CONTENT

- OVERVIEW
- DEVELOPMENT IMPACT
- GOVERNANCE
- FINANCIAL RESULTS HIGHLIGHTS
- TREASURY
- BALANCE SHEET MANAGEMENT
- CAPITAL MANAGEMENT
DBSA OVERVIEW
MANDATE
Our primary purpose is to promote economic development and growth, human resource development and institutional capacity building in South Africa and the wider African continent.

VISION
A prosperous and integrated resource-efficient region, progressively free of poverty and dependency.

MISSION
Advance development impact in Africa by expanding access to development finance and effectively integrating and implementing sustainable development solutions to:

- Improve quality of life through the development of social infrastructure
- Support economic growth through investment in economic infrastructure
- Support regional integration
- Promote sustainable use of scarce resources

STRATEGIC OBJECTIVES
- **Financial sustainability** – maintain profitability and operational efficiency to enable growth in equity and fund developmental activities
- **Accelerated developmental impact** – programmatic infrastructure development aligned with government’s ambition
- **Building future-fit DBSA** – harness the power of the digital economy and maintain a relevant workforce
- **Smart partnerships** – purpose-driven public and private collaborations that drive development solutions
INFRASTRUCTURE DEVELOPMENT VALUE CHAIN

PLAN
- Infrastructure Needs assessment
- Bulk infrastructure plans
- Infrastructure planning advice

PREPARE
- Project identification
- Feasibility assessments
- Technical assistance
- Programme development
- Project preparation funds

FINANCE
- Long-term senior and subordinated debt
- Corporate and project finance
- Mezzanine finance
- Structured financing solutions
- Equity support for BEE entities

BUILD
- Managing design and construction of projects in education, health and housing sectors
- Project management support

MAINTAIN
- Supporting the maintenance / improvement of social and economic infrastructure projects

CLIENTS

South Africa
- Municipalities
- SOEs (infrastructure mandate alignment)
- Private sector
- Public–Private Partnerships
- National and provincial government departments

Rest of Africa
- SOEs
- Public–Private Partnerships
- Sovereigns
OPERATING ENVIRONMENT
Navigating a challenging operating environment

- **Economy**
  - High inflation
  - High interest rates
  - Indebtedness
  - Low growth

- **COVID-19**
  - New variants (zero-COVID)

- **Geo-politics**
  - Russia-Ukraine
  - Food insecurity & conflicts

- **RSA Specific**
  - Load-shedding
  - Logistical challenges
  - Political noise
  - Rule of law
  - Social discontent
  - Slow-cession

- **Financial market volatility**
  - Dollar strength
  - Commodities

- **Unstoppable trends**
  - Greening earth (climate-related)
  - Digitalisation
  - Future of energy
  - Work-Life

2023
We continue to drive financial sustainability through:
- Driving revenue growth through right products and markets
- Limiting costs and driving efficiency
- Deploying capital sustainably
- Managing our risks

Maintaining the drive to achieve socio-economic transformation and impact at scale in the sectors of focus:
- We seek to achieve impact in all that we do through supporting and driving our development goals and working towards our aspirational end-states of reduced unemployment, poverty and inequality, net zero effect & promoting economic access
- We are development activists at heart
DBSA COMMITMENT TO SUSTAINABLE DEVELOPMENT

▪ One of the main founding principles is to enhance sustainable development of the social, economic and ecological environment.

▪ In support of these principles, the DBSA Development Statement and Position outlines the Bank’s commitment to:
  ➢ Continental development pledges, including the African Union Agenda 2063, Regional Infrastructure Development Master Plan
  ➢ Global targets: The Sustainable Development Goals (SDGs) and the 2015 Paris Agreement

▪ Leading role in South Africa’s Just Transition to a low carbon economy and climate resilient society.
DEVELOPMENT IMPACT- FY23
Key highlights for the Year End performance (31 March 2023)

- Total disbursements of R13.7 billion (annual target: R13.5 billion)
- Infrastructure unlocked of R 2.1 billion (annual target: R1.3 billion)
- Value of prepared projects approved of R25.4 billion (annual target: R2.5 billion)
- Infrastructure delivered by IDD: R4.8 billion (Annual target: R4.2 billion)
- Funds catalysed of R14.2 billion
### DEVELOPMENT IMPACT

| **2 208** | Learners benefitted from two newly built schools |
| **29 555** | Learners benefitted from 117 refurbished schools |
| **1 524** | Local SMMEs and subcontractors employed in the construction of projects |
| **R3.8 billion** | Value of infrastructure delivered by black-owned entities, R1.4 billion of which was delivered by black women-owned entities |
| **R0.8 billion** | Benefit accrued to local small, medium, and micro enterprises (SMMEs) and subcontractors employed in the construction of projects |
| **68 687** | Learners benefitting from construction and upgrade of sanitation facilities in 177 schools |
| **10 362** | Temporary and permanent jobs created |

### DBSA EQUITY INVESTMENTS IMPACT

<table>
<thead>
<tr>
<th><strong>3 842 965</strong></th>
<th><strong>144 519</strong></th>
<th><strong>14 006</strong></th>
<th><strong>8</strong></th>
<th><strong>48 008</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes of food and food-related products delivered to date</td>
<td>Total smallholder farmers and micro-entrepreneurs impacted</td>
<td>Permanent jobs sustained in the agricultural sector</td>
<td>Kilometres of road and rail network built</td>
<td>Kilometres of fibre laid</td>
</tr>
</tbody>
</table>
GOVERNANCE
DBSA GOVERNANCE

HOW WE ARE GOVERNED

▪ Schedule 2 Public Entity in terms of the Public Finance Management Act (PFMA).

▪ 100% SA Government owned - Minister of Finance as the Executive Authority.

▪ Board comprising 13 non-executive directors and 2 executive directors.

▪ Shareholder Compact regulates the relationship between the Shareholder and the Board.

▪ Regulated by the DBSA Act, PFMA & National Treasury Regulations, JSE Debt Listings Requirements, and Corporate Governance Legislation (e.g. Companies Act & King IV Code of Corporate Governance). Board Charter developed.

▪ No operational involvement by the shareholder in the day-to-day affairs of the Bank, including participation in any management structure below Board.

BOARD APPOINTMENT PROCESS

▪ Appointment process of Board members is defined in the DBSA Act.

▪ Board Nomination Committee nominates appropriate individuals and recommends to Board for approval.

▪ The Board approves nominations and makes submission to National Treasury for the Minister’s consideration.

▪ Board appointments remain the prerogative of the executive authority (Minister of Finance).

LEADERSHIP UPDATE

▪ Boitumelo Mosako replaced Patrick Dlamini as CEO on 1 April 2023.

▪ Zodwa Mbele was appointed CFO on 1 July 2023.

▪ Board nominations to fill existing vacancies.
FINANCIAL RESULTS HIGHLIGHTS
# Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>March 2023</th>
<th>March 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>R5.2bn</td>
<td>R3.8bn</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>R6.5bn</td>
<td>R5.8bn</td>
</tr>
<tr>
<td>Operating Income</td>
<td>R7.9bn</td>
<td>R6.3bn</td>
</tr>
<tr>
<td>ECL Charge</td>
<td>R1.1bn</td>
<td>R1.0bn</td>
</tr>
</tbody>
</table>

- Net Profit increase: 36%
- Net Interest Income increase: 13%
- Operating Income increase: 26%
- ECL Charge increase: 8%
MARGIN ANALYSIS

Net Interest margin analysis

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest expense</th>
<th>Net interest income</th>
<th>Interest Income</th>
<th>Net interest margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.4</td>
<td>6.5</td>
<td>3.2</td>
<td>4.51%</td>
</tr>
<tr>
<td>2017</td>
<td>3.7</td>
<td>7.4</td>
<td>3.7</td>
<td>4.90%</td>
</tr>
<tr>
<td>2018</td>
<td>3.9</td>
<td>7.8</td>
<td>3.8</td>
<td>4.90%</td>
</tr>
<tr>
<td>2019</td>
<td>3.9</td>
<td>8.4</td>
<td>4.5</td>
<td>5.50%</td>
</tr>
<tr>
<td>2020</td>
<td>3.9</td>
<td>8.3</td>
<td>4.4</td>
<td>5.10%</td>
</tr>
<tr>
<td>2021</td>
<td>3.4</td>
<td>8.3</td>
<td>4.9</td>
<td>5.13%</td>
</tr>
<tr>
<td>2022</td>
<td>3.2</td>
<td>9.0</td>
<td>5.8</td>
<td>6.20%</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td>6.5</td>
<td>4.2</td>
<td>6.60%</td>
</tr>
</tbody>
</table>
### YEAR END ECL PROVISIONS AND MOVEMENT

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total ECL Provisions (Total)</td>
<td><strong>R’000</strong></td>
<td><strong>R’000</strong></td>
<td><strong>R’000</strong></td>
</tr>
<tr>
<td>Performing ECL</td>
<td><strong>9 425 083</strong></td>
<td><strong>7 583 300</strong></td>
<td><strong>1 841 783</strong></td>
</tr>
<tr>
<td>POCI ECL</td>
<td><strong>477 351</strong></td>
<td><strong>867 489</strong></td>
<td><strong>(390 138)</strong></td>
</tr>
<tr>
<td>Non-performing ECL</td>
<td><strong>2 439 031</strong></td>
<td><strong>3 248 208</strong></td>
<td><strong>(809 177)</strong></td>
</tr>
<tr>
<td>Total impairment (excluding write offs)</td>
<td><strong>12 341 465</strong></td>
<td><strong>11 698 997</strong></td>
<td><strong>642 468</strong></td>
</tr>
</tbody>
</table>
ASSET QUALITY ECL - KEY DRIVERS OF ECL CHARGE

March 2023

**UNCHANGED**
- multivariate methodology

**UPDATED**
- Forward Looking Information (incl. marginal PD adjustment) impact for March 2023

IFRS 9 considerations, management overlay, ECL reversals, settlements, modifications, DSSI/Common Framework/Migration

**UNCHANGED**
- Risk rating scale

**CHANGED**
- Base Credit Models - recalibration

**TOTAL INCOME STATEMENT CHARGE = R1.1bn**

March 2022

**UNCHANGED**
- multivariate methodology

**UPDATED**
- Forward Looking Information (incl. marginal PD adjustment) impact for March 2022

IFRS 9 considerations, management overlay, ECL reversals, settlements, modifications, DSSI/Common Framework/Migration

**UNCHANGED**
- Risk rating scale

**UNCHANGED**
- Base Credit Models

**TOTAL INCOME STATEMENT CHARGE = R1bn**
PROFITABILITY – 9-YEAR TREND ANALYSIS

ZAR Millions

1,214   |  2,577   |  2,821   |  2,283   |  3,097   |  504    |  1,423   |  3,825   |  5,209
COST OPTIMIZATION: COST TO INCOME RATIO

Limit

Actual


28%    18%    22%    23%    28%    25%    24%    24%
BALANCE SHEET HIGHLIGHTS
DEVELOPMENT LOANS & BONDS

**TOTAL LOAN BOOK**
- March 2023: R93.70bn
- March 2022: R84.17bn

**TOTAL ASSETS**
- March 2023: R109bn
- March 2022: R100bn

**TOTAL DISBURSEMENTS**
- March 2023: R13.7bn
- March 2022: R12.9bn

**TOTAL REPAYMENTS**
- March 2023: R17.3bn
- March 2022: R18.6bn

**FOREX**
- March 2023: R5.5bn
- March 2022: -R0.7bn

**INTEREST CAPITALISED**
- March 2023: R9.8bn
- March 2022: R8.5bn
ASSET PORTFOLIO –

Development Loans, Development Bonds, Equity Investments and Cash balances

<table>
<thead>
<tr>
<th>Year</th>
<th>Equities</th>
<th>Development Loans</th>
<th>Development Bonds</th>
<th>Cash and cash equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.54</td>
<td>1.29</td>
<td>2.30</td>
<td>1.29</td>
</tr>
<tr>
<td>2018</td>
<td>5.54</td>
<td>1.29</td>
<td>3.74</td>
<td>1.29</td>
</tr>
<tr>
<td>2019</td>
<td>5.94</td>
<td>1.29</td>
<td>2.92</td>
<td>1.29</td>
</tr>
<tr>
<td>2020</td>
<td>5.99</td>
<td>2.92</td>
<td>3.46</td>
<td>1.29</td>
</tr>
<tr>
<td>2021</td>
<td>5.01</td>
<td>3.46</td>
<td>5.01</td>
<td>1.15</td>
</tr>
<tr>
<td>2022</td>
<td>8.98</td>
<td>4.98</td>
<td>7.99</td>
<td>1.15</td>
</tr>
<tr>
<td>2023</td>
<td>93.68</td>
<td>5.2</td>
<td>2.28</td>
<td>6.17</td>
</tr>
</tbody>
</table>
ASSET QUALITY - ECL TREND VS LOAN BOOK GROWTH

ECL Provisions – Trend 2009 - 2023

Development Loan Book Growth 2009 - 2023
ASSET QUALITY – GROSS LOAN BOOK STAGING

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>59.4%</td>
<td>59.0%</td>
<td>59.0%</td>
<td>57.6%</td>
<td>61.2%</td>
<td>62.8%</td>
<td>57.1%</td>
<td>61%</td>
<td>53%</td>
</tr>
<tr>
<td>Stage 2</td>
<td>36.1%</td>
<td>35.9%</td>
<td>36.1%</td>
<td>35.7%</td>
<td>31.6%</td>
<td>29.0%</td>
<td>35.2%</td>
<td>33%</td>
<td>43%</td>
</tr>
<tr>
<td>Stage 3</td>
<td>4.5%</td>
<td>5.1%</td>
<td>4.9%</td>
<td>6.6%</td>
<td>7.2%</td>
<td>8.2%</td>
<td>7.7%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>POCI</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
<td>50%</td>
<td>60%</td>
<td>70%</td>
<td>80%</td>
</tr>
</tbody>
</table>

01-Apr-18: 36.1% Stage 1, 35.9% Stage 2, 5.1% Stage 3, 8% POCI
Sep-19: 36.1% Stage 1, 35.7% Stage 2, 6.6% Stage 3, 7.2% POCI
Mar-19: 36.1% Stage 1, 35.7% Stage 2, 4.9% Stage 3, 6.6% POCI
Sep-19: 35.7% Stage 1, 31.6% Stage 2, 6.6% Stage 3, 7.2% POCI
Mar-20: 31.6% Stage 1, 29.0% Stage 2, 7.2% Stage 3, 8.2% POCI
Sep-20: 29.0% Stage 1, 29.0% Stage 2, 8.2% Stage 3, 8.2% POCI
Mar-21: 29.0% Stage 1, 35.2% Stage 2, 7.7% Stage 3, 1% POCI
Mar-22: 33% Stage 1, 33% Stage 2, 7.7% Stage 3, 1% POCI
Mar-23: 33% Stage 1, 43% Stage 2, 3% Stage 3, 1% POCI
ASSET QUALITY - NPL NET OF ECL PROVISIONS

2015: 2.60%
2016: 1.70%
2017: 1.60%
2018: 2.40%
2019: 1.70%
2020: 2.90%
2021: 2.60%
2022: 1.40%
2023: 1.13%
ASSET QUALITY – YEAR TO DATE CASH COLLECTIONS

Cash Collections – SA vs ROA

- Actual receipts
- Contractual dues

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>ROA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual receipts</td>
<td>9.64</td>
<td>7.43</td>
<td>9.91</td>
</tr>
<tr>
<td>Contractual dues</td>
<td>9.55</td>
<td>8.95</td>
<td>13.53</td>
</tr>
</tbody>
</table>

Cash Collections by IFRS 9 Stage

- Actual receipts
- Contractual dues

<table>
<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3 &amp; POCl</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual receipts</td>
<td>17.07</td>
<td>5.31</td>
<td>1.85</td>
<td>17.07</td>
</tr>
<tr>
<td>Contractual dues</td>
<td>13.53</td>
<td>3.85</td>
<td>1.12</td>
<td>18.50</td>
</tr>
</tbody>
</table>
## SOUTH AFRICA VS REST OF AFRICA ANALYSIS

<table>
<thead>
<tr>
<th></th>
<th>South Africa</th>
<th>Rest of Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2022</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>4 479 075</td>
<td>4 016 489</td>
</tr>
<tr>
<td>Net Interest Margin %</td>
<td>5,96%</td>
<td>5,76%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>75 144 145</td>
<td>69 672 013</td>
</tr>
<tr>
<td>Asset Split %</td>
<td>74%</td>
<td>77%</td>
</tr>
<tr>
<td>Impairment Charge / (reversal)</td>
<td>(694 077)</td>
<td>(1 258 052)</td>
</tr>
<tr>
<td>Sustainable Earnings Split %</td>
<td>72%</td>
<td>57%</td>
</tr>
</tbody>
</table>
MUNICIPAL EXPOSURE BREAKDOWN

Municipal Exposure by Market – 31 March 2023

- Under resourced municipalities: 2%
- Intermediary cities: 13%
- Metros: 85%

Municipal Exposure by Market – 31 March 2022

- Under resourced municipalities: 2%
- Intermediary cities: 14%
- Metros: 84%
UNLISTED EQUITY INVESTMENTS PORTFOLIO

March 2023
Valuation
R5.2bn
Fair value adjustments
R4.6m

March 2022
Valuation
R4.9bn
Fair value adjustments
(R43m)

March 2021
Valuation
R5.0bn
Fair value adjustments
(R321m)

March 2020
Valuation
R5.9bn
Fair value adjustments
(R228m)
Previous financial year (FY23) – new funding raised for the year was ZAR 14.06bn and debt repayments totaled ZAR 16.4bn. The weakening of the Rand, however, saw total outstanding debt increase by ZAR 2.3 billion.

- Funding FY24 to date = ZAR 2.1bn
- Debt serviced FY24 to date = ZAR 2.9bn (capital + interest)
- New loans disbursed FY24 to date = ZAR 2.684bn
- Loan book inflow FY24 to date = ZAR 8.3bn (capital + interest)
### Funding Pipeline

- **Bilateral facilities under various stages of negotiation, all expected to be concluded and become available in the current financial year.**
- **Total amount of ZAR 19.46bn equivalent to three times projected FY24 requirement.**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Facility use</th>
<th>ZAR</th>
<th>USD</th>
<th>EUR</th>
<th>Total ZAR</th>
<th>Tenor</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFI</td>
<td>Embedded generation</td>
<td>140,000,000</td>
<td>2,870,000,000</td>
<td>2,870,000,000</td>
<td>- 20 yr</td>
<td>Available for drawdown</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EUR 60m already drawn</td>
</tr>
<tr>
<td>DFI</td>
<td>Climate finance</td>
<td>22,000,000</td>
<td>451,000,000</td>
<td>451,000,000</td>
<td>- 15 yr</td>
<td>Available for drawdown</td>
<td></td>
</tr>
<tr>
<td>DFI</td>
<td>Social infrastructure</td>
<td>38,000,000</td>
<td>779,000,000</td>
<td>779,000,000</td>
<td>- 10 yr</td>
<td>Available for drawdown</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EUR 12m already drawn</td>
</tr>
<tr>
<td>DFI</td>
<td>General corporate use</td>
<td>120,000,000</td>
<td>2,280,000,000</td>
<td>2,280,000,000</td>
<td>- 5 yr</td>
<td>Undergoing credit process</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - September 2023</td>
</tr>
<tr>
<td>DFI</td>
<td>Social infrastructure</td>
<td>2,200,000,000</td>
<td>2,200,000,000</td>
<td>2,200,000,000</td>
<td>- 10 yr</td>
<td>Credit approved</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - October 2023</td>
</tr>
<tr>
<td>DFI</td>
<td>Embedded generation</td>
<td>100,000,000</td>
<td>2,050,000,000</td>
<td>2,050,000,000</td>
<td>- 20 yr</td>
<td>Mandate letter signed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - October 2023</td>
</tr>
<tr>
<td>DFI</td>
<td>General infrastructure</td>
<td>100,000,000</td>
<td>1,900,000,000</td>
<td>1,900,000,000</td>
<td>- 13 yr</td>
<td>Credit approved</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - January 2024</td>
</tr>
<tr>
<td>Commercial bank</td>
<td>General corporate use</td>
<td>50,000,000</td>
<td>950,000,000</td>
<td>950,000,000</td>
<td>- 3 yr</td>
<td>Early discussions</td>
<td></td>
</tr>
<tr>
<td>Syndicated Loan</td>
<td>General corporate use</td>
<td>250,000,000</td>
<td>4,750,000,000</td>
<td>4,750,000,000</td>
<td>- 3 yr</td>
<td>Finalising term sheet</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - October 2023</td>
</tr>
<tr>
<td>Commercial bank</td>
<td>General corporate use</td>
<td>60,000,000</td>
<td>1,230,000,000</td>
<td>1,230,000,000</td>
<td>- 2 yr</td>
<td>2 yr facility upsize syndication</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected close - November 2023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>2,200,000,000</td>
<td>520,000,000</td>
<td>360,000,000</td>
<td>19,460,000,000</td>
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<td></td>
</tr>
</tbody>
</table>
LIQUIDITY PROJECTIONS FOR REMAINDER OF FY24

Liquidity Forecast – August 2023 to March 2025 (ZAR Equivalent)

<table>
<thead>
<tr>
<th>LIQUIDITY PROJECTIONS - FY 2023 - 24</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aug</td>
<td>Sep</td>
<td>Oct</td>
<td>Nov</td>
<td>Dec</td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>Opening Cash</td>
<td>9,702</td>
<td>6,908</td>
<td>7,217</td>
<td>11,393</td>
<td>11,904</td>
<td>15,162</td>
<td>15,702</td>
</tr>
<tr>
<td>Debt capital repayments</td>
<td>1,321</td>
<td>1,037</td>
<td>400</td>
<td>641</td>
<td>212</td>
<td>2,110</td>
<td>4,026</td>
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<tr>
<td>Debt interest payments</td>
<td>403</td>
<td>539</td>
<td>397</td>
<td>155</td>
<td>272</td>
<td>375</td>
<td>368</td>
</tr>
<tr>
<td>Treasury assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>105</td>
<td>6</td>
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<tr>
<td>FX transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan book capital</td>
<td>128</td>
<td>1,103</td>
<td>1,402</td>
<td>276</td>
<td>2,393</td>
<td>755</td>
<td>142</td>
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<tr>
<td>Loan book interest</td>
<td>123</td>
<td>1,303</td>
<td>876</td>
<td>457</td>
<td>1,982</td>
<td>874</td>
<td>116</td>
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<tr>
<td>New funding</td>
<td>3,556</td>
<td>1,156</td>
<td></td>
<td></td>
<td>400</td>
<td>385</td>
<td>400</td>
</tr>
<tr>
<td>New disbursements</td>
<td>1,223</td>
<td>422</td>
<td>764</td>
<td>1,125</td>
<td>210</td>
<td>799</td>
<td>216</td>
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<tr>
<td>Operational</td>
<td>98</td>
<td>98</td>
<td>98</td>
<td>98</td>
<td>98</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Closing cash</td>
<td>6,908</td>
<td>7,217</td>
<td>11,393</td>
<td>11,904</td>
<td>15,162</td>
<td>15,702</td>
<td>13,553</td>
</tr>
</tbody>
</table>

- Average haircut of 15% on the loan inflows (even though actuals continue to perform closer to contractual forecasts).
- Even though funding under negotiation is sufficient to meet near term requirements, we still plan to go to the bond market for price discovery and to maintain market presence:
  - Maturities under consideration = 3, 5, 7 and 10 years
  - RMB to follow with market sounding
The funding share of JSE listed bonds has decreased from 48.5% in July 2018 to 27.7% in July 2023 (with outstanding balances decreasing from ZAR 29.9bn to ZAR 16.9bn).

Bilateral funding (including offshore bond private placements) increased from 31.8% to 56.6%.
Well balanced ALM maturity profile with positive cumulative gap across all maturity buckets.
**Contractual Asset & Liability Repricing Gaps**

<table>
<thead>
<tr>
<th></th>
<th>&lt;1M</th>
<th>1M - 3M</th>
<th>3M - 6M</th>
<th>6M - 1Y</th>
<th>1Y - 2y</th>
<th>2Y - 3y</th>
<th>3Y - 4y</th>
<th>4Y - 5y</th>
<th>&gt; 5Y</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>9,888</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>9,888</td>
</tr>
<tr>
<td>Investment securities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>181</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>181</td>
</tr>
<tr>
<td>Development Bonds</td>
<td>0</td>
<td>0</td>
<td>42</td>
<td>544</td>
<td>83</td>
<td>83</td>
<td>83</td>
<td>833</td>
<td>500</td>
<td>2,169</td>
</tr>
<tr>
<td>Development Loans</td>
<td>16,370</td>
<td>31,985</td>
<td>14,771</td>
<td>1,215</td>
<td>2,688</td>
<td>2,826</td>
<td>2,582</td>
<td>8,579</td>
<td>20,770</td>
<td>101,787</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>2,500</td>
<td>258</td>
<td>326</td>
<td>763</td>
<td>1,618</td>
<td>1,618</td>
<td>1,501</td>
<td>1,281</td>
<td>10,820</td>
<td>15,685</td>
</tr>
<tr>
<td><strong>Asset inflows</strong></td>
<td>23,758</td>
<td>32,243</td>
<td>15,138</td>
<td>2,702</td>
<td>4,390</td>
<td>4,528</td>
<td>4,167</td>
<td>10,693</td>
<td>32,090</td>
<td>129,710</td>
</tr>
<tr>
<td>Debt funding</td>
<td>7,310</td>
<td>7,400</td>
<td>600</td>
<td>2,193</td>
<td>2,933</td>
<td>0</td>
<td>500</td>
<td>9,163</td>
<td>590</td>
<td>30,689</td>
</tr>
<tr>
<td>Lines of Credit</td>
<td>1,003</td>
<td>20,750</td>
<td>5,599</td>
<td>130</td>
<td>225</td>
<td>185</td>
<td>159</td>
<td>118</td>
<td>237</td>
<td>28,405</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>11,585</td>
<td>4,100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,685</td>
</tr>
<tr>
<td><strong>Liabilities Outflows</strong></td>
<td>19,898</td>
<td>32,250</td>
<td>6,199</td>
<td>2,323</td>
<td>3,158</td>
<td>185</td>
<td>659</td>
<td>9,280</td>
<td>827</td>
<td>74,779</td>
</tr>
<tr>
<td><strong>Net repricing outflows</strong></td>
<td>3,860</td>
<td>7</td>
<td>8,940</td>
<td>379</td>
<td>1,232</td>
<td>4,343</td>
<td>3,508</td>
<td>1,412</td>
<td>31,263</td>
<td>54,931</td>
</tr>
<tr>
<td><strong>Cumulative repricing gap</strong></td>
<td>3,860</td>
<td>3,853</td>
<td>12,793</td>
<td>13,172</td>
<td>14,404</td>
<td>18,747</td>
<td>22,255</td>
<td>23,667</td>
<td>54,931</td>
<td></td>
</tr>
</tbody>
</table>

- Liquidity holding forms the biggest part of the one year repricing gap.
- The book has benefited from the increasing rate cycle over the last three years.
- However using swaps, over the last five months the one year repricing gap has been reduced substantially by locking in asset rates at current elevated yields.
In addition to ZAR, the Bank has operations in USD and EUR

- The risk arising from these foreign currency operations is managed using derivatives (FEC, cross currency swaps and foreign exchange options).
- At 31 July 2023, the EUR and USD currency Net Open Positions stood at: EUR 25m and USD 102m long, respectively.

### FOREIGN CURRENCY RISK

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at amortised cost</td>
<td>31</td>
<td>26</td>
</tr>
<tr>
<td>Investment securities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Equity investments held at fair value through profit and loss</td>
<td>37</td>
<td>140</td>
</tr>
<tr>
<td>Development bonds at amortised cost</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Development loans - capital</td>
<td>365</td>
<td>1,181</td>
</tr>
<tr>
<td>Development loans - arrears</td>
<td>15</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>447</td>
<td>1,406</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>Lines of credit</td>
<td>222</td>
<td>1,061</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>422</td>
<td>1,061</td>
</tr>
<tr>
<td>Foreign exchange options</td>
<td>0</td>
<td>243</td>
</tr>
<tr>
<td><strong>Total Derivatives</strong></td>
<td>0</td>
<td>243</td>
</tr>
<tr>
<td><strong>Net Open Positions</strong></td>
<td>25</td>
<td>102</td>
</tr>
</tbody>
</table>
CAPITAL MANAGEMENT
The Bank has voluntarily adopted the Basel capital framework for internal use.

Risk weighted assets are calculated for Pillar 1 risks. As at 30 June 2023:

- **Credit risk** – internal ratings-based approach – R 23.9bn capital requirement
- **Equity risk** – simple risk weight approach – R 1.8bn capital requirement
- **Market risk** – standardised approach – R 777m capital requirement
- **Operational risk** – standardised approach – R 1.3bn capital requirement

As at June 2023, the Bank had capital of R 59.7bn (incl. ECL and excl. callable capital).

Capital requirements of R 27.7bn is well within the available capital of R 59.7bn (leaving capital headroom of R 32bn).

With capital adequacy ratio of 22.6%, the Bank is well capitalised for the risks already on the book and for planned future growth.

Capital management is already being used internally to supplement risk limits through capital allocation to the various risk types and countries to support the Bank’s business strategy.

### Capital Management Summary

<table>
<thead>
<tr>
<th>Available Capital</th>
<th>30-Jun-23 – R ‘000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Weighted Assets:</td>
<td></td>
</tr>
<tr>
<td>- Credit Risk</td>
<td>227 709</td>
</tr>
<tr>
<td>- Market Risk</td>
<td>7 399</td>
</tr>
<tr>
<td>- Operational Risk</td>
<td>12 069</td>
</tr>
<tr>
<td>- Equity Risk</td>
<td>16 744</td>
</tr>
</tbody>
</table>

**Capital Ratio**: 22.6%

<table>
<thead>
<tr>
<th>30-Jun-2023 – R '000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital requirements</strong></td>
</tr>
<tr>
<td>Credit risk</td>
</tr>
<tr>
<td>Market risk</td>
</tr>
<tr>
<td>Operational risk</td>
</tr>
<tr>
<td>Equity risk</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
THANK YOU