

# INVESTOR UPDATE





## **CONTENT**

- **STRATEGY**
- **GOVERNANCE**
- **FINANCIAL RESULTS HIGHLIGHTS**
- **MUNICIPAL STRATEGY**
- **TREASURY & BALANCE SHEET MANAGEMENT**



## STRATEGY



# MANDATE AND INSTITUTIONAL STRENGTH

## Mandate

Promote **economic development and growth, human and institutional capacity building** for **sustainable development projects and programmes** in the African continent.

### Institutional strength

Founded  
**1983**  
DBSA  
Act 1997

Externally  
rated

---

DBSA foreign  
currency rating

**Ba3** **BB-**  
(Moody's) (S&P)

Owned  
**100%**  
by SA  
Government

Well  
governed

---

Unqualified audits

---

**AA** rating  
from AADFI PSGRS

Total Infrastructure  
Development Support

**R72.9bn**

Globally  
accredited

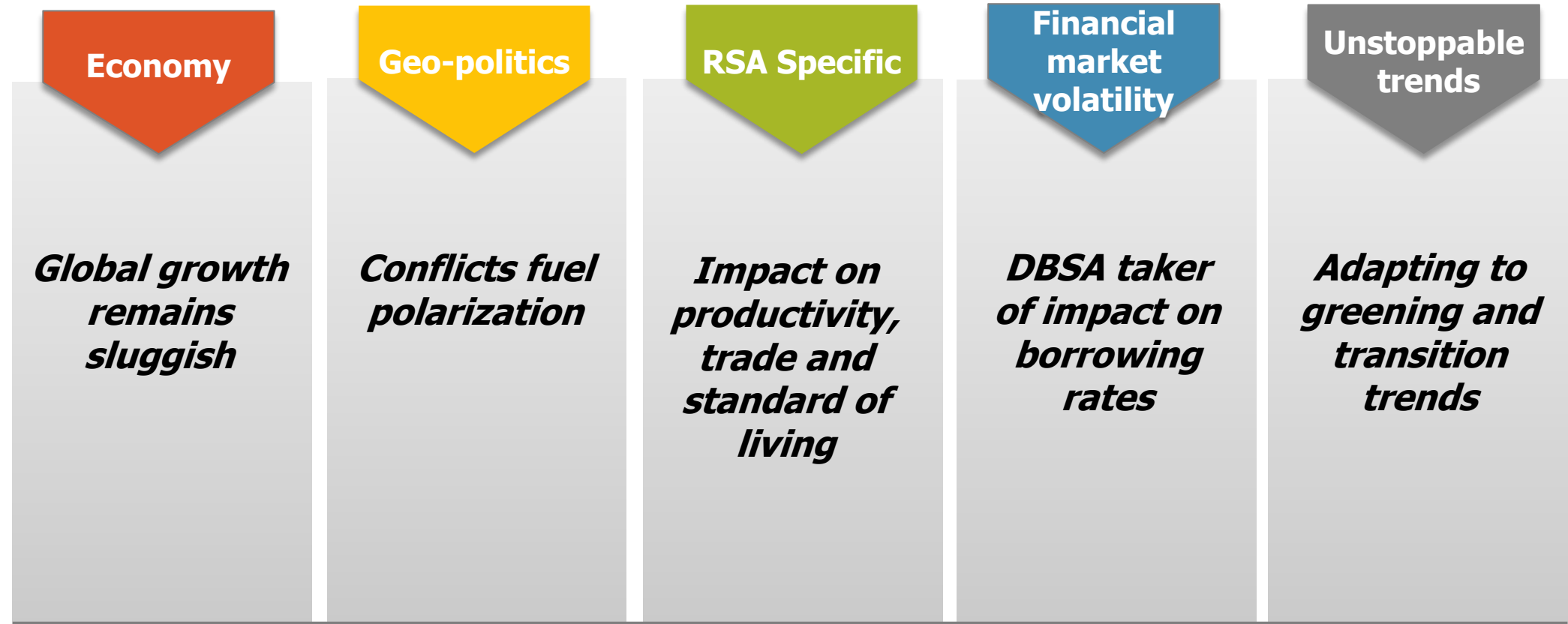
---

Global Environmental  
Facility

---

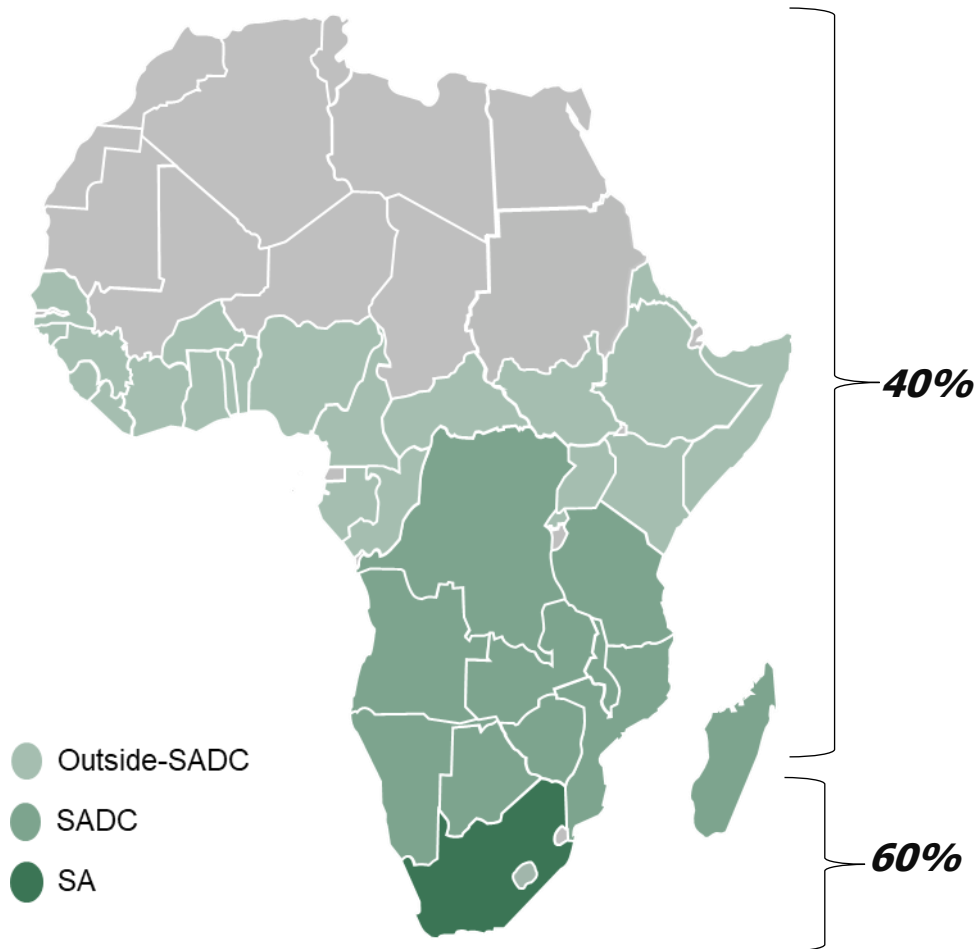
Green Climate Fund

# DRIVERS OF THE OPERATING ENVIRONMENT



# INFRASTRUCTURE DEVELOPMENT SCOPE

## CLIENTS AND GEOGRAPHIC MANDATE



### PUBLIC

- Municipalities
- SOEs
- Sovereigns

### PRIVATE

- PPPs
- Private sector

## PRIORITY SECTORS



# THE DBSA VALUE PROPOSITION

*An End-to-End Infrastructure Development Product Suite*

## PLAN

- Municipal assessments
- 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
- Trade Finance & Guarantees

## BUILD

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

## MAINTAIN

- Supporting maintenance / improvement of social 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

# STRATEGIC INITIATIVES: 2024/25

## STRATEGY PILLARS AND GROWTH AREAS

Pursuing **green growth** for sustainability and resilience

Strengthening infrastructure to support **economic expansion** and an **equitable society**

Pursuing sound **Rest of Africa** strategy

Enhancing **operational excellence**

1

2

3

4

5

6

## 6 INITIATIVES



MUNICIPAL

**Integrated municipal approach**



Ensuring a Just Transition for All

**Just transition**



**Policy & Regulatory Review**



**Regional integration**



**Elevating Development Impact**

**Future-Fit**

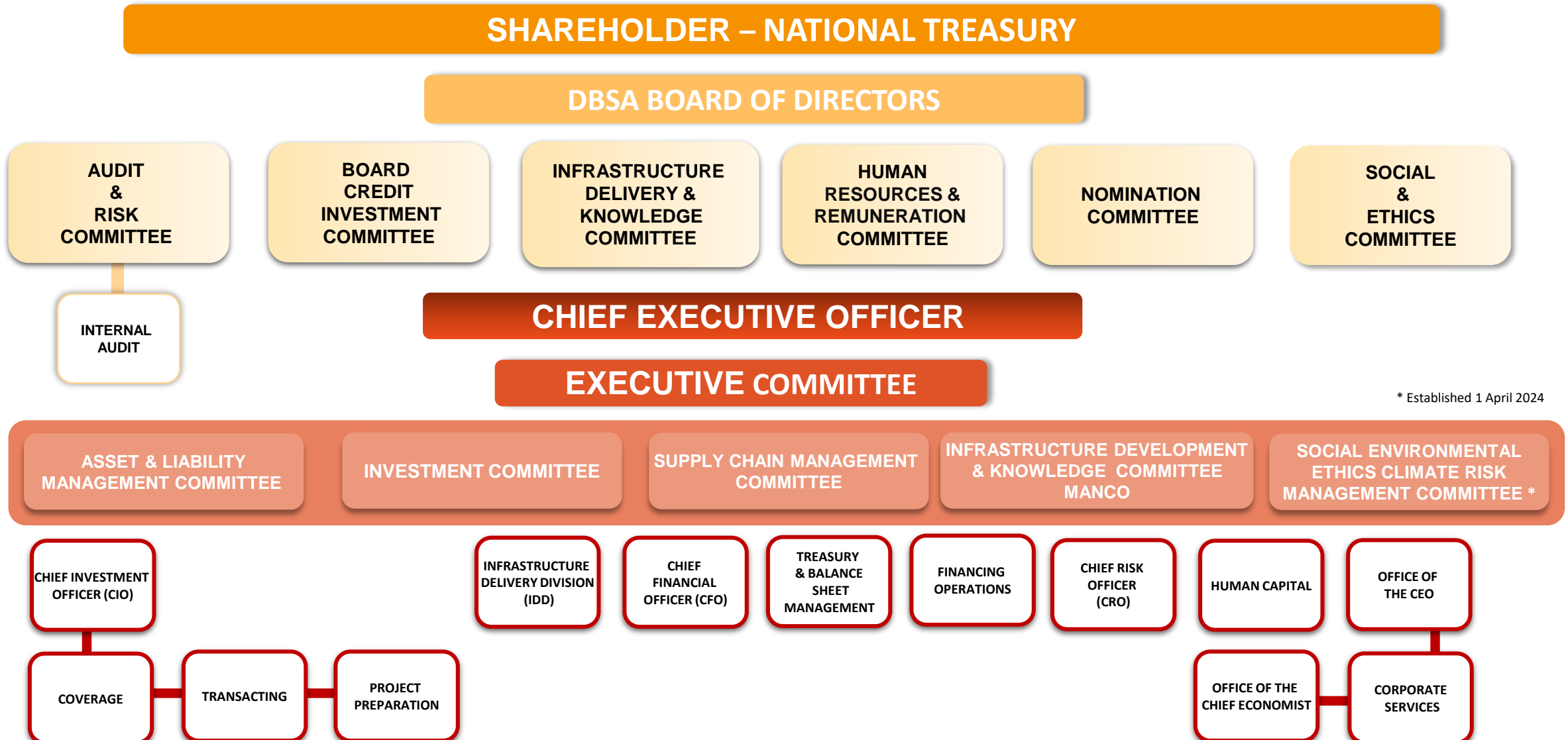
**Fit-for purpose DBSA**





## GOVERNANCE

# GOVERNANCE STRUCTURE



# 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 Nomination Committee Terms of Reference in line with Section 7 of the DBSA Act.
- Board Nomination Committee nominates appropriate individuals and recommends to Board for approval.
- The Board approves nominations and makes submissions to National Treasury for the Minister's consideration.
- Board appointments remain the prerogative of the executive authority (Minister of Finance).

# FINANCIAL RESULTS HIGHLIGHTS 2024



# STELLAR PERFORMANCE IN A CHALLENGING ENVIRONMENT

## OPERATING ENVIRONMENT

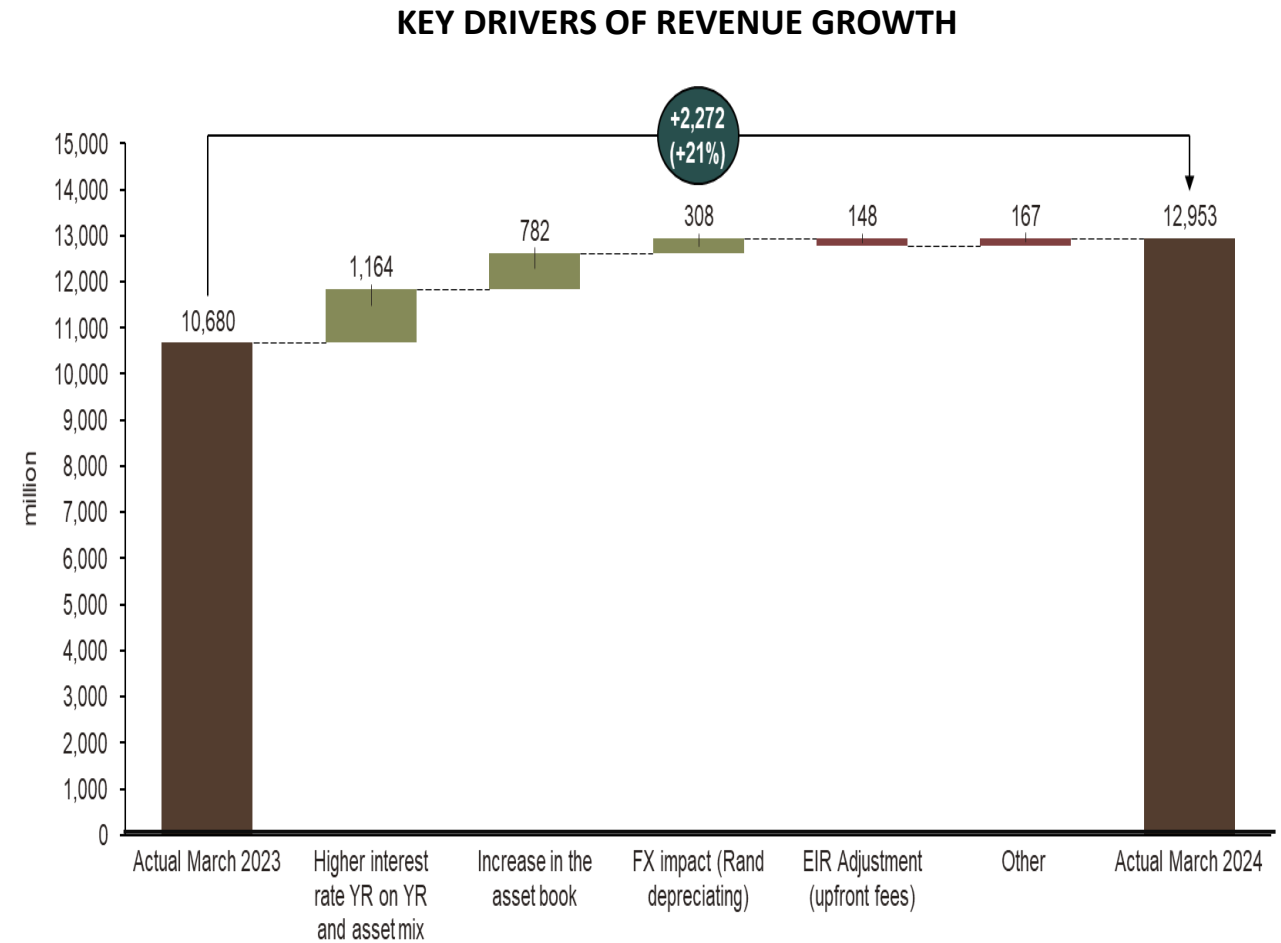
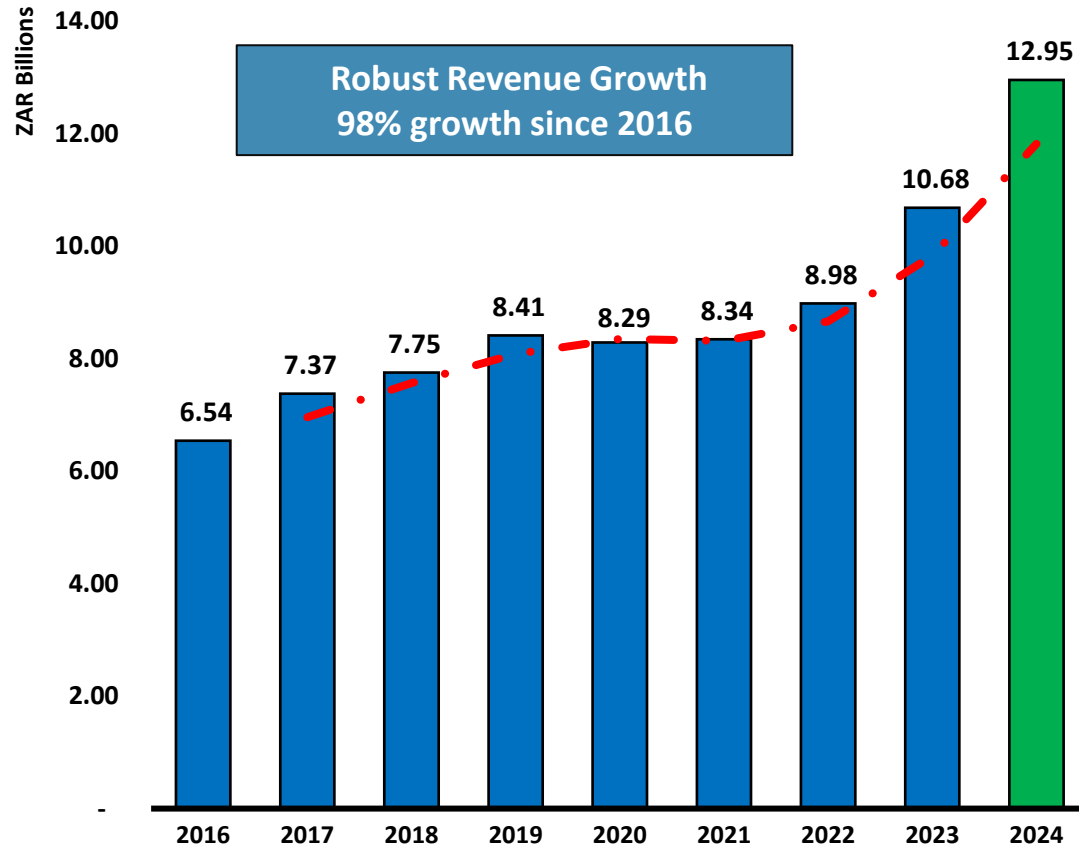
SA GDP growth	⊗	Geo-politics	⊗
SA inflation	✓	Sovereign debt challenge	⊗
Municipal sector challenges	✓ ⊗	Interest Rates	⊗
Electricity constraints	✓ ⊗	Logistical constraints	✓ ⊗

## FINANCIAL OUTCOMES

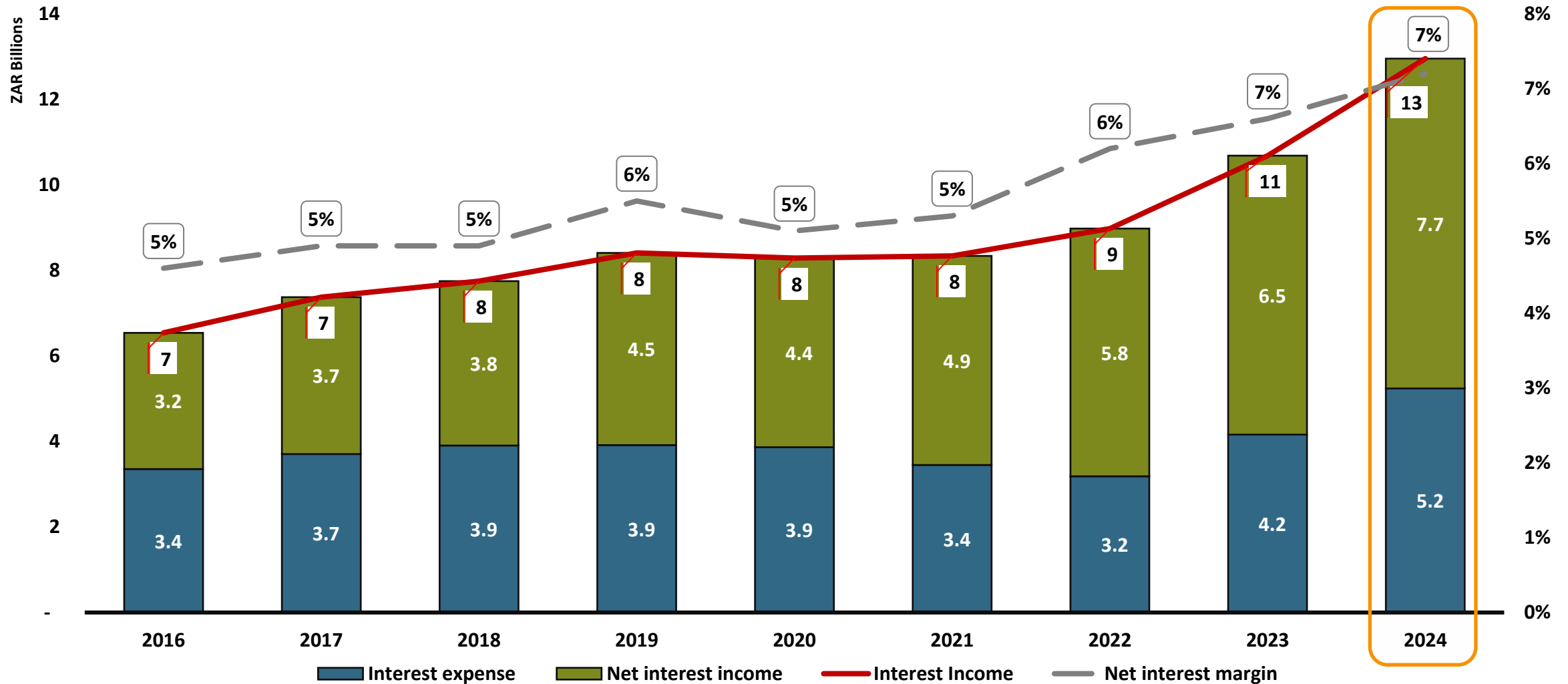
Net Interest Income 18%	⬆	ROE 9.3%	⬇
Sustainable earnings 7%	⬆	Debt to Equity 89%	⬇
Cost to Income 21%	⬆	Disbursements R17bn	⬆
NPL 3.89%	⬆	Cash Collections R23.02bn	⬆



# ROBUST & SUSTAINABLE GROWTH IN REVENUE

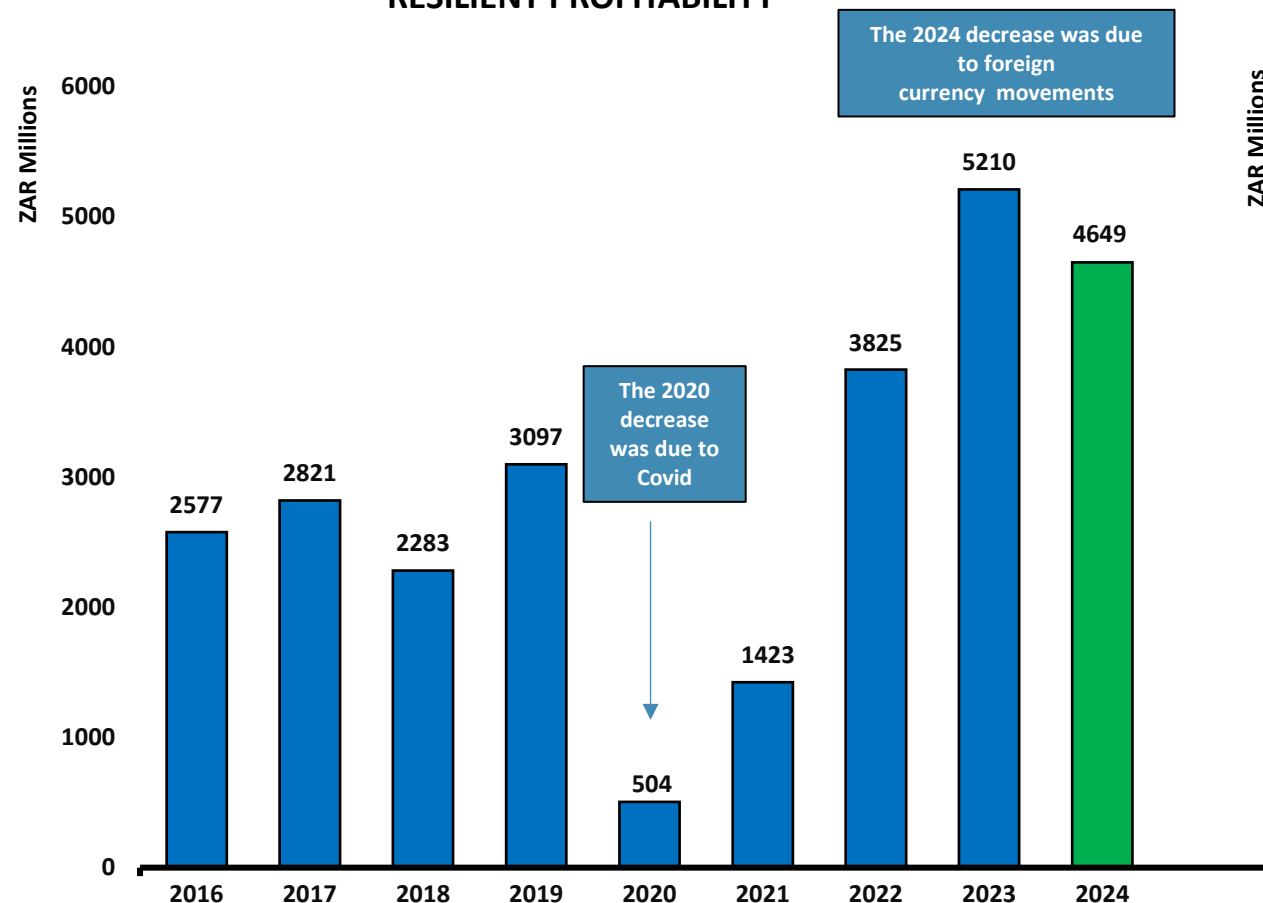


# NET INTEREST MARGIN ANALYSIS

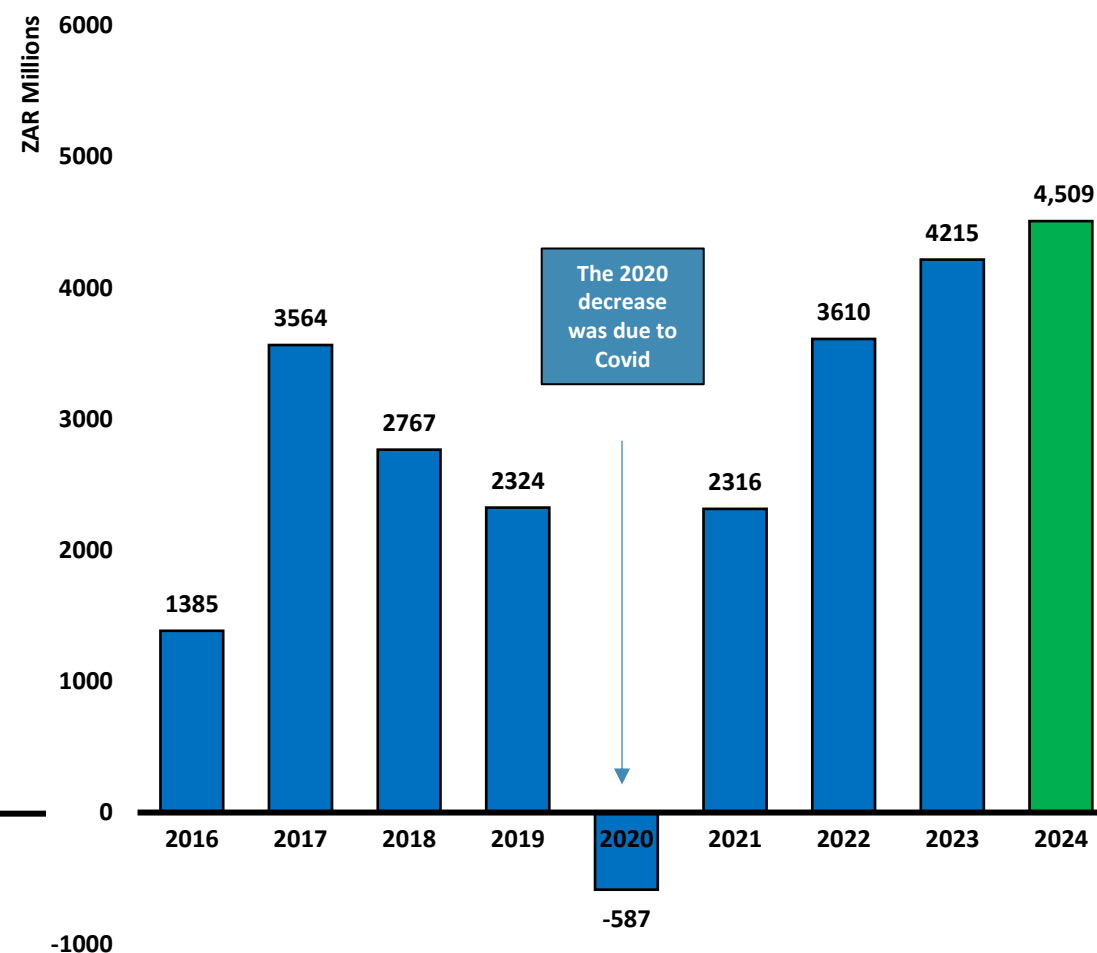


# STRONG PROFITABILITY AND SUSTAINABLE EARNINGS

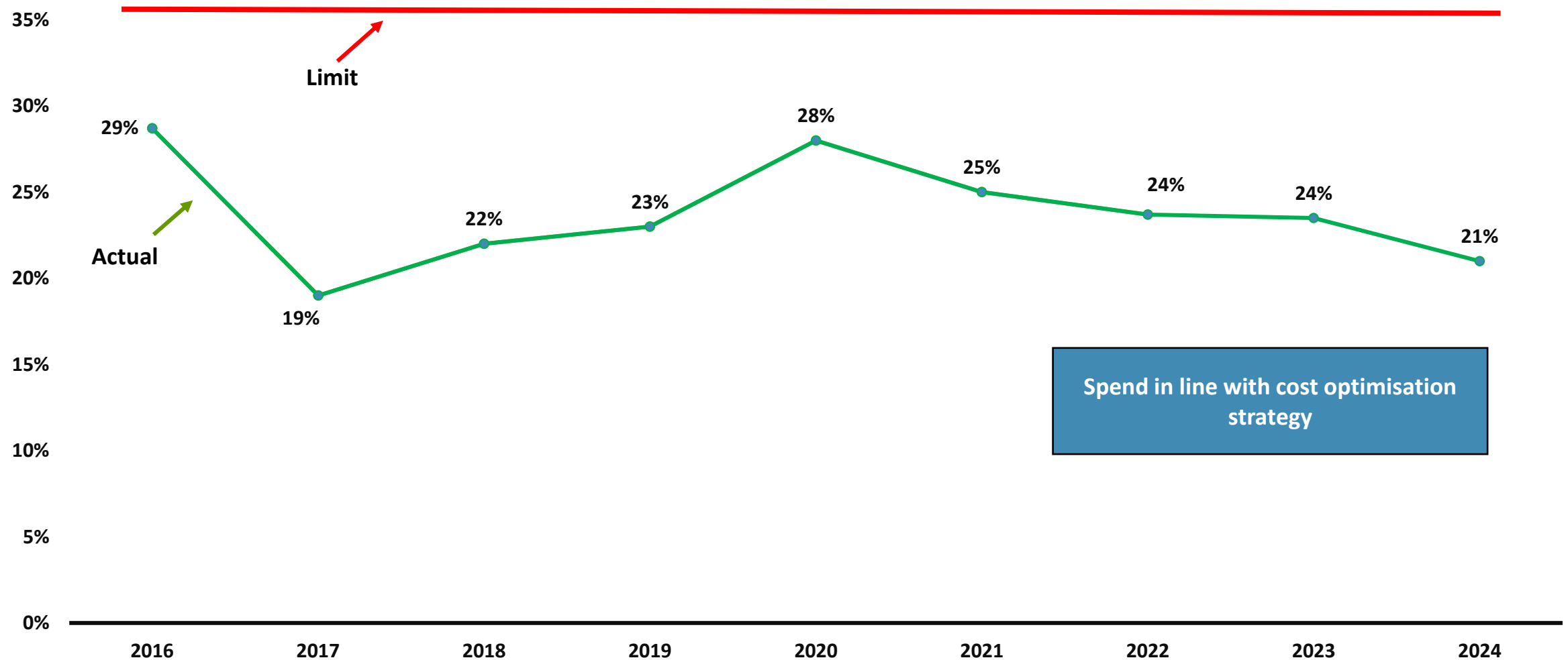
## RESILIENT PROFITABILITY



## SUSTAINABLE VALUE CREATION



# EFFICIENCY- COST TO INCOME RATIO



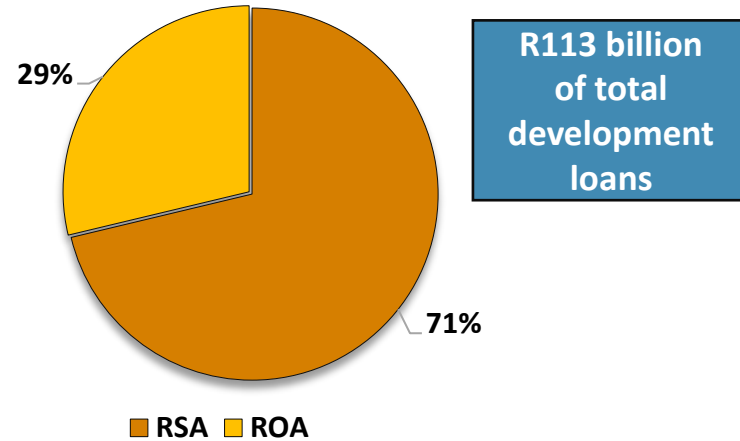
# BALANCE SHEET HIGHLIGHTS 2024



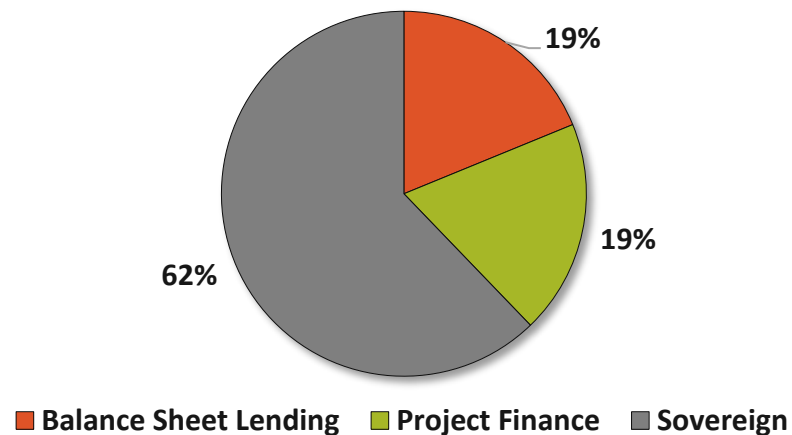


# LOAN BOOK GEOGRAPHICAL FOOTPRINT -19 COUNTRIES

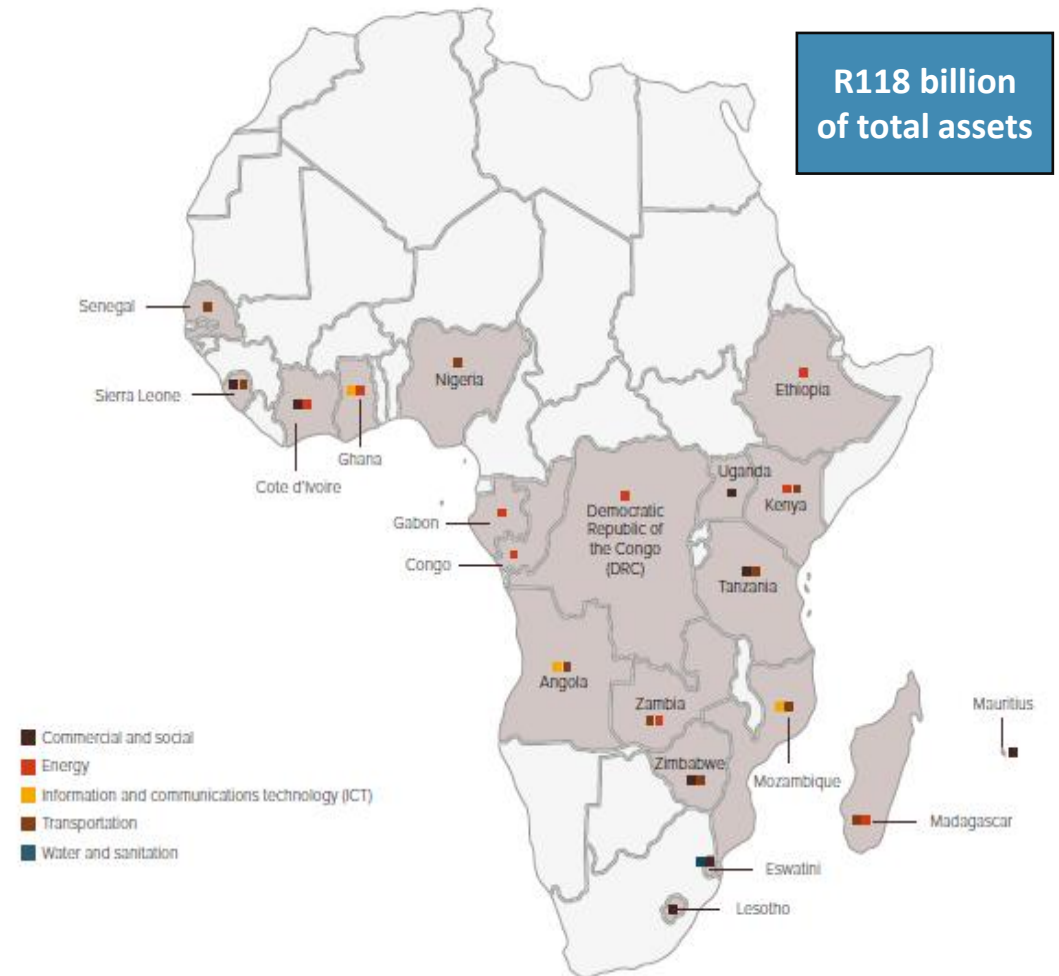
RSA VS ROA LOAN BOOK SPLIT - 31 MARCH 2024



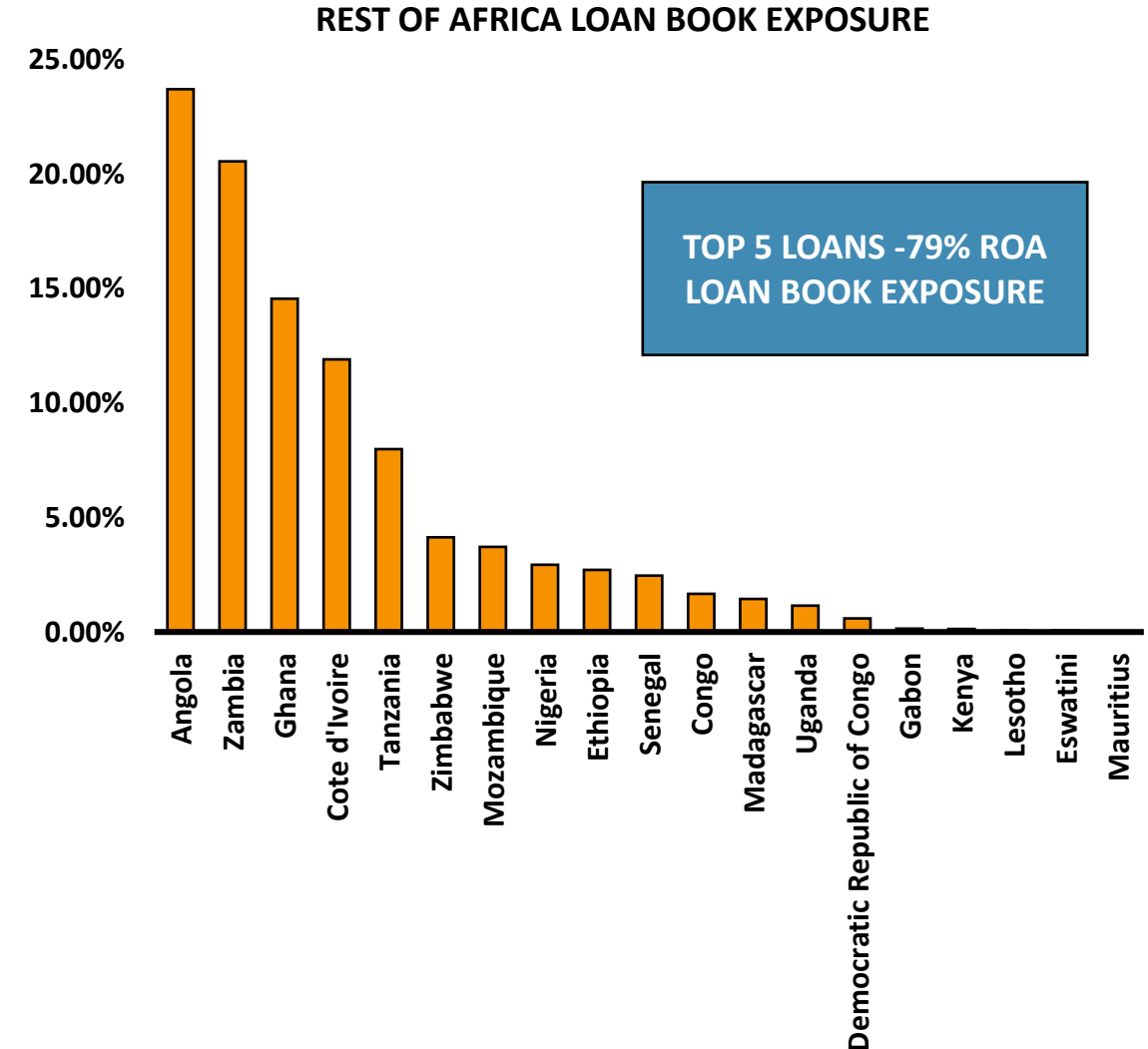
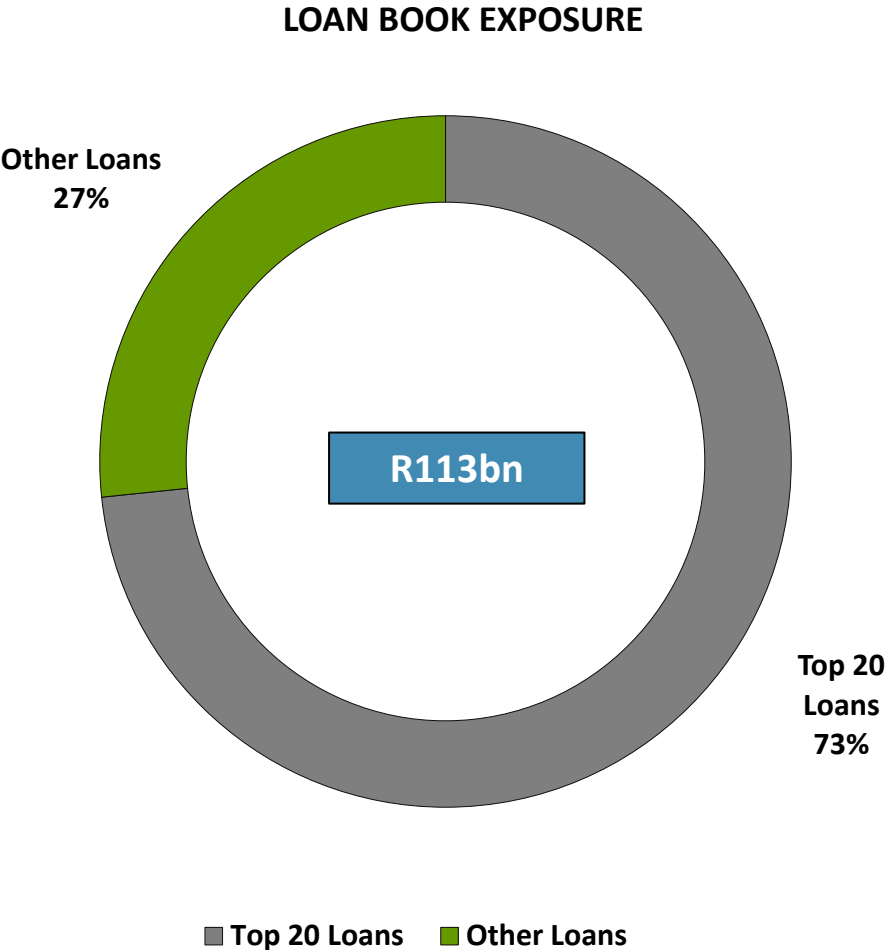
DIVERSE ROA LOAN STRUCTURE- 31 MARCH 2024



ROA LOAN EXPOSURE OF KEY SECTORS EXCL. RSA - 31 MARCH 2024

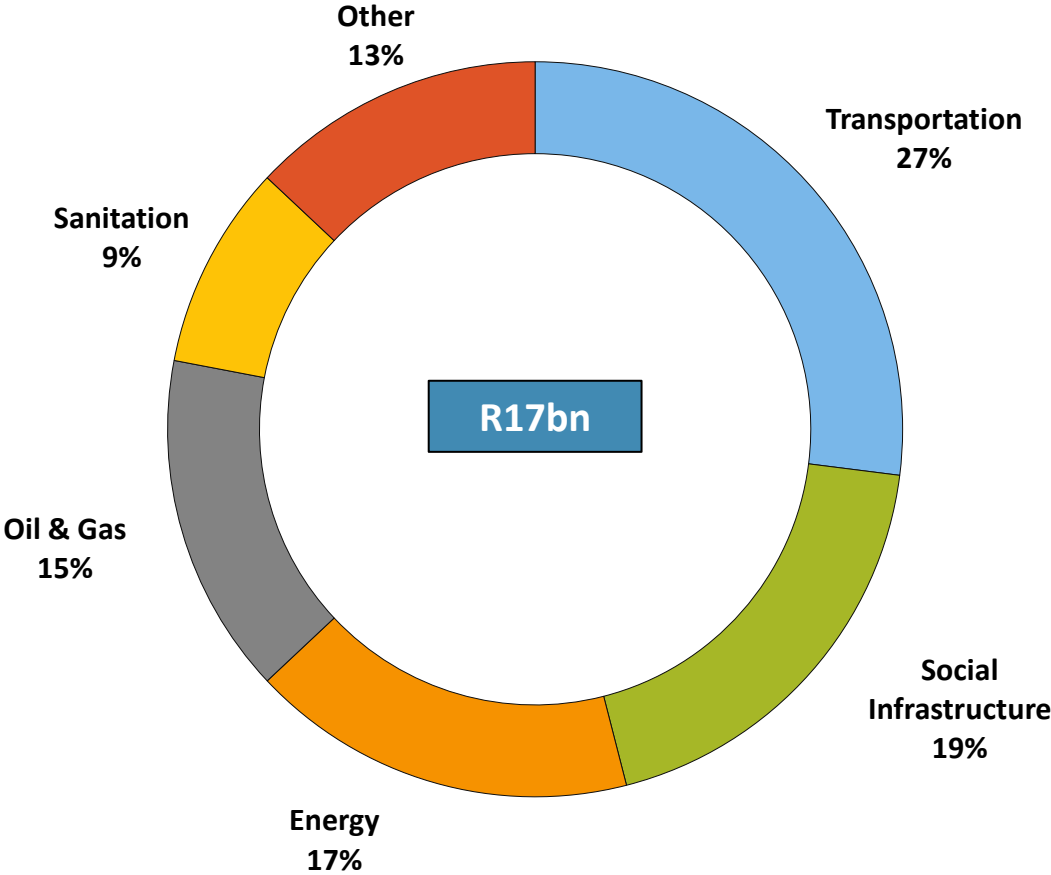


# ASSET QUALITY –LOAN BOOK EXPOSURE

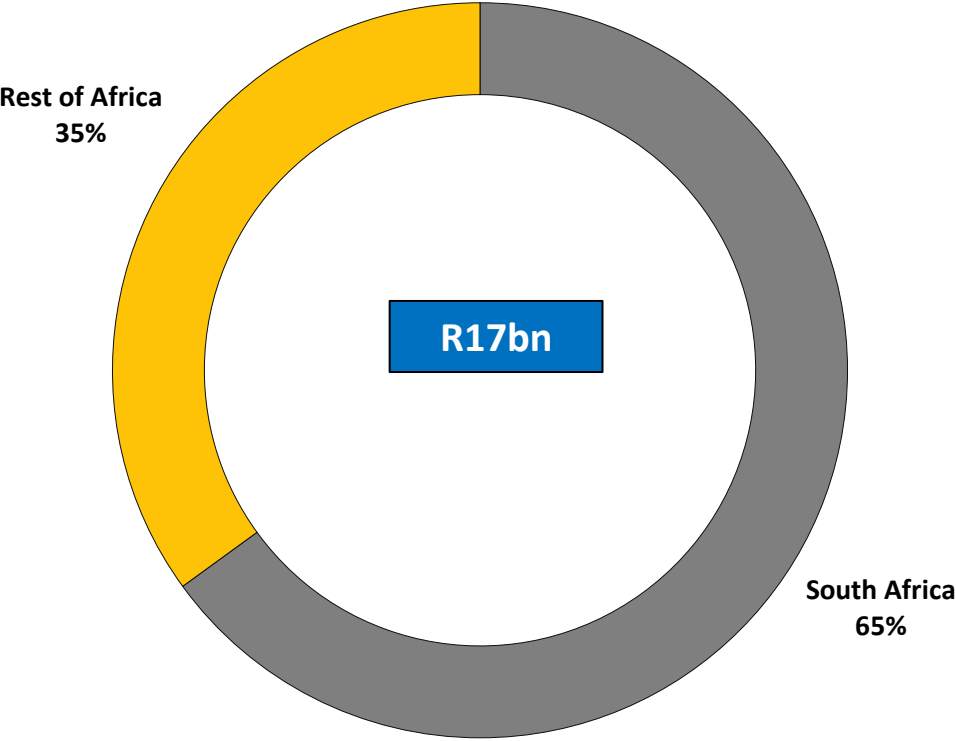


# ASSET GROWTH- DISBURSEMENT PER SECTOR & REGION





DISBURSEMENTS PER SECTOR



DISBURSEMENTS PER REGION

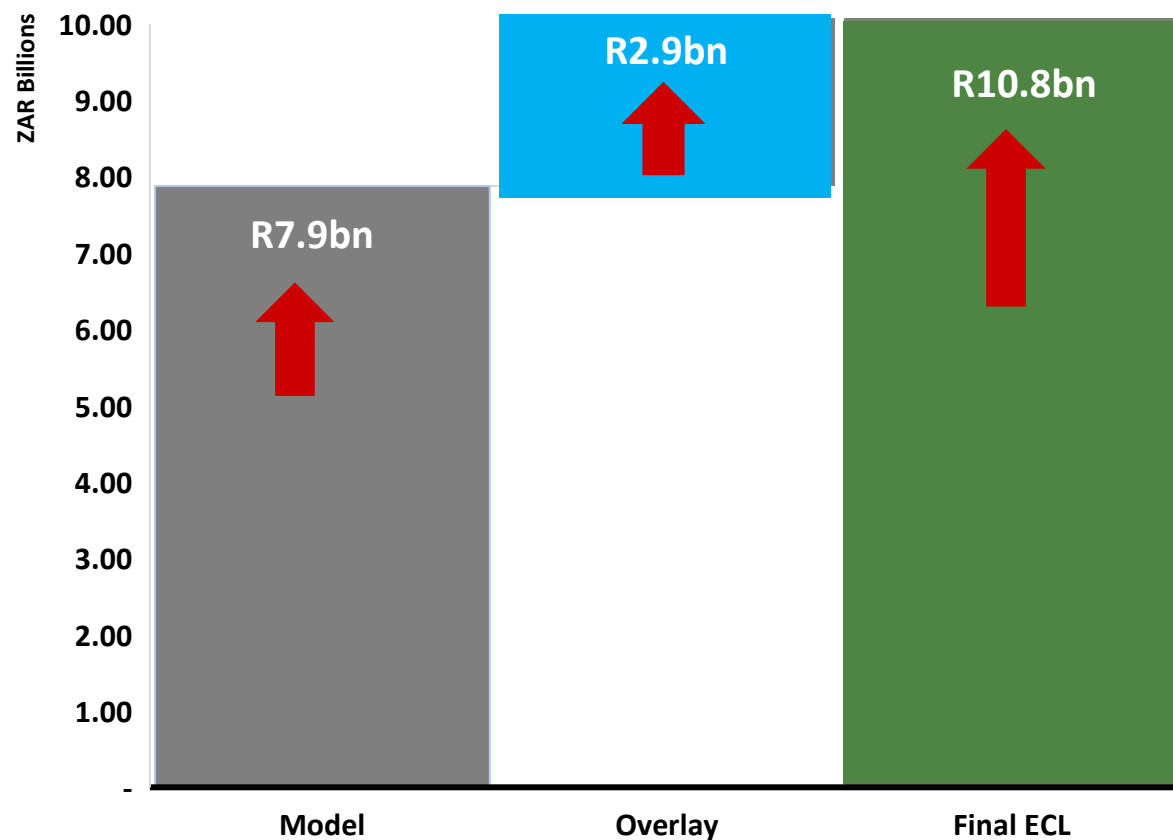


# YEAR END ECL PROVISIONS AND MOVEMENT

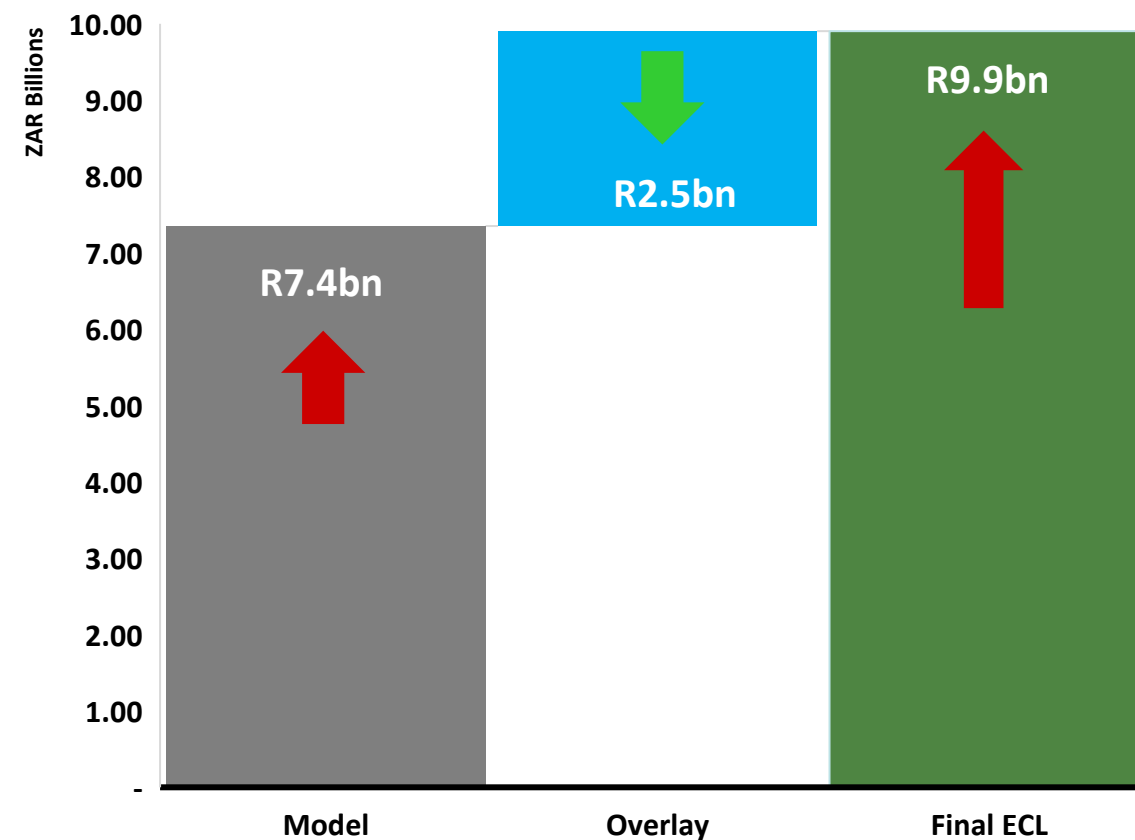
Total ECL Provisions (Total)	Balance Sheet 31-Mar-24	Balance Sheet 31-Mar-23	Income Statement
	<i>R'000</i>	<i>R'000</i>	<i>R'000</i>
Stage 1 & Stage 2 ECL	10 363 985	9 257 999	1 105 986 
POCI ECL	358 895	517 265	(158 370) 
Non-performing Stage 3 ECL	2 977 509	2 399 681	577 828 
<b>Total impairment</b>	<b>13 700 389</b>	<b>12 174 945</b>	<b>1 525 444 </b>
<b>Total movement</b> (including modification gains/losses and admin adjustments)			<b>1 391 245</b>

# HIGH LEVEL ECL OVERLAY MOVEMENT

31 MARCH 2024

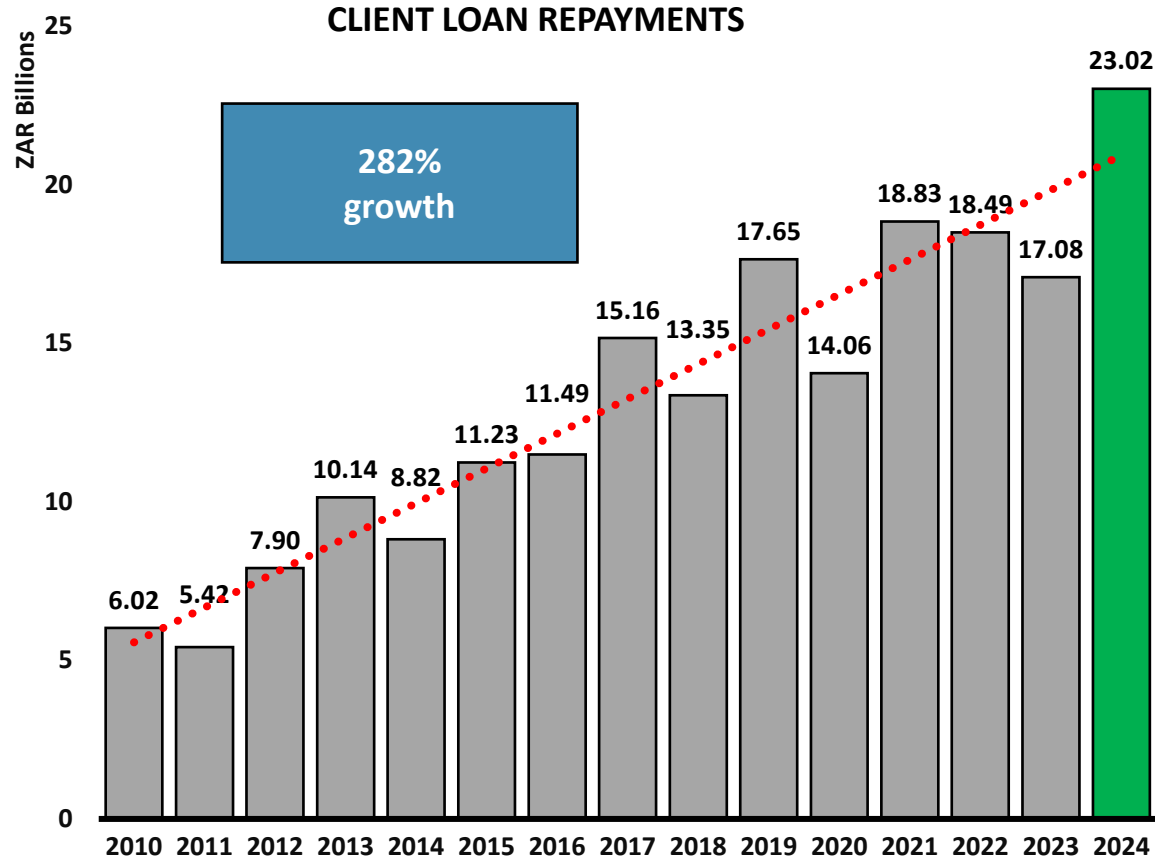


31 MARCH 2023

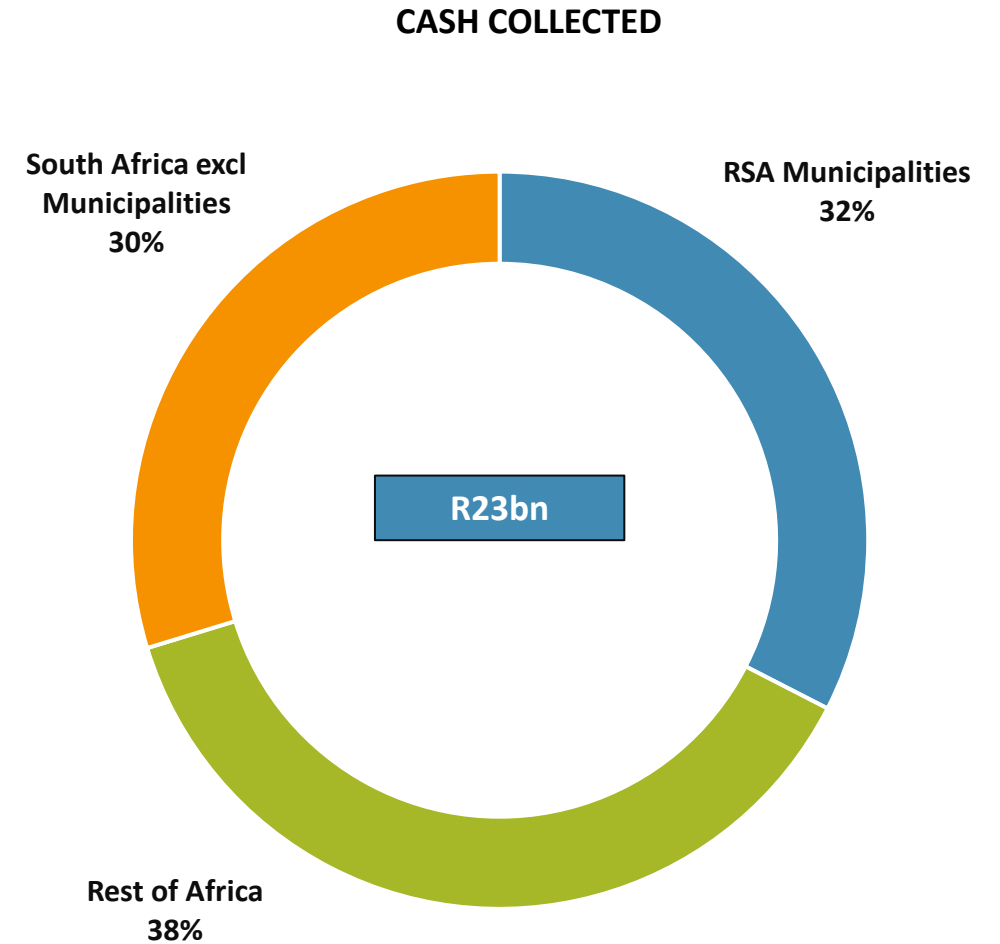




# RECORD CASH COLLECTIONS

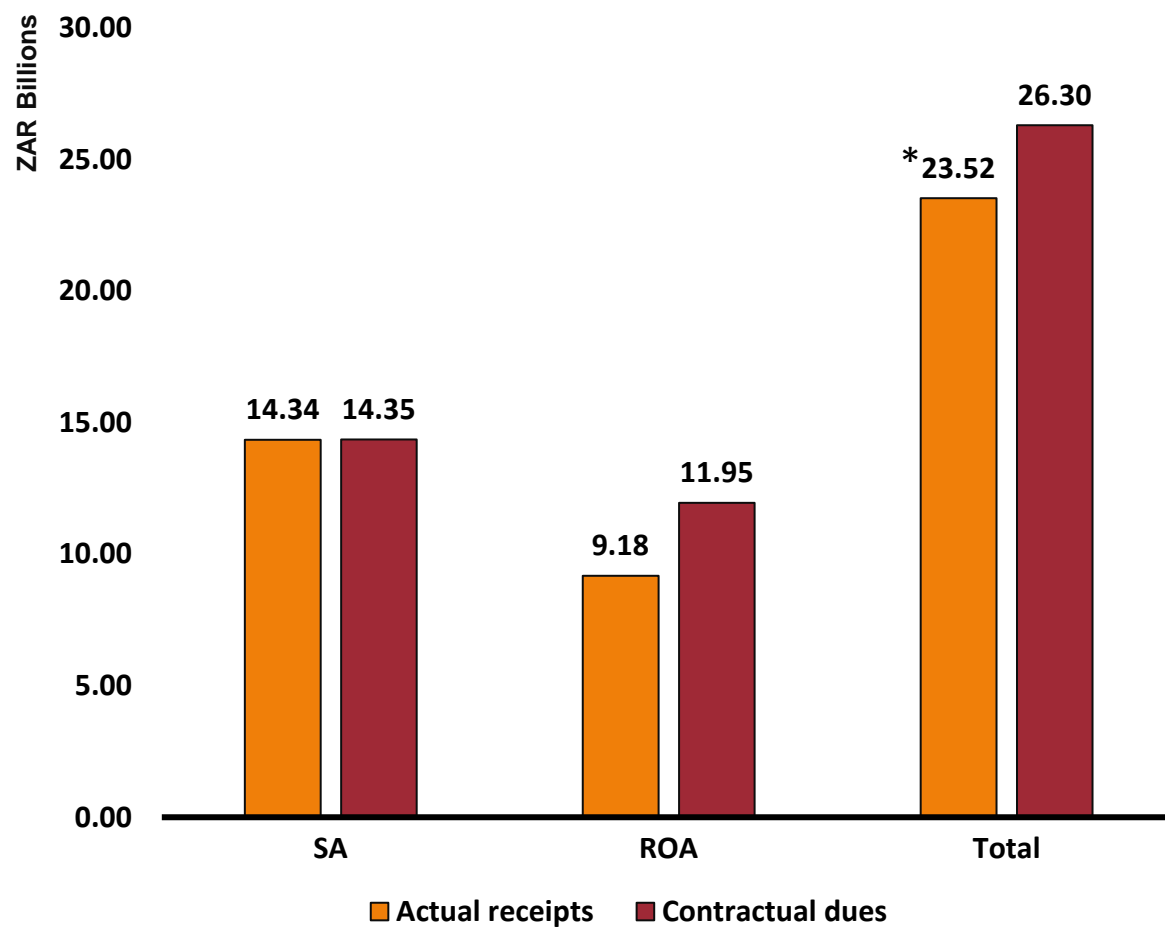


Record cash collections of R23bn under a difficult operating environment.

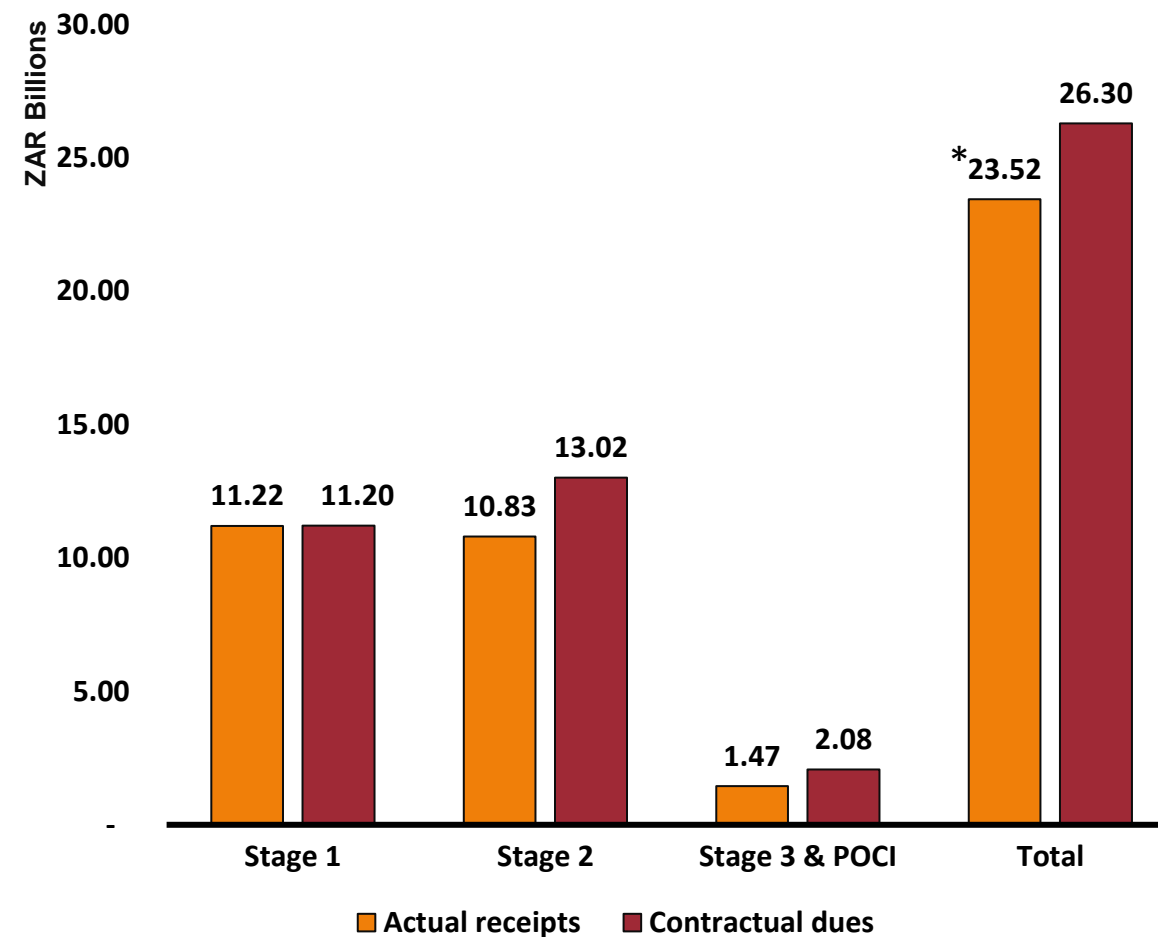


# ASSET QUALITY – CASH COLLECTIONS

## CASH COLLECTIONS – SA VS ROA



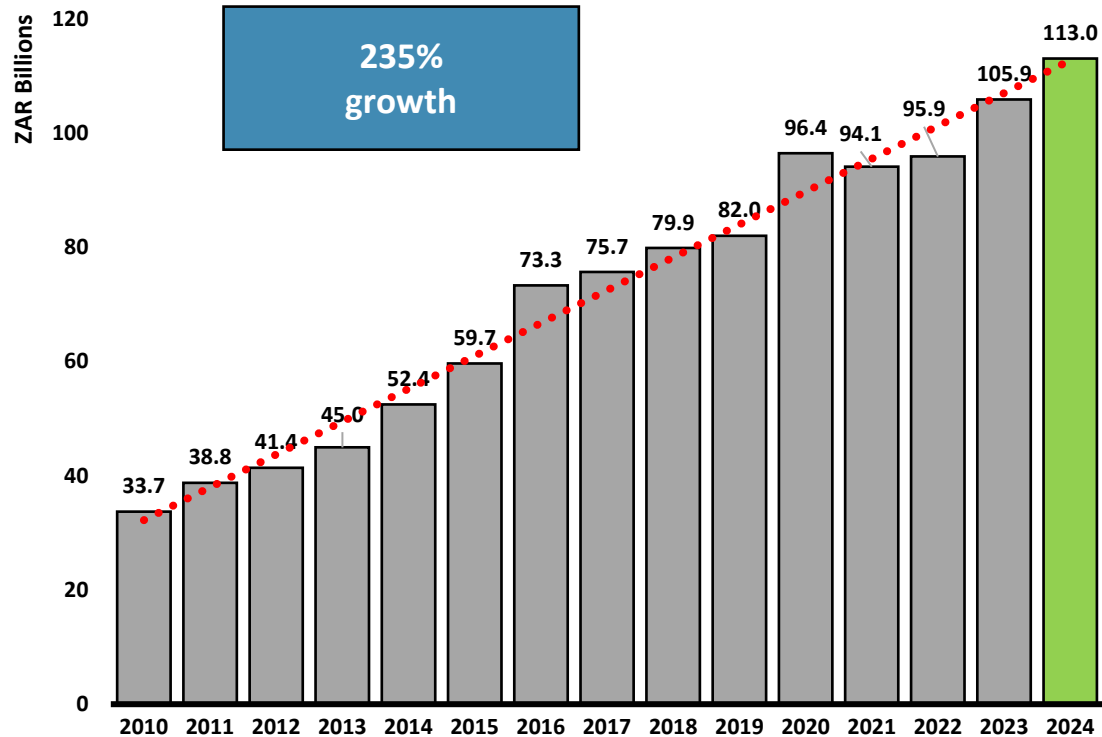
## CASH COLLECTIONS BY IFRS 9 STAGE



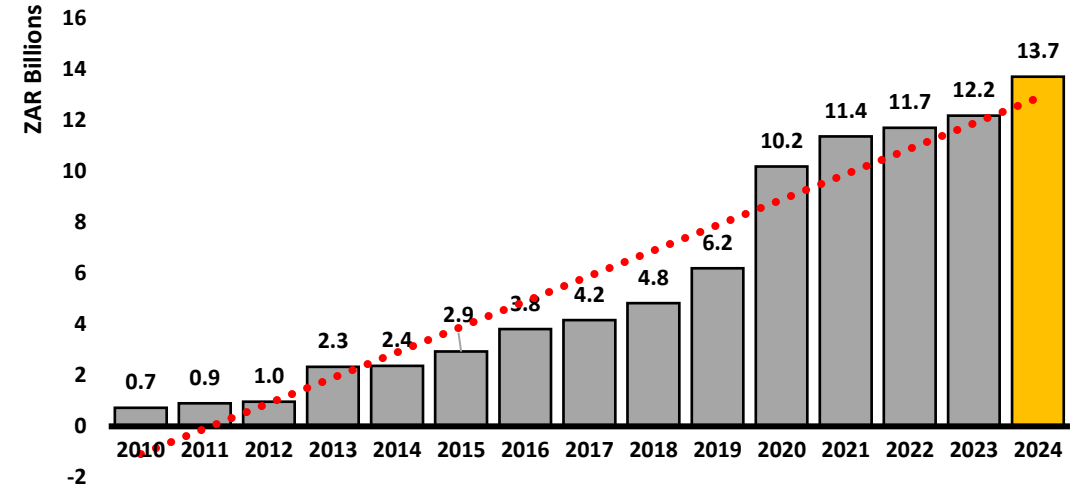
\*Include proceeds on sale of assets

# ASSET GROWTH & ASSET QUALITY

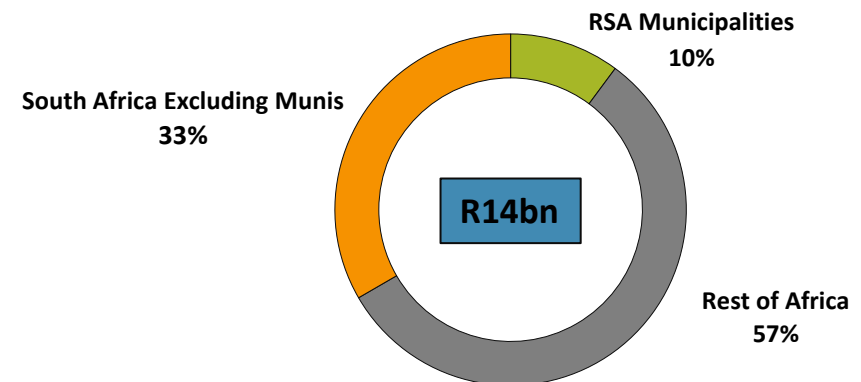
## GROSS LOAN BOOK



## EXPECTED CREDIT LOSS PROVISION



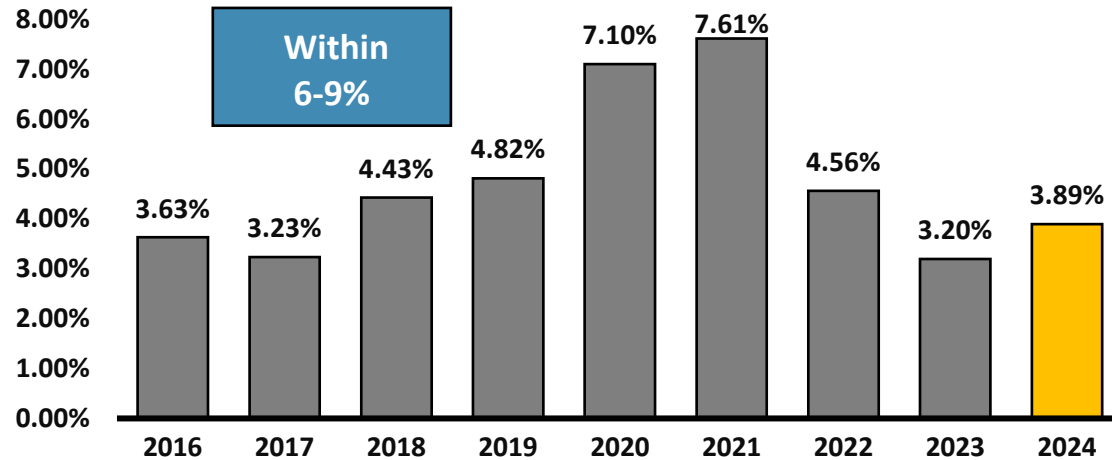
## REGIONAL ECL PROVISION



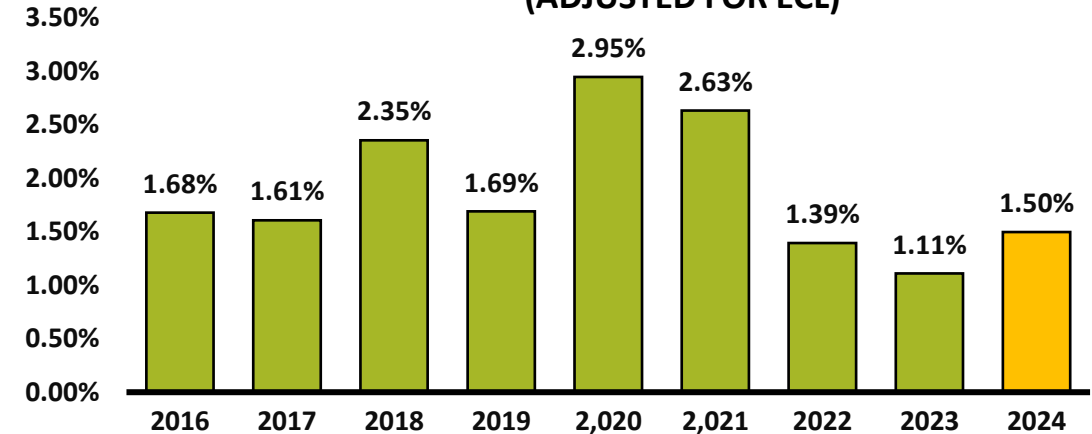
- Growth in the loan book, since 2010.
- Adequate expected credit loss provisions (mostly portfolio impairments R10bn of the R13.7bn).

# ASSET QUALITY – GROSS NPL & NET NPL RATIOS

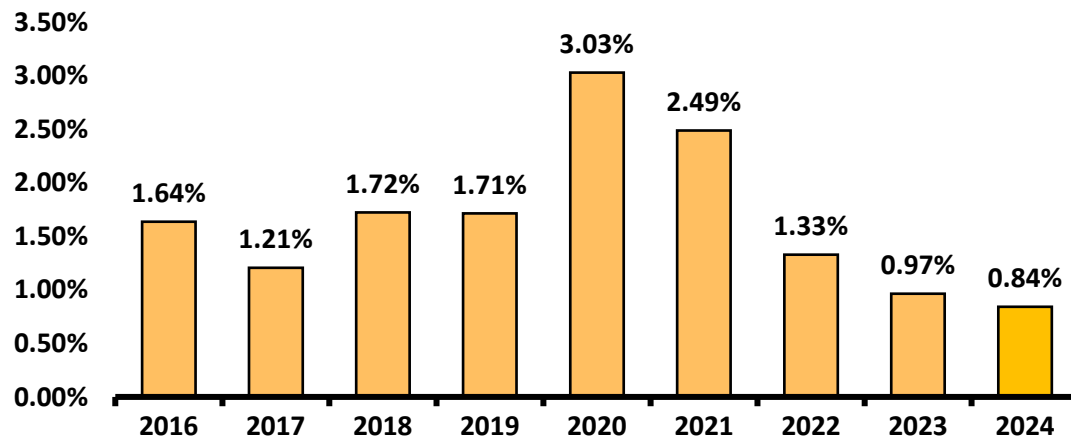
**GROSS NPL - TOTAL LOAN & BOND PORTFOLIO**



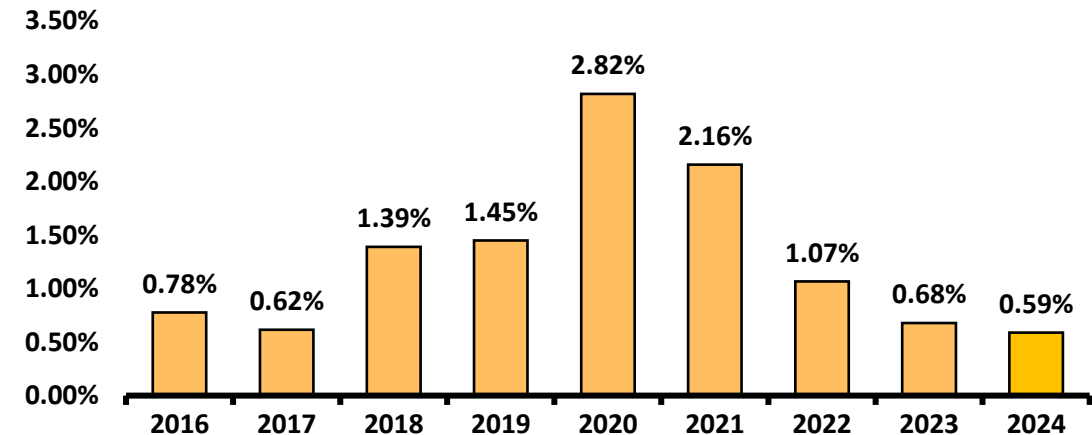
**NET NPL - TOTAL LOAN & BOND PORTFOLIO  
(ADJUSTED FOR ECL)**



**GROSS NPL – MUNICIPAL NPL'S DIVIDED BY TOTAL  
MUNICIPAL EXPOSURE**

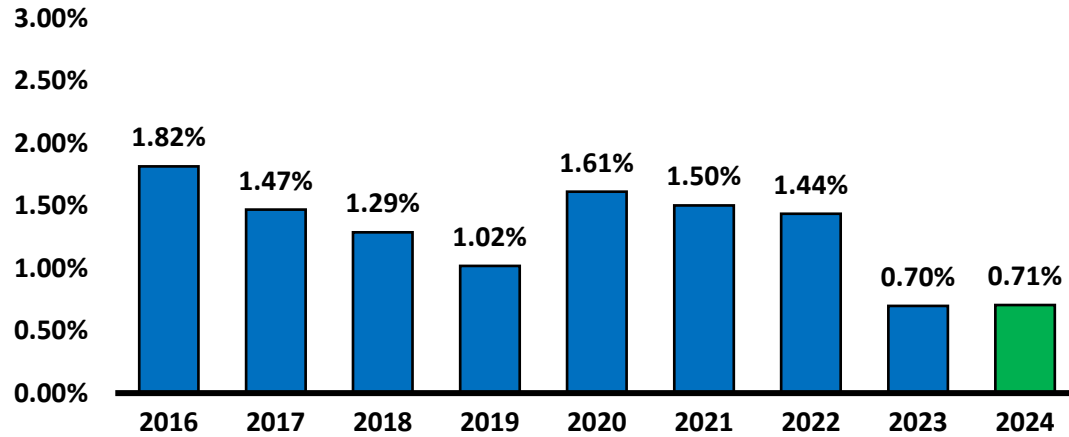


**NET NPL - MUNICIPAL EXPOSURE (ADJUSTED FOR ECL)**

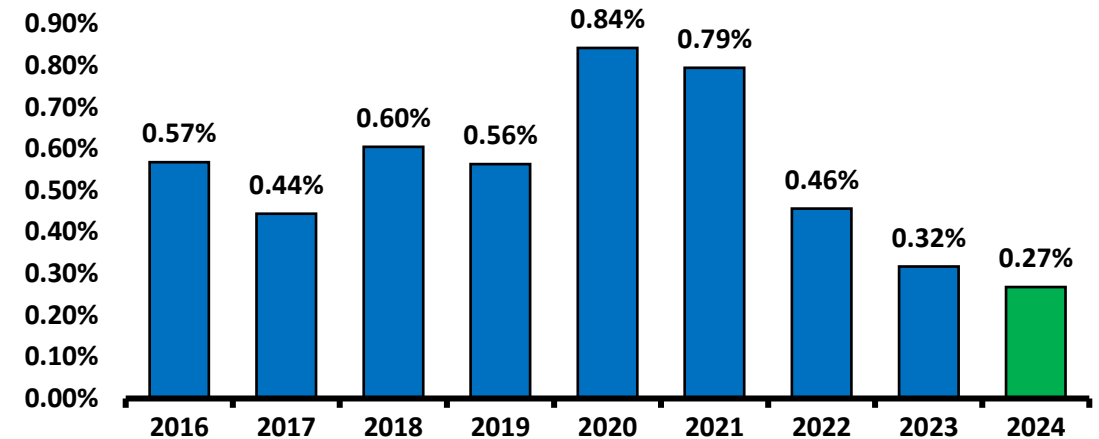


# ASSET QUALITY – GROSS NON-PERFORMING RATIO

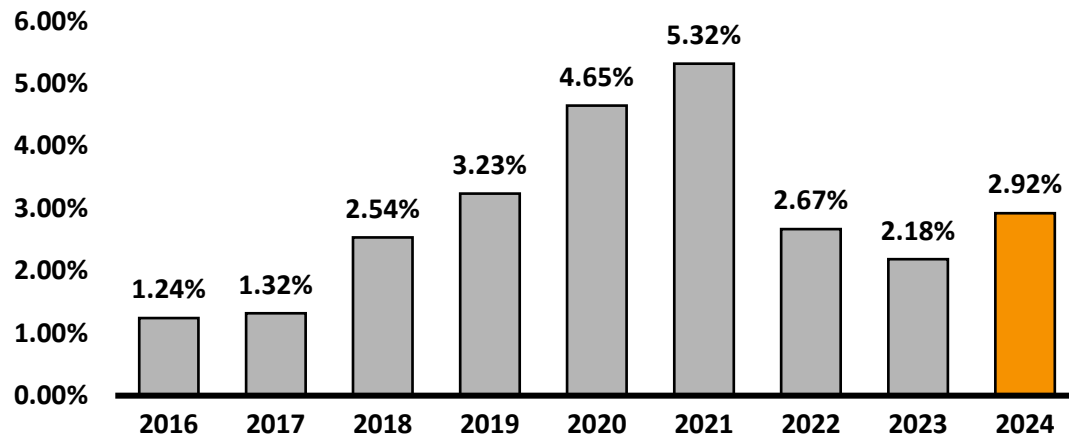
**GROSS NPL SOUTH AFRICA (EXCLUDING RSA MUNI'S)**



**GROSS NPL SOUTH AFRICAN MUNICIPALITIES**



**GROSS NPL REST OF AFRICA**



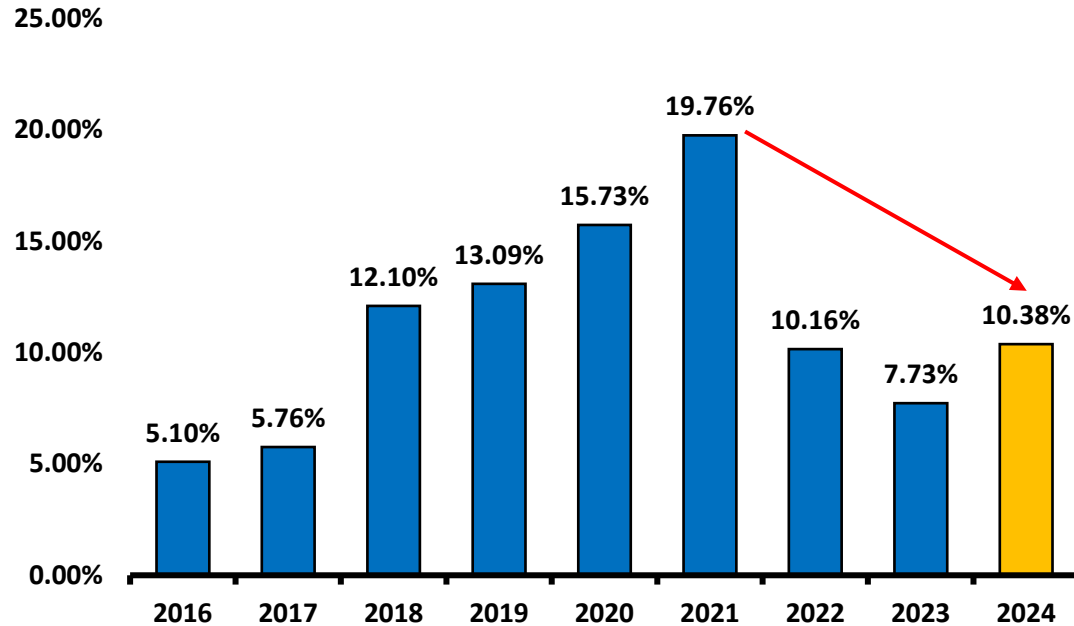
## Gross NPL Analysis

RSA NPL	0.71%
Municipalities	0.27%
Rest of Africa	2.92%
<b>Total NPL</b>	<b>3.90%</b>

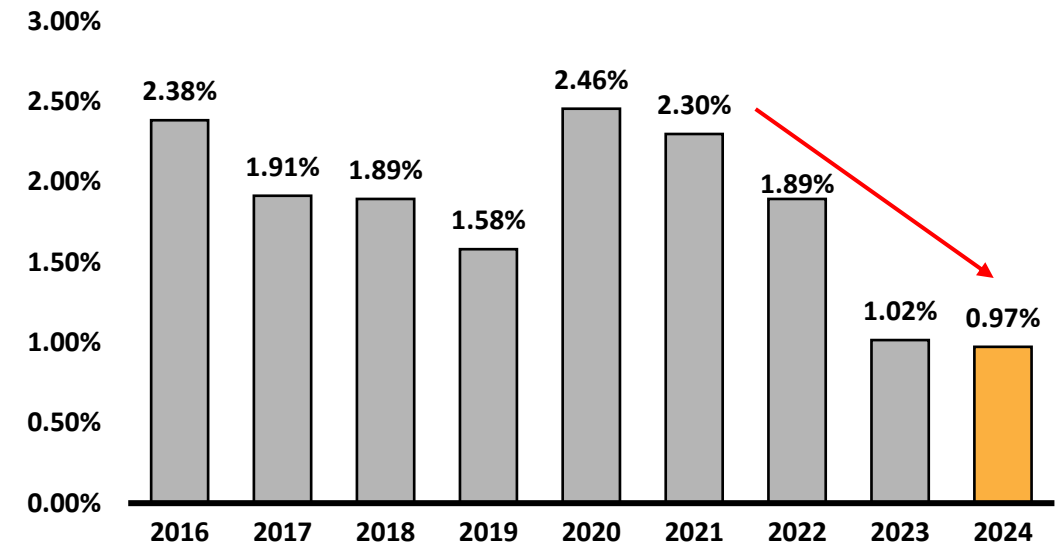


# ASSET QUALITY – GEOGRAPHICAL NPL ANALYSIS

**GROSS NPL ROA % DIVIDED BY TOTAL ROA GROSS LOAN BOOK**



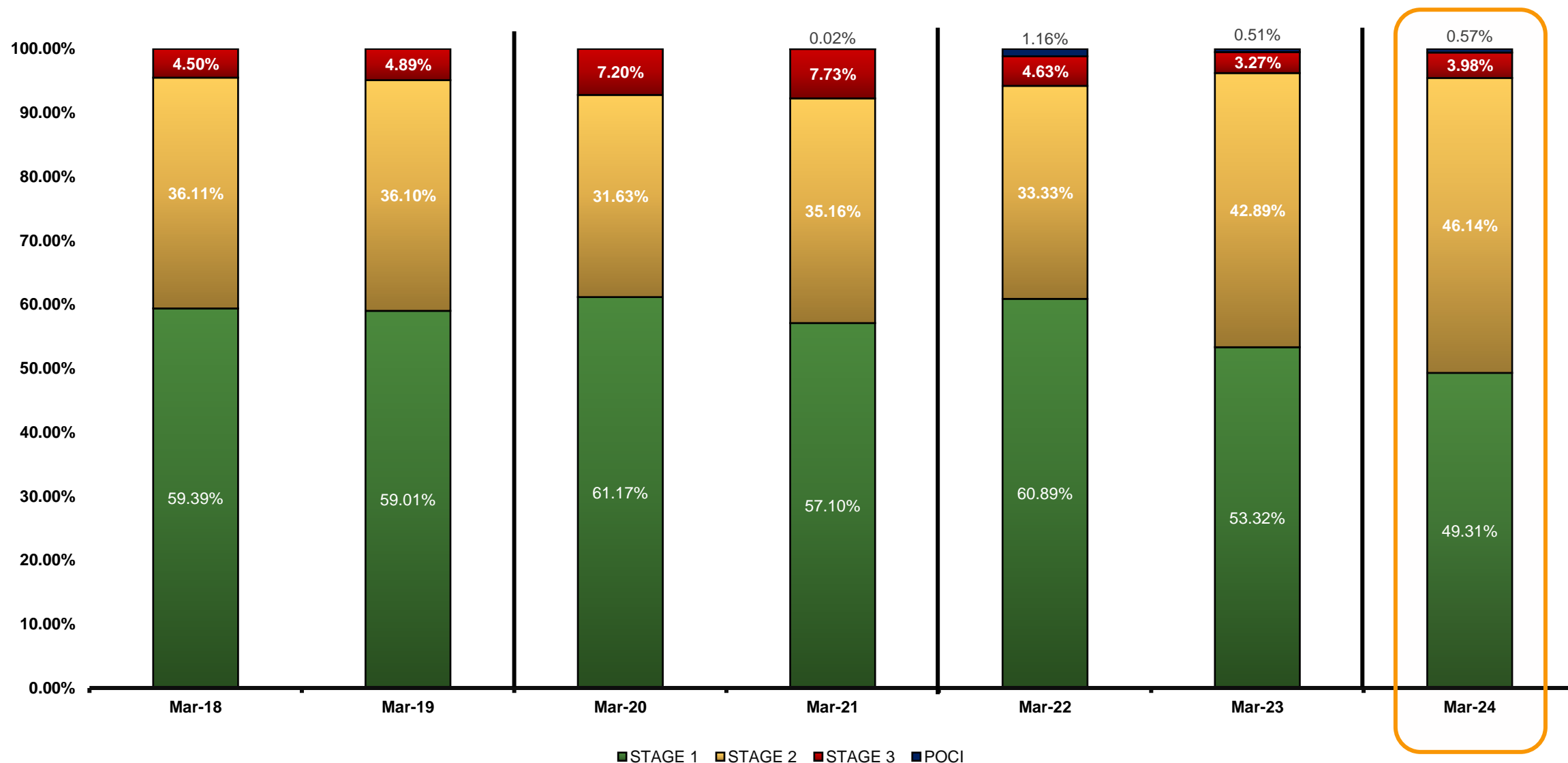
**GROSS NPL RSA % DIVIDED BY TOTAL GROSS PORTFOLIO**



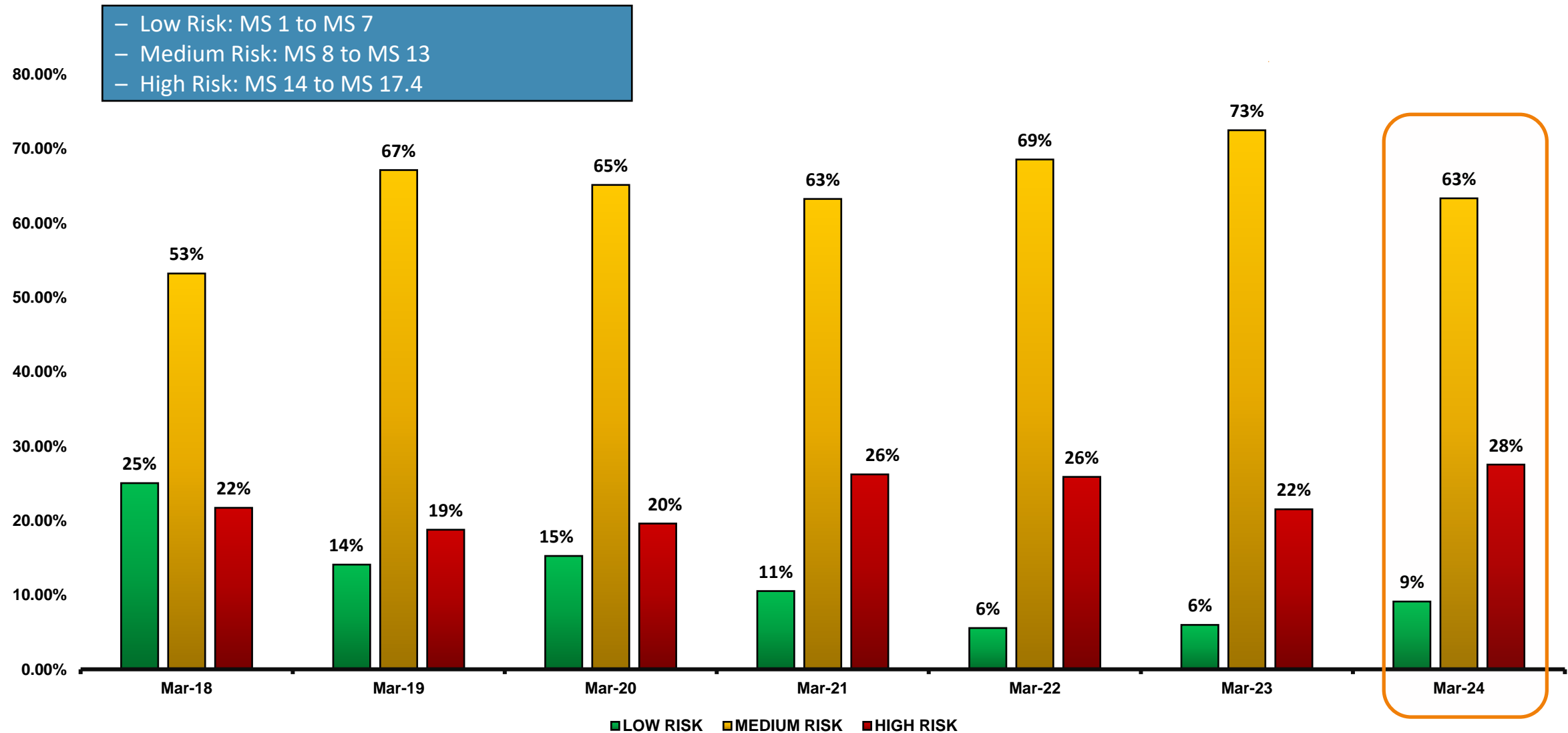
**GROSS NPL ROA % ROA LOAN BOOK EXPOSURE MOVEMENT CAN BE ATTRIBUTED TO:**

- 2021 increase due to loan stage migration (Zambia)
- 2022/2023 decline was due to successful restructuring (Zimbabwe & Congo)
- 2024 increase due to sovereign defaults (Ethiopia & Ghana)

# ASSET QUALITY – GROSS LOAN BOOK STAGING



# LOAN BOOK RISK PROFILE PER INTERNAL CREDIT RISK RATING MODELS



2024

**THANK YOU**