudiced thereby, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

14. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and to be paid its costs and expenses in priority to the claims of the Noteholder.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith and (d) to act as trustee to the holders at any other securities issued or guaranteed by or relating to the Issuer or any subsidiary.

15. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the Notes.

16. GOVERNING LAW AND JURISDICTION

16.1 Governing law

The Trust Deed, the Agency Agreement and the Notes (including any non-contractual obligations arising from or in connection with any of them) are governed by, and will be construed in accordance with, English law.

16.2 Arbitration

Any dispute, controversy or claim arising out of, relating to, or having any connection with the Trust Deed and/or the Notes (including any question regarding their existence, validity, interpretation,

performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “**Dispute**”), shall be referred to and finally resolved by arbitration in accordance with the Rules of the London Court of International Arbitration (“**LCIA**”) for the time being in force (the “**Rules**”), which Rules are deemed to be incorporated by reference into the Trust Deed and/or the Notes, save that:

- (a) the number of arbitrators in the arbitral tribunal (“**Arbitral Tribunal**”) shall be three;
- (b) the claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and the third arbitrator (who shall act as Chairman) shall be appointed by the LCIA Court (as defined in the Rules);
- (c) the place and seat of arbitration shall be London, England;
- (d) the language to be used in the arbitral proceedings shall be English and the governing law of the arbitration shall be English law; and
- (e) any arbitral award made by the arbitration tribunal shall be final and binding on the parties and without right of appeal. Judgment upon such an award may be entered and enforced in any court of competent jurisdiction.

16.3 No Immunity

- (a) The Issuer confirms that: (1) it does not have any immunity from any proceedings, jurisdiction, execution or attachment arising out of or in connection with the Trust Deed and the Notes as a result of article 8 of the Establishment Agreement; and (2) its entry into and performance of its obligations under the Trust Deed and the Notes forms part of its operations for the purposes of article 8 of the Establishment Agreement;
- (b) To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from jurisdiction, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, including in relation to the enforcement of any arbitration award, and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, notwithstanding the terms of article 8 of the Establishment Agreement or any rights, privileges or immunities from proceeding, jurisdiction, execution or attachment derived from its status as a multilateral development financial institution, accorded by statute, international convention or otherwise, the Issuer irrevocably consents to the enforcement of any final judgment or award and agrees not to claim such immunity to the full extent permitted by the laws of such jurisdiction and:
 - (i) submits to the jurisdiction of the Arbitral Tribunal in relation to any Dispute to be resolved in accordance with the Rules and agrees not to claim any sovereign or other immunity from the jurisdiction of the Arbitral Tribunal, in relation to any Dispute to be resolved in accordance with the dispute mechanism set out at Condition 16.2 (*Arbitration*) above (including to the extent that such immunity may be attributed to it), and agrees to ensure that no such claim is made on its behalf;
 - (ii) submits to the jurisdiction of the English courts in respect of orders in support of arbitration and of the English courts and the courts of any other competent jurisdiction in enforcement proceedings, the recognition of any award in relation to any Dispute and agrees not to claim any sovereign or other immunity from the jurisdiction of the English courts or the courts of any other jurisdiction in relation to the recognition of any such arbitral award and agrees to ensure that no such claim is made on its behalf;

- (iii) consents generally in respect of any proceedings to the giving of any relief or the issue of any process in connection with such arbitral proceedings including to the enforcement of any award made in connection with any Dispute and the giving of any relief in the English courts and/or the courts of any other competent jurisdiction including, without limitation:
 - (A) relief by way of final injunction or order for specific performance or recovery of any property;
 - (B) attachment of its assets; and
 - (C) enforcement or execution against any property, revenues or other assets whatsoever (irrespective of their use or intended use), provided that in relation to any Dispute, relief or enforcement specified in this Condition 16.3: (a) no judgment or award other than a final judgment or arbitral award may be enforced against it; and (b) its assets may only be attached after delivery of final judgment or arbitral award against it.

Save as set out in this Condition 16.3, the Trust Deed, the Agency Agreement and the Notes are not intended, nor construed to waive, renounce or otherwise modify any rights, privileges, immunities and exemptions accorded to the Issuer under the Establishment Agreement or from the Issuer's status as an international financial institution, accorded by statute or international convention or otherwise.

16.4 Appointment of process agent

The Issuer appoints Law Debenture Corporate Services Limited at its registered office for the time being in England as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

The following paragraphs in italics do not form part of the Conditions.

Restrictions regarding redemption and repurchase of the Notes

If at some point the Issuer solicits an issuer rating (or such similar nomenclature used by S&P or Fitch from time to time) from S&P or Fitch, and for so long as the Issuer solicits such rating from S&P or Fitch, the Issuer intends (without thereby assuming any legal or contractual obligation) that it will only redeem or repurchase the Notes to the extent that the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed such part of the net proceeds received by the Issuer on or prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer to third party purchasers that are assigned by S&P or Fitch, following the sale or issuance of such securities (but prior to the redemption or repurchase of the Notes), a level of "equity content" (or such similar nomenclature used by S&P or Fitch from time to time) that is equal to or greater than the "equity content" assigned to the Notes for the first time (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the "equity content" was assigned for the first time).

Capitalised terms used but not defined in the above paragraphs shall have the same meaning as that set out in the Conditions.

USE OF PROCEEDS

The net proceeds of the Notes, expected to amount to U.S.\$494,925,000 after deduction of commissions, will be used by the Corporation for its general corporate purposes.

CAPITALISATION OF THE ISSUER

Capitalised terms used but not defined in this section shall have the same meaning as that set out in "Conditions of the Notes" above.

If, on any Determination Date, the ratio of Total Assets to Paid-in Capital and Reserves of the Issuer exceeds 7.5 to 1.0, this will result in the occurrence of a Trigger Event, upon which a Mandatory Interest Cancellation will occur. In addition, if, on any Determination Date or at any other times as determined by the Issuer, the ratio of Total Assets to Paid-in Capital and Reserves of the Issuer exceeds 15 to 1.0, this will result in the occurrence of a Permanent Write-Down Event, upon which Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Notes and the Issuer shall have no further obligations under the Notes.

The table below sets forth the Total Assets, Paid-in Capital and Reserves, the ratio of Total Assets to Paid-in Capital and Reserves and the distances to Trigger Event and Permanent Write-Down Event, in each case, as at 31 December 2023 and 31 December 2022 derived from the audited 2023 Financial Statements and 2022 Financial Statements, respectively, of the Corporation for the respective years and as at 30 June 2024 and 30 September 2024 derived from the unaudited Interim Financial Statements of the Corporation for the six months ended 30 June 2024 and the nine months ended 30 September 2024, respectively. This table should be read in conjunction with the 2022 Financial Statements, the 2023 Financial Statements and the Interim Financial Statements and related notes for the respective periods:

	As at 31 December		As at 30 June	As at 30 September
	2022	2023	2024	2024 ⁽¹⁾
	(U.S.\$'000)			
Total Assets	10,527,812	12,345,137	12,193,230	12,720,351
Share Capital	1,290,527	1,537,719	1,551,716	1,572,063
Share Premium	184,018	423,675	438,556	464,710
Share Warrants	200,000	200,000	200,000	200,000
Paid-in Capital⁽²⁾	1,674,545	2,161,394	2,190,272	2,236,773
Retained earnings	1,049,190	1,286,318	1,453,591	1,552,969
Fair value reserves	(24,299)	(27,020)	(27,247)	(22,280)
Reserves⁽³⁾	1,024,891	1,259,298	1,426,344	1,530,689
Total Equity (Paid-in Capital and Reserves)	2,699,436	3,420,692	3,616,616	3,767,462
Ratio (Total Assets to Paid-in Capital and Reserves)	3.9:1	3.6:1	3.4:1	3.4:1
Paid-in Capital and Reserves Distance to Trigger Event⁽⁴⁾ ..	(1,295,728)	(1,774,674)	(1,990,840)	(2,071,415)
Paid-in Capital and Reserves Distance to Permanent Write-Down Event⁽⁴⁾	(1,997,582)	(2,597,683)	(2,803,734)	(2,919,439)
Total Assets Distance to Trigger Event⁽⁴⁾	9,717,958	13,310,053	14,931,390	15,535,614
Total Assets Distance to Permanent Write-Down Event⁽⁴⁾ ...	29,963,728	38,965,243	42,056,010	43,791,579

⁽¹⁾ Financial Information for the nine months ended 30 September 2024 are included for illustrative purposes and will not constitute a Determination Date under the Conditions.

⁽²⁾ Paid-in Capital is comprised of Share Capital, Share Premium and Share Warrants.

⁽³⁾ Reserves is comprised of retained earnings and fair value reserves.

⁽⁴⁾ Calculated on the assumption that there are no changes to any other relevant line items.

The Issuer's risk capital utilisation

The Corporation's Capital Adequacy framework derives its tenets from the guidelines developed by the Basel Committee. The Corporation's framework requires the business to maintain a ratio of total risk capital to risk weighted assets¹ (the Basel ratio) at a minimum of 30%.

For the Corporation, risk capital comprises of;

- Tier 1 capital which includes share capital, share warrants and retained earnings; and
- Tier 2 capital comprises of unrealised gains arising from the fair valuation of equity instruments held at fair value through other comprehensive income, collective impairment allowance made on debt instruments and borrowings that meet the criteria for inclusion as Tier 2 capital under Basel requirements.

The Corporation does not include callable capital in the determination of its risk capital.

The capital adequacy ratio (Basel II ratio), which measures the amount of capital consumed by the Corporation's activities and is calculated as the Corporation's total risk capital to its risk weighted assets, was 32.6 per cent., 34.7 per cent., 34.5 per cent. and 34.3 per cent. as at 30 September 2024, 30 June 2024, 31 December 2023 and 31 December 2022, respectively. The decrease in capital adequacy ratio as at 30 September 2024 compared to 30 June 2024 was due to the increase in total risk weighted assets by U.S.\$1.27 billion or 11.0% to U.S.\$12.83 billion as of 30 September 2024 compared to U.S.\$11.56 billion as of 30 June 2024. The increase in total risk weighted assets was partially offset by an increase in qualifying capital of U.S.\$166.77 million or 4.16% to U.S.\$4.18 billion as of 30 September 2024 compared to U.S.\$4.01 billion as of 30 June 2024.

As at 30 September 2024, 30 June 2024, 31 December 2023 and 31 December 2022, the Corporation's adequacy ratio Tier I capital (which is calculated as the Corporation's total risk capital excluding Tier II loans to its risk weighted assets) was 30.6 per cent., 32.5 per cent., 32.3 per cent. and 31.5 per cent., respectively. The decrease in capital adequacy ratio Tier 1 capital as at 30 September 2024 compared to 30 June 2024 was due to the increase in total risk weighted assets by U.S.\$1.27 billion or 11.0% to U.S.\$12.83 billion as of 30 September 2024 compared to U.S.\$11.56 billion as of 30 June 2024. The increase in total risk weighted assets was partially offset by an increase in Tier 1 capital of U.S.\$166.77 million or 4.43% to U.S.\$3.93 billion as of 30 September 2024 compared to U.S.\$3.76 billion as of 30 June 2024.

The Issuer's leverage policy

The Issuer seeks to maintain a leverage ratio (which will be calculated as its borrowings divided by its total equity including hybrid capital) of not more than 3:1 (the equivalent of approximately less than 4:1 of its total assets divided by its total equity including hybrid capital).

As of 30 September 2024, the Issuer's leverage ratio was 2.2:1 and as of 31 December 2023, 2022, 2021, 2020 and 2019, the Issuer's leverage ratio was 2.4:1, 2.8:1; 2.8:1, 2.5:1 and 2.5:1, respectively.

The Issuer's dividend payout and capital retention

The Issuer seeks to maintain a long-term stable dividend pattern while ensuring that it internally generates sufficient cash for future investments and growth without having to resort to expensive external financing. Pursuant to its current dividend policy, the Issuer has paid out a dividend amounting to between 25.0% and 30.0% of its net income for 2021 to 2023, while retaining approximately 70-75% of earnings to support its

¹ Risk weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of (and reflecting an estimate of credit, market and other risks associated with) each asset and counterparty, taking into account any eligible collateral or guarantees.

capital growth during this period. From 2016 to 2020, the Issuer paid out dividend amounting to between 56% to 30.0% of its net income.

The graphic below shows the Issuer's dividend payout trend from 2016 to 2023.

Year	Percentage (%)
2023	25.0
2022	30.0
2021	30.0
2020	30.0
2019	30.0
2018	56.0
2017	50.0
2016	50.0

Between 2010 to 2023, the Issuer's retained earnings grew from 3.9% to 37.6% of its total equity. As at 30 September 2024, the Issuer has accumulated U.S.\$1,553 million in retained earnings, which amounted to 76.25% of its paid up capital.

The graphic below shows the Issuer's retained earnings as a percentage of its total equity from 2010 to 2023.

Year	Retained Earnings (U.S.\$'000,000)	Share of Equity (%)
2023	1,286	37.6
2022	1,049	38.9
2021	825	36.9
2020	666	32.1
2019	550	32.2
2018	426	27.4
2017	372	24.7
2016	329	22.7
2015	255	18.7
2014	240	17.8
2013	179	14.0
2012	140	11.3
2011	79	6.8
2010	44	3.9

The Issuer's equity capital raising programme

In 2019, as part of its 2019-2023 five-year strategic plan, the Issuer established an equity capital raise programme aimed at raising U.S.\$1.0 billion of new equity capital. Pursuant to this programme, the Issuer raised U.S.\$1.1 billion in equity capital from investors within and outside Africa, consisting of U.S.\$596.8 million from the sale of fully paid shares to investors, U.S.\$349.7 million through its rights issue programme and U.S.\$200.0 million through its equity warrant issuance programme which was established in 2020. As part of its 2024-2028 five-year strategic plan (which replaced the 2019-2023 plan), the Issuer intends to raise an additional U.S.\$1.0 billion in equity capital and grow its shareholder funds to U.S.\$6.0 billion by 2028. Within the first nine months of implementing this plan, the Issuer has raised approximately U.S.\$181.7 million, including U.S.\$151.7 million in fully paid contributions, which represents 18.2% of the U.S.\$1.0 billion target.

TAXATION

Certain U.S. Federal Tax Consequences

The following is a summary of certain U.S. federal tax consequences of the ownership and disposition of the Notes by a "U.S. holder" described below, that holds the Notes as capital assets and that purchases them as part of the initial offering of the Notes at their "issue price", which will be equal to the first price to the public (not including bondhouses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money. For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is for U.S. federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

This discussion does not describe all of the tax considerations that may be relevant to U.S. holders in light of their particular circumstances, including any alternative minimum tax or Medicare contribution tax consequences or the tax consequences arising under any other U.S. federal tax laws (e.g., estate tax or gift tax laws) or differing consequences or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers or traders in securities that use the mark-to-market method of accounting;
- persons holding Notes as part of a hedge or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- persons that own (directly, indirectly or constructively) 10 per cent. or more of the share capital of the Issuer (including the Notes and any other securities treated as equity for U.S. federal income tax purposes);
- persons that hold the Notes as part of a straddle, hedge, conversion, constructive sale or other
- integrated transaction for U.S. federal income tax purposes; or
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes.

If a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of its partners will generally depend on the status of the partners and the activities of the partnership. Any such partnership or partner should consult their tax advisers as to their particular U.S. federal income tax consequences of holding and disposing of the Notes.

The statements set out below are based on those laws, practices and conventions as of the date hereof. They are subject to changes in those laws, practices and conventions, and any relevant judicial decision, after the date hereof, which may apply with retrospective effect. This summary is not exhaustive of all possible tax

considerations that may be relevant in the particular circumstances of each U.S. holder. Further, this summary does not discuss the tax consequences to U.S. holders of a Permanent Write-Down of the Notes. U.S. holders should consult their tax advisers as to the tax consequences in their own particular circumstances of the acquisition, ownership and disposition of the Notes.

General

There is no direct legal authority as to the proper U.S. federal income tax characterisation of the Notes, and such characterisation is subject to substantial uncertainty. It is reasonable to take the position, except as otherwise noted, that the Notes are treated as equity interests in a non-U.S. corporation for U.S. federal income tax purposes, because of the perpetual nature of the Notes, the lack of default rights, the potential for cancellation of interest, and the potential for permanent write-down. Accordingly, each “interest” payment should be treated as a distribution by the Issuer with respect to such equity interest, and any reference in this discussion to “dividends” or “distributions” refers to the “interest” payments on the Notes. It is possible, however, that the Internal Revenue Service (“IRS”) would take the position that the Notes should be treated as debt because the Notes are in the legal form of a debt instrument, have a stated interest, and are issued by a supranational organisation whose membership is comprised of countries, rather than a business organization formed under a domestic law. If the Notes are treated as debt for U.S. federal income tax purposes, U.S. holders may be subject to materially different (and potentially adverse) U.S. federal income tax consequences, including potential phantom income inclusions in circumstances where interest payments on the Notes are delayed or cancelled. See “*Alternative Characterization as Debt*”, below. The remainder of this discussion assumes that the Notes are treated as equity for U.S. federal income tax purposes. Prospective investors are urged to consult their tax advisers regarding the proper characterization of the Notes.

It is anticipated that there is a substantial likelihood that the Issuer will be a PFIC for the current taxable year and for any future taxable year. See “*Passive Foreign Investment Company Rules*”, below.

Distributions

Subject to the PFIC rules discussed below, any distribution (including any stated interest payment) made by the Issuer on the Notes generally will be treated as a dividend includible in the gross income of a U.S. holder as ordinary income on the date actually or constructively received to the extent of the Issuer's current and accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent the amount of such distribution exceeds the Issuer's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such U.S. holder's adjusted tax basis in the Notes and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such Notes. The Issuer does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a U.S. holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations.

Distributions on the Notes generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

Sale or other disposition

Subject to the PFIC rules discussed below, a U.S. holder generally will recognise gain or loss (assuming, in the case of a redemption, the U.S. holder does not own, and is not deemed to own, any of our ordinary shares or any other instruments issued by the Issuer that are treated as equity for U.S. federal income tax purposes) for U.S. federal income tax purposes upon a sale or other disposition of its Notes in an amount equal to the difference between the amount realized from such sale or disposition and the U.S. holder's adjusted tax basis in such Notes, as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. holders, such as individuals) or loss if, on the date of sale or disposition, such Notes were held by such U.S. holder for more than one year. The

deductibility of capital loss is subject to significant limitations. Such gain or loss realized generally will be treated as derived from U.S. sources.

U.S. holders that own and/or are deemed to own our ordinary shares or any other instruments issued by the Issuer that are treated as equity for U.S. federal income tax purposes should consult with their tax advisers as to the tax consequences of a redemption in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75 per cent. of its gross income is classified as "passive income" or (ii) at least 50 per cent. of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Although interest income is generally passive, under IRS guidance, certain banking income of licensed active banks is treated as non-passive (the active banking exception). However, the active banking exception should not be applicable because the Issuer does not regularly accept deposits from customers in the ordinary course of its business, and, as such, although the Issuer has not undertaken to determine whether it is a PFIC, based on the present nature of its activities and the present composition of its assets and sources of income, it is anticipated that there is a substantial likelihood that the Issuer will be a PFIC for the current taxable year and for any future taxable year. If the Issuer is classified as a PFIC in any year that a U.S. holder is a shareholder, the Issuer generally will continue to be treated as a PFIC for that U.S. holder in all succeeding years, regardless of whether the Issuer continues to meet the income or asset test described above.

If a U.S. holder does not make a valid election as discussed below, and the Issuer is a PFIC for any taxable year during which an investor is a U.S. holder, the investor will be subject to special tax rules with respect to any "excess distribution" received and any gain realised from a sale or other disposition (including a pledge) of the Notes. Distributions (including any interest payments) received in a taxable year that are greater than 125 per cent. of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. holder's holding period for the Notes will be treated as excess distributions. Under these special tax rules: (i) the excess distribution or gain will be allocated rateably over the U.S. holder's holding period for the Notes; (ii) the amount allocated to the current taxable year and other years before the Issuer was a PFIC will be treated as ordinary income; and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year. If the Issuer is treated as a PFIC and, at any time, it owns equity, as determined for U.S. federal income tax purposes, in another non-U.S. corporation that is classified as a PFIC (a "**Subsidiary PFIC**"), U.S. holders generally will be deemed to own, and also would be subject to the PFIC rules with respect to, their indirect ownership interest in that Subsidiary PFIC.

A U.S. holder subject to the PFIC rules discussed above or below is required to file IRS Form 8621 with respect to its investment in the Notes in the year such U.S. holder receives any distribution upon, or makes any disposition of, such Notes.

Mark-to-market election

A U.S. holder of stock in a PFIC (but not a Subsidiary PFIC, as discussed below) may be able to choose to be subject to different rules by making an election to include gain or loss on the Notes as ordinary income or loss under a mark-to-market method, provided that the PFIC stock is regularly traded on a qualified exchange. Application has been made for the Notes to be admitted to the Luxembourg Stock Exchange, which the Issuer expects to be a qualified exchange. No assurance can be given that the Notes will be "regularly traded" for purposes of the mark-to-market election. If a U.S. holder makes an effective mark-to-market election, the U.S. holder will include in each year as ordinary income the excess of the fair market value of its Notes at the end of the year over its adjusted tax basis in the Notes. The U.S. holder will be entitled to deduct as an ordinary

loss each year the excess of its adjusted tax basis in the Notes over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. holder's adjusted tax basis in the Notes will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, gains from an actual sale or other disposition of Notes will be treated as ordinary income, and any losses will be treated as ordinary losses to the extent of any mark-to-market gains for prior years. If a U.S. holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Notes are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. Although a U.S. holder may be eligible to make a mark to market election with respect to the Notes, generally no such election may be made with respect to the stock of any Subsidiary PFIC that such U.S. holder is treated as owning, because such Subsidiary PFIC stock is not expected to be treated as marketable for these purposes.

U.S. holders should consult with their tax advisers regarding the application of the PFIC rules to the Notes and the availability and advisability of making an election with respect to the Notes .

Qualified electing fund election

It is expected that a U.S. holder will not be able to make a qualified electing fund (“QEF”) election with respect to the Notes.

Alternative Characterization as Debt

If the Notes were treated as a debt instrument, because interest on the Notes is subject to cancellation in the sole discretion of the Issuer, such interest may not be considered unconditionally payable for U.S. federal income tax purposes and thus may not be considered "qualified stated interest" for such purposes. In this case, the Notes could be treated as issued with original issue discount, which could result in a requirement to recognize income in advance of receipt of cash attributable to such income. The proper application of the original issue discount rules to a perpetual debt instrument with cancellable interest is unclear, but could result in U.S. holders being required to include the entire amount of interest as income as it accrues, regardless of whether the Issuer has cancelled or delayed such interest. U.S. holders are urged to consult their tax advisers regarding the potential application of these rules.

US Information Reporting and Backup Withholding Tax

A U.S. holder may be subject to information reporting on amounts received by such U.S. holder from a distribution on, or disposition of, the Notes unless such U.S. holder establishes that it is exempt from these rules. If a U.S. holder does not establish that it is exempt from these rules, it may be subject to backup withholding on the amounts received unless it provides a taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment that is received will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such U.S. holder to a refund, provided that the required information is timely furnished to the IRS. U.S. holders should consult their tax advisers about any reporting obligations that may apply as a result of the acquiring, owning or disposing of the Notes. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

Nigeria

No withholding taxes will be deductible in Nigeria for any payments made in relation to the Notes.

The Proposed Financial Transaction Tax

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FORM OF THE NOTES

The Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. Set out below is a summary of certain of those provisions.

The Form of Global Notes

All Notes will be in fully registered form, without interest coupons attached. The Notes sold in reliance on Regulation S under the Securities Act will be represented on issue by the Regulation S Global Note, which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in the Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg or their participants at any time. See “*Clearing and Settlement Arrangements*”. By acquisition of a beneficial interest in the Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it acquired such beneficial interest in accordance with Regulation S and that it will only offer, sell, pledge or otherwise transfer such beneficial interest in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

The Notes sold in reliance on Rule 144A will be represented on issue by the Rule 144A Global Note, which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in the Rule 144A Global Note may only be held through DTC or its participants at any time. Beneficial interests in the Rule 144A Global Note may only be held by persons who are QIBs who are also QPs, holding their interests for their own account or for the account of one or more QIBs who are also QPs. By acquisition of a beneficial interest in the Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB that is also a QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Restricted Global Note. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

Beneficial interests in Global Notes will be subject to certain restrictions on transfer set out therein and under “*Subscription and Sale and Transfer and Selling Restrictions*” and in the Agency Agreement and such Global Notes will bear a legend as set out under “*Subscription and Sale and Transfer and Selling Restrictions*”. On or prior to the 40th day after the later of the commencement of the offering and the Issue Date, ownership of interests in the Regulation S Global Note will be limited to persons who have accounts with Euroclear or Clearstream, Luxembourg, or persons who hold interests through Euroclear or Clearstream, Luxembourg, and any sale or transfer of such interests to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A as provided below.

Amendments to the Conditions

The Global Notes contain provisions that apply to the Notes that it represents, some of which modify the effect of the above Conditions of the Notes. The following is a summary of those provisions:

1. Payments

Payments of principal and interest in respect of Notes evidenced by the Global Note will be made against presentation for endorsement by the Principal Paying Agent and, if no further payment falls to be made in respect of the relevant Notes, surrender of the Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the relevant Noteholders for such purpose. A record of

each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

2. *Payment Record Date*

Each payment in respect of the Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Note is being held is open for business.

3. *Meetings*

The holder of the Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each U.S.\$1,000 in principal amount of Notes for which the Global Note may be exchanged.

4. *Trustee Powers*

In considering the interests of Noteholders while the Global Note is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the holders of the Global Note.

5. *Cancellation*

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

Terms defined in the “*Conditions of the Notes*” have the same meaning in paragraphs 1 to 5 above

Exchange of Interests in Global Notes for Definitive Registered Notes

The Rule 144A Global Note will become exchangeable, free of charge to the holder, in whole but not in part, for Note certificates in definitive, registered form (“**Rule 144A Definitive Registered Notes**”) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Rule 144A Global Note or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC. In such circumstances, such Rule 144A Definitive Registered Notes shall be registered in such names as DTC shall direct in writing and the Issuer or the Issuer will procure that the Registrar notify the holders as soon as practicable after the occurrence of the event specified above.

The Regulation S Global Note will become exchangeable, free of charge to the holder, in whole but not in part, for Note certificates in definitive, registered form (“**Regulation S Definitive Registered Notes**”) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or does in fact do so. In such circumstances, such Regulation S Definitive Registered Notes will be registered in such names as Euroclear and Clearstream, Luxembourg shall direct in writing and the Issuer or the Issuer will procure that the Registrar notify the holders as soon as practicable after the occurrence of the event specified above.

In the event that the Rule 144A Global Note is to be exchanged for Rule 144A Definitive Registered Notes or the Regulation S Global Note is to be exchanged for Regulation S Definitive Registered Notes (together “**Definitive Registered Notes**”), the relevant Global Note shall be exchanged in full for the relevant Definitive Registered Notes and the Issuer will, without charge to the holder or holders thereof, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or

imposed in connection with such exchange, cause sufficient Definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders.

On exchange, a person having an interest in a Global Note must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Registered Notes, and (ii) in the case of the Rule 144A Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB that is also a QP. Definitive Registered Notes issued in exchange for a beneficial interest in the Rule 144A Global Note shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under “*Subscription and Sale and Transfer and Selling Restrictions*” below. Rule 144A Definitive Registered Notes issued, as described above, will not be exchangeable for beneficial interests in the Regulation S Global Note and Regulation S Definitive Registered Notes issued, as described above, will not be exchangeable for beneficial interests in the Rule 144A Global Note.

In addition to the requirements described under “*Subscription and Sale and Transfer and Selling Restrictions*” below, the holder of a Note may transfer such Note only in accordance with the provisions of Condition 2 (*Transfers of Notes*).

Upon the transfer, exchange or replacement of a Rule 144A Note Certificate bearing the legend referred to under “*Subscription and Sale and Transfer and Selling Restrictions*” below, or upon specific request for removal of the legend on a Rule 144A Definitive Registered Note, the Issuer will deliver only Rule 144A Definitive Registered Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of any Notes or exchange of interests in a Global Note for Definitive Registered Notes for a period of 15 calendar days ending on the due date of any payment of principal or interest in respect of such Notes.

CLEARING AND SETTLEMENT ARRANGEMENTS

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “**Clearing Systems**”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a “**banking organisation**” within the meaning of the New York Banking Law, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code and a “**clearing agency**” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Participants**”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book entry changes in the Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“**Beneficial Owner**”) is, in turn, to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit the Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct and Indirect Participants.

Under certain circumstances DTC will exchange the DTC Notes for Definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who, in turn, act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise to take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through, or maintain a custodial relationship with, an account holder of either system.

Book-entry ownership of and payments in respect of DTC Notes

The Issuer may apply to DTC in order to have the Notes represented by the Rule 144A Global Note accepted in its book-entry settlement system. Upon the issue of the Rule 144A Global Note, DTC or its custodian will

credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by the Rule 144A Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Joint Bookrunner. Ownership of beneficial interests in the Rule 144A Global Note will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in the Rule 144A Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of the Rule 144A Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC, unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes represented by Global Notes

Transfers of any interests in Notes represented by the Global Notes within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by the Global Notes to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who, in turn, act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by the Rule 144A Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by the Rule 144A Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Transfer Agent and any custodian (“**Custodian**”) with whom the relevant Global Notes have been deposited.

On or after the Issue Date, transfers of Notes between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the Global Notes will be effected through the Registrar, the Transfer Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Joint Bookrunner will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to, or payments made on account of, beneficial interests in the Notes represented by Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

RELATED DERIVATIVES TRANSACTIONS

In connection with the issuance of the Notes, the Issuer may enter into negotiated currency and/or interest rate swaps or other financial derivative transactions. The Issuer's counterparty in any such derivative transaction may be an institution that is also acting as a Joint Bookrunner, or an affiliate of a Joint Bookrunner. Payment to be made or received by the Issuer under any such derivative transaction may be calculated on the basis of the amounts payable by the Issuer under the Notes and the proceeds payable to the Issuer in connection with the sale of the Notes, either before or after deduction of the commissions payable to the Joint Bookrunners. The Issuer's rights and obligations under any such derivative transaction will be wholly independent of its rights and obligations under the Notes, and the holders of the Notes will have no interest in such derivative transaction or any payment to which the Issuer may be entitled thereunder.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Each of Emirates NBD Bank PJSC, J.P. Morgan Securities plc, Mashreqbank psc, Merrill Lynch International, MUFG Securities EMEA plc and Société Générale (the “**Joint Bookrunners**”), has, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 16 January 2025, severally, and not jointly and severally, agreed to subscribe or procure subscribers for the Notes. The Subscription Agreement provides that the obligations of the Joint Bookrunners to purchase the Notes are subject to certain conditions. The offering of the Notes by the Joint Bookrunners is subject to receipt and acceptance and subject to the Joint Bookrunners’ right to reject any order in whole or in part.

The Notes will constitute a new class of securities of the Issuer with no established trading market. If a market does develop, it may not be very liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. The Issuer cannot provide any assurances to investors that the prices at which the Notes (or beneficial interests therein) will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. Furthermore, an anchor investor has provided commitment of U.S.\$150 million in connection with the offering, and allocation of Notes to this investor may result in trading in the Notes being less liquid than would otherwise be the case, and may also affect the prices of the Notes in the secondary market, particularly if this investor elect to sell all or a substantial portion of its position in the Notes. See “—*Anchor Commitments*” below.

In connection with the offering of the Notes, one or more Joint Bookrunner(s) may purchase and sell Notes (or beneficial interests therein) in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilising transactions. Over-allotment involves the sale of Notes (or beneficial interests therein) in excess of the principal amount of Notes to be purchased by the Joint Bookrunners in this offering, which creates a short position for the Joint Bookrunners. Covering transactions involve the purchase of the Notes (or beneficial interests therein) in the open market after the distribution has been completed in order to cover short positions. Stabilising transactions consist of certain bids or purchases of Notes (or beneficial interests therein) made for the purpose of preventing or retarding a decline in the market price of the Notes (or beneficial interests therein) while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes (or beneficial interests therein). They may also cause the price of the Notes (or beneficial interests therein) to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Joint Bookrunners may conduct these transactions in the over-the-counter market or otherwise. If the Joint Bookrunners commence any of these transactions, they may discontinue them at any time.

The Issuer expects that delivery of interests in the Notes will be made against payment therefor on the Issue Date specified on the cover page of this Prospectus, which will be the fifth Business Day following the date of pricing of the Notes (this settlement cycle being referred to as “**T+5**”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two New York business days, unless the parties to any such trade expressly agree otherwise. Accordingly, investors who wish to trade interests in the Notes on the date of this Prospectus or the next New York business days will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Investors in the Notes who wish to trade interests in the Notes on the date of this Prospectus or the next New York business days should consult their own adviser.

The Joint Bookrunners and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Bookrunners or their respective affiliates may have performed investment banking and advisory services for the Issuer and its affiliates from time to time for which they may have received fees, expenses, reimbursements and/or other compensation. The Joint Bookrunners or their respective affiliates may, from time to time, engage in transactions with and perform advisory and other services for the Issuer and its affiliates in the ordinary

course of their business. Certain of the Joint Bookrunners and/or their respective affiliates have acted and expect in the future to act as a lender to the Issuer and/or otherwise participate in transactions with the Issuer.

In the ordinary course of their various business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. In addition, certain of the Joint Bookrunners and/or their respective affiliates hedge their credit exposure to the Issuer pursuant to their customary risk management policies. These hedging activities could have an adverse effect on the future trading prices of the Notes offered hereby.

The Issuer has acknowledged that other than the listing of the Notes on the regulated market of Euronext Dublin and on the London Stock Exchange's main market, no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. The Issuer has confirmed that it will comply with all laws and regulations applicable to it in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes such offering material, in all cases at its own expense.

The Issuer and the Joint Bookrunners have severally confirmed that, in relation to the Notes, they will comply with all applicable laws, regulations and market or other regulatory guidelines applicable to the respective party as are in force from time to time which are relevant in the context of the issue of such Notes, and shall submit (or procure the submission of) such reports or information as may from time to time be required for compliance with such laws, regulations and market or other regulatory guidelines.

Anchor Commitments

A multilateral development finance institution ("**DFI**") has provided commitment of U.S.\$150 million in connection with the offering pursuant to which the DFI is expected to acquire Notes in the offering. The terms of the DFI's commitment does not in any way restrict its ability to buy or sell Notes and the DFI may do this at any time, at its sole discretion, and such sales may adversely impact the trading price of the Notes. The holding and any sale of Notes by the DFI may adversely affect the liquidity of the Notes and may also affect the price of the Notes in the secondary market, particularly if the DFI elects to sell all or a substantial portion of its position in the Notes. See "*Risk Factors—Risks related to the market generally—The market value of the Notes may be influenced by unpredictable factors. There is no established trading market for the Notes and one may not develop.*"

Joint Bookrunner Commitments

Certain of the Joint Bookrunners will be allocated Notes in the offering and so on settlement may hold a portion of the Notes. Such Joint Bookrunners may sell these in the secondary market but are under no obligation to do so.

Transfer restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes (other than a person purchasing an interest in a Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB who is also a QP, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs who are also QPs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that if it is a U.S. Person within the meaning of Regulation S, it is (a) not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25.0 million in securities of unaffiliated issuers, (b) not a participant-directed employee plan, such as a 401(k) plan, (c) not formed for the purpose of investing in the Notes or the Issuer, and (d) aware, and each beneficial owner of such Notes has been advised, that the seller of such Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A;
- (iii) that it will, (a) along with each account for which it is purchasing, hold and transfer beneficial interests in the Rule 144A Global Notes in a principal amount that is not less than U.S.\$200,000 and (b) provide notice of these transfer restrictions to any subsequent transferees. In addition, it understands that the Issuer may receive a list of participants holding positions in the Issuer's securities from one or more book-entry depositories;
- (iv) that it understands that the Issuer has the power to compel any beneficial owner of Rule 144A Global Notes that is a U.S. person and is not a QIB and a QP to sell its interest in the Rule 144A Notes, or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honour the transfer of an interest in the Rule 144A Notes to a U.S. person who is not a QIB and a QP;
- (v) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (vi) that, unless it holds an interest in a Regulation S Global Note and is a non-U.S. person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only: (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB who is also a QP purchasing for its own account or for the account of a QIB who is also a QP in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (vii) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (vi) above, if then applicable;
- (viii) that Notes initially offered in the United States to QIBs who are also QPs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (ix) that it understands that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect, unless otherwise agreed to by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THIS NOTE MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED

INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”) THAT IS A QUALIFIED PURCHASER (“QP”) WITHIN THE MEANING OF SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, AND IN AN AMOUNT FOR EACH ACCOUNT OF NOT LESS THAN U.S.\$200,000 PRINCIPAL AMOUNT OF NOTES, (2) IN AN OFFSHORE TRANSACTION TO A PERSON LOCATED OUTSIDE THE UNITED STATES WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”) IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (1) IT IS A QIB THAT IS ALSO A QP; (2) IT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS; (3) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN; (4) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, EACH OF WHICH IS A QP; (5) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THIS NOTE; (6) IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES AND (7) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB AND A QP, THE ISSUER MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE TO A PERSON WHO IS (I) A U.S. PERSON WHO IS A QIB AND A QP THAT IS, IN EACH CASE, OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S WHO IS LOCATED OUTSIDE THE UNITED STATES AND IS PURCHASING SUCH NOTE IN AN OFFSHORE TRANSACTION OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100% OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A U.S. PERSON WHO IS NOT A QIB AND A QP. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT, BUT RATHER INTENDS TO RELY ON AN EXEMPTION FROM REGISTRATION THEREUNDER WHICH

LIMITS THE TYPE OF INVESTORS THAT MAY BE PERMITTED TO PURCHASE AN INTEREST IN THIS NOTE TO THOSE THAT ARE QPS.

THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER OF THIS NOTE THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QIB AND A QP.”;

- (x) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB who is also a QP in compliance with Rule 144A, in each case in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS OR OTHER JURISDICTIONS OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED INTO OR WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF WHICH THIS NOTE FORMS PART. TERMS USED ABOVE WHICH ARE NOT OTHERWISE DEFINED HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.”; and

- (xi) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together, the “**Legended Notes**”) in the United States to any one purchaser will be for less than U.S.\$200,000 principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 principal amount of Notes.

Selling restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In connection with the Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided by Regulation S (“**Regulation S Notes**”), each Joint Bookrunner has represented and agreed that it will not offer, sell or deliver such Regulation S Notes

(i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, of all Notes, within the United States or to, or for the account or benefit of, U.S. persons. Each Joint Bookrunner has further agreed that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Any Joint Bookrunner may, directly or through its respective U.S. broker-dealer affiliates, arrange for the offer and resale of Notes within the United States pursuant to Rule 144A only to persons whom they reasonably believe are Qualified Institutional Buyers (“QIBs”) within the meaning of Rule 144A and qualified purchasers (“QPs”) as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, who can represent that (a) they are QIBs who are also QPs, (b) they are not broker-dealers who own and invest on a discretionary basis less than U.S.\$25.0 million in securities of unaffiliated issuers, (c) they are not a participant-directed employee plan, such as a 401(k) plan, (d) they are acting for their own account, or the account of one or more QIBs each of which is also a QP, (e) they are not formed for the purpose of investing in the Issuer or the Notes, (f) each account for which they are purchasing will hold and transfer at least U.S.\$200,000 in principal amount of Notes at any time, (g) they understand that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositaries, and (h) they will provide notice of the transfer restrictions set forth in this Prospectus to any subsequent transferees.

If it is a QIB that is also a QP purchasing the Notes pursuant to Rule 144A, it will not offer, sell, pledge or otherwise transfer the Notes except (i) (a) to the Issuer, (b) to a person whom the purchaser reasonably believes is a QIB that is also a QP in a transaction meeting the requirements of Rule 144A, (c) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or (d) in a transaction that is otherwise exempt from the registration requirements of the Securities Act but only upon delivery to the Issuer of an opinion of counsel in form and scope satisfactory to the Issuer and (ii) in accordance with all applicable securities laws of the States of the United States.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of UK MiFIR.

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Switzerland

The offering of the Notes in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act 2020 (the “**FinSA**”) because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Notes will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

South Africa

Each Joint Bookrunner has agreed that it has not and will not offer or solicit any offers for sale or subscription or sell any Notes in the Republic of South Africa except in accordance with the Exchange Control Regulations (as defined below), the Companies Act, 2008 (the “**SA Companies Act**”), the Banks Act, 1990 and any other applicable laws and regulations of the Republic of South Africa in force from time to time. In particular, each Joint Bookrunner has represented and agreed that it will not make an “offer to the public” (as such expression is defined in the SA Companies Act) of Notes (whether for subscription, purchase or sale) in the Republic of South Africa.

This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the SA Companies Act.

No South African residents may subscribe for, or purchase, the Notes or beneficially own or hold any of the Notes, unless such subscription, purchase, or beneficial holding or ownership is permitted under the Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933, and the policies, directives and rules of the South African Reserve Bank (the “**Exchange Control Regulations**”), or applicable law or specific approval has been obtained by the investor from the Financial Surveillance Department of the South African Reserve Bank, and by participating in the offer investors are deemed to have warranted that they have the requisite exchange control approvals in place for participating in the offer and acquiring the Notes.

Information made available in this Prospectus should not be considered as “advice” as defined in the Financial Advisory and Intermediary Services Act, 2002.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Joint Bookrunner has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (the “**UAE**”) other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Joint Bookrunner has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “**Exempt Offer**” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business (COBS) Module of the DFSA rulebook.

Abu Dhabi Global Market

Each Joint Bookrunner has represented and agreed that it has not offered and will not offer the Notes to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an “**Exempt Offer**” in accordance with the Markets Rules (MKT) Module of the Financial Services Regulatory Authority (the “**FSRA**”) rulebook; and
- (b) made only to persons who are Authorised Person or Recognised Bodies (as such terms are defined in the FSRA Financial Services and Markets Regulation 2015 (“**FSMR**”)) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated; or
- (c) made only to persons who meet the Professional Client criteria set out in Rule 2.4 of the FSRA Conduct of Business (COBS) Module of the FSRA rulebook.

Qatar

Each of the Joint Bookrunners has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in Qatar (including the Qatar Financial Centre), except (a) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre) and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre). This Prospectus has not been filed with, reviewed or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange, may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre) and is only intended for specific recipients, in compliance with the foregoing.

Bahrain

Each Joint Bookrunner has represented and agreed that it has not offered or sold, and will not offer or sell any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;

- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited" investor as defined in the Central Bank of Bahrain Rulebook.

Nigeria

This Prospectus and the Notes have not been and will not be registered with the Nigerian SEC, or under the Nigerian ISA and the Nigerian SEC Rules. Further, neither this Prospectus nor any other offering material related to the Notes may be utilised in connection with any offering to the public within Nigeria, and the Notes may not be offered or sold within Nigeria to persons resident in Nigeria, except to the extent that the Notes have been registered with the Nigerian SEC and the written approval of the Nigerian SEC has been obtained in accordance with the provisions of the Nigerian ISA, the Nigerian SEC Rules and other Nigerian securities law and regulations.

Accordingly, this Prospectus is not directed at, and the Notes are not available for subscription by, any persons within Nigeria other than the selected investors to whom the Prospectus has been addressed as a private sale, or domestic concern, within the exemption and meaning of Section 69(2) of the Nigerian ISA.

Hong Kong

This Prospectus has not been and will not be approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional clients" and "qualified clients" under Article 8(a)(1) of the "Rules on the Offer of

Securities and Continuing Obligations” issued by the Board of the Capital Market Authority (the “CMA”) pursuant to its resolution number 3-123-2017 dated 9/4/1439H, corresponding to 27/12/2017G (as amended by the Board of the CMA pursuant to resolution number 3-6-2024 dated 5/7/1445H, corresponding to 17/1/2024G (as amended from time to time, the “KSA Regulations”) or by way of a limited offer under Article 9 of the KSA Regulations.

Each Joint Bookrunner has represented and agreed that any offer of Notes made by it to an investor in Saudi Arabia or who is a Saudi person will be made in compliance with either Article 8(a)(i) or Article 9 and Article 10 of the KSA Regulations.

The offer of Notes shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Restraint Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for recession or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, **provided that** the remedies for recession or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering.

General

Each Joint Bookrunner has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Joint Bookrunners shall have any responsibility therefor.

None of the Issuer, the Trustee or the Joint Bookrunners represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Covered Fund

The Issuer is considered a “covered fund” as defined in the Volcker Rule. The definition of “covered fund” in the Volcker Rule includes (generally) any entity that would be an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Issuer relies on Section 3(c)(7) of the 1940 Act for its exemption from registration thereunder (which limits sales of the Notes to “qualified purchasers”, as such term is defined in

the 1940 Act) it is considered to be a covered fund, hence certain entities may be prohibited under the Volcker Rule from, among other things, acquiring or retaining an "ownership interest" in the Issuer as a covered fund. Under the Volcker Rule, "**ownership interest**" is defined broadly to include any participation or other interest that entitles the holder of such interest to, among other things: (a) vote to remove management or otherwise other than as a creditor exercising remedies upon an event of default (b) share in the income, gains, profits or excess spread of the covered fund; or (c) receive underlying assets of the covered fund. The Issuer does not believe that an investment in the Notes issued under the Programme would constitute acquiring or retaining an ownership interest in a covered fund. See "*Risk Factors—Risks related to the market generally—Volcker Rule*" for further information.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through the DTC, Clearstream, Luxembourg and Euroclear systems. The Common Code and ISIN of the Regulation S Global Note are 293342288 and XS293342288, respectively. The ISIN and CUSIP of the Rule 144A Global Note are US00832XAA90 and 00832X AA9, respectively.
2. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 13 September 2024, respectively.

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. It is expected that admission of the Notes to trading will be granted on or around the next working day after the Issue Date. The estimated total expenses related to the admission to trading is €10,740.

3. Application has been made to the FCA for the Notes to be admitted to listing on the FCA Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market. It is expected that admission of the Notes to trading will be granted on or around the next working day after the Issue Date.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.
5. There has been no significant change in the financial position or financial performance of the Issuer since 30 September 2024 and there has been no material adverse change in the prospects of the Issuer since 31 December 2023.
6. The consolidated financial statements of Africa Finance Corporation and its subsidiary as of and for the years ended 31 December 2023 and 2022, incorporated by reference into this Prospectus have been audited by KPMG Professional Services, Chartered Accountants, ("KPMG"), Independent Auditors, as stated in their reports appearing herein. The condensed consolidated interim financial statements of Africa Finance Corporation and its subsidiary as of and for the nine months ended 30 September 2024 and as of and for the six months ended 30 June 2024 have been reviewed by KPMG. KPMG is an independent auditor in accordance with the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as the ethical requirements in Nigeria that are relevant to KPMG's audit of the financial statements incorporated by reference into this Prospectus. KPMG does not have any material interest in the Issuer.
7. For so long as any Notes are outstanding, electronic copies of the following documents will, when published, be available on <https://www.africafc.org/investor-and-country-relations/with-investors>:
 - the constitutional documents of the Issuer;
 - the Trust Deed, the Agency Agreement, the forms of the Global Notes and the Notes in definitive form;
 - this Prospectus;
 - any supplements to this Prospectus;
 - the Base Prospectus; and

- the consolidated financial statements of Africa Finance Corporation and its subsidiary, when published, will be made available at <https://www.africafc.org/investor-and-country-relations/with-investors/reports>.
8. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the notes and is not itself seeking admission of the notes to the Official List of Euronext Dublin or to trading on the Regulated Market of Euronext Dublin
 9. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Africa Finance Corporation Consolidated Financial Statements for the nine months ended 30 September 2024	
Statement of Directors' Responsibilities.....	F-1
Independent Auditors' review report	F-2
Consolidated statement of profit or loss and other comprehensive income.....	F-4
Consolidated statement of financial position.....	F-5
Consolidated statement of changes in equity.....	F-6
Consolidated statement of cash flows.....	F-7
Notes to the consolidated financial statements	F-8

STATEMENT OF DIRECTORS' RESPONSIBILITIES

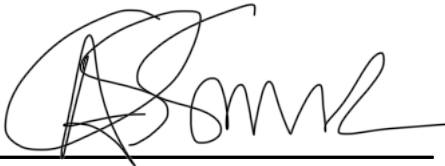
The Directors are responsible for the preparation of the condensed consolidated interim financial statements for the period ended 30 September 2024, that gives a true and fair view of the financial affairs of the Corporation at the end of the period and of its profit or loss and other comprehensive income. The Directors are also responsible for ensuring that the Corporation keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Directors accept responsibility for the condensed consolidated interim financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IAS 34 Interim Financial Reporting. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the condensed consolidated interim financial statements, as well as for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of condensed consolidated interim financial statements that are free from material misstatement.

Nothing has come to the attention of the Directors to indicate that the Corporation will not remain a going concern for at least twelve months from the date of this statement.

Approval of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements, presented on pages 4 to 73, were approved by the Directors on December 20, 2024 and were signed on its behalf by:



Chairman



President & CEO



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMG 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Africa Finance Corporation

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Africa Finance Corporation which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2024;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the nine-month period ended;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended;
- the condensed consolidated interim statement of cash flows for the nine-month period ended; and
- notes to the condensed consolidated interim financial statements, comprising material accounting policies and other explanatory information.

Directors' Responsibility

The directors are responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with *IAS 34 Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the 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.

Other Matter

We draw attention to the fact that we have not audited nor reviewed the accompanying condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the period ended 30 September 2023, or any of the related notes and accordingly, we do not express an opinion on them.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 September 2024 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

A handwritten signature in black ink, appearing to read 'Elijah Oladunmoye', with a horizontal line drawn across the top of the signature.

Elijah Oladunmoye FCA
FRC/2013/ICAN/0000019769
For: KPMG Professional Services
Chartered Accountants
26 December 2024
Lagos

Condensed Consolidated Statement of Profit or loss and other Comprehensive Income

		9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
	Note*		
Interest income	6	796,952	555,348
Interest expense	6	(327,563)	(261,980)
Net interest income		469,389	293,368
Credit risk insurance	12b	(15,961)	(15,099)
Dividend income	7	13,172	9,609
Fees, commission and other income	8	78,609	40,449
Operating income		545,209	328,327
Net (loss) /gain on financial instruments at fair value through profit or loss	9	(50,324)	1,014
Net impairment charge on financial assets	10	(47,304)	(50,993)
Gain on sale of financial assets	11	2,199	17,721
Operating expenses	12a	(75,807)	(65,201)
Profit for the period from continuing operations		373,973	230,868
Discontinued operations			
Loss for the period, from discontinued operations	25	(19,984)	(17,974)
Profit for the Period		353,989	212,894
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss:			
Net changes on FVOCI financial assets (equity instruments)	33	4,740	2,801
Other comprehensive (loss)/income		4,740	2,801
Total comprehensive income for the Period		358,729	215,695
Profit attributable to:			
Owners of the parent		353,989	212,894
Profit attributable to:			
Owners of the parent:			
From continuing operations		373,973	230,868
From discontinued operations		(19,984)	(17,974)
		353,989	212,894
Earnings per share			
Basic/diluted (United States cents)	14	22.86	15.74
From continuing operations			
Earnings per share (United States Cents)	14	24.15	17.07
From discontinued operations			
Loss per share (United States Cents)	14	(1.29)	(1.33)

* The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position as at September 30, 2024

		30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
	Note*		
Assets			
Cash and balances with banks	15	34,360	6,711
Loans and advances to banks	16	2,571,128	1,371,103
Derivative financial instruments	17	198,265	263,583
Loans and advances to other customers	18	5,454,395	4,283,292
Financial assets at fair value through profit or loss	19	1,603,369	1,601,402
Investment securities	20	1,894,319	3,783,322
Pledged assets	21	458,162	521,039
Other assets	22	44,476	30,685
Property, plant and equipment	23	3,324	5,087
Intangible assets	24	158	200
		12,261,956	11,866,424
Non-current assets held for sale	25	458,395	478,713
Total Assets		12,720,351	12,345,137
Liabilities			
Accrued expenses and other liabilities	26	262,650	188,576
Derivative financial instruments	17	101,017	128,914
Borrowings	27	8,306,654	8,324,483
		8,670,321	8,641,973
Liabilities directly associated with the assets held for sale	25	282,568	282,472
Total Liabilities		8,952,889	8,924,445
Equity			
Share capital	29	1,572,063	1,537,719
Share premium	30	464,710	423,675
Share warrants	31	200,000	200,000
Retained earnings	32	1,552,969	1,286,318
Fair value reserves	33	(22,280)	(27,020)
Total equity		3,767,462	3,420,692
Total Equity and Liabilities		12,720,351	12,345,137

* The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

	Share capital US\$ '000	Share premium US\$ '000	Share Warrants US\$ '000	Fair Value Reserves US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
Audited As at January 1, 2023	1,290,527	184,018	200,000	(24,299)	1,049,190	2,699,436
Profit for the Period	-	-	-	-	192,935	192,935
Equity securities at FVOCI- net change in fair value	-	-	-	2,801	-	2,801
Total comprehensive income	-	-	-	2,801	192,935	195,736
Transactions with owners						
Issued during the year	134,045	121,817	-	-	-	255,862
Dividend on share warrants	-	-	-	-	(6,981)	(6,981)
Dividends paid during the period	-	-	-	-	(85,581)	(85,581)
Transactions with owners:	134,045	121,817	-	-	(92,562)	163,300
Unaudited As at September 30, 2023	1,424,572	305,835	200,000	(21,498)	1,149,563	3,058,472
 Reviewed As at January 1, 2024	 1,537,719	 423,675	 200,000	 (27,020)	 1,286,318	 3,420,692
Profit for the Period	-	-	-	-	353,989	353,989
Other comprehensive income						
Equity securities at FVOCI- net change in fair value	-	-	-	4,740	-	4,740
Total comprehensive income	-	-	-	4,740	353,989	358,729
Transactions with owners:						
Issued during the period	13,997	14,881	-	-	-	28,878
Dividend on share warrants	-	-	-	-	(5,596)	(5,596)
Dividends paid during the period	-	-	-	-	(81,742)	(81,742)
Transaction with owners	13,997	14,881	-	-	(87,338)	(58,460)
Reviewed As at September 30, 2024	1,572,063	464,710	200,000	(22,280)	1,552,969	3,767,462

* The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

		9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
	Note*		
Cash flows from operating activities			
Interest and similar income received		789,050	505,840
Interest paid		(279,868)	(210,450)
Fee and commission receipts		114,207	46,485
Dividend received		10,063	9,609
Cash payments to employees and suppliers		(116,876)	(91,706)
Loans and advances disbursed to customers		(1,177,031)	(567,154)
Net cash from operating activities		(660,455)	(307,376)
Cash flows from investing activities			
Purchase of debt securities		(2,057,139)	(2,163,723)
Capital repayments of debt securities		1,899,743	1,946,447
Purchase of financial assets at fair value through profit or loss		(15,817)	(157,860)
Proceeds on disposal/repayments of equity securities		14,824	1,212
Proceeds on disposal of property and equipment	23	46	51
Purchase of property and equipment	23	(420)	(1,040)
Purchase of software/Intangibles	24	(34)	-
Net cash used in investment activities		(158,797)	(374,913)
Cash flows from financing activities			
Proceeds from other borrowings		1,439,848	980,724
Transaction costs related to borrowings		(14,945)	(9,800)
Repayment of borrowings		(1,499,436)	(1,060,051)
Proceeds on share issue		75,379	253,586
Dividends paid on share warrants	32	(5,596)	(6,981)
Dividend paid to ordinary Shareholders		(77,723)	(85,581)
Deposit for shares		26,333	6,500
Net cash from (used in) financing activities		(56,140)	78,397
Net increase in cash and cash equivalents		(875,392)	(603,892)
Cash and cash equivalents at the beginning of the period		3,491,871	2,995,106
Cash and cash equivalents at 30 September		2,616,479	2,391,214

* The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

Africa Finance Corporation ("AFC" or the "Corporation") is a multilateral development finance institution established by an international agreement between sovereign states.

AFC was created by two constitutive legal instruments: (i) the Agreement for the Establishment of the Africa Finance Corporation (the "AFC Agreement") and (ii) the Charter of the Africa Finance Corporation (the "AFC Charter"). AFC is headquartered in the Federal Republic of Nigeria, based on the Headquarters Agreement dated 28 May 2007 between the Federal Republic of Nigeria and the Africa Finance Corporation. AFC's headquarters is located at 3a Osborne Road, Ikoyi, Lagos, Nigeria.

The Corporation's shareholders principally comprise African States and corporate entities, such as major commercial banks, other financial institutions and other private sector commercial entities. There are forty three (2023: forty two) member states as at 30 September 2024 listed in the table below.

Member Countries

Angola	Ethiopia	Madagascar	Senegal
Benin	Djibouti	Malawi	Sierra Leone
Botswana	Egypt	Mali	Somalia
Burkina Faso	Eritrea	Mauritania	South Sudan
Burundi	Eswatini	Mauritius	The Gambia
Cameroon	Gabon	Morocco	Togo
Cape Verde	Ghana	Namibia	Tunisia
Chad	Guinea Bissau	Niger	Uganda
Congo	Guinea Conakry	Nigeria	Zambia
Cote d'Ivoire	Kenya	Rwanda	Zimbabwe
Democratic Republic of Congo	Liberia	Sao Tome & Principe	

Forty-eight (48) shareholders have subscribed and paid for shares in AFC in accordance with the terms of the AFC Charter (2023 Forty-four (44)). During the period, the Corporation received equity investments totalling US\$49.9 million from National Social Security Fund Kenya, US\$20.0 million from Angola Sovereign Wealth Fund, US\$5.0 million from RawBank Democratic Republic of the Congo, US\$5.0 (comprising US\$1 million paid-in capital and US\$4 million callable capital) from the Reserve Bank of Zimbabwe and US\$2 million from County Pension Fund. As at September 30, 2024, the shareholders holding more than 5% of the issued share capital of the Corporation is as follows:

Name of Shareholder	Shareholding (%)	
	September 2024	December 2023
Central Bank of Nigeria	39.0	39.9
Access Bank Plc	8.9	9.1
United Bank of Africa Plc	7.8	7.9
First Bank of Nigeria Plc	6.4	6.5
Zenith Bank Plc	6.4	6.5

See Note 29 for additional information on shareholding of the Corporation.

The Corporation's primary objective is to finance infrastructure (power, transportation, telecommunications), heavy industry, technology and natural resource (oil, gas, and mining) projects in Africa and to provide advisory, project development and other services related thereto. The Corporation also provides trade finance facilities to facilitate African trade.

The Corporation commenced operations on 1 November, 2007, after certain conditions prescribed in its constitutive instruments were fulfilled.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information (continued)

These condensed consolidated interim financial statements comprise the financial statements of Africa Finance Corporation ("AFC"), and its wholly owned subsidiaries: AFC Equity Investments Limited ("AFC Equity"), AFC Capital Partners ("AFC Capital"), Arise PCC and Pecan Energies Investment Limited ("Pecan"), together referred to as "The Corporation".

AFC Equity, which is domiciled in the Republic of Mauritius, was set up to hold equity investments on behalf of the Corporation as a Special Purpose Vehicle (SPV). The operations of AFC and AFC Equity are managed solely by AFC's management team as AFC Equity does not have a separate management team.

AFC Capital was setup as an investment management entity, which is also domiciled in the Republic of Mauritius. AFC Capital was created to mobilise and manage third party funds to unlock new sources of capital to fund the African infrastructure investment gap. AFC Capital leverages the scale and breadth of AFC's investment track record to offer institutional investors unique access to attractive, de-risked investment opportunities in climate-resilient infrastructure with strong returns.

Arise PCC, which is also domiciled in the Republic of Mauritius, is an SPV set up solely to hold the Corporation's investment in Terminal à Conteneurs de Nouakchott ("TCN"). TCN, formerly known as Arise Mauritania S.A., is a port project in the Islamic Republic of Mauritania. In 2022, the Corporation acquired a 100% stake in Arise PCC leading to an increase in the Corporation's interest in TCN to 50%, from 10.5%. In 2023, the investment in TCN was transferred from Arise PCC to AFC Equity and the process for an orderly liquidation of Arise PCC commenced. The full liquidation of the company is currently at an advanced stage and is expected to be finalized before the end of the 2024 financial year.

In 2023, AFC acquired a 100% interest in Pecan Energy AS (formerly Aker Energies AS), an exploration and production company. Through its wholly owned subsidiary, Pecan Energy Ghana Limited, the Company has a 50% participating interest in the Deepwater Tano / Cape Three Points block ("DWT/CTP"). Pecan Energy Ghana Ltd is the operator responsible for developing the DWT/CTP (Pecan field). After the acquisition, the entity was renamed as Pecan Energies AS and its assets and liabilities transferred to Pecan Energies Investment Limited ("PEIL"). AFC plans to reduce its interest in the near term. See notes 25 and 35.

Accordingly, the group is referred to as "the Corporation" for financial reporting purposes.

The consolidated financial statements for the Period ended September 30, 2024 were authorized and approved for issue by the Board of Directors on December 20, 2024.

2. Summary of material accounting policies

The material accounting policies applied are consistent with those of the previous financial year, except for the adoption of new and amended IFRS Accounting Standards as set out below.

2.1 Basis of preparation

The condensed consolidated interim financial statements for the nine months ended 30 September 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Corporation's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Corporation's financial position and performance since the last annual financial statements.

The condensed consolidated interim financial statements are presented in United States dollars (US\$) rounded to the nearest thousand.

In the preparation of these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of the assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements, are disclosed in Note 4.

Notes to the Condensed Consolidated Interim Financial Statements

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Corporation's consolidated financial statements as at and for the year ended 31 December 2023 except for the adoption of new standards effective as of 1 January 2024 below. The Corporation has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants -Amendments to IAS 1

The Corporation adopted Classification of Liabilities as Current or Non-current Liabilities with Covenants- Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for classification of liabilities that can be settled in an entity's own shares (e.g. convertible notes issued by the entity) Previously, the Corporation ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the revised policy, when a liability includes a counterparty conversion option that may be settled by a transfer of the Corporation's own shares, the Corporation takes into account the conversion option in classifying the host liability as current or non-current except when it is classified as an equity component of a compound instrument. The Corporation's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the Corporation has no outstanding convertibles as at 31 December 2023.

The change in accounting policy will also be reflected in the Corporation's consolidated financial statements at and for the year ending 31 December 2024.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management

The Corporation's business philosophy recognises that risks are an inevitable consequence of being in business. The Corporation's aim, therefore, is not to eliminate all risks, but to design policies, processes and procedures that will enable it achieve an appropriate balance between risk and return. The Corporation believes that a strong risk management function is key to its successful long-term operations.

The Corporation operates a multi-layered risk management governance structure, with the Board of Directors at its apex, exercising and assuming ultimate authority and responsibility for the Corporation's risk management. Other layers in the risk management governance structure are: (i) the Board Risk and Investment Committee (BRIC), responsible for oversight and approval of risk policies, and credit approvals above management's authority levels; (ii) Executive Management Committee (EXCO), responsible for review of investment proposals, and exercise of management's delegated authority for investment approvals; (iii) Management Risk Committee, responsible for the risk policy review and implementation; (iv) Asset and Liability Committee (ALCO), responsible for monitoring and management of the Corporation's liquidity and interest rate risks; (v) Risk Management Department, responsible for risk policy development, management and monitoring; and (vi) Business Units, responsible for the creation and management of risk assets.

The Corporation manages its financial risks through policies approved by the BRIC, and these are reviewed periodically. The policies also provide parameters and guidelines as to the Corporation's risk appetite, the approval process in respect of transactions, and how transactions are monitored and managed, in respect of any changes in the risk profile.

In managing those risks, Risk Management's independence and accountability is sustained by the Chief Risk Officer's direct reporting line to both the President & CEO and to the Chairman of the Board Risk and Investment Committee and the Policy requires the Chief Risk Officer's affirmative vote before a transaction can be approved.

In order to regularly monitor the risks in the Corporation's portfolio, Risk Management generates a number of reports, including a Daily Risk Report for the Executive Management Committee (EXCO) and a Portfolio Risk Dashboard for each meeting of the BRIC. In addition to these reports, Risk Management also provides independent risk assessment to transaction monitoring reports, which are prepared by the Business Originators on a quarterly basis.

Although, in the case of treasury investments and corporate lending transactions, the Corporation can lend unsecured, almost all of the Corporation's loans, which are largely project and corporate financing and asset-backed structured trade are secured by collateral. Because many of the Corporation's project lending transactions are bespoke, the collateral package is tailored to the individual project. The requirement for collateral and the type to be taken at origination will be based upon the nature of the transaction and the credit quality, size and structure of the borrower. The Corporation will often require the collateral to include a first charge over land and buildings owned and occupied by the business, a debenture over one or more of the assets of a company, personal guarantees from the directors of a company. However, some collateral requirements are generic, including domiciliation of contract proceeds and the proceeds of off-take agreements, assignment of all insurance and reinsurance proceeds, charge over the Collections Account and Debt Service Reserve Account and pledges or liens over physical assets. In the case of asset-backed trade related transactions, the collateral is a mix of product financed, cash or receivables.

The principal collateral types acceptable to the Corporation are: commercial properties; charges over business assets such as premises, inventory and plant and machinery; financial instruments such as debt securities, and guarantees received from third parties. The Corporation maintains appetite guidelines on the acceptability of specific classes of collateral. Collateral held as security for financial assets other than loans and advances is determined by the nature of the underlying exposure. Debt securities, including treasury, bonds and other bills are generally unsecured. Collateral is generally not held against loans and advances to banks/placements; however, securities are held as part of reverse repurchase or securities borrowing transactions or where a collateral agreement has been entered into under a master netting agreement.

Derivative transactions with financial counterparties are typically collateralised under a Credit Support Annex (CSA), in conjunction with the International Swaps and Derivatives Association (ISDA) Master Agreement. Derivative transactions with non-financial customers are not usually supported by a CSA. The Corporation considers risk concentrations by collateral providers with a view to ensuring that any potential undue concentrations of risk are identified and suitably managed. Generally, the concentration of collateral follows a similar pattern as the geographical and sectoral split of the Corporation's portfolio of loans and advances to customers.

In order to manage the risk of portfolio concentration, the Corporation has limits approved by the BRIC in respect of Countries, Sectors (e.g. Power, Natural Resources, etc.), Single Obligor and Sector Single Obligor.

The most important types of risks faced by the Corporation are credit risk, market risk, and liquidity risk. These individual sources of risk and how the Corporation manages them are described in more detail below.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

3.1 Credit risk

The Corporation takes on exposures to credit risk, which is the risk of financial loss as a result of a failure by a client or counterparty to meet its contractual obligation to the Corporation. The Corporation has two principal sources of credit risk: (i) credit risk on its loans and investments; and (ii) counterparty credit risk on its portfolio of treasury investments which include money market deals and other debt securities. The Corporation's credit risks are managed within a framework of credit policies, guidelines and processes, which are described in more detail below:

The maximum exposure to credit risk is presented in the table below:

3.1.1 Maximum exposure to credit risk

	Maximum Exposure	
	September 30, 2024 US\$ '000	December 31, 2023 US\$ '000
Balances with banks	34,331	6,681
Loan and advances to banks:		
- Placements with banks	2,571,128	1,371,103
Derivative financial assets	198,265	263,583
Loan and advances to other customers:		
- Project finance loans	4,133,424	3,593,111
- Trade finance loans	1,320,971	690,181
Financial assets at fair value through profit or loss:		
- Debt securities	160,045	307,132
- Asset under management (debt securities)	23,558	22,248
Investment Securities:		
- Corporate debt securities	418,625	397,215
- Government debt securities	1,433,975	3,349,127
Pledged Assets:		
- Corporate debt securities	327,417	336,383
- Government debt securities	130,745	184,656
Other assets:		
- Account receivable	24,330	14,781
- Fee receivable	10,529	8,875
	10,787,343	10,545,076
Off-balance sheet commitments	2,902,676	2,498,904

The above table represents a worst-case scenario of credit risk exposure faced by Corporation as at the reporting dates without taking account of any collateral held or other credit enhancements attached. The exposures are based on net carrying amounts as reported in the statement of financial position.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

3.1.2 Credit quality analysis

Credit Rating of Counterparty/Obligor

Counterparties are subject to the Corporation's internal rating process as part of its credit approval and review process. All risk rating processes are reviewed and validated periodically to ensure relevance to business realities, and relate to loans and advances to customers, loans and advances to banks, and investment securities. External ratings may also be obtained where such is available. There were no changes to the risk rating process in the period. The Corporation's risk rating buckets and definitions are as highlighted below:

Risk Buckets and Definition

Description	Rating bucket	Range of scores	Risk range description
Very Low Risk	AAA to A-	1.00 - 1.60	Excellent
Low Risk	BBB+ to BBB-	1.70 - 1.90	Strong
Moderate Risk	BB+ to BB-	2.00 - 2.60	Good
Moderate Risk	BB to B-	2.90 - 4.00	Fair
High Risk	CCC+ to CCC	5.00 - 7.00	Acceptable
High Risk	CCC-	8.00	Marginal
Very High Risk	CC- C	9.00	Special attention
Very High Risk	D	10	Default

The internal credit risk rating bucket has been calibrated to rating grades of international credit rating agencies. Our credit grades are not intended to replicate external credit grades (where these are available), and ratings assigned by external rating agencies are not used in determining our internal credit grades. Nonetheless, as the factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a worse internal credit grade.

The credit quality of the Corporation's financial assets with exposure to credit risk that are neither past due nor impaired is detailed below:

	September 30, 2024 US\$ '000	December 31, 2023 US\$ '000
Counterparties with international credit rating (S&P, Fitch, Moody's)		
Investment grade (AAA to BBB-)	2,410,523	3,850,812
Others (BB+, BB, BB-, B+, B, B-)	4,894,217	3,714,402
	7,304,740	7,565,214
Counterparties without international credit ratings		
Group 1	682,882	554,627
Group 2	2,744,916	2,367,774
	3,427,798	2,922,401
Total unimpaired nor past due loans, advances and debt securities	10,732,538	10,487,615
Total unimpaired nor past due financial assets	10,732,538	10,487,615

Group 1 – New customers/related parties (less than 6 months).

Group 2 – Existing customers/related parties (more than 6 months) with no defaults in the past.

Using the Corporation's internal credit rating, the credit quality of financial assets measured at amortised cost exposed to credit risk is detailed below:

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Balances with banks at amortised cost:

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
- Excellent	17,136	-	-	17,136
- Good	11,281	-	-	11,281
- Fair	13	-	-	13
- Acceptable	5,901	-	-	5,901
Gross carrying amount	34,331	-	-	34,331
Loss allowance	-	-	-	-
Carrying amount	34,331	-	-	34,331

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
- Excellent	848	-	-	848
- Strong	5,315	-	-	5,315
- Good	80	-	-	80
- Acceptable	438	-	-	438
Gross carrying amount	6,681	-	-	6,681
Loss allowance	-	-	-	-
Carrying amount	6,681	-	-	6,681

Loans and advances to banks at amortised cost:

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
- Excellent	1,519,813	-	-	1,519,813
- Strong	200,352	-	-	200,352
- Acceptable	450,998	-	-	450,998
- Fair	410,956	-	-	410,956
Gross carrying amount	2,582,119	-	-	2,582,119
Loss allowance	(10,991)	-	-	(10,991)
Carrying amount	2,571,128	-	-	2,571,128

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
- Excellent	1,101,704	-	-	1,101,704
- Strong	-	-	-	-
- Good	-	-	-	-
- Acceptable	274,923	-	-	274,923
	-	-	-	-
Gross carrying amount	1,376,627	-	-	1,376,627
Loss allowance	(5,524)	-	-	(5,524)
Carrying amount	1,371,103	-	-	1,371,103

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Loans and advances to customers at amortised cost:

September 30, 2024

US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Project finance</i>				
- Excellent	216,613	-	-	216,613
- Good	701,342	-	-	701,342
- Strong	-	-	-	-
- Fair	600,787	-	-	600,787
- Acceptable	2,125,313	349,720	-	2,475,033
- Marginal	241,918	-	-	241,918
- Special attention	-	-	-	-
- Default	-	-	125,275	125,275
Gross carrying amount	3,885,973	349,720	125,275	4,360,968
Loss allowance	(133,047)	(26,609)	(67,888)	(227,544)
	3,752,926	323,111	57,387	4,133,424
<i>Trade finance</i>				
- Strong	-	-	-	-
- Good	5,006	-	-	5,006
- Fair	119,650	-	-	119,650
- Acceptable	1,235,736	-	-	1,235,736
- Special attention	-	-	-	-
Gross carrying amount	1,360,392	-	-	1,360,392
Loss allowance	(39,421)	-	-	(39,421)
	1,320,971	-	-	1,320,971
Gross loans to other customers	5,246,365	349,720	125,275	5,721,360
Carrying amount	5,073,897	323,111	57,387	5,454,395

December 31, 2023

US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Project finance</i>				
- Excellent	252,489	-	-	252,489
- Strong	-	-	-	-
- Good	287,897	-	-	287,897
- Fair	623,083	-	-	623,083
- Acceptable	2,164,861	350,443	-	2,515,304
- Marginal	-	-	-	-
- Default	-	-	125,356	125,356
Gross carrying amount	3,328,330	350,443	125,356	3,804,129
Loss allowance	(121,313)	(21,816)	(67,889)	(211,018)
	3,207,017	328,627	57,467	3,593,111
<i>Trade finance</i>				
- Good	7,005	-	-	7,005
- Fair	268,292	-	-	268,292
- Acceptable	439,143	-	-	439,143
- Marginal	-	-	-	-
Gross carrying amount	714,440	-	-	714,440
Loss allowance	(24,259)	-	-	(24,259)
	690,181	-	-	690,181
Gross loans to other customers	4,042,770	350,443	125,356	4,518,569
Carrying amount	3,897,198	328,627	57,467	4,283,292

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

The following table sets out information about the overdue status of loans and advances to customers in Stages 1, 2 and 3.

Loans and advances to customers at amortised cost – gross carrying amount

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
Current	5,246,364	349,721	-	5,596,085
Overdue 30 - 90 days	-	-	31,770	31,770
Overdue 90 - 180 days	-	-	-	-
Overdue > 180 days	-	-	93,505	93,505
Total	5,246,364	349,721	125,275	5,721,360

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
Current	4,042,770	350,443	31,851	4,425,064
Overdue 30 - 90 days	-	-	-	-
Overdue 90 - 180 days	-	-	-	-
Overdue > 180 days	-	-	93,505	93,505
Total	4,042,770	350,443	125,356	4,518,569

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Investment securities at amortised cost:

September 30, 2024

US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Corporate debt securities</i>				
- Excellent	-	-	-	-
- Strong	-	-	-	-
- Good	-	-	-	-
- Fair	71,951	-	-	71,951
- Acceptable	274,192	-	-	274,192
- Marginal	93,333	-	-	93,333
	439,476	-	-	439,476
Loss allowance	(20,851)	-	-	(20,851)
	418,625	-	-	418,625
<i>Government debt securities</i>				
- Excellent	6,849	-	-	6,849
- Strong	77	-	-	77
- Fair	119,358	-	-	119,358
- Acceptable	1,338,014	-	-	1,338,014
	1,464,298	-	-	1,464,298
Loss allowance	(30,323)	-	-	(30,323)
	1,433,975	-	-	1,433,975
Carrying amount	1,852,600	-	-	1,852,600

December 31, 2023

US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Corporate debt securities</i>				
- Excellent	-	-	-	-
- Strong	-	-	-	-
- Fair	66,968	-	-	66,968
- Acceptable	351,716	-	-	351,716
- Marginal	-	-	-	-
- Special attention	-	-	-	-
	418,684	-	-	418,684
Loss allowance	(21,470)	-	-	(21,470)
	397,214	-	-	397,214
<i>Government debt securities</i>				
- Excellent	2,108,533	-	-	2,108,533
- Strong	20,175	-	-	20,175
- Fair	4,013	-	-	4,013
- Acceptable	1,241,761	-	-	1,241,761
	-	-	-	-
	3,374,482	-	-	3,374,482
Loss allowance	(25,354)	-	-	(25,354)
	3,349,128	-	-	3,349,128
Carrying amount	3,746,342	-	-	3,746,342

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Pledged assets:

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Corporate debt securities</i>				
- Excellent	-	-	-	-
- Strong	72,396	-	-	72,396
- Good	-	-	-	-
- Acceptable	265,415	-	-	265,415
	337,811	-	-	337,811
Loss allowance	(10,394)	-	-	(10,394)
	327,417	-	-	327,417
<i>Government debt securities</i>				
- Excellent	-	-	-	-
- Strong	51,105	-	-	51,105
- Fair	50,664	-	-	50,664
- Acceptable	30,541	-	-	30,541
	132,310	-	-	132,310
Loss allowance	(1,565)	-	-	(1,565)
	130,745	-	-	130,745
Carrying amount	458,162	-	-	458,162

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Corporate debt securities</i>				
- Excellent	-	-	-	-
- Strong	50,905	-	-	50,905
- Fair	31,936	-	-	31,936
- Acceptable	265,742	-	-	265,742
	348,583	-	-	348,583
Loss allowance	(12,200)	-	-	(12,200)
	336,383	-	-	336,383
<i>Government debt securities</i>				
- Excellent	30,897	-	-	30,897
- Strong	50,521	-	-	50,521
- Good	75,301	-	-	75,301
- Acceptable	31,157	-	-	31,157
	187,876	-	-	187,876
Loss allowance	(3,220)	-	-	(3,220)
	184,656	-	-	184,656
Carrying amount	521,039	-	-	521,039

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Other assets:

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Account receivable</i>				
-Acceptable	24,330	-	-	24,330
<i>Fee receivable</i>				
- Acceptable	10,529	-	-	10,529
	34,859	-	-	34,859
Loss allowance	-	-	-	-
Carrying amount	34,859	-	-	34,859

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Account receivable</i>				
- Acceptable	14,973	-	-	14,973
<i>Fee receivable</i>				
- Acceptable	8,875	-	-	8,875
<i>Advance for investment</i>				
- Good	-	-	-	-
	23,848	-	-	23,848
Loss allowance	-	-	-	-
Carrying amount	23,848	-	-	23,848

Off-balance sheet commitments:

September 30, 2024
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Debt and financial guarantees</i>				
- Good	11,412	-	-	11,412
- Fair	13,643	-	-	13,643
- Acceptable	2,874,696	-	-	2,874,696
- Marginal	2,925	-	-	2,925
Total	2,902,676	-	-	2,902,676
Loss allowance on commitments	27,157	-	-	27,157

December 31, 2023
US\$ '000

	Stage 1	Stage 2	Stage 3	Total
<i>Debt and financial guarantees</i>				
- Good	26,571	-	-	26,571
- Fair	239,350	-	-	239,350
- Acceptable	2,232,983	-	-	2,232,983
- Marginal	-	-	-	-
Total	2,498,904	-	-	2,498,904
Loss allowance on commitments	17,897	-	-	17,897

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Using the Corporation's internal credit rating, the credit quality of financial assets measured at fair value exposed to credit risk is detailed below:

	September 30, 2024 US\$ '000	December 31, 2023 US\$ '000
Derivative financial assets:		
- Acceptable	198,265	263,583
Financial assets at fair value through profit or loss		
<i>Debt securities</i>		
- Fair	5,000	5,000
- Acceptable	150,569	290,610
- Marginal	4,476	11,522
Asset under management: debt securities		
- Acceptable	23,558	22,248
	183,603	329,380

Effects of collateral and other credit enhancements

The Corporation holds collateral and other credit enhancements against certain of its credit exposures. For loans and advances to other customers, the general credit worthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. Collateral values are assessed at the time of loan origination. The Corporation requires collateral to be realistically valued by an appropriately qualified source, independent of both the credit decision process and the customer, at the time of borrowing. Collateral provides additional security and the Corporation generally requests that borrowers provide it. The extent to which collateral values are actively managed will depend on the credit quality and other circumstances of the obligor. Although lending decisions are predominantly based on expected cash flows, any collateral provided may impact the pricing and other terms of a loan or facility granted; this will have a financial impact on the amount of net interest income recognised and on internal loss-given-default estimates that contribute to the determination of asset quality.

For unimpaired secured lending, the Corporation reports assets gross of collateral and therefore discloses the maximum loss exposure. The Corporation believes that this approach is appropriate as collateral values at origination and during a period of good performance may not be representative of the value of collateral if the obligor enters a distressed state.

Unimpaired secured lending is predominantly managed on a cash flow basis. On occasion, it may include an assessment of underlying collateral, although, for impaired lending, this will not always involve assessing it on a fair value basis. No aggregated collateral information for the entire unimpaired secured wholesale lending portfolio is provided to key management personnel.

Valuation of collateral is updated when the credit risk of a loan deteriorates significantly and the loan is monitored more closely. No collateral is held for cash and balances with banks, loans and advances to banks and other assets.

Where collateral has been obtained in the event of default, the Corporation does not, as a rule, use such assets for its own operations and they would be sold on a timely basis. There were no assets held by the Corporation as at September 30, 2024, as a result of the enforcement of collateral (2023: Nil).

The types of collateral held includes fixed and floating charge on companies' assets and securities and a charge on the commodities financed for trade transactions. The Corporation also uses insurance by a counterparty which is more creditworthy than the original counterparty, as a means of credit enhancement. The Corporation has portfolio insurance cover over the loans and advances to other customers and investment securities portfolios.

Volume of exposure secured by collateral and other credit enhancements:

Type of credit exposure	2024 %	2023 %	Type of collateral held
Loans and advances to other customers			
- Project finance	93	95	charge on securities/company assets/insurance
- Trade finance	88	80	charge on commodities financed
Debt securities	100	71	charge on company assets/insurance
Investment debt securities	-	-	Portfolio insurance

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;

Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange translation for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loans and advances to banks at amortised cost:	September 30, 2024				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	5,524	-	-	-	5,524
Net remeasurement of loss allowance	5,467	-	-	-	5,467
Balance at 30 September	10,991	-	-	-	10,991
Loans and advances to banks at amortised cost:	December 31, 2023				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	2,365	-	-	-	2,365
Net remeasurement of loss allowance	3,159	-	-	-	3,159
Balance at 31 December	5,524	-	-	-	5,524
Loans and advances to customers at amortised cost:	September 30, 2024				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	145,572	21,816	67,889	-	235,277
Net remeasurement of loss allowance	26,896	4,792	-	-	31,688
Balance at 30 September	172,468	26,608	67,889	-	266,965
Loans and advances to customers at amortised cost:	December 31, 2023				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	93,648	31,548	67,889	-	193,085
Transfer to Stage 1	7,909	(7,909)	-	-	-
Transfer to Stage 3	-	-	-	-	-
Net remeasurement of loss allowance	44,015	(1,823)	-	-	42,192
Balance at 31 December	145,572	21,816	67,889	-	235,277

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

		September 30, 2024			
		Stage 1	Stage 2	Stage 3	Purchased credit-impaired
		Total			
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loans and advances to customers at amortised cost:					
<i>Project finance loans</i>					
Loss allowance as at 1 January		121,313	21,816	67,889	-
Net remeasurement of loss allowance		11,734	4,792	-	-
Financial assets that have been derecognised		-	-	-	-
Balance at 30 September		133,047	26,608	67,889	-
		December 31, 2023			
		Stage 1	Stage 2	Stage 3	Purchased credit-impaired
		Total			
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Project finance loans</i>					
Loss allowance as at 1 January		77,834	25,960	67,889	-
Transfer to Stage 1		2,321	(2,321)	-	-
Transfer to Stage 3		-	-	-	-
Net remeasurement of loss allowance		41,157	(1,823)	-	-
Balance at 31 December		121,312	21,816	67,889	-
		September 30, 2024			
		Stage 1	Stage 2	Stage 3	Purchased credit-impaired
		Total			
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loans and advances to customers at amortised cost:					
<i>Trade finance loans</i>					
Loss allowance as at 1 January		24,259	-	-	-
Transfer to Stage 1		-	-	-	-
Net remeasurement of loss allowance		15,162	-	-	-
Financial assets that have been derecognised		-	-	-	-
Balance at 30 September		39,421	-	-	-
		December 31, 2023			
		Stage 1	Stage 2	Stage 3	Purchased credit-impaired
		Total			
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Trade finance loans</i>					
Loss allowance as at 1 January		15,814	5,588	-	-
Transfer to Stage 2		5,588	(5,588)	-	-
Net remeasurement of loss allowance		2,858	-	-	-
Balance at 31 December		24,260	-	-	-

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Investment securities at amortised cost:	September 30, 2024				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	46,824	-	-	-	46,824
Derecognised	-	-	-	-	-
Net remeasurement of loss allowance	4,350	-	-	-	4,350
Balance at 30 September	51,174	-	-	-	51,174
Investment securities at amortised cost:	December 31, 2023				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	38,898	812	-	-	39,710
Transfer to Stage 1	812	(812)	-	-	-
Net remeasurement of loss allowance	7,114	-	-	-	7,114
Balance at 31 December	46,824	-	-	-	46,824
Investment securities at amortised cost:	September 30, 2024				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Corporate debt securities</i>					
Loss allowance as at 1 January	21,470	-	-	-	21,470
Transfer to Stage 1	-	-	-	-	-
Net remeasurement of loss allowance	(615)	-	-	-	(615)
Balance at 30 September	20,855	-	-	-	20,855
Investment securities at amortised cost:	December 31, 2023				
	Stage 1	Stage 2	Stage 3	Purchased credit- impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Corporate debt securities</i>					
Loss allowance as at 1 January	18,598	-	-	-	18,598
Transfer to Stage 1	-	-	-	-	-
Net remeasurement of loss allowance	2,872	-	-	-	2,872
Balance at 31 December	21,470	-	-	-	21,470

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

September 30, 2024					
Investment securities at amortised cost:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
<i>Government debt securities</i>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	25,354	-	-	-	25,354
Net remeasurement of loss allowance	4,965	-	-	-	4,965
Balance at 30 September	30,319	-	-	-	30,319
December 31, 2023					
Investment securities at amortised cost:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
<i>Government debt securities</i>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	20,300	812	-	-	21,112
Transfer to Stage 2	-	(812)	-	-	(812)
Net remeasurement of loss allowance	5,054	-	-	-	5,054
Balance at 31 December	25,354	-	-	-	25,354
September 30, 2024					
Investment securities at FVOCI:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
<i>Corporate debt securities</i>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	-	-	-	-	-
Financial assets that have been derecognised	-	-	-	-	-
Balance at 30 September	-	-	-	-	-
December 31, 2023					
Investment securities at FVOCI:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
<i>Corporate debt securities</i>	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	-	-	-	-	-
Financial assets that have been derecognised	-	-	-	-	-
Balance at 31 December	-	-	-	-	-

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

September 30, 2024					
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Debt securities</i>					
Loss allowance as at 1 January	15,420	-	-	-	15,420
Net remeasurement of loss allowance	(3,461)	-	-	-	(3,461)
Balance at 30 September	11,959	-	-	-	11,959
December 31, 2023					
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Debt securities</i>					
Loss allowance as at 1 January	8,447	-	-	-	8,447
Net remeasurement of loss allowance	6,973	-	-	-	6,973
Balance at 31 December	15,420	-	-	-	15,420
September 30, 2024					
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Corporate debt securities</i>					
Loss allowance as at 1 January	3,220	-	-	-	3,220
Net remeasurement of loss allowance	(1,655)	-	-	-	(1,655)
Balance at 30 September	1,565	-	-	-	1,565
December 31, 2023					
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Corporate debt securities</i>					
Loss allowance as at 1 January	2,018	-	-	-	2,018
Net remeasurement of loss allowance	1,202	-	-	-	1,202
Balance at 31 December	3,220	-	-	-	3,220

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

September 30, 2024				
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Government debt securities</i>				
Loss allowance as at 1 January	12,200	-	-	-
Net remeasurement of loss allowance	(1,806)	-	-	-
Balance at 30 September	10,394	-	-	-
December 31, 2023				
Pledged assets:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<i>Government debt securities</i>				
Loss allowance as at 1 January	6,429	-	-	-
Net remeasurement of loss allowance	5,771	-	-	-
Balance at 31 December	12,200	-	-	-
September 30, 2024				
Commitments:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	17,897	-	-	-
Net remeasurement of loss allowance	9,260	-	-	-
Balance at 30 September	27,157	-	-	-
December 31, 2023				
Commitments:	Stage 1	Stage 2	Stage 3	Purchased credit-impaired
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Loss allowance as at 1 January	12,486	-	-	-
Net remeasurement of loss allowance	5,411	-	-	-
Balance at 31 December	17,897	-	-	-

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Credit-impaired financial assets

See accounting policy in note Credit-impaired loans and advances are graded 10 in the Corporation's internal credit risk grading system (see note 3.1.2 above).

The following table sets out a reconciliation of changes in the net carrying amount of credit impaired loans and advances to customers.

	September 30, 2024 Total US\$ '000	December 31, 2023 Total US\$ '000
Credit-impaired loans and advances to customers at 1 January	57,467	57,687
Net repayments	(80)	(220)
Closing balance	57,387	57,467

Modified financial assets

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL.

	September 30, 2024 Total US\$ '000	December 31, 2023 Total US\$ '000
Financial assets modified during the period		
Amortised cost before modification	-	33,760
Net modification gain/(loss)	-	(3,437)

3.1.3 Concentration of risks of financial assets with credit risk exposure

Geographical sectors

The Corporation manages concentration risk using the Exposure Limits Framework (ELF) as part of its credit risk management policies. The ELF proposes a portfolio diversification strategy for the Corporation in order to avoid excessive portfolio concentration either in single projects or groups of projects, or in particular sectors that could be simultaneously affected by similar exogenous events. The ELF defines sector exposure limits, single obligor exposure limits and single country exposure limits. In line with best practices, the exposure limits are linked to the Corporation's total investable fund, that is the shareholders' funds plus retained earnings plus borrowings with a remaining maturity exceeding one year, and the pace at which these Board approved limits are consumed is dependent on the Corporation's risk appetite. The following table analyses the Corporation's main credit exposures at their carrying amounts, categorised by geographical region, as at September 30, 2024. The Corporation has allocated exposures to regions based on the country of domicile of its counterparties.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

September 30, 2024	West Africa US\$ '000	Rest of Africa US\$ '000	Outside Africa US\$ '000	Total US\$ '000
Cash and balances with banks:				
Balances with banks	5,913	11,282	17,136	34,331
Loans and advances to banks:				
- Placements with banks	402,577	649,475	1,519,076	2,571,128
Derivative financial assets	83,852	8,312	106,101	198,265
Loans and advances to other customers:				
- Project finance	2,701,078	1,432,346	-	4,133,424
- Trade finance	839,107	481,864	-	1,320,971
Financial assets at fair value through profit or loss:				
- Debt securities	123,648	36,397	-	160,045
- Asset under management (debt securities)	-	-	23,558	23,558
Investment securities:				
- Corporate debt securities	112,641	305,984	-	418,625
- Government debt securities	1,152,964	274,166	6,845	1,433,975
Pledged assets:				
- Corporate debt securities	255,268	72,149	-	327,417
- Government debt securities	29,833	100,912	-	130,745
Other assets:				
- Account receivable	24,330	-	-	24,330
- Fee receivable	4,154	6,375	-	10,529
	5,735,365	3,379,262	1,672,716	10,787,343
Off-balance sheet commitments	1,855,375	1,047,301	-	2,902,676
December 31, 2023	West Africa US\$ '000	Rest of Africa US\$ '000	Outside Africa US\$ '000	Total US\$ '000
Cash and balances with banks:				
Balances with banks	516	5,317	848	6,681
Loans and advances to banks:				
- Placements with banks	273,378	-	1,097,725	1,371,103
Derivative financial assets	155,496	-	107,895	263,391
Loans and advances to other customers:				
- Project finance	2,418,046	1,175,065	-	3,593,111
- Trade finance	515,604	174,577	-	690,181
Financial assets at fair value through profit or loss:				
- Debt securities	134,802	172,330	-	307,132
- Asset under management (debt securities)	-	-	22,248	22,248
Investment securities:				
- Corporate debt securities	112,791	284,424	-	397,215
- Government debt securities	1,209,734	30,994	2,108,399	3,349,127
Pledged assets:				
- Corporate debt securities	285,683	50,700	-	336,383
- Government debt securities	30,493	154,163	-	184,656
Other assets:				
- Account receivable	14,973	-	-	14,973
- Fee receivable	2,500	6,375	-	8,875
	5,154,016	2,053,945	3,337,115	10,545,076
Off-balance sheet commitments	1,560,865	938,039	-	2,498,904

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Credit Concentration by Industry

September 30, 2024

	Natural Resources	Heavy Industry & Telecoms	Power	Transport	Financial Services & Others	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash and balances with banks:						
Balances with banks	-	-	-	-	34,331	34,331
Loans and advances to banks:						
- Placements with banks	-	-	-	-	2,571,128	2,571,128
Derivative financial assets	23	-	-	-	198,242	198,265
Loans and advances to other customers:						
- Project finance	901,168	807,313	844,371	837,273	743,299	4,133,424
- Trade finance	23,536	241,914	-	-	1,055,521	1,320,971
Financial assets at fair value through profit or loss:						
- Debt securities	115,764	16,480	26,550	1,251	-	160,045
- Asset under management (debt securities)	-	-	-	-	23,558	23,558
Investment securities:						
- Corporate debt securities	-	-	296,157	121,247	1,221	418,625
- Government debt securities	-	-	-	-	1,433,975	1,433,975
Pledged assets:						
- Corporate debt securities	-	-	-	-	327,417	327,417
- Government debt securities	-	-	-	-	130,745	130,745
Other assets:						
- Account receivable	-	-	-	-	24,330	24,330
- Fee receivable	4,154	-	6,375	-	-	10,529
	1,044,645	1,065,707	1,173,453	959,771	6,543,767	10,787,343
Off-balance sheet commitments	50,229	135,548	59,305	4,967	2,652,627	2,902,676

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

	Natural Resources	Heavy Industry & Telecoms	Power	Transport	Financial Services & Others	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash and balances with banks:						
Balances with banks	-	-	-	-	6,681	6,681
Loans and advances to banks:						
- Placements with banks	-	-	-	-	1,371,103	1,371,103
Derivative financial assets	-	-	-	-	263,391	263,391
Loans and advances to other customers:						
- Project finance	622,329	762,334	744,262	881,631	582,555	3,593,111
- Trade finance	56,501	52,085	-	-	581,595	690,181
Financial assets at fair value through profit or loss:						
- Debt securities	118,786	15,994	11,098	152,732	8,522	307,132
- Asset under management (debt securities)	-	-	-	-	22,248	22,248
Investment securities:						
- Corporate debt securities	-	-	281,592	113,746	1,877	397,215
- Government debt securities	-	-	-	-	3,349,127	3,349,127
Pledged assets:						
- Corporate debt securities	-	-	-	-	336,383	336,383
- Government debt securities	-	-	-	-	184,656	184,656
Other assets:						
- Account receivable	-	-	-	-	14,973	14,973
- Fee receivable	2,500	-	6,375	-	-	8,875
	800,116	830,413	1,043,327	1,148,109	6,723,111	10,545,076
Off-balance sheet commitments	75,340	182,664	124,322	27,892	2,088,686	2,498,904

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

3.2 Market Risk

3.2.1 Foreign exchange risk

In the normal course of business, the Corporation is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Corporation has exposure to currencies other than the United States Dollars, its functional currency, which include the Nigerian Naira (NGN), Euros, South African Rand (ZAR), Japanese Yen (JPY), Swiss Francs (CHF), Egyptian Pounds (EGP) and the Ghanaian Cedi (GH¢). These exposures are hedged in accordance with the Corporation's policy. The highest single currency exposure did not exceed 14% (2023: 12%) of total assets and 9% (2023: 8%) of total liabilities while in aggregate they amount to 22% (2023: 25%) of financial assets and 12% (2023: 10%) of financial liabilities. The Board sets limits on the level of exposure by currency, which are monitored. The table below summarizes the Corporation's exposure to foreign exchange rate risk at September 30, 2024. Included in the table are the Corporation's financial instruments at carrying amounts, categorised by currency.

Concentrations of currency risk – financial instruments

September 30, 2024
Reviewed

	US dollars US\$ '000	Others US\$ '000	Total US\$ '000
Assets			
Cash and balances with banks	31,167	3,193	34,360
Loans and advances to banks	2,518,101	53,027	2,571,128
Derivative financial assets	189,345	8,920	198,265
Loans and advances to other customers	3,972,552	1,481,843	5,454,395
Financial assets at fair value through profit or loss	1,603,369	-	1,603,369
Investment securities	521,721	1,372,598	1,894,319
Pledged assets	458,162	-	458,162
Other assets	23,400	11,459	34,859
Total financial assets	9,317,818	2,931,040	12,248,857
Liabilities			
Borrowings	7,347,731	958,923	8,306,654
Derivative financial liabilities	79,611	21,406	101,017
Accrued expenses and other liabilities	202,811	59,839	262,650
Total financial liabilities	7,630,153	1,040,168	8,670,321
Net financial position	1,687,665	1,890,872	3,578,537
Off-balance sheet commitments	720,255	2,182,421	2,902,676

The following analysis shows the Corporation's sensitivity to increases or decreases in exchange rates. The analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity of profit or loss to changes in the exchange rates arises mainly from monetary financial instruments and investments in equity securities carried at fair value through profit or loss and the impact on other components of equity arises from investments classified as fair value through OCI.

	Impact US\$ '000	Total US\$ '000
September 30, 2024 Reviewed		
Impact on Profit or loss		
Sensitivity at 200bp depreciation	45,459	45,459
Sensitivity at 400bp appreciation	(85,673)	(85,673)
Impact on Equity		
Sensitivity at 200bp depreciation	243	243
Sensitivity at 400bp appreciation	(458)	(458)

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

Audited

	US dollars US\$ '000	Others US\$ '000	Total US\$ '000
Assets			
Cash and balances with banks	6,612	99	6,711
Loans and advances to banks	1,063,326	307,777	1,371,103
Derivative financial assets	254,083	9,308	263,391
Loans and advances to other customers	3,216,928	1,066,364	4,283,292
Financial assets at fair value through profit or loss	1,601,402	-	1,601,402
Investment securities	2,228,159	1,555,163	3,783,322
Pledged assets	521,039	-	521,039
Other assets	6,720	17,128	23,848
Total financial assets	8,898,269	2,955,839	11,854,108
Liabilities			
Borrowings	7,446,298	878,185	8,324,483
Derivative financial liabilities	112,376	16,538	128,914
Accrued expenses and other liabilities	155,755	32,822	188,577
Total financial liabilities	7,714,429	927,545	8,641,974
Net financial position	1,183,840	2,028,294	3,212,134
Off-balance sheet commitments	731,538	1,767,366	2,498,904

The following analysis shows the Corporation's sensitivity to increases or decreases in exchange rates.

	Others US\$ '000	Total US\$ '000
December 31, 2023		
Audited		
Impact on Profit or loss		
Sensitivity at 200bp depreciation	22,954	22,954
Sensitivity at 400bp appreciation	(98,720)	(98,720)
Impact on Equity		
Sensitivity at 200bp depreciation	636	636
Sensitivity at 400bp appreciation	(1,198)	(1,198)

Currency exposures emanating from the investment portfolio are hedged in line with the Corporation's policy. As at September 30, 2024, the net open FX position was US\$ 26.9 million (2023: US\$ 26.1 million) representing 0.7% (2023: 0.8%) of shareholders' funds as of that date.

3.2.2 Interest rate risk

Interest rate benchmark reform

The Corporation is exposed to the USD LIBOR and JPY LIBOR (collectively 'IBORs') which are referenced in derivatives and nonderivative financial assets and liabilities with various counterparties. The alternative reference rate of the USD LIBOR is the Secured Overnight Financing Rate (SOFR) while the alternative reference rate for the JPY LIBOR is the Tokyo Overnight Average Rate (TONAR).

Progress on the transition to alternative benchmark interest rates

a. Non-derivative financial assets

The Corporation completed its transition to alternative benchmark rates. The Corporation's remaining IBOR exposures as at 30 September 2024 have appropriate fallback clauses. These clauses automatically switch the instrument from USD LIBOR to the Secured Overnight financing rate as and when USD LIBOR ceases. As announced by the Financial Conduct Authority, the one-, three - and six month synthetic USD LIBOR settings will cease on 30 September 2024.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

b. Non-derivative financial liabilities

The Corporation has no unreformed non-derivative financial liabilities as at 30 September 2024.

Cashflow Interest rate risk

The table below summarises the Corporation's exposure to interest rate risks. It includes the Corporation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

September 30, 2024
Reviewed

Repricing dates	Up to 3 months US\$ '000	Above 3 months US\$ '000	Non-Interest Bearing US\$ '000	Total US\$ '000
Assets				
Cash and balances with banks	-	-	34,360	34,360
Loans and advances to banks	2,515,851	-	55,277	2,571,128
Derivative financial instruments	-	-	198,265	198,265
Loans and advances to customers	2,599,200	2,855,195	-	5,454,395
Financial assets at fair value through profit or loss	12,034	61,878	1,529,457	1,603,369
Investment securities	720,273	1,132,327	41,719	1,894,319
Pledged assets	-	458,162	-	458,162
Other assets	-	-	34,859	34,859
Total financial assets	5,847,358	4,507,562	1,893,937	12,248,857
Liabilities				
Borrowings	4,195,507	4,111,147	-	8,306,654
Derivative financial instruments	-	-	101,017	101,017
Other liabilities	-	-	262,650	262,650
Total financial liabilities	4,195,507	4,111,147	363,667	8,670,321
Total interest repricing gap	1,651,851	396,415	1,530,270	3,578,536

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

Audited

Repricing dates	Up to 3 months US\$ '000	Above 3 months US\$ '000	Non-Interest Bearing US\$ '000	Total US\$ '000
Assets				
Cash and balances with banks	-	-	6,711	6,711
Loans and advances to banks	1,142,191	164,938	63,974	1,371,103
Derivative financial instruments	-	-	263,391	263,391
Loans and advances to customers	1,567,451	2,715,841	-	4,283,292
Financial assets at fair value through profit or loss	1,770	230,620	1,369,012	1,601,402
Investment securities	3,391,890	354,452	36,980	3,783,322
Pledged assets	-	521,039	-	521,039
Other assets	-	-	23,848	23,848
Total financial assets	6,103,302	3,986,890	1,763,916	11,854,108
Liabilities				
Borrowings	4,251,580	4,072,903	-	8,324,483
Derivative financial instruments	-	-	128,914	128,914
Other liabilities	-	-	188,577	188,577
Total financial liabilities	4,251,580	4,072,903	317,491	8,641,974
Total interest repricing gap	1,851,722	(86,013)	1,446,425	3,212,134

Interest rate sensitivities

The management of interest rate risk against interest rate gap limits is supplemented by the sensitivity of the Corporation's financial assets and liabilities to various standard interest rate scenarios. The table below shows an analysis of the sensitivity of the Corporation's Profit or Loss and Other Comprehensive Income to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant balance sheet position. However, for the purpose of sensitivity analysis, we have used a conservative assumption of 50 basis point (bp) parallel fall or rise in interest rates of the financial assets and liabilities.

	50 bp parallel increase	50 bp parallel decrease
Sensitivity of reported profit or loss for the period		
2023	(5,652)	5,652
2024	(1,787)	1,787

There were no interest-bearing financial asset measured at FVOCI during the period (2023: Nil).

3.3 Liquidity Risk

The Corporation holds a diversified portfolio of cash and High-Quality Liquid Assets ("HQLA") to support financial obligations and contingent funding in a stressed market environment. HQLA generally include cash, inter-bank placements and certain marketable securities backed by sovereigns and central banks. These assets are typically of the highest quality and the most liquid, and there is no limit on the extent to which these assets are held to meet the Liquidity Coverage Ratio ("LCR"). Other HQLA assets include government securities and corporate debt securities. The assets held for managing liquidity risk are comprise:

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

	September 30, 2024		December 31, 2023	
	Reviewed		Audited	
	Carrying Amount US\$ '000	Fair Value US\$ '000	Carrying Amount US\$ '000	Fair Value US\$ '000
Cash and balances with banks	34,360	34,360	6,711	6,711
Loans and advances to banks	2,582,119	2,582,119	1,376,627	1,376,627
Investment securities	-	-	2,108,533	2,108,518
Total liquidity reserves	2,616,479	2,616,479	3,491,871	3,491,856

Monitoring and reporting take the form of daily cash flow measurement and projections. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The Corporation has a Liquidity Policy and Contingency Funding Plan that defines extensively how liquidity risk would be managed within the Corporation. The policy requires that the Corporation keeps High Quality Liquid Assets ("HQLA") to cover its Minimum liquidity Level ("MLL") at twelve and eighteen months under 'stress' and business as usual ("BAU") conditions respectively. MLL, for the purpose of the Corporation, is defined as the level of liquidity that is available to meet the Corporation's financial obligations repayment of borrowing - principal plus interest accruals, operating expenses and other non-cancellable debt and equity commitments). Similar to the provisions of Basel III Capital Accord on Liquidity, the Corporation has defined its Liquidity Coverage ratio ("LCR") as its stock of HQLA as a proportion of its MLL, as defined above. Under both stress and BAU conditions, the LCR is required to be greater than 100%.

As at September 30, 2024, the LCR was under stress scenario 108% (December 31, 2023: 143%) and under normal circumstances 162% (December 31, 2023: 161%).

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Financial assets available to support future funding

The following table sets out the availability of the Corporation's financial assets (excluding equity securities and derivative assets) to support future funding.

September 30, 2024
Reviewed

		Encumbered	Unencum- bered	Total
	Note	US\$ '000	US\$ '000	US\$ '000
Assets				
Cash and balances with banks	15	-	34,360	34,360
Loans and advances to banks	16	-	2,571,128	2,571,128
Loans and advances to other customers	18	-	5,454,395	5,454,395
Financial assets at fair value through profit or loss		-	183,603	183,603
Investment securities		-	1,852,600	1,852,600
Pledged assets	21	458,162	-	458,162
Other assets	22	-	34,859	34,859
Total assets		458,162	10,130,945	10,589,107

December 31, 2023
Audited

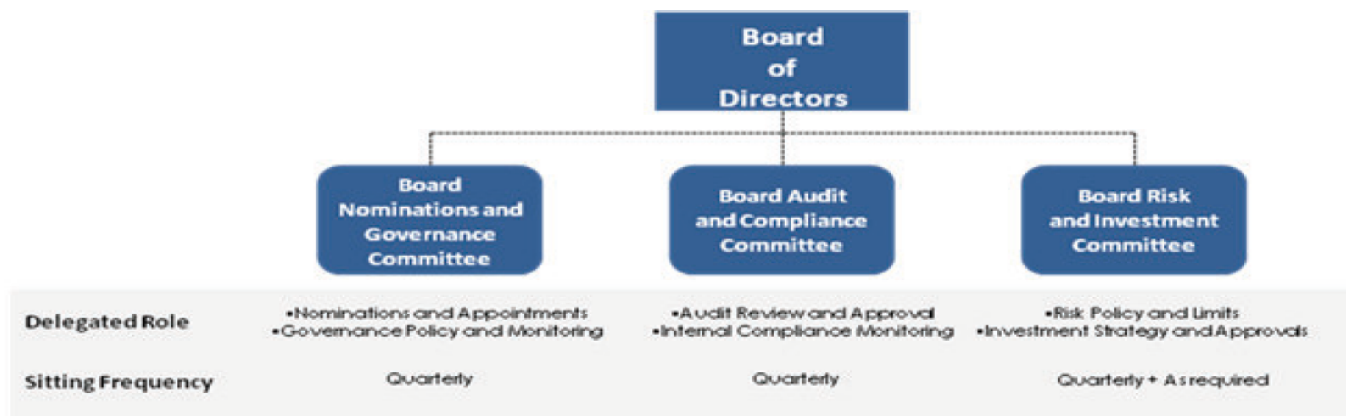
		Encumbered	Unencum- bered	Total
	Note	US\$ '000	US\$ '000	US\$ '000
Assets				
Cash and balances with banks	15	-	6,711	6,711
Loans and advances to banks	16	-	1,371,103	1,371,103
Loans and advances to other customers	18	-	4,283,292	4,283,292
Financial assets at fair value through profit or loss		-	329,380	329,380
Investment securities		-	3,746,342	3,746,342
Pledged assets	21	521,039	-	521,039
Other assets	22	-	23,656	23,656
Total assets		521,039	9,760,484	10,281,523

Notes to the Condensed Consolidated Interim Financial Statements

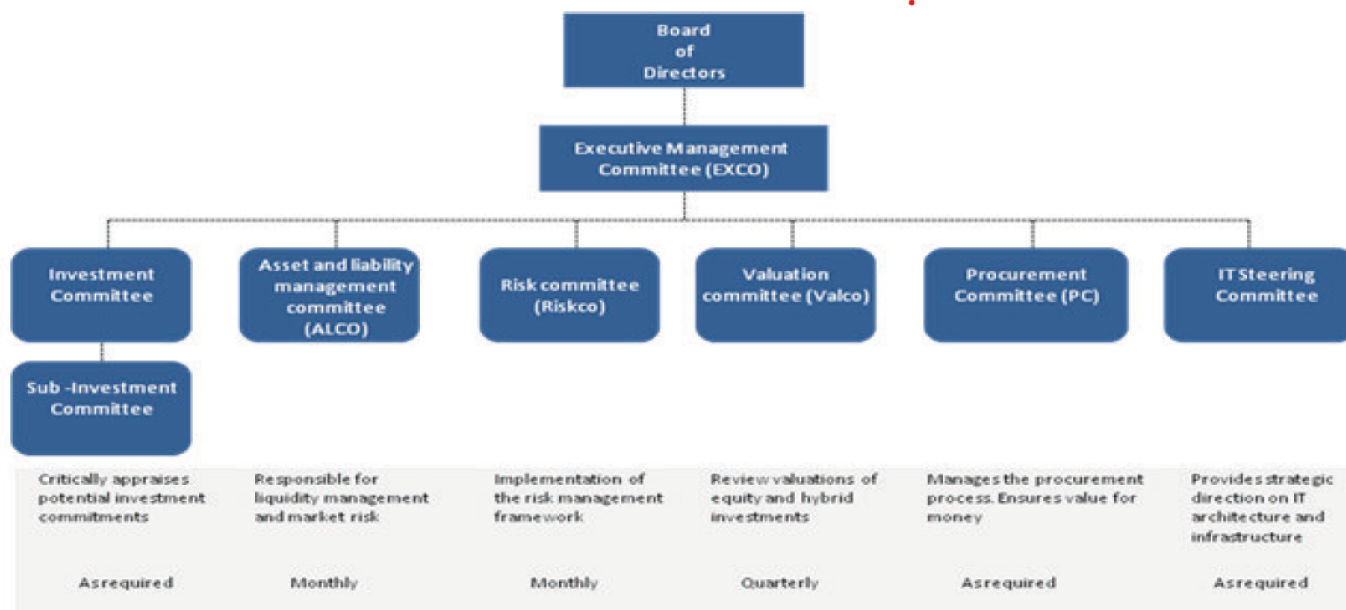
3. Financial risk management (continued)

3.4 Capital Management & Governance structure

The Board of Directors has ultimate responsibility for policy formulation, strategy and decision making, with specific authority delegated to three subsidiary committees and Executive Management for day-to-day operations. Below represent the reporting structures of the various Board committees within the Corporation.



In carrying out its oversight functions, EXCO through various committees manages the day to day operations of the Corporation. Below is a chart of the various sub committees of EXCO and their mandates.



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

- to comply with the capital requirements set by the Board of Directors of the Corporation;
- to safeguard the Corporation's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Capital adequacy is monitored regularly by the Corporation's management, employing techniques derived from the guidelines developed by the Basel Committee. The Corporation's Capital Adequacy Framework requires the business to maintain a ratio of total risk capital to the risk-weighted asset (the Basel ratio) at a minimum of 30%. To allow for a proactive management of any issue with its capital position, the Corporation has further defined an internal trigger at 40% that would necessitate the activation of a remedial action.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

The Corporation raised additional ordinary share capital of US\$81.9 million (inclusive of callable capital) during the period from new shareholders. As part of the long-term process to continually strengthen our capital base, callable capital was introduced into the capital structure of the Corporation. At September 30, 2024, the outstanding callable capital amounted to US\$43 million (2023: US\$39 million). The callable capital was credit enhanced using insurance cover from investment grade rated insurance companies.

At the end of the period, the capital adequacy ratio stood at 32.6% (2023: 34.5%) and 30.6% (2023: 32.3%) excluding the Tier II capital borrowings. The Corporation's capital currently comprises of Tier 1- 91% (2023: 91%) and Tier 2 - 9% (2023: 9%) capital as shown below:

Tier 1: Comprises of share capital, share warrants and retained earnings created by appropriations of retained earnings.

Tier 2: Comprises of unrealised gains arising from the fair valuation of equity instruments held at fair value through other comprehensive income, collective impairment allowance made on debt instruments and borrowings which meet the criteria for inclusion as tier 2 capital under Basel requirements.

The risk weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of (and reflecting 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-balance sheet exposures, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of capital and the ratios of the Corporation for the period ended September 30, 2024. The Corporation has no externally imposed capital requirements, but complied with its own internal capital adequacy requirements described above, during the period under review.

	September 30, 2024 Reviewed US\$ '000	December 31, 2023 Audited US\$ '000
Tier 1 capital		
Share capital	1,572,063	1,537,719
Share premium	464,710	423,675
Share warrants	200,000	200,000
Retained earnings	1,552,969	1,286,318
Total qualifying Tier 1 capital	3,789,742	3,447,712
Tier 2 capital		
Net fair valuation loss on FVOCI assets	(22,280)	(27,020)
Impairment allowance	160,400	137,850
Borrowings	250,000	250,000
Total qualifying capital	4,177,862	3,808,542
Risk-weighted assets:		
On-balance sheet	11,519,492	9,669,734
Off-balance sheet	1,312,479	1,358,287
Total risk-weighted assets	12,831,972	11,028,021
Basel ratio	32.6 %	34.5 %

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

3.5 Fair value of financial assets and liabilities

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Corporation determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Current period valuation and sensitivity methodologies are consistent with those described within note 3.5, fair value of financial instruments in the Corporation's 2023 annual report.

(a) Valuation models

The Corporation measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Corporation uses widely recognised valuation models for determining the fair value of common and plain vanilla financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex financial instruments, the Corporation uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include unquoted equity securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Corporation believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the counterparty where appropriate.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

(b) Valuation framework

The Corporation has an established control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of investment operations and all fair value measurements. Specific controls in the Corporation's valuation control framework include:

- an established procedure for the verification of observable market prices;
- an established procedure for the independent re-performance and validation of model-based valuations;
- a review and approval process for new models and changes to models analysis and investigation of significant daily valuation movements; and
- review of unobservable inputs, valuation adjustments and changes to the fair value measurement of Level 3 instruments compared with the previous period, by the valuation committee (a committee which includes the Chief Financial Officer and the Chief Risk Officer)

Level 2 and 3 categories, fair valuation adjustments are approved by the Board of Directors through two of its subsidiary committees: Audit and Compliance Committee and Risk and Investment Committee.

The following table analyses financial instruments measured at fair value as at September 30, 2024, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

September 30, 2024
Reviewed

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000
Assets			
Derivatives assets			
- Forward contracts	-	464	-
- Cross currency swaps	-	175,272	-
- Interest rate options	-	1,843	-
- Interest rate swaps	-	18,375	-
- Commodity options	-	2,311	-
Financial assets at fair value through profit or loss:			
- Assets under management (debt securities)	23,558	-	-
- Debt securities	-	-	160,045
- Equity securities	3,785	-	1,415,981
Investment securities:			
- Equity securities (FVOCI)	23,966	-	17,753
Total	51,309	198,265	1,593,779
Liabilities			
Derivatives liabilities			
- Forward contracts	-	15,588	-
- Interest rate options	-	1,843	-
- Cross currency swaps	-	71,131	-
- Interest rate swaps	-	10,144	-
- Commodity options	-	2,311	-
Total	-	101,017	-

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

Audited

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000
Assets			
Derivatives assets			
- Forward contracts	-	10	-
- Cross currency swaps	-	251,705	-
- Interest rate options	-	2,858	-
- Interest rate swaps	-	8,818	-
Financial assets at fair value through profit or loss:			
- Assets under management (debt securities)	22,248	-	-
- Debt securities	8,525	-	298,607
- Equity securities	17,516	-	1,254,506
Investment securities:			
- Equity securities (FVOCI)	19,226	-	17,754
Total	67,515	263,391	1,570,867
Liabilities			
Derivatives liabilities			
- Forward contracts	-	14,007	-
- Interest rate options	-	2,858	-
- Cross currency swaps	-	106,797	-
- Interest rate swaps	-	5,252	-
Total	-	128,914	-

The Corporation's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 for recurring fair value measurements during the period.

Level 2 fair value measurements

The foreign exchange forward contracts and interest rate swaps were valued using widely recognised valuation models that use only observable market data and require little management judgement and estimation. The option contracts were valued using the Black Scholes option pricing model. Assumptions and inputs used include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, foreign currency exchange rates, and expected price volatilities and correlations.

The hybrid instruments were valued using the binomial tree model. The zero rate curve used in the model was obtained from an observable financial market (2023: the zero rate curve used in the model was obtained from an observable financial market was used to value the hybrid instruments).

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Reconciliation of Level 3 items

	September 30, 2024	December 31, 2023
	Reviewed	Audited
	US\$ '000	US\$ '000
As at 1 January	1,570,867	1,623,264
Unrealised (losses)/gains:		
- in OCI	-	(2,016)
- in profit of loss	9,602	50,703
Repayment/disposal	(4,430)	(21,759)
Additions	17,740	189,943
Derecognised	-	(269,268)
Closing balance	1,593,779	1,570,867

Transfer to level 3

There were no transfers to level 3 during the period (2023: Nil).

Unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used as at September 30, 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

September 30, 2024 Reviewed

Type of financial instrument	Fair value September 30, 2024 US\$ '000	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Fair value measurement sensitivity to unobservable inputs
Unquoted equity securities	1,433,734	Discounted cashflow	WACC	11.2% - 18.2%	Significant increases in the cost of equity, in isolation, would result in lower fair values. Significant reduction would result in higher fair values
Debt securities	160,045	Option Pricing Model	Credit Spread	2.74% - 6.42%	Significant increases in credit spread, in isolation, would result in lower fair values. Significant reduction would result in higher fair values
Total	1,593,779				

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023
Audited

Type of financial instrument	Fair value December 31, 2023 US\$ '000	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Fair value measurement sensitivity to unobservable inputs
Unquoted equity securities	1,272,260	Discounted cashflow	WACC	10.6% - 17.9%	Significant increases in the cost of equity, in isolation, would result in lower fair values. Significant reduction would result in higher fair values
			Terminal growth rate	2.7% - 6.1%	Significant increases in terminal growth rate, in isolation, would result in higher fair values. Significant reduction would result in lower fair values
Debt securities	298,607	Option Pricing Model	Credit Spread	1.81% - 3.5%	Significant increases in credit spread, in isolation, would result in lower fair values. Significant reduction would result in higher fair values
Total	1,570,867				

The valuation techniques and significant unobservable inputs for assets and liabilities recognised at fair value and classified as level 3 are consistent with note 3.5, fair value of financial instruments in the Corporation's 2023 annual report.

Significant unobservable inputs in the discounted cash flow technique applied are developed as follows:

(i) The Corporation applied the Capital Asset Pricing Model to determine the cost of equities for its various unquoted equities which were fair valued as at 30 September 2024.

(ii) The risk-free rate was sourced from Bloomberg and determined using the yield on the US Government bond and Germany Government bond (for Euro-denominated assets) of the appropriate tenor and this was adjusted for country risk premium (for unquoted securities denominated in US Dollars and Euros).

(iii) Equity risk premium was determined based on data obtained from Damodaran Online and expert judgment.

(iv) Beta estimates were obtained from Damodaran Online and illiquidity and minority discounts applied in line with valuation best practices.

The effect of unobservable inputs on fair value measurement

The Corporation believes that its estimates of fair values are appropriate. However, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing the cost of equity or terminal growth rate by a reasonable possible value, in isolation, would have the following effects on Other Comprehensive Income and profit or loss for the period as follows:

September 30, 2024 Reviewed US\$ '000	Other Comprehensive Income		Profit or loss	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Key Assumption				
WACC	-	-	(53,445)	19,803

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023 Reviewed US\$ '000	Other Comprehensive Income		Profit or loss	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Key Assumption				
WACC	(1,006)	1,076	(145,424)	118,080
Terminal growth rate	-	-	35,204	(38,301)

For the Corporation's hybrid instruments, the following highlights the sensitivity of the fair value of these instruments to key input factors as at reporting date:

Key Assumption	Effect on Profit or Loss (US\$ '000)	
	September 30, 2024 Reviewed	December 31, 2023 Audited
2% increase in Credit Spread	(12,966)	(14,122)
2% decrease in Credit Spread	14,566	13,601
2% increase in Forward Price	30	(22)
2% decrease in Forward Price	(30)	48

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

Derivative credit (CVA) and debit valuation adjustments (DVA)

The effect of CVA/DVA adjustments is insignificant on the Corporation's portfolio.

Financial instruments not measured at fair value

Due to the short-term nature of certain financial assets and financial liabilities, the fair values are not significantly different from their carrying amounts. These financial assets and liabilities are as follows:

- i. Cash and bank balances: The carrying amount of cash and bank balances is a reasonable approximation of the fair value. Cash and bank balances are disclosed in note 15.
- ii. Loans and advances to bank: Loans to banks are short-term money market placements, therefore the fair values are not significantly different from the carrying amount.
- iii. Treasury bills are short-term securities, therefore the fair values are not significantly different from the carrying amount.
- iv. Other assets and other liabilities: The carrying amounts of other assets and other liabilities are considered to be the same as their fair values due to their short-term nature.

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

September 30, 2024
Reviewed

	Level 1	Level 2	Level 3	Total fair values	Total carrying values
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Assets					
Loans and advances to other customers:					
- Project finance	-	-	4,133,424	4,133,424	4,133,424
- Trade finance	-	-	1,320,971	1,320,971	1,320,971
Investment securities:					
- Corporate debt securities	974	-	438,502	439,476	418,625
- Government debt securities	1,447,006	-	-	1,447,006	1,433,975
Pledged assets:					
- Corporate debt securities	313,264	-	-	313,264	327,415
- Government debt securities	123,981	-	-	123,981	130,747
Other assets					
- Account receivable	24,330	-	-	-	24,330
- Fee receivable	10,529	-	-	-	10,529
Total	1,920,084	-	5,892,897	7,778,122	7,800,016
Liabilities					
Borrowings	2,942,996	5,270,734	-	8,213,730	8,306,654
Other liabilities	230,970	-	-	230,970	262,650
Total	3,173,966	5,270,734	-	8,444,700	8,569,304

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

Audited

	Level 1	Level 2	Level 3	Total fair values	Total carrying values
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Assets					
Loans and advances to other customers:					
- Project finance	-	-	3,593,111	3,593,111	3,593,111
- Trade finance	-	-	690,181	690,181	690,181
Investment securities:					
- Corporate debt securities	5,365	-	395,338	400,703	397,215
- Government debt securities	3,731,392	-	-	3,731,392	3,349,127
Pledged assets:					
- Corporate debt securities	278,283	-	-	278,283	336,383
- Government debt securities	232,617	-	-	232,617	184,656
Other assets					
- Account receivable	14,973	-	-	-	14,973
- Fee receivable	8,875	-	-	-	8,875
- Advance for investments	-	-	-	-	-
Total	4,271,505	-	4,678,630	8,926,287	8,574,521
Liabilities					
Borrowings	3,292,317	4,809,814	-	8,102,131	8,324,483
Other liabilities	141,851	-	-	141,851	141,851
Total	3,434,168	4,809,814	-	8,243,982	8,466,334

Where available, the fair value of investment securities (corporate and government debt securities), loans and advances are based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques.

The fair value of borrowing from counterparty is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms.

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

3.6 Financial instruments by category

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

September 30, 2024

Reviewed

Assets as per Statement of Financial Position

	Mandatorily FVTPL	Designated at FVTPL	FVOCI - Debt Instruments	FVOCI - Equity Instruments	Amortised cost	Carrying Amount
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Assets						
Cash and balances with banks	-	-	-	-	34,360	34,360
Loans and advances to banks:						
- Placements with banks	-	-	-	-	2,571,128	2,571,128
Derivatives	198,265	-	-	-	-	198,265
Loan and advances to other Customers:						
- Project finance	-	-	-	-	4,133,424	4,133,424
- Trade finance	-	-	-	-	1,320,971	1,320,971
Financial assets at fair value through profit or loss:						
- Debt securities	-	160,045	-	-	-	160,045
- Equity securities	-	1,419,766	-	-	-	1,419,766
- Assets under management	-	23,558	-	-	-	23,558
Investment securities:						
- Debt securities	-	-	-	-	1,852,600	1,852,600
- Equity securities	-	-	-	41,719	-	41,719
Pledged assets:						
- Debt securities	-	-	-	-	458,162	458,162
Other assets:						
- Account receivable	-	-	-	-	24,330	24,330
- Fee receivable	-	-	-	-	10,529	10,529
Total financial assets	198,265	1,603,369	-	41,719	10,405,504	12,248,857
	Mandatorily FVTPL	Designated at FVTPL	Amortised cost	Carrying Amount		
	US\$ '000	US\$ '000	US\$ '000	US\$ '000		
Liabilities						
Other liabilities	-	-	169,367	169,367		
Derivatives	101,017	-	-	101,017		
Borrowings	-	-	8,306,654	8,306,654		
Total financial liabilities	101,017	-	8,476,021	8,577,038		

Notes to the Condensed Consolidated Interim Financial Statements

3. Financial risk management (continued)

December 31, 2023

Audited

	Mandatorily FVTPL	Designated at FVTPL	FVOCI - Debt Instruments	FVOCI - Equity Instruments	Amortised cost	Carrying Amount
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Assets						
Cash and balances with banks	-	-	-	-	6,711	6,711
Loans and advances to banks:						
- Placements with banks	-	-	-	-	1,371,103	1,371,103
Derivatives	263,583	-	-	-	-	263,583
Loan and advances to other Customers:						
- Project finance	-	-	-	-	3,593,111	3,593,111
- Trade finance	-	-	-	-	690,181	690,181
Financial assets at fair value through profit or loss:						
- Debt securities	-	307,132	-	-	-	307,132
- Equity securities	-	1,272,022	-	-	-	1,272,022
- Assets under management	-	22,248	-	-	-	22,248
Investment securities:						
- Debt securities	-	-	-	-	3,746,342	3,746,342
- Equity securities	-	-	-	36,980	-	36,980
Pledged assets:						
- Debt securities	-	-	-	-	521,039	521,039
Other assets						
- Account receivable	-	-	-	-	14,781	14,781
- Fee receivable	-	-	-	-	8,875	8,875
Total financial assets	263,583	1,601,402	-	36,980	9,952,143	11,854,108
Liabilities						
	Mandatorily FVTPL	Designated at FVTPL	Amortised cost	Carrying Amount		
	US\$ '000	US\$ '000	US\$ '000	US\$ '000		
Other liabilities	-	-	141,851	141,851		
Derivatives	128,914	-	-	128,914		
Borrowings	-	-	8,324,483	8,324,483		
Total financial liabilities	128,914	-	8,466,334	8,595,248		

Notes to the Condensed Consolidated Interim Financial Statements

4. Critical accounting estimates and judgements in applying accounting policies

The Corporation's condensed consolidated interim financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the condensed consolidated interim financial statements.

The Corporation makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the end of the period. Estimates and judgements 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.

1. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended September 30, 2024 is set out in note 3.5 (fair value of financial assets and liabilities) in relation to the fair value of financial instruments, and in the following notes in relation to other areas.

(a). Impairment losses on loans and advances

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL which also sets out key sensitivities of the ECL to changes in these elements.

(b). Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To a practicable extent, models use only observable data; however, areas such as credit risk, volatilities and correlations require management to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c). Exemption under IAS 28 – Investment in Associates and Joint Ventures

Equity investments that result in the Corporation having a significant influence, but not control, over the financial and operating policies of investee companies are carried in the statement of financial position at fair value through profit or loss rather than accounted for as associates using the equity method of accounting.

This treatment is permitted by IAS 28 Investment in Associates and Joint Ventures, which permits investments held by venture capital organizations and similar financial institutions to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the income statement in the period of the change. The Corporation's operational activities typically entail provision of equity finance to unquoted companies and taking an active role in helping to build and develop such companies by having a representation on the Board of the investee companies. The equity business of the Corporation is managed and appraised with the objective of earning capital return on its venture capital investments upon exit in the medium term. The Corporation is also a member of the Africa Private Equity & Venture Capital Association (AVCA).

(d). Measurement of defined benefit obligation

The measurement of the Corporation's defined benefit obligation involves the use of key actuarial assumptions that include the discount rate, rate of future salary growth and inflation rates. Changes to these assumptions will impact the carrying value of pension obligations.

Notes to the Condensed Consolidated Interim Financial Statements

4. Critical accounting estimates and judgements in applying accounting policies (continued)

2. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the condensed consolidated interim financial statements are set out below.

(a). Measurement of ECL

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each sector and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Assumptions used in estimating recoverable cashflows.

In measuring credit risk of loans and advances to various counterparties, the Corporation considers the character and capacity of the obligor, the probability that an obligor or counterparty will default over a given period (probability of default – PD), the portion of the loan expected to be irrecoverable at the time of loan default (loss given default – LGD) and carrying amount of the loan that is outstanding as at reporting date (exposure at default – EAD). The table below shows the sensitivities of the impairment loss provision for 1% increase or decrease in the LGD and PD, across the Corporation's risk asset portfolio.

	September 30, 2024 Reviewed		December 31, 2023 Audited	
	Probability of Default US\$ '000	Loss given Default US\$ '000	Probability of Default US\$ '000	Loss given Default US\$ '000
Increase/(decrease)				
Effect of a 1% increase:	3,182	3,682	2,668	3,209
Effect of a 1% decrease:	(3,182)	(3,682)	(2,668)	(3,209)

(b). Classification of financial assets

Information about assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are Solely Payments of Principal and Interests (SPPI) on the principal amount outstanding are set out in note 2.4, financial assets and liabilities in the Corporation's 2023 annual report.

(c). Consolidation: whether the Corporation has control over an investee

The Corporation has exercised judgement in determining whether it has control over investee entities where the Corporation holds over 50% of the issued ordinary equity of the investee.

Arise Integrated Industrial Platforms (Arise IIP)

Although the Corporation holds 72.13% of the issued ordinary equity in Arise IIP, management has determined that the Corporation does not have control over the entity. The interest in Arise IIP increased, due to the conversion to ordinary equity of a convertible loan extended to the entity. The entity has three (3) investors, including two (2) shareholders, but based on the terms of the investment agreements, the Corporation holds 37.5% of the voting rights in the entity. Therefore, the entity has been carried at fair value through profit or loss (FVTPL) in accordance with the requirements of IAS 28.

Djibouti Wind Company Limited

Djibouti Wind Company Limited ("DWCL") is the general partner of the Djibouti Wind Limited Partnership ("DWLP"), a special purpose vehicle set up by the limited partners to hold a 90% interest in Red Sea Power Limited SAS. The Corporation has 56.67% interest in DWCL and DWLP. The partners have similar interests in DWCL and DWLP. Management has determined that the Corporation does not control DWCL because under the terms of agreements establishing the entity, the Corporation has 33.3% of the voting rights in the entity. Therefore, the entity has been carried at fair value through profit or loss (FVTPL) in accordance with the requirements of IAS 28.

Notes to the Condensed Consolidated Interim Financial Statements

4. Critical accounting estimates and judgements in applying accounting policies (continued)

Ivoire Hydro Energie S.A

Although, the Corporation holds a 51% interest in the ordinary equity of the Ivoire Hydro Energie S.A, management has determined that the Corporation does not control the entity. The entity has three (3) shareholders but based on the terms of agreements under which the entity was established, the Corporation's has voting rights of 50%. The Corporation is represented by three (3) directors on the board of the entity while the other shareholders are also represented by three (3) directors, giving a board with six (6) directors. Board decisions are based on a majority of votes. Therefore, management has concluded that the Corporation has significant influence over entity. The investment has been carried at fair value through profit or loss (FVTPL) in accordance with the requirements of IAS 28.

Terminal à Conteneurs de Nouakchott ("TCN")

In 2023, the Corporation increased its interest in Terminal à Conteneurs de Nouakchott ("TCN") to 50%, from 10.5%. The entity has two (2) shareholders and based on the terms of agreements under which the entity was established, each shareholder has equal voting rights. This implies that both shareholders have substantive rights in the entity. Management has determined that the Corporation does not control TCN. Therefore, the entity has been carried at fair value through profit or loss (FVTPL) in accordance with the requirements of IAS 28.

5. Reporting Segments

The Corporation evaluates the performance of its operating units primarily based on unit operating profit, as defined below:

1) Investment Division

The Corporation's Investment division is responsible for the end-to-end project development, origination, structuring and execution of investments. This division is further divided into groups based on sector classifications, with each group responsible for customer relationship management and investments within its sector. The Investment division also works closely with Risk Management to perform portfolio management functions for the Corporation's investment portfolio. The Investment division offers a diverse range of financing products, such as loans, quasi-equity financing, equity and arranging services to infrastructure projects in Africa. It also provides technical and economic advisory services to projects that are in the early stage of project development.

2) Financial Services Division

The Corporation's Financial Services division is divided into three groups, (i) treasury and funding, (ii) financial institutions and syndication, and (iii) financial advisory. The treasury and funding group is responsible for the Corporation's capital raising and covers both debt and equity. Its function is to seek to ensure that the Corporation has adequate capital and the appropriate capital structure.

The treasury and funding group interfaces with the Corporation's shareholders, bankers, potential lenders, rating agencies and other providers of capital. It is also responsible for the management of the liquidity of the Corporation, ensuring that all liquidity risk management indices are met and that the Corporation is able to meet its contractual obligations under normal as well as stressed environments. It is also responsible for designing and executing hedging activities to manage the Corporation's exposures to market risk. The financial institutions and syndication team is responsible for leading syndications of the Corporation's transactions and participations in external syndications, as well as seeking and executing asset buy and sell down opportunities. It is also responsible for trade finance transactions that do not fall under one of the sectors in the Investment division and those that involve financial institutions. The financial advisory group is responsible for providing advisory services to clients and generating fee-based income for the Corporation.

Notes to the Condensed Consolidated Interim Financial Statements

5. Reporting Segments (continued)

The information provided to the Corporation's Board for the reportable units for the period ended September 30, 2024 is as follows:

September 30, 2024
Reviewed

	Investment US\$ '000	Financial Services US\$ '000	Total US\$ '000
Interest income	354,655	442,297	796,952
Dividend income	8,964	4,208	13,172
Fee commission and other income	26,896	51,713	78,609
Gain or loss on sale of financial assets	296	1,903	2,199
Net gain on financial instruments at fair value through profit or loss	9,668	(59,992)	(50,324)
Net impairment charge on financial assets	(46,781)	(523)	(47,304)
Interest expense, credit risk insurance & administrative expenses	(313,724)	(105,607)	(419,331)
Loss for the period, from discontinued operations	(19,984)	-	(19,984)
Profit for the period	19,990	333,999	353,989
Total assets	6,865,684	5,854,667	12,720,351
Total liabilities	424,332	8,528,558	8,952,890
Expenditure on reportable segment:			
Non-current assets	1,879	1,603	3,482
Depreciation and amortisation	1,513	708	2,221

September 30, 2023
Unaudited

	Investment US\$ '000	Financial Services US\$ '000	Total US\$ '000
Interest income	290,071	265,317	555,388
Dividend income	7,742	1,867	9,609
Fee commission and other income	22,531	17,918	40,449
Gain or loss on sale of financial assets	4,500	13,221	17,721
Net gain on financial instruments at fair value through profit or loss	(4,728)	5,742	1,014
Net impairment charge on financial asset	(46,539)	(4,454)	(50,993)
Interest expense, credit risk insurance & administrative expenses	(295,346)	(46,933)	(342,279)
Loss for the period, from discontinued operations	(17,974)	-	(17,974)
Profit for the period	(39,743)	252,678	212,935
Total assets as at 31 Dec 2023	6,293,723	6,051,414	12,345,137
Total liabilities as at 31 Dec 2023	376,585	8,547,860	8,924,445

Notes to the Condensed Consolidated Interim Financial Statements

5. Reporting Segments (continued)

Geographic information

The geographic information analyses the Corporation's revenue and non-current assets by the Corporation's country of domicile and other countries. In presenting the geographic information below, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

September 30, 2024 Reviewed

	West Africa US\$ '000	Rest of Africa US\$ '000	Others US\$ '000	Total US\$ '000
Interest income	546,085	178,177	72,690	796,952
Dividend income	10,176	2,996	-	13,172
Fee commission and other income	67,304	10,873	432	78,609
Gain or loss on sale of financial assets	2,199	-	-	2,199
Net gain on financial instruments at fair value through profit or loss	(58,994)	8,670	-	(50,324)
Loss for the period, from discontinued operations	(19,984)	-	-	(19,984)
External revenue	546,786	200,716	73,122	820,624
Credit risk insurance	-	-	(15,961)	(15,961)
Interest expenses	-	(19,380)	(308,183)	(327,563)
Segment net revenues	546,786	181,336	(251,022)	477,100
Total assets	6,389,290	4,658,344	1,672,717	12,720,351

September 30, 2023 Unaudited

	West Africa US\$ '000	Rest of Africa US\$ '000	Others US\$ '000	Total US\$ '000
Interest income	381,865	129,297	44,226	555,388
Dividend income	4,670	4,939	-	9,609
Fee commission and other income	23,645	14,699	2,105	40,449
Gain or loss on sale of financial assets	17,721	-	-	17,721
Net gain on financial instruments at fair value through profit or loss	(3,590)	4,604	-	1,014
Loss for the period, from discontinued operations	(17,974)	-	-	(17,974)
External revenue	406,337	153,539	46,331	606,207
Credit risk insurance	-	(3,310)	(11,789)	(15,099)
Interest expense	-	(10,196)	(251,784)	(261,980)
Segment net revenues	406,337	140,033	(217,242)	329,128
Total assets as at 31 Dec 2023	5,832,361	3,175,661	3,337,115	12,345,137

Notes to the Condensed Consolidated Interim Financial Statements

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
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6. Interest income and interest expense

Interest income

Loans and advances to other customers	402,059	311,229
Loans and advances to banks	126,657	93,761
Financial assets at FVTPL	13,403	18,003
Investment securities:		
- Financial assets at amortised cost	254,833	132,355
	796,952	555,348

Interest expense

Borrowings from financial institutions	243,005	169,849
Corporate bonds	84,558	92,131
	327,563	261,980

Interest expense on borrowings

	469,389	293,408
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The amounts reported above include interest income and expense, calculated using the effective interest method, that relate to the following financial assets and financial liabilities:

Financial assets measured at;

- Amortised cost	783,549	537,345
- FVTPL	13,403	18,003
	796,952	555,348

Total interest income

Financial liabilities measured at amortised cost

- Amortised cost	327,563	261,980
	327,563	261,980

Total interest expense

7. Dividend income

Equity securities at;

- FVOCI	2,415	-
- FVTPL	10,757	9,609
	13,172	9,609

Notes to the Condensed Consolidated Interim Financial Statements

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
8. Fees, commission and other income		
Risk participation and commitment fees	44,873	16,198
Advisory and structuring fees	18,645	17,622
Facility and other fees	11,320	6,629
Development fees	3,771	-
	78,609	40,449

Performance obligations and revenue recognition policies

- i. Risk participation and commitment fees: Risk participation fees are earned on various unfunded risk participation programs with financial institutions, to facilitate trade transactions. Commitment fees are earned on commitments to provide debt or equity financing to counterparties and are recognised over the commitment period.
- ii. Advisory fees: these are fees earned on mandates in which the Corporation acts in advisory capacities. Revenue related to advisory mandates are recognised on a milestone basis, and success fees are recognised once the service under a given mandate is rendered.
- iii. Structuring fees: these are fees earned on project finance transactions in which the Corporation plays a mandated lead arranger role, in a loan syndication finance arrangement. These fees are recognised at a point in time when the loan syndication is finalised.
- iv. Facility and other fees: these are fees earned on agency services rendered by the Corporation. Revenue from facility and other fees is recognised as the services are provided.
- v. Development fees: these are fees earned for developing a project and it is often a multiple of the amount spent on development costs as agreed with project sponsors. The fees are recognised when the development phase of the project is completed.

9. Net (loss)/gain on financial instruments at fair value through profit or loss

Mandatorily measured at FVTPL:

Derivative financial instruments		
- Interest rate	4,755	5,950
- Cross currency swap	662,860	659,759
Foreign exchange	(729,944)	(660,320)
Equity investments	11,054	4,067
Hybrid instruments	(359)	(8,941)

Designated at FVTPL:

Asset under management	1,310	499
	(50,324)	1,014

10. Net impairment charge on financial assets

Loans and advances to customers (Note 18a)	31,688	31,145
Loans and advances to banks (Note 16a)	5,467	3,549
Investment securities at amortised cost (Note 20b)	4,350	3,520
Pledged assets at amortised cost (Note 21a)	(3,461)	7,100
Off-balance sheet commitments (Note 26c)	9,260	5,679
	47,304	50,993

Notes to the Condensed Consolidated Interim Financial Statements

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
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11. Gain on sale of financial assets

- Equity securities	-	4,500
- Debt securities	2,199	13,221
	2,199	17,721

Amounts represent income realised from the sale of the investments in certain securities during the period, in line with the Corporation's investment strategy.

12. Operating expenses

a. Operating expenses

Staff cost:

Wages and salaries	50,848	45,978
Post-employment benefits	2,405	1,424
Other employee benefits	3,064	1,871

Other operating expenses:

Rent, rates and utilities	171	200
Insurance	347	347
Advertising and business promotion	2,874	2,599
Auditor's remuneration	379	215
Communication	1,293	935
Travel	642	574
Board expenses, including Directors' fees	3,264	1,972
Training, seminars and conferences	1,685	987
Repairs and maintenance	55	62
Project and other transaction expenses	569	1,806
Consultancy fees	3,973	1,453
Other expenses	2,017	2,155
Depreciation and amortisation	2,221	2,623
	75,807	65,201

Notes to the Condensed Consolidated Interim Financial Statements

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
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12. Operating expenses (continued)

b. Credit risk insurance

- Credit risk insurance premium	15,961	15,099
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The Corporation uses credit risk insurance as a risk mitigation tool for the protection of the Corporation against borrower defaults. Insurance cover is provided by investment grade rated insurance companies.

13. Taxation

Under the Headquarters Agreement between AFC and the Government of the Federal Republic of Nigeria signed in May 2007, AFC is exempt from tax on all its income arising from operations in the host country.

14. Earnings per share

Basic/Diluted

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Corporation by the weighted average number of ordinary shares in issue during the period. Basic and diluted earnings per share are the same as the Corporation has no potentially dilutive ordinary shares.

Basic earnings per share

Profit attributable to equity holders of the Corporation from continuing operations (US\$ '000)	373,973	230,909
From discontinued operations (US\$ '000)	(19,984)	(17,974)
	353,989	212,935

Weighted average number of ordinary shares in issue ('000)

Weighted average number of ordinary shares at 1 January	1,396,822	1,290,527
Effect of shares issued during the period	151,635	62,483

Weighted-average number of ordinary shares at 31 December ('000)	1,548,457	1,353,010
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Diluted earnings per share

Basic/diluted earnings per share from continuing operations (expressed in US cents per share)	24.15	17.07
Basic/diluted loss per share from discontinued operations (expressed in US cents per share)	(1.29)	(1.33)
Total for the period	22.86	15.74

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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15. Cash and balances with banks

Cash in hand	29	30
Balances with banks	34,331	6,681
	34,360	6,711

All cash and balances with banks are current.

16. Loans and advances to banks

Placements with banks	2,582,119	1,376,627
Less: Allowance for impairment (See (a) below)	(10,991)	(5,524)
	2,571,128	1,371,103

All loans and advances to banks are current.

a) The movement in impairment allowance is shown below:

Opening	5,524	2,365
Net remeasurement of ECL allowance (Note 10)	5,467	3,159
	10,991	5,524

17. Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as at 30 September 2024 and are indicative of neither the market risk nor the credit risk.

September 30, 2024

	Assets US\$ '000	Liabilities US\$ '000	Notional US\$ '000
Forward contracts	464	15,588	1,043,756
Cross currency swaps	175,272	71,131	3,203,595
Interest rate options	1,843	1,843	25,674
Interest rate swap	18,375	10,144	543,224
Commodity options	2,311	2,311	142,007
	198,265	101,017	4,958,256
Current	178,047	81,475	
Non-current	20,218	19,542	

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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17. Derivative financial instruments (continued)

December 31, 2023

	Assets US\$ '000	Liabilities US\$ '000	Notional US\$ '000
Forward contracts	10	14,007	631,483
Cross currency swaps	251,705	106,797	3,514,593
Interest rate options	3,050	2,858	25,542
Interest rate swap	8,818	5,252	583,487
	263,583	128,914	4,755,105
Current	86,857	58,891	
Non-current	176,726	70,023	

The Corporation uses derivatives to manage its exposure to market risks.

18. Loans and advances to other customers

Project finance loans	4,360,968	3,804,129
Advances under trade finance	1,360,392	714,440
	5,721,360	4,518,569
Impairment allowance (see note (a) below):		
- Project finance	(227,544)	(211,018)
- Trade finance	(39,421)	(24,259)
	(266,965)	(235,277)
	5,454,395	4,283,292
Current	1,282,609	709,809
Non-current	4,171,786	3,573,483

a. The movement in impairment allowance is shown below:

Balance as at 1 January	235,277	193,085
Net measurement of impairment allowance (Note 10)	31,688	42,192
Closing balance	266,965	235,277

See Note 3.1.2 for a detailed analysis.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
19. Financial assets at fair value through profit or loss		
Designated at fair value through profit or loss:		
Debt securities (see note (a) below)	160,045	307,132
Equity securities (see note (b) below)	1,419,766	1,272,022
Assets under management: debt securities (see note (c) below)	23,558	22,248
	1,603,369	1,601,402
Current	35,592	34,189
Non-current	1,567,777	1,567,213

a). Debt securities include hybrid instruments and other debt securities at fair value through profit or loss. The hybrid instruments include a conversion option which results in no closely related risks inherent in the host contract. The Corporation therefore designated the instrument as financial asset at fair value through profit or loss.

b). Equity securities at fair value through profit or loss include:

	2024 US\$ '000	2023 US\$ '000	2024 % Shareholding	2023
Arise Infrastructure Services	27,900	27,387	34 %	34 %
Arise Integrated Industrial Platforms	670,530	513,860	57 %	72 %
Arise Ports and Logistics Limited	205,296	203,333	25 %	25 %
Cabeolica S.A.	15,722	15,722	50 %	50 %
Cenpower Generation Company	15,444	15,444	32 %	32 %
Cenpower Operations Company	74	74	25 %	25 %
Danakali Limited	3,785	17,516	14 %	14 %
Djibouti Wind Company Limited	63	63	57 %	57 %
Djibouti Wind Limited Partnership	6,237	6,237	57 %	57 %
Infinity Energy Africa Investments Limited	400	400	49 %	49 %
Infrastructure Credit Guarantee Company Limited	34,702	34,702	30 %	30 %
International Gulf Mining Limited	222	222	43 %	43 %
Ivoire Hydro Energie S.A	29,575	29,575	51 %	51 %
Ncondezi	10	10	23 %	23 %
Nouvelle Gabon Mining SA	310,171	307,840	43 %	43 %
Société Concessionnaire du Pont Riviera-Marcory	71,938	71,938	26 %	26 %
South African Toll Road Company (Proprietary) Ltd	13,365	13,365	29 %	29 %
Terminal à Conteneurs de Nouakchott	13,321	13,321	50 %	50 %
Vigeo Power Limited	1,010	1,010	20 %	20 %
	1,419,766	1,272,022		

The Corporation acquired stakes in these companies with the intention to exit at a future date. As of September 30, 2024, the Corporation had no commitments to these entities except as disclosed in Note 28. There are no restrictions on the ability of these entities to pay cash dividends and repay outstanding obligations to the Corporation.

c) Assets under management represent funds managed by a third-party investment company on a discretionary basis. The portfolio comprises of marketable debt securities with observable prices and is managed on a fair value basis.

20. Investment securities

At amortised cost:

- Corporate debt securities	439,476	418,684
- Sovereign debt securities (see note i)	1,464,298	3,374,482
	1,903,774	3,793,166
Less: Allowance for impairment (see note (b) below)	(51,174)	(46,824)
	1,852,600	3,746,342

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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20. Investment securities (continued)

At FVOCI:

- Equity securities (see note (c) below)	41,719	36,980
	1,894,319	3,783,322

Current	1,206,677	3,414,302
Non-current	687,642	369,020

i) Included in the sovereign debt securities portfolio in 2023 are treasury bills issued by the government of United States of America which are highly liquid financial instruments.

a. As at September 30, 2024, the Corporation held no collateral, which it was permitted to sell or repledge in the event of default by the owner of the collateral (December 31, 2023: Nil).

b. The movement in impairment allowance is shown below:

Opening balance	46,824	39,710
Net remeasurement of ECL allowance (Note 10)	4,350	7,114
Closing balance	51,174	46,824

c. Equity securities at FVOCI

Equity securities (see note (i) below)	41,719	36,980
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(i). The movement in equity securities is as follows:

Balance as at 1 January	36,980	52,920
(Disposals)/additions	-	(13,438)
Net loss on fair valuation through other comprehensive income	4,739	(2,252)
Foreign exchange gain	-	(250)
Closing balance	41,719	36,980

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
21. Pledged assets		
Corporate debt securities	337,811	348,583
Sovereign debt securities	132,310	187,876
	470,121	536,459
Less: Allowance for impairment (see note (a) below)	(11,959)	(15,420)
	458,162	521,039
Current	-	105,464
Non-current	458,162	415,575
a. The movement in ECL allowance is shown below:		
Balance as at 1 January	15,420	8,447
Net remeasurement of ECL allowance (Note 10)	(3,461)	6,973
Closing balance	11,959	15,420
b) Pledged assets comprise debt securities used to secure the Corporation's borrowings but were not derecognised in the condensed consolidated interim financial statements. These are transactions in which the Corporation uses its investment securities to collateralise some its bilateral borrowings. The Corporation continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all of the risks and rewards of ownership. The Corporation does not have the ability to use the transferred assets during the term of the arrangement. These transactions were conducted under terms that are usual and customary to standard lending and repurchase activities. Details are as below:		
Carrying amount of the assets	458,162	521,039
Carrying amount of the associated liabilities (see note 27(iii))	329,341	388,945
Fair value of the assets	437,244	510,900
Fair value of the liabilities	(329,341)	(388,945)
Net fair value	107,903	121,955
22. Other assets		
Financial assets		
Accounts receivable	24,330	14,781
Fee receivable	10,529	8,875
	34,859	23,656
Non-financial assets		
Prepayments	9,617	7,029
	44,476	30,685
Current assets	44,476	30,686
Non-current assets	-	-

Notes to the Condensed Consolidated Interim Financial Statements

23. Property, plant and equipment

Year end December 31, 2023

	Right of use- asset US\$ '000	Motor vehicles US\$ '000	Leasehold improvements US\$ '000	Furniture & equipment US\$ '000	Total US\$ '000
As at January 1, 2023					
Cost	9,764	4,192	2,376	5,792	22,124
Accumulated depreciation	(6,133)	(2,113)	(1,992)	(4,840)	(15,078)
Net book value at January 1, 2023	3,631	2,079	384	952	7,046
Additions	-	881	36	255	1,172
Disposals - cost	-	(1,183)	-	(65)	(1,248)
Disposals - accumulated depreciation	-	1,125	-	64	1,189
Depreciation	(1,585)	(1,003)	(155)	(329)	(3,072)
Net book value at December 31, 2023	2,046	1,899	265	877	5,087
As at December 31, 2023					
Cost	9,764	3,890	2,784	5,975	22,413
Accumulated depreciation	(7,718)	(1,991)	(2,519)	(5,098)	(17,326)
Net book amount	2,046	1,899	265	877	5,087

Period end September 30, 2024

	Right of use- asset US\$ '000	Motor vehicles US\$ '000	Leasehold improvements US\$ '000	Furniture & equipment US\$ '000	Total US\$ '000
As at January 1, 2024					
Cost	9,764	3,890	2,784	5,975	22,413
Accumulated depreciation	(7,718)	(1,991)	(2,519)	(5,098)	(17,326)
Net book value at January 1, 2024	2,046	1,899	265	877	5,087
Additions	-	333	-	87	420
Disposals - cost	-	(624)	-	(39)	(663)
Disposals - accumulated depreciation and impairment	-	590	-	37	627
Depreciation	(1,187)	(583)	(116)	(261)	(2,147)
Net book value at September 30, 2024	859	1,615	149	701	3,324
As at September 30, 2024					
Cost	9,764	3,599	2,784	6,023	22,170
Accumulated depreciation	(8,905)	(1,984)	(2,635)	(5,322)	(18,846)
Net book amount	859	1,615	149	701	3,324

- i. There were no impairment losses on any class of property and equipment during the period (2023: Nil).
- ii. There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: Nil).
- iii. There were no restrictions to the title held by the Corporation, in respect of its property and equipment during the period (2023: Nil).
- iv. The depreciation charge for the period was US\$2.2 million (2023: US\$3.5 million inclusive of interest expense on right-of-use assets)
- v. All items of property and equipment are non-current.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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24. Intangible assets

Software costs	158	200
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Software costs are expenses incurred in the purchase and implementation of the Corporation's software. The movement in intangible assets from the preceding financial year is as follows:

At 1 January	200	566
Additions	34	82
Amortisation	(76)	(448)
Closing balance	158	200

- i. There were no impairment losses on any class of intangible assets during the period (2023: Nil).
- ii. There were no capitalised borrowing costs related to the acquisition of intangible assets during the period (2023: Nil).
- iii. There were no restrictions to the title held by the Corporation, in respect of its intangible assets during the period (2023: Nil).
- iv. All items of intangible assets are non-current.

25. Non-current assets held for sale and discontinued operation

In 2023, the Corporation acquired a controlling interest in Pecan Energies AS formerly known as Aker Energy AS. After the acquisition, assets and liabilities of Pecan Energies AS were transferred to Pecan Energies Investment Limited. The investment was classified as held-for-sale following the commitment of the Corporation to sell down part of its interest in the entity at the date of acquisition. This decision was made in line with the Corporation's business strategy.

The results of the entity have been consolidated into the condensed interim financial statements as required by the IFRS accounting standards. Financial information relating to the held for sale asset for the period is set out below:

(a). Financial information of discontinued operation

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
<i>Loss for the period is attributable to:</i>		
Parent	(19,984)	(17,974)
Non-controlling interest	-	-
Loss for the period from discontinued operations	(19,984)	(17,974)
	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
Non-current assets held for sale	458,395	478,713
Liabilities directly associated with the assets held for sale	282,568	282,472

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
26. Accrued expenses and other liabilities		
Accrued expenses	76,429	71,475
Accounts payable	23,607	29,724
Lease liability	-	986
Defined benefit plan	14,247	13,126
Margin deposit (see note (a) below)	28,751	26,540
Deposit for shares see note (b) below)	26,333	-
	169,367	141,851
Unearned fees	66,126	28,828
Allowance for debt commitments (see note (c) below)	27,157	17,897
	262,650	188,576
Current	218,541	157,050
Non-current	44,109	31,526

a) As part of the Corporation's credit support arrangement with various counterparties on its derivative transactions, margin deposits are received from such counterparties in instances where the mark-to-market valuation of the derivative transactions is favourable to the Corporation. These cash deposits are therefore recognised as margin deposits.

b). During the period, Total Energies EP Nigeria Closed Pension Fund Administrator (Total CPFA) made a deposit towards an investment in the equity capital of the Corporation.

c). This is the amount set aside for expected credit losses on the Corporation's commitments which are exposed to credit risk. These commitments includes debt commitments, unfunded risk participation arrangements and guarantees (see note 28 (c))and 28(d).

The movement in allowance for debt commitments during the period is as follows:

Balance as at 1 January	17,897	12,486
Net measurement of impairment allowance (see note 10)	9,260	5,411
Closing balance	27,157	17,897

27. Borrowings

At amortised cost

Corporate bonds issued (note (i))	3,035,920	3,514,669
Borrowings from other financial institutions (note (ii))	5,270,734	4,809,814
	8,306,654	8,324,483
Current	1,447,557	1,069,692
Non-current	6,859,097	7,254,791

(i) Amount represents outstanding balance on issuances made under the Corporation's Eurobond program. The Corporation's US\$5 billion Global Medium-Term Note ("GMTN") programme which was upsized from US\$3 billion in line with the Corporation's funding strategy. The terms and conditions of the notes issued under the Corporation's GMTN program are as follows:

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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27. Borrowings (continued)

					2024	2023
Bond issued	Year Issued	Year of Maturity	Coupon (%)	Coupon Type	Amount US\$ '000	Amount US\$ '000
US\$ 500 million	2017	2024	3.8750	Fixed	-	503,990
US\$ 650 million	2019	2026	4.3750	Fixed	661,384	653,517
US\$ 500 million	2019	2029	3.7500	Fixed	504,186	498,956
EUR 15 million	2020	2038	1.6250	Fixed	16,505	16,124
EUR 35 million	2020	2041	1.7500	Fixed	38,490	38,261
EUR 15 million	2020	2047	1.6250	Fixed	16,333	15,958
CHF150 Million	2020	2025	1.2050	Fixed	177,422	178,580
US\$ 700 Million	2020	2025	3.1250	Fixed	705,573	699,232
US\$ 750 Million	2021	2028	2.9900	Fixed	756,377	750,402
US\$ 50 Million	2021	2031	2.9000	Fixed	49,974	50,296
US\$ 50 Million	2021	2031	2.8700	Fixed	49,798	50,107
EUR 40 Million	2021	2031	1.3500	Fixed	44,358	44,059
EUR 15 Million	2021	2034	1.3000	Fixed	15,521	15,188
					3,035,920	3,514,669

(ii) Borrowings from other financial institutions comprise loans from commercial banks and development financial institutions within Africa, Europe, Asia and the United States. These are floating rate liabilities and repricing of these borrowings are between 3 months and 6 months.

(iii) Included in other borrowings from other financial institutions is an amount of US\$283.2 million (2023: US\$388.9 million) which has been secured using corporate and sovereign securities with a carrying value of US\$458.2 million (2023: US\$521.0 million). See note 21(b).

(iv) The Corporation has not defaulted on principal, interest or other covenant breaches with respect to its borrowings.

(v) The maturity profile of borrowings are as follows:

Less than 1 year	1,447,558	1,069,692
1 – 3 years	3,767,450	4,227,084
Over 3 years	3,091,646	3,027,707
	8,306,654	8,324,483

(vi) Reconciliation of movement in borrowings to cashflows from financing activities

At beginning of the year	8,324,483	7,568,205
Proceeds from other borrowings	1,439,848	2,425,914
Transaction costs related to borrowings	(14,945)	(13,329)
Interest expense (see note 6)	327,563	350,404
Interest paid	(279,868)	(330,682)
Repayment of borrowings	(1,499,436)	(1,722,949)
Effects of changes in foreign exchange rates	9,009	46,920
Closing balance	8,306,654	8,324,483

Currency exposures arising from borrowing transactions are hedged in line with the Corporation's policy (see Note 3.2.1 Foreign exchange risk).

(vii) Loan Covenants

As at 30 September 2024, the Corporation was in compliance with all applicable loan covenants, which are monitored and reported on a quarterly and half-yearly basis.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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28. Contingent liabilities and commitments

a. Legal proceedings

As at September 30, 2024, there was one legal proceeding against the Corporation. The Directors believe that, based on currently available information and advice of the Corporation's legal counsel, the outcome from this proceedings will not have a material adverse effect on the financial position of the Corporation. No provision has been made in respect of these legal proceedings, for the period ended September 30, 2024 (2023: Nil).

b. Equity commitments

These commitments relate to equity financing commitments to third parties.

c. Debt commitments

These commitments relate to unfunded risk participation arrangements under Trade Finance transactions and loan commitments on transactions which are yet to be disbursed.

d. Unfunded risk participation and guarantees

These are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Details of contingent liabilities is presented below.

Equity commitments (Note 28b)	28,471	27,012
Debt commitments (Note 28c)	392,001	844,758
Unfunded risk participation and guarantees (Note 28d)	2,510,675	1,654,146
	2,931,147	2,525,916

In line with the provisions of IFRS Accounting Standards (IFRS 9), the Corporation has set aside an amount for expected credit losses on its commitments exposed to credit risk (see note 26(c)).

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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29. Share capital

The total authorised number of ordinary shares is 2 billion units with a par value of US\$1.00 per share.

Issued and fully paid capital

	2024 No. of shares In thousands	2023 No. of shares In thousands
At 1 January	1,537,719	1,290,527
Addition during the period	34,344	247,192
Closing Balance	1,572,063	1,537,719

	2024 US\$ '000	2023 US\$ '000
At 1 January	1,537,719	1,290,527
Addition during the period (note(i) below)	34,344	247,192
Closing balance	1,572,063	1,537,719

(i) In 2023, the sum of US\$339.7 million was invested by shareholders under the rights issue program approved by the Board in 2022. The basis of the rights issue is 1 new share for every 4 shares held. In addition, the Republic of Egypt and the Republic of Sierra Leone increased their investment in the Corporation's capital by re-investing their dividends from 2022 financial year, which amounted to US\$3 million and US\$0.1 million respectively.

During the period, the Corporation received equity investments totalling US\$49.9 million from National Social Security Fund Kenya, US\$20.0 million from Angola Sovereign Welath Fund, US\$5.0 million from Raw Bank Democratic Republic of the Congo, US\$5.0 (comprising US\$1 million paid-in capital and US\$4 million callable capital) from the Reserve Bank of Zimbabwe and US\$2 million from County Pension Fund.

30. Share premium

	2024 US\$ '000	2023 US\$ '000
At 1 January	423,675	184,018
Addition during the period (note 29 (i) above)	41,035	239,657
Closing balance	464,710	423,675

31. Share warrants

	2024 No. of warrants in thousands	2023 No. of warrants in thousands
Opening/ Closing	105,263	105,263

	2024 US\$ '000	2023 US\$ '000
Opening / Closing	200,000	200,000

(i) The Corporation issued 105,263,158 warrants in 2020, for an aggregate amount of US\$200 million and credited the proceeds to the share warrant account. Share warrants are convertible into ordinary shares of the Corporation, if the warrants are not redeemed before maturity at the option of the Corporation. Payment of returns on warrants are at the sole discretion of the Corporation.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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32. Retained earnings

At beginning of the period	1,286,318	1,049,190
Dividend paid during the period	(81,742)	(85,581)
Return on warrants	(5,596)	(6,981)
Profit for the period	353,989	329,690
Closing balance	1,552,969	1,286,318

33. Fair value reserves

At 1 January	(27,020)	(24,299)
Net loss on FVOCI financial assets:		
- Fair value loss - equity securities	4,740	(2,503)
- Remeasurements of defined benefit liability	-	(218)
	4,740	-
Closing balance	(22,280)	(27,020)

The fair value reserves comprise:

The fair value reserves comprise the cumulative net change in the fair value of equity securities measured at FVOCI and defined benefit obligation.

34. Cash and cash equivalents

Cash in hand and balances with banks (Note 15)	34,360	6,711
Placements with other banks (Note 16)	2,582,119	1,376,627
Investment securities (note (i) below)	-	2,108,533
Closing balance	2,616,479	3,491,871

i) In 2023, investment securities in Note 20 included treasury bills issued by the government of United States of America which are highly liquid financial instruments with less than three (3) months to maturity.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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35. Group entities and related party transactions

Group entities

The Group consists of the Africa Finance Corporation as the Parent. Other group entities are:

Subsidiaries

AFC Equity Investments Limited: a wholly owned entity incorporated in Mauritius, which was set up to hold equity investments on behalf of the Corporation (2023: 100%).

AFC Capital Partners: a wholly owned entity incorporated in Mauritius, set up as an investment management entity with a global business License (2023: 100%).

Arise PCC: a wholly owned special purpose vehicle, incorporated in Mauritius, to hold 50% interest in Terminal à Conteneurs de Nouakchott (TCN), a port project in the Islamic Republic of Mauritania. Arise PCC became wholly owned in 2022, increasing the Corporation's interest in TCN to 50%, from 10.5%. In 2023, the investment in TCN was transferred from Arise PCC to AFC Equity and the process for an orderly liquidation of Arise PCC commenced. (2023: 100%).

Pecan Energies Investment Limited: a wholly owned entity incorporated in Cayman Island, which was set up to hold the entities acquired from Pecan Energy AS, formally Aker Energy AS. In 2023, the Corporation acquired a 100% interest in Pecan Energies AS, an exploration and production company incorporated in Norway. The group has been recognised as non-current assets held for sale after all the requisite conditions had been fulfilled. The subsidiaries of Pecan Energies Investment Limited include.

(i) Pecan Energy Ghana Limited (PEGL): a wholly owned subsidiary, incorporated in Ghana. The Company has a 50% participating interest in the Deepwater Tano / Cape Three Points block ("DWT/CTP") and is the operator responsible for developing the DWT/CTP (Pecan field).

(ii) Pecan Energy Services Limited: a wholly owned subsidiary, incorporated in Cayman Island, set up provide technical services to PEGL for the development of the Pecan field.

(iii) FPSO Investment Limited: a wholly owned subsidiary, incorporated in Malta, set up for the acquisition of a floating production storage and offloading vessel for the development of the Pecan field. The entity has 3 wholly owned subsidiaries, which were incorporated in Malta, namely; Ghana FPSO Holdings Limited, Ghana FPSO Company Limited and Ghana FPSO Operations AS.

Associates and joint venture operations

Associated entities comprise of equity investments that result in the Corporation having significant influence by being able to participate in the financial and operating policy decisions of the investee companies. These investments are carried in the statement of financial position at fair value through profit or loss rather than accounted for using the equity method. See Note 19 for details of these investments.

See Note 4 for information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the condensed consolidated interim financial statements in relation to group entities.

Notes to the Condensed Consolidated Interim Financial Statements

	30 September 2024 Reviewed US\$ '000	31 December 2023 Audited US\$ '000
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35. Group entities and related party transactions (continued)

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint venture entities, significant shareholders and their companies as well as key management personnel.

a. Balances with related parties:

	2024 US\$ '000	2023 US\$ '000
Loans:		
Shareholders	173,684	206,939
Placements/investments in debt securities:		
Shareholders	349,240	202,040
Associate companies	402,043	383,269
Cash and bank balances:		
Operating account balances	5,666	312

b. Interest income earned

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
Shareholders	52,884	25,339
Associated companies	22,683	25,706

These transactions were carried out in the normal course of business, under commercial terms. The terms and conditions of loans to related parties are as follows:

	Average Tenor	Coupon/Rate	Rate Type
Loans and advances	15 Months	3% - 9%	Fixed/floating
Corporate debt securities	11 Years	5% - 15%	Fixed/floating

c. Cross currency swap

	2024 US\$ '000	2023 US\$ '000
Notional amount	876,144	1,520,000

Notes to the Condensed Consolidated Interim Financial Statements

35. Group entities and related party transactions (continued)

d. Key management compensation

	9 months ended 30 September 2024 Reviewed US\$ '000	9 months ended 30 September 2023 Unaudited US\$ '000
Salaries and other short-term benefits	10,799	9,726
Post-employment benefits	630	653

Key management staff refers to members of the Executive Management Committee, which are: (a) President and Chief Executive Officer, (b) Executive Director and Chief Investment Officer, (c) Executive Director, Financial Services, (d) Senior Director & Chief Financial Officer, (e) Senior Director & Chief Risk Officer, (f) Director & General Counsel (g) Director & Head of Corporate Services, (h) Director & Head, Economics, Research and Strategy.

36. Events after the reporting period

There were no events after the statement of financial position date which materially affect these condensed consolidated interim financial statements.

ISSUER

AFRICA FINANCE CORPORATION

3a Osborne Road
Ikoyi
Lagos State
Nigeria

JOINT BOOKRUNNERS

Emirates NBD Bank PJSC

L07-04 Level 7
ICD Brookfield Place
Dubai International Financial Centre, Dubai
P.O. Box 506710
United Arab Emirates

J.P. MORGAN SECURITIES PLC

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Mashreqbank psc

Mashreqbank Global Headquarters
Al Umniyati Street
Burj Khalifa Community
P.O. Box 1250
Dubai, United Arab Emirates

MERRILL LYNCH INTERNATIONAL

2 King Edward Street
London EC1A 1HQ
United Kingdom

MUFG Securities EMEA plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

SOCIÉTÉ GÉNÉRALE

29 boulevard Haussmann
75009 Paris
France

LEGAL ADVISERS

To the Issuer as to English law and US Federal law

CLIFFORD CHANCE LLP

10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Joint Bookrunners as to English law and US law

To the Joint Bookrunners as to Nigerian law

WHITE & CASE LLP

5 Old Broad Street
London EC2N 1DW
United Kingdom

ALUKO & OYEBODE

1 Murtala Muhammed Drive
Ikoyi, Lagos
Nigeria

To the Trustee as to English law

WHITE & CASE LLP

ICD Brookfield
Al Mustaqbal Street

Dubai International Financial Centre
P.O. Box 9705 | Dubai

TRUSTEE

CITIBANK, N.A., LONDON BRANCH

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

REGISTRAR

CITIBANK, N.A., LONDON BRANCH

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

**PRINCIPAL PAYING AND TRANSFER
AGENT**

CITIBANK, N.A., LONDON BRANCH

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

CALCULATION AGENT

CITIBANK, N.A., LONDON BRANCH

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

AUDITORS TO THE ISSUER

KPMG PROFESSIONAL SERVICES CHARTERED ACCOUNTANTS

KPMG Tower
33 Bishop Aboyade Cole St
Victoria Island, Lagos

LISTING AGENT

ARTHUR COX LISTING SERVICES LIMITED

10 Earlsfort Terrace
Dublin 2
Ireland