

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

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

**For the six month period ended 30 June 2023**

# ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

## Interim financial information and independent auditor's review report For the period ended 30 June 2023

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

### Report on review of interim financial information

#### Introduction

We have reviewed the accompanying interim statement of financial position of Arab Bank for Economic Development in Africa (“BADEA” or the “bank”) as at 30 June 2023 and the related interim statements of income and expenditure, changes in member countries’ equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the basis of preparation set out in note 2. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### Scope of review

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

#### Conclusion

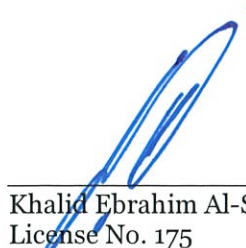
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the interim financial information.

#### Emphasis of matter

We draw attention to Note 2 to this interim financial information, which describes the basis of accounting. The interim financial information is prepared by management to fulfil the reporting requirements of the board of directors in connection with the issuance of notes under the Bank’s Euro Medium Term Note programme and listing of these on the London Stock Exchange. As a result, the financial information may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

#### Other matter

The comparative information for the statement of financial position is based on the audited financial statements as at 31 December 2022. The comparative information for the statements of income and expenditure, changes in member countries’ equity and cash flows, and related explanatory notes, for the period ended 30 June 2022 has not been audited or reviewed.



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28 November 2023  
Kuwait

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## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Interim statement of financial position

(All amounts in USD thousands unless otherwise stated)

	Notes	(Unaudited) 30 June 2023	(Audited) 31 December 2022
<b>Assets</b>			
Cash in hand and at banks	3	616	1,829
Investments	4	2,676,436	2,585,683
Equity participation in financial institutions	5	94,702	92,202
Net trade finance	6	318,779	386,613
Net accrued interest on trade finance		6,324	4,393
Net loans	7	2,474,087	2,275,136
Net accrued interest on loans	8	61,232	59,480
Other assets		5,674	4,284
Fixed assets	9	12,448	12,816
<b>Total assets</b>		<b>5,650,298</b>	<b>5,422,436</b>
<b>Liabilities</b>			
Short term deposits	10	65,460	-
Accrued interest on short term deposits		578	-
Other liabilities		95,270	102,634
Provision for end of service benefits		12,376	11,558
<b>Total liabilities</b>		<b>173,684</b>	<b>114,192</b>
<b>Net assets</b>		<b>5,476,614</b>	<b>5,308,244</b>
<b>Member countries' equity</b>			
Share capital	11	5,000,000	5,000,000
General reserve	12	308,244	496,160
Net income / (Loss) for the period / year		168,370	(187,916)
<b>Total member countries' equity</b>		<b>5,476,614</b>	<b>5,308,244</b>

The accompanying notes set out on pages 6 to 17 form an integral part of this interim financial information.

ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

Interim statement of income and expenditure

(All amounts in USD thousands unless otherwise stated)

	Notes	(Unaudited) Six months ended 30 June	
		2023	2022 (unreviewed)
<b>Operating income / (loss)</b>			
Net income / (loss) from investments	13	148,778	(276,774)
Interest income from loans	14	24,831	12,170
Interest income from trade finance		12,858	8,076
Interest expenses and foreign currency exchange loss of short term deposits		(2,309)	-
Others		1,157	332
<b>Net operating income / (loss)</b>		<b>185,315</b>	<b>(256,196)</b>
<b>Expenses</b>			
Grants disbursed to beneficiary countries		4,719	5,851
Provisions for loans	7	130	-
General and administrative expenses	15	12,096	11,499
<b>Total expenditure</b>		<b>16,945</b>	<b>17,350</b>
<b>Net income / (loss) for the period</b>		<b>168,370</b>	<b>(273,546)</b>

The accompanying notes set out on pages 6 to 17 form an integral part of this interim financial information.

**ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA**

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

	Notes	Share capital	General reserve	Net income / (Loss) for the period	Total
<b>Balance at 1 January 2022 (audited)</b>		<b>4,200,000</b>	<b>1,138,738</b>	<b>174,913</b>	<b>5,513,651</b>
Transfer from general reserve to share capital	11	800,000	(800,000)	-	-
Transfer to general reserve	12	-	174,913	(174,913)	-
Appropriations		-	(17,491)	-	(17,491)
Net loss for the period		-	-	(273,546)	(273,546)
<b>Balance at 30 June 2022 (Unaudited &amp; unreviewed)</b>		<b>5,000,000</b>	<b>496,160</b>	<b>(273,546)</b>	<b>5,222,614</b>
<b>Balance at 1 January 2023 (audited)</b>		<b>5,000,000</b>	<b>496,160</b>	<b>(187,916)</b>	<b>5,308,244</b>
Transfer from general reserve	12	-	(187,916)	187,916	-
Net income for the period		-	-	168,370	168,370
<b>Balance at 30 June 2023 (unaudited)</b>		<b>5,000,000</b>	<b>308,244</b>	<b>168,370</b>	<b>5,476,614</b>

ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

Interim statement of cash flows

(All amounts in USD thousands unless otherwise stated)

	Notes	(Unaudited) Six months ended 30 June	
		2023	2022 (Unreviewed)
<b>Cash flows from operating activities:</b>			
Net income / (loss) for the period		168,370	(273,546)
Adjustments to reconcile net income / (loss) for the period with net cash used in operating activities:			
Dividend income		(7,738)	(6,437)
			267,744
Unrealized fair value (gain) / loss on investments	13	(106,759)	
Depreciation of fixed assets	9	381	375
Provision for loans	7	130	-
Interest of short term deposits		742	-
		55,126	(11,864)
<b>Net change in operating assets and liabilities:</b>			
Investments		(67,528)	(49,130)
Net trade finance		67,834	(112,306)
Net accrued interest on trade finance		(1,931)	(548)
Net loans		(199,081)	(43,470)
Net accrued interest on loans		(1,752)	87
Other assets		(1,390)	(151)
Short term deposits		65,460	-
Interest paid of short term deposits		(164)	-
Other liabilities, net of appropriation		(7,364)	(7,994)
Net provision for end of service benefits		818	1,330
Dividends received		7,738	6,437
<b>Net cash used in operating activities</b>		<b>(82,234)</b>	<b>(217,609)</b>
<b>Cash flows from investing activities:</b>			
Contributions in financial institutions		(2,500)	-
Additions to fixed assets	9	(13)	(37)
<b>Net cash used in investing activities</b>		<b>(2,513)</b>	<b>(37)</b>
Net decrease in cash and cash equivalents		(84,747)	(217,646)
Cash and cash equivalents at the beginning of the period		214,147	506,351
<b>Cash and cash equivalents at the end of the period</b>	3	<b>129,400</b>	<b>288,705</b>

The accompanying notes set out on pages 6 to 17 form an integral part of this interim financial information.

**Notes to the interim financial information**

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

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**1 Establishment and objectives**

Arab Bank for Economic Development in Africa ("BADEA" or the "Bank") was established in accordance with the resolution of the Sixth Arab Summit Conference held on 28 November 1973 following the recommendations of the Economic Council of the League of Arab States. BADEA was established with a capital of USD 231 million and was subsequently increased in accordance with resolutions issued by the Board of Governors until it reached USD 5,000 million as at 30 June 2023 (31 December 2022: USD 5,000 million).

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

Following the recent events in Sudan, the Board of Governors decided to relocate the banks' headquarters to Kingdom of Saudi Arabia. Necessary arrangements are currently being carried out in order to move to the new office in Riyadh.

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

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

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

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

On 27 November 2023, the Board of Directors approved BADEA's interim financial information for the period ended 30 June 2023.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

BADEA's interim financial information has been prepared in accordance with the accounting policies set out in note 2.2 through note 2.17. These accounting policies have been consistently applied in prior years and are derived from BADEA's manual of accounting approved by the board of directors on 27 November 2023.



Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

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**2 Summary of significant accounting policies (continued)**

**2.2 Basis of measurement**

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

**2.3 Presentation currency**

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

**2.4 Accrual basis**

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

**2.5 Use of estimates**

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

The significant item in which these estimates are used comprise the following:

*Provision for loans*

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

**2.6 Fixed income securities and equity investments**

All investments in fixed income securities and equity are classified as investments held for trading; and are initially recognized at the fair value of the consideration given.

Such investments are revaluated at fair value that is the quoted market prices at the date of the statement of financial position. Changes in the fair value are recognized in the statement of income and expenditure.

Financial assets that are not listed in the financial markets, are recorded at cost less provision for impairment, if any.

**2.7 Securities – Sukuk**

Financial assets include securities - sukuk, which are acquired to be held for indefinite period of time, and can be sold in response to needs for liquidity or in response to changes in the market conditions. Sukuk are stated at cost less provision for impairment, if any.

**Notes to the interim financial information**

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

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**2 Summary of significant accounting policies (continued)**

**2.8 Loan balances**

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

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

Provisions for loans is created for the past due of loans, as a deduction from the annual net income, based on the resolution of the Board of Directors no. (21-third) of 2019 approving the policy for loans to the public sector, and resolution no. (9) of 2019 approving the provisioning policy for loans to the private sector and trade finance (which was named as provision for loans for the purpose of presentation in the financial statements effective of October 2019, instead of "special provision" which was calculated in accordance with the Board of Governors' Resolution (resolution no. I of 1989). As per the new policy, provision for loans to the public sector is calculated as a percentage from the past due installments and a percentage from the balance of the outstanding loans less past due installments. Provision for loans to the private sector and trade is calculated as a percentage from the outstanding balance of loans, in accordance with the days of past due and the internal risk classification.

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

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

**2.9 Impairment of financial assets**

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

**2.10 Income recognition**

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

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

**Notes to the interim financial information**

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

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**2 Summary of significant accounting policies (continued)**

**2.10 Income recognition (continued)**

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

Dividend income is recognized when it is declared.

**2.11 Grants**

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

**2.12 Fixed assets**

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

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

Buildings	30 years
Furniture and equipment	5 years
Vehicles	5 years

**2.13 Provisions**

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

**2.14 Derivative financial instruments and hedging**

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

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

**2.15 Foreign currency translation**

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

**Notes to the interim financial information***(All amounts in USD thousands unless otherwise stated)***2 Summary of significant accounting policies (continued)****2.16 Provision for end of service benefits**

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

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

**2.17 Cash and cash equivalents**

For the purpose of preparation of the statement of cash flows, cash and cash equivalents include cash on hand and with banks; call accounts and time deposits maturing within three months or less from the date of acquisition.

**3 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents are composed of the following:

	<b>(Unaudited)</b> <b>30 June 2023</b>	<b>(Audited)</b> 31 December 2022	<b>(Unaudited)</b> 30 June 2022
Cash on hand and with banks	<u>616</u>	<u>1,829</u>	<u>1,469</u>
Term deposits and call accounts (maturing within 3 months of contract date) (Note 4)	<u>128,784</u>	<u>212,318</u>	<u>287,236</u>
	<u><b>129,400</b></u>	<u><b>214,147</b></u>	<u><b>288,705</b></u>

**Notes to the interim financial information***(All amounts in USD thousands unless otherwise stated)***4 Investments**

These consist of investments in portfolios managed by portfolio managers and held for trading, sukuk portfolio, un-listed equity, global trade finance portfolio, market opportunities and term deposits and call accounts, as follows:

	<b>(Unaudited)</b> <b>30 June 2023</b>	<b>(Audited)</b> <b>31 December 2022</b>
Bonds	<b>1,317,687</b>	1,222,350
Emerging markets bonds	<b>168,601</b>	158,784
Sukuk	<b>138,772</b>	121,510
<b>Subtotal bonds, emerging markets and sukuk (A)</b>	<b>1,625,060</b>	1,502,644
Equity securities (listed)	<b>681,762</b>	588,791
equity securities (not listed)	<b>10,988</b>	10,988
<b>Subtotal listed and unlisted equity (B)</b>	<b>692,750</b>	599,779
Global trade finance portfolio	<b>97,395</b>	135,634
Market opportunities	<b>114,701</b>	133,937
Fair value of derivative instruments, net	<b>1,890</b>	(13,569)
Accrued interest on deposits and debt securities	<b>15,856</b>	14,940
Term deposits and call accounts (Note 3)	<b>128,784</b>	212,318
<b>Subtotal- (C)</b>	<b>358,626</b>	483,260
<b>Total investments (A+B+C)</b>	<b>2,676,436</b>	2,585,683

**5 Equity participation in financial institutions**

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

	<b>(Unaudited)</b> <b>30 June 2023</b>	<b>(Audited)</b> <b>31 December 2022</b>
African Export And Import Bank	<b>56,082</b>	56,082
Arab Investment & Export Credit Guarantee Corporation	<b>25,950</b>	25,950
Africa Finance Corporation	<b>12,500</b>	10,000
Development Bank of the Central African States	<b>170</b>	170
	<b>94,702</b>	92,202

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

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

#### 6 Net trade finance

The balance of net trade finance amounted to USD 318.779 million as at 30 June 2023 (31 December 2022: USD 386.613 million) represents part of the credit facilities granted to finance Arab exports to the African countries is as follows:

	(Unaudited) 30 June 2023	(Audited) 31 December 2022
Approved Loans	2,178,508	1,831,866
Less: Unsigned Loans	(710,465)	(507,018)
Total approved and signed loans	1,468,043	1,324,848
Less: ineffective loans	(242,730)	(144,035)
Total effective loans	1,225,313	1,180,813
Less: Undisbursed loans	(169,174)	(222,124)
Total disbursements from loans	1,056,139	958,689
Less: loan installments repaid	(737,864)	(573,209)
Balance as at reporting date	318,275	385,480
Fair value of forward contracts	504	1,133
<b>Net balance as reporting date</b>	<b>318,779</b>	<b>386,613</b>

The movement of net trade finance for the period ended 30 June 2023 and year ended 31 December 2022, is as follows:

	(Unaudited) 30 June 2023	(Audited) 31 December 2022
Opening balance	385,480	182,494
Disbursements during the period / year	97,450	469,681
Repayments during the period / year	(164,655)	(266,695)
Closing balance as at reporting date	318,275	385,480
Fair value of forward contracts	504	1,133
<b>Net closing balance as at reporting date</b>	<b>318,779</b>	<b>386,613</b>

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information

(All amounts in USD thousands unless otherwise stated)

#### 7 Net loans

The details of loan balances as at 30 June 2023 and 31 December 2022 are as follows:

	30 June 2023 (Unaudited)			(Audited) 31 December 2022
	Project Loans Public Sector	Privat Sector	SAFAA Loans	
Approved Loans	5,950,722	1,084,855	214,244	7,249,821
Less: Unsigned Loans	(511,400)	(398,323)	-	(909,723)
Total approved signed loans	5,439,322	686,532	214,244	6,340,098
Less: ineffective loans	(308,300)	(117,730)	-	(426,030)
Total effective loans	5,131,022	568,802	214,244	5,914,068
Less: undrawn loans	(1,485,138)	(50,503)	-	(1,535,641)
Total disbursements from loans	3,645,884	518,299	214,244	4,378,427
Less: loan installments repaid	(1,622,098)	(78,195)	(192,596)	(1,892,889)
Closing balance as at reporting date	2,023,786	440,104	21,648	2,485,538
Provision for forward contracts	-	(2,371)	-	(2,371)
Less: loans provisions	(3,819)	-	(5,261)	(9,080)
<b>Net closing balance as at reporting date</b>	<b>2,019,967</b>	<b>437,733</b>	<b>16,387</b>	<b>2,474,087</b>

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

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

## ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

### Notes to the interim financial information (All amounts in USD thousands unless otherwise stated)

#### 7 Net loans (continued)

The movement of net loan balances during the period ended 30 June 2023 and year ended 31 December 2022, is as follows:

	30 June 2023 (Unaudited)			(Audited) 31 December 2022
	Project Loans Public Sector	Privat Sector	SAFAA Loans	
Opening balance	1,968,617	294,645	22,129	2,285,391
Disbursements during the period / year	91,086	159,015	-	250,101
Repayments during the period / year	(35,917)	(13,556)	(481)	(49,954)
Closing balance as at reporting date	2,023,786	440,104	21,648	2,485,538
Provision for forward contracts	-	(2,371)	-	(2,371)
Less: loans provision	(3,819)	-	(5,261)	(9,080)
<b>Net closing balance as at reporting date</b>	<b>2,019,967</b>	<b>437,733</b>	<b>16,387</b>	<b>2,474,087</b>

#### Loans provision

Details of the movement on loans provision during the period ended 30 June 2023 and year ended 31 December 2022, is as follows:

	30 June 2023 (Unaudited)			(Audited) 31 December 2022
	Project Loans Public Sector	Privat Sector	SAFAA Loans	
Opening balance	3,689	-	5,261	17,920
Charge during the period / year	130	-	-	3
Reversal during the period / year	-	-	-	(8,973)
<b>Closing balance as at reporting date</b>	<b>3,819</b>	<b>-</b>	<b>5,261</b>	<b>8,950</b>



## Notes to the interim financial information

*(All amounts in USD thousands unless otherwise stated)***8 Net accrued interest on loans**

	Public sector	Private Sector	(Unaudited) Total 30 June 2023	(Audited) 31 December 2022
Accrued interest on loans	64,150	6,788	70,938	69,186
Excluded interest on loans*	(9,706)	-	(9,706)	(9,706)
Net accrued interest on loans	54,444	6,788	61,232	59,480

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

Details of movement on excluded interest from loans during the the period ended 30 June 2023 and year ended 31 December 2022, is as follows:

	(Unaudited) 30 June 2023	(Audited) 31 December 2022
Opening balance	9,706	55,857
Reversal during the period / year	-	(46,151)
Closing balance	9,706	9,706

**9 Fixed assets**

	Building	Furniture and equipment	Vehicles	Total
<b>Cost:</b>				
As at 1 January 2023	23,080	2,789	480	26,349
Additions during the period	-	13	-	13
As at 30 June 2023	23,080	2,802	480	26,362
<b>Accumulated depreciation:</b>				
As at 1 January 2023	10,909	2,284	340	13,533
Charge for the period	259	92	30	381
As at 30 June 2023	11,168	2,376	370	13,914
<b>Net book value</b>				
As at 30 June 2023 (Unaudited)	11,912	426	110	12,448
As at 31 December 2022 (Audited)	12,171	505	140	12,816

**Notes to the interim financial information***(All amounts in USD thousands unless otherwise stated)***10 Short term deposits**

During the period ended 30 June 2023, short term deposits amounting to USD 87.280 million were placed with the BADEA; of which a deposit amounting to USD 21.820 million matured and renewed during the period. These deposits are denominated in EURO under commercial terms.

**11 Share capital**

As at 30 June 2023, the authorised capital amounted to USD 20 billion (31 December 2022: USD 20 billion), the subscribed capital amounted to USD 10 billion (31 December 2022: USD 10 billion and 30 June 202: USD 10 billion) and the paid-up capital amounted to USD 5 billion (31 December 2022: USD 5 billion).

The contribution of each member country in the paid-up capital as at 30 June 2023 and 31 December 2022 is as follows:

Country	(Unaudited)	(Audited)
	30 June 2023	31 December 2022
Hashemite Kingdom of Jordan	10,704	10,704
State of United Arab Emirates	535,217	535,217
Kingdom of Bahrain	10,704	10,704
Republic of Tunisia	44,601	44,601
People's Democratic Republic of Algeria	214,087	214,087
Kingdom of Saudi Arabia	1,284,520	1,284,520
Republic of Sudan	10,704	10,704
Arab Republic of Syria	5,947	5,947
Republic of Iraq	749,304	749,304
Sultanate of Oman	64,226	64,226
State of Palestine	10,704	10,704
State of Qatar	428,174	428,174
State of Kuwait	784,985	784,985
Republic of Lebanon	35,681	35,681
State of Libya	713,622	713,622
Arab Republic of Egypt	10,704	10,704
Kingdom of Morocco	78,498	78,498
Islamic Republic of Mauritania	7,618	7,618
<b>Total</b>	<b>5,000,000</b>	<b>5,000,000</b>

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

**12 General reserve**

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

In application to Resolution No.(1) of 2023 of the Board of Governors, an amount of USD 187.916 million was transferred from the general reserve (30 June 2022: USD 174.913 million transferred to general reserve).

**Notes to the interim financial information***(All amounts in USD thousands unless otherwise stated)***13 Net income / (loss) from investments**

Net income / (loss) from investments for the periods ended 30 June 2023 and 30 June 2022 comprises of the following:

	<b>Period ended 30 June (unaudited)</b>	
	<b>2023</b>	<b>2022 (Unreviewed)</b>
Interest from fixed income securities	25,006	16,926
Dividends from equity securities	7,389	6,183
Margin profit on sukuk	3,252	5,810
Income from global international trade finance	2,129	1,743
Income from market opportunities	4,983	4,438
Currency exchange differences and derivatives valuation	13,122	(28,333)
Net trading (loss) / gain	(29,489)	26,040
Unrealized gain / (loss) from investments fair valuation	121,479	(307,991)
Management fees- portfolio managers and custodians	(2,156)	(2,196)
Income from term deposits and call accounts	3,063	606
Net income / (loss) from investments	<b>148,778</b>	<b>(276,774)</b>

**14 Interest income from loans**

Income from loans for the periods ended 30 June 2023 and 30 June 2022 are as follows:

	<b>Period ended 30 June (unaudited)</b>	
	<b>2023</b>	<b>2022 (Unreviewed)</b>
Public sector loans	9,415	9,004
Private sector loans	15,359	3,161
SAAFA loans	57	5
	<b>24,831</b>	<b>12,170</b>

**15 General and administrative expenses**

	<b>Period ended 30 June (unaudited)</b>	
	<b>2023</b>	<b>2022 (Unreviewed)</b>
Board of Governors	121	168
Board of Directors	586	443
Salaries and employee benefits	8,055	8,045
Travel and services	2,249	1,895
Utilities	535	573
Depreciation of fixed assets	381	375
Others	169	-
	<b>12,096</b>	<b>11,499</b>