ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA ("BADEA")

Interim Financial statements and
Independent Auditor's Review Report (Unaudited)

For the six-month period ended 30 June 2026

ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

Interim financial statements and independent auditor's review report
For the period ended 30 June 2026

Contents	**Pages**
Report on review of interim financial statements	1
Interim statement of financial position	2
Interim statement of income and expenditure	3
Interim statement of changes in member countries' equity	4
Interim statement of cash flows	5
Notes to the interim financial statements	6 - 28

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Independent auditor's report

To the Board of directors of Arab Bank for Economic Development in Africa ("BADEA")

Report on review of interim financial statements

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 2026 and the related interim statements of income and expenditure, changes in member countries' equity and cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. Management is responsible for the preparation and presentation of these interim financial statements in accordance with the basis of preparation set out in note 2. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis of matter

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

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

9 November 2026
Kuwait

ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

Interim statement of financial position
(All amounts in USD thousands unless otherwise stated)

	Notes	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Assets			
Cash and cash equivalents	3	**2,070,470**	1,025,152
Investments	4	**1,740,481**	1,855,884
Net trade finance	5	**674,393**	681,374
Net accrued interest on trade finance		**11,606**	11,714
Net loans	6	**3,876,769**	3,810,153
Net accrued interest on loans	7	**70,498**	69,448
Equity participation in financial institutions	8	**119,572**	119,496
Fixed assets		**5,543**	3,847
Other assets		**26,494**	27,150
Total assets		**8,595,826**	7,604,218
Liabilities			
Debt securities in issue	9	**2,429,125**	1,468,063
Other liabilities		**144,763**	153,883
Provision for end of service benefits		**14,541**	13,550
Total liabilities		**2,588,429**	1,635,496
Net assets		**6,007,397**	5,968,722
Member countries' equity			
Share capital	10	**5,000,000**	5,000,000
General reserve	11	**947,790**	759,401
Net income for the period / year		**59,607**	209,321
Total member countries' equity		**6,007,397**	5,968,722

H.E. Mr. Abdullah KH. Almusaibeeh
President

The accompanying notes set out on pages 6 to 28 form an integral part of these interim financial statements.

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 2026	2025
Operating income			
Net income from loans and trade finance	12	**85,676**	77,070
Net income from investments	13	**29,361**	69,316
Interest expense		**(26,440)**	(19,869)
(Loss)/ profit on exchange and derivatives valuation		**(2,046)**	824
Interest income on call accounts and term deposits		**14,295**	10,680
Other income		**204**	722
Net operating income		**101,050**	138,743
Expenses			
Grants disbursed to beneficiary countries		**(5,534)**	(4,507)
Provisions for loans and trade finance	5&6	**(10,368)**	(11,355)
General and administrative expenses	14	**(25,541)**	(24,678)
Total expenditure		**(41,443)**	(40,540)
Net income for the period		**59,607**	98,203

ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA

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

	Notes	Share capital	General reserve	Net income for the period	Total
Balance at 1 January 2025 (audited)		5,000,000	571,061	209,266	5,780,327
Appropriations		-	-	(20,926)	(20,926)
Transfer to general reserve	11	-	188,340	(188,340)	-
Net income for the period		-	-	98,203	98,203
Balance at 30 June 2025 (unaudited)		5,000,000	759,401	98,203	5,857,604
Balance at 1 January 2026 (audited)		**5,000,000**	**759,401**	**209,321**	**5,968,722**
Appropriations		-	-	**(20,932)**	**(20,932)**
Transfer to general reserve	11	-	**188,389**	**(188,389)**	-
Net income for the period		-	-	**59,607**	**59,607**
Balance at 30 June 2026 (unaudited)		**5,000,000**	**947,790**	**59,607**	**6,007,397**

The accompanying notes set out on pages 6 to 28 form an integral part of these interim financial statements.

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 2026	2025
Cash flows from operating activities:			
Net income for the period		**59,607**	98,203
Adjustments to:			
Dividend income		**(808)**	(3,721)
Unrealized loss/ (gain)on investments	13	**42,831**	(1,729)
Interest expense		**26,440**	19,869
Net foreign exchange differences		**(8,474)**	(17,180)
Depreciation of fixed assets	14	**808**	329
Net change in provisions for loans and trade finance	5&6	**10,368**	11,355
Provision charge for end of service benefits		**1,686**	1,065
		132,458	108,191
Net change in operating assets and liabilities:			
Investments		**72,572**	(116,906)
Net trade finance	5	**(1,554)**	(117,031)
Net accrued interest on trade finance		**108**	(3,040)
Net loans		**(81,800)**	(361,487)
Net accrued interest on loans		**(1,050)**	(9,968)
Other assets		**1,406**	(19,430)
Deposits from another financial institution		**-**	(76,745)
Interest expense paid		**(51,307)**	(22,295)
Other liabilities, net of appropriation		**(5,185)**	(15,870)
End of service benefits paid		**(974)**	(3,435)
Dividends received		**337**	3,310
Net cash generated from/ (used in) operating activities		**65,011**	(634,706)
Cash flows from investing activities:			
Equity participation in financial institutions		**(76)**	(68)
Additions to fixed assets		**(2,504)**	(2,267)
Net cash used in investing activities		**(2,580)**	(2,335)
Cash flows from financing activities:			
Proceeds from debt securities in issue	9	**1,000,000**	810,150
Net cash generated from financing activities		**1,000,000**	810,150
Net increase in cash and cash equivalents		**1,062,431**	173,109
Net foreign exchange differences		**(17,113)**	122,487
Cash and cash equivalents at the beginning of the period		**1,025,152**	687,598
Cash and cash equivalents at the end of the period	3	**2,070,470**	983,194

The accompanying notes set out on pages 6 to 28 form an integral part of these interim financial statements.

1 ESTABLISHMENT AND OBJECTIVES

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

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

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

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

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

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

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

BADEA conducts its financing activities through three main financing windows:

- Public Sector Window: Dedicated to providing loans to African governments to finance development projects. All loans granted through this window are classified as sovereign loans.
- Private Sector Window: This includes loans granted to re-finance local or regional development financial institutions to finance private sector projects, or to enhance their financing capacity and increase their development impact. It also covers loans for private sector projects with a development focus—granted to both sovereign and non-sovereign entities—to finance projects of national priority. Loans granted through this window are classified as non-sovereign, except for cases where the state or government is the borrower or the loan guarantor.
- Trade Finance Window: This covers trade finance operations in African countries, where financing facilities are granted to development financial institutions, commercial banks, and African states and governments to finance the import or export of strategic products. Loans granted through this window are classified as non-sovereign loans, except in cases where the state or government is the borrower or the loan guarantor.

The interim financial statements for the period ended 30 June 2026 was authorised for issuance by the Board of Directors on 28 October 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

BADEA's interim financial statements for the period ended 30 June 2026 has been prepared in accordance with the accounting policies prescribed in the Bank's manual of accounting approved by the Board of Directors and set out in note 2.2 through note 2.20. These accounting policies have been consistently applied in prior years / periods (except as described in 2.1.1 below)

Amended accounting policy adopted by the Bank

On 15 July 2026, the Bank's Board of Directors issued resolution no. 6-7/2026 which stated the following:

- Approve the classification of all loans and financing facilities granted to government entities under the Trade Finance and Private Sector windows as Public Sector Exposures, and treat them as sovereign facilities for the purposes of risk management and provisioning, in accordance with the definitions and policies approved by the Bank.
- Account for the provisions of these exposures in accordance with the Bank's accounting policies for Public Sector loans, including the applicable classification methodology, provisioning requirements, expected credit loss (ECL) measurement, and any related internal requirements.
- The resolution shall apply to all existing and future loans and financing facilities under the Trade Finance and Private Sector windows, unless otherwise decided by the Board of Directors or where the nature of a transaction requires a different treatment pursuant to a specific resolution.
- Mandate the Executive Management and the relevant departments to take the necessary actions to implement this resolution, including updating the related policies, procedures, and templates within a period not exceeding three months from the date of its approval, and submitting them to the competent authorities for approval in accordance with the applicable governance and approval processes.

2.2 Basis of measurement

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

2.3 Presentation currency

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

2.4 Accrual basis

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Use of estimates

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

Provision for impairment of loans and trade finance

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

Impairment of investments carried at cost

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

2.6 Investments

Investment in bonds and equity securities

Investments in bonds and equity securities portfolios are classified as investments held for trading; and are initially recognized at the fair value of the purchase 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.

Investment in managed funds

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

Sukuk

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

2.7 Equity participation in financial institutions

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Net loan and trade finance 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 and trade finance, if any.

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

From 1 January 2026, Impairment of loans and trade finance is performed based on provision policies approved by the Board of Directors. According to these policies, the Bank regularly performs a classification of loans and trade finance based on past due date and other qualitative indicators and according to the entity classification (sovereign/ non-sovereign) and an internal rating is allocated to each counterparty. At each reporting period:

- Provision for loans to the sovereign entities is calculated as a percentage from the past due instalments and a percentage of the balance of the outstanding loans less past due instalments; provision percentage is determined based on the counterparty internal rating.
- Provision for loans to the non-sovereign entities is calculated as a percentage of the outstanding balances of loans; Provision percentage is determined based on the counterparty internal rating.

For all prior periods/years, provision for impairment of loans and trade finance was determined based on provision policies approved by the Board of Directors. According to these policies, the Bank regularly performed a classification of loans and trade finance based on past due date and other qualitative indicators and an internal rating is assigned to each counterparty. At each reporting period:

- Provision for public sector loans is calculated as a percentage of the past due instalments and a percentage of loans outstanding balance less past due instalments; provision percentage is determined based on the past due period and counterparty internal risk rating.
- Provision for private sector loans and trade finance is calculated as a percentage of the outstanding balances of loans and trade finance plus guarantees and letter of credits; Provision percentage is determined based on the past due period and counterparty internal rating.

Loans and trade finance are presented in the statement of financial position net of provision for loans and trade finance adjusted for the fair value of derivative transactions related to loans that are carried out to hedge the risk of fluctuations in exchange rates or future cash flows, if any.

Provisions are partially or completely reversed when the provision is no longer required (full or partial repayment of the loan, improvement in the counterparty internal rating, expiration of any obligation of BADEA with respect to guarantees and letter of credits)

Loans that are renegotiated and include repayment arrangements, or rescheduling of instalments are classified as new loans with new repayments arrangements and treated as current and performing loans

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets

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

2.10 Income recognition

Income from interest on term deposits and call accounts, fixed income securities, sukuk, net trade finance 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.

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) is recognized in the statement of income and expenditure when the asset is derecognised.

Dividend income is recognized when BADEA has the right to receive the payment which is usually established when it is declared by shareholders.

2.11 Grants

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

2.12 Fixed assets

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

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

Buildings	30 years
Building renovations	4 years
Furniture and equipment	5 years
Vehicles	5 years

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Fixed assets (continued)

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

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of income and expenditure when the asset is derecognised.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate

2.13 Provisions

Provisions are recognized when the Bank has a present obligation, legal or constructive, arising from pasts 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 are directly included in the interim statement of income and expenditure.

2.15 Foreign currency translation

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

2.16 Provision for end of service benefits

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Cash and cash equivalents

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

2.18 Deposits from another financial institution

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

2.19 Debt securities in issue

Debt securities in issue are recognized at their face value at the date of initial recognition. Issuance costs are recognized within "other assets", any issuance premium or discount is classified under "other assets" or "other liabilities", respectively based on the nature of the issuance and the treatment of associated cash flows.

Issuance costs along with related premium or discount are amortized over the useful life of the securities using the straight-line method that reflects the temporal pattern of the recognition of the income or expense associated with these items.

2.20 Fair value of financial assets and liabilities

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

3 CASH AND CASH EQUIVALENTS

	(Unaudited) 30 June 2026	(Audited) 31 December 2025	(Unaudited) 30 June 2025
Cash on hand	**45**	68	17
Bank balances	**468,661**	210,784	253,059
Term deposits*	**1,601,764**	814,300	730,118
	2,070,470	1,025,152	983,194

* Represent deposits held at regional and international financial institutions with original maturity not exceeding three months. These deposits are denominated in USD and Euro under commercial terms.

4 INVESTMENTS

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

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Investments in managed portfolios		
Bonds	**1,357,245**	1,374,293
Bonds – emerging markets	**115**	6
Equity securities	**-**	102,494
Cash and deposits within managed portfolios	**25,095**	21,704
Fair value of derivative instruments	**13,553**	(8,730)
Accrued interest and other payable balances	**(89,922)**	(90,523)
	1,306,086	1,399,244
Direct investments		
Sukuk and bonds	**369,020**	391,706
Investment in managed funds	**65,028**	64,891
Fair value of derivative instruments	**347**	43
	434,395	456,640
Total investments	**1,740,481**	1,855,884

5 NET TRADE FINANCE

Net trade finance represents credit facilities granted to finance Arab-African trade and trade between African countries. The movement on net trade finance for the period ended 30 June 2026, and for the year ended 31 December 2025 is as follows:

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Opening balance	**681,374**	634,199
Disbursements during the period / year	**259,503**	679,122
Repayments during the period / year	**(257,949)**	(653,913)
Effect of foreign currency translation	**(6,105)**	21,966
Balance as at reporting date	**676,823**	681,374
Less: net trade finance provision	**(2,430)**	-
Net balance as at reporting date	**674,393**	681,374

5 NET TRADE FINANCE (CONTINUED)

The following table represents the distribution of trade finance operations by entity (sovereign/non-sovereign):

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Sovereign	**381,823**	432,107
Non-sovereign	**295,000**	249,267
Balance as at reporting date	**676,823**	681,374
Less: net trade finance provision	**(2,430)**	-
Net balance as at reporting date	**674,393**	681,374

6 NET LOANS

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Project loans	**3,835,089**	3,753,502
SAFAA loans*	**10,313**	11,097
Total bilateral loans (a)	**3,845,402**	3,764,599
Participation in syndicated loans (b)	**31,367**	45,554
Net balance as at reporting date	**3,876,769**	3,810,153

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

The following table represents the distribution of net loans operations by entity (sovereign/non-sovereign):

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Sovereign	**2,847,329**	2,777,713
Non-sovereign	**1,051,314**	1,047,681
Balance as at reporting date	**3,898,643**	3,825,394
Fair value for forward contracts	**(1,325)**	(2,630)
Less: loans provision	**(20,549)**	(12,611)
Net balance as at reporting date	**3,876,769**	3,810,153

6 NET LOANS (CONTINUED)

a) Bilateral loans

The movement of net bilateral loan balances during the period ended 30 June 2026, and for the year ended 31 December 2025 is as follows:

	30 June 2026 (Unaudited)				(Audited)
	Project Loans				
	Public Sector	Private Sector	SAFAA Loans	Total	31 December 2025
Opening balance	**2,655,159**	**1,106,807**	**16,763**	**3,778,729**	3,001,238
Disbursements during the period / year	**143,481**	**100,744**	**-**	**244,225**	986,642
Repayments during the period / year	**(57,002)**	**(91,241)**	**(730)**	**(148,973)**	(232,012)
Effect of foreign currency translation	**-**	**(7,246)**	**-**	**(7,246)**	22,861
Balance as at reporting date	**2,741,638**	**1,109,064**	**16,033**	**3,866,735**	3,778,729
Fair value of forward contracts	**-**	**(784)**	**-**	**(784)**	(1,519)
Less: loans provision	**(4,142)**	**(10,687)**	**(5,720)**	**(20,549)**	(12,611)
Net balance as at reporting date	**2,737,496**	**1,097,593**	**10,313**	**3,845,402**	3,764,599

Loans provision

Details of the movement on provision for bilateral loans during the period ended 30 June 2026, the year ended 31 December 2025 and the period ended 30 June 2025 is as follows:

	30 June 2026 (Unaudited)				(Audited)	(Unaudited)
	Project Loans				31 December	30 June
	Public Sector	Private Sector	SAFAA Loans	Total	2025	2025
Opening balance	**6,945**	**-**	**5,666**	**12,611**	9,582	9,582
Charge during the period / year	**55**	**10,687**	**76**	**10,818**	14,536	11,526
Reversal during the period / year	**(2,858)**	**-**	**(22)**	**(2,880)**	(11,800)	(171)
Effect of foreign currency translation	**-**	**-**	**-**	**-**	293	321
Balance as at reporting date	**4,142**	**10,687**	**5,720**	**20,549**	12,611	21,258

6 NET LOANS (CONTINUED)

b) Syndicated loans

Participation in syndicated loans represents BADEA's share in loans extended jointly by multiple lenders that are arranged and administered by other financial institutions. As at 30 June 2026, BADEA had USD 31.367 millions of participation in syndicated loans (31 December 2025: USD 45.554 million). The balance includes negative fair value of forward contracts of USD 0.542 million (31 December 2025: negative fair value of USD 1.112 million).

7 NET ACCRUED INTEREST ON LOANS

	30 June 2026 (Unaudited)				(Audited)
	Project Loans				
	Public Sector	Private Sector	Syndicated Loans	Total	31 December 2025
Accrued interest on loans	**61,296**	**18,711**	**296**	**80,303**	79,575
Excluded interest on loans*	**(9,706)**	**(99)**	**-**	**(9,805)**	(10,127)
Net accrued interest on loans	**51,590**	**18,612**	**296**	**70,498**	69,448

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

Details of movement on excluded interest on loans during the period ended 30 June 2026, and the year ended 31 December 2025 is as follows:

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Opening balance	**10,127**	9,798
Charge during the period / year	**99**	1,283
Reversals during the period / year	**(421)**	(954)
Net balance as at reporting date	**9,805**	10,127

8 EQUITY PARTICIPATION IN FINANCIAL INSTITUTIONS

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

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
African Export & Import Bank	**68,503**	68,503
Arab Investment & Export Credit Guarantee Corporation	**25,950**	25,950
Trade and Development Bank	**11,813**	11,813
Africa Finance Corporation	**12,911**	12,911
Development Bank of the Central African States	**395**	319
	119,572	119,496

9 DEBT SECURITIES IN ISSUE

On 29 November 2023, BADEA established a Medium-Term note (EMTN PROGRAMME) without limitations with the underlying notes to be listed in London stock exchange. At 30 June 2026, three issuances have taken place on the programme as follows:

- Issuance of social bonds on 25 January 2024 with 3-year maturity amounting to Euro 500 million with a fixed interest rate of 3.75% payable annually on 28 January of each year. The bonds have a par value of Euro 100,000 per unit and were issued with a price of 99.844 (at a discount of 0.156%).

- Issuance of bonds on 13 March 2025 for 3-year maturity amounting to Euro 750 million with a fixed interest rate of 3% payable annually on 20 March of each year. The bonds have a par value of Euro 100,000 per unit and were issued with a price of 99.653 (at a discount of 0.347%).

- Issuance of bonds on 30 June 2026 for 5-year maturity amounting to USD 1 billion with a fixed interest rate of 4.75% payable semi-annually on 30 June and 30 December of each year. The bonds have a par value of USD 200,000 per unit and were issued with a price of 99.886 (at a discount of 0.114%).

Details of the movement of debt securities in issue during the period ended 30 June 2026, and the year ended 31 December 2025 is as follows:

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
Opening balance	**1,468,063**	517,750
Placements during the period/year	**1,000,000**	780,000
Effect of foreign currency translation	**(38,938)**	170,313
Closing balance as at reporting date	**2,429,125**	1,468,063

10 SHARE CAPITAL

- As at 30 June 2026, the authorised capital amounted to USD 20 billion (31 December 2025: USD 20 billion).
- As at 30 June 2026, the subscribed capital amounted to USD 10 billion (31 December 2025: USD 10 billion).
- As at 30 June 2026, the paid-up capital amounted to USD 5 billion (31 December 2025: USD 5 billion).

The contribution of each member country in the paid-up capital as at reporting date is as follows:

Country	**(Unaudited) 30 June 2026**	(Audited) 31 December 2025
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
Total	**5,000,000**	5,000,000

11 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 share capital, or any other transfers in line with the objectives of BADEA.

Pursuant to resolution No.2 of 2026 of the Board of Governors, 10% of the net profit for the year ended 31 December 2025 was appropriated and transferred to other liabilities and the remaining amount of USD 188.389 million was transferred to the general reserve (2025: USD 188.340 million was transferred to the general reserve).

12 NET INCOME FROM LOANS AND TRADE FINANCE

	Period ended 30 June (unaudited)	
	2026	2025
Public sector loans	**18,657**	13,614
Private sector loans	**43,225**	32,813
SAAFA loans	**21**	51
Syndicated loans	**1,480**	2,026
Income from net loans	**63,383**	48,504
Income from net trade finance	**22,293**	28,566
	85,676	77,070

13 NET INCOME FROM INVESTMENTS

	Period ended 30 June (unaudited)	
	2026	2025
Interest income	**32,466**	30,505
Dividends income	**337**	3,310
Net realized gain/ (loss)	**4,685**	(2,561)
Net unrealized (loss)/ gain	**14,878**	1,729
Foreign currency exchange (loss)/ gain	**(21,546)**	38,085
Investment expenses	**(1,459)**	(1,752)
	29,361	69,316

14 GENERAL AND ADMINISTRATIVE EXPENSES

	Period ended 30 June (unaudited)	
	2026	2025
Board of Governors expenses	**50**	328
Board of Directors expenses	**713**	1,140
Salaries and employee benefits	**16,743**	14,376
Travel and services	**4,784**	4,803
Audit fees	**135**	135
Utilities	**2,199**	1,159
Depreciation of fixed assets	**808**	329
Other expenses*	**109**	2,408
	25,541	24,678

** During the six months period ended 30 June 2025, other expenses included costs of relocation to BADEA's new office in Riyadh, Kingdom of Saudi Arabia.

15 DERIVATIVES

BADEA's investment guidelines in securities' portfolios allows utilisation of forward and future derivative instruments to mitigate the foreign exchange, interest rate and market risks.

The table below summarises the positive and negative fair values of derivative financial instruments, and analysis of the nominal amounts for the remaining maturity term. The nominal amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of the related future cash flows. Thus, such nominal values do not reflect BADEA's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

				Nominal amount by term to maturity		
	Positive fair value	Negative fair value	Total nominal amount	Within 3 months	3-12 months	1-5 years
30 June 2026 (Unaudited)						
Forward contracts – Note 4	**18,480**	**3,940**	**1,318,284**	**1,278,777**	**39,507**	**-**
Forward contracts -Note 6	**-**	**1,326**	**20,546**	**5,575**	**7,468**	**7,503**
Forward contracts- other liabilitie	**-**	**10,226**	**286,668**	**286,668**	**-**	**-**
Total	**18,480**	**15,492**	**1,625,498**	**1,571,020**	**46,975**	**7,503**
31 December 2025 (Audited)						
Forward contracts – Note 4	2,098	10,785	928,157	892,443	35,714	-
Forward contracts -Note 6	-	2,631	28,664	5,783	9,651	13,230
Forward contracts- other assets	-	584	286,668	-	-	286,668
Total	2,098	14,000	1,243,489	898,226	45,365	299,898

16 RISK MANAGEMENT

BADEA is exposed to risks that are considered inherent in its activities. These risks are managed in a structured, systematic manner through the internal risk management policies and guidelines which embeds comprehensive risk management into organisational structure, risk measurement and monitoring processes. The Board of Directors supported by the risk committee are responsible for the direction and oversight of BADEA's risk management. BADEA's broad two activities are investment and lending.

The investment policy adopted by BADEA, considers BADEA a specialized development institution, whose investment objective is to preserve capital and increase resources without exposing its assets to significant risks. Therefore, the nature of BADEA necessitates the adoption of a conservative investment policy that mitigates investment risk, in the same manner as adopted by similar development financial institutions. Therefore, BADEA's investment policy is based on a combination of investment in short-term deposits, sukuk and securities portfolios, and changing the proportions of resources employed in these categories of investments in the light of the prevailing and expected developments in the financial markets. Taking into consideration the nature of operations, BADEA is exposed to credit risk, market risk (price risk, interest rate risk and foreign currency risk) as well as liquidity risk.

16 RISK MANAGEMENT (CONTINUED)

16.1 Credit risk

'Credit risk' is the risk of financial loss to BADEA if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the net loans, net trade finance, and investment debt securities. While cash and cash equivalents are also subject to credit risk, the assessment credit risk is immaterial.

Credit risk associated with investment activities
In respect of investment portfolios held for trading and available for sale; credit risk is managed by establishing certain limits for credit and investment guidelines based on the credit ratings; financial adequacy of the counterparty, the country or the currency. BADEA's management and the Investment Committee monitor such limits and guidelines regularly. The details of concentration of BADEA investments in fixed income, emerging market securities and sukuk are as follows:

According to the sector distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Governments	**1,056,322**	**61%**	1,037,139	59%
Corporate	**210,325**	**12%**	223,456	13%
Government authorities	**155,171**	**9%**	170,753	10%
Government institutions	**270,362**	**16%**	293,961	16%
Other	**34,200**	**2%**	40,696	2%
Total	**1,726,380**	**100%**	1,766,005	100%

According to the geographical distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
United States and Canada	**664,646**	**38%**	681,346	39%
Europe	**384,720**	**22%**	355,810	20%
Japan	**23,499**	**1%**	43,337	2%
South East Asia	**4,463**	**1%**	7,096	1%
Other	**649,052**	**38%**	678,416	38%
Total	**1,726,380**	**100%**	1,766,005	100%

According to the credit ratings of counterparties as per Standard and Poor's agency rating:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
AAA	**386,364**	**22%**	396,684	22%
AA	**812,298**	**47%**	772,375	44%
A	**162,718**	**9%**	193,094	11%
BBB	**183,099**	**11%**	206,549	12%
Other	**181,901**	**11%**	197,303	11%
Total	**1,726,380**	**100%**	1,766,005	100%

16 RISK MANAGEMENT (CONTINUED)

16.1 Credit risk (Continued)

Credit risk associated with lending activities

BADEA's lending program aims at supporting development programs in non-Arab African countries. Loan approvals are subject to a study by BADEA. The lending program of BADEA includes provision of loans to or guaranteed by governments. The outstanding loans are considered as sovereign debts. BADEA monitors regular payments of loan instalments by the borrowing country, and new loans are suspended for countries that fall in arrears. Periodic reports are also developed on the repayment position of all loans.

The lending program also includes financing the private sector, and Arab-Africa trade.

a) Net trade finance

According to the geographical distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Western Africa	**254,940**	**38%**	315,702	46%
Eastern Africa	**50,000**	**7%**	99,992	15%
Southern Africa	**84,453**	**13%**	45,680	7%
Others	**285,000**	**42%**	220,000	32%
Total	**674,393**	**100%**	681,374	100%

b) Bilateral loans – Public sector

According to the geographical distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Western Africa	**1,500,987**	**54%**	1,428,682	53%
Eastern Africa	**666,212**	**24%**	874,080	33%
Southern Africa	**294,107**	**11%**	77,990	3%
Central Africa	**296,365**	**11%**	291,170	11%
Total	**2,757,671**	**100%**	2,671,922	100%

c) Bilateral loans – Private sector

According to the geographical distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Western Africa	**488,046**	**44%**	295,156	27%
Eastern Africa	**209,833**	**19%**	222,875	20%
Southern Africa	**161,960**	**15%**	100,000	9%
Central Africa	**29,747**	**3%**	50,894	5%
Others	**219,478**	**19%**	437,882	39%
Total	**1,109,064**	**100%**	1,106,807	100%

16 RISK MANAGEMENT (CONTINUED)

16.1 Credit risk (Continued)

Credit risk associated with lending activities (continued)

d) syndicated loans

According to the geographical distribution:

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Western Africa	**26,454**	**83%**	39,848	85%
Eastern Africa	**5,455**	**17%**	6,818	15%
Total	**31,909**	**100%**	46,666	100%

16.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises three types of risk: equity price risk, interest rate risk and currency risk.

a) Equity price risk

Equity price risk is the risk of change in the fair values of listed securities that are carried at fair value. BADEA sets suitable instructions for investment in portfolios-equity securities.

The following table discloses the concentration of BADEA's investment in securities - equity securities as at 31 December.

According to sector distribution

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
Consumable commodities	-	-	15,672	15%
Energy	-	-	3,437	3%
Financial institutions	-	-	19,264	19%
Healthcare	-	-	9,987	10%
Industrial	-	-	11,369	11%
Information technology	-	-	27,765	27%
Production of raw materials	-	-	3,344	3%
Telecommunication services	-	-	9,008	9%
Public utilities	-	-	2,648	3%
Total	-	-	102,494	100%

16 RISK MANAGEMENT (CONTINUED)

16.2 Market risk (Continued)

a) Equity price risk (Continued)

According to the geographical distribution

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Amount	**Percentage**	Amount	Percentage
United States and Canada	-	-	77,396	76%
Europe	-	-	16,895	16%
Japan	-	-	5,607	5%
South East Asia	-	-	2,596	3%
Total	-	-	102,494	100%

The table below summarises the impact of increase in equity prices on the bank's profit for the period/ year. The following analysis is based on the assumption that the equity prices would increase by 5% with all other variables held constant.

	Impact on profit for the period/ year	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Increase in equity prices by 5%	-	5,125

Decrease in equity prices by 5% would have an opposite effect on profit for the period/ year.

b) Interest rate risk

Interest rate risk is the risk that the financial position and cash flows of BADEA may be affected by future fluctuations in interest rates. Favourable fluctuations may lead to increase in the interest income, while unexpected movements may decrease this income.

In respect of deposits, sukuk and fixed income and emerging market securities, BADEA's main objective is to ensure safety and liquidity of assets. Subject to these factors, BADEA seeks the highest possible return. Performance is monitored regularly and adjustments are made to the portfolios in the light of market developments.

In respect of loans and trade financing, interest rate is determined independently of market forces by the Board of Directors and at levels consistent with BADEA's strategic orientation within the framework of its development objective. Net profit for the period/ year is sensitive to higher/lower interest income/expenses as a result of changes in interest rates of interest-bearing assets and liabilities:

	Impact on profit for the period/ year	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Increase by 100 basis points	**54,502**	56,038
Decrease by 100 basis points	**(54,502)**	(56,038)

16 RISK MANAGEMENT (CONTINUED)

16.2 Market risk (Continued)

c) Foreign exchange risk

Foreign exchange risk is defined as the potential fluctuations in the exchange rates and its effects on BADEA's financial position and cash flows. BADEA has developed certain limits and controls on foreign exchange; as well as their percentage composition, which are monitored regularly by BADEA. BADEA uses the US Dollar in its lending operations and transactions with banks. In respect of the investment portfolios held for trading, transactions of other limited currencies are allowed. Nevertheless, the US Dollar represents the functional currency against which at least 65% of the total portfolio held for trading including derivatives should be maintained. BADEA had the following significant net exposures denominated in foreign currencies:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Euro	**(225,088)**	(235,802)
GBP	**78**	66
Others	**408**	767
Total	**(224,602)**	(234,969)

The table below analyses the effect on profit of an assumed 5% strengthening in value of the currency rate against USD from levels applicable at the year-end, with all other variables held constant. A negative amount in the table reflects a potential net reduction in profit, whereas a positive amount reflects a net potential increase.

	Change in currency rate	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Euro	-5%	**11,254**	11,790
GBP	-5%	**(4)**	(3)
Others	-5%	**(20)**	(38)
Total		**11,230**	11,749

16.3 Liquidity risk

Liquidity risk is the risk that BADEA will be unable to meet its financial liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind and monitors liquidity on a daily basis.

The tables below summarize the liquidity profile of BADEA's financial assets and liabilities based on contractual cash flows and/or their liquidity. This does not necessarily consider the effective maturities as at 30 June 2026, 31 December 2025, and 30 June 2025.

16 RISK MANAGEMENT (CONTINUED)

16.3 Liquidity risk (Continued)

30 June 2026 (Unaudited)	Up to 3 months	3 to 12 months	Over 1 year	Total
Assets				
Cash and cash equivalents	**2,070,470**	**-**	**-**	**2,070,470**
Investments	**1,308,061**	**168,700**	**263,720**	**1,740,481**
Net trade finance	**278,809**	**110,584**	**285,000**	**674,393**
Net accrued interest on trade finance	**8,602**	**3,004**	**-**	**11,606**
Net loans	**70,254**	**236,610**	**3,569,905**	**3,876,769**
Net accrued interest on loans	**21,906**	**48,592**	**-**	**70,498**
Equity participation in financial institutions	**-**	**-**	**119,572**	**119,572**
Fixed assets	**-**	**-**	**5,543**	**5,543**
Other assets	**9,478**	**7,153**	**9,863**	**26,494**
	3,767,580	**574,643**	**4,253,603**	**8,595,826**
Liabilities				
Debt securities in issue	**-**	**571,650**	**1,857,475**	**2,429,125**
Other liabilities	**9,395**	**40,971**	**94,397**	**144,763**
Provision for end of service benefits	**421**	**620**	**13,500**	**14,541**
	9,816	**613,241**	**1,965,372**	**2,588,429**

31 December 2025 (Audited)	Up to 3 months	3 to 12 months	Over 1 year	Total
Assets				
Cash and cash equivalents	1,025,152	-	-	1,025,152
Investments	1,405,246	70,893	379,745	1,855,884
Net trade finance	342,113	182,928	156,333	681,374
Net accrued interest on trade finance	7,225	4,489	-	11,714
Net loans	120,545	257,375	3,432,233	3,810,153
Net accrued interest on loans	17,029	52,419	-	69,448
Equity participation in financial institutions	-	-	119,496	119,496
Fixed assets	-	-	3,847	3,847
Other assets	8,251	12,615	6,284	27,150
	2,925,561	580,719	4,097,938	7,604,218
Liabilities				
Debt securities in issue	-	-	1,468,063	1,468,063
Other liabilities	65,429	16,439	72,015	153,883
Provision for end of service benefits	488	1,254	11,808	13,550
	65,917	17,693	1,551,886	1,635,496

16 RISK MANAGEMENT (CONTINUED)

16.3 Liquidity risk (Continued)

The liquidity profile of financial liabilities of BADEA summarised below reflects the contractual undiscounted cash flows except for other liabilities which are non-interest bearing and are presented in the below schedule:

30 June 2026 (Unaudited)	**Up to 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
Financial liabilities				
Debt securities in issue	-	666,311	2,073,199	2,739,510
Other liabilities	9,395	40,971	94,397	144,763
	9,395	707,282	2,167,596	2,884,273
Financing pledges and other commitments				
Loans and grants commitments	**239,600**	**1,057,000**	**6,637,939**	**7,934,539**

31 December 2025 (Audited)	Up to 3 months	3 to 12 months	Over 1 year	Total
Financial liabilities				
Debt securities in issue	48,446	-	1,542,934	1,591,380
Other liabilities	65,429	16,439	72,015	153,883
	113,875	16,439	1,614,949	1,745,263
Financing pledges and other commitments				
Loans and grants commitments	497,624	1,596,069	5,469,554	7,563,247

16.4 Capital risk management

BADEA's capital comprises contributions made by member states as set out in Note 11 "Share capital" above.

BADEA's objectives when managing capital is to safeguard its ability to continue as a going concern in order to achieve its objectives prescribed in Note 1 and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, BADEA may increase its capital (subject to approval of the Board of Governors).

The Bank monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as due to counterparties (which includes short term borrowings, debt securities in issue and other liabilities) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position, plus net debt.

16 RISK MANAGEMENT (CONTINUED)

16.4 Capital risk management (Continued)

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Debt securities in issue	**2,429,125**	1,468,063
Other liabilities	**144,763**	153,883
	2,573,888	1,621,946
Less: cash and cash equivalents	**(2,070,470)**	(1,025,152)
Net debt	**503,418**	596,794
Total equity	**6,007,397**	5,968,722
Total capital	**6,510,815**	6,565,516
Gearing ratio	**7.73%**	9.09%

17 GEOPOLITICAL DEVELOPMENTS

Since early March 2026, the Middle East has experienced a material escalation in geopolitical tensions, including military hostilities involving several regional and international actors. These developments have contributed to heightened uncertainty and volatility in global financial markets, as well as disruptions to trade, energy markets, and supply chains.

While BADEA's lending operations are principally focused on Africa, its funding base, member states, investments, and broader operating environment remain exposed, directly or indirectly, to developments in the regional and global economic landscape. Management continues to closely monitor the evolving situation and assess its potential implications for the Bank's financial position, performance, liquidity, and operations.

Based on management's assessment as at 30 June 2026, these developments did not result in any material adjustments to the carrying amounts of the Bank's assets and liabilities, except for the impact of changes in market values on financial instruments measured at fair value in accordance with the Bank's approved accounting policies. Management will continue to assess the potential financial and operational implications of further developments as circumstances evolve.