DBSA
DEVELOPMENT BANK OF SOUTHERN AFRICA

2025 INTEGRATED ANNUAL REPORT

Building on Strength, **Expanding Impact**

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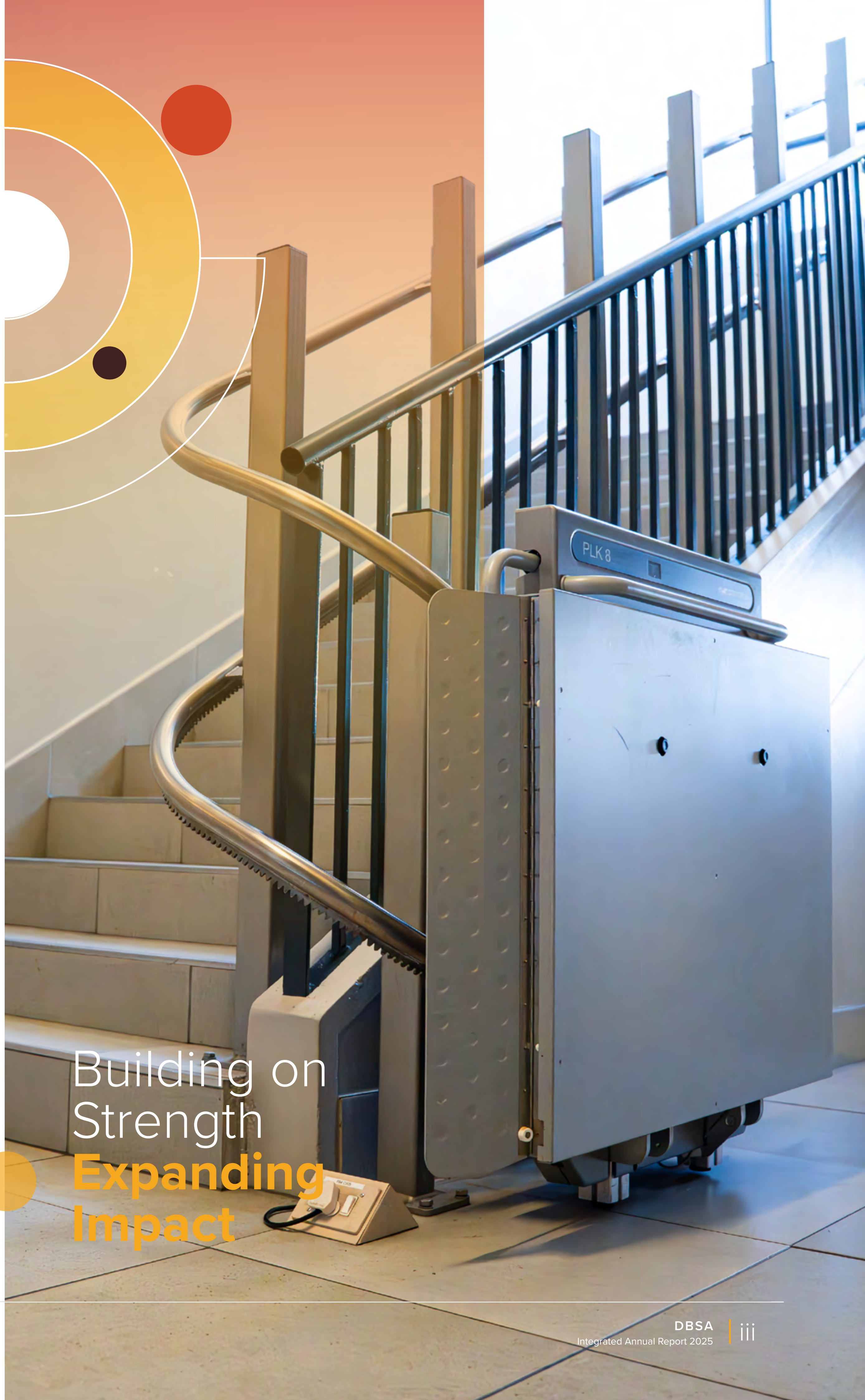


NAVIGATION

Our reporting suite for the year ended 31 March 2025 consists of three reports:

IAR

The 2025 Integrated Annual Report

The 2025 Integrated Annual Report, which is our primary communication document with our stakeholders.

AFS

The 2025 Annual Financial Statements

The 2025 Annual Financial Statements, which includes the Directors' Report and the Independent Auditor's Report.

SR

The 2025 Sustainability Review

The 2025 Sustainability Review, which provides further information on our sustainability performance.

Throughout our 2025 Integrated Annual Report, we use the following icons to connect information:

OUR CAPITALS

- FC Financial capital
- SRC Social and relationship capital
- NC Natural capital
- IC Intellectual capital
- HC Human capital
- MC Manufactured capital

Our capitals (Refer to pages 48 to 49 for further details of the capitals and how we use them to create value for our stakeholders)

OUR STRATEGIC GOALS

- Financial Sustainability
- Accelerating Development Impact
- Future-fit DBSA
- Smart Partnerships

Our Strategic Goals (Refer to pages 42 and 43 for further details of the Strategic Goals of the DBSA)

LINKS

- Links to other parts of the report.
- Links to the web for more information.

OUR STAKEHOLDERS

- **INTERNAL STAKEHOLDERS** the Shareholder, employees, the Board of Directors and management
- **FINANCIAL SECTOR** JSE, ratings agencies, commercial banks and other DFIs
- **INVESTORS** as well as partners and other providers of funding
- **GOVERNMENT** Regulators and other organs of state
- **CLIENTS** both in South Africa and across the continent
- **COMMUNITIES** civil society, ratings agencies, the media and academic institutions

BUILDING ON STRENGTH, EXPANDING IMPACT

The Development Bank of Southern Africa's (DBSA or the Bank) 2025 Integrated Annual Report theme, "*Building on Strength, Expanding Impact*", reflects our unwavering commitment to sustainable development, anchored in resilience, credibility and purpose-driven performance. It reflects the essence of our journey: rooted in over four decades of experience, institutional knowledge and robust governance. The DBSA has become a trusted development finance partner. We continue to build on these strengths. Our resilience in the face of external challenges, whether economic, environmental, or geopolitical, has positioned the DBSA to respond with agility and integrity.

This theme also signals a bold, future-facing ambition to expand our impact, scale our reach and deepen our influence across the continent. It speaks to our ongoing efforts to innovate, collaborate and drive transformative infrastructure solutions that improve lives and enable inclusive, sustainable growth. We are not only maintaining momentum, we are deliberately accelerating it.

"Building on Strength, Expanding Impact" reflects both our enduring legacy and a promise to do more, go further and deliver scalable, lasting change for the people of Africa.

The DBSA is a pivotal Development Finance Institution (DFI) wholly owned by the South African government, with a mandate to promote economic development and growth, human and institutional capacity building for sustainable development projects and programmes in the African continent. With a substantial gross investment portfolio across the continent, of **R119 billion**, *the DBSA plays a crucial role in mobilising resources from national and international investors to drive sustainable development across South Africa, the Southern African Development Community (SADC) and the broader African continent.*

The DBSA's overarching purpose is to **"Build Africa's Prosperity"** *by driving inclusive growth, securing innovative solutions, expanding access to development finance and integrating and implementing sustainable development solutions.*

01

Laying the Foundation

PERFORMANCE HIGHLIGHTS

PERFORMANCE AND DEVELOPMENT OUTCOMES

TOTAL INFRASTRUCTURE DEVELOPMENT SUPPORT
R91.3 BILLION
2024: R72.9 billion

NET PROFIT
R5.3 BILLION
2024: R4.6 billion

TOTAL ASSETS
R121 BILLION
2024: R118 billion

CASH GENERATED FROM OPERATING ACTIVITIES
R6.8 BILLION
2024: R5.4 billion

SUSTAINABLE EARNINGS
R5.1 BILLION
2024: R4.5 billion

ROE BASED ON SUSTAINABLE EARNINGS
9.3%
2024: 9.0%

DEVELOPMENT RESULTS

7 623
Learners benefitted from 15 newly built schools
(2024: 4 375)

5 757
Learners benefitted from 9 refurbished schools
(2024: 14 755)

11 325
Learners benefitted from improved sanitation facilities built in 98 schools funded from the DBE SAFE programme
(2024: 17 289)

11 397
Learners benefitted from improved sanitation facilities constructed in 67 schools funded from provincial budget allocations
(2024: 47 901)

956
Local small, medium and micro enterprises (SMMEs) and subcontractors employed in the construction projects
(2024: 1 308)

R4.0 billion
Value of infrastructure delivered by black-owned entities, of which R2.6 billion was delivered by black women-owned entities
(2024: R4.1 billion of which R2.3 billion was delivered by black women-owned entities

R584 million
benefit accrued to SMMEs and subcontractors employed in the construction projects
(2024: R615 million)

R218 million
loan disbursements to B-BBEE entities for renewable energy projects

35 154
Temporary and permanent jobs facilitated
(2024: 31 638)

1 643
Youth trained in future skills through the DLABS programme
(2024: 1 594)

544
Start-up enterprises supported through the DLABS programme
(2024: 479)

FUND MANAGERS CONTRIBUTION

3 858 409
Tonnes of food and food-related products delivered
(2024: 3 852 023 Tonnes)

109 336
Total smallholder farmers and microentrepreneurs impacted
(2024: 109 029)

15 430
Permanent jobs sustained in the different sectors
(2024: 32 519)

47 674
Kilometres of fibre built
(2024: 47 967)

548 623
Towers built and acquired
(2024: 0)

GOVERNANCE

Unqualified audit opinion
since inception

Robust, ethical and diverse leadership

R nil
Irregular, fruitless and wasteful expenditure reported during the financial year under review
(2024: R nil)

RATINGS AND ACCREDITATIONS

Ba3
foreign currency rating by Moody's

AA rating
by Association for African Development Finance Institutions (AADFI)

Global Environmental Facility
accreditation since August 2014

Green Climate Fund EU
6-pillar accreditation (valid until 2026)

ACCOLADES AND AWARDS

CGISA
The DBSA won a merit award under the State-Owned Company category at the Chartered Governance Institute of Southern Africa's (CGISA) Integrated Reporting Awards 2024.

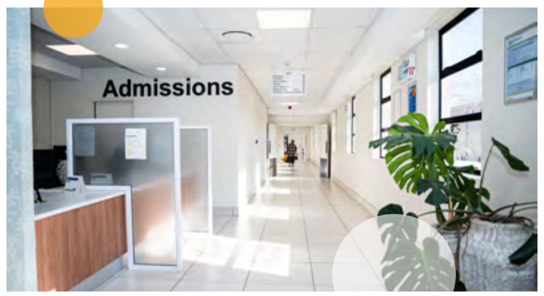
ABOUT THIS REPORT

The DBSA's Integrated Annual Report (IAR) for the year ended 31 March 2025 communicates our value creation story to stakeholders, particularly investors, funding partners, and those invested in Africa's socio-economic progress. This report provides a comprehensive overview of our organisation's performance, strategy, governance, and sustainability practices over the past year. Through transparent disclosure and insightful analysis, we aim to offer a clear understanding of how we create and sustain value across economic, environmental, and social dimensions.

SCOPE AND BOUNDARY

This IAR provides a comprehensive view of the DBSA from 1 April 2024 to 31 March 2025 (2024/25 financial year). It also includes all material events up to the date of report approval by Board. This report includes both financial and non-financial information relating to the Bank.

The material matters and our Decadal Strategy (DBSA's Corporate Strategy 2024 – 2033) form the anchor of the report, which explains who we are and where we operate, the context in which we work, our governance and business model, our strategy, our risks and opportunities, as well as our operational and financial performance.



FOR THE FULL ANNUAL REPORT SUITE 2025

Visit: https://www.dbsa.org/investor-relations.

We welcome your feedback on this report. Send your comments to the Head of Corporate Strategy at corporatestrategy@dbsa.org or submit them to the DBSA premises at 1258 Lever Road, Headway Hill, Midrand, Gauteng.

Materiality

Material issues are those factors that could substantially affect the delivery of our strategy, our profitability and our sustainability which therefore influence our ability to create and sustain value for our stakeholders. Informed by recent developments in global disclosure standards and frameworks, we have adopted 'double materiality' across our suite of reports.

Material issues which meet the criteria for double materiality are those that fall within the impact materiality and financial materiality. These issues are likely to influence the value, timing and certainty of the DBSA's future cash flows across the short, medium and long term.

Impact materiality focuses on the DBSA's key positive and negative impacts on society, the environment and the economy, including human rights. Financial materiality refers to information that is reasonably expected to influence the decisions of providers of financial capital—such as investors, lenders and creditors, regarding their engagement with the organisation.

REPORTING FRAMEWORKS AND PROCESS

The IAR is prepared in accordance with the <IR> Framework. Our integrated reporting is guided by the principles and requirements of the Development Bank of Southern Africa Act, No. 13 of 1997 (Amended Act No. 41 of 2014) (DBSA Act); King IV™ Report on Corporate Governance for South Africa (King IV)[1]; Protocol on Corporate Governance in the Public Sector; the Public Finance Management Act, No. 1 of 1999 (PFMA); International Financial Reporting Standards (IFRS) S1 & S2; Companies Act of South Africa, No. 71 of 2008), as amended (Companies Act); JSE Debt and Specialist Securities Listings Requirements; Global Reporting Initiative (GRI) and United Nations Global Compact (UN Global Compact). Details of Application of King IV Principles can be found on pages 170 to 180.

Content for this report was developed through in-depth interviews with the CEO, Frontline Executives, CFO, Board Chairman and Board Sub-Committee Chairmen as well as subject matter experts across the DBSA, review of Corporate Plan and Decadal Strategy and other key documents and consultation with the Bank's governance, risk, stakeholder and ESG teams. Cross-departmental collaboration brought together diverse perspectives and expertise, ensuring our reporting aligns with both stakeholder expectations and strategic priorities.

The DBSA's Corporate Strategy Team, assisted by independent reporting consultants, coordinated inputs across the Bank. A separate team of subject matter experts and generalists drawn from across the Bank reviewed the draft report to ensure its completeness and integrity.

BOARD APPROVAL

Although the reporting process was delegated to a proficient and seasoned reporting team, the Board retains final accountability for the integrity of the IAR bolstered by the Audit and Risk Committee (ARC) and DBSA Executive Management. The leadership diligently oversees the reporting process, emphasising the meticulous crafting of the DBSA's value-creation narrative. The Board affirms that this report accurately portrays all material concerns and aligns with the <IR> Framework. Approval of this report was granted by the Board of Directors on 26 June 2025.

Martie Janse van Rensburg
Interim Chairman of the Board

Bongani Nqwababa
Chairman of the Audit and Risk Committee

Boitumelo Mosako
Chief Executive Officer

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CONNECTING OUR STRATEGY TO LONG-TERM VALUE CREATION

Through our value creation approach, the DBSA aims to achieve a *"sustainable and equitable continental wellbeing through a renewed and inclusive economy and society that embodies resilience, regeneration and transcends current trajectories."*

Integrated thinking

Our commitment to sustainable value creation is grounded on a thoughtful consideration of the resources we rely on, the impact we have and the trade-offs inherent in strategic decision-making. We embed the six capitals into our business model and strategy, with a continuous focus on delivering on our seven defined outcomes over the next ten years, while minimising negative impacts. As part of integrating sustainability principles into our operations, we support the United Nations' 17 Sustainable Development Goals (SDGs), the UN Global Compact, South Africa's National Development Plan (NDP) and apply best practices that prioritise the most material goals.

Our capitals

The six capitals: Financial Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, Manufactured Capital and Natural Capital, represent the comprehensive stock of resources and relationships that the Bank draws upon, transforms into impacts in its value creation process. Each capital offers a distinct lens through which to understand how value is generated, preserved, or eroded. By examining these diverse capitals, our integrated report aims to provide a more holistic and forward-looking view of our ability to create and sustain value over the short, medium and long term.

Refer to pages 48 and 49 for further details on the capitals and how we use them to create value for our stakeholders.

Our strategic goals

To remain an effective DFI amid global, continental and national challenges, and to seize the opportunities they present, the DBSA has implemented a renewed, forward-looking strategy, which is purposefully designed to respond to emerging trends and drive sustainable impact.

Guided by our purpose to *"bend the arc of history toward shared prosperity,"* our strategy aims to "grow the DBSA to maximise development impact." Thus, the DBSA's strategy drives financial sustainability and strong governance, while accelerating and deepening development impact. It is shaped by four strategic goals namely:

- Financial Sustainability
- Accelerating Development Impact
- Future-fit DBSA
- Smart Partnerships

Refer to page 37 for an overview of our Decadal Strategy.

Refer to page 42 for the description of strategic goals.

Our material issues

Our material issues anchor the value creation narrative by linking stakeholder concerns, strategy, performance and outcomes, helping to explain how and why the Bank creates, maintains or erodes value over time.

01 **Cost of funding**

02 **Country/Sovereign risk**

03 **Increased focus on geopolitical impact on South Africa**

04 **Strategic, execution and business risks**

05 **Environmental, Social and Governance Risks**

06 **Navigating the Just Transition**

07 **Reliability of digital infrastructure and cyber security**

08 **Employee skills attraction, retention and development**

09 **Employee engagement and culture**

INTRODUCTION
BY THE MINISTER OF FINANCE

Infrastructure remains the cornerstone of South Africa's long-term development agenda. It connects communities to essential services, facilitates trade and mobility and lays the groundwork for growth. Infrastructure investment is both a practical and moral imperative, enabling us to close the gaps to access, create opportunities and entrench resilience.

To support inclusive growth and job creation, the government is scaling its infrastructure investment programme significantly. Over the next three years, we have committed an estimated R1.03 trillion to public infrastructure projects across all spheres of government and state-owned entities. This investment will allow us to address infrastructure backlogs and enable economic dynamism and public service delivery. Public-private partnership (PPP) regulations have been reformed to enhance private sector participation, while additional funding of R46.7 billion has been added in the 2025 Budget to accelerate implementation. These strategic interventions underscore the government's resolve to crowd in private capital and ensure that infrastructure-led development remains a key pillar of national transformation.

Furthermore, it is encouraging to see the DBSA achieving 82.4% of its Key Performance Indicators (KPIs) in the financial year ended 31 March 2025, across its financial KPIs, development impact KPIs, and governance KPIs. It is this kind of concerted support that ensures the state achieves its local municipal agenda through the increased local disbursements and targeted economic infrastructure support provided by the DBSA. The DBSA's investment exposure to the Rest of the African continent (excluding South Africa), will continue with the shared vision of not exceeding 40% of projects concluded in a year.

Our Medium-Term Development Plan (MTDP) 2024-2029, approved by Cabinet in February 2025, places inclusive growth and job creation at the centre, seeking to transform our economy and society towards increased prosperity. The DBSA continues to play a catalytic role in unlocking infrastructure-led economic development. The Bank employs a countercyclical approach, strategically supporting infrastructure rollouts during economic downturns. At a time when private sector investment remains subdued, the DBSA's commitment to delivering development impact through well-structured, high-quality infrastructure projects, is essential to maintaining economic momentum and creating meaningful employment.

Amid a year shaped by geopolitical uncertainty, economic headwinds and leadership transitions, the DBSA remained resilient. Strong institutional capabilities sustained stability, supported sustainability and enabled consistent delivery on its mandate. With a strong track record in delivering infrastructure that improves the quality of life across South Africa, the SADC region and the broader African continent, the DBSA continues to invest in high-impact projects that support inclusive growth and long-term development. The DBSA's work is instrumental in supporting the achievement of the government's objectives. The DBSA's strong financial performance is further underscored by its considerable development impact. Year after year, I take pride in the DBSA's accomplishments, not only in fulfilling its mandate by ensuring financial sustainability and notable development outcomes, but also in maintaining the institutional strength built over decades. This strength encompasses high governance standards, steadfast leadership and steadfast commitment to the mandate at every level of the Bank.

I acknowledge the DBSA's continued dedication and impactful infrastructure delivery over the past financial year. My appreciation goes to the leadership of the Board and every member of Team DBSA for their unwavering efforts in driving sustainable infrastructure and fostering inclusive growth across South Africa, the SADC region and the continent at large.

As we look to the year ahead, I am confident that the DBSA will continue to play a catalytic role in advancing the goals of the Medium-Term Development Plan and supporting South Africa's long-term development ambitions.

Mr. Enoch Godongwana, MP
Minister of Finance of South Africa

MESSAGE
FROM OUR INTERIM CHAIRMAN

The DBSA has achieved another year of outstanding performance, delivering strong financial results while making significant strides towards our developmental impact. This successful year underscores our commitment to driving sustainable growth and creating lasting value for South Africa and the African continent.

The geopolitical landscape has become increasingly complex, with significant challenges both on the African continent and globally, which continue to create uncertainty that impacts the global economy and investment flows. In regions such as Western and Central Africa, political instability has slowed investment, impacting our efforts to drive development. At the same time, rising protectionism and the fracturing of global relations, particularly between the US and other powers, threaten to destabilise the global economic order. These dynamics underscore the importance of innovative, collaborative solutions to unlock investment in Africa's critical infrastructure, while navigating the risks posed by a rapidly changing global environment.

The need for innovative interventions in Africa's infrastructure landscape has never been more urgent, particularly in South Africa where we face significant challenges in water and energy in the form of transmission bottlenecks. While lending remains important, the DBSA's role must further evolve beyond traditional financing to unlock more complex and innovative solutions that drive investment in critical infrastructure. In South Africa, our efforts complement government spending by mobilising additional funding to stimulate economic growth, create jobs and foster sustainable development across vital areas, including the struggling municipal sector. On the broader African continent, new opportunities are emerging, particularly with the African Continental Free Trade Area (AfCFTA), which fosters greater regional integration and faster growth. Africa's youthful population presents a tremendous opportunity, and we have yet to fully capitalise on intra-Africa trade and development potential. As we look to the future, the DBSA is committed to partnering with other development stakeholders to accelerate infrastructure development and unlock growth opportunities in South Africa and the rest of the continent.

ACCELERATING DBSA'S GROWTH AND IMPACT

In response to evolving global trends, the DBSA has articulated an ambitious 10-Year Strategy (2023/24–2032/33) to grow the DBSA with the aim of maximising our development impact. Achieving the ambitions of the Decadal Strategy will require a fundamental assessment of our institutional capacity and a more agile and informed approach to governance and risk management. The strategy prioritises leading development initiatives, broadening our strategic focus and enhancing partnership mobilisation to maximise our developmental impact. Our future origination strategy involves the introduction of new products such as trade finance, capitalising on opportunities such as Africa's trade policies to boost intra-African trade. We are also exploring risk mitigation instruments, credit risk including insurance, to facilitate origination in higher-risk environments and offer comprehensive support to businesses throughout their lifecycle.

While the DBSA aims to significantly grow its balance sheet and catalyse broader infrastructure investment across the African continent, this must be done responsibly. Rather than increasing credit risk appetite recklessly, the focus is on building internal capacity to originate, develop and de-risk a strong pipeline of bankable projects. The Bank will take a prudent, well-governed approach to growth that ensures long-term sustainability and impact.

GOVERNANCE FOR OUR GROWTH AGENDA

The DBSA maintains a strong governance culture, with the Board and Executive Management firmly committed to their fiduciary duties. This robust foundation underpins our credibility, risk management and sustainable growth. The Board members' comprehensive grasp of the DBSA's mandate and operations has enriched our strategic discussions. We further ensured governance effectiveness through a continuous developmental training programme for Board members.

Our Board meetings are intentionally structured to allow for strategic reflection and robust engagement with management, enabling effective oversight of our long-term strategy and performance against objectives. Dedicated strategic planning sessions complement our regular quarterly reviews. We proactively focused on Board succession planning and leadership alignment, reviewing and reassigning committee roles to ensure responsiveness to the DBSA's evolving strategic needs. These adjustments, guided by our succession framework, strengthen governance and ensure continuity.

ESG principles are now deeply embedded across the DBSA's governance structures. Within the Board Credit and Investment Committee (BCIC), ESG elements, extending beyond compliance to encompass genuine community benefit and a Just Transition, are integral to every investment decision. Similarly, the Sustainability and Ethics Committee (SEC) is incorporating climate and sustainability lenses into its oversight functions. Furthermore, the Infrastructure Delivery and Knowledge Management Committee (IDKC) actively influences policy and infrastructure design to ensure future readiness. This integrated approach underscores the DBSA's commitment to sustainable and responsible development.

Following the resignation of the former Chairman, Mr Ebrahim Rasool in November 2024, I assumed the role of Interim Chairman. We thank Mr Rasool for his steady and decisive leadership, strategic insight, valuable contribution to the DBSA's governance journey and for bringing a level of critical thinking around stakeholder management and strategic partnerships.

STRATEGIC ENGAGEMENTS

The DBSA was proud to host the Finance in Common Summit (FiCS), which reconfirmed our recognition among partner Public Development Banks and financial institutions as playing a key role, specifically on the African continent. The success of the Summit further highlighted the DBSA's convening power and its central position in fostering collaboration for development. On behalf of the Board, I commend the entire DBSA team for its exceptional work in organising and executing this important event, showcasing our commitment and expertise on a global stage.

LOOKING AHEAD

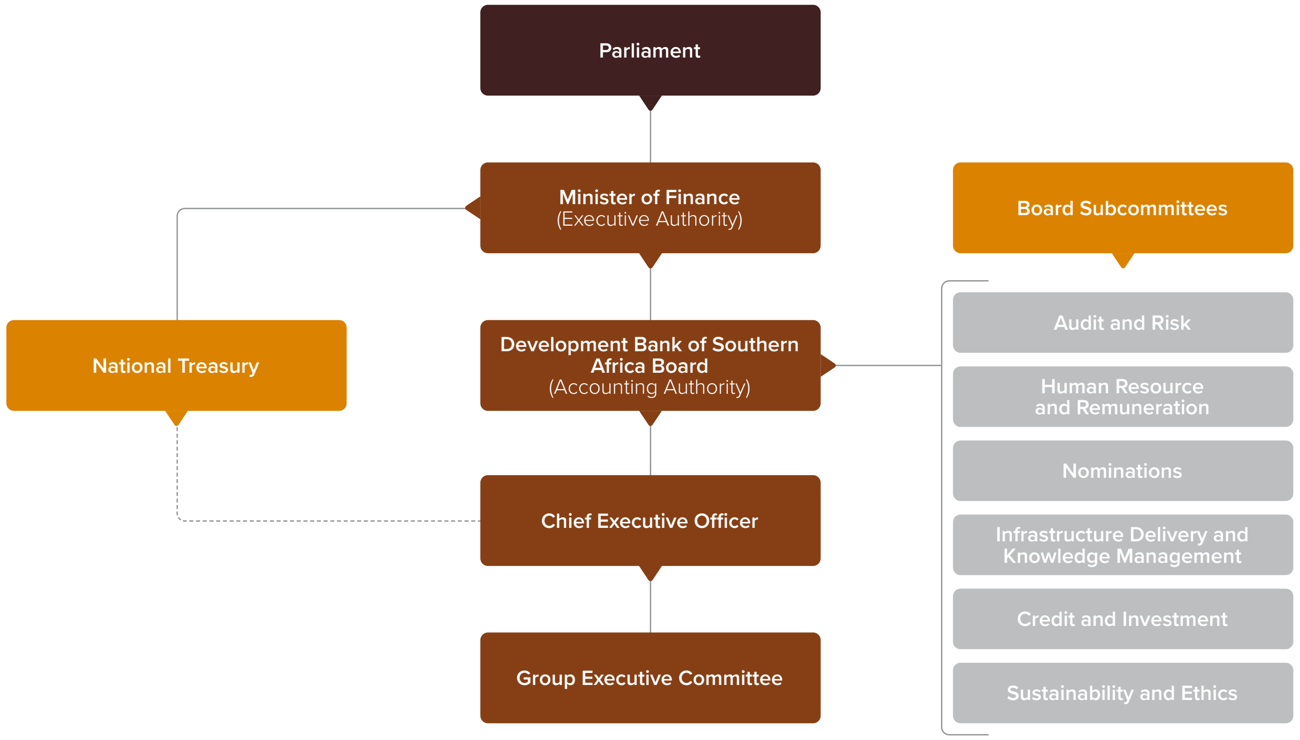
The global geo-political landscape is set to remain highly dynamic, presenting both challenges and opportunities for South Africa, the broader African continent and the DBSA's operations. This heightened complexity introduces significant challenges to the global economy, suggesting that we may see more frequent and unexpected geopolitical developments in the coming decade. Persistent geopolitical rivalries continue to influence global trade and investment dynamics, necessitating a strategic approach to international relations for South Africa. The persistent conflicts in regions such as Ukraine and the Middle East have far-reaching implications, impacting global energy and food prices, supply chains and investor sentiment. While South Africa's direct trade exposure to some of these conflict zones may be limited, the indirect effects such as increased inflation, higher borrowing costs and shifts in global aid and investment priorities demand our careful consideration. The DBSA will continue to proactively assess these evolving risks and adapt our strategies to safeguard our investments, ensure the resilience of our operations and continue our vital development mandate across the continent, particularly by leveraging opportunities for intra-African trade and fostering partnerships that de-risk projects in an increasingly uncertain world.

APPRECIATION

I extend my sincere gratitude to the Minister of Finance and the Team at National Treasury for their continued support, wisdom and direction. My deep appreciation also goes to our dedicated Board members for their unwavering commitment and guidance. To our CEO, Boitumelo Mosako, thank you for your exceptional leadership. I also want to acknowledge the Executive Committee Team and Team DBSA for their dedication in delivering on our mandate. Your collective efforts are invaluable to the DBSA.

Ms. Martie Janse van Rensburg
Interim Chairman of the Board

OUR LEADERSHIP



OUR BOARD AT A GLANCE

BOARD MEMBERS	SKILLS AND EXPERIENCE	PARTICIPATION	GENDER DIVERSITY	RACE
• **14** Board members at the end of the year under review • **79% (11)** Independent Non-Executive Directors • **7% (1)** Non-executive Director (shareholder representative) • **14% (2)** Executive Directors	• **2** Administration • **3** Banking • **2** Business • **2** Development finance • **3** Finance • **3** Socio-economic development	• Active participation: **98%** • **1** Annual General Meeting • **4** Scheduled Board meetings • **1** Special Board meeting • **1** Board strategy session	• **7** Females • **7** Males	• **9** - African • **1** - Indian • **2** - Coloured • **2** - White

Board of Directors

Interim Chairman

Ms Martie Janse van Rensburg
Born: 1957
Interim Chairman: Board and Nominations Committee (NC)
Independent Non-executive Director effective: 1 January 2016

Expertise:
Infrastructure Development, Funding, Project Finance, Financial Management/Audit, Corporate Governance and Risk Management

Academic qualifications:
- Executive Programme in Strategy and Organisation, Stanford University Business
- Chartered Accountant (SA)
- BCompt Hons, University of South Africa
- BCom, University of Free State

Committees:
B H I N

Chief Executive and Managing Director

Ms Boitumelo Mosako
Born: 1978
Chief Executive and Managing Director
DBSA staff member and Group Executive effective: 1 April 2018
Executive Director as from 1 June 2018

Expertise:
Strategic leadership, Auditing and Financial Management

Academic qualifications:
- Chartered Accountant (SA)
- Advanced Management Programme, Harvard Business School
- B-BBEE Management Development Programme, University of South Africa
- Higher Diploma in Auditing, Accounting Professional Training
- Post Graduate Diploma in Accounting, University of Cape Town
- BCom Accounting, University of Cape Town

Committees:
B S

Shareholder representative

Mr Kenneth Brown
Born: 1962
Chairman: Sustainability and Ethics Committee (SEC)
Non-executive Director effective: 30 November 2022

Expertise:
Investment Banking and Public Sector (Intergovernmental and Procurement)

Academic qualifications:
- Master of Science (Public Policy), University of Illinois at Urbana Champaign
- Bachelor of Arts Honours (Economics), University of the Western Cape
- Bachelor of Arts, University of the Western Cape

Committees:
B I S

Mr Barry Hore
Born: 1960
Independent Non-executive Director effective: 2 October 2023

Expertise:
ICT (Process engineering, ICT infrastructure knowledge, cyber security), Strategic Operations, Change Management and Banking

Academic qualifications:
- Advanced Management Programme, Harvard University
- BCom, University of Natal

Committees:
A H

Ms Dinao Lerutla
Born: 1980
Independent Non-executive Director effective: 30 November 2022

Expertise:
Investment Banking, Capital and Financial Markets

Academic qualifications:
- Chartered Financial Analyst (CFA)
- Master's in Development Finance, Stellenbosch Business School
- Bachelor of Business Science Honours, University of Cape Town

Committees:
A B

B Board Credit and Investment Committee
H Human Resources and Remuneration Committee
I Infrastructure Delivery and Knowledge Management Committee
N Nominations Committee
S Social and Ethics Committee
A Audit and Risk Committee

Mr Petrus Matji
Born: 1966
Chairman: Infrastructure Delivery and Knowledge Management (IDKC)
Independent Non-executive Director effective: 2 October 2020

Expertise:
Project Management and Finance, Infrastructure Development and Management.

Academic qualifications:
- MSc (Engineering Sciences, Civil Engineering), University of Stellenbosch
- MBL, University of South Africa
- Management Advanced Programme, Wits Business School
- BSc (Hons) Computational Fluid Dynamics, University of the Witwatersrand
- BSc (Physics and Applied Mathematics), University of the North
- Diploma (Business Management), Varsity College
- Certificate (Project Management), Damelin Management School

Committees:
I B

Ms Ntombizodwa Mbele
Born: 1971
Chief Financial Officer
DBSA Staff member as from 10 October 2016, Group Executive as from 1 October 2017 and Executive Director effective: 2 October 2023

Expertise:
Financial Management, Infrastructure Financing and Treasury Management

Academic qualifications:
- Chartered Accountant (SA)
- Advanced Management Programme, Harvard Business School
- Executive Development Programme, University of Stellenbosch Business School
- Management Advanced Programme, WITS Business School
- Certificate in International Treasury Management ACT (UK)
- Bachelor of Accounting Science Honours, University of South Africa
- Baccalaureus Paedagogics, University of Zululalnd

Committees:
B

Ms Disebo Moephuli
Born: 1964
Chairman: Board Credit and Investment Commitee (BCIC)
Independent Non-executive Director effective: 2 October 2023

Expertise:
Banking, Risk, Treasury and Financial Markets

Academic qualifications:
- LEAP, INSEAD
- MBA, Dalhousie University
- BA: Economics, University of Lesotho

Committees:
A B

Mr Jonathan Muthige
Born: 1967
Independent Non-executive Director effective: 2 October 2023

Expertise:
Human Capital Strategist

Academic qualifications:
- BA Hons, University of KwaZulu-Natal
- PMD, Damelin
- Strategic HR Management Programme, Harvard Business School
- Certificate in Advanced Management Programme, Wharton Business School.

Committees:
H S

Dr Chantal Naidoo
Born: 1970
Independent Non-executive Director effective: 2 October 2023

Expertise:
Investment and Corporate Banking, ESG Investment and Global Climate Change

Academic qualifications:
- PhD, University of Sussex, (Explored the role of Financial Services in supporting Sustainability – SA's IPP)
- MA: Development Finance, Stellenbosch University
- Programme: Sustainable Leadership, University of Cambridge
- Int'l EDP, BankSeta
- PGDip: Tax Law, University of Witwatersrand
- BCom, University of Cape Town

Committees:
A B S

B Board Credit and Investment Committee
H Human Resources and Remuneration Committee
I Infrastructure Delivery and Knowledge Management Committee
N Nominations Committee
S Social and Ethics Committee
A Audit and Risk Committee

Mr Joel Netshitenzhe

Born: 1956

Independent Non-executive Director effective: 2 October 2023

Expertise:

Strategic Leadership, Economist, Strategy, Writer, Research and Policy Development

Academic qualifications:

- MSc: Financial Economics, University of London
- PGDip: Economic Principles, University of London
- MB ChB, University of Kwa-Zulu Natal (Incomplete)

Committees:

I S

Ms Patience Nosipho Nqeto

Born: 1957

Chairman: Human Resource and Remuneration (HRC)

Independent Non-executive Director effective: 1 August 2017

Expertise:

Business Administration (Strategic Management and Human Capital)

Academic qualifications:

- MBA, University of Charles Sturt, Australia
- Honours (Economics), University of South Africa
- BCom, University of Transkei

Committees:

H I N

Mr Bongani Nqwababa

Born: 1966

Chairman: Audit and Risk Committee (ARC)

Independent Non-executive Director effective: 2 October 2020

Expertise:

Financial Management, Audit, Risk Management, Funding and Strategic Leadership

Academic qualifications:

- MBA with Merit, jointly awarded by Universities of Wales, Bangor and Manchester
- FCA, Institute of Chartered Accountants of Zimbabwe
- BAcc (Hons), University of Zimbabwe

Committees:

A B H

Professor Edgar Pieterse

Born: 1968

Independent Non-executive Director effective: 2 October 2023

Expertise:

Academic, Development Studies Policy Development and Leadership

Academic qualifications:

- PhD, London School of Economics and Political Science
- MA: Politics of Alternative Development Strategies, Institute of Social Studies, The Hague
- BA: Social Science, University of the Western Cape

Committees:

I

B Board Credit and Investment Committee
H Human Resources and Remuneration Committee
I Infrastructure Delivery and Knowledge Management Committee
N Nominations Committee
S Social and Ethics Committee
A Audit and Risk Committee

Executive Committee

Mr Michael Hillary
Born: 1970
Group Executive: Financing Operations
DBSA Staff member and Group Executive as from 1 October 2012

Academic qualifications:
- MBA, University of Witwatersrand.
- BCom Hons, University of Witwatersrand
- CAIB (SA), Institute of Bankers

Mr Mpho Kubelo
Born: 1977
Group Chief Risk Officer
DBSA Staff member as from 1 November 2007
Group Executive as from 6 October 2017

Academic qualifications:
- CFA® Charter, CFA® Institute
- Advanced Management Program (AMP), Sloane School of Management, MIT, USA
- Project and Infrastructure Finance Programme, London School of Business, UK
- MS Risk Management, Stern Business School, NYU, USA
- Master of Business Administration (MBA), Wits Business School
- BSc Engineering (Electrical), University of the Witwatersrand (Wits)

Mr Mpho Mokwele
Born 1979
Group Executive: Transacting
DBSA staff member as from 1 March 2008 and Group Executive effective 1 November 2023

Academic qualifications:
- Advanced Management Programme, INSEAD
- Chartered Accountant (SA)
- Certificate in Theory of Accounting, University of the Witwatersrand
- Bachelor of Commerce in Accounting, University of the Witwatersrand

Ms Sheila Motsepe
Born: 1969
Group Executive: Human Capital
DBSA staff member and Group Executive as from 1 February 2019

Academic qualifications:
- MBA, Gordon Institute of Business Science (GIBS), University of Pretoria
- Master of Science (Clinical Psychology), Sefako Makgatho Health Sciences University
- Bachelor of Science Honours (Psychology) (*Cum Laude*), Sefako Makgatho Health Sciences University
- Bachelor of Social Sciences (Social Work), North West University

Mr Chuene Ramphele
Born: 1974
Group Executive: Infrastructure Delivery
DBSA Staff Member as from: 1 June 2010
Group Executive as from: 1 November 2018

Academic qualifications:
- Advanced Management Programme, Harvard Business School
- MBL, UNISA Graduate School of Business Leadership
- Advanced Management Development Programme, University of Pretoria
- Baccalaureus Technologiae: Public Management, UNISA
- National Diploma: Public Management and Administration, Technikon Northern Transvaal

Mr Lebogang Seperepere
Born: 1977
Acting Group Executive: Project Preparation
DBSA staff member effective 17 May 2020 and Acting Group Executive effective 1 November 2024

Academic qualifications:
- Chartered Accountant (SA)
- Certificate in the Theory of Accounting, University of KwaZulu-Natal
- Bachelor of Commerce (Honours) in Accounting University of KwaZulu-Natal
- National Diploma: Accounting, University of Johannesburg

Mr Mohan Vivekanandan
Born: 1973
Group Executive: Coverage
DBSA Staff member and Group Executive as from 24 March 2014

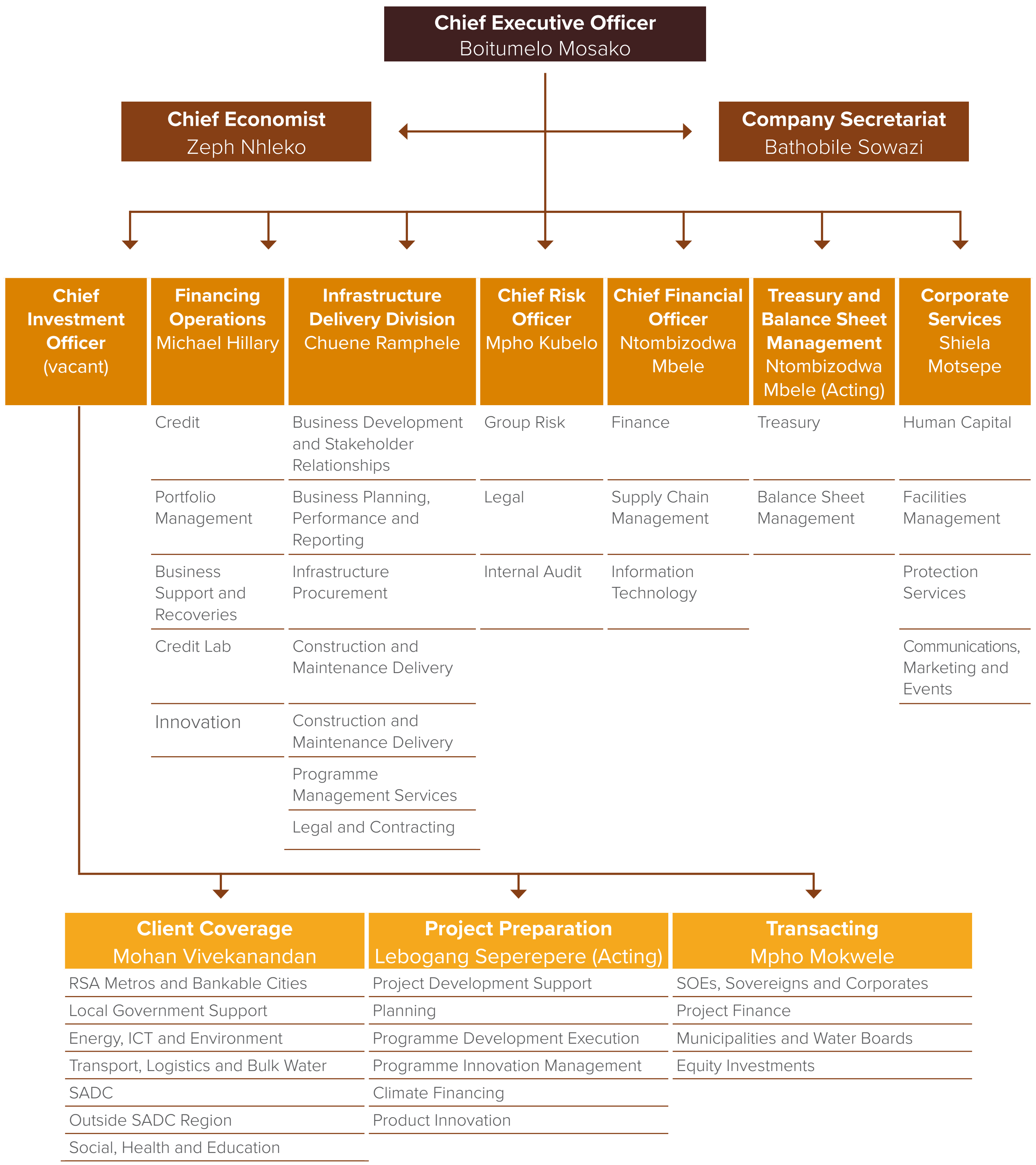
Academic qualifications:
- Master of Science in Global Finance (MSGF), HKUST-NYU Stern
- MBA, Kellogg School of Management, USA
- Project and Infrastructure Finance Programme, London Business School
- Bachelor of Arts (Honours) in Economics and Mathematical Methods in the Social Sciences (MMSS), North-Western University, USA

Company Secretary

Ms Bathobile Sowazi
Born: 1972
Company Secretary:
DBSA Company Secretary as from 1 May 2010

Academic qualifications:
- Transition to General Management Programme, INSEAD
- Project and Infrastructure Finance Programme, London Business School
- Advanced Banking Law, University of Johannesburg
- LLB, Rhodes University
- BA Law, University of Swaziland

Management overview



ABOUT OUR BUSINESS

OUR STRATEGY AT A GLANCE

The DBSA is a purpose-driven organisation committed to addressing Africa's most pressing development challenges. As a DFI, we play a pivotal role in bridging the infrastructure gap by mobilising financial and technical resources from a wide range of public and private sector partners, both locally and globally. These resources are directed towards sustainable infrastructure and capacity development initiatives across South Africa, the SADC region and the broader African continent.

OUR STRATEGIC FOCUS

OUR MANDATE

- Promoting economic development and sustainable growth
- Promoting human resource development and institutional capacity building
- Mobilising financial and other resources from the national and international public sectors
- Facilitating sustainable development projects and programmes in South Africa and the wider African continent

Maintain exposure level of 60% South Africa and 40% Rest of Africa of which 50% outside SADC

OUR PURPOSE

To build Africa's prosperity by driving inclusive growth and securing innovative development solutions

OUR DEVELOPMENT POSITION

To bend the arc of history toward shared prosperity

OUR VISION

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

OUR MISSION

To advance the development impact in the region by expanding access to development finance and effectively integrating and implementing sustainable development solutions

OUR VALUES

SHARED VISION | SERVICE ORIENTATION | INTEGRITY | HIGH PERFORMANCE | INNOVATION

OUR STRATEGIC POSTURE

Ensuring financial sustainability and strong governance, while moving onto a trajectory of accelerated and enhanced development impact

OUR STRATEGIC GOALS

- Financial Sustainability
- Accelerated Development Impact
- Future-fit DBSA
- Smart Partnerships

OUR TEN YEAR RESULTS FRAMEWORK

OUR IMPACT (LEVEL 1)

Sustainable and equitable wellbeing through a renewed and inclusive economy and society that embodies resilience, regeneration and transcends current trajectories; and public institutions capable of delivering infrastructure and services effectively and the full potential of the region unlocked through regional integration and development corridors

OUR OUTCOMES (LEVEL 2) AND KEY RESULT AREAS/OUTPUTS (LEVEL 3)

1. **Inclusive economic expansion, climate resilient develpoment, thought leadership and project preparation factory**
   - Economic and social infrastructure development supported
   - Third-party commitments catalysed for economic and social projects
   - Improved access to connectivity
   - Climate resilient and social projects
   - Skills development thought leadership, job creation and empowerment support
2. **Capable and strengthened municipalities**
   - Increased sustainable development outcomes in SA districts and regional cities
   - Increased sustainable development outcomes in under-resourced municipalities
3. **Just transition advanced**
   - Just transition infrastructure development supported
   - Third-party commitments catalysed for climate and just transition projects
4. **Regional integration and access through key sectors facilitated**
   - A robust regional development and integration strategy implemented
5. **Financial sustainability**
   - Balance sheet growth and leverage enhanced
   - Income growth exchange
   - Financial and cash efficiencies enhanced
6. **Sound governance and operational excellence**
   - Good corporate governance
   - Adequate and effective risk
   - Organisational efficiency and effectiveness optimised
7. **Fit for purpose organisation**
   - An engaged workforce and effective organisation
   - Innovation, thought leadership and value creation enhanced

OUR VALUES

Shared Vision	Service Orientation	Integrity	High-performance	Innovation
We share and keep the sustainability, strategic intent and mandate of the DBSA top of mind in all our decisions and actions.	We deliver responsive and quality service that speaks to the needs of our clients and continuously build relationships that result in mutually beneficial outcomes.	Our deals, actions and interactions are proof of transparent and ethical behavior that demonstrates mutual respect and care for all our stakeholders.	We are enabled, empowered and inspired to deliver consistent, quality, effective and efficient results for which we are accountable and rewarded.	We challenge ourselves continuously to improve what we do, how we do it and how well we work together.

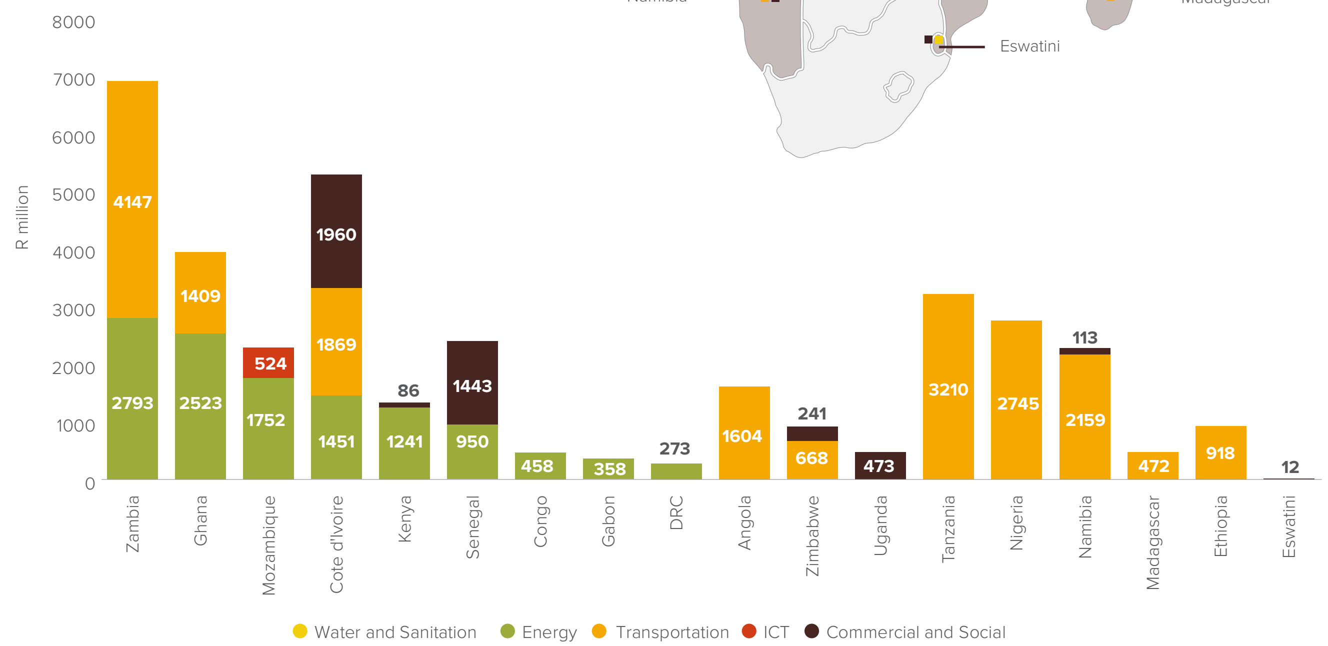
OUR DEVELOPMENT POSITION

The development position of the DBSA forms the departure point from which DBSA seeks to deliver on its mandate. The focus is on driving sustainability through innovative solutions and remaining financially sustainable, whilst accelerating development outcomes. The development position of the DBSA is as follows:

The DBSA contributes to a Just Transition towards a renewed and inclusive economy and society that embodies resilience, regeneration, and transcends current trajectories. As a sanctuary for development practitioners, the DBSA holds this to be the transformative change needed to realise a prosperous, integrated, and resource efficient continent. This stance progressively advances the common goals for sustainable and equitable wellbeing. The DBSA will work in partnerships to co-produce impactful development solutions and the sustained platforms of an enabling environment for participation, a sense of purpose, empowerment, and deep connections. The DBSA will bend the arc of history through its continued multifaceted investments in sustainable infrastructure and human capacity development.

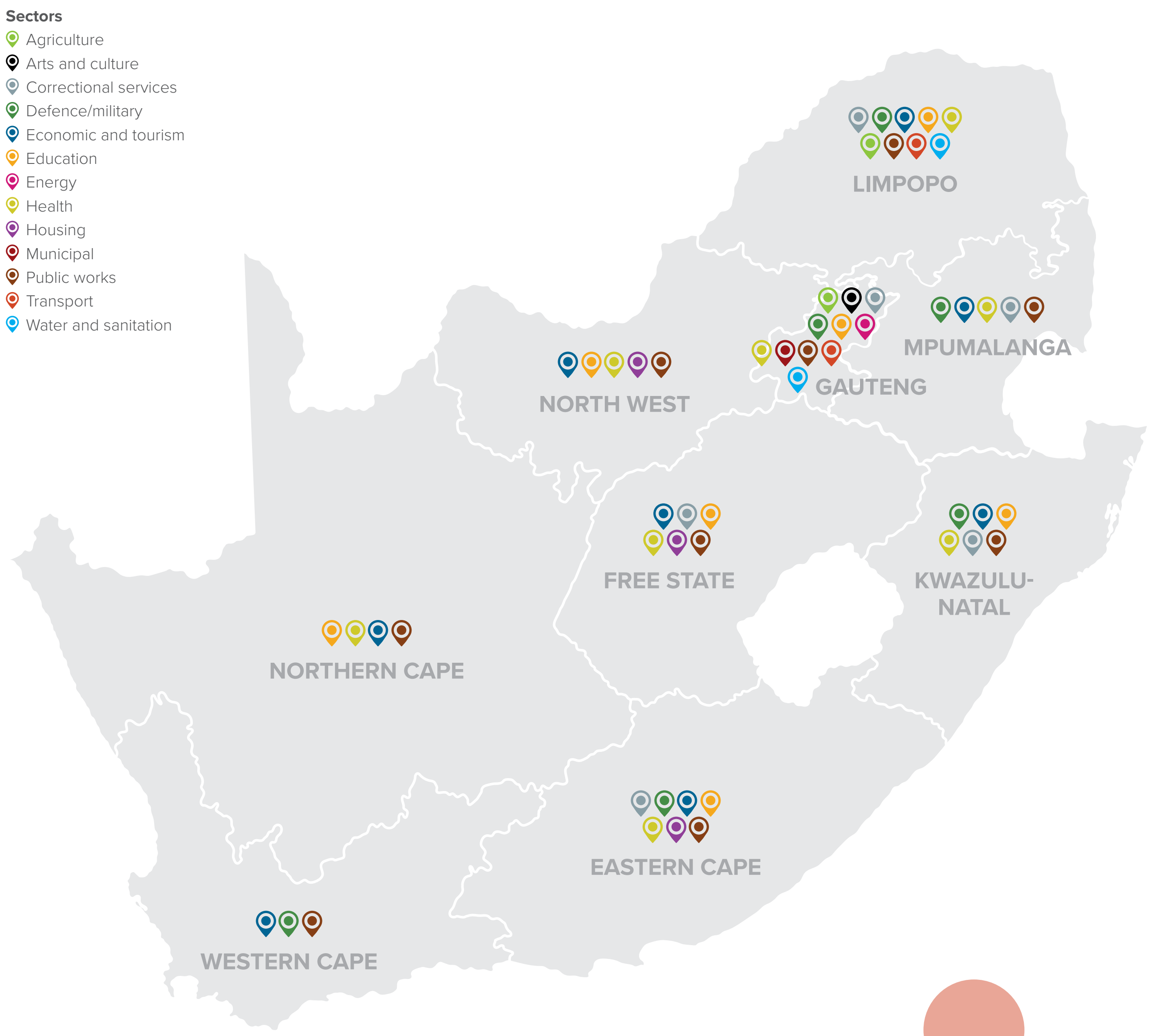
FOOTPRINT AND EXPOSURE

Loans and equities sector exposure excluding South Africa by 31 March 2025



DBSA as an implementing agent in South Africa

Through its Infrastructure Delivery Division, the DBSA acts as a key implementing agent, significantly augmenting the State's capacity to plan, deliver and maintain crucial economic and social infrastructure across South Africa. This includes vital projects in sectors like water and sanitation, education, roads, health and human settlements, often in collaboration with national and provincial government, municipalities and the private sector, supporting job creation and SMME development.



OUR INTEGRATED INFRASTRUCTURE DEVELOPMENT OFFERING

The DBSA's mandate requires the Bank to maximise development impact in infrastructure development, financing and capacity development, both in South Africa and across the African continent. The DBSA operates in key sectors which are transport and logistics, energy, water and sanitation, information and communications technology, education, health and human settlements. The DBSA achieves this through its participation in the infrastructure value chain by playing a key role in the planning, preparation, funding, building and maintenance phases of the infrastructure development value chain. The figure below illustrates the infrastructure value chain and the various services, as well as the key target markets per the value chain segment.

Advance sustainable development impact in infrastructure development, financing and capacity development both in South Africa and across the African continent

LEAD AND RESPOND
Focus on addressing factors in the macro- and micro-environments and capitalise on the successes and strengths of the Bank

CONCEPTUALISE	CATALYSE	IMPLEMENT
Focus on identifying and crafting development programmes which direct concerted action by a diverse range of actors to foster an enabling environment	Focus on coordination of multiple actors and on raising investment levels through innovative mechanisms	Focus on the implementation of key priority projects to deliver tangible solutions

ECONOMIC AND SOCIAL INFRASTRUCTURE
Energy, transport, water, ICT, health, housing and education sectors and biodiversity and nature-based

PLAN	PREPARE	FINANCE	BUILD	MAINTAIN
• Infrastructure needs assessment • Bulk infrastructure plans • Infrastructure planning advice	• Project identification • Feasability assessment • Technical assistance • Programme development • Project preparation functions	• Long-term senior and subordinated debt • Corporate and project finance • Mezzanine finance • Structured finance solutions • Equity support for B-BBEE entities	• Design and manage construction of projects • Project management support	• Support maintenance and improvement of social and economic infrastructure projects

MOBILISE
Focus on cementing and strengthening smart partnerships

Financial sustainability through balance sheet growth, income growth and cost production

SPECIAL MANDATES OF THE DBSA

Infrastructure Fund

The Infrastructure Fund (IF), as a key initiative, was mandated to create blended finance solutions to significantly crowd-in private sector investment in the implementation of infrastructure programmes and projects in South Africa, thus contributing to increased gross fixed capital formation. Its primary objective is to facilitate the effective execution of socioeconomic infrastructure programmes and projects in the country. The fund is designed to address the pressing need for investment in key infrastructure sectors, such as energy, transport, water, telecommunication and social infrastructure. Initially allocated R100 billion via the Budget Facility for Infrastructure (BFI), the IF has secured R37.6 billion in BFI approvals since inception to improve the scale, speed, quality and efficiency of infrastructure spending. By providing long-term financing and technical expertise, the IF enables the implementation of sustainable infrastructure projects that drive economic growth, promote social development and enhance regional integration. The DBSA established the fund as a ringfenced unit and manages it on behalf of National Treasury, in partnership with the Department of Public Works and Infrastructure South Africa. The DBSA and National Treasury each finance 50% of the operational costs of the Fund.

Independent Power Producers (IPP) Office

The Independent Power Producers (IPP) Programme, driven by the IPP Office, secures electricity from diverse sources to meet national renewable energy targets. The IPP Office manages IPP procurement and offers planning advisory services, with ongoing support from the DBSA. The DBSA continues to support the IPP Office, ensuring the procurement of renewable energy providers through the Independent Power Producers Procurement Programme.

Water Partnership Office

The National Water Partnership Programme, a collaboration between the Department of Water and Sanitation, the DBSA and South African Local Government Association (SALGA), tackles South Africa's water and sanitation challenges. While the National Water Partnership Programme is owned by the Department of Water and Sanitation, a Water Partnership Office has been established as a separate unit within the DBSA to implement the programme. The Water Partnership Office's role is to design standardised programmes to assist municipalities and water boards in scaling up the implementation of water and sanitation projects through partnerships with the private sector. This "centre of excellence" supports and delivers a pipeline of bankable water and sanitation projects that are attractive to the private sector by providing project preparation, structuring and design, arranging of finance and more. The Water Partnership Office's current standardised programmes include municipal non-revenue water, water reuse, wastewater treatment, non-sewered sanitation, seawater desalination and management contracts.

REGIONAL MANDATE

South Africa actively pursues regional integration through binational and trade agreements aligned with continental frameworks like SADC's Integrated Infrastructure Development Plan and the African Union's Agenda 2063.

The DBSA's Regional Development and Integration Strategy targets both SADC and the wider African continent (aiming for a 60/40 split, with 50% of the African allocation outside SADC), focusing on initiatives like the Tripartite Free Trade Area and corridor development. Recognising Africa's significant infrastructure deficit, the strategy prioritises smart partnerships, country-specific assessments, long-term viability and South Africa's developmental goals, while carefully considering country risks. Over the next decade, the DBSA will strategically finance key infrastructure projects (energy, transport, water, telecommunications, social infrastructure) to advance these regional integration efforts. Refer to page 29 for further details.

ECONOMIC POSITION

The economic position of the DBSA is centred on the understanding that infrastructure development is a key pillar for growth and development agenda. In support of regional and national policy, the DBSA will:

1) Support cities to promote economic growth and spatial development.
2) Provide planning and implementation support to municipalities, with specific emphasis on lower tier secondary cities and under-resourced municipalities.
3) Provide support to large state-owned companies.
4) Support the transformation of the ownership patterns of the South African economy.
5) Spur the informal economy through development initiatives.
6) Contribute to sustainability, as well as climate adaptation and mitigation.
7) Serve both domestic and regional requirements.
8) Implement programmes in support of key development corridors across Africa.
9) Crowd in third parties, especially the private sector.
10) Raise the standard of living through social infrastructure development.
11) Identify niche markets and improve DBSA performance.
12) Financial sustainability is key if the DBSA is to remain viable.

The DBSA focuses on the economic infrastructure of energy, transport, water and ICT sectors and also serves the social infrastructure of health, housing and education sectors. Biodiversity and the broader 'nature based' projects and programmes are supported through the Green Fund and Global Environmental Facility.

DBSA'S SUSTAINABILITY FRAMEWORK

The DBSA's environmental and social sustainability framework aligns with its mission and mandate, and positions sustainability as central to long-term value creation. We recognise that economic development must advance both human well-being and environmental integrity. Sustainable development is therefore inseparable from social inclusion, environmental restoration and humanitarian goals. The approach acknowledges the financial sector's vital role in addressing climate change, ecosystem degradation and social marginalisation, while building resilience in communities and ecosystems.

The framework reflects the Bank's view that development finance has a critical role in tackling climate change, reversing environmental degradation and addressing social exclusion. It embeds sustainability, equity and resource efficiency into the Bank's strategy, capital allocation and operations.

This approach supports a Just Transition to a renewed, inclusive and resilient economy and society. It also guides how we manage ESG risks, evaluate project impacts and balance trade-offs across financial, environmental and social priorities. The figure below shows the sustainability framework of the DBSA.

Refer to pages 24 and 25 of our Sustainability report for full details of our Sustainability framework

THE DBSA DIFFERENCE: WHAT SETS US APART

The DBSA's institutional strength enables development progress by providing a robust framework for operations and decision-making. Our institutional strength drives resilience and effectiveness and these are factors that contribute to the DBSA's stability, sustainability and ability to make an impact while achieving our purpose. Our institutional strength is underpinned by:

- A robust governance framework, effective leadership, a commitment to ethical practices and a culture of accountability.
- Stability in leadership at Executive and Board levels.
- Strong balance sheet and a solid financial position, with appropriate financial management systems in place, sustainable revenue streams and prudent risk management practices to ensure long-term financial viability.
- Well-positioned to deploy countercyclical responses to development challenges and enhance structural transformation.
- Sound value proposition that delivers a customer-centric integrated, responsive and adaptable service offering which enables us to deliver on our mandate within our focus areas and activities.
- Continuous focus on improving operational efficiency: We continually assess and improve our operational practices to achieve the desired outcomes.
- Human capital: People are the core of what we do, of carrying out our mandate and upholding the highest levels of governance.
- Risk management: Our robust risk management practices ensure effective risk identification, assessment and mitigation strategies to proactively manage and monitor risks to anticipate and prevent potential threats and ensure continuity of operations.
- Stakeholder relationships: We have strong, collaborative, positive relationships with our stakeholders, including clients, partners and the community. We engage in open and transparent communication, maintain confidentiality, listen to feedback and incorporate stakeholder perspectives into our decision-making processes.
- Compliance and legal framework: We have strong compliance frameworks, internal controls and risk mitigation processes to ensure legal and regulatory compliance.
- Partnership and our position in the global DFI universe: Partnerships, both locally and internationally, with the private and public sectors are critical to the mobilisation of funds for infrastructure development.

02

Our Strategic Approach to Value Creation

CEO REVIEW

In the 2024/25 financial year, the DBSA continued to grow while expanding impact, as demonstrated by the Bank's dual commitment to reinforcing internal capacity while simultaneously broadening its developmental footprint across South Africa and the continent at large. Team DBSA delivered a stellar performance during the year under review, reaching a total of R91.3 billion in infrastructure development support across the entire infrastructure value chain. In line with our key objective of financial sustainability, the DBSA continues to maintain a strong balance sheet, which provides a solid foundation for executing our strategy. Our sustained profitability enabled us to declare a dividend to our shareholder, an important milestone and a reflection of our financial strength and discipline. Total disbursements for the year reached R17.5 billion, exceeding the R14.5 billion target, which demonstrated sustained improvement in our conversion rates.

Our performance also demonstrates the resilience and countercyclical role of the Bank, in the face of a volatile and uncertain operating context. Irrespective of the operating context, the need to develop our continent remains. Global uncertainties should not deter us from continuing our journey of economic development and infrastructure delivery, not only in South Africa but across the African continent. As an African DFI, we must continue to collaborate to drive inclusive growth.

Even under a new government, the fundamentals remain: infrastructure still needs to be fixed and developed. This reinforces the relevance and importance of the DBSA as a resilient and capable development finance institution. Our strength during uncertain times is critical to fulfilling our role in driving economic development through infrastructure investment. We are committed to supporting national priorities such as the Medium-Term Development Plan (MTDP). The DBSA is crucial in driving infrastructure development programs to achieve the R1.6-R1.7 trillion annual capital formation target, fostering broader stakeholder involvement for a greener, more inclusive financial system.

Igniting our Decadal Strategy

The DBSA's 10-year growth strategy represents a significant leap in advancing development impact, underpinned by a strong foundation of financial sustainability. It serves as a roadmap to drive infrastructure development, finance and capacity building across South Africa and the rest of the continent. Anchored in strategic foresight, collaboration and innovation, the DBSA is well-positioned to remain a leading catalyst for regional economic growth. We pursue green growth as a key economic opportunity, but also in support of sustainability and resilience at the local, regional and global levels. It not only aligns with national priorities but exemplifies the DBSA's proactive stance in addressing environmental challenges, ensuring a greener and more sustainable future for all.

In the 2024/25 financial year, our plans to capacitate the growth strategy gathered momentum, with the review of our existing operating model, designed to position the DBSA as a future-fit institution, getting traction. The new operating model translates our strategic intent into a practical structure by clearly identifying key value drivers and product lines, ensuring that every part of the organisation is geared to deliver on our long-term goals.

Recognising that we cannot achieve our goals alone, our programmes are designed to enable and attract private sector participation at scale. We work closely with the government to create enabling environments and frameworks that facilitate and attract private sector investment in infrastructure, reinforcing our role as a catalyst for development. By doing so, we position ourselves not only as a key enabler but also as a leader in driving collaborative development efforts across sectors.

We held our first CEO Impact Awards since the onset of COVID-19, celebrating the contributions and achievements of Team DBSA. Our people remain our greatest asset and these awards formed part of broader initiatives to build a culture of accountability, high performance and a workforce that is continuously inspired and motivated. Recognising excellence is essential to fostering the values and behaviour that drive impact and organisational success.

We have made good progress in implementing our digital transformation strategy, marking a significant step forward in our digital transformation journey.

Delivering on our strategy

Ensuring capable and strengthened municipalities

The persistent challenges within South Africa's municipal sector present both a significant concern and a unique opportunity for intervention. Municipalities are demonstrably vulnerable to climate risk and their limited capacity severely impedes effective recovery from climate-related disasters.

We are actively driving reform at municipal level to enable sustainability and accountability. A key example is the ring-fencing of revenue streams, ensuring that funds raised for water or electricity are used only for that purpose, rather than diverted for unrelated municipal expenses. This is part of our broader commitment to influencing systemic change and ensuring that infrastructure investments are both climate-resilient and governance-sound. These reforms not only protect the integrity of public services but also unlock investor confidence and long-term impact.

Sustainability

The Just Transition encompasses various aspects, including social justice, financing, adaptation, mitigation, transition financing itself and the integration of all these elements. The Just Transition initiative is central to the DBSA's ESG obligations, recognising the inevitability of the global shift from fossil fuels. To capitalise on this transition, the Bank is developing an Integrated Sustainability Strategy and Financing Framework to guide its projects towards Net Zero while fostering domestic economic development in manufacturing and trade. Current efforts focus on building a strong Just Transition project pipeline, assessing and reducing the carbon footprint of existing and restructured programmes, supporting energy security and the development of alternative energy sources (including green hydrogen), investing in climate-resilient urban infrastructure and defining its role in the critical minerals value chain for green industrialisation.

A key strategic question emerging from the Just Energy Transition is the extent to which the Bank should participate in the critical mineral value chain by catalysing new industries. In parallel, there are significant opportunities for decarbonisation, particularly in regions where ageing Eskom power plants are being decommissioned.

In October 2024, the National Transmission Company South Africa (NTCSA) released its Transmission Development Plan (TDP) for 2025–2034, highlighting the need for 14,500 kilometers of new transmission lines and 133,000 megavolt-amperes (MVA) of transformer capacity, requiring an estimated R440 billion in investment. In response, the DBSA, in partnership with the World Economic Forum, undertook a comprehensive market sounding to assess feasible transmission investment models for South Africa. While no African country has yet implemented Independent Transmission Projects (ITPs), the success of Independent Power Producer (IPP) models provides a strong foundation for private sector participation in transmission infrastructure. With similar risk profiles, ITPs could follow the IPP trajectory—if supported by robust regulatory, financial and structural frameworks. Ensuring the bankability of such projects is key; this entails demonstrating financial viability through stable revenue streams, predictable cash flows, manageable risks and regulatory certainty to attract investors and lenders.

Significant progress has been made in advancing the ESG function of the Bank. We are now seeing more coherence and alignment across the business. The next step is to elevate our ESG reporting from operational compliance to strategic, impact-driven reporting.

Addressing the water scarcity challenge

One of the pressing challenges in South Africa's water sector lies in the critical management of its existing, often deteriorating, water infrastructure. The state of water infrastructure is hindered by inadequate funding, governance issues, including insufficient prioritisation and allocation of funds for water infrastructure. Addressing this requires a holistic approach to water resource management, encompassing both quantity and quality. The DBSA, through initiatives like the Water Partnership Office, is working to address these challenges by creating opportunities for the private sector to support municipalities in providing water services, through the development of standardised programmes and assisting municipalities in preparing bankable projects for private sector involvement.

Regional integration

Accelerating infrastructure development is essential to realising Africa's development objectives. The continent's growing middle class and the implementation of the African Continental Free Trade Agreement present significant opportunities for economic expansion, industrialisation and regional integration. However, unimpeded trade under AfCFTA depends heavily on modern border infrastructure and efficient cross-border procedures. The broader infrastructure challenge, however, is compounded by high sovereign debt levels that restrict public investment. This underscores the importance of diversified funding and public-private partnerships.

As a leading African DFI, the DBSA plays a vital role in forging strategic partnerships across the continent. In the past year, we engaged with African DFIs and stakeholders through regional roadshows, which culminated in an initiative to prioritise key development corridors and border posts. These efforts aim to address inefficiencies and facilitate trade, particularly where disparities between South African and neighbouring border infrastructure are evident. Enhancing trade finance and development impact—both strongly aligned to AfCFTA—remain top priorities, with strong support and emphasis from our shareholder.

Forging the strategic partnerships at FiCS

The DBSA co-hosted the Finance in Common Summit (FiCS) 2025 with the Asian Infrastructure Investment Bank (AIIB) and was supported by Agence Française de Développement (AFD). The conference was held in Cape Town in February, coinciding with the G20 Finance Ministers and Central Bank Governors Meeting. The summit was the fifth annual summit of the global network of Public Development Banks (PDB).

We recognised an opportunity during South Africa's G20 presidency to convene the development community, civil society and academia in Cape Town for a vital dialogue on development priorities. Amid global uncertainty and upheaval, this gathering reaffirmed that the core mandate of development institutions remains unchanged. Regardless of the economic noise and shifting geopolitics, the fundamentals of what must be done to drive inclusive, sustainable development are consistent. Importantly, the platform also elevated Africa's voice in international discussions, highlighting the urgent need to address systemic constraints in access to development finance. We continue to reiterate that Africa is not an aid-dependent continent; it is an investment case. Investment, not aid, is the catalyst for our progress.

A strong consensus emerged for emphasising the necessity of collaboration and partnership, echoing the global sentiment observed during the COVID-19 pandemic. Three key outcomes stood out: Firstly, the critical importance of sustainable and inclusive investment, ensuring both clean financing and sustainable project implementation. Secondly, the urgent need for private sector mobilisation. While DFIs manage substantial assets, it represents a small fraction of global finance, necessitating greater participation and investment from the broader financial sector. Thirdly, the imperative for coherent operations among DFIs at all levels – multilateral (IMF, World Bank), regional (AfDB) and national (like ourselves). Enhanced collaboration and coordination are crucial to avoid fragmented efforts and ensure smoother investment flows, potentially through layered approaches like guarantees. Furthermore, a clear drive emerged to integrate development finance as a central element of the G20 agenda, moving beyond policy discussions to address the financing required to achieve desired outcomes. We have actively pursued this with the South African G20 presidency, advocating for the inclusion of development finance conversations in G20 meetings to build momentum leading up to the summit.

Our strength and capability position us to support the government in advancing economic diplomacy across the continent. This reinforces our relevance and leadership in shaping development outcomes. Unlike many DFIs in Africa that are multilateral, the DBSA is solely owned by South Africa, yet we continue to deliver impact beyond our borders, despite challenges such as a higher cost of funding. This speaks to our unwavering commitment to driving economic development across the continent.

Shareholder alignment

Given ongoing development challenges, the DBSA aims to play a stronger role in shaping economic policy through capital formation, capacity development and policy engagement. To boost investor confidence and reduce our cost of funding, we have begun exploring potential regulation under the South African Reserve Bank. Strengthening our balance sheet is key to expanding our development impact and we are pursuing diversified funding, concessional finance and partnerships with other DFIs. Alignment with our shareholder is also essential, particularly around credit rating regulation and shareholder diversification. As a wholly state-owned entity, our credit rating is tied to the sovereign, limiting our access to more favourable pricing. In contrast, peer DFIs with diversified ownership often achieve higher ratings. Addressing these constraints is vital to improving our financial efficiency and enabling greater development impact.

Expanding our capital markets

Accessing capital markets remains a critical focus area, particularly in restoring confidence in the public bond market. A key milestone last year was the DBSA's successful return to the public bond market through a well-received issuance. This marked a significant step forward in rebuilding investor trust following the broader market hesitancy caused by previous defaults in the state-owned enterprise sector.

To support this re-entry, the DBSA conducted a targeted roadshow in mid-2023, engaging directly with investors to present our value proposition and strategy. The response was encouraging and affirmed market appetite for DBSA paper. Since then, we have also undertaken a non-deal roadshow, an important platform for ongoing investor engagement. These dialogues allow us to address market concerns, clarify misinterpretations, share our strategic outlook and demonstrate how we are managing emerging risks. Sustained engagement is key to fostering confidence and ensuring that investors remain aligned with our direction and progress.

Looking ahead

As we look to the future, the DBSA remains steadfast in its commitment to delivering sustainable, inclusive infrastructure solutions that transform lives and economies across the continent. Our decadal strategy provides a clear blueprint for action—anchored in innovation, climate resilience and strong partnerships. We recognise that delivering impact at scale will require new levels of collaboration, capital mobilisation and institutional agility. With a solid balance sheet, a renewed operating model and a passionate team driving change, we are well-positioned to navigate uncertainty and seize emerging opportunities. Together with our partners and stakeholders, we will continue to forge new pathways to growth, unlock regional potential and build a future where infrastructure drives prosperity for all.

Appreciation

I extend my sincere appreciation to Team DBSA for the unwavering commitment, resilience and high-performance culture that made our achievements this year possible. Your dedication to excellence continues to drive our impact and reputation as a trusted development finance institution. I also thank our Board of Directors for their steadfast leadership, oversight and strategic counsel in guiding the Bank through an evolving landscape. To our Shareholder, the National Treasury, we are grateful for your continued support and partnership in advancing national and continental development objectives. We also deeply value our partners—across the public and private sectors, both locally and internationally—whose collaboration is instrumental in scaling our impact. And to our clients, thank you for your trust in the DBSA. Together, we are delivering the infrastructure that shapes a more inclusive, sustainable and prosperous Africa.

Ms. Boitumelo Mosako
Chief Executive Officer and Managing Director

OUR STRATEGY

BUILDING ON A STRONG FOUNDATION

The DBSA strategically shapes infrastructure investment by conceptualising, catalysing and implementing sustainable projects through strong partnerships. It plays a vital role across the entire infrastructure development value chain – from planning to maintenance – in both economic and social infrastructure, primarily focusing on energy, transport, water and ICT, in the economic sector and health, housing and education, in the social sector. Biodiversity projects are supported via specialised funds. Navigating the complexities of this comprehensive offering demands a proactive, solution-oriented, efficient and dynamic approach across the entire value chain. The DBSA strategic framework is anchored on the three strategic pillars:

Inclusive economic recovery in South Africa

Focusing on meaningful growth, prioritising strategic projects and diversifying clients while adapting to changing market conditions.

Strategic Africa lens

Strengthening the DBSA's position across Africa, forging partnerships and targeting key sectors while ensuring development impact and financial sustainability.

Doing things differently

Focusing on building a future-fit for purpose DBSA through digitalisation, efficient processes and strong governance to maximise development.

These pillars set the foundation for the 10-year strategy with a commitment to "bend the arc of history" toward shared prosperity and transformation.

OUR AMBITIOUS OUTLOOK

The DBSA Corporate Strategy is grounded on the need to create world-class infrastructure by catalysing capabilities in an ever-increasing competitive and uncertain environment and seeks to leverage its competitive advantages and insight, experience and capability as far as possible.

STRATEGIC GOALS FOR REALISING OUR AMBITION

Our Strategy is driven by four strategic goals to deliver accelerated and enhanced development impact.

Financial sustainability:

Financial sustainability is paramount for the DBSA, driven by income and balance sheet growth alongside cost optimisation. Meeting ambitious disbursement and credit extension targets is key to expanding our asset base and ensuring long-term viability. Crucially, our lending success directly foreshadows the scale of our future development impact. We will achieve this by growing quality disbursements, enabling regional integration, creating sustainable infrastructure solutions, empowering municipalities and optimising our operations.

Accelerating development impact:

Alongside financial strength, the DBSA prioritises development impact by strategically investing in projects that demonstrably reduce unemployment, poverty and inequality. Our aim is to deliver high-quality transactions with significant developmental outcomes. This includes a programmatic approach to stimulate scaled infrastructure development, fostering inclusive and sustainable socio-economic growth. We are focused on maximising the development impact of our investments in core sectors and South African municipalities, working to create an integrated development environment responsive to evolving needs.

Future-fit DBSA:

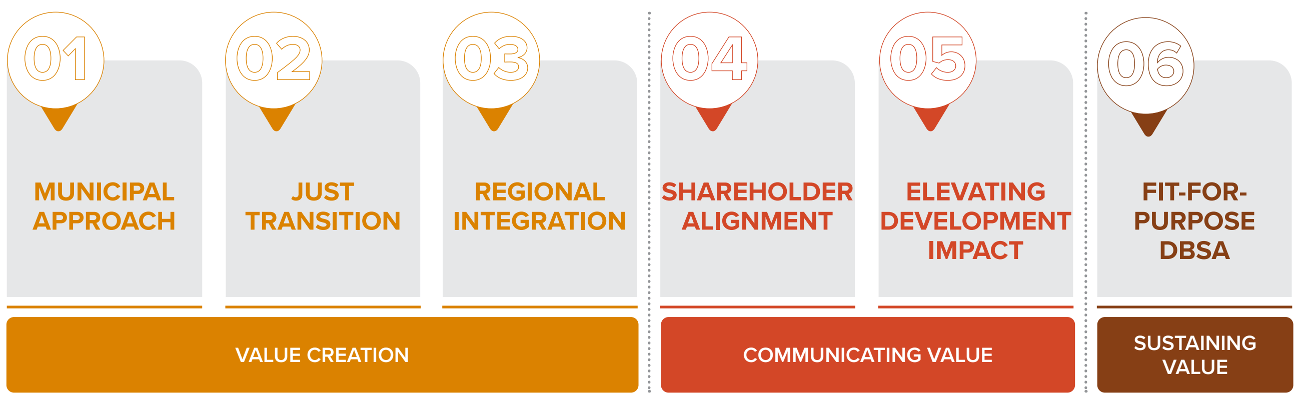
To become a more effective DBSA, we will tailor our offerings and capabilities to better serve our clients. Enhanced internal collaboration, integration and complete digitalisation are essential. This requires an integrated operational approach and a shift towards team-based performance and outcomes. Cultivating a culture of growth and innovation, reviewing our structure and operations and embracing digitalisation are key to building a future-fit DBSA.

Smart partnerships:

Smart partnerships are vital, purpose-driven collaborations that co-create development solutions and boost private sector involvement in infrastructure for inclusive growth. These partnerships also help public entities overcome obstacles to accelerated infrastructure development. The DBSA actively pursues such collaboration, both domestically and internationally, to effectively deliver on its mandate.

DELIVERING ON OUR STRATEGIC GOALS

Our strategic initiatives are critical execution plans which enable the implementation and monitoring of the DBSA's strategy. These initiatives are shaped to respond to the challenges, threats and opportunities facing the Bank, determined from the annual environmental scanning exercise. For the 2025/26 medium term, the Bank will focus on the implementation of six strategy initiatives to achieve its strategic goals as shown in the figure below:



CREATING AN ENABLING CULTURE

The DBSA cultivates a powerful organisational culture, the bedrock for achieving our strategic ambitions. Guided by an ethical and responsible Board, we prioritise our people and their expertise as key drivers. Collaboration, professionalism and a deep customer focus are our core priorities. We champion high ethical standards, accountability and responsiveness, while actively embracing change and innovation. This winning culture, continuously assessed, ensures our employees embody the values and behaviours needed to deliver groundbreaking solutions and maximise value for all stakeholders.

OUR GUIDING PRINCIPLES FOR VALUE CREATION AND PRESERVATION

Our guiding principles underscore the DBSA's unwavering commitment to a holistic approach: driving sustainable development, fuelling economic growth and advancing social equity, all while maximising internal efficiency and forging strong stakeholder alignment. They are the blueprint for our future impact.

- Drive economic expansion and development as well as being a catalyst for transformative change
- Emphasising social equity and Just Transition in every development initiative by addressing inequalities and creating opportunities for marginalised communities
- Prioritising green growth as a key economic opportunity as well as ensuring a greener and more sustainable future for all
- Maximising development impact without compromising financial sustainability
- Championing a comprehensive and integrated approach to development that extends beyond municipal projects and covers all spheres of influence
- Building capable public institutions extends to a dedication to enhance project management capacity and assist in improving the financial health of municipalities and public institutions. This commitment signifies the DBSA's vital role as an enabler of frontline service delivery and social infrastructure
- Rigorous project preparation and quality assurance
- Strategic partnering and holistic stakeholder engagement
- Digital transformation and organisational effectiveness
- Skills enhancement and employee empowerment

OUR INTENDED OUTCOMES, TARGETS AND PERFORMANCE

The strategy presents seven outcomes to be achieved which are:

01 **Inclusive economic expansion, climate resilient development, thought leadership and project preparation factory**

02 **Capable and strengthened municipalities**

03 **Just transition advanced**

04 **Regional integration and access through key sectors facilitated**

05 **Financial sustainability**

06 **Sound governance and operational excellence**

07 **Fit for purpose organisation**

We monitor the execution of our strategy through a comprehensive performance framework.

OUR PERFORMANCE FOR FY2024/25

Objective	Key performance indicator	FY 2024/25 Actual	FY 2024/25 Target	FY 2023/24 Actual
Financial sustainability	ROE (calculated on sustainable earnings)	9.3%	6%	9.0%
	Cost to income ratio - financing business	19.3%	30%	18.2%
Sustainable growth	Total disbursements	R17.5 billion	R14.5 billion	R17 billion
Unemployment reduction	Number of jobs facilitated	35 154	24 000	31 638
Increase SA fixed capital formation	Value of infrastructure delivered	R5.2 billion**	R5.6 billion	R4.6 billion
Increased sustainable developmental outcomes in SA Districts	Value of infrastructure unlocked in district municipal spaces adopted for programmatic approach	R838 million	R300 million	5 programmes approved*
Increased sustainable developmental outcomes in under-resourced municipalities	Value of infrastructure unlocked in under-resourced municipalities (excluding the partnered municipal spaces)	R2.6 billion	R1.8 billion	R2.5 billion
Just Transition	Value of projects approved for funding by DBSA's existing Climate and Environmental Facilities (e.g., Climate Finance Facility, Embedded Generation Investment Programme etc.)	R1.6 billion	R500 million	R4.6 billion
Empowerment support	Number of transactions that are committed for DBSA funding to black-owned entities	7**	8	13
Gender mainstreaming	Percentage of procurement spend on black woman owned suppliers for IDD third party fund (30% and above shareholding)	49% of total procurement spend from B-BBEE suppliers	35% of total procurement spend from B-BBEE suppliers	49% of total procurement spend from B-BBEE suppliers
Increase DBSA efficiency and effectiveness	Digital DBSA (digitalisation, automation and process re-engineering)	4 business processes automated for our core business	3 business processes automated for our core business.	4 business processes automated for our core business

Objective	Key performance indicator	FY 2024/25 Actual	FY 2024/25 Target	FY 2023/24 Actual
Develop a high performance and accountability and suitable organisational culture	Align DBSA architecture/design and people process to the growth strategy of the organisation.	2 People Processes aligned as per core business requirements	2 People Processes aligned as per core business requirements	2 People Processes aligned as per core business requirements
	Implementation of culture change initiative	Implementation of the approved culture strategy	Implementation of the approved culture strategy	Draft culture strategy developed for Board approval
Smart Partnerships	Client + Stakeholder satisfaction survey	3.74**	4	2
Improve DBSA governance and risk management	Irregular, unauthorised and fruitless and wasteful expenditure	0.0% (Rnil) of expenses as irregular, unauthorised, fruitless and wasteful expenditure	Classify 0.0% (R value) of expenses as irregular, unauthorised and fruitless and wasteful expenditure	0.0% (Rnil) of expenses as irregular, unauthorised, fruitless and wasteful expenditure
	Ethical behaviour	No findings of unethical behaviour that required decisive consequence management during the year under review	Decisive consequence management for unethical behaviour	No findings on unethical behaviour by any staff member during the year
	Compliance with the PFMA	All PFMA submissions were processed within the stipulated timelines	Process all PFMA submissions within the stipulated deadline	All PFMA submissions were submitted within the stipulated timelines
	Unqualified Audit opinion	Clean audit opinion	Achieve unqualified audit opinion without matter of emphasis	Clean audit opinion

* Number of programmes approved for implementation in district spaces

** Reasons for underperformance are included on pages 19 to 20 of the Annual Financial Statements, under the Annual Performance Report section

OUR VALUE CREATION MODEL

OUR VISION, PURPOSE, MISSION, VALUES, MANDATE AND DEVELOPMENT POSITION

See pages 25 and 26 for more information

OUR CAPITAL INPUTS

FC FINANCIAL CAPITAL

Our equity and debt funding from investors and clients

R57.9 billion
capital and reserves
(2024: R52.0 billion)

R6.8 billion
cash generated from operations
(2024: R5.4 billion)

R60.8 billion
financial market liabilities
(2024: R63.7 billion)

See page 108 for more information

IC INTELLECTUAL CAPITAL

Our brand, innovation capacity and experience

42 years' experience in infrastructure development

- Knowledge derived from due diligence, project conceptualisation and development, credit granting, credit monitoring and other post-investment activities
- Development of enabling financial products
- Hosted a 3rd Annual Infrastructure Research Colloquium
- Published Volume 1, Issue 2 of the DBSA's African Journal of Infrastructure Development
- Co-hosted the fifth edition of the Finance in Common System (FiCS) summit, calongside the Asian Infrastructure Investment Bank with the support from Agence française de développement and other key global and regional institutions.

See page 127 for more information

HC HUMAN CAPITAL

Our culture, our support functions, our people, their development and our collective knowledge

631
permanent employees and long-term contractors (2024: 639)

20
youths under the graduate programme (2024: 40)

112
employees in agencies supported by DBSA (2024: 99)

See page 132 for more information

SRC SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with clients, funders, partners and government

20
countries in which we have active exposure (2024: 20)

67
municipal clients (2024: 72)

3.93
client satisfaction rate (2024: 4)

3.55
stakeholder relationship index
(2024: N/A)

See page 139 for more information

MC MANUFACTURED CAPITAL

Our business structure and operational processes

- Physical and digital infrastructure
- The DBSA campus
- DLABS precincts

See page 126 for more information

NC NATURAL CAPITAL

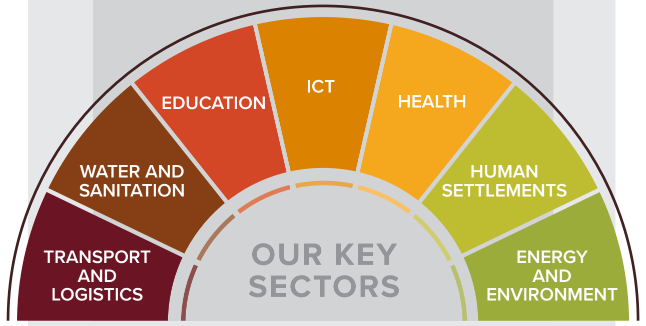
Our natural resources

10.9 megawatts
of electricity consumed
(2024: 10.5 megawatts)

4.7 kilolitres
of water consumed
(2024: 3.2 kilolitres)

See page 144 for more information

BUSINESS ACTIVITIES



Refer to page 29 for more information on our integrated approach to infrastructure development

OUR OUTPUTS

FINANCIAL

R121 billion
total assets
(2024: R118 billion)

R5.3 billion
net profit
(2024: R4.6 billion)

R6.8 billion
cash generated from operating activities (2024: R5.4 billion)

R30.3 million
training and development spend
(2024: R16.5 million)

9.3%
return on equity (sustainable earnings) (2024: 9.0%)

19.3%
Cost to income ratio (DBSA)
(2024: 21%)

LOCAL GOVERNMENT

R3.9 billion
total disbursements to five metros, small cities and intermediate cities
(2024: R4.6 billion)

R3.4 billion
infrastructure unlocked for under-resourced municipalities
(2024: R2.5 billion)

SOCIAL SECTOR

R13 million
disbursed for social infrastructure
(2024: R504 million)

R5.2 billion
infrastructure delivered
(2024: R4.6 billion)

ECONOMIC SECTOR

R4.8 billion
disbursed for economic infrastructure
(2024: R5.3 billion)

R28.4 million
innovation grants disbursed for the DLaps programme
(2024: R102 million)

R17.1 billion
in third-party funds catalysed in South Africa
(2024: R nil)

SADC AND NON-SADC

R8.7 billion
total disbursements for the rest of Africa, excluding South Africa
(2024: R5.9 billion)

R5.8 billion
in third-party funds catalysed in the rest of Africa
(2024: R1.2 billion)

OUR VALUE TO STAKEHOLDERS

	Internal stakeholders	Financial sector	Investors	Government	Clients	Communities
SRC	Value preserved	Value creation	Value erosion	Value preserved	Value creation	Value creation
HC	Value erosion	Value preserved	Value creation	Value erosion	Value preserved	Value creation
IC	Value preserved	Value preserved	Value creation	Value preserved	Value preserved	Value erosion
MC	Value creation	Value preserved	Value creation	Value erosion	Value preserved	Value creation
FC	Value preserved	Value creation	Value creation	Value preserved	Value creation	Value erosion
NC	Value erosion	Value preserved	Value creation	Value erosion	Value preserved	Value creation

OUR OUTCOMES

1. INCLUSIVE ECONOMIC EXPANSION AND CLIMATE RESILIENT DEVELOPMENT

27 786
anticipated jobs facilitated based on commitments
(2024: 21 484)

201 676
households anticipated to benefit from the completion of projects (2024: 134 310)

193
infrastructure projects implemented
(2024: 316)

7 368
jobs facilitated through the construction of the infrastructure projects and DLABS programme
(2024: 9 269)

674
start-up enterprises supported through the DLabs programme
(2024: 479)

13 380
total learners benefitted from 24 new and refurbished schools (2024: 19 130)

11 325
total learners benefitted from 163 DBE SAFE VIP toilets
(2024: 17 289)

956
SMMEs benefitted from the infrastructure delivered
(2024: 1 308)

R91.3 billion
total infrastructure development supported (2024: R72.9 billion)

2. CAPABLE AND STRENGTHENED MUNICIPALITIES

1 904
anticipated jobs to be facilitated from the value of infrastructure unlocked in under-resourced municipalities
(2024: 61 301)

323 869
anticipated households to benefit from the value of infrastructure unlocked in under-resourced municipalities
(2024: 518 726)

3. JUST TRANSITION

26%
municipal clients have financial exposure

36 013
households that received access to new and improved services in water, sanitation and electricity

4. REGIONAL INTEGRATION

49.9%
of total disbursements to the Rest of Africa (excl. RSA)

5. FINANCIAL SUSTAINABILITY

R121 billion
total assets (2024: R118 billion)

R5.3 billion
net profit (2024: 4.6 billion)

6. SOUND GOVERNANCE AND OPERATIONAL EXCELLENCE

Received unqualified audit opinion since inception

Boasts a robust, ethical and diverse leadership

R nil
in irregular expenditure during the financial year under review

7. FIT FOR PURPOSE ORGANISATION

1 643
youth trained in future skills through the DLabs programme
(2024: 1 594)

LEGEND KEY STAKEHOLDERS Internal stakeholders Financial sector Investors Government Clients Communities OUR VALUE TO STAKEHOLDERS Value creation Value preserved Value erosion OUR OUTCOMES Value creation Value preserved Value erosion

SUPPORTED BY A CORE OF STRONG GOVERNANCE, ETHICS AND INTEGRITY

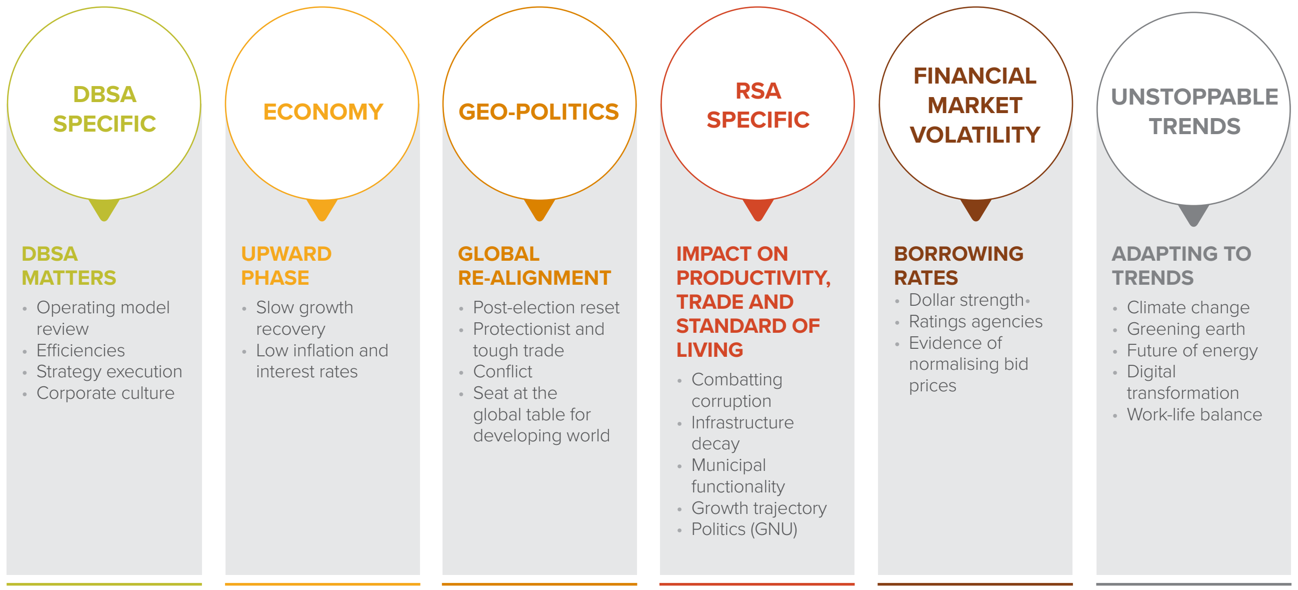
03

External Trends and Influences

OUR OPERATING CONTEXT

Over balancing the countercyclical nature and developmental mandate of the DBSA is crucial. As a DFI, we aim to stimulate economic growth during downturns while ensuring that our investments align with long-term developmental goals. This involves prioritising projects that have lasting impacts on communities, promoting sustainable development practices and maintaining financial stability to support initiatives over the long term. Assessing risks associated with countercyclical interventions is also essential to safeguard our developmental mandate and financial sustainability for the future.

The DBSA's operating context is shaped by internal and external factors that influence its ability to deliver on its mandate and create long-term value. We assess global and local macroeconomic trends, policy developments and sectoral dynamics to inform our material issues, guide strategic decisions and identify opportunities for impact.



Macroeconomic and geopolitical context

Global

Global macroeconomic and geopolitical dynamics remained complex throughout 2024. Global growth held steady at a moderate 3.2% for 2024 and 2025, with advanced economies forecast at 1.8% and emerging markets and developing economies maintaining a more robust 4.2%. While global consumer price inflation continued to ease, services inflation proved stickier, prompting cautious optimism among central banks. In the second half of the year, some easing of monetary policy emerged, although inflation remained above target levels in many economies. Geopolitical risks persisted, including the shift in global trade, diplomatic priorities and multilateral dynamics. The unprecedented scale of global elections in 2024 added further uncertainty, contributing to heightened concerns around stagflation and global economic fragmentation. These dynamics reinforced the need for institutions like the DBSA to remain agile, resilient and proactive in navigating risks while staying focused on long-term development goals.

Rest of Africa

In Africa, economic growth remained subdued and uneven in 2024, as many countries faced a confluence of challenges, including high inflation, currency depreciation and escalating debt sustainability concerns. These macroeconomic pressures were compounded by the growing frequency and severity of climate-related shocks, such as droughts, floods and extreme weather events. These climate impacts are not just an environmental concern: they exacerbate the vulnerabilities of Africa's agricultural sector and strain vital infrastructure, undermining the continent's development progress. The disruption to food security, water availability and essential services threatens to reverse hard-won gains in poverty reduction and economic stability. As the continent battles these compounding challenges, it remains clear that addressing climate change is inextricably linked to Africa's economic recovery and future resilience. However, sustained external support, innovative financing mechanisms and international collaboration are essential to help African countries mitigate and adapt to these growing threats, ensuring that growth can become more inclusive and sustainable in the face of climate uncertainty.

South Africa

South Africa continues to grapple with significant economic challenges, as the country's GDP growth remains below its potential. This is primarily due to persistent energy shortages, logistical bottlenecks and the broader impact of global economic uncertainties. The effects of climate change are also becoming more pronounced, exacerbating existing vulnerabilities and creating additional strain on key sectors like agriculture and energy. While inflation has moderated, it remains a concern, influencing monetary policy and further complicating recovery efforts. South Africa remains committed to driving growth and development, particularly through efforts to reform its energy sector, improve infrastructure and diversify the economy. Sustained efforts to attract both domestic and international investment, foster collaboration across sectors and adapt to the evolving global environment will be key to navigating these turbulent times.

THE DBSA'S RESPONSE	
Opportunities to exploit	**Threats to mitigate**
• USD$100 billion infrastructure funding gap in the continent. • South Africa's infrastructure needs of between R4.8 trillion and R6.2 trillion on transport, water and sanitation, basic education and Technical and Vocational Education and Training (TVET) between the years 2022 and 2030. • Global soft landing and continued global growth recovery, albeit slow. • Government drive for infrastructure-led economic recovery. • Metros unbundling their trading entities. • High conversion of self-generated and strategic infrastructure funding opportunities. • Lack of bankable projects within the public sector. • Unreliable electricity supply and logistical challenges in ports and railways. • Government of National Unity could provide opportunities as the interests of the country will be pursued and not the political party's interest. • The signing of the Climate Change Act into law by the President provides the DBSA an opportunity to assist government in responding to climate change. • National Treasury developed a Green Finance Taxonomy that will support the process of transitioning the DBSA's portfolio. • Globally, the call to move towards Net Zero through a Just Transition is being heeded by governments and private sectors. • DBSA to define own niche in production of critical minerals, green industrialisation and beneficiation	• High debt levels around the continent. • Fitch downgrade to some of our clients countries. • Shallow debt absorption capacity of municipalities. • Municipalities under debt relief programmes refrain from borrowing. • Increased competition in the municipal finance environment due to better price points by commercial banks. • High levels of inflation, interest and bond rates. • Domestic and regional macroeconomic weakness resulting in a narrow pipeline. • Credit quality deterioration, such as non-performing loans. • Government's cost-cutting could affect the DBSA pipeline. • Problematic coalitions at municipal level and changes to accounting authorities have a negative impact on municipal administration and service delivery. • Pockets of volatility across the continent could limit the DBSA's footprint and potential markets – limiting growth opportunities for the DBSA. • Increased geopolitical tensions could limit DBSA's opportunities to grow. • Damage to infrastructure caused by inclement weather due to climate change.

OUR DEVELOPMENT LANDSCAPE

The DBSA aligns with global, continental and national development agendas. These include the SDGs, African Union Agenda 2063 and the NDP. Each of these frameworks focuses on people, prosperity, planet, peace and partnerships. The Bank also plays a role in helping South Africa meet its Nationally Determined Contributions (NDCs) under the Paris Agreement. This includes efforts to reduce carbon emissions and promote climate resilience, in line with the global target of limited temperature increases to below 1.5%. These efforts demonstrate the DBSA's commitment to sustainable development and its role in driving inclusive, long-term impact at national, regional and global levels.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, SOUTH AFRICA'S NDP 2030, AND MTDP

The 17 SDGs of the United Nations, as outlined in the UN 2030 Agenda, aim to address critical issues such as poverty, hunger, health, education, gender equality, climate change and ocean conservation. As a DFI with a domestic and continental footprint, the DBSA directly contributes to SDGs 6, 7, 9, 11, 13 and 17, while there is indirect contribution to SDGs 1, 3, 4 and 5 through our core activities.

The South African NDP Vision 2030 sets out an integrated strategy for accelerating economic growth, eliminating poverty and reducing inequality in South Africa. Accelerated economic growth, a key objective of the NDP, will enable the country's social and economic transformation. The DBSA contributes to the NDP through large-scale infrastructure projects in the energy, transport, water and ICT sectors, as well as by resolving social infrastructure bottlenecks and expanding regional integration. To implement the NDP in the five years from 2024 to 2029, Cabinet has approved the Medium-Term Development Plan which guides the work of the Government of National Unity for the next five years in pursuit of three strategic national priorities namely; driving inclusive growth and job creation, reducing poverty and tackling the high cost of living and building a capable, ethical and developmental state. The MTDP gives effect to the government's intention to pursue actions that contribute to sustainable, rapid economic growth and remove obstacles that stand in the way of growth. The MTDP outlines South Africa's key priorities for the period 2024 to 2029, focusing on inclusive growth, poverty reduction and a capable, ethical state, building on the National Development Plan. The table below outlines the DBSA's contribution to the SDG's and NDP priorities.

SDG's	NDP Outcomes	The DBSA's contribution
SDG 1: No Poverty	Economy and Employment Inclusive rural economy Social protection	• Contribution to poverty reduction through creation of 6 695 employment opportunities in construction projects • 1 industrial park refurbished in 1 province • 2 new buildings constructed in a jewellery manufacturing plant in 1 province
SDG 2: Zero Hunger	Economy and Employment Inclusive rural economy Social protection	• 3 infrastructure projects implemented in the agriculture sector in 1 province
SDG 3: Good Health and Well-being	Health care for all	• 2 Health infrastructure projects completed in 1 province
SDG 4: Quality Education	Improving education, training and innovation	• 15 new schools constructed and 9 schools refurbished benefiting 13 380 learners • Construction of SAFE schools sanitation facilities in 98 schools, benefiting 11 325 learners • Installation of Prefabricated Infrastructure in 11 schools, benefiting 1 974 • Construction of ablution facilities to replace unsafe sanitation facilities in 17 Mpumalanga schools, benefiting 2 588 learners • Construction of ablution facilities to replace unsafe sanitation facilities in 13 KZN schools, benefiting 8 809 learners
SDG 5: Gender Equality	Nation building and social cohesion	• During the year under review 49% of work offered to B-BBEE companies with ≥ 30% black women ownership
SDG 6: Clean Water and Sanitation	Transforming Human Settlements	• Funding of bulk water, reticulation and sanitations infrastructure • Post-implementation reviews • Serving as programme implementing agent management agent for water and sanitation project in Zambia to provide access to 13 000 people • Offering programme implementation agency services in the refurbishment of the Hammanskraal Wastewater Treatment Works in the City of Tshwane • Provision of programme management support in the implementation of 1 Department of Water and Sanitation for water and sanitation projects in Limpopo Province
SDG 7: Affordable and Clean Energy	Economic Infrastructure	• Preparation and funding of IPPs • Preparation and funding of renewable energy programmes • Providing planning and implementation support to under-resourced municipalities

SDG's	NDP Outcomes	The DBSA's contribution
SDG 8: Decent Work and Economic Growth	Economy and Employment	• Creation of 6 695 employment opportunities during project implementation • Contribution to entrepreneurial development by appointing 956 SMMEs and local subcontractors to implement various work packages in construction projects • Value of work offered to SMMEs and local contractors amounting to R932 million • 11 Tourism infrastructure refurbished for promotion of tourism and job creation in various provinces in South Africa • 1 nature reserve refurbished in Limpopo • 2 new buildings constructed in a jewellery manufacturing precinct in Gauteng • 1 industrial park were refurbished in Seshego
SDG 9: Industry, Innovation and Infrastructure	Economic Infrastructure	• Funding of various water, sanitation, renewable energy, mass transit and ICT projects • Supporting government with the rehabilitation of industrial parks
SDG 10: Reduced Inequalities	Economy and Employment	• 77% procurement spend in construction projects was to B-BBEE companies from a targeted 75% • 49% of work awarded to B-BBEE companies was granted to companies with ≥ 30% black women ownership
SDG 11: Sustainable Cities and Communities	Environmental sustainability and resilience Transforming Human Settlements	• Housing Impact Fund • Support to urban development programmes • Financing of municipal infrastructure • Implementing agent for Ekurhuleni Infrastructure Programme
SDG 13: Climate Action	Environmental sustainability and resilience	• Funding of IPPs • Regional hydroelectric projects
SDG 17: Partnerships for the Goals	South Africa in the region and the world	• Partnerships with global and regional DFIs Association for African Development Finance Institutions • International Development Finance Club

SADC'S VISION 2050 AND INFRASTRUCTURE VISION 2027

Regionally, SADC's Vision 2050 is the long-term strategic blueprint for the region, aiming to transform the region into a peaceful, inclusive, competitive, middle- to high-income industrialised area where all citizens enjoy sustainable economic well-being, justice and freedom by the year 2050. It's built on a foundational commitment to Peace, Security and Good Governance. The Vision is articulated through four main pillars:

Pillar I: Industrial Development and Market Integration
Pillar II: Infrastructure Development in Support of Regional Integration
Pillar III: Social and Human Capital Development
Pillar IV: Infrastructure Development in Support of Regional Integration, focuses on creating adequate and functioning infrastructure networks across the SADC region. The economic transformation and industrialisation ambitions of the SADC region critically depend on robust infrastructure.

Infrastructure Vision 2027 establishes a strategic framework to guide the development of a seamless, cost-effective and transboundary infrastructure within Southern Africa. This vision is anchored on six pillars: energy, transport, information and communication technologies, meteorology, transboundary water resources and tourism. The vision is brought to action by the SADC Regional Infrastructure Development Master Plan. The objectives of both AU's Agenda 2063 and Vision 2027 inform the Bank's investment decisions.

AFRICAN UNION'S AGENDA 2063

Agenda 2063 is the AU's master plan to transform Africa into the global powerhouse of the future. Signed in 2015 by various African heads of state, Agenda 2063 is a strategic framework to realise the socio-economic transformation of the African continent over the next five decades. While Agenda 2063 focuses on Africa's aspirations for the future, it also identifies critical flagship programmes to boost Africa's economic growth and development, ultimately leading to the rapid transformation of the continent. The DBSA supports the Africa Continental Free Trade Agreement and the North-South Corridor, among others.

OUR STAKEHOLDERS

OUR APPROACH TO STAKEHOLDER MANAGEMENT

Effective stakeholder engagement is critical for driving collaboration, transparency and long-term value creation at the DBSA. However, fragmented stakeholder relationship management has hindered agility and created inefficiencies in collaboration. The Stakeholder Engagement Strategy has been developed to align engagement efforts with DBSA's broader organisational culture, digital transformation agenda and 10-year strategic vision.

The DBSA has refined its stakeholder principles to align with its strategic objectives and ensure effective stakeholder management. These principles form the foundation of the Bank's Stakeholder Management approach and guide all interactions with stakeholders.

1. Inclusivity

The DBSA ensures that its activities and engagements consider the needs, perspectives and experiences of all stakeholders. This commitment promotes a holistic approach to stakeholder engagement.

2. Materiality

The DBSA prioritises interactions with stakeholders on topics and themes that are relevant, consistent and critical to economic and sustainable development, as well as governance imperatives. This ensures the Bank effectively creates value for all stakeholders.

3. Responsiveness

The DBSA is committed to fostering proactive and effective interactions with stakeholders. Accountability, transparency and relevance underpin these engagements, ensuring mutual trust and benefit between the Bank and its stakeholders.

4. Impact

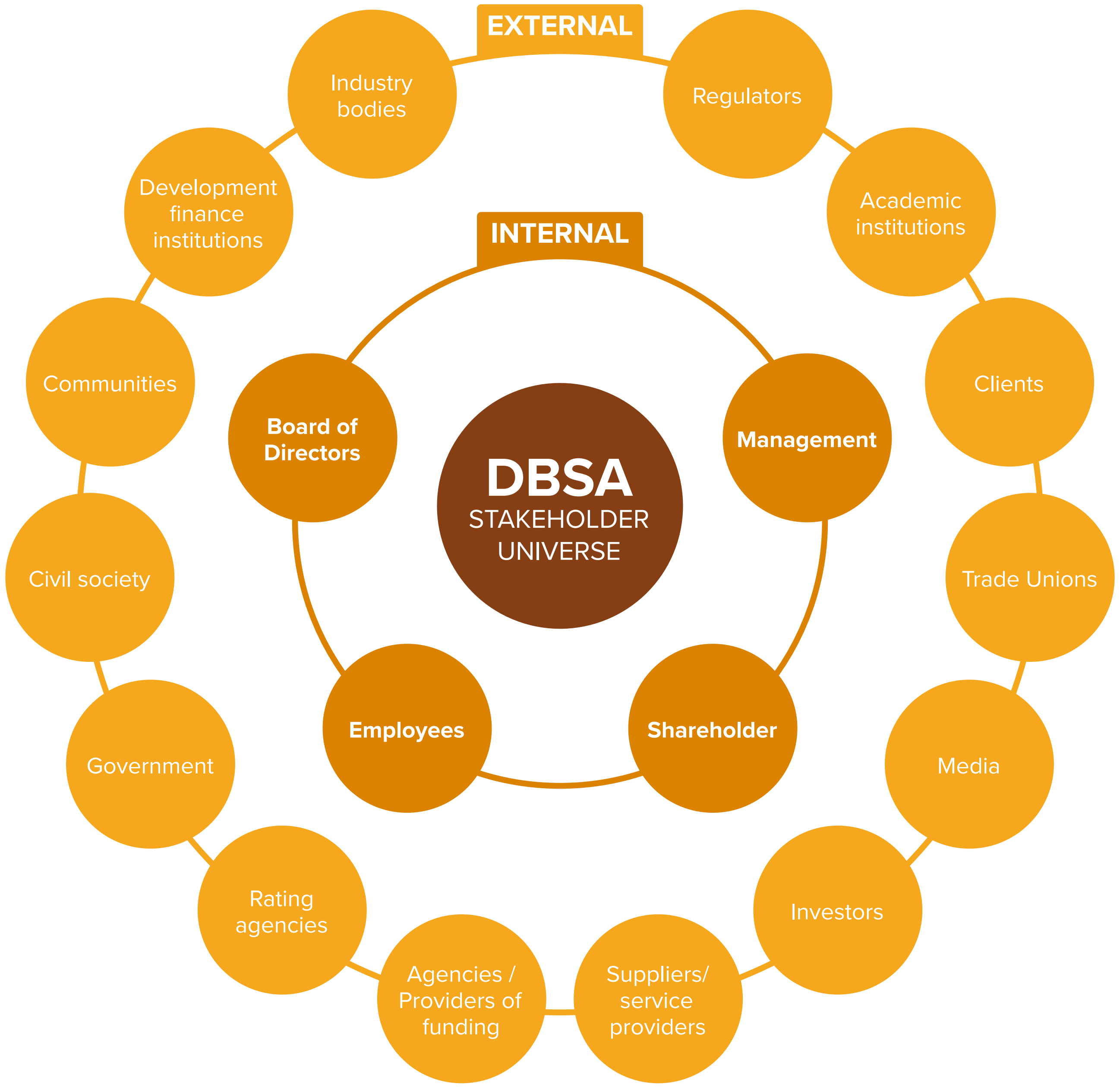
The DBSA is driven by its focus on delivering measurable impact. This includes ensuring accountability through monitoring, measuring, reporting and auditing economic and sustainable development outcomes.

OUR STAKEHOLDER UNIVERSE

The DBSA engages with a broad and diverse stakeholder universe. As a development finance institution and state-owned entity, the Bank plays multiple roles and operates in a complex business environment. This makes meaningful stakeholder alignment essential to achieving strategic objectives.

We build strong stakeholder relationships by addressing key interests and aligning engagement to strategic outcomes. These interactions help manage risk, support business goals and strengthen our operating context. The Bank prioritises material relationship issues and adapts its engagement approach for each stakeholder group.

We use various platforms to deepen collaboration. These include newsletters, thought leadership publications and improved balanced scorecards. Through these channels, we promote mutual understanding, advance governance and performance goals and embed stakeholder perspectives into our strategy and sustainability content. Our stakeholder universe is shown in the figure below.



OUR OPERATIONAL FRAMEWORK AND PRINCIPLES FOR STAKEHOLDER ENGAGEMENT

Our stakeholder relationships are managed according to the operational framework outlined below:

STAKEHOLDER ENGAGEMENT OBJECTIVES

- Effectively address stakeholder expectations and identify performance gaps
- Incorporate stakeholder insights into our business planning and strategy development to improve practice and enhance brand perception
- Address matters speedily to manage risks associated with stakeholder relationship management
- Demonstrate empathy to stakeholders to boost our brand perception

STAKEHOLDER ENGAGEMENT PRINCIPLES

- **MATERIALITY** Knowing that which is of concern and is important to the Bank and its stakeholders
- **COMPLETENESS** Understanding and effectively managing material impacts and associated stakeholder views, interests and performance perceptions and expectations
- **RESPONSIVENESS** Comprehensively responding to stakeholders' and the Bank's material issues
- **IMPACT** Drive towards a balanced economic and development impact

STAKEHOLDER ENGAGEMENT DRIVERS

- PUBLIC SCRUTINY
- SOCIETAL EXPECTATIONS
- NEW MARKETS
- CRITICAL EVENTS

STAKEHOLDER ENGAGEMENT ENABLERS

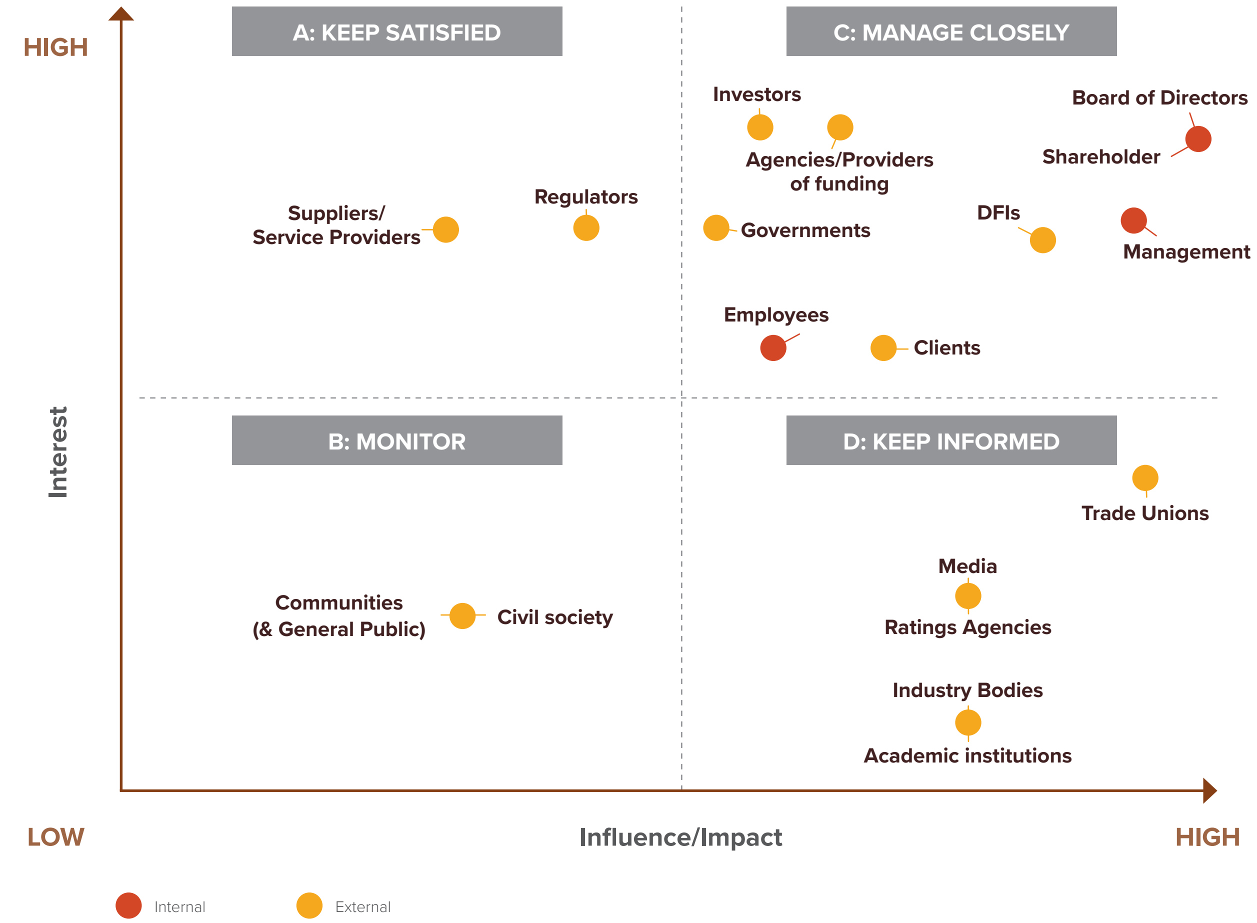
- INTERNATIONAL AND NATIONAL LEGISLATION/S
- STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK
- ENGAGEMENT PROCESSES AND PROCEDURES
- STAKEHOLDER ENGAGEMENT PLAN

HOW WE IDENTIFY AND ANALYSE OUR STAKEHOLDERS

Our approach to stakeholder identification and engagement

We operate in complex environments with diverse stakeholder interests, influence levels and expectations. To ensure inclusivity and relevance, we apply a structured approach to stakeholder mapping and engagement:

- Identify and group stakeholders based on strategic priorities, risk factors and the external operating context
- Conduct in-depth analysis to understand interests, influence and impact potential
- Rank and create stakeholder sub-groups to guide engagement intensity and responsiveness
- Recognise that even within a group, stakeholder needs and expectations may differ
- Continuously evaluate engagement effectiveness to improve inclusivity and relevance



HOW WE CREATE VALUE FOR OUR STAKEHOLDER

The interests and influence of our stakeholders are dynamic and require ongoing monitoring in line with our stakeholder matrix illustrated below. We create value for our stakeholders and the DBSA by addressing stakeholder relationship risks through our integrated business engagement processes and procedures. We endeavour to understand the stakeholder interests, needs, concerns and expectations to deliver on our commitments, continuously improve our efforts to remain a development financier and partner of choice and create long-term value. Our value creation efforts are designed to enhance stakeholder satisfaction and loyalty, build credibility, strengthen our reputation and improve our competitive positioning.

As an African DFI, we play a catalytic role in addressing market failures, which requires deft engagement with our material stakeholders. We deeply entrench ourselves in the markets we operate in and the societies we serve by responding to our stakeholders' needs and expectations, which creates mutual value.

To ensure strategic alignment and congruence with our vision, the DBSA engages parties with vested interests in the organisation's planning and deliberations. This fosters involvement, understanding, internalisation, a common mission, strategic goals and business continuation across our programmes, deals and business practices. We engage stakeholders on issues spanning corruption, socio-economic impacts, environmental impacts, health risks, human rights and supply chain conditions.

Actively engaging stakeholders informs our decision making and improves the Bank's performance. The DBSA uses various engagement platforms to gather perspectives, opinions, insights and ideas from parties with a vested interest in the Bank's success. Our strategic stakeholders are unpacked on the following pages.

Internal stakeholders

SHAREHOLDER	
We endeavour to demonstrate the success of the organisation in its efforts: • To guarantee brand advocacy and project buy-in.	
Stakeholder needs and expectations	**How we engage**
• Adhering to the Shareholder Compact • Our developmental impact and social responsibility • Long-term financial sustainability • Strong and sustainable balance sheet • Earning power and projected financial performance. • Effective leadership and expertise supported by a well-crafted strategy • Effective ESG practices • Responsive to environment and social economic business imperatives • Robust governance structures • Policy implementation and regulation	• Regular and proactive engagement with the Minister of Finance and National Treasury • Quarterly meetings and presentations • Quarterly reports in compliance with the PFMA • Informative sessions on strategy progress update • Integrated Annual Report presentation • Quarterly corporate governance reports shared with National Treasury
Issues and risks	**Opportunities**
• Lack of consensus on development intent and agenda	• Showcasing the DBSA's accolades as well as how it effectively deals with challenges • Communicating achievements related to the DBSA's mandate, strategies, as well as governance

Associated material issues	Strategic goals	Capitals impacted
• Country/Sovereign risk • Strategic, execution and business risks • Environmental, Social and Governance Risks		FC SRC NC

BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES	
We endeavour to ensure that employees feel valued by keeping them informed about our strategic outlook: • To enhance employees' engagement and commitment as their efforts contribute to our success • Recognition of excellent performance • Employment contracts that benefit both parties	
Stakeholder needs and expectations	**How we engage**
• Our developmental impact and social responsibility • Long-term financial sustainability • Effective leadership • Successful implementation of the strategy • Effective ESG practices • Responsive to environment and social economic business imperatives • Robust governance structures • Relevant training and development programmes • Clear and fair employee and workers' contracts • Job satisfaction and career development • Opportunities for growth and career advancement • Healthy and safe work conditions. • Inclusive work environment that embraces diversity and promotes belonging. • Effective performance management with fair remuneration and promotion opportunities	• Regular and proactive engagement between the Board and Exco • Regular and special Board and Exco meetings • Integrated Annual Report presentation • Regular training and development • Transparent and timely communication to address issues efficiently
Issues and Risks	**Opportunities**
• Strategy implementation • Financial performance • People development and training • Transformation and employment equity • Code of conduct • Contract and service agreements and performance	• Collaboration and dialogue with independent parties representing employee/worker interests • Provide support to SMEs where possible • Implemented occupational health and safety systems

Associated material issues	Strategic goals	Capitals impacted
• Cost of funding • Country/Sovereign risk • Increased focus on geopolitical impact on South Africa • Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition • Reliability of digital infrastructure and cyber security • Employee skills attraction, retention and development • Employee engagement and culture		FC IC HC SRC NC

External stakeholders

GOVERNMENT AND REGULATORS

We endeavour to demonstrate the success of the organisation in its efforts:

- To guarantee brand advocacy and project buy-in

Stakeholder needs and expectations	How we engage
• Effective ESG practices • Responsive to environment and social economic business imperatives • Safeguard standard that combat unethical business operations • Promotion and adherence to transparent business processes and procedures • Engagement on issues of water, energy, transport, health and education. • Demonstrate will and capacity to act to address service delivery issues	• Regular one-on-one meetings held to engage on priority sectors and issues of national importance

Issues and Risks	Opportunities
• Lack of consensus on development intent and agenda	• Showcasing its successes as well as how it effectively deals with challenges • Communicating achievements related to the DBSA's mandate, strategies, as well as governance

Associated material issues	Strategic goals	Capitals impacted
• Country/Sovereign risk • Increased focus on Geopolitical impact on South Africa • Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition		FC IC HC SRC NC

DFIs, REGULATORS AND RATING AGENCIES

We endeavour to demonstrate transparency and credibility through financial sustainability and governance:

- Financial returns and growth
- Strategic investments
- Risk management efficiency
- Efficient financial and technical operations

Stakeholder needs and expectations	How we engage
• Our developmental impact and social responsibility • Long-term financial sustainability • Effective leadership • Effective ESG practices • Responsive to environment and social economic business imperatives • Safeguard standards that combat unethical business operations. • Promotion and adherence to transparent business processes and procedures. • Robust governance structures • Strategic alignment and mutually beneficial development impact • Return on investment • Compliance requirements • Needs and expectations • Feedback on performance and human capital matters, governance, financial control and risk	• Transparent communication of updates and progress • Integrated Annual Report presentation • Compliance with relevant regulatory frameworks and reporting requirements • Risk management • Timely and accurate reporting • Effective risk management systems • Regular compliance audits • Robust risk management framework

Issues and Risks	Opportunities
• Significant changes, particularly those with financial impact. • Financial performance • Market trends and issues • Prospects and organisational sustainability	• Activities for stimulating improvement of infrastructure for transport, water, electricity, communication, etc.

Associated material issues	Strategic goals	Capitals impacted
• High cost of funding • Country/Sovereign risk • Increased focus on Geopolitical impact on South Africa • Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition		FC IC

INVESTORS AND PROVIDERS OF FUNDING

We endeavour to demonstrate transparency and credibility through financial sustainability and governance:

- Financial returns and growth
- Strategic investments
- Risk management efficiency
- Efficient financial and technical operations

Stakeholder needs and expectations

- Long-term financial sustainability
- Strong and sustainable balance sheet
- Earning power and projected financial performance.
- Effective leadership and expertise supported by a well-crafted strategy
- Effective ESG practices
- Responsive to environment and social economic business imperatives
- Robust governance structures
- Policy implementation and regulation
- Safeguard standard that combat unethical business operations.
- Promotion and adherence to transparent business processes and procedures.
- Strategic alignment and mutually beneficial development impact
- Return on investment

How we engage

- Transparent communication of updates and progress
- Regular meetings
- Quarterly feedback sessions
- One-on-one interaction with the DBSA Treasury Division on regular basis
- Annual investor roadshows held
- Meetings with analysts and rating agencies
- Announcement of results
- DBSA Website
- Integrated Annual Report issued

Issues and Risks

- Significant changes, particularly those with financial impact.
- Financial performance
- Market trends and issues
- Prospects and organisational sustainability

Opportunities

- Activities for stimulating improvement of infrastructure for transport, water, electricity, communication, etc.

Associated material issues

- Cost of funding
- Country/Sovereign risk
- Increased focus on Geopolitical impact on South Africa
- Strategic, execution and business risks
- Environmental, Social and Governance Risks

Strategic goals

Capitals impacted

FC IC HC SRC NC

CLIENTS

both in South Africa and across the continent

We endeavour to foster mutually beneficial relationships through:

- Product/service development, client relationship improvement strategies and client engagement and support
- Clear, honest and complete information about products, services and impacts
- Accessible and effective customer complaint mechanism
- Improving existing relationships based on client experience and overall satisfaction

Stakeholder needs and expectations

- Innovative funding solutions.
- Effective problem solving and responsiveness to issues raised
- Optimised efficiency enhanced by use of technology for transparent and clear communication, relationship management and investment process
- Effective leadership and expertise supported by a well-crafted strategy
- Client needs (funding and non-funding support)
- Implementation support (non-funding support)
- Perceptions and expectations
- Job creation
- Environmental impact

How we engage

- Quarterly engagement sessions and interaction, including regular meetings scheduled according to our individual programme/project governance agreement with clients
- Client and partner surveys recommendations implemented (see client satisfaction score on page 73)

Issues and Risks

- Lack of comprehensive business/strategic plans
- Rising sovereign debt levels

Opportunities

- Continuous client satisfaction improvement through feeding survey results into future stakeholder relations, marketing and communication initiatives
- Use survey feedback and recommendations as measures to improve products and services in order to fulfil and exceed expectations
- Heightened client centricity, enhanced client experience, becoming a trusted advisor, increased digitisation and automation and increased digital presence

Associated material issues

- Cost of funding
- Country/Sovereign risk
- Strategic, execution and business risks
- Environmental, Social and Governance Risks
- Navigating the Just Transition

Strategic goals

Capitals impacted

FC IC HC SRC NC

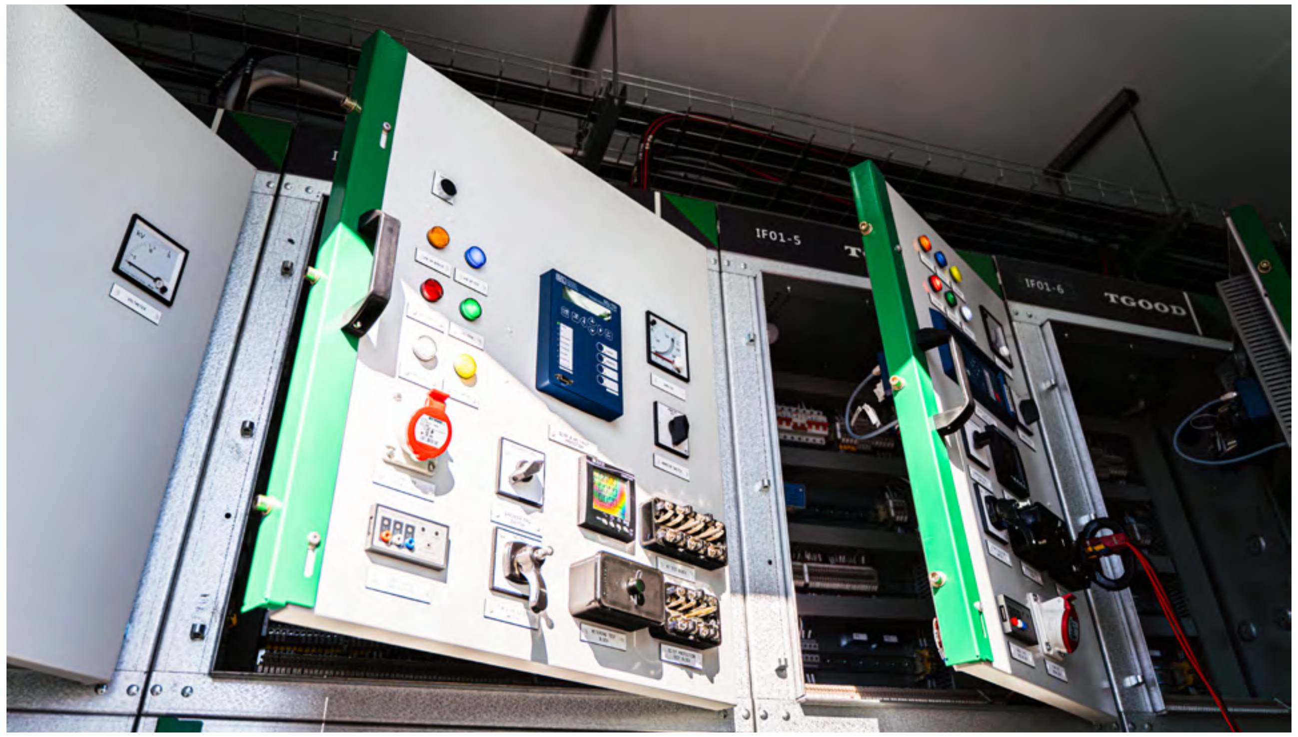
SUPPLIERS

We endeavour to distinguish our business to establish strategic relationships and collaborations for mutual benefit:

- Fair and timely payment for services
- Constructive feedback and recognition of excellent performance
- Mutually beneficial agreements

Stakeholder needs and expectations	How we engage
• Safeguard standard that combat unethical business operations • Promotion and adherence to transparent business processes and procedures • Contract and service agreements and performance	• One-on-one meetings and presentations • Supplier Awareness Workshops • Contract and service agreements in place with clear terms of engagement • Communication with suppliers on payment terms and supply chain management • Transparent supply chain practices • Clear payment terms
Issues and Risks	**Opportunities**
• Seamless payment processes • Mutually beneficial contracts	• Improved agility and efficiencies • Innovation and collaboration • Supplier development

Associated material issues	Strategic goals	Capitals impacted
• Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition • Reliability of digital infrastructure and cyber security		FC SRC



COMMUNITIES, ACADEMIC INSTITUTIONS, MEDIA, TRADE UNIONS, INDUSTRY BODIES AND CIVIL SOCIETY

We endeavour to make community aware of the role of the DBSA as well as its understanding of socio-economic and environmental issues:

- Positive social and environmental impact
- Providing fair chances for local suppliers and SMEs
- Review of supporting SDGs or local development goals
- Assist in maximising development impact
- Community outreach and engagement initiatives

Stakeholder needs and expectations	How we engage
• Promotion and adherence to transparent business processes and procedures as an accountable corporate citizen. • Infrastructure development knowledge hub and thought leader for infrastructure development solutions. • Strengthened cooperation with civil society to enhance the Bank's work and achieve greater impact Investment in socioeconomic development • Access to basic services • Local labour opportunities • Robust governance structures • Policy implementation and regulation • Strategic alignment and mutually beneficial development impact • Effective ESG practices • Responsive to environment and social economic business imperatives.	• Engagement through community projects and forums • Social facilitation and steering committees • Environmental impact • Community surveys • Marketing campaigns • Website • Responsible business practices • Environmental sustainability initiatives • Community outreach and engagement programmes • Media briefings and interviews • Press conferences, media • DBSA website and social media platforms • Issuance of media statements on key strategic initiative
Issues and Risks	**Opportunities**
• Investment in socio-economic development • Access to basic services • Local labour opportunities • Strengthened cooperation with civil society to enhance the Bank's work and achieve greater impact	• Programme for supporting communities with essential health care services, access to clean water, good sanitation • Dialogue with local communities and other local stakeholders • Establishment of transparent and effective grievance and remedy mechanisms

Associated material issues	Strategic goals	Capitals impacted
• Environmental, Social and Governance Risks • Navigating the Just Transition		FC IC HC SRC NC

STAKEHOLDER RELATIONSHIP QUALITY

We believe that assessing the quality of our relationships with stakeholders is of paramount importance. To build trust that enables strong, mutually beneficial relationships and effective collaboration, we regularly assess the quality of these relationships to identify areas of concern and implement tailored corrective actions. Through our Brand Health Survey, we proactively mitigate risks, address factors that may compromise relationship quality, identify areas for improvement and implement targeted mitigation measures.

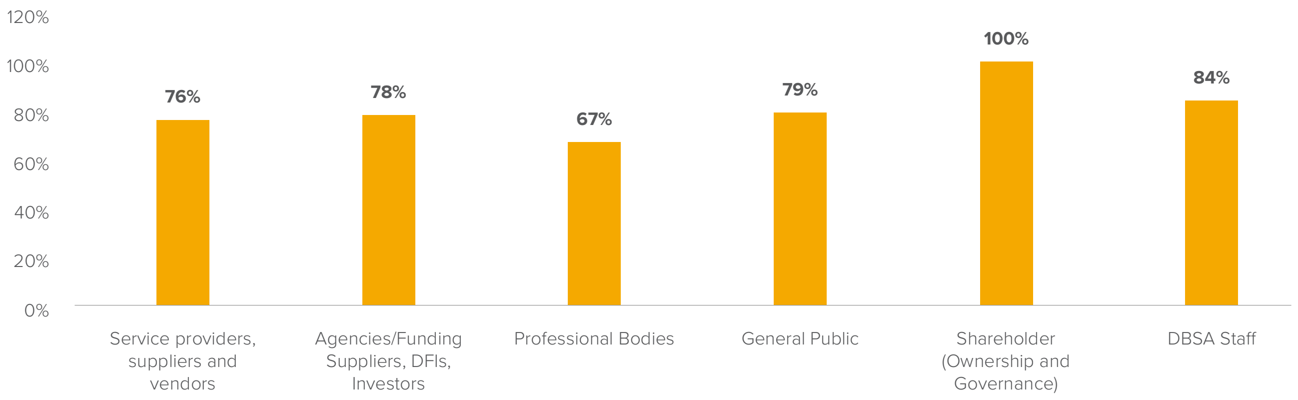
Advocacy

The advocacy component of our biannual Brand Health Survey provided insights that informed our engagement tactics to strengthen stakeholder relationships. These tactics are evaluated over time to assess the effectiveness of our engagement efforts and the efficacy of our strategies. This aspect of the survey is measured using the Stakeholder Relationship Index, which indicates that the majority of respondents are advocates of the DBSA brand. For 2024/25, the Stakeholder Relationship Index was 71% (or 3.55 out of 5), reflecting an increase of three percentage points from the previous reporting period.

Makeup of stakeholder segments according to Stakeholder Relationship Index score

The Stakeholder Relationship Quality Index combines the percentage of stakeholders who are willing to recommend the DBSA with the percentage who report positive interactions with the organisation. A high index score indicates strong stakeholder satisfaction and a positive stakeholder experience. On the previous assessment conducted in FY 2021/22, the only categories measured were Agencies/Funding Suppliers, DFIs and Investors, which showed a 16% increase to 78% and the Shareholder, which showed a 44% increase to 100% in the current assessment. The scale indicator is out of 100 for each of the stakeholder categories as shown in the figure below.

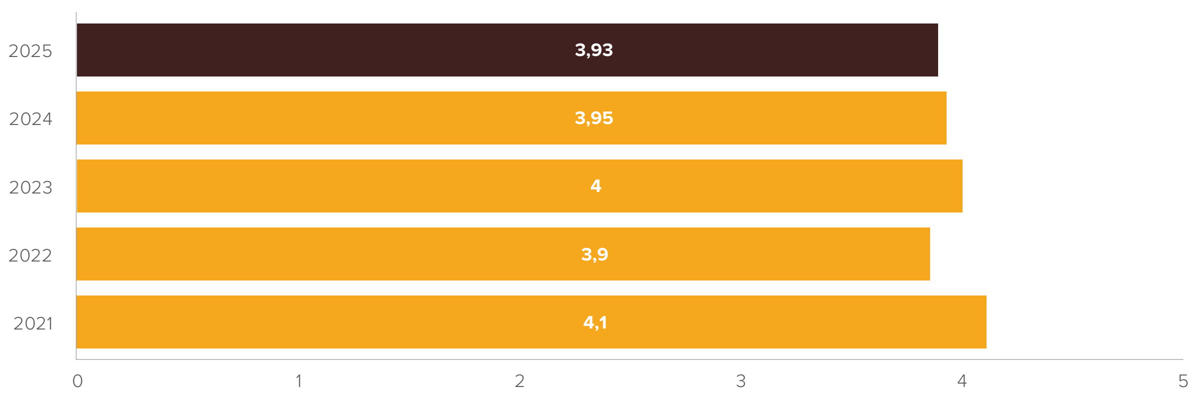
Relationship Quality Overview



CLIENT SATISFACTION

To assess client experience and gain insights into perceptions of our service offerings, we conduct Client Satisfaction (CSAT) surveys within the client stakeholder category. These surveys highlight strengths and identify areas for targeted improvement, helping to enhance client retention and foster repeat business. The survey outcomes have been instrumental in strengthening client loyalty and driving business growth through informed strategic decision-making. Over the years, the DBSA's annual client satisfaction survey results have demonstrated consistency in maintaining strong client relationships.

Client Satisfaction Score



During the 2024/25 financial year, the DBSA's client satisfaction score recorded a marginal decline of 0.5%, from 3.95 to 3.93. The results indicate that clients remain largely satisfied with the Bank's products and services. Despite the slight decrease, the DBSA continues to be regarded as a trusted infrastructure development partner, offering value for money through both financing and additional non-financing value-added services. Our commitment to enhanced client centricity remains ongoing, as we recognise the need for continuous improvement in service efficiency and responsiveness. We remain proactive in adapting to the evolving needs of our clients as the development landscape continues to shift.

MANAGING OUR RISKS AND OPPORTUNITIES

RISK MANAGEMENT

DBSA recognises that effective risk and opportunity management is fundamental to the achievement of its strategic objectives. Through a robust and relevant Enterprise Risk Management Framework applied throughout the Bank, DBSA aims to drive business performance, innovation and growth, whilst protecting and enhancing organisational value while remaining risk aware. DBSA regards risk management as a strategic management tool, enabling management to respond in an adaptable and effective manner to the continuously changing environment whilst laying a strong foundation for organisational success.

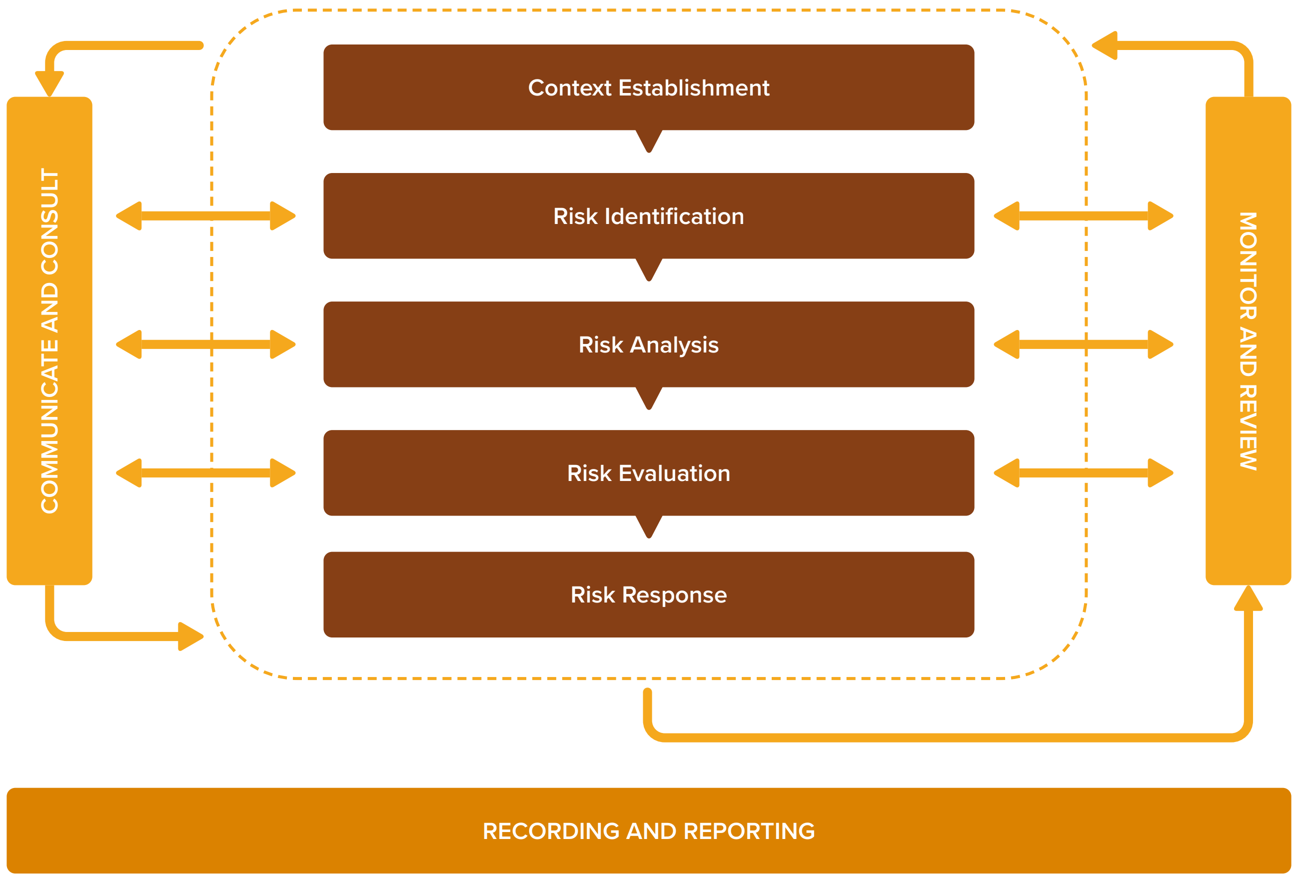
In ensuring that a culture of Risk is embed throughout the Bank, focus is placed on principal risks *(Refer to Principal Risk Overview on Page 79).* that focus on the strategic initiatives the Bank embarks on as well as ensure that use of risk tools and measures reach a level of maturity that would allow for responsible and calculated growth as well as operating within the confounds of our Risk Appetite *(Refer to Risk Appetite on Page 77).*

Taking into considering the risk highlights of the financial year, Cyber risk remains a critical risk following the cyber risk challenges faced in the financial year 2023/2024 following the cyber breach. Despite being a critical risk, the controls implemented since have been effective by ensuring no breaches have taken place. With the appointment of a Chief Information Security Officer (CISO) and improved oversight and monitoring of threats by a third-party service provider, DBSA's ICT controls and framework has proven to be adequately addressing cyber risk. With the rise in Artificial Intelligence (AI) taking centre stage, DBSA is in the process of evaluating its utility within our operations and ensuring policies and guidelines are in place for responsible, ethical and safe use of AI by DBSA.

Geopolitics, both in the region of Africa and globally, has received focused attention during the financial year from a Board perspective as well as operationally. With increasing debt obligation for sovereigns in Africa resulting in debt restructurings, this disrupted infrastructure projects planned in the countries affected by negotiations with counter parties. The financial risks and project risks experienced due to the geopolitics playing out in the region may impact DBSA in the short term; however, the remediating controls required to safeguard DBSA are being reviewed, should there be any material financial or operational impacts.

With an organisational wide review taking place to determine DBSA's capacity and capabilities, people and culture risk has been highlighted. In ensuring the risk does not materialise, whereby the strategic objectives of DBSA are not met due to the transitional period in which the operating model is being implemented, skill retention and development and talent management have been key in ensuring DBSA continues to place a priority on its human capital and provide sufficient support required.

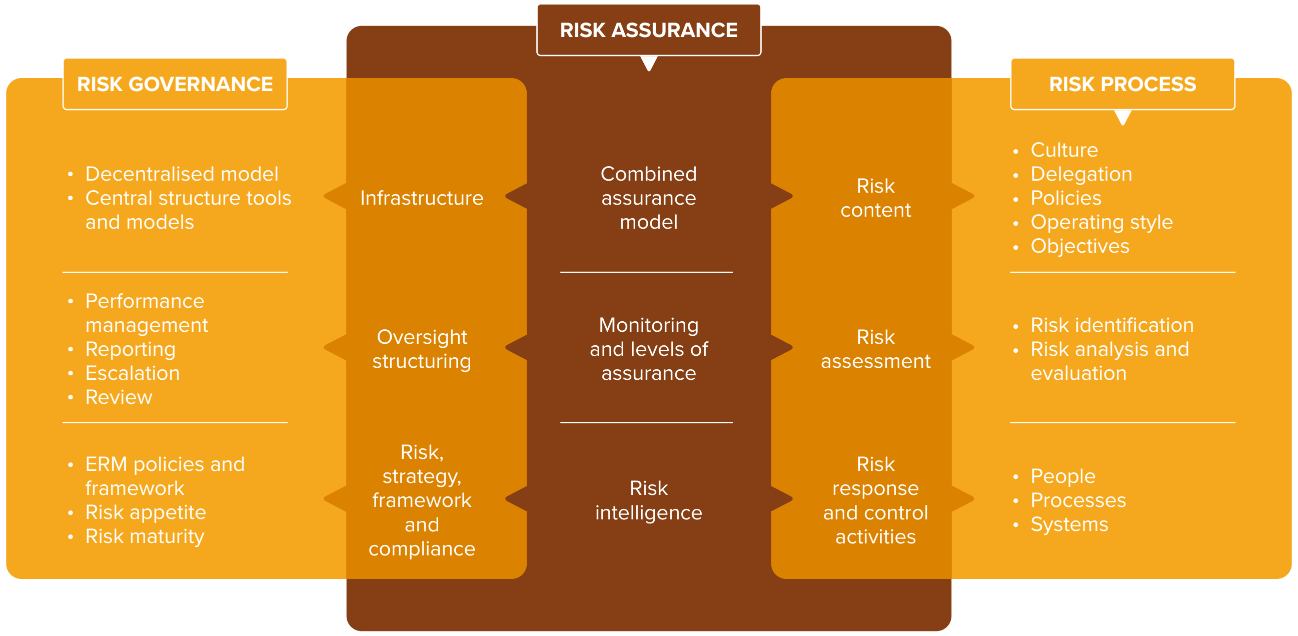
Environmental, Social and Governance (ESG) risks remain topical considering the extreme physical climates being experienced as well as Local and International policies addressing Just Transition. DBSA's ESG risks are carefully managed in partnership between the ESG team, Internal Audit and Group Risk Assurance.



Enterprise Risk Management Framework

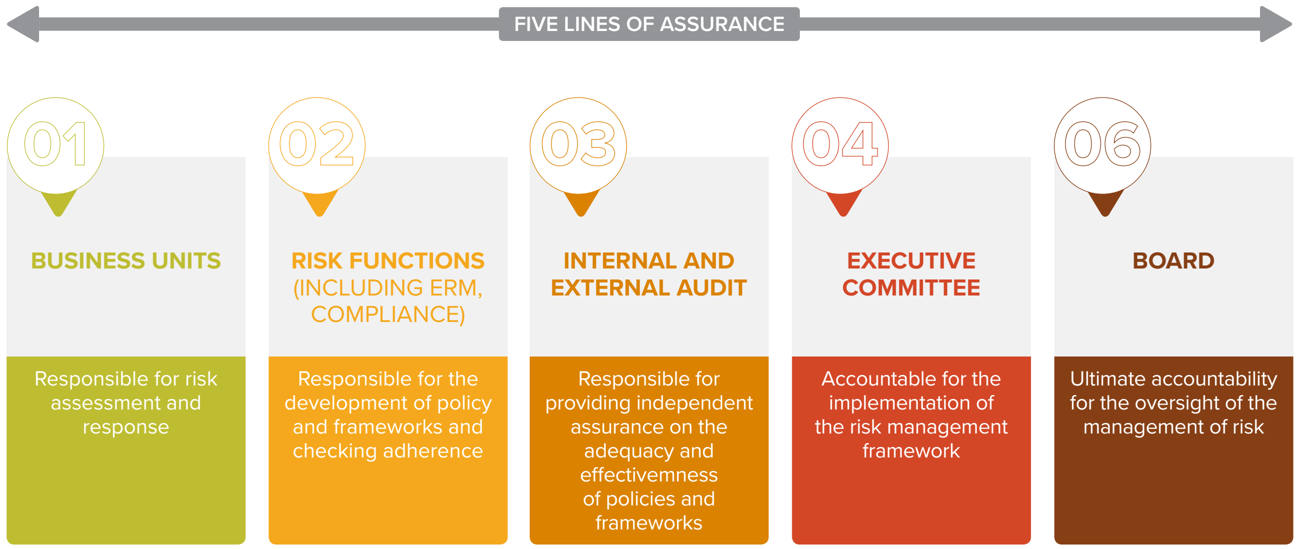
The Bank's risk management approach and methodology are encapsulated within the ERM Framework that is approved by the Board of Directors and aligned with International and Local legislation and best practices. Understanding the business environment that we operate in particularly as a Development Financing Institute (DFI), it is key our ERM framework is aligned to Risk and Governance standards such as International Organisation for Standardisation (ISO) 31000 Risk Management Guidelines, Committee of Sponsoring Organisation's (COSO) ERM Framework as well the King IV Report.

The Framework accounts for various levels of policies and standards which expresses the expectations of the Board of Directors about the way risk management is approached, details the risks that DBSA faces as well as highlights key internal and external controls and protocols that exist in DBSA to operate in a risk managed and acceptable manner.



Combined Assurance

As part of the ERM Framework and Risk governance which we base our risk management approach on, lies the function of providing risk assurance throughout the Bank. Over and above the requirements of the Board to oversee and govern Risk Management, there are internal and external functions responsible for assurance, namely:



The role of the five lines of assurance is to play an integral part of the ERM Framework forming part of the Combined Assurance model within the Risk Assurance Section. Communication of risks in DBSA through numerous governance structures provides all lines of assurance with confidence that known risks are identified, assessed, mitigated and reported in a consistent and thorough manner.

Risk Appetite

In order to create and protect value in achieving DBSA's strategic objectives it is required to take a certain level of risk; the purpose of risk appetite setting is to determine the acceptable and optimal level of risk-taking. Our risk appetite has been set by the Board of Directors to ensure that in pursuing our strategic objectives, numerous risk factors are considered and in line with appetite levels. In monitoring business decisions that are within appetite levels, a balance is struck between seeking opportunities and prudent risk management.

Our risk appetite is illustrated on the next page, which highlights 4 main risk types that are the broad risks the appetite covers and notes various sub-risk types that provide further insight into specific risks of the appetite.

STRATEGIC RISK

Risk arising from unforeseen changes in the business environment that could invalidate fundamental assumptions underlying the Bank's corporate strategy, as well as unexpected events in the development finance market that could render the Bank's operating model uncompetitive

STAKEHOLDER RISK:
The Executive Committee is responsible for providing oversight of the DBSA activities and ensuring implementation consistent with the business strategy and policies approved by the Board.

REPUTATION RISK:
Risk arising from internal and external events which could have a permanent adverse impact on the stakeholder perceptions and public image of the DBSA .

BUSINESS AND OPERATING MODEL RISK:
Unexpected events in the development finance market that could render the Bank's operating model uncompetitive and create or result in an inability to effectively create customer value

SUSTAINABILITY (ESG) RISK:
- Environment,
- Social,
- Governance and Ethics

Risk arising from events that impact the Bank's ability to be a responsible social citizen, preserve and maintain long-term social and environmental balance in fulfilling its mandate and operations

CAPITAL ADEQUACY RISK:
Inability to retain adequate capital to absorb unexpected losses

BUSINESS RISK

Business decisions made in the extension of credit, infrastructure implementation and other service with the potential to lower profit or lead to failure

CREDIT DEFAULT RISK:
Arising from the potential failure of an obligor to perform fully on its obligations in accordance with the terms and conditions for the extension of credit facilities

CREDIT CONCENTRATION RISK:
Arising from the possible non-performance of a single large credit exposure or multiple exposures that are closely correlated

COUNTRY CONCENTRATION RISK:
Arising from the possibility that changes in economic concentration, sovereign debt sustainability, currency exchange and convertibility and political stability may impact adversely on the quality of assets or ability to continue with Bank operations in a country.

FINANCIAL RISK

Possibility of financial loss from decisions taken

FINANCIAL SUSTAINABILITY:
Inability to maintain a resilient balance sheet and earn revenue or get a return on an investment that covers all expenses and makes a profit.

TREASURY COUNTERPARTY RISK:
Arising from the potential failure of a counterparty in meeting its obligations and/or the chance that the credit rating of a counterparty can deteriorate and impact negatively on the value of the asset

LIQUIDITY AND MARKET RISK:
Arising from the chance that the DBSA will be unable to meet its obligations as they become due and the volatility of interest and currency risk

OPERATIONAL RISK

Risks arising from people, processor system failures, including legal and compliance risks, as well as from external events

CYBER SECURITY RISK:
Arises from inconsistent implementation of the records and information management programme elements

LEGAL RISK:
Risk of loss (financial and reputational;) to the DBSA due to improper/poor application of legal/regulatory requirements

COMPLIANCE RISK:
Arising from non-compliance with regulation or legislation

OCCUPATIONAL HEALTH AND SAFETY RISK:
Arising from the events in the workplace leading to illnesses, accidents, injuries, fatalities and impacting the health and well-being of people

PROCESS RISK:
Arising from events due to inadequate process or control or absence of control or disruptions to the Banks operations or internal control failure

INFORMATION AND RECORDS MANAGEMENT RISK:
Arises from inconsistent implementation of the records and information management programme elements and controlling data quality

BUSINESS CONTINUITY RISK:
Arising from events causing disruptions in the ability of the Bank to operate effectively

SUPPLY MANAGEMENT RISK:
Arising from incorrect or improper selection and management of suppliers, service providers, or third-parties

IT RISK:
Disruptions in business caused by system failures and stoppages, incompleteness and inaccuracy of data and breaches of information security

HUMAN CAPITAL RISK:
Arising from events impacting on the ability to attract and retain appropriate skills and expertise

The risk ratings for the 4 main risk types are as follows:

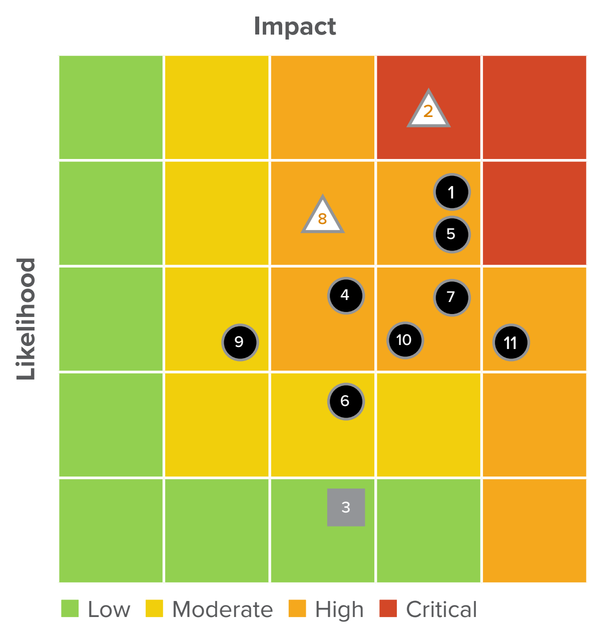
Strategic	Business	Financial	Operational
Moderate	Moderate	Moderate	Low

The three main risk types being rated as Moderate means that they are within their Board approved appetite levels. DBSA's largest exposures fall within strategic, business and financial risks; therefore, appropriate growth opportunities pursued are in line with applicable risk management techniques that will allow for business objectives to be met. Operational risk rating is Low indicating a lower level of risk is currently being accepted for the sub risk types listed under operational risk.

Principal Risk Overview

Principal risks are the most significant risks in the Bank and are derived through synthesis of top-down Board and the Executive Committee's discussions and bottom-up risk assessments from the divisions. The principal risks reflect a prioritisation of risk rather than an exhaustive list. The DBSA's principal risks are monitored throughout the year – the various risk teams adjust our approach as issues emerge. The DBSA Board and management team continuously review the principal risks to ensure an appropriate response. Three new risks were added this year, relating to Skills capability and capacity; Just Transition and Growth Limiters.

#	Principal risk	Velocity
1	**Credit -** An increase in the ability of clients to honour debt obligations	●
2	**Cyber -** Unauthorised or erroneous use of ICT systems, data and/or infrastructure	△
3	**Liquidity -** Insufficient funds to meet its maturing obligations and disbursement commitments	■
4	**Reputation -** Arising from any fact of the Bank's actual or perceived conduct and performance	●
5	**Challenging business environment and operations -** Failure to maintain adequate responsiveness and agility	●
6	**People and culture -** Potential decrease in staff morale, productivity, development and wellness	●
7	**Skills capability and capacity -** Inadequate capability and/or capacity to implement the strategy of the organisation	●
8	**Extreme weather and physical climate risk -** An increase in the number and severity of extreme weather events	△
9	**ESG monitoring and action -** Failure to measure and monitor DBSA's impact on the environment and society	●
10	**Just Transition -** There may be delays or inadequate pace in implementation of an Integrated Just Transition Strategy	●
11	**Growth limiters -** Inability to increase scale of development impact, balance sheet or income growth	●



Velocity	△ Extremely rapid	■ Rapid	● Slow
	Impact is evident within a *month*	Impact is evident within a *quarter*	Impact is evident within a *year*

Principal Risk Summary and Descriptions

Strategic Initiatives

Integrated Municipal Approach; Just Transition; Regional Integration; Shareholder Alignment; Elevating Development Impact; Fit for Purpose DBSA

Capital Links

FC FINANCIAL CAPITAL; IC INTELLECTUAL CAPITAL; SRC SOCIAL AND RELATIONSHIP CAPITAL; HC HUMAN CAPITAL; NC NATURAL CAPITAL; MC MANUFACTURED CAPITAL

Principal Risk Description	Strategic Initiatives	Capital Link	Risk Response	Tactical Opportunities	Residual Risk Rating		
					2023	2024	2025
Credit risk – An increase in the inability of clients to honour debt obligations **Key impacts** • Deterioration in asset quality and increasing ratio of non-performing loans • Increase in impairments leading to a negative impact on sustainable profit **Key drivers** • High levels of indebtedness, high interest rates and high inflation in key markets • Knock on effects from volatile geopolitical environment Sovereign downgrade of some of our clients **Relevant indicators** • Non-Performing Loans as % of Total Loans and Advances Sector and Country limit utilisation		FC IC SRC	• Risk sharing strategies such as credit insurance have been implemented • Focus on diversification of clients, products and pursuing off-balance sheet structures • Proactive risk management controls are implemented as part of the due diligence process on deals • Analysis of economic and global market conditions continues to provide appropriate insights on how to evaluate credit risk • All disbursement requests are accompanied by high level credit confirmation of no material change to the credit profile of the client • Routine monitoring of loans occurs through day-to-day monitoring and annual credit reviews with Rapid Risk Reviews taking place when indicators show material adverse changes	• Increase the use of credit risk insurance for limit relief amongst other mitigation tools • Diversification of the credit portfolio to expand into sectors such as transport and telecommunications. • Increase the number of credit review resources • Increased focus on strategic portfolio management	High	High	High
Cyber risk - Unauthorised or erroneous use of ICT systems, data and/or infrastructure leading to breaches of data and information security **Key impacts** • Non-compliance to POPIA if data security is breached and personal information is compromised • Increased costs to insure against cyber incidents and loss/reduction in available cover for cyber incidents • Business disruption • Adverse impact on reputation **Key drivers** • Increasing number and sophistication of cyber-attacks both locally and globally **Relevant indicators** • Critical system unavailability for period • Number and severity of cyber security issues		IC	• Training and awareness using DBSA brief and virtual training (see ICT report for details) • Continuous training and awareness to all staff using DBSA Brief communications and virtual training systems to ensure adherence to ICT policies • Completion of all audit actions on an accelerated timeframe to address and identifiable gaps • Implementation of an Information Security Management System (ISMS); Cyber Security Strategy-Cyber security risk simulation as well as ICT Continuity Plan for appropriate back up and restoration testing • A third-party service provider conducts on-going threat monitoring with monthly Security Operations Centre (SOC) reporting in place to notify the DBSA of any threats detected • The appointment of a Chief Information Security Officer (CISO) allows for DBSA to have a focused role that will oversee and enforce information, cyber and technology security policies.	• Safeguard the data we collect in line with our fiduciary duty and comply with relevant data protection and privacy legislation • Maintain the stability of our systems to secure the trust of our clients and broader stakeholder groups • Consider the implementation of self-insurance for cyberthreats as an additional buffer for the levels of cyber insurance cover currently in place	High	High	Critical

Principal Risk Description	Strategic Initiatives	Capital Link	Risk Response	Tactical Opportunities	Residual Risk Rating 2023	Residual Risk Rating 2024	Residual Risk Rating 2025
Liquidity risk - Inability for the Bank to have sufficient funds to meet its maturing obligations and disbursement target **Key impacts** • Bank unable to achieve mandate and development impact • Over-utilisation of the foreign currency borrowing limit • Adverse impact on financial sustainability • Reduced ability to raise affordable funding **Key drivers** • Increase in the cost of funding • Currency volatility • Growing investor and lender concerns around the risk emanating from the Bank's exposure to the municipal and SOE sectors **Relevant indicators** • Liquidity Coverage Ratio • Net Stable Funding Ratio • Net Open Position		FC IC	• Engagement with key investors to understand their funding requirements and funding strategies • Meeting quarterly with internal clients to understand their disbursement needs or requirements • Monitor full year schedule of disbursements by currency, split into committed vs uncommitted transactions • Rolling over of maturing liabilities (although terms may change as a result of market conditions e.g., amounts and pricing may change) • Raising long-term funding through bond issuances and long-term bilateral loans including novel instruments such as sustainability bonds	• Diversify funding sources with a key focus on green funding to reduce our overall weighted cost of capital and pursue additional facilities • Review of current credit lines for further cost of capital efficiency	Moderate	Moderate	Low
Reputation risk – Arising from any facet of the bank's actual or perceived conduct and performance **Key impacts** • Loss of stakeholder goodwill • Adverse impact on DBSA's desirability as an employer • Delays in implementation of shareholder agreements **Key drivers** • Perception that DBSA is focused more on profitability and is less intentional about demonstrating development impact • Delays in implementation of shareholder agreements **Relevant indicator** • Delays in implementation of shareholder agreements		SRC HC	• Develop business cases for new growth opportunities from green hydrogen, biodiversity assets and carbon markets • PFMA exemption still being pursued particularly from a foreign currency borrowing limits • Utilisation of development subsidy to enable IDD to unlock further municipal projects • Utilisation of the Development Position and related Development Index to align stakeholder expectations • Capacity increased in the Monitoring and Evaluation unit via the Operating Model Review	• Opportunity to partner with reputable organisations on infrastructure projects and public relations initiatives • Opportunity to highlight the work of the organisation and market the organisation through mainstream media and social media campaigns	High	High	Moderate

Principal Risk Description	Strategic Initiatives	Capital Link	Risk Response	Tactical Opportunities	Residual Risk Rating		
					2023	2024	2025
Business environment and operations risk - Failure to maintain adequate responsiveness and agility to respond to the changing environment **Key impacts** • Inability to achieve development impact and financial growth at scale • Adverse impact on the ability to raise capital **Key drivers** • Trade uncertainty driven by trade tariffs that were announced and subsequently revised • Political landscape directly affecting DBSA business especially where the Government of National Unity (GNU) and coalitions at provincial level may lead to misalignment on infrastructure related decisions leading to delays • High Debt to GDP ratio in key markets coupled with high levels of inflation globally • Stagnant or declining economic growth • Interest rates remaining higher for longer locally and in the region **Relevant indicator** • Various economic indicators		SRC MC	• A business case for trade finance is being developed and implemented • High Impact Investment Portfolio being scaled up as a new product • Increasing focus on the non-core lending aspects of the business such as D-Labs, Infrastructure Delivery Division and Partner-a-District platform • Investigating options to reshape the loan book from fewer larger deals to increased volumes of smaller deals • Approval of DFI scorecard by Department of Trade Industry and Competition • Participation in conditional grant pledging to enable greater participation in municipal infrastructure rollout	• Focus on innovation and improving our products, pricing and services to attract and retain clients in low-growth environments • Identify and pursue further growth opportunities, particularly those emanating from Just Transition – carbon markets and green hydrogen • Gender mainstreaming, looking at transforming the infrastructure sector through the support of women-owned businesses • Scaling up digitisation as means to harness changing economic environment	High	High	High
People and Culture risk - Potential decrease in staff morale, adverse impact on work productivity, employee development and wellness **Key impacts** • Adverse impact on the organisation's performance operationally and financially **Key drivers** • Employee burnout and work-related stress • Insufficient resources to pursue some strategic initiatives and business as usual concurrently • Several divisions have raised risks around "keyperson" dependencies and unclear succession planning • Increasing adoption of artificial intelligence tools such as ChatGPT may be a positive driver for productivity improvement tools **Relevant indicators** • Progress of Digital DBSA initiative aimed at digitalisation, automation and process re-engineering		HC	• Organisational review has taken place to determine an operating target model that will result in optimal operational performance and efficiency • Training policies and talent management practices have been delineated and aligned to ensure current staff skills are retained and continue to develop • Capability assessments across all business units are taking place to determine the feasibility of potentially moving staff • Implementing a Culture Strategy • Providing access to the Employee Wellness Provider Lyra Health to support employees with work and personal life related matters	• Create a work experience that positions the DBSA as an employer of choice. • Build highly motivated teams that embody the DBSA culture.	Moderate	Moderate	Moderate

Principal Risk Description	Strategic Initiatives	Capital Link	Risk Response	Tactical Opportunities	Residual Risk Rating		
					2023	2024	2025
Extreme weather and physical climate risk – An increase in the number and severity of extreme weather events in Africa e.g. floods, heatwaves & wildfires etc. **Key impacts** • Loss of key infrastructure in DBSA key markets reversing development gains • Adverse social impacts e.g. forced migration, increasing inequality and reduction of economic opportunity **Key drivers** • African climate is driven by: - El Niño–Southern Oscillation (ENSO). The ENSO influences extreme weather events globally, causing floods in some regions and droughts in others. - Indian Ocean Dipole (IOD). The IOD refers to an irregularly alternating sea-surface temperature difference in the waters of the west and east Indian Ocean leading to heavy rainfall in East Africa. **Relevant indicators** • Total losses attributable to extreme weather events • Number of extreme weather events		FC SRC NC	• Determine the number of DBSA interests in areas vulnerable to extreme weather • Develop scenarios covering various levels of damage to infrastructure and the resultant costs to mitigate and restore	• Focus on implementing climate resilient and low carbon water infrastructure	N/A	High	High
ESG monitoring and action - Failure to measure, monitor and act on DBSA's impact on ESG in line with stakeholder expectations **Key impacts** • Reduction in the ability to source funding from capital markets as ESG requirements become increasingly common-place and stringent • Inappropriately controlled adverse impacts on the environment and society **Key drivers** • Inadequate credible data sources • Increased global drive towards net zero emissions by 2050 • Multiple complex frameworks for structuring, measuring and monitoring impact on ESG **Relevant indicators** • Various ESG indicators		FC SRC NC	• DBSA ESG Policies, systems and guidelines • Environmental and Social Safeguard Standards (based on IFC Performance Standards) and Social and Institutional Guidelines • Integrated Environmental and Social Sustainability Approach • Green Finance Taxonomy • Environmental Management System • Environmental Appraisal Framework • Climate Change Policy Framework	• Elevate our ESG reporting from operational compliance to strategic, impact-driven reporting	N/A	Moderate	Moderate

Principal Risk Description	Strategic Initiatives	Capital Link	Risk Response	Tactical Opportunities	Residual Risk Rating		
					2023	2024	2025
Skills capability and capacity – There may be inadequate capability and/or capacity to implement the strategy of the organisation **Key impacts** • Delays in implementing DBSA's strategy ultimately limiting the opportunity to improve development impact at scale • Decrease in the quality of outputs • Adverse impact on current staff morale **Key drivers** • Under-utilisation of training resources and professional development opportunities • Lengthy recruitment process partly due to market conditions and internal processes • Loss of potential candidates due to competition and talent mobility **Relevant indicators** • Critical skills retention • Vacancy levels within DBSA		IC HC	• A learning and development programme has been developed and implemented to address shortfalls in perceived capabilities following Personal Development Plan discussions • Renewed focus on the recruitment process to improve vacancy levels, timelines and quality of candidates • Succession planning and performance management have received renewed focus as Human Capital's drive to mitigate capacity constraints	• Leverage technology to increase learning and development capabilities within DBSA	N/A	N/A	High
Just Transition – There may be delays or inadequate pace in implementation of an Integrated Just Transition Strategy **Key impacts** • Increasing pressure from stakeholders • Increase in difficulty of sourcing affordable funding • Reduced capacity for liability insurance if fossil fuel-based projects are not phased out of the book **Key drivers** • Lagging development of Just Transition plans and the strategic importance of the current and available sources of energy to the regional economy **Relevant indicators** • Value of projects approved for funding by DBSA's existing Climate and Environmental Facilities (e.g., CFF, EGIP etc.) • Number of issues of social nature affecting individuals and communities linked to DBSA developments		FC SRC NC	• Net zero statement was adopted which advocates for sustainable solutions to infrastructure projects • Strategic choice by DBSA that no new fossil fuel transactions will be funded unless they are underpinned by a clear and unambiguous Just Transition plan • DBSA continues to assess requests that support fossil fuel related transactions, on a case to case basis	• Enhance reporting on material asset classes in line with ESG tagging framework	N/A	N/A	High

Principal Risk Description	Strategic Initiatives	Capital Link
Growth limiters - Inability to increase scale of development impact, balance sheet or income growth significantly from the current base **Key impacts** • Stagnant or relatively flat growth rate of the DBSA • Increasing pressure from key stakeholders to "do more" **Key drivers** • Geopolitical tensions and pockets of volatility across the continent could limit the DBSA's footprint and potential markets. • Increased competition in the municipal finance environment • Infrastructure budget cuts due to fiscal constraints by our clients and stakeholders • Operational inefficiencies leading to slow conversion rates and slow implementation of strategic initiatives **Relevant indicators** • Stagnant or relatively flat growth rate of the DBSA • Increasing pressure from key stakeholders to "do more" • ROE (calculated on sustainable earnings)		SRC MC

Risk Response	Tactical Opportunities	Residual Risk Rating		
		2023	2024	2025
• Shareholder diversification to improve credit rating by separating from the RSA sovereign rating • Consider wholesale deposit taking as part of SARB regulation exploratory drive • Envisaged state-owned entity governance framework and new DFI empowerment scorecards	• Diversify funding sources that allow for sustainable growth in balance sheet and increased scale of development impact	N/A	N/A	High

04

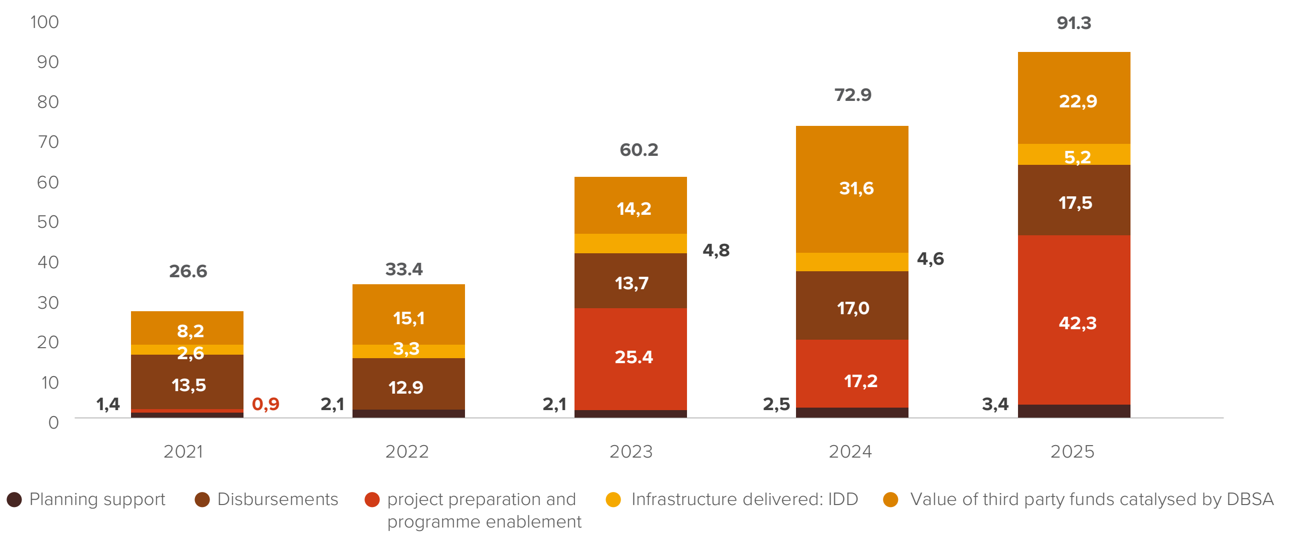
Building Trust and Unlocking Value

OUR DEVELOPMENT RESULTS THE VALUE WE CREATED IN FY2024/25

TOTAL INFRASTRUCTURE DEVELOPMENT SUPPORT

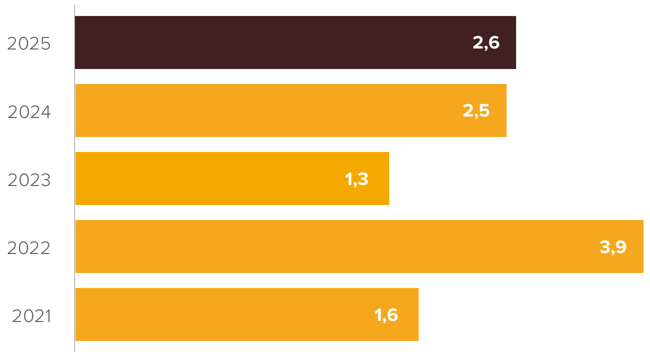
For the year ended 31 March 2025, the DBSA delivered total infrastructure development support to the value of R91.3 billion across the entire infrastructure value chain, as shown on the graph below.

(R billion)

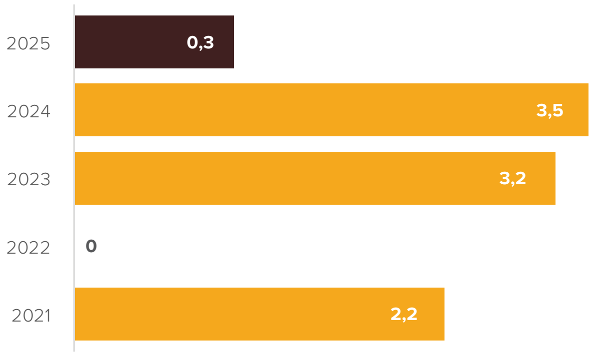


PROJECT PREPARATION

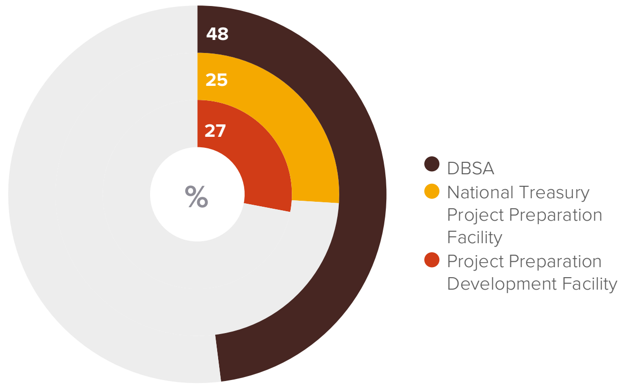
Value of funds catalysed for infrastructure delivery (R billion)



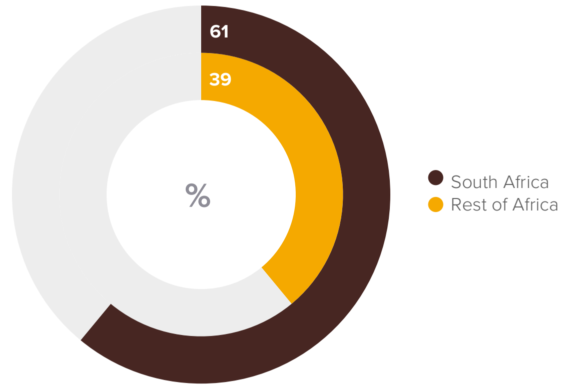
Value of projects for black-owned entities approved for project preparation funding (R billion)



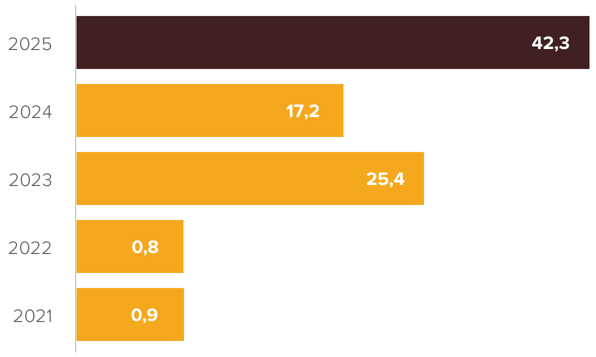
Project preparation pipeline: Commitments - by funder (%)



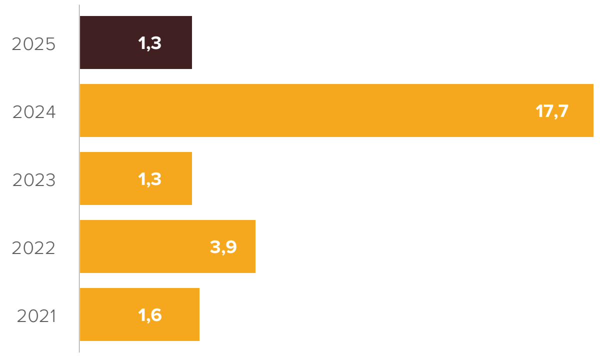
Project preparation pipeline - by geography (%)



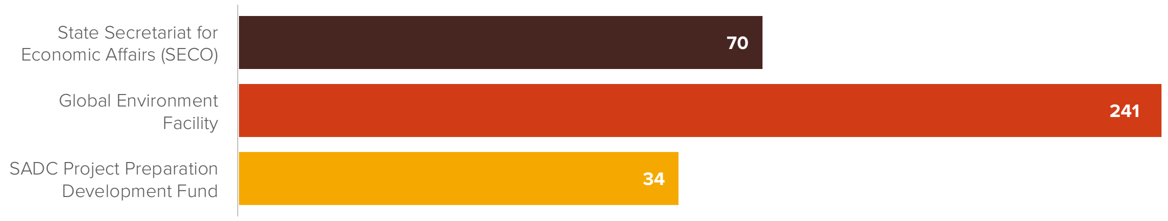
Value of projects approved and committed for funding by the DBSA (R billion)



Value of projects prepared but funded by third parties (R billion)

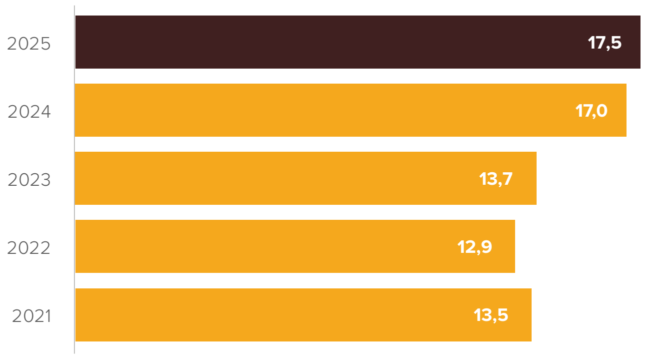


Third-party funds committed to deliver the DBSA's development mandate (R million)



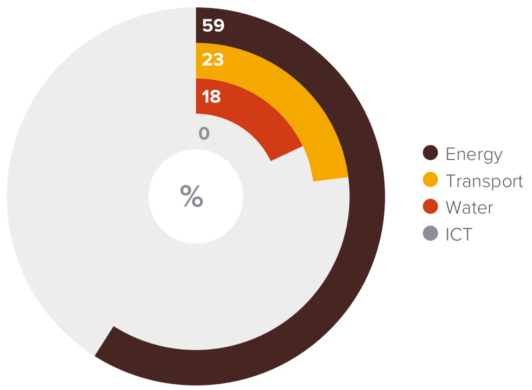
FINANCING

Total disbursements (R billion)

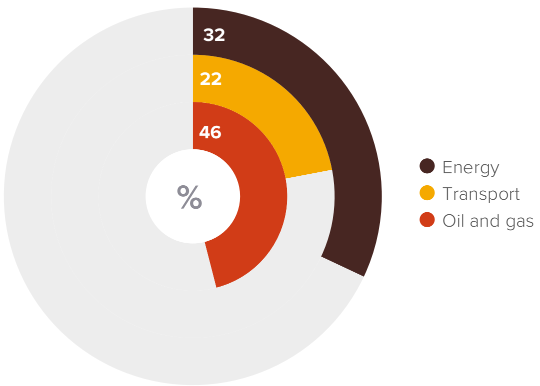


Total Disbursement sector split between South Africa and Rest of Africa

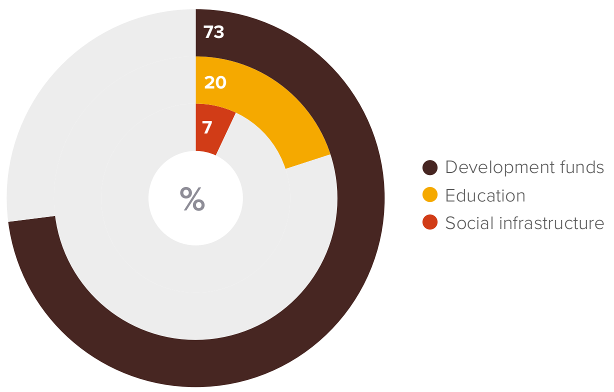
SA disbursements: primary sectors (R7.1 billion) - (%)



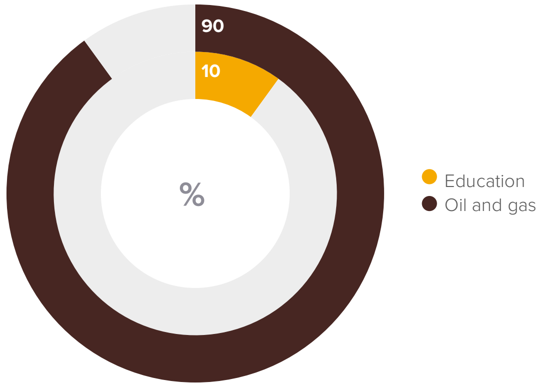
Rest of Africa disbursements (excl. RSA): primary sectors (R4.8 billion) - (%)



SA disbursements: secondary sectors (R737 million)

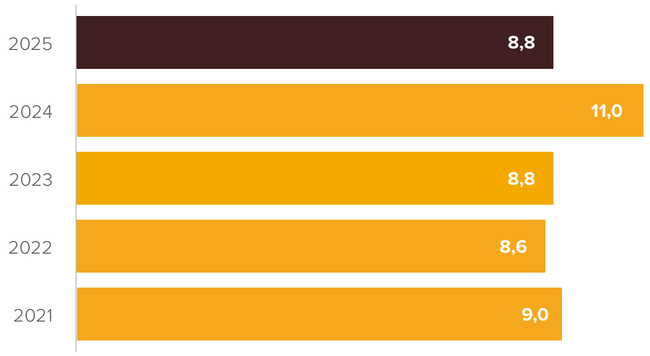


Rest of Africa disbursements (excl. RSA): secondary sectors (R2.5 billion)

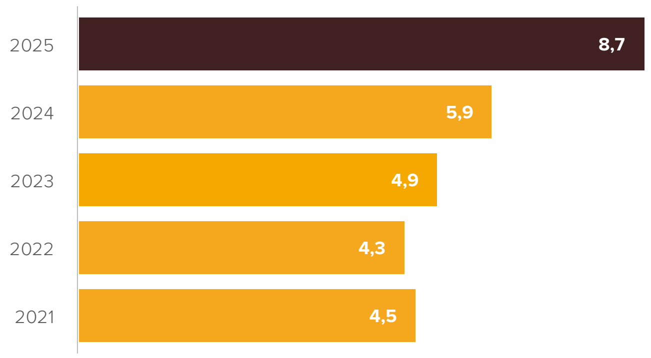


Although the rest of Africa loan book stood at 30% of the total exposure, 2025 saw an increase in the ROA disbursements which surpassed 50% of the total disbursements for the financial year. To drive more origination in South Africa in the future, we are planning to expand our customer base and diversify transaction sizes. In other South African-based activities, such as planning and infrastructure delivery in the municipalities and metros, our performance was also commendable.

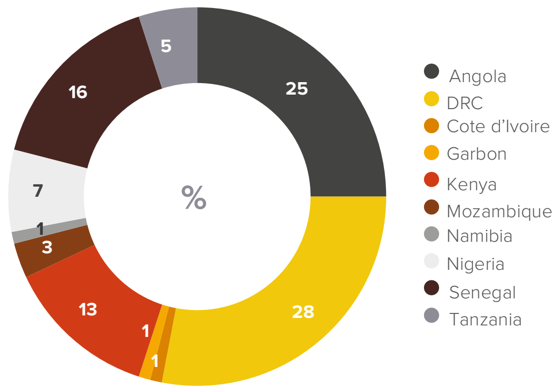
Total SA disbursements (R billion)



Total disbursements for the rest of Africa, excluding South Africa (R billion)

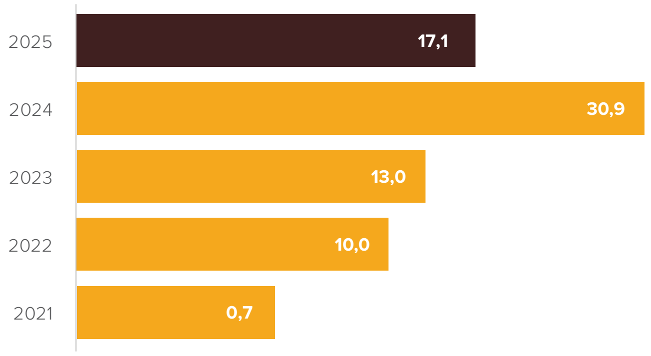


Rest of Africa disbursements per country, excluding South Africa (%)

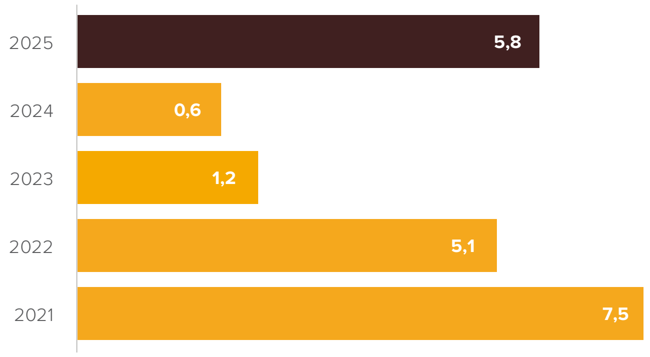


Third-party funding

Value of third-party funds catalysed in South Africa (R billion)



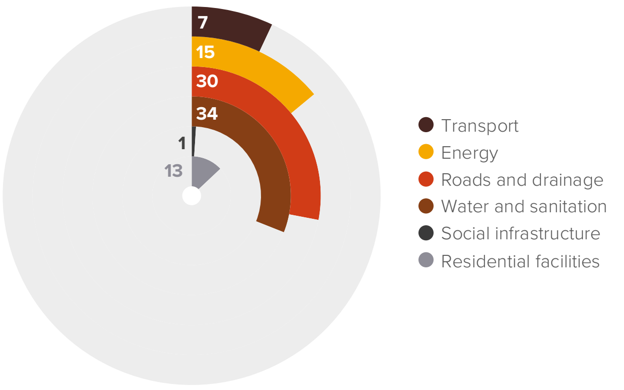
Value of third-party funds catalysed in the rest of Africa, excluding South Africa (R billion)



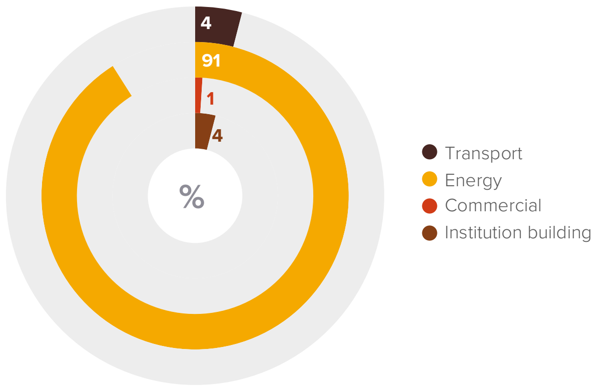
Overview of sectors supported

The DBSA collaborates with national, provincial and local governments and state-owned companies in South Africa to deliver against government priorities across sectors.

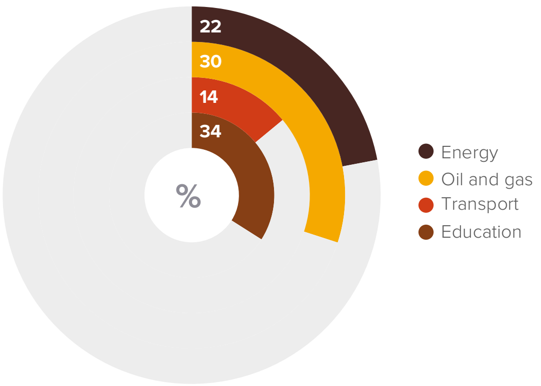
SA municipal disbursements per sector (%)



SA non-municipal disbursements per sector (%)



Rest of Africa disbursements, excluding RSA (%)



Municipal Infrastructure

Driving economic development and building capacity for our clients remains central to our mandate. This is why we continue to support municipalities: the primary providers of essential services. Strengthening the municipal sector is both a pressing challenge and a critical opportunity. Many South African municipalities face deep-rooted issues, including poor governance, limited capacity and financial constraints, vulnerabilities that are further exacerbated by climate change. As municipalities struggle to recover from climate-related shocks, our role in supporting their resilience and service delivery becomes even more vital.

The Integrated Municipal Approach focuses on directing resources toward non-financial support, such as revenue enhancement programmes and capacity-building through the establishment of programme management offices within municipalities. The initiative aims to partner with and support specific districts while diversifying the Bank's client base and product offerings through an updated municipal borrowing framework that includes capital market instruments and guarantees. It also seeks to accelerate the frontloading of municipal grants, promote PPPs and implement ring-fenced, off-balance-sheet financing structures. In addition, the approach pursues project finance opportunities and supports urban development programmes, both within South Africa and across the Rest of Africa.

During the year under review, we made meaningful progress on our Partner-a District-Programme, which aims to bolster municipal capacity and accelerate infrastructure development and service delivery at a local level in South Africa. The DBSA provides targeted financial and non-financial support, including project preparation, financing, implementation support and capacity building to selected district municipalities. This integrated approach aims to create a "one plan" for sustainable development, address historical backlogs and improve the quality of life for residents by facilitating crucial infrastructure projects in areas like water, sanitation, energy and roads. Through the programme, the DBSA has unlocked infrastructure to the value of R838 million, delivering 10% growth in infrastructure delivery, completed diagnostic assessments of 15 districts, secured approvals for key plans and is now preparing projects to support various municipalities. These efforts are unlocking infrastructure opportunities and laying the groundwork for long-term impact.

Infrastructure development is a key vehicle for job creation and the support and development of small, micro and medium enterprises (SMMEs) in project areas. Sustainable infrastructure goes beyond driving economic growth. It plays a vital role in improving the quality of life for every African.

The table below illustrates the DBSA's financial support provided to different municipal categories and highlights the Bank's commitment to infrastructure development across the municipal landscape, from the largest metros to smaller, under-resourced municipalities as well as non-financial planning support.

	2025	
R billion	Target	Actual
Top five metros	R2.6	R3.3
Small cities and intermediate cities	R0.5	R0.6
Total	**R3.1**	**R3.9**
Support to secondary and under-resourced municipalities:		
• Infrastructure unlocked to secondary and under-resourced municipalities through planning support	R1.8	R2.6
• Infrastructure unlocked in under-resourced municipalities (excluding the partnered municipal spaces)	R0.3	R0.8

Supporting under-resourced municipalities with infrastructure plans

Through its Planning Unit, the DBSA provides under-resourced municipalities and other qualifying clients with infrastructure planning support. Such infrastructure planning support includes, but is not limited to, the development of infrastructure master plans, sector plans, management plans for the reduction of non-revenue water and electricity and other asset management plans (e.g., operations and maintenance plans).

The support service draws on the annual Non-lending Development Subsidy budget, a capacity building and support grant. The value of infrastructure unlocked during the 2024/25 financial year is R2.5 billion compared to an annual target: of R1.8 billion. Unlocking these funds enables the municipalities to move forward with projects by accessing grant funding or sourcing other funding

Outcomes

Implementation support to municipalities (non-lending through infrastructure unlocking support)

	2025	2024
Number of households that received access to new and improved services in water, sanitation and electricity	323 869	420 872
Number of temporary jobs created	1 904	715
Kilometres of road completed	17.3	80.3
Number of infrastructure projects completed	6	4

Implementation support to municipalities (lending)

	2025	2024
Number of households that received access to new and improved services in water, sanitation and electricity	36 013	-
Number of temporary jobs created	24	-
Number of infrastructure projects completed	1	-

Economic Infrastructure

The DBSA continues to play a pivotal role in energy security on the continent through strategic investments across the energy sector. For the past four decades, the DBSA has consistently funded and championed renewable energy projects, which have boosted the region's capacity for clean energy and lessened its dependence on fossil fuels. This commitment involves robust support for energy transitions and dedicated financing for green projects throughout the region.

The DBSA is funding South Africa's largest wind farm, with the first phase of the Overberg Wind Farm project reaching financial close on 13 March 2025, marking a major milestone in South Africa's clean energy transition. Developed by Red Rocket, a leading independent power producer, the project will become the country's largest privately developed single wind farm, with a total export capacity of 380MW.

Under a long-term Power Purchase Agreement, Richards Bay Minerals (RBM), a subsidiary of the Rio Tinto Group, will procure 230MW—approximately 750GWh annually—helping to cut its greenhouse gas emissions by 30%, or 0.7 million tonnes of CO_2e per year. This transformative initiative, supported by DBSA, underscores our commitment to ensuring energy security while promoting inclusive economic growth. By investing in projects like Overberg, we are driving a Just Energy Transition, expanding access to clean, reliable power and supporting community upliftment through initiatives such as the Red Rocket Opportunity Trust.

Outcomes

	2025 target	2025 actual
Disbursements support activities		
Economic infrastructure	R5.4 billion	R3.8 billion

Total households anticipated to benefit from the projects based on signed commitments during the year

	2025	2024
Water (includes reticulation and provision of water)	51 681	77 809
Sanitation (includes reticulation and upgrading)	56 806	89 790
Energy (includes upgrading of substations and electrification of households)	51 834	10 471
Roads and drainage	26 236	70 988

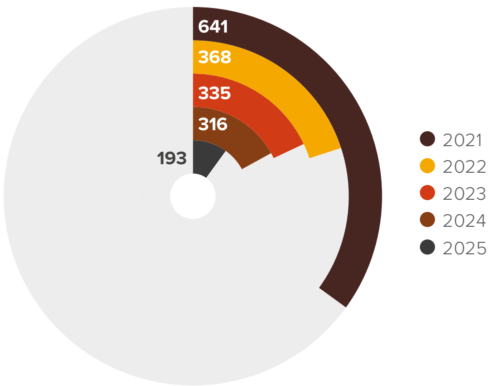
Rest of Africa

The Bank invests in critical infrastructure such as bridges, roads, stations, railways, terminals, airports and ports. These investments aim to strengthen Southern Africa's logistics network. Our support for the Lobito Corridor marks a key milestone. It drives economic growth and job creation in Angola and the DRC. The project aligns goals for sustainable development and regional cooperation.

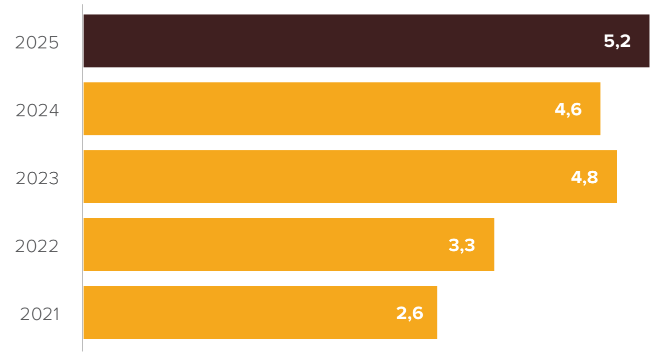
During the year, the Bank approved up to US$200 million in funding for the Lobito Corridor Railway Project in Angola, in partnership with the U.S. International Development Finance Corporation (DFC). Valued at around US$786.4 million, the project will link the Lobito Port on Angola's Atlantic coast to the DRC border. This strategic rail link will boost regional trade, enhance logistics and deepen economic connectivity. The corridor will facilitate the export of copper, cobalt and other critical minerals essential for the global energy transition. It will offer a cost-effective route to international markets and strengthen Africa's role in the clean energy value chain.

INFRASTRUCTURE DELIVERY DIVISION

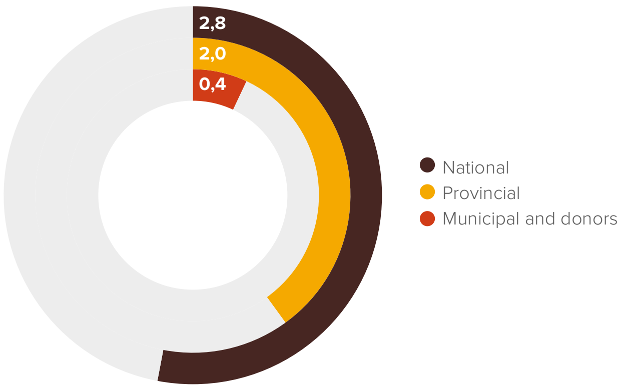
Number of projects completed



Value of infrastructure delivered (R billion)



2025 breakdown for infrastructure delivered (R billion)



Social Infrastructure

The DBSA supports the South African Government by funding and accelerating infrastructure projects in key social sectors, including education, health, human settlements and municipalities. This includes upgrading essential infrastructure and state facilities in collaboration with all levels of government. We also support critical national programmes such as the Accelerated Schools Infrastructure Delivery Initiative, the National Health Insurance and Ideal Clinic Programme and the National Human Settlements programmes. These efforts align with government priorities to augment social services and education facilities. The value of infrastructure delivered during the 2024/25 financial year is R5.2 billion compared to annual target of R5.6 billion (93% achievement).

	2025	
Mandate programmes	Target	Actual
Infrastructure delivered	R5.6 billion	R5.2 billion

Sphere of government	Sector	Number
National and provincial	Education	New = 17 Refurbishment = 10 School sanitation = 163
	Tourism	Refurbishment = 11
	Public works facilities	Maintenance = 1 Construction = 1
	Agriculture	Refurbishment = 3
	Health	Refurbishment = 2
	Parliament	Refurbished = 1
	Economic infrastructure	Refurbishment = 4
Municipal	Water (Wastewater Treatment Works)	Refurbishment = 1

	2025	2024	2023	2022	2021
Houses completed/refurbished	-	202	-	-	-
Health facilities	2	10	2	-	6
DBE COVID-19 mobile toilets in Eastern Cape and KwaZulu-Natal	-	-	-	237	55
Water, sanitation, fencing and modular structure at schools	11	1	40	6	-
New schools built	15	6	2	1	11
Schools refurbished	9	18	117	104	51
Number of Schools with newly constructed VIP toilets	165	189	177	237	68
Water, sanitation, fencing and modular structure at schools	12	-	38	6	-

Outcomes

	2025	2024
Learners benefiting from refurbished schools	5 757	14 755
Learners benefiting from newly built schools	7 623	4 375
Learners benefiting from new ventilated pit latrines	22 722	65 190
Learners benefiting from water, sanitation, fencing and modular structure at schools	1 974	-

Education

The DBSA's assistance to the education sector enhances educational infrastructure, elevates the quality of education and facilitates capacity building. This, in turn, catalyses social and economic development throughout the Southern African region.

Health

The DBSA plays a key role in implementing government priorities in the healthcare sector by working closely with the National Department of Health to deliver essential public health infrastructure and services. As the programme implementation agency, the Bank is overseeing the construction of four mega hospitals in Limpopo, which will collectively add 1,641 hospital beds to the province. This includes the Limpopo Central Hospital (LCH), a 488-bed academic hospital under construction in Polokwane, scheduled for completion in December 2026. In addition, several health facilities in the province have been upgraded with additional rooms and space to meet minimum functionality standards. These initiatives are supported through a partnership between the DBSA and the German development bank KfW, which also includes provisions for health counselling and testing services, strengthening the overall healthcare system in underserved areas.

Other Outcomes

Transformation Indicators

77%	Procurement spend on black-owned suppliers for IDD third-party fund
49%	Procurement spend on black women-owned suppliers for IDD third-party fund
R4.0 billion	Infrastructure projects delivered by B-BBEE entities

		2025	2024	2023	2022	2021
Job opportunities created	Number	6 695	9 269	9 951	9 230	8 190
SMMEs benefited	Number	956	1 308	1 524	1 543	1 031
Value of spend allocated to SMMEs and subcontractors	R million	584	615	785	914	611

	2025	2024
Number of local SMMEs and subcontractors that benefited	956	1 308
Anticipated direct and indirect construction jobs	21 075	17 578
Anticipated direct and indirect operational jobs	6 711	3 906

INFRASTRUCTURE FUND

Project and programme overview

Since its inception over four years ago, the IF and its partners have achieved remarkable progress in infrastructure financing. The IF has been entrusted by project sponsors with packaging and financing 26 blended finance projects, representing a combined capital value of R102 billion. These initiatives span sectors such as water and sanitation, human settlements, student accommodation, transport, health and municipal energy, with notable projects including:

- Human Settlements: Projects like Goodwood Station, Hospital Street, Midrand Heights and Lufhereng Mixed Use Development, totalling R8.7 billion.
- Water and Sanitation: Initiatives like uMkhomazi and Olifants Management Model (Phases 2B, 2B+, 2D and 2F), eThekwini Non-Revenue Water and Moretele North Klipvoor schemes, totalling R51.2 billion.
- Transport: Key projects such as the six Ports of Entry Public-Private Partnership, Ukuvuselela and Cape Town Container Terminal Expansion, totalling R19 billion.
- Student Accommodation: A suite of 10 projects across universities and TVET colleges, totalling R6.7 billion.
- Health and Municipal Energy Public-Private Partnerships: Including Tygerberg Hospital and City of Johannesburg's Alternative Waste Treatment project, totalling R16.1 billion.

These projects are in partnership with various project sponsors, including the Departments of Home Affairs, Human Settlements, Water and Sanitation and Higher Education and Training, along with municipal authorities and water boards.

Blended finance and private sector investment

The 26 blended finance projects have attracted R37 billion over a four-year period from the R100 billion allocated by National Treasury through the Budget Facility for Infrastructure (BFI) for the IF. This funding includes innovative instruments such as first-loss capital, concessional loans, credit enhancements, tariff and interest subsidies and viability gap funding, all designed to enhance the projects' bankability. Complementing this are R54.8 billion in private sector contributions and R6.7 billion in public equity.

Socio-economic and developmental impact

The financial and economic outcomes of the 26 projects demonstrate positive net present values, ensuring that benefits for both investors and society are maximised. The socio-economic impact is significant, with initiatives such as the Ports of Entry project generating regional economic benefits valued at R67 billion and national benefits valued at R29 billion. Projects like Goodwood Station, Lufhereng and the Olifants Management Model Programme (OMMP) are under construction, demonstrating substantial advancement and early-stage economic disbursements.

IF and DBSA partnership in project development

The DBSA provides operational support to the IF. In addition to corporate support, the Bank plays a critical role in derisking and enabling bankability of project thereby providing project preparation servicing programme management support to the IF in the development and implementation of projects and programmes. The suite of services includes technical assessment, coordination of due diligence and programme management up to financial close.

Sector-specific project highlights and DBSA's role

The IF collaborates with DBSA's Project Preparation Division on key projects such as Goodwood Station, eThekwini Non-Revenue Water, OMMP, the 6 Ports of Entry PPP and various student accommodation projects, with a combined capital cost of R18 billion. Potential DBSA's and market participants' financing extend across the IF project pipeline, offering a substantial investment opportunity for the market, totalling approximately R55 billion.

In addition, the DBSA Board has approved bridge facilities, including R1 billion for Project Ukuvuselela and R5 billion for the OMMP, with the IF and Project Preparation Division collaborating on funding support for transaction advisors on projects such as the Ports of Entry, Ukuvuselela and the Alternative Waste to Energy Treatment projects. DBSA's Climate Finance Unit also contributed R510 million in concessional funding to ensure the viability of the AWTT project.

KEY PROJECTS APPROVED IN 2024/25 FINANCIAL YEAR

Project Ukuvuselela

Transnet is leading an initiative to restore the operational capacity of rail infrastructure to accommodate growing volumes in the automotive industry. The project is expected to deliver several economic benefits, including lower logistics costs, reduced environmental harm, less damage to road infrastructure due to lower congestion and increased foreign direct investment.

Value: R7.0 billion

Non-revenue water Project, eThekwini

A pilot project to reduce water losses in targeted areas, with the Water Partnership Office collaborating on funding and procurement.

Value: R1.1 billion

Alternative wastewater treatment technology

A City of Johannesburg initiative focused on managing solid waste and producing renewable energy from municipal waste. The project supports job creation and contributes to emissions reduction.

Value: R5.74 billion

Olifants management model programme Phase 2D and 2F

An Infrastructure expansion to provide water to commercial and institutional users, including new pipelines and water treatment facilities.

Value: R7.0 billion

05

Building Resilience and Creating Value

FINANCIAL CAPITAL

The DBSA is committed to attaining financial sustainability by focusing on income growth, expanding the balance sheet and optimising costs. Meeting disbursement and credit extension targets is crucial for the Bank's financial sustainability, directly impacting the asset base, which must outpace or match the rise in operating costs for long-term viability. Achieving credit extension objectives also signals the anticipated development impact.

Key strategies for financial sustainability involve growing high quality and profitable disbursements, creating more self-originated disbursement opportunities and enhancing operational efficiencies through cost optimisation. Financial Capital aligns with the Financial Sustainability and Accelerated Development Impact strategic goals.

KEY RESOURCES AND RELATIONSHIP

	2025	2024
Capital and reserves	R57.9 billion	R52.0 billion
Financial market liabilities	R60.8 billion	R63.7 billion
Cash generated from operations	R6.8 billion	R5.4 billion

VALUE CREATED FOR STAKEHOLDERS IN FY2024/25

	2025	2024
Total assets	R121 billion	R118 billion
Net profit	R5.3 billion	R4.6 billion
Cash generated from operating activities	R6.8 billion	R5.4 billion
Training and development spend	R30.3 million	R16.5 million
Total disbursements to five metros, small metros and intermediate cities	R3.9 billion	R4.6 billion

Stakeholders impacted

- Internal stakeholders
- Financial Sector
- Investors and partners and other providers of funding
- Government
- Clients

Material Issues

- Cost of funding
- Country/Sovereign risk

KEY FINANCIAL INDICATORS

		2025	2024	2023	2022	2021
Financial position (R million)						
Cash and cash equivalents		15 018	10 804	6 166	7 990	8 979
Financial market assets[1]		833	503	424	903	1 206
Investment in development activities[2]		104 280	106 225	101 031	90 305	89 037
Other assets		861	783	943	811	826
Total assets		**120 992**	**118 315**	**108 565**	**100 028**	**100 048**
Financial market liabilities[3]		60 864	64 171	59 082	55 570	59 492
Other liabilities		2 185	2 103	1 850	1 547	1 405
Total liabilities		**63 049**	**66 274**	**60 932**	**57 117**	**60 897**
Total equity		**57 943**	**52 041**	**47 633**	**42 911**	**39 150**
Financial performance (R million)						
Interest on development loans		12 156	11 763	9 614	8 414	7 806
Interest on investments		1 293	1 190	1 066	564	535
Total interest received		**13 449**	**12 953**	**10 680**	**8 978**	**8 341**
Interest expense		5 069	5 240	4 162	3 186	3 449
Net interest income		**8 380**	**7 712**	**6 518**	**5 792**	**4 891**
Operating income[4]		8 776	8 175	6 951	6 069	5 137
Operating expense[5]		1 615	1 489	1 312	1 307	1 154
Sustainable earnings/(loss)[6]		**5 125**	**4 509**	**4 215**	**3 610**	**2 316**
Profit for the year		**5 319**	**4 649**	**5 210**	**3 825**	**1 423**
Financial ratios						
Total capital and reserves to development loans	%	59.0	52.4	50.8	51.0	47.3
Long-term debt/equity (excluding callable capital)	%	105.1	123.4	124.1	129.6	152.1
Debt/equity (including callable capital)[7]	%	78.1	89.1	87.4	88.4	100.7
Cash and cash equivalents to total assets	%	12.4	9.1	5.7	8.0	9.0
Total capital and reserves to assets	%	47.9	44.0	43.9	42.9	39.1
Financial market liabilities to investment in development activities	%	58.4	60.4	58.5	61.5	66.8
Non-performing book debt as a % of gross book debt	%	4.2	4.5	3.8	4.7	7.7
Return on average total equity	%	9.7	9.3	11.5	9.3	3.7
Return on average total assets	%	4.4	4.1	5.0	3.8	1.4
ROE based on sustainable earnings	%	9.3	9.0	9.3	8.8	6.0
Interest cover	Times	2.7	2.5	2.6	2.8	2.4
Net interest income margin[8]	%	7.3	7.2	6.6	6.2	5.3
Cost-to-income ratio	%	22.0	21.0	23.5	23.7	25.4

Key:

1. Financial market assets include investment securities and derivative assets held for risk management purposes.
2. Development activities include development loans, development bonds and equity investments.
3. Financial market liabilities comprise medium- to long-term funding debt securities, medium- to long-term funding lines of credit, funding under repurchase agreements and derivative liabilities held for risk management
4. Operating income excludes net foreign exchange gain/(loss), net gain/(loss) from financial assets and liabilities and impairments.
5. Operating expense comprises personnel expenses, general and administration expenses and depreciation.
6. Sustainable earnings/(loss): net profit/(loss) before adjustments to foreign exchange movements and revaluations of financial assets and liabilities but includes revaluations on equity investments.
7. Measure includes R20 billion callable capital.
8. This ratio is calculated as net interest income (interest income less interest expense) as a percentage of average interest-bearing assets

CFO REPORT

The DBSA delivered a record net profit of over R5.3 billion, a sizable increase from the previous year's R4.6 billion. This strong performance reflects the Bank's ability to strategically navigate a complex and shifting operating environment.

For much of the financial year, domestic conditions were relatively supportive. The South African economy showed early signs of recovery, with some relief from loadshedding and a decline in interest rates. However, towards year-end, rising global uncertainties, driven by trade tensions and the prospect of tariffs, contributed to a weakening of the Rand and inflationary pressures. The Bank's ability to generate exceptional financial results amidst such volatility underscores its financial resilience and disciplined approach to managing interest rate and macroeconomic risks.

While the DBSA achieved notable growth in lending activities, exceeding disbursement target by R3 billion, the gross development loans grow marginally due to significant capital repayments and the impact of foreign exchange losses. The Bank received capital repayment of R16.3 billion and the strengthening of the Rand against hard currencies resulted in R860 million losses on the Bank's foreign currency-denominated assets. As a result, despite increased lending, the Bank's development loans book remained fairly flat.

The DBSA continued to attract strong investor confidence during the year. Its bond issuance programme was oversubscribed by a factor of eight, reflecting positive market sentiment and trust in the Bank's financial stability, even amidst broader concerns around state-owned entities. The DBSA has successfully attracted new international lenders from a range of markets beyond South Africa, reflecting growing confidence in the Bank within the global financial community. This diversification of funding sources enhances the DBSA's fundraising capacity, supports asset growth, strengthens strategic partnerships and positively impacts the income statement and overall institutional reputation. It reinforces the DBSA's position as a preferred state-owned entity for investment and bolsters the resilience of its funding base.

LEVERAGING FINANCIAL STRENGTH FOR GREATER IMPACT

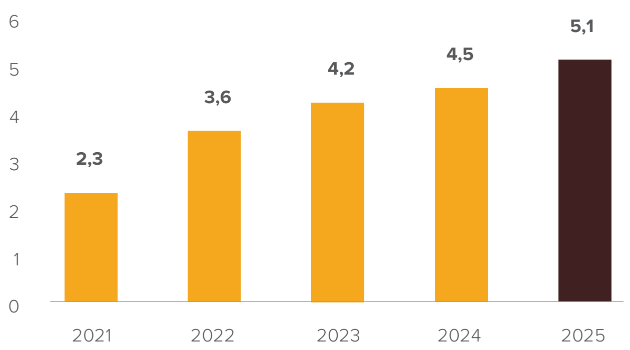
Statement of financial performance for the year ended 31 March 2025

in thousands of rands	2025	% change	2024
Interest income calculated using the effective interest rate	13 247 545		12 773 775
Other interest income	201 194		178 874
Total interest income	**13 448 739**	**4%**	**12 952 649**
Interest expense calculated using the effective interest rate	(5 068 902)	-3%	(5 239 703)
Total Net Interest Income	**8 379 837**	**9%**	**7 712 946**
Net fee income	356 690	-5%	376 019
Other operating income	39 115	-55%	86 138
Non-interest revenue	**395 805**	**-14%**	**462 157**
Operating income	**8 775 642**	**7%**	**8 175 103**
Depreciation and amortisation	(42 749)	0%	(42 571)
Development expenditure	(261 701)	35%	(193 656)
Grants	(40 529)	58%	(25 628)
Impairment losses	(1 500 776)	5%	(1 428 311)
Personnel expenses	(1 080 755)	8%	(996 677)
Project preparation expenditure	(15 092)	69%	(8 922)
Revaluation of development loans – unrealised	(1 726)	-97%	(55 984)
Revaluation of equity investments – unrealised	(215 450)	-54%	(464 346)
Other expenses	(491 380)	9%	(449 851)
Sustainable profit	**5 125 484**	**14%**	**4 509 157**
Net foreign exchange gains	(55 477)	-143%	128 498
Net revaluation of financial instruments	248 910	2134%	11 144
Profit from operations	**5 318 917**	**14%**	**4 648 799**

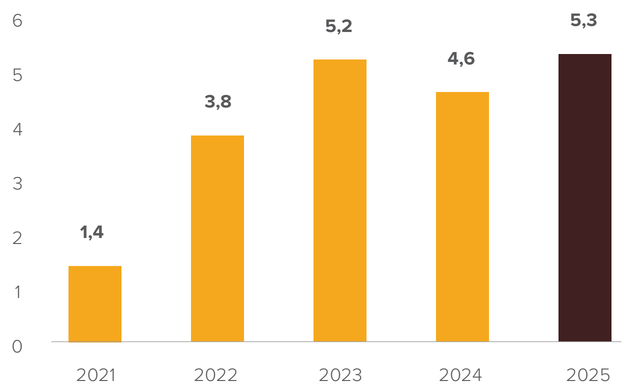
Profitability

The Bank achieved a record net profit growing it by 14% year-on-year from R4.6 billion in 2024, to R5.3 billion in the year under review. Sustainable earnings rose by 14% to R5.1 billion (2024: R4.5 billion).

Sustainable earnings (R billion)



Net profit (R billion)

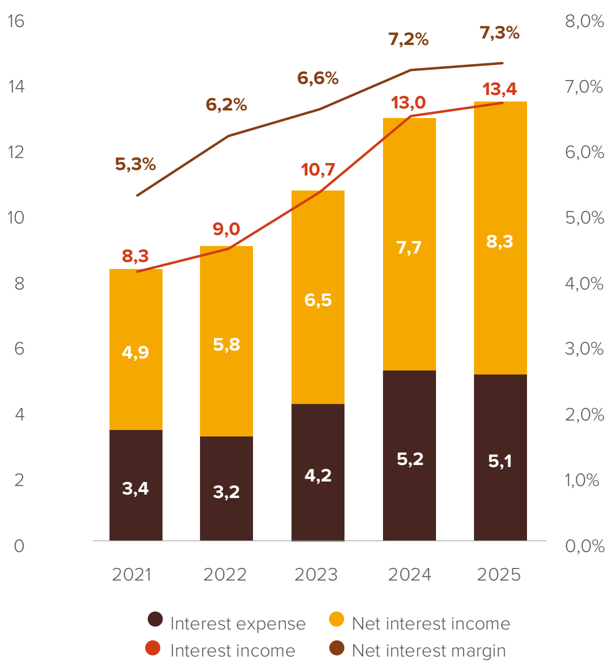


Net interest income management

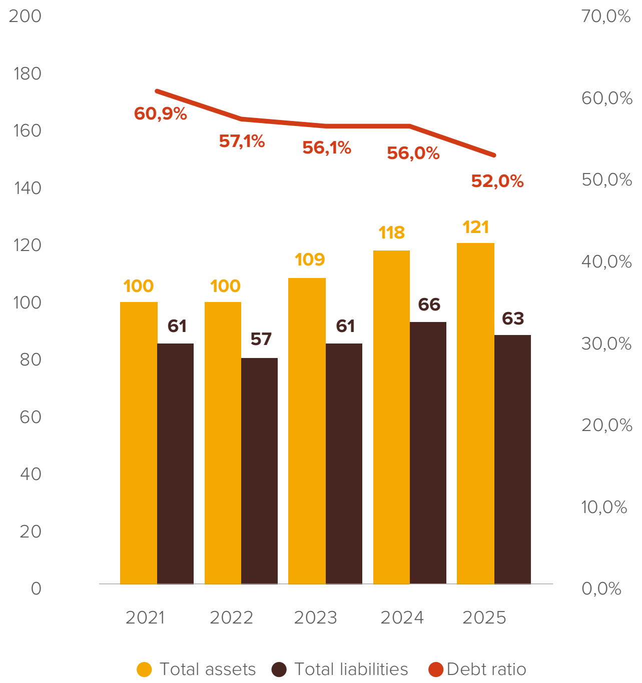
The recent formation of the GNU and improved political stability contributed to declining interest rates toward the end of the financial year. While lower rates are generally positive for the economy, they can impact the DBSA's interest income. However, the Bank's proactive interest rate management strategy proved effective. Anticipating a downward shift in the cycle, the DBSA hedged parts of its loan book, particularly exposures earning higher interest rates, to protect future income.

On the liability side, lower rates also resulted in reduced interest expenses, further supporting the Bank's financial performance. This balanced approach to interest rate risk management helped stabilise net interest margins and ensured the Bank remained resilient in a shifting rate environment.

Net interest margin on interest-bearing assets (R billion)



Debt ratio (R billion)



Cost optimisation and efficiency

The Bank effectively managed operating costs within the intended levels, achieving a cost-to-income ratio of 22% (compared with 21% in 2024). Despite the increased operational activity, the Bank was able to maintain a stable growth in overall operating costs to R1.6 billion (2024: R1.5 billion).

BALANCE SHEET STRENGTHENING

Statement of financial position as at 31 March 2025

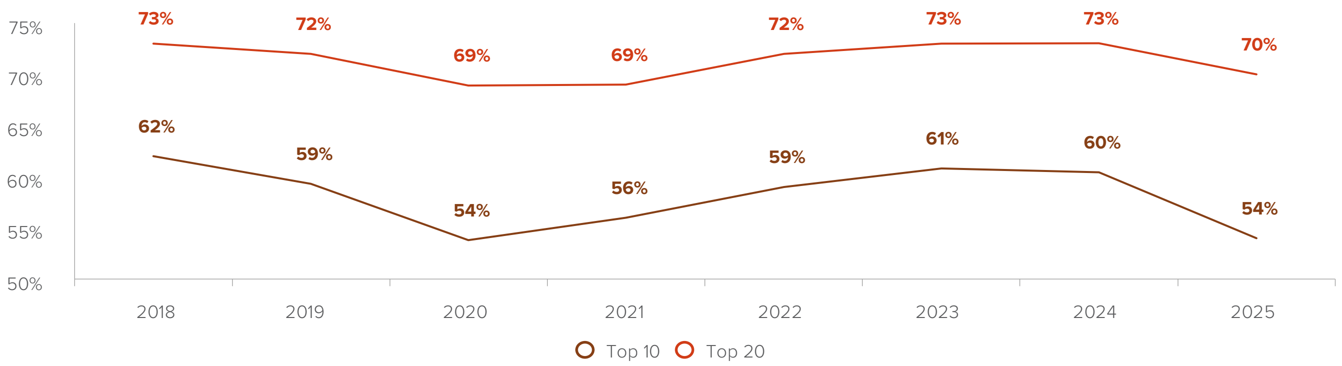
in thousands of rands	2025	% change	2024
Assets			
Cash and cash equivalents at amortised cost	15 017 755	39%	10 803 772
Trade receivables and other assets	320 172	34%	238 723
Investment securities	608 667	23%	493 175
Derivative assets held for risk management purposes	223 981	2247%	9 545
Other financial assets	38 534	3%	37 534
Development loans held at fair value through profit or loss	12 877	-38%	20 784
Equity investments held at fair value through profit or loss	4 581 600	-5%	4 808 783
Development bonds at amortised cost	1 542 364	-25%	2 065 754
Development loans at amortised cost	98 142 797	-1%	99 329 694
Property, equipment and right of use of assets	450 485	-1%	456 060
Intangible assets	52 794	3%	51 051
Total assets	**120 992 026**	**2%**	**118 314 875**
Equity and liabilities			
Liabilities			
Trade, other payables and accrued interest on debt funding	1 280 726	-2%	1 309 114
Repurchase agreements at amortised cost	-	100%	1 194 651
Derivative liabilities held for risk management purposes	94 578	-80%	476 741
Liability for funeral and post-retirement medical benefits	47 184	-2%	47 984
Debt funding held at amortised cost	60 769 422	-3%	62 499 696
Provisions and lease liabilities	154 175	-8%	167 548
Deferred income	702 447	21%	578 495
Total liabilities	**63 048 532**	**-5%**	**66 274 229**
Equity			
Share capital	200 000	0%	200 000
Retained earnings	43 879 498	16%	37 865 501
Permanent government funding	11 692 344	0%	11 692 344
Reserve for general loan risk	2 379 260	-13%	2 731 790
Other reserves	182 392	-141%	(448 989)
Total equity	**57 943 494**	**11%**	**52 040 646**
Total liabilities and equity	**120 992 026**	**2%**	**118 314 875**

Development loans

Delivering on disbursement targets

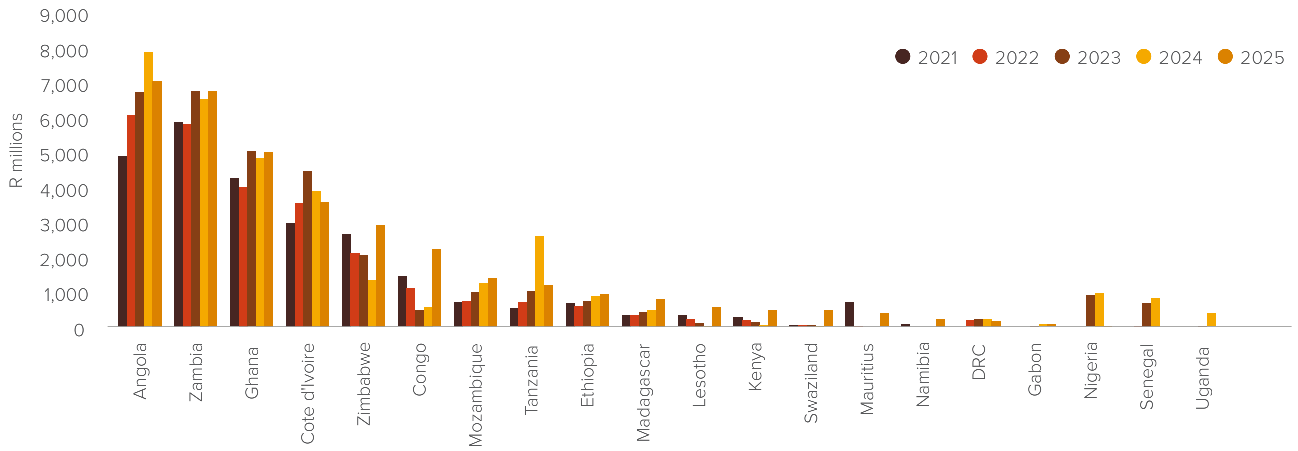
The Bank achieved disbursements of R17.5 billion, exceeding its target by R3 billion. However, the development loans decreased by 1% compared to the prior year, mainly due to significant capital repayments of R16.3 billion and a further foreign exchange translation loss of R0.8 billion on foreign currency-denominated loans.

Top 10 and top 20 clients as a percentage of the total book



The top 10 and top 20 exposures comprised 54% (2024: 60%) and 70% (2024: 73%) of the total loan book respectively, in the year under review.

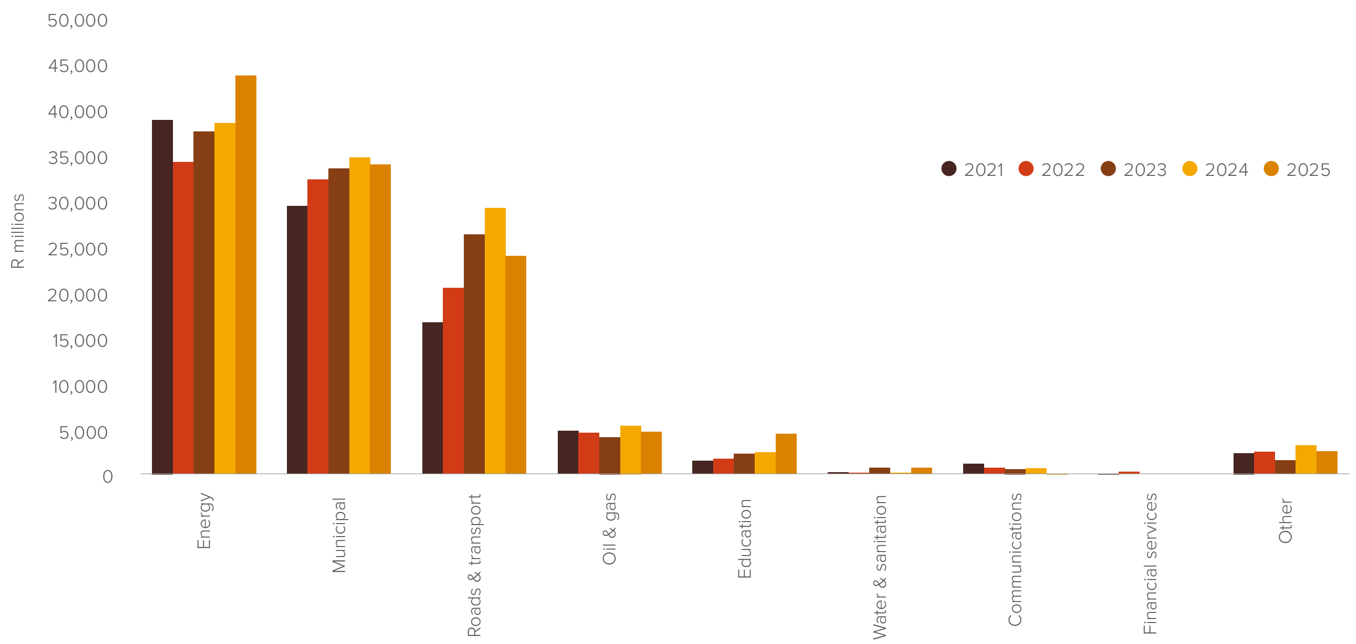
Country exposures (excluding South Africa)



The Bank's total exposure outside South Africa increased to R34.4 billion (2024: R32.5 billion). Zambia, Angola and Cote d'Ivoire constituted 55% (2024: 59%) of the Rest of Africa exposure, while there was a noticeable increase in the Senegal and Kenya book. The other countries exposures remained fairly constant over the year.

In the Rest of Africa portfolio, the Bank faces ongoing challenges related to sovereign exposures in Zambia, Ghana and Ethiopia, all of which are currently undergoing debt restructuring under IMF programmes. While these exposures, particularly to Zambia, are being closely monitored, they did not materially affect the financial results for the year under review. The DBSA is actively engaged in negotiations to finalise the restructuring terms in these countries, with outcomes to be reflected in future reporting periods.

Exposure by sector



The Bank's exposure to the energy sector (excluding municipalities) increased to R43 billion, representing 40% of the total portfolio (2024: R38 billion, representing 34% of the total portfolio). In the year under review, the direct loan exposure to municipalities (excluding bonds) decreased to R34 billion (2024: R35 billion). Exposure to the roads and transport sector also decreased to R24 billion (2024: R29 billion).

Mitigating the risk of non-repayments and quality of the loan book

Loan repayments are a critical component of the DBSA's financial and operational sustainability. The development loan book continued to show its strength and quality, with 48.2% (2024: 49.3%) of the book in stage 1 and 47.7% (2024: 46.1%) in stage 2. The development loans in stage 3 decreased to 3.2% (2024: 4.0%) of the gross development loan book which amounts to R3.7 billion (2024: R4.5 billion), while POCI loans increased to 0.9% (2024: 0.6%) of the gross development loan book which amounts to R1.0 billion (2024: R0.6 billion). The total balance sheet provision for expected credit losses increased to R14.9 billion (2024: R13.7 billion). Provisions against stage 3 loans decreased to R2.5 billion (2024: R3.0 billion) in line with the decrease in the loans in stage 3. However, the stage 3 coverage ratio increased to 67.2% (2024: 66.2%). Provisions against stages 1 and 2 increased to R11.8 billion (10.9% of the stage 1 and 2 book), compared to R10.4 billion (9.6% of the stage 1 and 2 book) in 2024.

Liability management and liquidity enhancement

The Bank's funding liabilities decreased by 5.2% to R60.9 billion (2024: R64.2 billion). This resulted in the debt-to-equity ratio (including callable capital) improving to 78.1% (2024: 89.1%), mainly attributable to the settlement of funding liabilities. The debt-to-equity ratio is well below the 250% as prescribed by the DBSA Act.

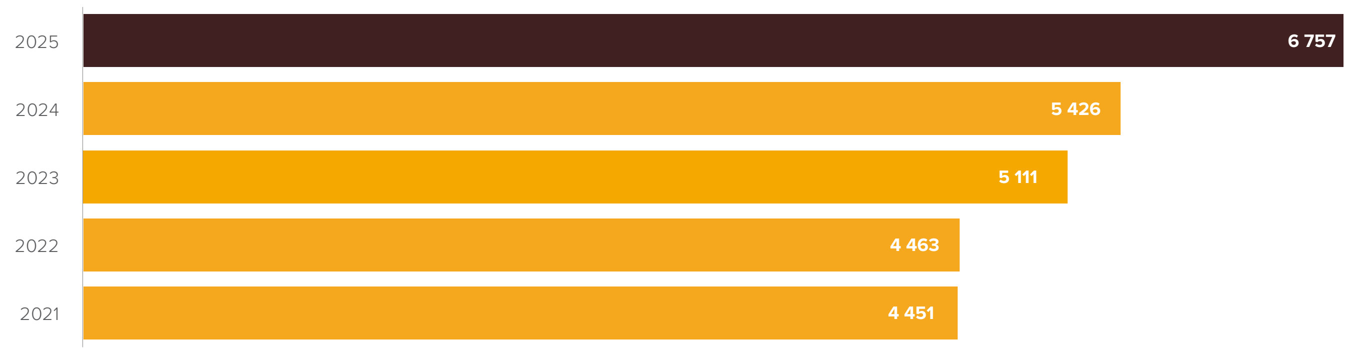
CASH MANAGEMENT

Statement of cash flows for the year ended 31 March 2025

in thousands of rands	2025	% change	2024
Net loss adjusted for non-cash items and items separately disclosed	(1 120 975)		(1 609 682)
Interest received	12 334 755		11 493 312
Interest paid	(4 466 942)		(4 511 413)
Dividends received	10 959		54 138
Net cash generated from operating activities	**6 757 797**	**25%**	**5 426 355**
Development loan disbursements	(16 335 489)		(16 929 895)
Development loan principal repayments	16 336 907		13 016 359
Equity investments disbursements	(166 324)		(24 165)
Equity investments repayments	44 092		97 465
Development bonds repayments	585 334		83 333
Grants, development and project preparation expenditure paid	(317 323)		(210 886)
Increase in deferred income	134 309		43 097
(Increase)/decrease in advances to National Mandates	(82 948)		108 188
Net cash generated from/(used in) development activities	**198 558**	**-105%**	**(3 816 504)**
Net cash generated from operating and development activities	**6 956 355**	**332%**	**1 609 851**
Purchase of property and equipment	(20 591)		(37 722)
Proceeds from disposal of property and equipment	235		453
Purchase of intangible assets	(21 370)		(5 447)
Acquisition of financial market assets	(160 067)		(158 407)
Net cash utilised in investing activities	**(201 793)**	**0%**	**(201 123)**
Gross financial market liabilities repaid	(13 208 594)		(10 364 080)
Gross financial market liabilities raised	10 792 315		13 380 273
Dividend paid	(48 295)		-
Net cash (utilised by)/generated from financing activities	**(2 464 574)**	**-182%**	**3 016 193**
Net increase in cash and cash equivalents	**4 289 988**	**-3%**	**4 424 921**
Effect of exchange rate movement on cash balances	(76 005)		212 782
Movement in cash and cash equivalents	**4 213 983**	**-9%**	**4 637 703**
Cash and cash equivalents at the beginning of the year	10 803 772		6 166 069
Cash and cash equivalents at the end of the year	**15 017 755**	**39%**	**10 803 772**

At year-end, the DBSA's cash reserves were significantly higher than in previous years, a result of both strong investor demand and a deliberate strategy to build a financial buffer against ongoing global economic uncertainty. This prudent approach reflects the Bank's anticipation of potential volatility over the next two years, including geo-political risks and their possible impact on sovereign clients, many of whom depend on external aid to balance national budgets. The elevated cash position underscores the DBSA's disciplined financial management and its awareness of the interconnected risks facing the economies it supports.

Cash generated by operating activities (R million)



CYBER RISK

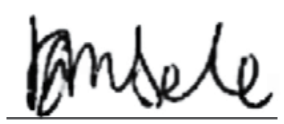
The DBSA recognises the growing threat of cyber risks and has implemented robust mitigation measures to strengthen its digital environment. While no system is entirely immune, the Bank has taken proactive steps to harden its infrastructure, improve real-time monitoring and enhance threat detection capabilities. A specialised service provider has been engaged and all recommendations from a recent cybersecurity forensic report have been implemented to ensure the Bank's systems remain secure and resilient.

DIGITAL TRANSFORMATION

Aligned with the Decadal Strategy, the DBSA is advancing several strategic initiatives including digital transformation. The digital transformation projects are designed to improve operational efficiency, enhance service delivery and future-proof the Bank's infrastructure to support its long-term development mandate.

GRATITUDE

We extend our sincere appreciation to all our stakeholders for their continued partnership and support throughout the year. We are especially grateful to the National Treasury for its ongoing guidance and commitment to sound governance. Our thanks also go to the Board, investor community, strategic partners, clients and colleagues, your dedication and collaboration remain vital to the DBSA's mission of advancing inclusive growth and sustainable development across Africa. Your support drives our progress and strengthens our resolve to continuously improve and evolve.



Ms Ntombizodwa Mbele
Chief Financial Officer

TREASURY AND BALANCE SHEET MANAGEMENT REVIEW

FUNDING

During the financial year under review, DBSA demonstrated resilience and adaptability in a challenging operating environment characterised by geopolitical risks, trade tensions and the shift from unilateralism to multilateralism. Despite these headwinds, the Bank maintained strong access to funding at competitive rates, while strategically expanding its investor base by engaging new lenders.

Our proactive and diversified funding strategy ensured that DBSA effectively navigated market volatility, securing funding from a broader spectrum of lenders. This included bilateral funding from international Development Finance Institutions (DFIs) and commercial banks, of approximately R4.3 billion and R3.2 billion respectively. Notably, a bulk of new funding from DFIs is earmarked for transmission infrastructure to advance the Bank's Just Transition agenda.

This strategic approach resulted in a strong cash position of R15 billion at the financial year-end. Investor confidence in DBSA's financial strength and developmental mandate was further evidenced by the outstanding performance of our October 2024 auction, with a record bid-to-cover ratio, which is comparable to that of leading commercial banks.

DBSA's funding strategy remained focused on cost optimisation and prudent risk management. The issuance of R1.2 billion bonds and a listed private placement of R2 billion were issued at market rates. Despite the domestic bond issuance being lower in recent years, the Domestic Medium Term Note (DMTN) programme remained a critical funding source. By year-end, R5.4 billion in JSE-listed bonds were redeemed, leaving an outstanding balance of R12.4 billion under the DMTN programme.

DBSA's robust balance sheet and prudent financial management were further validated by S&P's decision to revise the outlook from stable to positive, reflecting increased confidence in the credit profile. This positive outlook is a testament to the strength of DBSA's governance and sustained investor confidence. This augurs well for continued access to competitive funding.

CREDIT RATINGS

The Bank's credit ratings as at the end of the financial year are summarised in the table below:

Agency	Issuer Rating Type	Short Term	Long Term	Outlook
Moody's	Global Issuer	NP	Ba3	Stable
	National Scale	P-1.za	Aa3.za	N/A[1]
Standard & Poor's	Foreign Currency Global	B	BB-	Positive
	Local Currency Global	B	BB	Positive

[1] *Moody's national scale ratings do not carry outlooks.*

ASSET AND LIABILITY MANAGEMENT

Market risk management in the Bank is centralised in the Treasury and Balance Sheet Management Division. Market risk is governed by the interest rate, currency and liquidity risk policies.

Interest Rate Risk Management

The Bank's primary interest rate risk management objective is to protect its net interest income (NII) from adverse impact due to fluctuations in interest rates. Limits are set with respect to NII sensitivity using the 12-month cumulative re-pricing gap. As of 31 March 2025, the Bank had a positive 12-month cumulative re-pricing gap (i.e., asset sensitive). In a scenario where there is a shift of 100 basis points upward (or downward) in short term rates, the resultant increase (decrease) in net interest income over the projected 12-month period would be R222 million. The Bank achieves its desired interest rate profile through the use of interest rate swaps. As of 31 March 2025, the interest rate swap portfolio stood at a total notional amount of R19.8 billion.

Currency Risk Management

The Bank's primary currency risk management objective is to protect the balance sheet against the impact of adverse exchange rate movements. Hedging of currency exposures is achieved either naturally through offsetting assets and liabilities in the respective currencies of operation or through using currency derivatives. As a result, as of 31 March 2025, there were R1.26 billion open currency derivative transactions, with the currency risk largely offset through natural matching of assets and liabilities across the various currencies.

Liquidity Risk Management

The Bank's liquidity risk management policy requires the maintenance of prudential liquidity levels higher than or equal to 10% of the Bank's outstanding debt. In addition, the Bank adopted the Basel recommended liquidity risk metrics such as the Liquidity Coverage Ratio and the Net Stable Funding Ratio as part of its liquidity risk management. Total liquidity as of 31 March 2025 was R15.6 billion (March 2024: R11.1 billion), which included cash of R 15 billion (March 2024: R10.8 billion), investments in segregated money market funds of R332 million (March 2024: R305 million), government bonds of R 300 million (March 2024: R nil million). The Bank uses cash flow forecasts and cumulative maturity gap analysis to assess and monitor its liquidity requirements and risk levels over the medium and long term.

CAPITAL MANAGEMENT

The Bank's capital adequacy is regulated by the DBSA Act, according to which the debt-to-equity ratio may not exceed 250%. Given that this simple leverage ratio does not take into account the risks on the balance sheet, as an enhancement to its capital management, the Bank voluntarily adopted the Basel-based capital framework. The Bank's capital management policy, therefore, requires the quantification of risk-weighted assets for Pillar 1 risks: credit risk, equity investment risk, market risk and operational risk. The Bank has acquired and implemented the necessary systems that enable it to quantify the risk-weighted assets and the required capital according to Basel minimum capital requirements. This initiative is still under development with the Bank having started to use this framework across various internal processes such as the risk limit framework, capital adequacy assurance and capital forecasting.

At this stage an internal measure which is not subjected to external audit or the oversight of the properly authorised regulator, the Bank does not disclose its capital management report. During the 2024/25 financial year, the Bank completed the comprehensive analysis of its gaps to full banking regulatory compliance, using the services of an external firm. This analysis assessed the Bank's corporate governance, data and systems, risk management, as well as capital and liquidity adequacy, compared to South African banking regulations and the Basel framework. This gap analysis has provided the Bank the necessary road map to required improvements and to further align the Bank with the Basel framework. The Bank has begun closing some of the gaps identified and this process is expected to be completed in the next 12 to 24 months.

AUDIT AND RISK COMMITTEE REPORT

Bongani Nqwababa, Committee Chairman

MANDATE

The Audit and Risk Committee (ARC) operates in accordance with its formal terms of reference, as outlined in the ARC Charter and effectively discharged its responsibilities within this framework during the reporting period. In line with King IV principles, the Committee recognises the interdependence between the DBSA's core purpose, strategy, risks and opportunities, business model and sustainable development as essential elements of long-term value creation.

The ARC supports the Board in overseeing internal and external audit, financial reporting, internal financial controls and regulatory compliance. Its mandate also extends to monitoring the DBSA's risk landscape, both traditional financial risks and emerging non-financial risks such as cyber threats, climate change and conduct risks, ensuring the organisation's resilience amid geopolitical, macroeconomic and systemic challenges. Through this oversight, the ARC contributes to the Bank's overall stability, integrity and sustained development impact. The table below shows the composition of ARC and the meetings attendance information.

No. of meetings during the year	8
Independent members (%)	100%
Independent Non-executive Directors	6

Members	Number of meetings attended
Bongani Nqwababa, Chairman	8
Ebrahim Rasool (Resigned from Board effective 30 November 2024)	1/2
Martie Janse van Rensburg (Appointed Interim Board Chairman, effective 01 December 2024)	7
Dinao Lerutla	6
Berry Hore	8
Disebo Moephuli	8
Chantal Naidoo	7
Invitees*	
Boitumelo Mosako (CEO)	2/2
Ntombizodwa Mbele (CFO)	2/2

* *Refer to pages 16 to 21 for details of each member's qualifications and experience*

* *The CEO and CFO attend as invitees*

* *BCIC members are invited to the ARC investment valuation meetings*

Reflections from the Committee Chairman

The Audit and Risk Committee is entrusted with ensuring robust internal controls and sound governance at the Bank. Over the past year, it maintained a risk-based oversight approach, focusing on the integrity of financial reporting, cybersecurity, procurement practices and credit risk exposure, both domestic and across the continent.

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act, the JSE Listings Requirements (paragraph 3.84(g) in particular) and King IV.

FY2024/25 focus areas and material decisions

Key matters discussed:

- **Governance and Strategic Oversight:** Approved the Annual ARC Agenda Plan and recommended the Committee's Terms of Reference, the 2025/26 Corporate Plan and the declaration of dividends to the Board for approval.
- **Recommendation of Auditors to the Shareholder:** Considered and recommended to the Shareholder the appointment of the Auditor-General of South Africa (AGSA) as external auditors for the 2024/25 financial year at the annual general meeting.
- **Compliance and Regulatory Oversight:** Approved the Compliance Annual Plan and assessed adherence to statutory and regulatory requirements, including the Companies Act of 2008, King IV, JSE Debt and Specialists Securities Listings Requirements and other applicable frameworks.
- **Oversight of Financial Reporting and Internal Controls:** Ensured the integrity of financial statements and confirmed that appropriate systems, controls and personnel including an assessment of the CFO's experience and expertise were in place to produce fair and accurate financial reporting. Assessed the effectiveness of the internal audit function in supporting this process.
- **Risk-Based Oversight of Audits:** Applied a risk-based approach to oversee internal and external audits, ensuring alignment between internal audit activities and assurance providers such as the Auditor-General.
- **Monitoring Credit Risk and Sovereign Exposure:** Closely monitored developments in credit risk, particularly sovereign debt challenges in countries like Zambia, Ghana and Ethiopia, while also tracking domestic credit exposures, especially within municipalities.
- **Cybersecurity and Digitalisation Oversight:** Maintained robust oversight of cybersecurity risks amid ongoing digital transformation. Monitored independent assessments and audit findings and received updates on key digitalisation initiatives aimed at enhancing operational efficiency, data integrity and system resilience. Ensured continuous improvement in cyber resilience, incident response and the overall digital control environment.
- **Oversight of Procurement Risk and Assurance:** Monitored procurement processes particularly within the infrastructure delivery division to ensure compliance, transparency and alignment with best practices, thereby reducing operational and reputational risk.
- **Portfolio Concentration Risk Management:** Provided strategic guidance on credit portfolio diversification, especially the need to reduce reliance on municipal and energy-sector lending and encouraged consideration of other sectors aligned with DBSA's mandate.
- **Audit Readiness and Coordination:** Strengthened alignment between internal and external assurance activities to enhance early validation of project delivery and improve audit preparedness.
- **Strategic Risk Framing and Scenario Testing:** Applied a "what-if" strategic lens to identify emerging risks that could impact audit outcomes, procurement, or internal controls treating these as strategic rather than operational threats.
- **Capital and Balance Sheet Management:** Oversaw capital adequacy, liquidity and funding risks.
- **Benchmarked our Internal Audit Function** to the new Internal Audit Global, Internal Audit Standards and no material gaps identified.

Future focus areas for FY2025/26 and beyond

- **Proactive risk identification and strategic alignment:** Enhance the Committee's risk oversight approach by placing greater emphasis on forward-looking risk identification and ensuring alignment with the Bank's strategic objectives.
- **Diversification of the credit portfolio:** Oversee the Bank's efforts to reduce credit concentration risk by expanding lending activities beyond municipalities and the energy sector into sectors such as transport and telecommunications.
- **Strengthening audit readiness and assurance coordination:** Deepen alignment between internal audit and external assurance providers (e.g., Auditor-General) to enable early validation of project delivery and enhance preparedness

for external audits.

- **Sustaining clean audit outcomes:** Maintain a strong oversight focus on internal controls, procurement processes and digital systems to preserve the Bank's track record of clean audits, viewed not just as operational metrics but strategic indicators.
- **Oversight of Digital and Cybersecurity Risks:** Continue to monitor the growing cybersecurity risk landscape while overseeing the Bank's digital transformation journey. Ensure that resilience, compliance and secure-by-design principles are embedded into all digitalisation initiatives to support sustainable innovation and risk mitigation.
- **Driving accountability across all risk areas:** Reinforce accountability in the implementation of audit recommendations and the management of identified risks across the organisation.
- **Ensuring Internal Audit function** fully complies with Internal Audit Global and Internal Audit Standards.

Bongani Nqwababa
Chairman of ARC

BOARD CREDIT AND INVESTMENT COMMITTEE

Disebo Moephuli, Committee Chairman

MANDATE

The Board Credit and Investment Committee (BCIC) operates under a formal Charter that outlines its responsibilities and governance framework. The Committee adopted and complied with this Charter throughout the year, discharging its duties diligently in line with its mandate. While the BCIC is empowered to make approval decisions within its delegated authority, the Chairman retains the discretion to escalate matters to the full Board when deemed necessary.

Aligned with the principles of King IV on risk and opportunity governance, the BCIC plays a crucial role in ensuring integrated thinking informs investment decisions. This helps the Board strike a balance between managing downside risk and recognising opportunities for development impact, thus supporting the long-term sustainability of the organisation. Within this framework, the Board sets appropriate risk tolerance levels and the BCIC ensures these are applied consistently in investment and credit decision-making.

The BCIC's responsibilities include oversight and approval of all DBSA investment instruments—credit, equity and development-related—as well as regular assessment of management's portfolio reporting. Through this, the Committee supports sound, informed and impact-driven investment practices that align with the DBSA's strategic objectives.

No. of meetings during the year	11
Independent members (%)	75%
Independent Non-executive Directors	6
Executive Director	2

Members	Number of meetings attended
Disebo Moephuli, Chairman (Effective 01 December 2024)	10
Ebrahim Rasool (Resigned from Board effective 30 November 2024)	8
Martie Janse van Rensburg (Appointed Interim Board Chairman, effective 01 December 2024)	11
Bongani Nqwababa	11
Petrus Matji	10
Dinao Lerutla	10
Chantal Naidoo	8
Kenneth Brown (Effective 28 November 2024)	3
Boitumelo Mosako (CEO)	8
Ntombizodwa Mbele (CFO)	10

Refer to pages 16 to 21 for details of each member's qualifications and experience

Reflections from the Committee Chairman

Over the past year, the Board Credit and Investment Committee (BCIC) remained committed to its core mandate of overseeing investment decisions that drive sustainable development impact, underpinned by sound risk governance. Despite a challenging economic environment, the Committee maintained focused oversight across key areas, including disbursement performance, credit quality and development impact. Significant milestones were achieved and important lessons were drawn to strengthen the Bank's delivery capability and strategic positioning.

The Committee is satisfied that it has fulfilled its responsibilities in line with its mandate and continues to support the Bank's mission to deliver long-term, impactful infrastructure development.

FY2024/25 focus areas and material decisions

Key matters discussed:

- **Governance and Strategic Oversight** – Approved the Annual BCIC Agenda Plan and recommended the Committee's Terms of Reference, to the Board for approval.
- **Investment and risk governance oversight:** Exercised oversight over the Bank's investment decisions to ensure alignment with sustainable development objectives and the maintenance of sound risk governance practices.
- **Monitoring disbursement performance:** Reviewed disbursement trends and turnaround times, noting areas of improvement and challenges related to economic constraints and project readiness.
- **Supervision of development impact priorities:** Oversaw the Bank's focus on enhancing development impact in the economic and social sectors, particularly in housing, water and municipal infrastructure.
- **Assessment of municipal support strategies:** Provided oversight on mechanisms aimed at improving fund utilisation and infrastructure delivery within M2/M3 municipalities, including consideration of off-balance sheet support to project implementation.
- **Governance of capital market engagements:** Oversaw the Bank's successful re-entry into capital markets, ensuring that investor engagement and market re-entry were underpinned by transparency and robust credit governance.
- **Oversight of Just Transition integration:** Ensured that the concept of a just transition was embedded into investment decision-making, with attention to environmental, social and economic factors.
- **Review of impact reporting frameworks:** Recognised the need for better tracking and communication of long-term social outcomes and the integration of impact indicators into project systems.

Summary of new loans approved

The total value of new loans approved during the year is presented in the table below. This reflects the combined value of loans and bonds approved by both the Executive Investment Committee (IC) and the Board Credit and Investment Committee (BCIC), in accordance with their respective delegated authority limits. The table also indicates the percentage of total approvals that were considered and approved at BCIC level.

R million	Approved by IC	Approved by BCIC	Total	BCIC approval %
South Africa				
- Municipal clients	6 360	9 469	15 829	60%
- Non-municipal clients	15 905	6 161	22 066	28%
SADC	13 680	12 809	26 489	48%
Rest of Africa	13 155	5 130	18 285	28%
TOTAL	**49 100**	**33 569**	**82 669**	**41%**

Note: The figures represent new loans approved during the year and exclude any restructuring of existing loans.

Future focus areas for FY2025/26 and beyond

- **Strategic client diversification:** The Committee will oversee initiatives aimed at broadening the Bank's client base to ensure alignment with strategic priorities and development impact objectives.
- **Origination of high-impact projects:** Oversight will be maintained on the quality and developmental relevance of originated projects, particularly those contributing to the Bank's R300 billion balance sheet target by 2033.
- **Introduction of new products and tools**: The Committee will monitor the development and implementation of new financial products, such as trade finance and digital tools, to enhance efficiency and responsiveness.
- **Sectoral expansion and diversification:** Oversight will extend to the Bank's entry into emerging sectors, including ICT and critical minerals, to ensure alignment with regional development goals and risk appetite.
- **Risk mitigation strategies:** The Committee will evaluate the adequacy and effectiveness of risk mitigation instruments to support wider investment reach without compromising financial sustainability.
- **Policy alignment and mandate interpretation:** The Committee will oversee the Bank leveraging of regional trade policy opportunities and interpretation of its broader mandate to ensure strategic coherence and developmental alignment.

Disebo Moephuli
Chairman of the BCIC

MANUFACTURED CAPITAL

Digital innovation is central to the Bank's future-readiness. Through its digital transformation programme, the DBSA is embracing new technologies to enhance efficiency, effectiveness and impact. This strategic initiative aims to adapt to the evolving digital landscape, ensuring competitiveness and long-term success in the digital era. This is linked to the Future-fit- DBSA strategic goal.

Strategic goals	Key resources and relationship	Stakeholders impacted	Material Issues
	• Physical and digital infrastructure • The DBSA campus		• Reliability of digital infrastructure and cyber security

DBSA'S DIGITAL TRANSFORMATION STRATEGY

The DBSA sees digitalisation as a strategic priority that supports growth, operational efficiency and sustainable development. Digital transformation enhances the Bank's ability to deliver on its mandate while strengthening alignment with ESG principles.

To lead in a rapidly evolving environment, the Bank has launched a comprehensive digital transformation initiative focused on agility, service improvement and long-term resilience. This shift will help modernise internal systems, improve transparency and support stronger governance. It includes adopting technologies such as artificial intelligence, data analytics and cloud computing to streamline operations and enable faster, evidence-based decision-making.

Modern ICT infrastructure will ensure stable and secure connectivity across the organisation. It also supports more sustainable practices by reducing reliance on paper, physical travel and resource-intensive processes. These efficiencies contribute to a lower operational footprint while maintaining high service standards.

Digital tools will also enhance project delivery. Integrated systems, virtual collaboration platforms and quicker response times will help improve execution, particularly in underserved areas. This aligns with the Bank's commitment to inclusive access and socially responsive development.

People remain central to the transformation. Through its Human Capital Management Strategy, the Bank will equip employees with skills in digital literacy, data management and emerging technologies. This focus on continuous learning helps build a future-ready workforce and supports decent work as a social priority under ESG.

Digitalisation is more than a technical upgrade. It strengthens governance, supports inclusive service delivery and reduces environmental impact. Through this shift, the DBSA enhances its competitiveness while advancing its ESG agenda and deepening development impact.

Cybersecurity

Cybersecurity remains a priority, with continued investment in system resilience and incident response capabilities. As the Bank advances its digital transformation, cybersecurity risks have grown in complexity and importance. Without proactive management, these risks could become critical. To address this, we are embedding strong cybersecurity measures into our digital systems from the outset.

Although no organisation can eliminate cyber risk entirely, we aim to limit exposure through expert oversight. Independent reviews and audits by the Information Regulator and external service providers guide our continuous improvements. We implement all audit recommendations and draw on internal expertise to manage this evolving risk environment.

INTELLECTUAL CAPITAL

For over four decades, the DBSA has delivered innovative and impactful solutions, that have transformed the lives of millions. The Bank regards its intellectual capital as a strategic asset. This includes its brand, innovation capacity and deep expertise in infrastructure, financing and capacity development. Grounded in institutional knowledge, a strong reputation and strategic global partnerships with DFIs, this capital positions the Bank as a leader in infrastructure financing across the African continent. It invigorates the Bank's ambition to "bend the arc of history" by investing in sustainable development.

Strategic goals	Key resources and relationship	Stakeholders impacted	Material Issues
	• 42 years' experience in infrastructure development • Strong brand and reputation as a trusted partner in the local and international DFI landscape • Programmatic Approach • Innovative financial instruments • Innovation Hub		• Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition

Programmatic approach
The DBSA employs a programmatic approach to address the complex challenges of infrastructure development. This strategy aims to drive efficiency and generate meaningful development outcomes. It centres on standardised frameworks that support the scaled delivery of related infrastructure projects. Through a unified engagement model, the DBSA offers a suite of services and solutions that provide coordinated support across project lifecycles. A key feature is the structured mobilisation of capital from private, public and donor sources. To manage the planning and execution of these interconnected initiatives, the Bank often establishes dedicated Programme Management Offices.

Innovation Programme
The Bank's Innovation Programme, known as Moonshots, aims to drive disruptive change that enhances development impact and social outcomes. Initiatives such as the Innovation Hub, DLAB Precincts and the High Impact Investment Portfolio are key Moonshots designed to tackle critical challenges through innovative solutions, drawing on the Bank's expertise across the infrastructure development value chain.

The DBSA Innovation Unit, in collaboration with the FiCS Secretariat, spearheaded the FiCS Sports, Arts and Culture Arena. The FiCS Arena brought finance closer to sport, art and culture and highlighting the transformative power of these sectors.

A key feature was the DBSA DLAB Pop-Up, showcasing the DBSA's community-level sustainable development investments. The Arena also hosted the inaugural FiCS Sport Investment Forum, where the Coalition for Sustainable Development through Sport confirmed USD10 billion in investment commitments by 2030, fostering partnerships to drive impactful projects.

The DLAB Programme
The DLAB Programme remains a cornerstone initiative dedicated to empowering South African youth with access to opportunities and driving inclusive economic growth. With an investment of R201.1 million since 2020, we have established a network of approximately 30 partnerships across civil society, government and the business sector. This collaborative platform has been instrumental in creating both financial and non-financial opportunities within the DLAB Precinct ecosystem. The Programme has crowded in additional co-funders across the new DLAB sites for co-investment for infrastructure.

Highlights of the DLABs programme:

In FY2024/25, Jabulani and Westridge DLAB sites reached a critical milestone, celebrating five years of implementation. This represents operational maturity with fully active economic streams of activities, a critical feature for a site's financial self-sustainability. Although the DBSA's seed investment has concluded, the Bank will continue monitoring and deepen the development impact at both sites and will support new commercial business opportunities.

Since its 2022 inception, the Jabulani DLAB Site Business Processing Operations (BPO) has actively driven skills development, job creation and enterprise growth within the community. Through integrated structured training, job placements and supplier development, this project has built a robust foundation for sustainable economic impact. Currently, Jabulani Phase 1 operates at its full capacity of 82 seats, servicing a major South African retailer, while Phase 2 has 89 filled seats, catering to an international client. Similarly, the Alexandra BPO is also catalysing economic empowerment in its community by equipping youth with essential skills, creating jobs and fostering local enterprise growth.

From 2020 to 2024, DLABs have played a crucial role in youth employment, successfully placing 3,588 young individuals into permanent, temporary, learnership and internship positions. 22.6 million participants engaged with various DLAB SMME Support and Mobilisation programmes, solidifying our role as a vital resource for youth seeking opportunities. The SCALP programme, a safe hub initiative for 10–16-year-old children, has attracted 5,693 active participants, demonstrating its significant relevance and appeal. The programme includes age-appropriate play, sport, life skills, homework assistance and arts & culture. Community health initiatives, implemented in partnership with Wits Health Hub, provided wellness checks to 64,153 community members, considerably enhancing community health and awareness.

DBSA African Journal of Infrastructure Development
In 2023, the DBSA launched its annual Infrastructure Research Colloquium, which is a platform to establish the DBSA African Journal of Infrastructure Development (DBSA). To date, three colloquiums have been held, making a major step forward in the development and launch of this dedicated, accredited infrastructure journal. The initiative reflects our long-term commitment to research-led development and thought leadership. Now in its third year of development, the journal forms part of the accreditation process with the Department of Higher Education.

Our model includes an annual Research Colloquium, where researchers from across the continent present papers, receive feedback and participate in peer dialogue. The strongest submissions are selected for publication in the journal, which is made freely available through an open-source platform. This effort responds to two longstanding barriers: the lack of a specialised infrastructure journal in the region and the high cost of mainstream academic publishing, which often limits access to research across Africa. Publishing African research on the continent and ensuring open access contributes to a more inclusive and accessible knowledge economy.

This year, we hosted our third Annual Research Colloquium, bringing together development finance and infrastructure thought leaders, researchers and practitioners. The theme, "Sustainable Infrastructure Development for Climate Resilience and Economic Recovery," reinforced the DBSA's role as a catalyst for evidence-based policymaking and forward-looking research.

The Colloquium featured robust dialogue and high-quality presentations that highlighted the role of research in shaping inclusive infrastructure solutions, strengthening livelihoods and building climate resilience. It also served as a key platform to examine financing models that can accelerate the Just Transition and support broader financial inclusion.

As a Bank, we continue to champion research, drive strategic partnerships and unlock pathways to innovation that will define the next chapter of infrastructure development on our continent. The DBSA was once widely regarded as the "*Knowledge Bank*," having shaped key national development policies since the 1980s across sectors such as poverty, land reform, education and urban development. Today, the Bank aims to reclaim this role, recognising that in a rapidly changing world, strategy must be grounded in solid research and insight. Restoring the DBSA as a Knowledge Bank will strengthen our understanding of the operating environment, support thought leadership in infrastructure and spark innovation.

Shaping our approach to Just Energy Transition
To inform our approach to bolstering energy security, the DBSA engaged with experts to gain insights into the local context and draw lessons from international experiences. Countries like China, Germany and Indonesia, which face similar economic dynamics, offer valuable perspectives. China, for instance, employs a diversified energy mix as it transitions towards net zero by 2060, balancing the development and management of coal with the expansion of gas, hydro and solar power, thereby ensuring economic stability throughout the transition.

While South Africa shares the global ambition for clean energy, the real challenge lies in how to achieve this transition in a responsible and inclusive way. It must not compromise jobs or economic stability. International examples show a gradual shift to renewables through reduced coal dependence. However, a rapid transition in South Africa could lead to unintended consequences if not managed carefully. The DBSA advocates for a fair, realistic and practical energy transition. Our approach supports net zero ambitions while protecting the broader economy. This requires sound decision-making, especially when designing funding structures. Engaging with global experts and practitioners helps us identify workable strategies to manage this complex shift.

Critical Minerals for JET
Critical minerals are central to theJust Energy Transition and Africa's approach to their development is crucial. The DBSA has engaged with experts on strategies to support the industrialisation and beneficiation of these minerals, which are essential for various aspects of the economy, including the Just Energy Transition. South Africa is rich in resources such as manganese, chromium, titanium and rare earth minerals, all vital for technologies like solar panels, wind turbines and electric vehicles.

A key consideration is the policy and strategic framework governing the use of these minerals in the context of the green energy transition. This includes strategies for beneficiation, exploration incentives and broader African partnerships and how these minerals are positioned as a pillar of our just energy transition programme. These are key areas of focus for the Bank, recognising that infrastructure development, guided by the IDKC Board committee, is central to fulfilling its mandate.

Developing a solution to water sector challenges
The Bank identifies innovative approaches to drive growth and enhance development outcomes. While the DBSA has long been involved in the water sector, challenges persist, including non-revenue water and broader water infrastructure issues like pollution. The government's medium-term development plan sets a target of supporting ten programmes through the DBSA's Water Partnership Office within the current administration. However, given the scale of South Africa's water challenges, it is pertinent to question whether this is sufficient. The DBSA may need to consider expanding its efforts beyond the Water Partnership Office. The water challenge merits continued attention as a key topic for the IDKC, extending beyond its current inclusion within the integrated municipal approach.

INFRASTRUCTURE DEVELOPMENT AND KNOWLEDGE MANAGEMENT COMMITTEE REPORT

Petrus Matji, Committee Chairman

MANDATE

The Infrastructure Delivery and Knowledge Management Committee (IDKC) operates in accordance with its formal Charter, regulating its activities and fulfilling its responsibilities as set out therein. In alignment with King IV, the Committee plays an active role in ensuring that the DBSA engages constructively with regulators, legislators and industry bodies, while also monitoring the implementation and impact of the Bank's Development Position and related strategies. Its purpose is to identify and recommend ways to address any barriers to effective implementation.

The IDKC oversees infrastructure delivery and knowledge management activities, including:

- Accepting and monitoring strategic mandates for infrastructure projects.
- Approving and overseeing key infrastructure projects.
- Overseeing the Bank's knowledge and research programmes, aligning with its role as a centre of excellence in infrastructure development.

No. of meetings during the year	4
Independent members (%)	86%
Independent non-Executive Directors	6
Executive Directors	1

Members	Number of meetings attended
Petrus Matji, Chairman	4
Ebrahim Rasool (Resigned from Board effective 30 November 2024)	4
Martie Janse van Rensburg (Appointed Interim Board Chairman, effective 01 December 2024)	4
Pinkie Nqeto	4
Edgar Pieterse	3
Joel Netshitenzhe	4
Ms Boitumelo Mosako (CEO)	2

Refer to pages 16 to 21 for details of each member's qualifications and experience

Reflections from the Committee Chairman

During the year under review, the Infrastructure Delivery and Knowledge Management Committee (IDKC) exercised its oversight mandate in line with its terms of reference. The Committee provided strategic oversight over the Bank's infrastructure delivery programmes, knowledge initiatives and non-financing infrastructure support to ensure alignment with national development priorities and regulatory expectations.

The Committee is satisfied that it fulfilled its responsibilities and remains committed to strengthening its role in guiding the Bank's contribution to inclusive and sustainable development.

FY2024/25 focus areas and material decisions

During the reporting period, the Infrastructure Delivery and Knowledge Committee (IDKC) exercised oversight over the following key areas:

- **Governance and Strategic Oversight** – Approved the Annual IDKC Agenda Plan and recommended the Committee's Terms of Reference to the Board for approval.
- **Municipal infrastructure support:** Oversight of infrastructure financing to municipalities, with a focus on governance, institutional capacity and improved project delivery.
- **Integrated municipal approach:** Monitoring the implementation of a holistic municipal support model that includes infrastructure investment, governance improvement and local economic development.
- **Just Energy Transition (JET):** Oversight of the Bank's JET strategy to ensure it is evidence-based, socially responsible and aligned with national and global objectives.
- **Critical minerals for JET:** Strategic oversight of the role of critical minerals in the energy transition, including beneficiation strategies and regional collaboration.
- **DLABs Programme:** Monitoring the implementation of Digital Labs focused on youth skills development, enterprise support and job creation in targeted communities.
- **Infrastructure programme monitoring:** Ensuring robust controls and compliance in project execution, including adherence to public finance management legislation and procurement requirements.
- **Water sector engagement:** Oversight of initiatives to address water infrastructure challenges and consideration of expanded efforts beyond existing programmes to increase impact.

Key focus areas for FY2025/26 and beyond

Scaling integrated municipal approach: Continue advancing the rollout and institutionalisation of the Integrated Municipal Approach across more districts to support sustainable local infrastructure delivery and governance reform.

Advancing the Just Energy Transition (JET): Maintain oversight of the Bank's JET strategy implementation, ensuring alignment with international best practices while safeguarding national economic and social interests.

Critical minerals strategy development: Guide policy, funding structures and strategic partnerships that support development of enabling infrastructure, beneficiation, industrialisation and regional cooperation in the use of critical minerals central to the green economy.

Strengthening the DLABs Programme: Expand the programme's impact by deepening oversight on job creation, youth skills training in emerging technologies and entrepreneurship development.

Enhanced water sector engagement: Evaluate opportunities to expand the Bank's involvement in water infrastructure beyond the Water Partnership Office to meet the scale of national water security and service delivery challenges.

Infrastructure programme monitoring and quality assurance: Enhance systems and controls to ensure completion verification, risk mitigation and compliance across the infrastructure development lifecycle.

Deepening knowledge and research impact: Foster strategic partnerships and innovation in knowledge generation to strengthen the DBSA's role as a thought leader and centre of excellence in infrastructure development.

Petrus Matji
Chairman of the IDKC

HUMAN CAPITAL

At the heart of the DBSA's achievements lies our dedicated workforce. We prioritise the continuous development of our employees and foster an inclusive, high-performance culture. Recognising that our people drive operational excellence and adaptability, human capital remains a strategic focus integrated into our organisational strategy and value creation model.

To achieve our ambitious decadal strategy, we are investing in our most valuable asset: our people. We are focused on building a workforce that's not only skilled but also agile, collaborative and deeply committed to our mission.

Strategic goals	Key resources and relationship	Stakeholders impacted	Material Issues
	• 631 permanent employees and long-term contractors (2024: 639) • 112 employees supported in the agencies we manage (2024: 99) • Diverse expertise to support infrastructure development and innovation • R43 million in tertiary education for employees and their dependents • Professional development initiatives aimed at building technical, leadership and future-ready capabilities.		• Employee skills attraction, retention and development • Employee engagement and culture

Value created for stakeholders

- Employment opportunities through direct hires
- Skills development programmes, promoting economic inclusion and empowerment
- Capacity building and upskilling initiatives ensuring our workforce is equipped to meet organisational requirements.
- Facilitation of knowledge transfer and collaboration, enhancing institutional learning, driving innovation and reinforcing our role as a development catalyst.

OUR PEOPLE VISION

The DBSA is committed to remaining an employer of choice by attracting, developing and retaining individuals with the expertise and ambition to support the organisation's strategic objectives. Our culture is anchored in purpose and people. Our human capital strategy is aligned with our mission and core values and we continue to invest in the professional growth of our employees. Competitive remuneration, comprehensive benefits and our dedication to cultivating an inclusive and diverse workplace underpin our approach.

Aligning our operating model to our growth strategy to support our decadal growth strategy, we initiated key refinements to our operating model and structure to drive improved agility, integration and execution. This will simplify decision-making, enhance cross-functional collaboration and outline fit-for-purpose structures to ensure that resources and capabilities are aligned to strategic outcomes. EXCO with assistance of a service provider and oversight by the HRC, has made headway in and the new operating model is expected to be implemented during FY2025/26. It should be noted that we are targeting an operating model geared for growth and not cost containment. As such changes in operating model and the digitisation strategy will not result in a reduction of resources. The new model will inform recruitment, employee development and the finalisation of a competitive remuneration policy. In conjunction, a revised remuneration policy is critical for attracting and retaining the specialised skills required by the organisational design and structure.

Developing future-ready capabilities

As the DBSA evolves into a more digitally enabled, regionally responsive and impact-focused institution, new capabilities are being defined and developed. These include advanced project preparation, blended and climate finance and data-informed planning. Our workforce planning approach ensures that these efforts remain strategically aligned and forward-looking.

In FY2024/25, we delivered focused learning and development programmes to strengthen leadership, technical and strategic competencies. These initiatives encompassed collaborations with reputable institutions, youth development programmes and internally driven efforts aimed at advancing both individual growth and organisational capability.

Enabling people-centred growth

Our people are central to our long-term success. In FY2024/25, DBSA sharpened its focus on people development, prioritising succession planning, employee development and performance management. These initiatives support our goal of building a resilient, future-fit workforce. We continue to promote inclusive and equitable growth within the organisation through strong transformation and diversity practices. With our people strategy aligned to organisational goals, the DBSA is well-positioned to sustain its impact and relevance across the continent.

Cultivating a growth-oriented and innovation-driven culture

The implementation of our culture strategy is underway. The strategy was informed by the Deloitte company survey and aligns organisational culture with business objectives, based on insights gathered from employee perceptions, behaviours and organisational enablers of culture. The strategy will be reviewed in the 2025/26 financial year to allow for adaptation given the changes at the Bank driven by the execution of the decadal strategy. This includes digital transformation process and the implementation of the new operating model.

Employee wellness

Our Employee Well-being Programme (EWP) is designed to support the holistic health of all of the DBSA's employees and their immediate families. The programme offers a comprehensive range of tailored services to help individuals navigate work-related, personal and life challenges.

We have partnered with professional service providers to deliver independent, confidential wellness support. Services include telephonic and in-person counselling, trauma support, legal and financial advice, lifestyle coaching and access to e-Care health solutions. These offerings are intended to equip employees with practical tools to enhance their emotional, psychological and financial well-being.

The DBSA operates an on-site clinic that provides primary health care services to employees, further reinforcing our commitment to a healthy and supportive work environment. From a physical wellness perspective, employees have access to an on-site gym and other facilities that support and promote their physical health and well-being.

Fostering diversity, equity, inclusion

In the FY2024/25, we made significant strides toward transformation. The following tables provide an overview of our workforce demographics.

Employment equity demographics: black representation for FY2024/25

Category	African	Coloured	Indian	White	Foreign National	Total Black Representation
Top Management	75%	0%	0%	13%	13%	75%
Senior Management	65%	6%	12%	6%	12%	83%
Mid Management/ Professionally Qualified	69%	3%	10%	11%	7%	82%
Skilled Technical	85%	4%	3%	6%	2%	92%
Semi-Skilled	100%	0%	0%	0%	0%	100%
Unskilled and defined decision making	100%	0%	0%	0%	0%	100%

Employment equity demographics: gender representation for FY2024/25

Gender	Top Management	Senior Management	Mid Management/ Professionally Qualified	Skilled Technical	Semi-Skilled	Unskilled and defined decision making	Total
Female	38%	53%	47%	71%	40%	81%	56%
Male	62%	47%	53%	29%	60%	19%	44%

Employment equity demographics: female representation for FY2024/25

Female Representation	Top Management	Senior Management	Mid Management/ Professionally Qualified	Skilled Technical	Semi-Skilled	Unskilled and defined decision making	Total
African	38%	35%	34%	59%	40%	81%	44%
Coloured	0%	6%	2%	3%	0%	0%	2%
Indian	0%	6%	5%	2%	0%	0%	3%
White	0%	0%	5%	5%	0%	0%	4%
Foreign National	0%	6%	2%	2%	0%	0%	2%
Total	38%	53%	47%	71%	40%	81%	56%

HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

Pinkie Nqeto, Committee Chairman

MANDATE

The Human Resources and Remuneration Committee (HRC) operates in accordance with its formal Charter, through which it regulates its affairs and discharges its responsibilities. Guided by the principles of King IV, the HRC ensures that remuneration practices are fair, responsible and transparent, supporting the achievement of the DBSA's strategic objectives and sustainable outcomes over the short, medium and long term.

The Committee plays an essential role in overseeing the implementation of the organisation's human capital strategy and plan, including reviewing policies and frameworks that support talent attraction, retention, performance management and appropriate rewards. In addition, the HRC advises the Board on matters related to executive remuneration and broader human capital governance issues that fall outside the scope of the Nominations Committee.

No. of meetings during the financial year	4
Independent members (%)	100%
Independent non-Executive Directors	5

Members	Number of meetings attended
Pinkie Nqeto, Chairman	4
Ebrahim Rasool (Resigned from Board effective 30 November 2024)	3/3
Martie Janse van Rensburg (Appointed Interim Board Chairman, effective 01 December 2024)	1/1
Bongani Nqwababa	4
Berry Hore	4
Jonathan Muthige	3
Mr Kenneth Brown ceased to be a member effective 30 November 2024	4

Refer to pages 16 to 21 for details of each member's qualifications and experience

Reflections from the Committee Chairman

The Human Resources and Remuneration Committee (HRC) provided oversight to ensure the Bank's human capital and organisational strategies remained aligned with its long-term vision. Throughout the year, the Committee supported the Bank in building the capabilities, leadership and culture necessary to deliver on its development mandate. The Committee is satisfied that it has fulfilled its oversight responsibilities in accordance with its mandate and remains committed to guiding the Bank's continued transformation.

FY2024/25 focus areas and material decisions

Key matters discussed:

- **Governance and Strategic Oversight** – Approved the Annual HRC Agenda Plan and recommended the Committee's Terms of Reference, the 2025/26 Balanced Score Card including Shareholder's Compact to the Board for approval.
- **Development of a future-fit operating model:** Oversaw the design and alignment of a new organisational structure to support the Bank's ten-year strategy, including the establishment of a transitional oversight committee to ensure timely implementation.
- **Remuneration policy review:** Monitored and guided the review of the Bank's remuneration

policy to address misalignment with National Treasury guidelines and support the attraction and retention of critical skills.
- **Culture strategy implementation:** Oversaw the approval and early implementation of the Bank's culture strategy aimed at driving high performance and accountability, with continued monitoring planned.
- **Succession planning:** Provided oversight of succession planning initiatives, including external market scans, to ensure leadership continuity at both executive and management levels.
- **Project preparation capacity:** Supported the strengthening of the project preparation function by overseeing increased resourcing and integration into the Bank's new operating model.

Key focus areas for FY2025/26 and beyond

- **Monitoring implementation of the new operating model:** The Committee will continue to oversee the finalisation and rollout of the Bank's new structure, ensuring it effectively supports the ten-year strategy.
- **Skills development, empowerment and digital enablement:** The Committee will provide oversight of management's implementation of skills development and employee empowerment programmes, with a particular focus on alignment with the Bank's Digitalisation Strategy. This oversight will ensure that these initiatives effectively contribute to building a future-fit, digitally enabled workforce and support the Bank's strategic objectives.
- **Finalisation and implementation of the revised remuneration policy:** Ongoing oversight will be provided to ensure the remuneration policy is aligned with both market demands and governance requirements, enabling the Bank to attract and retain critical talent.
- **Review and monitoring of the culture strategy:** The Committee will track Culture Strategy implementation to ensure it fosters a high-performance, accountable organisational culture.
- **Sustaining leadership continuity:** Continued oversight of succession planning will remain a priority to ensure long-term leadership stability and readiness.

Patience Nosipho Nqeto
Chairman of the HRC

REMUNERATION REPORT

The DBSA's current remuneration framework reflects our continued commitment to shared value, evolving business priorities and alignment with market best practices. Building on past decisions and performance trends, the HRC remains guided by the Bank's core purpose and values. In its oversight role, the HRC carefully considers the interests of diverse stakeholder groups, ensuring that remuneration outcomes support long-term sustainability and strategic alignment.

Remuneration governance

The DBSA remains committed to responsible and competitive remuneration practices across all operational jurisdictions. Our approach is aligned with the principles of King IV, the Companies Act and the PFMA. The HRC, operating under a formal and Board-approved terms of reference, continues to oversee all aspects of remuneration with a focus on transparency, accountability and strategic alignment. Outcomes from HRC deliberations are regularly reported to the Board and the committee undergoes periodic evaluations to assess its effectiveness. Strategic guidance and benchmarking support are provided by independent remuneration advisors.

The CEO holds primary accountability for executing HRC-approved remuneration decisions, supported by the Group Executive: Human Capital, who ensures alignment of policies and operational implementation with the Bank's broader human capital strategy.

Commitment to fair and equitable remuneration

The DBSA maintains a strong focus on fair, responsible and market-related remuneration. The HRC and Exco ensure that our pay practices are both externally competitive and internally equitable. Key management processes include annual salary benchmarking, income differential analysis, particularly regarding gender equity and regular reviews to ensure alignment with evolving market trends.

We leverage independent benchmarking tools and market surveys to guide remuneration decisions. These tools consider various factors, including organisational size, financial performance, workforce composition and talent availability, helping us maintain a compensation structure that supports employee retention and performance while reinforcing our commitment to fairness and sustainability.

Remuneration principles

The DBSA's Remuneration Policy continues to be guided by the following key principles:
- Incentivising high performance and aligning rewards with the Bank's strategic objectives.
- Benchmarking remuneration across financial services, DFIs, construction and national markets to ensure competitiveness.
- Promoting equitable remuneration through job evaluation and pay-for-value principles, aligned with the Employment Equity Act.
- Ensuring clear, fair and accountable remuneration structures that support strategic outcomes over the short, medium and long term.

Remuneration components

Guaranteed pay and benefits
- Fixed remuneration for job-specific roles and responsibilities, aimed at attracting and retaining talent. Includes:
  - Provident fund contributions
  - Medical aid
  - Insured benefits
- On-site primary health care
- Leave benefits, including annual, maternity, parental, study leave and festive shutdown

Variable Pay
- Short-Term Incentives (STIs): Performance-based annual bonuses linked to individual, divisional and organisational results.
- Other Variable Pay: Includes buyouts and ad hoc incentives for attraction, retention and special contributions.

Recognition and non-financial rewards
- These rewards are at reinforcing desired behaviours and values, enhancing employee engagement and supporting the Bank's culture.

Governance and Oversight

The HRC, mandated by the Board oversees all elements of remuneration policy and practice, including:

- Policy approval and reviews
- Remuneration strategy alignment with corporate performance
- Annual salary increases and performance incentives
- Evaluation of executive pay, retention measures and bonus pool approvals
- Ongoing oversight and reporting to the Board

The HRC Chairman reports back to the Board and present remuneration matters at the Annual General Meeting.

Remuneration framework and benchmarking

The Bank maintains a total reward framework incorporating both fixed and performance-based components. Market competitiveness is ensured through annual benchmarking with sector-relevant surveys, covering all job grades and executive levels.

Pay bands are set within the 25th to 75th percentile, with higher earnings subject to Board-approved motivations in accordance with the State-Owned Enterprises Remuneration Guidelines.

Short-Term Incentive (STI) scheme

Eligibility is at HRC's discretion, limited to permanent and long-term contract employees. STI bonuses are subject to achieving:

- A minimum corporate performance rating of 3
- Minimum achievement of 80% of STI scorecard metrics
- A clean audit outcome
- Board approval of the bonus pool (capped at 20% of actual personnel cost for FY2024/25)

STI scorecard metrics:

- 40%: Sustainable earnings (net profit adjusted)
- 30%: Operating cash flow
- 30%: Infrastructure unlocked

Retention incentives

Retention incentives are offered to secure critical skills, with claw back clauses for early termination. Approval depends on seniority, with Board involvement for executive-level awards.

Remuneration in broader context

The Bank aligns its remuneration policy with legislative and governance standards (King IV, Companies Act, PFMA) and upholds the following principles:

- Fair and responsible pay
- Internal equity
- Strategic alignment
- Governance oversight

Individuals on agency mandates or cost-recovery programmes adhere to these principles, subject to available funding.

SOCIAL AND RELATIONSHIP CAPTIAL

MANAGING OUR SOCIAL AND RELATIONSHIP CAPITAL

The DBSA is committed to forming smart, purpose-driven partnerships that co-create development solutions, enhance private sector participation and address public sector infrastructure bottlenecks. These relationships advance the Bank's mission, drive inclusive growth and position the DBSA as a catalyst for development finance.

Strategic goals	Key resources and relationship	Stakeholders impacted	Material Issues
	• 20 countries in which we have active exposure • 67 municipal clients • 18 Relationships with government, DFIs, private financers providing inputs to policy formulation		• Cost of funding • Strategic, execution and business risks • Environmental, Social and Governance Risks • Navigating the Just Transition

Value created for stakeholders in FY2024/25

- Access to appropriately structured and affordable finance
- Technical skills and knowledge exchange
- Project management and execution
- Partnership opportunities
- Deal flow
- Market opportunities

SMART PARTNERSHIPS TO SUPPORT THE STRATEGY

The DBSA builds SMART partnerships. These are strategic, purpose-driven collaborations that co-create development solutions and expand private sector participation in infrastructure projects that support inclusive growth. The Bank works with government partners to support the effective delivery of social and economic infrastructure.

Through strong relationships with DFIs, state-owned entities and stakeholders in both the public and private sectors, the DBSA expands its infrastructure pipeline and strengthens its role as a leading African DFI. Strategic coordination allows the Bank to connect key players, advance regional integration and lead project identification and preparation.

Partnerships also serve as platforms to mobilise capital from diverse sources, with investments increasingly viewed as levers for unlocking additional funding. As a recognised knowledge hub, the DBSA will continue to provide trusted advisory support and maintain a strong presence in key development forums.

Effective stakeholder engagement remains vital to the strategy's success, with 18 key stakeholder groups shaping the Bank's operations and impact.

The Coverage Division plays a critical role in maintaining these long-term relationships, ensuring smooth collaboration across sectors. In addition, the division helps forge partnerships with investors and funders, allowing the DBSA to provide innovative blended financing solutions to meet infrastructure needs. Recognising the vulnerability of many African economies to external shocks, the DBSA aims to be a key player in mitigating these risks and driving sustainable economic growth. As a regional integrator for infrastructure financing, the DBSA is positioned to offer impactful solutions across the continent, cementing its role as a thought leader in infrastructure development and nurturing innovative collaborations that shape Africa's future.

DBSA HOSTS FICS

The Finance in Common Summit (FiCS) 2025 was the fifth annual summit of the global network of Public Development Banks (PDBs). It took place from February 26th to 28th, 2025, in a hybrid format with the physical event held in Cape Town.

The overarching theme of FiCS 2025 was "Fostering Infrastructure and Finance for Just and Sustainable Growth".

Key focus areas included:

- Promoting resilience and adaptation to tackle climate change.
- Driving sustainable growth and reducing inequality through innovative financial solutions.
- Bridging the digital divide to ensure inclusive access.

The summit aimed to be a "Summit of Solutions", where PDBs and their stakeholders delivered concrete and impactful responses towards making sustainability the new normal of finance. It brought together around 2000 delegates, including representatives from PDBs, governments, international organisations, the private sector, investors, regulators, civil society and academia.

Key outcomes of FICS 2025:

- The launch of a consultation on a PDBs Reference Book summarising the results of the FiCS Global Research Network.
- Agreement on a collective contribution to the Fourth International Conference on Financing for Development.
- The unveiling of the 2025 edition of the PDB&DFI database, a comprehensive inventory of over 500 PDBs and Development Finance Institutions (DFIs) worldwide.
- Discussions on emerging issues such as the potential contribution of PDBs to nutrition, AI, the care economy and the sport and cultural industries.
- A dedicated programme on Sports, Art and Culture for sustainable development, recognising their transformative role.

The summit served as a platform for collaboration, financial innovation and advancing the SDGs and the Paris Agreement on Climate Change. It underscored the importance of PDBs in aligning financial flows towards a greener and more inclusive world.

THE DBSA PARTICIPATES IN THE G20'S WORKING GROUPS

As South Africa assumes the G20 presidency, the DBSA sees a critical opportunity to place Africa's development agenda at the centre of global dialogue. This moment allows South Africa to align Africa's priorities such as disaster resilience, debt sustainability, climate finance and critical minerals beneficiation with the G20's core themes. As the continent's only permanent G20 member, South Africa carries the responsibility of amplifying Africa's voice and unlocking opportunities for regional transformation through global partnerships.

The DBSA supports this mandate through active engagement in various working groups such as the Development Working Group and Infrastructure Working Group. Our contributions on infrastructure and development finance advances the participation of DFI's in the G20. The DBSA recognises the G20's influence, which represents 85% of global GDP and more than 60% of FDI into Africa. Through continued involvement, we help ensure that Africa's development priorities are reflected in tangible investment and policy outcomes.

PARTICIPATING IN COP29

Our participation at COP29 in Baku, Azerbaijan, from 11 to 22 November 2024 was a critical milestone in advancing Africa's position in the global climate agenda. As the DBSA, we recognised the importance of representing the continent's unique challenges and opportunities in climate negotiations. Africa, already bearing the brunt of climate impacts, required tailored solutions that addressed not only environmental concerns but also the socio-economic realities on the ground. Through our presence, we reaffirmed our commitment to driving a development agenda centred on sustainability, resilience and equity—ensuring that Africa's voice influenced high-level discussions and that the specific needs of African nations were not overlooked.

At COP29, we also championed Africa's potential as a global leader in the renewable energy transition. We highlighted the continent's vast solar, wind and natural resources and the opportunity they present for a net-zero future. We also emphasised that this transition requires substantial investment and strong partnerships.

We used the platform to mobilise support for climate finance and to showcase our work in unlocking green capital. This included initiatives like the Climate Finance Facility and strategic partnerships with global climate funds. Our investments align with climate resilience and inclusive growth, demonstrating how development finance can build a greener and more equitable future. Our participation at COP29 was more than symbolic. It marked real progress in placing Africa's climate-smart, community-focused development path on the global agenda.

Enhancing our Human Rights

During the year under review, the Bank reviewed the Human Rights Policy and Statement. This policy provides a clear framework for how the DBSA addresses issues such as child labour, labour discrimination and violations of international labour standards. Human rights considerations are now integrated into our investment decision-making processes. While some transactions may not be declined outright, we assess risks and apply appropriate mitigation measures where necessary. A feedback mechanism has also been established to monitor compliance with our policy, enabling us to flag potential human rights violations and escalate these through our risk management system on a quarterly basis.

SUSTAINABILITY AND ETHICS COMMITTEE REPORT

Kenneth Brown, Committee Chairman

MANDATE

The Sustainability and Ethics Committee (SEC), formerly the Social and Ethics Committee (SEC), operates under a formally adopted Charter and has fulfilled its responsibilities in line with this mandate. In alignment with King IV's emphasis on ethical and effective leadership, the Committee plays a central role in overseeing the Bank's ethical culture, ensuring that management upholds DBSA's values and promotes integrity throughout the organisation.

During the year under review, the Board approved an expanded mandate for the Committee to incorporate broader ESG responsibilities, reflecting its evolving role in promoting sustainability and ethical governance. The renaming of the Committee signals a strengthened commitment to integrated ESG oversight and the long-term sustainability of the DBSA.

No. of meetings during the year	4
Independent members (%)	75%
Independent Non-executive Directors	3
Non-executive Directors	0
Executive Director	1

Members	Number of meetings attended
Kenneth Brown, Chairman	4
Jonathan Muthige	4
Chantal Naidoo	4
Joel Netshitenzhe	4
Boitumelo Mosako (CEO)	3

Refer to pages 16 to 21 for details of each member's qualifications and experience

Reflections from the Committee Chairman

The Committee continued to leverage its diverse expertise to provide strategic oversight and uphold strong governance practices. Throughout the year, it maintained a clear focus on its statutory and strategic responsibilities, including the integration of human rights into investment decisions, advancement of the just energy transition and the strengthening of stakeholder engagement and ethics management.

Oversight was further deepened in relation to ESG alignment, with a clear shift toward embedding ESG principles across the Bank's operations and investment lifecycle. The Committee remained committed to distinguishing oversight from execution while constructively engaging with management to support the DBSA's development mandate.

The Committee is satisfied that it has effectively executed its oversight responsibilities in accordance with its mandate and terms of reference.

FY2024/25 focus areas and material decisions

Key matters discussed:

- **Governance and Strategic Oversight** – Approved the Annual SEC Agenda Plan and recommended the Committee's Terms of Reference to the Board for approval.
- **Strengthening the Committee's ESG oversight mandate:** The Committee oversaw the formal expansion of its mandate to incorporate broader ESG responsibilities. This included reviewing and supporting the adoption of a revised Charter and name change from the Social and Ethics Committee to the Sustainability and Ethics Committee, in line with the Bank's strategic emphasis on sustainability and integrated governance.
- **Oversight of human rights governance:** The Committee exercised oversight over the development and finalisation of the DBSA's Human Rights Policy and Statement. It monitored the integration of human rights considerations into investment decision-making processes and assessed the adequacy of mechanisms established to identify, escalate and mitigate potential violations across the Bank's operations.
- **Strategic Review of the Just Energy Transition (JET) framework:** The Committee provided oversight over management's review and refinement of the JET framework, ensuring alignment with the DBSA's development mandate. It evaluated the strategic approach to identifying high-impact projects and reviewed how the Bank positions itself to leverage climate finance and regional mineral endowments.
- **Governance of stakeholder engagement:** The Committee monitored the finalisation and implementation of the Bank's stakeholder management strategy and framework. It provided oversight on how internal and external stakeholder engagement supports transparency, trust-building and alignment with institutional objectives.
- **Ethics, conduct and integrity assurance:** The Committee maintained rigorous oversight over ethical conduct within the Bank, supported by engagements with the Ethics Unit and Internal Audit. It reviewed incidents reported through closed sessions and monitored the application of the Bank's zero-tolerance stance on corruption and misconduct.
- **Monitoring ESG integration across the investment lifecycle:** The Committee reviewed progress in embedding ESG considerations across the Bank's operations, particularly within capital raising, allocation and project implementation processes. It provided guidance on the shift from compliance-based reporting to a strategic, impact-focused ESG reporting model.

Key focus areas for FY2025/26 and beyond

- **Oversee implementation of the Human Rights Policy:** Monitor the rollout of the Human Rights Policy and Statement, including the effectiveness of risk identification, escalation mechanisms and integration into investment decision-making.
- **Guide the advancement of ESG Reporting:** Provide strategic oversight on transitioning ESG reporting from compliance-focused to impact-driven, ensuring alignment with development outcomes and funder expectations.
- **Monitor progress on the Just Energy Transition (JET) strategy:** Oversee the execution of the updated JET framework, including management's efforts to build a credible project pipeline and secure climate finance aligned to sustainable industrialisation goals.
- **Ensure effective integration of critical minerals into development strategy:** Monitor how the Bank positions itself in the critical minerals space, ensuring that ESG, development impact and regional collaboration are considered in strategy execution.
- **Track stakeholder strategy implementation:** Oversee the embedding of the stakeholder engagement strategy internally and its impact on strengthening relationships with external stakeholders such as the Minister of Finance, shareholders and communities.
- **Deepen oversight of ethical governance:** Continue to monitor ethics-related matters, including adherence to a zero-tolerance approach to corruption and evaluate trends or risks arising from internal ethics reporting systems.
- **Assess ESG function maturity and institutional alignment:** Review progress made in aligning ESG principles across business functions and capital allocation and provide oversight over planned enhancements in ESG governance structures.

Kenneth Brown
Chairman of the SEC

NATURAL CAPITAL

The DBSA has a crucial role in mobilising resources for global sustainable development, aligning with the SDGs and the Paris Agreement by greening financial systems and embedding ESG principles. This is particularly vital in resource-rich regions like Africa, requiring responsible stewardship and innovative green finance. The DBSA, leveraging its experience and managing initiatives like the Green Fund, actively leads collaborative efforts to scale green finance. The transition to green finance offers a pathway to a resilient, low-carbon future through collective action and innovation

Strategic goals	Key resources and relationship	Stakeholders impacted	Material Issues
	• 10.5 megawatts of electricity consumed • 3.2 kilolitres of water consumed • Climate financing solutions		• Strategic, execution and business risks • Environmental, Social and Governance Risks

Value created for stakeholders in FY2024/25

- Access to international climate finance mechanisms
- A strong pipeline of viable, high-impact projects

CLIMATE FINANCING

The DBSA addresses the urgent need for innovative financing solutions that protect vulnerable communities and ecosystems, especially in areas where financial risk discourages private sector investment. As a development finance institution, the Bank is well positioned to close this gap through de-risking mechanisms such as guarantees, blended finance, green bonds and climate risk insurance.

The Climate Finance Facility, operating under a green bank model, mobilises private capital for renewable energy and climate-resilient infrastructure. The Water Reuse Programme responds to growing water insecurity, while the Embedded Generation

Investment Programme, delivered in partnership with the UN Green Climate Fund, supports the uptake of renewable energy. These initiatives show how blended finance can use concessional public funds to attract private investment, reduce risk and accelerate high-impact projects.

Partnerships with UNFCCC finance mechanisms such as GEF and GCF

The DBSA, through its partnership and accreditation with the United Nations Framework Convention on Climate Change (UNFCCC), finance mechanisms such as the Global Environment Facility (GEF) and the Green Climate Fund (GCF), is playing a pivotal role in advancing global climate and environmental goals. The partnership focuses on initiatives designed to bolster climate action and confront biodiversity loss in alignment with the objectives outlined in the SDGs, international biodiversity/enviro-nmental agreements and Paris Agreement targets, including various African countries' Nationally Determined Contributions (NDCs).

The Global Environmental Facility (GEF)

The DBSA-GEF partnership is anchored on recognising the vital links between the environment and sustainable development. GEF funding provides substantial opportunities for DBSA to enhance local and regional environmental benefits in infrastructure projects through piloting innovations, de-risking investments, mainstreaming environmentally sustainable approaches, policy reforms and embedding nature-based solutions into grey infrastructure projects. GEF predominantly provides grant funding as well as "non-grant instruments" (NGI) as part of its offerings, which include guarantee facilities, equity finance and concessional loans with credit enhancement provisions such as low interest rates and long tenor.

GEF Project Examples:

Unlocking Biodiversity benefits through development finance in critical catchments.

The DBSA's recent close-out event for the Ecological Infrastructure for Water Security (EI4WS) project celebrated a remarkable journey of collaboration, innovation and resilience. The project, funded by the GEF through the DBSA and executed by SANBI in partnership with the Department of Water and Sanitation (DWS), demonstrably supports the DBSA's mandate for sustainable infrastructure development and addressing South Africa's water challenges, while directly supporting South Africa's biodiversity conservation and ecosystem service enhancement. By investing USD7.2 million, coupled with co-financing from DBSA, SANBI and participating municipalities, EI4WS successfully scaled up investment in ecological infrastructure management within critical catchments. This strategic alignment has yielded exceptional outcomes, showcasing the power of ecological solutions to address South Africa's water security needs.

The EI4WS project's outcomes demonstrate tangible results across multiple fronts in the Berg-Breede and the Greater Umngeni catchments. The practical experience gained in these two demonstration catchments has provided replicable models for sustainable water management. The project's groundbreaking approach of integrating ecosystem values into water planning and financing ensures that future investments prioritise nature's role in securing clean water. A comprehensive economic analysis of water systems has addressed the critical gap of neglecting ecological restoration, promoting long-term sustainability. Furthermore, the project fostered collaboration among key stakeholders, building capacity and knowledge-sharing within South Africa's water value chain. The tangible benefits of healthy ecosystems have been clearly demonstrated, including improved water delivery, pollution removal and enhanced resilience to floods and droughts. EI4WS has established a model for sustainable water management, proving the efficacy of ecological infrastructure and setting a precedent for future investments.

Building a resilient and resource-efficient Johannesburg: Increased access to urban services and improved quality of life.

This GEF-funded project, with the DBSA and UNEP as implementing agencies and the City of Johannesburg (COJ) as the executing agency, aims to enhance the City of Johannesburg's resilience, efficiency and sustainability. Component 4, managed by the DBSA, specifically focuses on integrating gender-sensitive biodegradable waste management strategies, including waste separation at the source, constructing and operating a waste-to-biogas pilot plant and feasibility studies for city-wide implementation. This component aligns with the DBSA's strategy of supporting environmentally sustainable projects and promoting regional integration and cooperation. The waste-to-biogas plant at Robinson Deep landfill is a key example of this, addressing the environmental hazard of methane generation from decommissioned landfills while exploring alternative waste management strategies. The project comprises five synergistic components designed to advance sustainable urban development in Johannesburg through a holistic, multisectoral approach. It prioritises integrating sustainability principles into the city's physical planning processes while embedding gender-sensitive and resource-efficient guidelines to improve the long-term viability of social housing initiatives. Additionally, the project seeks to enhance urban food security by optimising food distribution systems and promoting innovative peri-urban agricultural practices. A key element is adopting and implementing an integrated biodegradable waste management strategy, which includes the development of a waste-to-energy biogas plant to contribute to a circular economy. By addressing the city's complex and multifaceted challenges in a coordinated manner, the project aims to deliver impactful and lasting solutions. Furthermore, it will significantly strengthen the City of Johannesburg's capacity for evidence-based policy formulation and strategic decision-making.

GEF Challenge Programme for Adaptation Innovation

The DBSA is the implementing agency for two projects under the GEF- Challenge Programme for Adaptation Innovation, a competition designed to pilot and de-risk novel approaches to adaptation funding in partnership with private sector entities. This partnership was announced at COP29 in Baku, Azerbaijan, in November 2024. The first project, "Adaptation Innovation through Emissions Reductions Traditional Fire Management," executed by the International Savanna Fire Management Initiative (ISFMI), will leverage deep ecological knowledge and cultural practices to help the DBSA better understand the best fire management strategies to curb emissions in wildfire-prone areas in Angola, Mozambique and Zambia. Lessons learnt from this project could be replicated in other vulnerable areas, such as the Western Cape and other regions in Africa. The second project, "Valuing Resilience: Building Capacity for Smallholder Farmers and Agribusinesses in East Africa to Monetize Climate Resilience Outcomes," executed by Farm Africa will provide an innovative "on ramp" for private sector finance inflows to support climate adaptation for smallholder farmers and SME agribusinesses in East Africa. This project also aims to develop innovative funding models that could be replicated in South Africa.

The Green Climate Fund (GCF)

The partnership with the GCF is guided by a focus on a programmatic approach where we envisage designing and implementing large multi-country programmes or regional climate finance facilities in support of country NDCs and National Adaptation Plans (NAPs), as demonstrated in the examples below. The DBSA continuously designs new climate-focused programmes across various sectors to address market gaps with GCF's Project Preparation Facility (PPF) support. We also endeavour to assist in building the capacities of DFIs in the region in terms of their journey to accreditation. GCF funds, which include grants and concessional loans, are typically blended with other funding sources and used to de-risk climate projects, thereby crowding in private sector investment and benefiting the project beneficiaries.

GCF funded Programme/Project Preparation Examples:

The Climate Finance Facility (CFF)

The CFF is a lending facility that aims to address market constraints, play a catalytic role with a blended finance approach and catalyse private sector investment in low-carbon and climate-resilient infrastructure in South Africa, Eswatini, Lesotho and Namibia through credit enhancement. It will de-risk and increase the bankability of climate projects in order to crowd in private sector investment. Its successful implementation will prove that similar financial models can be replicated in other developing countries to help achieve their Nationally Determined Contributions (NDCs).

Embedded Generation Investment Programme (EGIP)

The overall objective of the EGIP is to support the development and upscaling of solar photovoltaic and wind renewable energy embedded generation projects, developed by independent power producers operating in South Africa. This initiative will prioritise infrastructure development through a Just Transition lens to fulfil DBSA's commitment to empowering local communities.

Water Reuse Programme

As the world's largest climate fund dedicated to supporting adaptation and mitigation projects in developing countries, in 2023 the GCF approved US$235 million in funding to DBSA for a Water Reuse Programme (WRP), the largest investment in an adaptation project by the GCF at the time. The WRP is a sector-first alternative funding approach that seeks to enable the scale-up of water reuse projects that will improve water security and climate resilience at local and provincial levels in South Africa. A critical focus point for this intervention will be at the municipal level, where climate-induced water insecurity has a debilitating effect on the lives of citizens. The programme expects to increase the resilience to climate change of 3,424,737 beneficiaries directly.

Climate Resilient Systems for SADC Water Sector: SADC Hydrological Cycle Observation System (SADC-HYCOS IV Project)

The GCF also approved project preparation funding grant support to DBSA to prepare a regional climate-resilient water investment programme in the Southern African Development Community (SADC). Funding from the GCF Project Preparation Facility (PPF) is currently supporting the development of an investment programme that aims to leverage public and private sector co-financing, which is expected to benefit 140 million people in the SADC region. The programme is under the Continental Africa Water Investment Programme (AIP), which was adopted by the African Union Heads of States Summit in February 2021. The AIP aims to mobilise USD 30 billion annually by 2030 to close the water investment gap in Africa.

Other Climate Initiatives/Partnerships

IKI National Development Banks' Urban Climate Action (NUCA) Programme

This programme aims to support strategic urban climate action projects for selected South African municipalities. The DBSA will improve the enabling environment for urban climate finance and private sector investment for municipal projects through appropriate financial products and capacity-building initiatives. The DBSA collaborates with intermediary municipalities to build capacity within the municipalities to help them identify potential investment opportunities, develop feasibility studies and provide training based on the needs of each of the participating municipalities. The stakeholder engagement plan has been completed. The project also aims to build capacity within participating financial institutions. The DBSA's needs are being assessed to determine how to enhance tools and the capacity to increase urban climate finance in the Sub-Saharan African region. A preliminary list of 25 municipalities has been identified as potential beneficiaries and further engagement with these municipalities is underway to identify projects to be included in the programme for project preparation funding. A consultant has been hired to support the DBSA team on the project.

06

Governance for Impact

GOVERNANCE IN SUPPORT OF VALUE CREATION

OUR GOVERNANCE PHILOSOPHY

At the DBSA, sound corporate governance is recognised as the cornerstone of sustainable value creation, stakeholder trust and long-term impact. The Bank's governance philosophy is grounded in the principles of accountability, transparency, ethical leadership and inclusivity. These values underpin every aspect of operations and define how the DBSA delivers on its development mandate.

The Bank operates within a robust and evolving governance framework, guided by King IV and aligned with international best practices. This framework serves not merely as a compliance mechanism but as a strategic enabler that supports institutional integrity and resilience in decision-making.

Strong governance is viewed as essential to unlocking shareholder value, attracting and managing capital effectively and reinforcing investor and stakeholder confidence. It is equally central to maximising development impact across the region. As a key player in fostering inclusive economic growth and driving transformational development, the DBSA remains committed to governance excellence, executing this role with both credibility and foresight.

At the core of the Bank's governance approach is a deep commitment to the rule of law, ethical conduct and inclusive stakeholder engagement. These elements are firmly embedded within governance structures and decision-making processes, ensuring that operations are conducted with the highest standards of integrity and transparency.

The governance framework is supported by a competent and diverse Board of Directors, an experienced executive leadership team and clearly articulated strategies aligned with the DBSA's vision and values. Comprehensive governance policies are rigorously applied across all levels of the organisation, ensuring that every decision, whether strategic, financial, or operational, is ethically sound, legally compliant and aligned with long-term objectives.

A strong commitment to continuous improvement underpins the DBSA's governance ethos. As the governance landscape evolves, practices are regularly assessed and refined to remain agile, compliant and responsive to stakeholder needs and the broader development context.

Ultimately, the Bank's governance philosophy safeguards its reputation, ensures sustainable performance and reinforces its role as a trusted development finance institution. Through sound governance, the DBSA creates enduring value for its stakeholders and contributes meaningfully to the development of the region.

OUR GOVERNANCE ECOSYSTEM

The DBSA operates in alignment with its Mandate Statement, which defines its purpose, strategic focus and development objectives. In accordance with this mandate, the Minister of Finance, acting as the Executive Authority, enters into a Shareholder Compact with the DBSA Board. This Compact serves as a formal agreement that confirms the Bank's strategic priorities and expectations, ensuring alignment with national development goals and government policy directives.

The Board of Directors serves as the Accounting Authority in terms of the PFMA and the Companies Act. It is entrusted with providing effective leadership and strategic direction to safeguard the interests of the shareholder and other stakeholders. The Board is responsible for enhancing shareholder value and ensuring the DBSA's long-term sustainability, operational excellence and development impact.

To fulfil these responsibilities, the Board is supported by the CEO and the executive management team, who are accountable for the implementation of the approved corporate strategies, annual corporate plans and organisational policies. This collaborative governance model ensures that the Bank remains agile, responsive and aligned with its development mandate, while adhering to the highest standards of accountability and performance.

Key legislation and regulations

- The DBSA Act
- PFMA
- Companies Act (where appropriate)

Governance principles

- King IV (where appropriate)
- Corporate Governance Development Framework
- Association of African Development Finance Institutions
- Prudential Standards Guidelines and Rating System
- UN Global Compact

Governance partnerships

- SADC Development Finance Resource Centre
- Corporate Governance Development Framework
- SADC Working Group

Policies and procedures in place

- Board Charter
- Code of Ethics
- Delegation of Authority
- Directors' Policy on Conflict of Interest
- Directors' Code of Conduct
- Employees' Policy on Conflict of Interest
- Board and Subcommittees' Terms of Reference
- Gift and Hospitality Policy
- Whistle-blowing Policy
- Appointment of DBSA nominee directors and private equity Advisory Committee Members Policy
- Ethics hotline

GOVERNANCE STRUCTURES AND OVERSIGHT

Shareholder					
	DBSA Board of Directors				
Audit and Risk Committee	Human Resources and Remuneration Committee	Nominations Committee	Infrastructure delivery and Knowledge Management Committee	Board Credit and Investment Committee	Sustainability and Ethics Committee
Chief Executive Officer					
	Group Executive Committee				
	Asset and Liability Management Committee	Investment Committee	Supply Chain Management Committee	Infrastructure Delivery and Knowledge Management Committee (MANCO)	Social Environmental Ethics Climate Risk Management Committee (SECR)

The DBSA's robust governance framework that ensures accountability, strategic alignment and adherence to global best practices. This framework is overseen by an independent and diverse Board of Directors, appointed by the Minister of Finance as the DBSA's Executive Authority.

The DBSA is firmly committed to the principles embodied in applicable international corporate governance codes and King IV, which guide its ethical and transparent leadership practices. The relationship between the Shareholder and the Board is formally governed by the Shareholder Compact, a critical instrument that reaffirms the DBSA's mandate and outlines its strategic priorities.

Role and responsibilities of the Board

The Board Charter sets out the responsibilities of the Board, reinforcing its alignment with global best practices. In accordance with this Charter, the Board ensures that governance practices remain current, effective and responsive to the evolving financial and developmental environment.

Executive management and operational governance

The CEO, operating within a defined delegation of authority from the Board, ensures the effective execution of the Bank's mandate through a series of management committees, including:

- Asset and Liability Committee
- Investment Committee
- Supply Chain Management Committee
- Infrastructure Delivery and Knowledge Management Committee
- Social Environmental Ethics, Climate Risk Management Committee

These committees support operational decision-making and ensure the day-to-day functioning of the Bank is in line with the strategic direction set by the Board.

Company Secretariat

The Corporate Secretariat Unit, led by the Company Secretary, plays a pivotal role in ensuring sound corporate governance. The unit acts as a strategic link between the Board and the Shareholder and is responsible for facilitating the annual Board Programme, coordinating governance processes and ensuring compliance with statutory and regulatory obligations.

OUR BOARD

At the heart of the DBSA's governance framework is the Board, which serves as the custodian of corporate governance and ethical leadership. Comprising a majority of Independent Non-Executive Directors, the Board upholds the highest standards of governance by setting a strong ethical tone at the top and working closely with the executive management team to instil a culture of accountability, transparency and performance across the Bank. The Board provides strategic direction, approves the DBSA's strategies and monitors organisational performance to ensure sustainability and long-term value creation. In fulfilling its oversight role, the Board evaluates risks, opportunities, operating models and sustainability matters in alignment with the Bank's vision, values and development objectives.

Key performance measures and strategic targets across the short, medium and long term are endorsed and regularly monitored by the Board, ensuring that the DBSA's activities contribute positively to the economy, society and the environment. The application of sound governance principles extends beyond internal operations to shape the DBSA's external relationships with clients, regulators, industry bodies and broader stakeholders, reinforced through ongoing engagement and feedback that foster trust, relevance and accountability.

Board composition

The DBSA Board reports to the Minister of Finance, who serves as the Shareholder Representative on behalf of the South African government. In accordance with Section 7 of the DBSA Act, Board members are appointed by the Minister in consultation with Cabinet. Directors are selected based on their ability and experience in key areas relevant to the DBSA's mandate, including socio-economic development, development finance, business, finance, banking and administration. The Act also allows for the appointment of the CEO and one other executive manager, or staff member of the Bank, as directors.

Board members are appointed for a three-year term and are eligible for reappointment, subject to performance and continued alignment with the needs of the Bank.

The DBSA Board is structured to reflect an appropriate balance of skills, knowledge, experience, independence and diversity, ensuring robust governance and effective oversight. This diversity of expertise strengthens the Board's ability to fulfil its fiduciary responsibilities and to guide the DBSA in achieving its developmental objectives. Board expertise aligns with the requirements of Clause 7(3) of the DBSA Act, affirming the Bank's commitment to strong, competency-based leadership.

The Board's gender representation is balanced, with 14 members: seven females and seven males. In line with the provisions of the DBSA Act and the governance principles outlined in King IV, the DBSA does not retain any Board members who have served for longer than nine years. To ensure effective continuity and institutional memory, the Board has implemented a structured succession strategy. This strategy staggers Board appointments so that members serve differentiated term cycles, promoting stability while enabling regular renewal. While the process is still maturing, the Board's succession efforts are beginning to show positive results, with members now serving across three distinct term cycles. In addition, the Board succession plan extends to its committees, where potential successors are identified to ensure seamless leadership transitions and sustained effectiveness at the committee level.

Changes to governance structures and Board membership

Board leadership

Mr Ebrahim Rasool, who served as the Chairman of the DBSA Board, resigned on 30 November 2024. Following his departure, Ms Martie Janse van Rensburg, who held the position of Deputy Chairman, was appointed as Interim Chairman of the Board. This interim appointment ensures leadership continuity and stability while the formal process of appointing a new Chairman and filling the resulting vacancy is underway. The Board remains committed to upholding its governance responsibilities and ensuring a smooth transition aligned with the DBSA Act and governance best practices.

Board committees' changes

The following changes were implemented in the composition and structure of the DBSA Board Committees during the year under review, in line with the Bank's succession planning, evolving strategic priorities and to enhance the effectiveness of Board oversight functions:

ARC

During the year under review, Ms. Martie Janse van Rensburg ceased to serve as a member of the ARC.

BCIC

During the year under review, Ms. Disebo Moephuli was appointed Chairman of the BCIC. Ms. Martie Janse van Rensburg stepped down as Chairman but continues to serve as a member of the Committee. Mr. Kenneth Brown was appointed as a member of the BCIC. Mr. Ebrahim Rasool ceased to serve as a member of the Committee.

HRC

During the year under review, Ms. Martie Janse van Rensburg was appointed as a member of the HRC, while Mr. Kenneth Brown ceased to serve as a member of the Committee. Mr. Ebrahim Rasool ceased to serve as a member of the Committee.

NOMCO

During the year, Ms. Martie Janse van Rensburg was appointed Chairman of the NOMCO by virtue of her appointment as Interim Chairman of the Board. Mr. Ebrahim Rasool ceased to serve as a member of the Committee.

IDKC

During the year under review, Mr. Ebrahim Rasool ceased to serve as a member of the Committee.

Board attendance for the year under review

	Number of meetings						
	Board and committee record of attendance						
	Board	ARC	BCIC	HRC	IDKC	NOMCO	SEC
Scheduled	5	4	11	4	4	4	4
AGM	1	-	-	-	-	-	-
Strategy	1	-	-	-	-	-	-
Risk focused	-	2	-	-	-	-	-
Investment valuations[1,2]	-	2	-	-	-	-	-
Other/special	-	-	-	-	-	4	-
Total	**7**	**8**	**11**	**4**	**4**	**8**	**4**
Independent Non-executive Directors							
Ebrahim Rasool[3]	5/7	1/2	10	3/3	4	6/6	-
Martie Janse van Rensburg (Interim Chairman)[1,2]	7	7	11	1/1	4	8	-
Bongani Nqwababa	7	8 (Chair)	11	4	-	-	-
Pinkie Nqeto	7	-	-	4 (Chair)	4	8	-
Petrus Matji[3,4]	7	2/2	10	-	4 (Chair)	-	-
Dinao Lerutla	7	6	10	-	-	-	-
Berry Hore	6	8	-	4	-	-	-
Disebo Moephuli[5]	6	8	10 (Chair)	-	-	-	-
Jonathan Muthige	7	-	-	3	-	-	4
Chantal Naidoo	7	7	8	-	-	-	4
Edgar Pieterse	7	-	-	-	3	-	-
Joel Netshitenzhe	6	-	-	-	4	2	4
Directors' Term resigned during the year							
Ebrahim Rasool[6]	5/5	1/1	8/8	3/3	3/3	6/6	-
Executive Directors							
Ms Boitumelo Mosako (CEO)[3,4]	7	2/2	8	-	2	-	3
Ntombizodwa Mbele (CFO)[3,4]	6	2/2	10	-	-	-	-
Non-Executive Director							
Mr Kenneth Brown	6	-	3	4	4	-	4 (Chair)

Notes:

[1] Appointed as the Interim Chairman of the Board with effect from 01 December 2024

[2] Martie Janse van Rensburg's term ended 31 March 2025 and was extended until 30 September 2025

[3] BCIC members are invited to the ARC investment valuation meetings

[4] ARC meets twice a year to consider new investment valuations

[5] Disebo Moephuli was appointed as the Chairman of BCIC with effect from 01 December 2024

[6] Resigned as the Chairman Designate of the Board with effect from 30 November 2024

BOARD'S KEY FOCUS AREAS IN FY2024/25

Governance and Strategic Oversight

- Approved the Annual Board Agenda Plan, Board Charter and Terms of Reference for Board Committees.
- Approved the 2025/26 Corporate Plan, including the Shareholder's Compact and recommended the declaration of dividends to the Shareholder for approval

Implementation and oversight of the 10-Year Strategy

- Approved and now overseeing execution of the Decadal Strategy (2023/24–2032/33).
- Monitoring the build-up of institutional capacity and strategic readiness to accelerate growth from FY2026/27 onwards.

Strengthening governance and strategic leadership

- The Board welcomed new members in the previous year and has continued to integrate them into its governance structures to strengthen its skills base and strategic oversight capacity.
- Focused on Board succession planning, realignment of committee roles and leadership continuity.
- Reinforced strategic governance through structured Board engagement and training initiatives.

Embedding ESG into governance structures and investment decision-making

- Integrated ESG principles across all Board committees, including climate and sustainability considerations in HRC and BCIC functions.
- Directed attention to climate-resilient infrastructure, especially in water and electricity systems.

Supporting institutional transformation and innovation

- Oversaw key institutional initiatives, including:
  - Operating model review
  - Digital transformation programmes
  - Supported the broadening of DBSA's product offering (e.g., trade finance, risk mitigation instruments) and mandate interpretation to stimulate intra-African trade.

Responsible growth and risk management

- Endorsed a prudent, well-governed approach to expanding the DBSA's portfolio while managing credit and operational risks.
- Emphasised building a strong pipeline of bankable projects through internal capacity development.

Strategic stakeholder engagement and positioning

- Strengthened strategic partnerships through events such as the Finance in Common Summit, reinforcing DBSA's leadership among African and global development finance institutions.
- Ongoing relationship-building with DFIs (pending further detail on the governance roadshow and educational initiatives to be included).

Performance oversight and alignment with executive leadership

- Ensured alignment between the CEO and the Board to drive strategic continuity.
- Maintained strong oversight of performance delivery against the DBSA mandate

Board future focus

The DBSA Board remains committed to supporting the implementation of the Bank's 10-Year Decadal Strategy (2023/24–2032/33), which aims to significantly scale development impact. This ambitious growth agenda requires a fundamental shift in institutional capacity, risk management and strategic agility.

Over the next two years, the Board will prioritise oversight of efforts to build internal capacity, strengthen governance structures and develop a robust pipeline of bankable projects that can drive sustained growth without compromising the Bank's risk profile. The focus will remain on responsibly catalysing infrastructure investment while maintaining a prudent approach to credit risk.

Strategic Board priorities also include:

- Driving innovation in financing solutions and expanding the Bank's product offering.
- Leveraging opportunities under the African Continental Free Trade Area (AfCFTA) and intra-African trade growth.
- Enhancing partnerships with development stakeholders to mobilise resources and expertise for transformative infrastructure development.

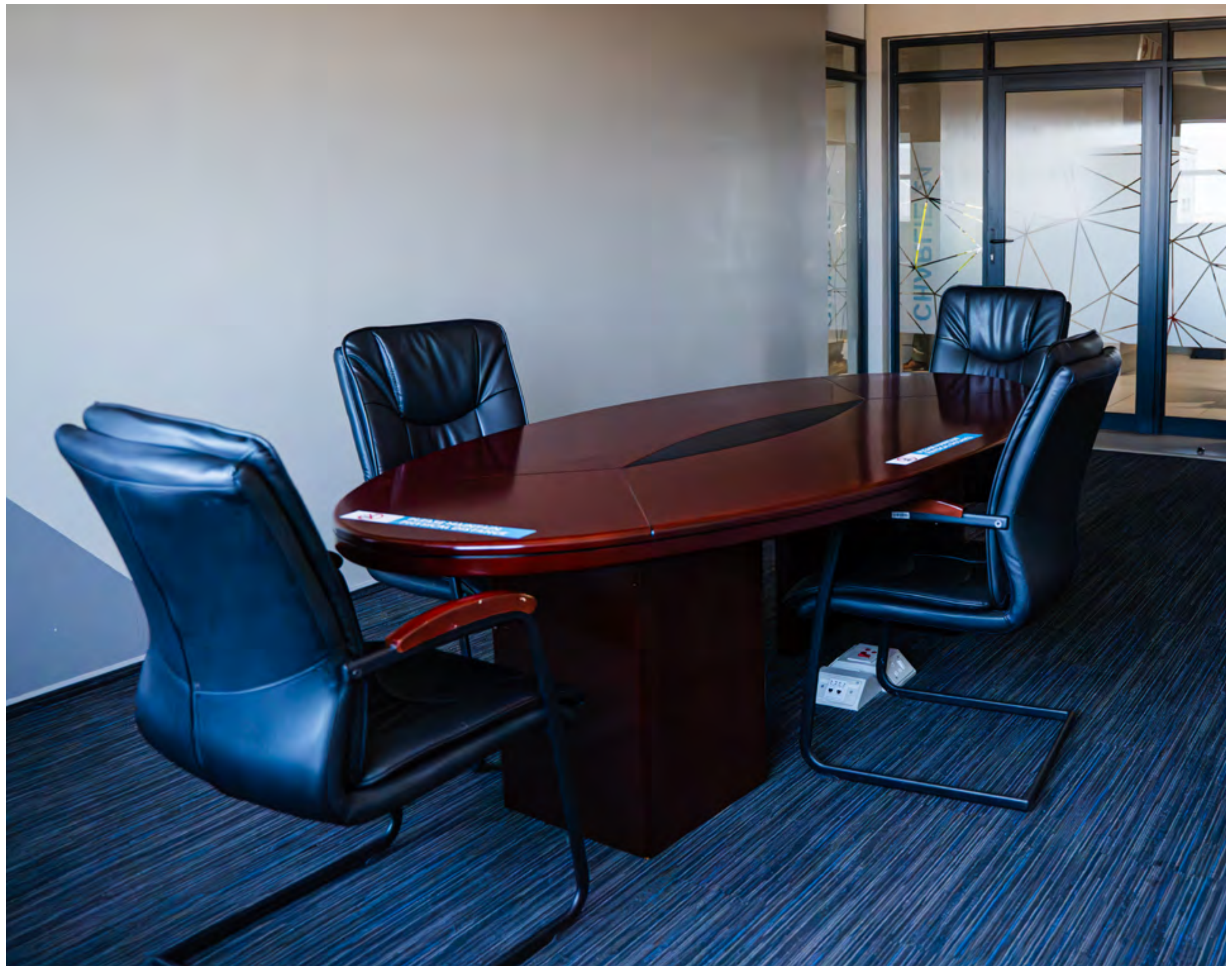
- Continue to champion sound governance, climate resilience and ESG integration, ensuring that sustainability remains at the core of all decision-making processes. In support of these goals, the Board will strengthen its own strategic capabilities through structured planning sessions, ongoing training and succession planning to maintain governance continuity aligned with the DBSA's evolving mandate.

As the DBSA positions itself to become a leading catalyst for Africa's development, the Board is committed to providing steadfast oversight, strategic guidance and collaborative leadership to ensure the Bank delivers on its vision with integrity and impact.

Board committees and governance oversight
To strengthen effective corporate governance, the Board has established six committees to support the execution of its oversight responsibilities. These committees play a critical role in enhancing governance standards and operational efficiency across the DBSA Group. Each committee operates in accordance with formally approved terms of reference, all of which were reviewed and updated during the year under review to ensure continued relevance and effectiveness.

Regular reports on committee activities are tabled at Board meetings, ensuring alignment with strategic priorities and enabling informed oversight. While the Board delegates specific responsibilities to these committees, such delegation does not absolve it of its overarching fiduciary duties.

For detailed information on the composition, roles, meeting attendance and activities of the Board Committees—namely the Audit and Risk Committee, Board Credit and Investment Committee, Human Resources and Remuneration Committee, Nominations Committee, Infrastructure Delivery and Knowledge Management Committee and the Social and Ethics Committee (refer to pages 152 to 156).



NOMINATIONS COMMITTEE REPORT

Martie Janse van Rensburg
Chairman of the Nominations Committee

MANDATE

The Nominations Committee (NOMCO) operates in accordance with its formal Charter, which governs its affairs and guides the discharge of its responsibilities. In alignment with the principles of King IV, NOMCO support the Board in execution of its duties with respect to the nomination of directors for the DBSA board, directors' affairs and governance-related matters. NOMCO ensures that the processes for the nomination, election and appointment of Board members are formal, transparent and aligned with good governance practices. NOMCO oversees a transparent and formal process for nominating and appointing Board members, which includes identification of suitable members of the Board as well as performance of reference and background checks of candidates prior to nomination including fit and proper and conflict of interest assessments.

No. of meetings during the year	8
Independent members (%)	100%
Independent Non-executive Directors	4

Members	Number of meetings attended
Ebrahim Rasool (Resigned from Board effective 30 November 2024)	4
Martie Janse van Rensburg (Appointed Interim Board Chairman, effective 01 December 2024)	8
Pinkie Nqeto	8
Joel Netshitenzhe (Co-opted effective 30 November 2024)	4

Refer to pages 16 to 21 for details of each member's qualifications

Committee activities for FY2024/25

Key matters attended to:

- **Governance and Strategic Oversight:** Approved the Annual NOMCO Agenda Plan and recommended the Committee's Terms of Reference to the Board for approval.
- **Board succession planning:** The Committee played a key role in ensuring leadership continuity through proactive succession planning.
  - Following the departure of Mr. Ebrahim Rasool, the Committee recommended Ms. Martie Janse van Rensburg as the Interim Chairman of the Board. This also prompted the reassignment of Chairman roles within BCIC and NOMCO.
  - Approved the search strategy to recruit additional Board members for vacancies.
  - Oversaw the recruitment process and discussed the vetting outcomes of the candidates
- **Amendment of DBSA regulations:** The Committee guided the input process for the draft amendments to the DBSA Regulations, as proposed by the shareholder department, to ensure alignment with governance and legislative expectations.
- **Terms of reference review:** The Committee reviewed and updated its Terms of Reference to ensure the incorporation of sound governance principles and to reflect proper and fair requirements aligned with best practice.
- **Governance effectiveness:** The Committee supported continuous developmental training for Board members to maintain effective governance and enhance strategic oversight. The implementation of Board enrichment plan for 2024/25 was monitored and 8 sessions were held.
- **Committee coordination:** Through cross-membership and coordinated meeting schedules, the Committee promoted collaboration among Board committees and minimised duplication, supporting cohesive governance.

- **CEO performance assessment and incentive allocation:** The Committee considered the CEO's performance and recommended the appropriate incentive allocation, aligned with the achievement of strategic objectives and performance outcomes.

Key focus areas for FY2025/26 and beyond

- **Board Succession Planning:** Continue proactive succession planning to ensure continuity, diversity and strategic alignment of Board leadership, including oversight of committee Chairman appointments and emerging leadership development.
  - Oversee the induction of Independent non-executive directors appointed during the year.
  - Review the Board Committees' composition.
  - Plan and oversee the Board evaluation and efficacy.
  - Commence with the recruitment process for vacancies during the latter part of the year.
- **Governance effectiveness:** Review the Board enrichment and development plan

Martie Janse van Rensburg
Chairman of the Nominations Committee

IRREGULAR EXPENDITURE DISCLOSURE

In terms of Chapter 9 of the new PFMA Compliance and Reporting Framework issued in December 2022, there is a requirement for disclosure of irregular, wasteful and fruitless expenditure in our annual report, as detailed below:

1. Reconciliation of irregular expenditure

in thousands of rands	2025	2024
Balance at the beginning of the year	-	-
Add: Irregular expenditure confirmed	-	111
Less: Irregular expenditure condoned	-	(111)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	-	-

2. Reconciling notes to the financial statement disclosure

in thousands of rands	2025	2024
Irregular expenditure that was under assessment in 2023/24	-	-
Irregular expenditure that relates to 2022/23 and identified in 2024/25	-	-
Irregular expenditure for the current year	-	111
Total	-	111

3. Reconciling notes to the financial statement disclosure

in thousands of rands	2025	2024
Irregular expenditure that was under assessment in 2023/24	-	-
Irregular expenditure that relates to 2022/23 and identified in 2024/25	-	-
Irregular expenditure for the current year	-	111

4. Details of current and previous year irregular expenditure condoned

in thousands of rands	2025	2024
Irregular expenditure condoned	-	-
Total	-	-

5. Details of current and previous year irregular expenditure removed (not condoned)

in thousands of rands	2025	2024
Irregular expenditure condoned	-	-
Total	-	-

6. Details of current and previous year irregular expenditure recovered

in thousands of rands	2025	2024
Irregular expenditure condoned	-	-
Total	-	-

7. Details of current and previous year irregular expenditure written off (irrecoverable)

in thousands of rands	2025	2024
Irregular expenditure condoned	-	-
Total	-	-

8. Details of non-compliance where DBSA is involved in an inter-institutional arrangement and is not responsible for non-compliance

Description

None

9. Details of non-compliance where DBSA is involved in an inter-institutional arrangement and is responsible for non-compliance

in thousands of rands	2025	2024
Summary of incidences		
Service providers were engaged to offer services before variation order was approved	-	-
Variation order exceeded the internally approved threshold, but within limit approved by principal department	-	-
Contractor executed additional work without DBSA's approval	-	-
Service provider with a non-compliant tax status was engaged	-	
Total	-	-

10. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

in thousands of rands	2025	2024
	-	-

UPHOLDING AN ETHICAL CULTURE

The Board, guided by a comprehensive code of ethics, monitors the Bank's social responsibilities and ensures policies consistent with its legitimate interests and good business practices. The Bank's culture, anchored in collaboration, professionalism and customer orientation, is demonstrated through employee behaviour marked by high moral conviction, accountability, responsiveness, proactivity, adaptability to change and innovation. The Board sets the ethical tone and oversees strategic objectives, governance and corporate culture.

Governing and managing ethics

The Bank recognises the importance of keeping a consistent message of ethical principles and values, which have been a major pillar of its strength. To uphold the highest ethical standards, we have ensured that the DBSA Code of Ethics is fully integrated throughout our organisation, fostering an ethical culture evident in our robust internal control systems, proactive analytics and firm stance against governance breaches.

The Board, through the SEC, is in charge of overseeing ethical performance. The SEC is in charge of both oversight and reporting to stakeholders. The executive management ensures that there are structures and individuals dedicated to managing the organisation's ethics. The Ethics Office is in charge of safeguarding the Code of Ethics and related policies. As custodians, the Ethics Office is responsible for promoting and enforcing ethical standards throughout the organisation. This is accomplished through rigorous policy management, training and awareness efforts and proactive risk management for ethics-related risks.

The SEC, through the Ethics Office and in collaboration with key stakeholders, including Internal Audit, Compliance, Legal, Human Capital and frontline operations, ensures that governance and ethical standards are consistently upheld. A zero-tolerance approach is maintained toward fraud, bribery and corruption, supported by clear processes for addressing violations. This rigorous framework underscores the DBSA's commitment to ethical conduct and transparent governance, with integrity positioned at the core of all operations. Quarterly SEC meetings include a closed session dedicated to reported ethics incidents, enabling timely and decisive action where necessary.

During the year, the Committee advanced the DBSA's human rights agenda by finalising a comprehensive Human Rights Policy and Statement. This policy affirms the Bank's commitment to protecting and promoting human rights in line with its developmental mandate. Human rights considerations have been integrated into investment decision-making, supported by feedback mechanisms to report and escalate violations through the risk management system.

The DBSA's Employee Conflict of Interest Policy and processes are increasingly embedded across the organisation, reflected by a 99.9% compliance rate achieved for the first time during the reporting period. The rise in advisory and consulting service requests demonstrates growing awareness and maturity of the programme. However, at the business transaction level, further work is needed to strengthen conflict management. To this end, the Ethics Office, in collaboration with the Compliance Team, will benchmark Control Room practices from commercial banks to inform and enhance the Bank's standards for managing transactional conflicts of interest.

The Ethics Office and Internal Audit enhanced awareness of key ethics programmes, including Conflict of Interest, Gifts, Entertainment & Hospitality, Human Rights and Fraud. In the last quarter, the team, in partnership with Supply Chain Management, hosted supplier workshop sessions in collaboration with external stakeholders such as National Treasury, the B-BBEE Commission, SARS and CIPC. These sessions reinforced the critical role of supplier partnerships in ethically advancing the DBSA's development mandate and reiterated the Bank's zero-tolerance stance on fraud, bribery and corruption.

By year-end, the Bank initiated the review of key policies, including the Directors' Conflict of Interest, Whistleblowing and Anti-Bribery and Corruption policies. These, along with the Code of Ethics, Human Rights Policy Framework, Employee Conflict of Interest Policy and Gifts, Entertainment and Hospitality Policy, remain central to the DBSA's ethical foundation.

In the upcoming financial year, the Ethics Office will focus on finalising policy updates, deepening the integration of human rights principles across operations and enhancing the monitoring and reporting of ethics and conflict of interest matters.

MANAGING RISKS OF POLITICALLY EXPOSED PERSONS

The definitions of Politically Exposed Persons (PEPs) are wide ranging. According to the Financial Intelligence Centre (FIC), a PEP is an individual who is or has in the past, been entrusted with a prominent public or private sector position. The FIC Amendment Act, Schedule 3, read together with the General Laws Amendment Act, sets out three categories of PEPs, that is:

- foreign politically exposed person
- domestic politically exposed person
- prominent influential person (PIP)

PEPs are considered to be high risk as they hold positions of power and influence that may be abused for private gain or to benefit family members or close associates. Due to these risks, it is imperative that the DBSA takes steps to identify whether a client or prospective client is a PEP and ensures that the necessary Enhanced Due Diligence (EDD) and enhanced monitoring processes are applied.

By setting up these processes, the DBSA will ensure that it is able to appropriately manage any legal and reputational risks that emerge from entering into business relationships with PEPs. It will also ensure compliance with various guidelines and directives issued by the FIC which are aimed at combating money laundering and preventing and detecting fraud and other corrupt practices including terrorist financing and proliferation financing.

The DBSA is not precluded from doing business with a PEP therefore the identification of a PEP does not on its own create an automatic reason to decline or reject an application for funding. However, when a PEP is identified, an EDD should be conducted prior to a decision on whether to establish a business relationship or not.

The DBSA has adopted a PEP/PIP Policy to facilitate the mitigation of reputational, operational and legal risks. The policy is based on internationally accepted best practice, standards and guidelines on the management of PEPs, while simultaneously meeting regulatory compliance standards imposed by the FIC Act. This policy applies to all PEPs who may have an interest in obtaining any form of financing from the DBSA. The policy also applies to any employees of the DBSA that are PEPs as well as prospective service providers.

JSE Limited ("JSE") Debt and Specialist Securities Listings Requirements ("DSSLR")

It is the function of the JSE under the Financial Markets Act to provide for the listing, trading, clearing and settlement of debt securities in a transparent, efficient and orderly marketplace. The DSSLR reflect, *inter alia*, the rules and procedures governing new applications and the ongoing obligations of applicant issuers and are aimed at providing investor confidence via an orderly, secure, efficient and transparent financial market. The DSSLR provide for the minimum disclosure which investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the nature and state of an applicant issuer's business and terms of the debt securities. The relevant DSSLR sections are as follows:

- **Domestic politically exposed persons**

Section 7.9 – "If the applicant issuer is a state-owned entity or municipality, the applicant issuer must have a current policy dealing with the disclosure and treatment of domestic PEP (i) at Board level and (ii) for prescribed officers of the applicant issuer in respect of any transactions/dealings by the applicant issuer with domestic PEPs. The policy must be available on the website of the applicant issuer."

The DBSA's PEP/PIP Policy, which is published on the DBSA's website (https://www.dbsa.org/about-us/governance) deals with the disclosure and treatment of PEPs.

Section 7.10 – "A current register of such domestic PEPs and the relationship with the applicant issuer must be maintained by the applicant issuer and must be made available on the website of the applicant issuer when the applicant issuer publishes its Annual Financial Statements. A negative statement must be made if there are no domestic PEPs."

The DBSA confirms that it had no transactions/dealings with such PEPs during the 2024/25 financial year.

- **Procurement**

Section 7.12 – "If the applicant issuer is a state-owned entity or municipality and has a policy dealing with procurement of services and/or products, this policy must be current and published on the issuer's website."

The DBSA's Supply Chain Management Policy is published on the DBSA's website (https://www.dbsa.org/about-us/governance).

Section 7.13 – "A current register of procurement of services and/or products representing 10% or more of the annual procurement spend of the applicant issuer must be maintained by the applicant issuer and must be made available on the website of the applicant issuer when the applicant issuer publishes its annual financial statements. The register must disclose at least the following:

(a) Parties to the agreement;
(b) Brief description as to the nature of the agreement;
(c) Date of the agreement and duration; and
(d) Total value of the agreement for the duration period.

A negative statement must be made if there are no such procurement partners at that level."

The DBSA confirms that it had no such procurement partners at that level during the 2024/25 financial year.

General: loans and procurement

Section 7.15 – "If the applicant issuer is a state-owned entity or municipality, the applicant issuer must have a current policy dealing with the disclosure and treatment of loans and procurement, as a minimum, with –

(a) any related party;
(b) domestic prominent influential persons; and
(c) prescribed officers.

The policy must be available on the website of the applicant issuer."

Both the DBSA's PEP/PIP Policy and the DBSA's Supply Chain Management Policy are published on the DBSA's website (https://www.dbsa.org/about-us/governance) and deals with the disclosure and treatment of loans and procurement with the above-mentioned parties, respectively.

Section 7.16 – "A current register of such loans and procurement with the applicant issuer must be maintained by the applicant issuer and must be made available on the website of the applicant issuer when the applicant issuer publishes its annual financial statements. The register must disclose at least the following:

(a) Parties to the agreement;
(b) Brief description as to the nature of the agreement;
(c) Date of the agreement and duration; and
(d) Total value of the agreement for the duration period.

A negative statement must be made if there are no loans or procurement with such parties."

In accordance with the DBSA's PEP/PIP Policy, the DBSA maintains an internal current register of such loans and procurement.

Reporting of Procurement by other means

No.	Project Description	Name of Supplier	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
1	Security Service To Guard Project Assets Acquired By DBSA From Green Grid Energy (Pty) ("In Liquidation").	Fezile Security	Single Source: Security Services	R32,200.00	4-Apr-24	1-Apr-24	30-Jun-24
2	Roof leaking due to hailstorm at the Main building and Welcome Centre by Mmusi Project Management	Mmusi Project Management	Emergency repairs	R309 ,576,00	9-Apr-24	4-Mar-24	18-Mar-24
3	Balanced Scorecard Bootcamps	Balance Scorecard Solutions Africa Pty Ltd, A Divisional Company Of Pmi Africa Pty Ltd	Sole Source: Training	R207, 000.00	19-Apr-24	13-May-24	4-Jun-24
4	Threat, Risk and Vulnerability Assessment	Unified Risk Management	Single Source: Security assessment	R92,115,00	22-Apr-24	24-Apr-24	31-May-24
5	Network Usage of BLOOMBERG Subscription Service	Bloomberg	Subscription renewal	R39 417 93	3-May-24	N/A	N/A
6	Single Source: GEF-Funded Project, 'Building A Resilient and Resource Efficient Johannesburg'	Energidrop	Single Source: Continuity of service	R4,541,721	22-May-24	1-Jun-24	31-Dec-25
7	Emergency: Urgent repairs services for main gate motor by Dream Tech Projects	Dreamtec Projects	Emergency repairs	R13,500.00	5-Jun-24	N/A	N/A
8	Security Services For Park Road SAPS Project	Nativah Security Services (Pty) Ltd	Emergency: Security Services	R240,000.00	6-Jun-24	1-Jun-24	1-Jul-24

No.	Project Description	Name of Supplier	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
9	Payment for Books	Tracey Mcdonald T/A I Love Books	Sole Source: Purchase of books	R15,000.00	6-Jun-24	N/A	N/A
10	Security Services: RFP201/2022 - Appointment Of Contractor For Construction Of New Inkosi Mkhuphukile	Ngozane Security Services	Emergency: Security Services	R376,000.00	1-Jul-24	1-Jun-24	30-Sep-24
11	Urgent Security repairs services to damaged perimeter main fence	Mmusi Project Management	Emergency: Security Services	R109,650.00	3-Jul-24	N/A	N/A
12	CSIR To Rescope The Net Zero Energy Solution For The DBSA	Council For Scientific and Industrial Research (CSIR)	Single Source: Continuity of service	R1,884,608.50	18-Jul-24	24-Jul-24	24-Jul-24
13	Advertising DBSA Financial Results in the Sunday Times Newspaper	Arena Holding (Pty) Ltd	Sole Source: Advertising	R272,237.20	1-Aug-24	18-Aug-24	18-Aug-24
14	Advertising DBSA Sustainability Material in the Green Economy Media	Green Economy Media	Sole Source: Advertising	R26,381.00	2-Sep-24	2-Oct-24	2-Oct-24
15	Single Source: Original Equipment Manufacturer (OEM) for the lease of an interim HVAC System for the South African Airforce Headquarters in Pretoria	Service First GP (Pty) Ltd	Single Source: OEM appointment	R4,038,233.80	12-Sep-24	16-Sep-24	15-Mar-26
16	Repair Services for Server room Air-conditioning System	Jaroka Engineering (Pty) Ltd	Emergency Repairs	R58,465.36	18-Sep-24	18-Sep-24	18-Sep-24
17	The South African Sustainable Cities Planning And Decarbonisation Integrated Programme Funded By GEF	Council For Scientific and Industrial Research (CSIR)	Single Source: Continuity of service	R1,143,560.00	24-Sep-24	30-Sep-24	28-Feb-25
18	Appointment of CTICC Venue Hire to host the 2025 FICS Conference in Cape Town, South Africa	CTICC	Single Source: G20 event	R22,000,000.00	7-Oct-24	17-Feb-25	1-Mar-25
19	Transaction Advisory services to update the CAPEX, O&M and financial model for the DBSA	J Maynard South Africa (Pty) Limited (JMSA)	Single Source: Transaction Advisory Services	R415,430	17-Oct-24	17-Oct-24	31-Dec-24
20	Emergency Procurement: Security Services	Ngozane Security Services	Security Services	R564,000.00	24-Oct-24	1-Oct-24	31-Mar-25
21	Insurance Broking Services for Corporate Insurance	Sankofa Insurance Brokers	Single Source: Continuity of service	R115,983.00	5-Nov-24	6-Nov-24	31-Oct-25

No.	Project Description	Name of Supplier	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
22	Smoke Ventilation System Roof repairs	Makungo Construction and Projects Specialist (Pty) Ltd	Emergency repairs	R5,324.00	4-Nov-24	28-Oct-24	28-Oct-24
23	Sole Source: SSL Certificates	Godaddy Certificate Authority	Sole Source: Subscription renewal	R12,072.70	14-Nov-24	15-Nov-24	14-Nov-25
24	Canteen Cold Room	Araba Sechaba Trading Enterprise	Emergency repairs	R13,685.00	4-Nov-24	28-Oct-24	28-Oct-24
25	Lease Premises	Ithala Development Finance Corporation Limited ("Ithala")	Single Source: Continuity of service	R399,561.12	15-Dec-24	15-Nov-24	14-Nov-25
26	Security Services	Fezile Security Services	Continuity of service	R386,400.00	15-Dec-24	15-Nov-24	14-Nov-25
27	Research Digsilent Power Factory Licence	Digsilent Buyisa (Pty) Ltd	Sole Source: License subscription	R1,825,457.60	12-Dec-24	12-Dec-24	11-Dec-25
28	Service and Maintenance of Kobra Cyclone Shredder for a period of four (4) years	A Z Trading	Sole Source:OEM appointment	R52,921.45	22-Nov-24	23-Nov-24	22-Nov-27
29	Renewal of the LexisNexis legal database service	Lexisnexis	Sole Source: Subscription renewal	R42,322.01	22-Nov-24	23-Nov-24	22-Nov-25
30	Advisor To Assist With The Review Application In Respect Of Various IPP Procurement Programmes	Ledwaba Mazwai Attorneys	Single Source: Continuity of service	R9,000,000.00	6-Dec-24	6-Dec-24	5-Dec-27
31	2025 Energy Outlook Webinar Sponsorship	Creamer Media	Sole Source: Webinar Sponsorship	R57,385.00	10-Dec-24	29-Jan-25	29-Jan-25
32	Plumbing repairs	Burges Plumbing	Emergency repairs	R23,377.84	20-Dec-24	19-Dec-24	19-Dec-24
33	EPC Contractor to carry out Engineering, Procurement, Construction and Commissioning of a 50 Ton per day Biodigester Pilot Plant at Robinson Deep Landfill Site, Johannesburg and Operating and Maintaining it for a period of 1 Year	Mbali Selectra Khabokedi Jv	Uniqueness of the project necessitates a different approach to successfully procure an experienced service provider who meets the requirements	R110, 968 267	20-Dec-24	20-Dec-24	19-Dec-25
34	Odendaalsrus SAPS Project- Lifts Storage and Delivery to site	V3F Elevators	Continuity of service	R156, 990.48	20-Dec-24	20-Dec-24	19-Dec-25

No.	Project Description	Name of Supplier	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
35	To activate the Sports Arena at the 2025 Finance in Common Summit (FiCS) to be held in Cape Town on 26 - 28 February 2025	Mushroom Productions	Single Source - Arena in the same venue will make it easy for the cross-pollination of speakers and participants	R5,000,000.00	27-Nov-24	Once off	once off
36	Repair services for Server room Emerson down blower HVAC Unit	Jaroka Engineering (PTY) LTD	Emergency: Replacement to damaged units, system service and re-gassed	R48,007.33	7-Jan-25	20-Dec-25	20-Dec-25
37	Security Services to Guard and Patrol the Adjacent Land To DBSA Campus	CKN Security Services	Emergency: Eminent security risk	R354,509.86	15-Jan-25	15-Jan-25	15-Apr-25
38	Repair Services for Main Building Reception Counter	Makungo Construction and projects Specialist	Emergency repairs to burning electrical cables due to overload.	R7.890.00	21-Jan-25	21-Jan-25	21-Jan-25
39	Subscription Renewal	Lexis Nexis	Sole Source: 5-month approval for the renewal of the Procure-Check license agreement	R91,781.55	17-Oct-24	1-Nov-24	31-Mar-25
40	2025 Business Day Water Sector Publication	Arena Holding	Sole Source: Advertising in a specialised water sector publication.	R37,375.00	3-Feb-25	1-Mar-25	1-Mar-25
41	Lenders' Technical Advisor on Trans-Caledon Tunnel Authority ("Tcta") Vaal River System ("Vrs") Lesotho Highlands Water Project Phase 2 ("Lhwp-2")	WSP Group	Single Source: Continuity of work	R17,365,494.50	6-Feb-25	12-Feb-25	12-May-30
42	Schinler Elevator/Lifts	Schindler	Sole Source: Maintenance services for period of three years with OEM	R829,329.07	11-Feb-25	15-Feb-25	14-Feb-28
43	Diesel For Stand By Generator	Jumbathela Oil and Gas Energy	Emergency due to business continuity	R25,050.35	27-Feb-25	27-Feb-25	27-Feb-25
44	Repair Of Damaged Fuel Pipes, Cut Off System And Cleaning Diesel Due To Pipe Burst	QOS Consulting CC	Emergency repairs due to generator spillage	R14,585.45	27-Feb-25	27-Feb-25	27-Feb-25

No.	Project Description	Name of Supplier	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
45	Disaster Recovery Services	Metrofile Vysion	Single Source: While DBSA complete tender process	R1,041,202.32	13-Mar-25	15-Mar-25	15-Sep-25
46	Media Buying	Arena Holdings - Sunday Times	Sole Source: Advertising Services for Recruitment	R140,645.00	27-Feb-25	16-Mar-25	16-Mar-25
47	Media Buying	Arena Holdings - Sunday Times	Sole Source: Advertising Services for Recruitment	R73,945.00	27-Feb-25	17-Mar-25	17-Mar-25
48	Media Buying	Mail & Guardian	Sole Source: Advertising Services for Recruitment	R49,369.50	27-Feb-25	14-Mar-25	14-Mar-25
49	Media Buying	Adspace24 A division of Media24 (Pty) Ltd	Sole Source: Advertising Services for Recruitment	R73,945.00	27-Feb-25	17-Mar-25	17-Mar-25
50	Security Services at Khandisa Primary School, Kwadlangezwa, KZN	Cyhle Security Solutions	Emergency: Security Services	R288,048.24	19-Mar-25	1-Mar-25	30-May-25
51	Sip Trunk Solution Renewal	Telkom/BX	Sole Source: Continuity of Services and the SIP solution is based on Telkom/BCX infrastructure which can only be maintained and supported by Telkom/BCX as the owner of the infrastructure.	R81,648.00	24-Mar-25	1-Apr-25	31-Mar-28
52	Develop A Long-Term Annual 30-Year Forecast Model, With A Special Focus On Gross Fixed Capital Formation And The Sectors Where The DBSA Operates In.	Quantec	Single Source: Subscription continuation	R364,780.00	27-Mar-25	1-Apr-25	31-Oct-25
53	Media Buying	Media 24 - Die Burger	Sole Source: Media Buying	R12,585.60	1-Apr-25	2-Apr-25	2-Apr-25
54	Media Buying	Volt Africa	Sole Source: Media Buying	R35,273.49	1-Apr-25	2-Apr-25	2-Apr-25

07

Reference Information

ANNEXURE A: APPLICATION OF KING IV PRINCIPLES

King IV Principle	Application
Principle 1: The governing body should lead ethically and effectively.	The DBSA Board is responsible for providing ethical leadership, strategic direction and effective oversight of the Bank. To ensure the fulfillment of its developmental impact mandate, the Board, through its statutory committees, monitors and guides the responsible achievement of the Bank's strategic objectives. The Sustainability and Ethics Committee (SEC) is one such committee, responsible for monitoring and ensuring the meaningful and cumulative impact of the Bank's sustainability and ethics activities, managing relevant risk exposures and capitalising on appropriate opportunities. The nature of the development finance industry requires a disposition that is firmly committed to the spirit of legislation, legal requirements and best governance practices. Board members are accountable both individually and collectively for exercising sound judgment and providing ethical leadership, guided by the ethical principles set out in the King IV™ Report and their fiduciary responsibilities as outlined in the Companies Act, No. 71 of 2008. These principles and responsibilities are embedded in the DBSA's governance framework, including the Board Charter, the Code of Ethics, the Directors' Conflict of Interest Policy and the Code of Conduct. Other ethics policies include the Employees' Conflict of Interest, the Politically Exposed Persons and the Anti-Bribery and Corruption and the Whistleblowing policies, which ensures that the board upholds ethical standards and leads ethically. Furthermore, the board ensures that the shared organisational values are enshrined in all the policies and operations of the Bank. During the year under review, the Chairman of the board resigned and an interim Chairman promptly appointed to maintain a continued message of upholding and maintaining ethical principles and values. To raise awareness and deepen the Board's engagement with ethical matters, an ethics conversation was held, facilitated by a subject matter expert. Furthermore, during the period under review, the Board approved two updated ethics-related policies: the newly developed Human Rights Policy Framework and the revised Employees' Conflict of Interest Policy.

King IV Principle	Application
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board approved the DBSA Code of Ethics, which outlines five core values expected of the Board, employees and other stakeholders. These values are integrity, high performance, service orientation, customer focus and innovation. The Ethics Office, under the guidance of the Company Secretary, is responsible for developing and implementing the Ethics Management Strategy and reports quarterly on the Bank's ethical performance. During the review year, focus was on increasing awareness of the newly developed Human Rights Policy Framework and embedding the revised Employees' Conflict of Interest Policy. Particular attention was given to enhancing compliance with declaration of interest requirements and reinforcing the principles governing non-executive directorships and outside work interests. In addition, the Board approved an expanded mandate for the Sustainability and Ethics Committee (SEC) to incorporate broader Environmental, Social and Governance (ESG) responsibilities. This reflects the Committee's evolving role in advancing sustainability and ethical governance across the Bank. As part of the ongoing effort to foster an ethical culture, future focus areas include setting clear expectations for ethical conduct, proactively safeguarding the Bank's internal and public reputation and prioritising the Bank's developmental impact on both internal stakeholders (employees) and external stakeholders, including the communities we serve and the environment we impact. A key priority is the integration of ESG considerations across the full investment lifecycle from capital raising and capital allocation to project implementation ensuring sustainability is embedded at every stage. In addition, the Bank's CSI initiatives extend beyond traditional models. Through our DLABs (Development Labs), the programme targets impactful outcomes such as job creation, equipping youth with future-oriented skills, acknowledging the transformative role of emerging technologies like artificial intelligence, and supporting the growth of local businesses.
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The DBSA deliberately incorporates responsible corporate citizenship into its business practices. The Board has given the Social and Ethics Committee and the Board Credit and Investment Committee authority to oversee the DBSA's integrated responsible corporate citizenship performance. As part of the reform reported on in the previous year, the Board in support of its oversight role has requested management to establish a Social Environmental Ethics Climate Risk Management Committee to ensure that the DBSA responds effectively to and manages evolving environmental, social, governance and climate risks and identified opportunities in line with the organisations' longer-term sustainability/resilience objectives. The Committee will be functional in the coming financial year. The Sustainability and Ethics Committee strengthened its oversight role during the year by approving key frameworks that reinforce the Bank's commitment to sustainability and ethical conduct. These efforts ensure that the Bank continues to operate as a responsible corporate citizen, upholding its duty to the environment, society and good governance.

King IV Principle	Application
Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The DBSA's Board sets out the strategic direction of the Bank annually, which informs the Corporate Plan development, articulating on the realisation of the Bank's purpose. The strategy of the DBSA builds on four strategic goals namely, (1) financial sustainability, (2) accelerating development impact, (3) Future-fit DBSA and (4) smart partnerships which encapsulate the strategic intent of the Bank. The strategy of the Bank also considers risks and opportunities as well as stakeholder concerns, with a greater focus on creating value throughout the infrastructure development value chain. This is done by leveraging the dynamic capabilities of the Bank in conceptualising, catalysing and implementing sustainable infrastructure projects, as well as engaging in and cementing smart partnerships. In so doing, the DBSA plays a key role in the infrastructure development value chain through project planning, project preparation, project financing, building and maintaining social and economic infrastructure. The Strategy of the DBSA is centred around sustainable development and this is clearly articulated in the Corporate Plan, Shareholder's Compact, Integrated Annual Report and the Sustainability Review report. The Bank is focused on mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa, and the rest of the African continent. The Board is accountable and provides strategic direction by proposing, discussing and approving plans and strategies based on the values and objectives of the Bank, taking into consideration stakeholder interests and expectations. The Bank ensures a continuous risk identification and assessment process to remain ahead of emerging risks. Prior to approving the Corporate Plan of the Bank, the Board satisfies itself that key performance, opportunities and risk areas have been identified and that response actions have been put in place. The Integrated Annual Report provides an assessment of performance against the strategy and plans.

King IV Principle	Application
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.	The DBSA Board oversees organisational performance reporting, taking into consideration amongst others the applicable legislation, JSE Debt and Specialist Securities Listings Requirements, Integrated Reporting Framework, GRI, IFRS and King IV. The DBSA reports and reporting processes complies with the Public Finance Management Act of 1999 and JSE reporting requirements. The DBSA's Integrated Annual Report presents material information in an integrated manner and provides users with a holistic, clear, concise and understandable presentation of the Bank's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates. The Bank's reporting is also geared towards communicating development impact which demonstrates the economic and social impact of our programmes, identifies development-focused transactions and crowd in third-party capital providers. The DBSA has strong, collaborative, positive relationships with our stakeholders, including clients, partners and the community. The Bank engages in open and transparent communication, maintaining confidentiality, listening to feedback and incorporating stakeholder perspectives into its decision-making processes. The Bank communicates performance and development impact with stakeholders amongst others, through publishing reports on its website and Stock Exchange News Service (SENS). The IAR also provides illustrative examples of impactful projects financed and implemented in the sustainability report. The Board continually assesses the positive and negative outcomes resulting from the Bank's business model and responds to them as highlighted in the Integrated Annual Report. The DBSA's Integrated Annual Report, Annual Financial Statements, Sustainability Review and Corporate governance disclosures can be downloaded from our website, www.dbsa.org
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The DBSA Board serves as the focal point and custodian of corporate governance within the organisation, ensuring that the Bank upholds the highest standards of governance, integrity, and ethics at all levels. The Board is satisfied that it effectively fulfils this role, providing leadership and oversight in alignment with its governance mandate. The directors remain committed to full compliance with the principles outlined in relevant domestic and international corporate governance codes and continue to align the DBSA's governance practices with both national and global best standards. In executing its oversight responsibilities—which include accountability for the Bank's strategic direction and overall performance—the Board is satisfied that it has fulfilled its duties in accordance with the principles of King IV, as well as the Board and Board Committee Charters. These charters were reviewed during the year under review to ensure alignment with evolving best practices. The Board convened five times during the reporting period, with satisfactory attendance. Meeting agendas were guided by the approved Board Annual Agenda Plan. The Board Charter is available on our website, www.dbsa.org.

King IV Principle	Application
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board is satisfied with its current composition, which it believes provides an appropriate balance of knowledge, skills, experience, diversity and independence, in alignment with the principles of King IV on Corporate Governance. A majority of the Board members are independent directors, including the Chairman. The Board benefits from a wide range of qualifications and experience, contributing to its overall effectiveness and value. Furthermore, the Board demonstrates adequate diversity across skill sets, race, age and gender. The Board has approved representation targets, setting a minimum threshold of 75% black and 50% female representation on the DBSA Board. No Board members have served for more than nine years. In line with the Board Charter, any term extending beyond nine years (equivalent to three three-year terms) for an independent non-executive director must undergo a rigorous review. This review considers both the director's performance and any factors that could affect their independence. For more detail on the composition of the Board of Directors, refer to pages 16 to 21.
Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	In alignment with the principles of King IV, the governing body ensures that its arrangements for delegation within its own structures promote independent judgement, maintain a balance of power and support the effective discharge of its duties. To enable the Bank to optimally balance the need for timely, effective and quality decision-making with the necessary levels of control, assurance and oversight, there is a clearly defined delegation of authority from the Board to its committees and, subsequently, to the Chief Executive Officer. This delegation is articulated through the Committee Charters and the DBSA Delegation of Authority (DoA) framework. A comprehensive review of the DoA is currently underway and is expected to be concluded in the 2025/26 financial year. This review will also incorporate the outcomes of ongoing assessments of the effectiveness of management committees and the Bank's operating model, to ensure the DoA remains fit for purpose and aligned with the Bank's strategic and operational needs. To further support an effective corporate governance environment, the Board has established six committees that assist in the execution of its oversight responsibilities. These committees play a critical role in enhancing the overall governance and operational effectiveness of the DBSA. Each committee operates in accordance with its terms of reference, all of which were reviewed during the year under review to ensure alignment with best practices. The committees report regularly to the Board on their activities. It is important to emphasise that delegation to these committees does not absolve the Board of its overall fiduciary responsibilities. For detailed information on the Board Committees—including their responsibilities, functions and composition—please refer to pages 152 to 156.

King IV Principle	Application
Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.	The Board evaluation is conducted every two years. During the year under review, the Board continued to monitor the implementation of recommendations from the previous evaluation. The Board is satisfied that these efforts have effectively closed the gaps previously identified, particularly with respect to skills alignment and operational efficiencies. This implementation has also supported the development of a targeted Board development plan to enhance overall performance and governance effectiveness. The Board is further satisfied that it is complying with the requirements of King IV, particularly in relation to performance evaluations, continuous improvement and the promotion of effective governance structures. In the upcoming financial year, the Board, through the Office of the Company Secretary, will initiate a process to appoint an independent service provider to conduct the next formal Board evaluation. The outcomes of this evaluation will also inform the reappointment decisions for directors whose terms are set to expire in the 2025/26 financial year and who are eligible for reappointment.
Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	The Board considers the Delegation of Authority to be a fundamental principle for confirming the location of authority and decision-making rights within the Bank. The Board is satisfied that its delegation to management enables the DBSA to strike an appropriate balance between the need for timely, effective and high-quality decision-making and the requirement for robust control, assurance and oversight mechanisms. Directors receive regular briefings on emerging risks, regulatory changes, and developments in the broader operating environment of the Bank. The Nomination Committee is responsible for overseeing the development and implementation of ongoing director development programmes, ensuring that directors remain equipped to fulfil their duties in line with the Bank's evolving requirements. The Board is also satisfied with the current arrangements in place to ensure access to professional corporate governance advice and support when required. The CEO of the Bank is appointed for a five-year term. The Bank has an approved succession strategy in place, which includes provisions for CEO succession planning. Any additional commitments held by the CEO, including directorships, are disclosed in the Conflict-of-Interest Register, which is publicly available on the DBSA website.

King IV Principle	Application
Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Managing risk and opportunity is a critical component in fulfilling our mandate and ensuring that the Bank meets its objectives sustainably. DBSA's risk management function aligns with the principles of KING IV, providing oversight of the Bank's internal control framework and implementing risk management practices across its entire value chain. The organisation employs a combined assurance model built on five lines of defence, with clearly defined roles and responsibilities for risk management. This model reinforces that risk ownership and management are shared responsibilities, extending from the Board to line managers and employees. In line with DBSA's governance framework, the Board has delegated accountability for effective risk and opportunity management to the ARC, a subcommittee of the Board. Other Board subcommittees are tasked with overseeing risks relevant to their specific mandates, as outlined in their Terms of Reference. To support the Bank's strategic goals—enhancing financial sustainability, accelerating development impact, becoming a future-fit organisation and fostering smart partnerships—the Bank annually identifies and publishes principal risks that may affect the achievement of these objectives. The Board has approved a risk appetite statement, which sets out specific metrics to monitor and assess key risks. This statement defines the types and levels of risk the DBSA is willing to accept in pursuit of its strategic objectives. As of 31 March 2025, the following were the principal risks of the DBSA:

Rank	Principal risk	Residual Risk Rating (2025)
1	Credit risk	High
2	Cyber security risk	Critical
3	Liquidity risk	Low
4	Reputation risk	Moderate
5	Challenging business environment and operations	High
6	People and culture risk	Moderate
7	Skills capability and capacity	High
8	Extreme weather and physical climate risk	High
9	ESG monitoring and action	Moderate
10	Just Transition	High
11	Growth limiters	High

A review of the Enterprise Risk Management (ERM) function across the Bank, is done on a regular basis by external auditors. The outcome showed that the control environment for the ERM process is considered to be "Good" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained. Actions emanating from any findings are addressed where applicable. The ERM unit sets out its objectives in the annual Enterprise Risk Management plan which is approved by the Audit & Risk Committee.

King IV Principle	Application
Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board places the importance of technology and information as it is interrelated with the strategy, performance and sustainability of the DBSA. The Audit and Risk Committee oversees the governance of the Bank's information, communication and technology function. The operationalisation of Information and Communication Technologies (ICT) governance and compliance has been delegated to management. Management monitors the implementation and compliance of ICT Governance, ICT Risk Management (aligned to the Bank's ERM framework), IT infrastructure and Architecture and implementation of Business and Information Technology (IT) projects aligned to the Bank's priorities through the ICT Steering Committee. Priorities for the enterprise data and analytics platform are elevated, whilst Cybersecurity capability, cloud migration and optimisation of existing ICT infrastructure processes are continuously enhanced. Cybersecurity awareness and hardening of the ICT infrastructure are ongoing processes. Simulation tests are conducted periodically and gaps identified are addressed through ICT operational and monitoring processes. The Internal Audit function and AGSA annually issue written assessments to the ARC, providing assurance on the overall control environment, taking into account the governance of Information Technology. The assurance provided is informed by the outcome of the audits/reviews conducted based on an approved risk-based audit plan. The Digital Transformation journey initiated in the previous reporting period underpins transforming the business and ensuring the bank's long-term sustainability. The focus business processes are investment, procurement, project preparation, construction processes and development impact. In addition, business productivity and efficiency initiatives are underway.

King IV Principle	Application
Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Regulatory and best practice requirements, as well as ongoing changes to the regulatory environment within which the DBSA operates, require an increased focus on compliance. This includes the need to ensure compliance with not only the applicable legislation but also supervisory requirements and industry guidelines. The DBSA's compliance risk management programme is aligned to King IV's principle 13, as well as the Generally Accepted Compliance Practice Framework of the Compliance Institute Southern Africa. A compliance framework has been implemented to ensure effective compliance management. The compliance framework supports the active management of compliance risk, which entails a four-phase cyclical approach to identify, assess, manage and monitor compliance risk. Furthermore, this framework sets out arrangements for governing and managing compliance, evident in the DBSA's respective compliance policies. Compliance has adopted a risk-based approach to the compliance management process within the DBSA. This pragmatic approach recognises that there is a need to prioritise regulatory requirements based on their relative risks and implications. During the year under review, as a result of South Africa still being grey listed by the Financial Action Task Force (FATF), Compliance focused on ensuring familiarity with, and stringent adherence to, all enhanced legislative aspects pertaining to KYC, ultimate beneficial ownership and due diligence requirements. <u>Planned areas of future focus:</u> Key compliance focus areas are approved by the DBSA's Audit and Risk Committee on an annual basis. Key focus areas include, inter alia: • Anti-Money Laundering Legislative Framework, (Financial Intelligence Centre Act Amendment Act, No 2 of 2017, and the General Laws (AML and CTF) Amendment Act No.22 of 2022). • Environmental, Social and Governance (ESG) (National Environmental Management Act, No 107 of 1998 (and all applicable, supporting national environmental legislation), Climate Change Act, No 22 of 2024, United Nations Global Compact and King IV/King V Principles). • Public Finance Management Act, No 1 of 1999, (National Treasury Regulations). • Supply Chain Management (Preferential Procurement Policy Framework Act, No 5 of 2000 and the PPPFA Regulations). • Data Privacy (Protection of Personal Information Act No 4. of 2013 and the Cyber Crimes Act 19 of 2020). • Strategic initiatives (SARB Initiative – Bank's Act compliance and Shareholder Diversification). The status of DBSA's compliance is still within our risk appetite, relationships are being well managed with our respective regulators and no fines and/or penalties have been incurred in the financial year. The DBSA Board and executive management formally endorse the establishment of the compliance function and are committed to ensuring that business within the DBSA is run with integrity, complies with all regulatory and best practice requirements and is conducted in accordance with the highest ethical standards.

King IV Principle	Application
Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Bank is committed to sound remuneration practices that extends across various operating jurisdictions. The Bank complies with the requirements outlined in King IV, the Companies Act and the PFMA. The HRC, mandated by the Board, oversees all aspects of remuneration. Operating under approved terms of reference, the HRC ensures transparency and accountability. Outcomes from HRC meetings are regularly reported to the Board, and the committee conducts periodic effectiveness evaluations. Independent advisors provide strategic input and advice based on best practices and benchmarking. The CEO is primarily accountable for implementing HRC's decisions and agreements. The Group Executive: Human Capital supports the CEO and HRC by recommending changes to policies and practices for the day-to-day application of the Remuneration Policy. Together, we uphold responsible remuneration practices and contribute to the stability and success of our organisation. Our commitment to fair and responsible remuneration: The Bank ensures that its remuneration practices are externally competitive and internally unbiased. We conduct annual salary benchmarking and analyse income differentials, considering gender disparities, to maintain market-related and equitable remuneration. Independent salary surveys and benchmarking companies inform our competitive remuneration for employees. Factors such as company size, revenue, profit, employee count and skills availability guide our remuneration pay practices, aiming to pay salaries above the earnings threshold set by the Minister of Employment and Labour.
Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The DBSA has established an effective Internal Audit Unit that reports functionally to the Board Audit and Risk Committee. It provides independent assurance on key and high-risk areas, amongst others to senior management and the Audit and Risk Committee quarterly in line with an approved audit plan. In addition, the DBSA has implemented a combined assurance which the Internal Audit function facilitates and coordinates, ensuring that the assurance of all assurance providers are consolidated and presented to the Audit and Risk Committee. A combined assurance policy exists, which includes the formation of a formal Combined Assurance Working Committee comprising representatives from business, risk management, compliance, business continuity, credit and market risk, IT, as well as internal and external audit. This ensures that all levels of assurance can be provided by the various assurance providers, supporting the independent assurance provided by both internal and external audits. Quarterly assurance reporting is done by the Combined Assurance Working Committee to the Audit and Risk Committee. In line with Combined Assurance, Internal Audit also provides the Auditor General their approved audit plan and working papers with the view to place reliance on their work and reduce duplication. The Board is satisfied that assurance provided results in an adequate and effective control environment and integrity of reports for better decision-making.

King IV Principle	Application
Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The DBSA is committed to a stakeholder-inclusive and customer-centric approach to business and has embedded engagement with stakeholders into its value creation process. The DBSA regards stakeholder relationships as very critical to gaining an authentic social license to operate in the various markets we operate in. a. Stakeholder Relations are governed through a Stakeholder Relations Management Framework, a level 2 policy, which outlines the various stakeholders that the DBSA has and process to be taken as the nature of sectors that DBSA operates in evolves to identify new stakeholders that may emerge with this evolution. We also make use of the Memorandum of Understanding or Agreement Management Framework, also a level 2 policy, which outlines the process of establishing a MOU/MOA commonly utilised to govern relationships with external stakeholders which are required to be managed closely. The DBSA has also established an internal stakeholder coordination forum, which is made up of representatives from each Division to enable a coordinated engagement with stakeholders that have a multilateral touchpoint within the DBSA. Both policies are reviewed and updated biennially. b. A key Focus area as indicated in the 2023/24 financial year integrated annual report was the development of a comprehensive stakeholder management strategy. The Board is presented with all stakeholder management and engagement reports through Board's Social and Ethics Committee. c. The DBSA uses the relationship Quality Index obtained through the Brand Health study to monitor the effectiveness of our stakeholder management. The study also allows us to determine the needs, expectations and interests that the stakeholders have towards the DBSA enabling us to craft an engagement plan focused on addressing them. The DBSA also makes use of the Client Satisfaction Survey which assists in managing client relations, by understanding to what extent are clients content with our service offering amongst others. The two survey outcomes are used for the development of the Stakeholder Management Strategy and Client Management Strategy which are then utilised as inputs for the engagement plans that address the areas of improvement identified and other concerns that may have been raised. Additional issues which may arise outside of the period pertaining to the two studies are monitored and resolved through the grievance redress mechanism which is the process that allows for continuous improvement with all grievances and resolution outcomes reported to the Board of Directors each quarter. d. Due to the nature of DBSA operations, the Client Satisfaction Survey has seen numerous challenges in optimising the value that can be derived from it, this has led to the current focus of reviewing the current methodology with the intention to optimise value derived from insights. Additionally, the DBSA has recently published the approved Corporate Plan for the financial years 2025/26 – 2026/27, thus an updated engagement plan which takes into consideration the strategic initiatives as listed in the Corporate Plan, the recently completed Stakeholder Management Strategy (2024/25 FY), and outcomes from the Brand Health and Client Satisfaction Survey (2024/25FY) into consideration will be the additional focus area. The DBSA considers all stakeholder issues material to the relevant stakeholder, thus continuous monitoring and ensuring all queries and grievance matters are resolved in a timely manner remains one of our key areas of focus for stakeholder management for continued alignment between stakeholder needs, expectations and interests with those of the DBSA.

ACRONYMS AND ABBREVIATIONS

AGSA	Auditor-General South Africa
ARC	Audit and Risk Committee
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BCIC	Board Credit and Investment Committee
CEO	Chief Executive Officer
CFF	Climate Finance Facility
COVID-19	Coronavirus Disease 2019
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
DSSLR	Debt and Specialist Securities Listings Requirements
ERM	Enterprise Risk Management
FIC	Financial Intelligence Centre
GCF	Green Climate Fund
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GP	Guaranteed Pay
HRC	Human Resources and Remuneration Committee
IAR	Integrated Annual Report
ICT	Information and Communications Technology
IDD	Infrastructure Delivery Division
IDKC	Infrastructure Delivery and Knowledge Management Committee
IFRS	International Financial Reporting Standards
IPP	Independent Power Producers
IPPO	Independent Power Producers Office
JSE	Johannesburg Stock Exchange
King IV	King IV™ Report on Corporate Governance for South
NDP	National Development Plan
PEP	Politically Exposed Person
PFMA	Public Finance Management Act, No 1 of 1999 SADC
PPF	Project Preparation Facility
PPP	Public-Private Partnerships
RoA	Rest of Africa
SADC	Southern African Development Community
SAE	Sanitation Appropriate for Education
SARB	South African Reserve Bank
SDG	Sustainable Development Goal
SOE	State-Owned Entity
SMME	Small, Medium and Micro Enterprises
STIs	Short-term Incentives
UN	United Nations

FINANCIAL DEFINITIONS

Callable capital	The authorised but unissued share capital of the DBSA
Cost-to-income ratio	Operating expenses, (including personnel, general and administration, depreciation and amortisation expenses), project preparation and development expenditure as a percentage of income from operations
Income from operations	Net interest income, net fee income and other operating income
Interest cover	Interest income divided by interest expense
Long-term debt-to-equity Ratio	Total liabilities, excluding other payables, provisions and liabilities for funeral benefits, as percentage of total equity
Long-term debt-to-equity ratio (including callable capital	Total liabilities, excluding other payables, provisions and liabilities for funeral benefits as a percentage of total equity and callable capital
Net interest margin	Net interest income (interest income less interest expense) as a percentage of interest bearing assets
Return on average assets	Net profit or loss for the year expressed as a percentage of average total assets
Return on average equity	Net profit or loss for the year expressed as a percentage of average total equity
Sustainable earnings	Profit or loss from operations before net foreign exchange gain/(loss) and net gain/(loss) from financial assets and financial liabilities, but including revaluation on equity investments

GENERAL INFORMATION

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8
EMERGENCY STOP
No persons allowed on conveyor
SARS

DEVELOPMENT BANK OF SOUTHERN AFRICA

RP310/2025
ISBN: 978-1-83491-202-8

Building on Strength, **Expanding Impact**