

**AFRICAN DEVELOPMENT BANK**

**UPDATE OF**

**THE PORTFOLIO REVIEW OF THE EQUITY PARTICIPATION**

**IN THE EAST AFRICAN DEVELOPMENT BANK (EADB)**

COUNTRY DEPARTMENT  
EAST REGION

23 September 1997

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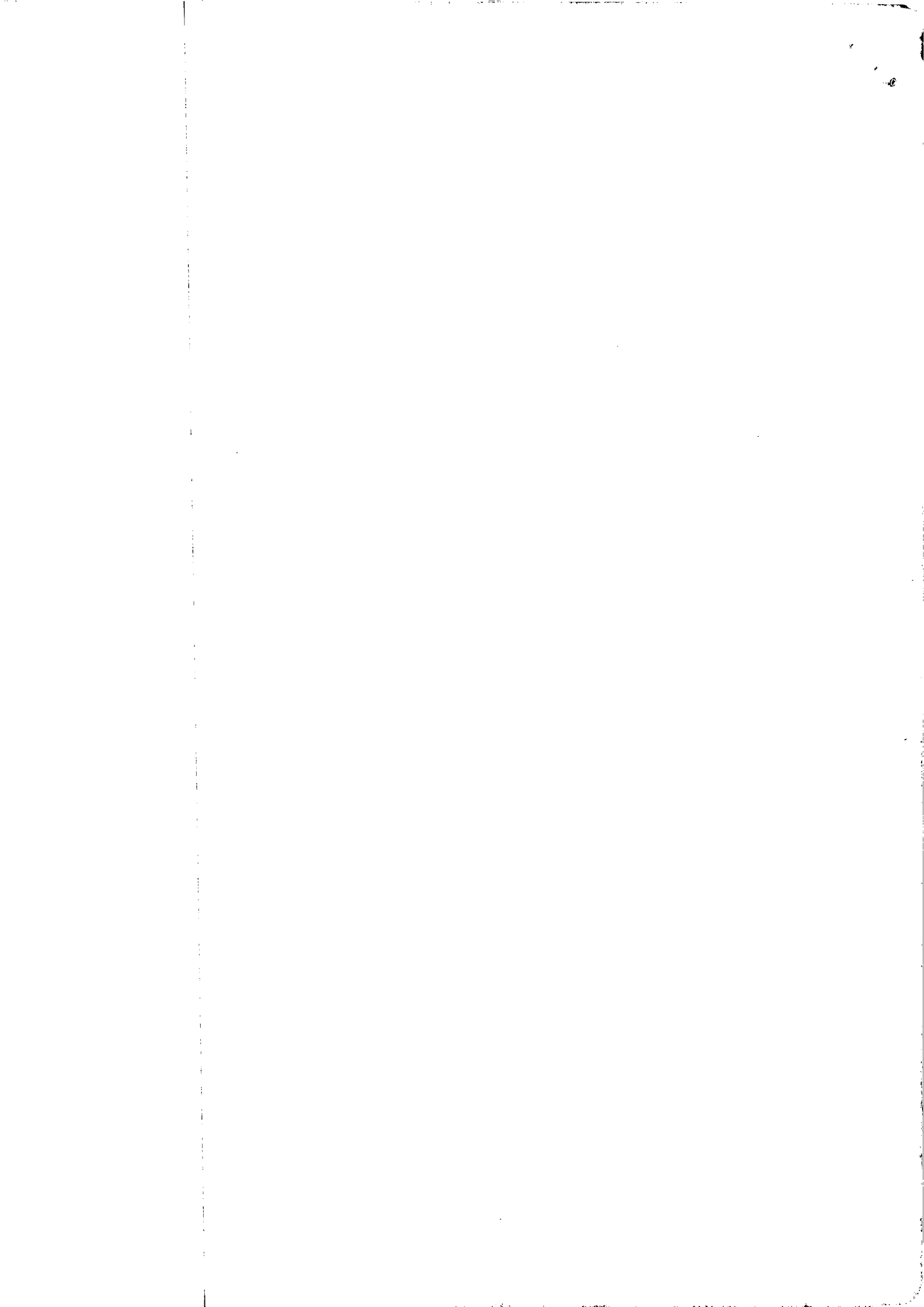
## CURRENCY EQUIVALENTS

(June 1997)

Currency Unit	=	Standard Drawing Right (SDR)
1 SDR	=	1 UA
1 UA	=	USD 1.38814

## LIST OF ABBREVIATIONS

ADB	-	African Development Bank
CDC	-	Commonwealth Development Corporation
DEG	-	Deutsch Finanzierungsgellschaft für Beteiligungen in Entwicklungsländern GMBh
DFI	-	Development Finance Institution
EAC	-	East African Community
EADB	-	East African Development Bank
EEC	-	European Economic Community
EIA	-	Environmental Impact Analysis
EIB	-	European Investment Bank
FMO	-	Netherlands Development Finance Company
GDP	-	Gross Domestic Product
IBRD	-	International Bank for Reconstruction and Development
IDA	-	International Development Association
IMF	-	International Monetary Fund
KES	-	Kenya Shilling
LIBOR	-	London Inter-Bank Offered Rate
NORAD	-	Norwegian Agency for Development
OPEC	-	Organization of Petroleum Exporting Countries
PCR	-	Project Completion Report
PTC	-	Permanent Tripartite Commission
ROE	-	Return on Equity
ROI	-	Return on Investment
SAP	-	Structure Adjustment Programme
SDC	-	Swiss Development Cooperation
SDR	-	Standard Drawing Right
SIDA	-	Swedish International Development Authority
SMSE	-	Small and Medium Scale Enterprises
TAS	-	Tanzania Shilling
USD	-	United States Dollar
UA	-	Unit of Account
UGX	-	Uganda Shilling
The Bank	-	African Development Bank (Group)
The bank	-	East African Development Bank



## 1. INTRODUCTION AND BACKGROUND

1.1 In September 1996, Management submitted to the Board of Directors a report on the Portfolio Review of The Equity Participation in the East African Development Bank (EADB). Following the discussion of that report, it was decided that the Bank will review its equity participation after one year. This report is in response to that decision, and updates the one presented to the Board last year.

1.2 The Board noted that by 1988, EADB was suffering from both unfavorable external factors such as unstable macro-economic conditions, political instability and weak balance of payments of its member states, as well as internal operational weaknesses including inadequate financial and operational systems and procedures. The Board noted with satisfaction the success of the restructuring plan and the EADB's sustained profitability after the losses made in 1991.

1.3 The Board discussed and concluded that EADB occupies a unique and important role in the financial system of its member states. Moreover, as a result of re-launching the East African Community (EAC), the role of the EADB in the development of this community is likely to be further enhanced. Therefore ADB's presence in the equity should also be considered in this context.

1.4 Against this background, the Board approved the recommendation that the Bank maintain its equity participation in the EADB. The Board further recommended that in order to assist the EADB in improving its operations, the Bank should;

- (i) continue to closely monitor the EADB, particularly through its Board representative, semi-annual reports and supervision missions of the fifth line of credit;
- (ii) encourage EADB's initiative in diversifying its operations;
- (iii) make efforts to persuade member states to nominate some of the board members from the private sector, in accordance with the long-term strategy proposal; and
- (iv) advise EADB to make further efforts in reducing the arrears to an acceptable level of about 10 percent of the outstanding portfolio.

1.5 Based on the foregoing, Management is hereby submitting a progress report reviewing the Bank's participation in the equity of EADB, covering the period up to the end June 1997.

## 2. SITUATION OF THE CAPITAL SUBSCRIPTIONS

2.1 Since the last report was presented to the Board a year ago, EADB's subscribed share capital has gone up from SDR 26.67 million as at the end of December 1995 to SDR 27.38 million as at the end of June 1997. This increase is due to the subscription of DANIDA to the equity of the EADB during 1996 for SDR 0.71 million representing 2.59% of the paid up capital. As a result, member state shareholding decreased from 78.4% as at the end of 1995 to 76.4% presently. As indicated in last years report all subscribed shares in EADB are paid-up and there are no outstanding arrears on capital subscriptions. This shows the high level of support that EADB enjoys from its shareholders.

2.2 According to the business outlook for the period 1997-2001, EADB's forecast for cumulative funding needs are estimated at around SDR 110 million (net of available resources). of which SDR 8 million is expected to be raised in the form of new equity. In this regard, EADB has formally contacted the Bank for increasing its share capital. This request is being examined in light of the Bank's new policy for equity participation. EADB is also in discussions with other prospective shareholders such as CIDA for which negotiations are at an advanced stage.

2.3 Table 2.1 below shows the situation of EADB's shareholding as at 30 June 1997.

Table 2.1  
The Position of EADB's Shareholding as at 30/06/97 (SDR '000)

	Payable Capital	Subscribed and Paid	Per cent of Paid	Callable Capital	Autho- rized
<b>Class A</b>					
Kenya Government	6,970	6,970	25.46	50,000	
Tanzania Government	6,970	6,970	25.46	50,000	
Uganda Government	6,970	6,970	25.46	50,000	
Total subscribed	20,910	20,910	76.38	150,000	
Un-subscribed	9,090				
Total class A capital	30,000			150,000	180,000
<b>Class B</b>					
ADB	350	350	1.28		
FMO- Netherlands	3,750	3,750	13.70		
DEG- Germany	1,000	1,000	3.65		
DANIDA	710	710	2.59		
Other Institutions	660	660	2.40		
Total subscribed	6,470	6,470	23.62		
Un-subscribed	13,530				
Total Class B capital	20,000				20,000
<b>TOTAL CAPITAL</b>	<b>50,000</b>	<b>27,380</b>	<b>100.0</b>	<b>150,000</b>	<b>200,000</b>

## 3. LOAN PRODUCTS AND PORTFOLIO PERFORMANCE

### 3.1 Loan Products

The main additions to EADB's loan products during the period under review has been the introduction of leasing operations, venture capital investments and trade finance. The

introduction of these new products is in line with the implementation of EADB's long term strategy which, in addition to reinforcing the core business of project lending, was also to develop activities in related areas. The new products are expected to enhance EADB's competitiveness and diversify its earning base. In addition, the strategy is also aimed at promoting other activities which will enable it to participate in the development of capital markets in the region. In this regard, EADB had a successful public floatation of a Ksh. 820 million (approximately USD 15 million) on the Kenyan market. This was the first issue of its kind by a financial institution in the region and is considered as a benchmark in the Kenyan market. But perhaps much more than the raising the money, the bond issue raised EADB's profile not only to the Kenyan and regional investor community, but also internationally as some of the participants in the issue are well known international players like Merrill Lynch Bank and West Merchant Bank Limited. Finally, EADB is actively involved in the development of the regional money and capital markets, and in this respect, in the establishment of the Kampala stock exchange in Uganda which is expected to start operating before the end of 1997.

### 3.2 Loan Portfolio and Performance

3.2.1 As indicated in the last report, EADB has in the past financed projects which were mainly import substitution based, and depended heavily on imported raw materials. Most of these industries were inefficient and depended heavily on government protection and were exposed to foreign exchange risk, whenever local currencies were devalued. Besides, with the liberalization of trade in the member states, many of these industries could not compete with imported products and as a result had problems in meeting their financial obligations to EADB. In order to minimize this risk, EADB started to emphasize the selection of private sector export oriented projects which utilized locally available resources. For instance, out of the 35 projects approved in 1995 and 1996, 21 fell in the category of foreign exchange earner. EADB's operations are summarized in Table 3.1. below.

Table 3.1  
Summary of Lending Operations - 1993-06/1997 (In million SDR)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>06/97</u>
<u>Approvals:</u>					
Investments	7.6	16.7	16.2	20.2	5.3
Equity	-	0.1	0.4	0.7	0.7
	<u>7.6</u>	<u>16.8</u>	<u>16.6</u>	<u>20.9</u>	<u>6.0*</u>
<u>Disbursements:</u>					
Investments	5.4	13.7	11.0	15.6	9.4
Equity	0.1	0.1	0.4	0.3	0.7
	<u>5.5</u>	<u>13.8</u>	<u>11.4</u>	<u>15.9</u>	<u>10.1</u>
<u>Loan collections</u>	19.2	25.9	15.1	16.6	12.5
<u>Debt repayments</u>	8.1	4.2	4.1	13.4	5.0

\*(forecast for 97 is 24 million)

3.2.2 From the preceding table it can be seen that the trend of the investment approvals has shown a steady increase since the restructuring of the EADB was completed in 1992. Total investment approvals during 1996 amounted to SDR 20.9 million (SDR 6 million for the first 6 months of 1997 and SDR 24 million forecast for the year) in favor of 21 projects and 3 equity participations. This represented an increase of 26 percent over the previous year's figures. On the other hand, disbursements for the same period amounted to SDR 15.9 million, resulting in a disbursement ratio of 76 percent, an improvement of 7 percent over the 1995 ratio. The disbursement ratio for the first six months of 1997 is even higher at 168 percent, mainly due to the fact that the bulk of approvals takes place during the second half of the year.

3.2.3 As at the end of 1996, EADB's portfolio consisted of 72 projects spread over the various sectors of the economies of member states. In terms of sectoral distribution of the investment approvals during 1996, the industrial sector was the leading beneficiary with 49 percent of the approvals followed by agriculture with 25 percent, manufacturing and tourism with 18 percent each, infrastructure with 6 percent and others 2 percent. In terms of country distribution, Uganda leads with 34 projects followed by Tanzania with 27 projects and Kenya with 11 projects. The regional and sectoral distribution of approvals are presented in Table 3.2.

Table 3.2  
Regional and Sectoral Distribution of Approvals  
In million SDR

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
<b>Regional:</b>				
Kenya	2.7	5.9	3.4	6.7
Tanzania	1.8	4.2	9.1	3.8
Uganda	<u>3.1</u>	<u>6.7</u>	<u>4.1</u>	<u>10.4</u>
Total	<u>7.6</u>	<u>16.8</u>	<u>16.6</u>	<u>20.9</u>
<b>Sectoral:</b>				
Industry/mining	5.1	7.7	7.3	10.2
Agro/fisheries	1.8	6.2	1.9	5.2
Infrastructure	-	0.3	1.1	3.8
Tourism	0.7	2.6	6.3	1.3
Others	-	-	-	0.4
Total	<u>7.6</u>	<u>16.8</u>	<u>16.6</u>	<u>20.9</u>

3.2.4 The quality of EADB's portfolio continues to improve. On the whole, debt collection has increased during the last four years, in that, collections as a percentage of billing rose from 71 per cent in 1995 to 90 per cent as at the end of June 1997. On the other hand, total arrears as at the end of June 1997 stood at SDR 13.6 million equivalent to 18 percent of the total outstanding portfolio compared to 33 percent and 19 percent as at the end of 1995 and 1996

respectively. Further analysis of arrears show that the portfolio of projects in Tanzania account for 73.5 percent of all arrears while arrears of projects in Uganda and Kenya represent 22 percent and 4.5 percent respectively. It should be noted that the member states of the EADB have shown serious commitment by ensuring that loans guaranteed by them are repaid. In this regard, arrears on government guaranteed loans decreased from SDR 4.5 million as at the end 1995 to SDR 1.3 million as the end of 1996 and to SDR 0.95 million as the end of June 1997. Overall, accumulated arrears which in the past has been a source of concern have now largely been brought under control and as a result the quality of EADB's loan portfolio has improved significantly. Nevertheless, EADB should carefully monitor its portfolio as bad loans are usually made during periods of high growth in lending. The situation of arrears since 1993 is summarized in Table 3.3.

**Table 3.3**  
**The Situation of Arrears**  
In million SDR

<u>Year</u> <u>December</u>	<u>Outstanding</u> <u>Portfolio</u>	<u>Total Over</u> <u>3 months</u>	<u>As % of</u> <u>Portfolio</u>
1993	79.1	41.0	51
1994	64.8	23.8	36
1995	63.0	20.9	33
1996	73.4	13.8	19
06/97	75.3	13.6	18

#### 4. **FINANCIAL PERFORMANCE**

4.1 The financial statements of EADB for the period ending 1995 to June 1997 are presented in Annexes 3 and 4 and summarized in Table 4.1. The income statements for the period under review indicate that total revenue gradually increased from SDR 8 million in 1995 to SDR 10.4 million in 1996 and is at SDR 8.2 million for the first half of 1997. This is a reversal of the declining trend observed since 1991. The net profit of SDR 3.2 million registered in 1996 is 68 percent higher than that of SDR 1.9 million registered in 1995 and almost double of the SDR 1.7 million recorded in 1994. This positive trend is also confirmed by the results of the first half of 1997 whereby the net profit of SDR 2.5 million is equal to 78% of the net profit for the whole year of 1996. EADB's search for good and bankable projects, improved appraisal methods, enhanced supervision and more involvement in project implementation have greatly improved its performance. In addition to the above, the improved macro-economic climate in the region has also helped the performance of the individual projects.

4.2 On the balance sheet side, total assets increased from SDR 80.8 million as of the end of 1995 to SDR 100 million on 31 December 1996; an increase of about 24 percent.

**Table 4.1**  
**Highlights of the Financial Statements (SDR Million)**

	<u>1995</u>	<u>1996</u>	<u>06/1997</u>
Loan income	6.20	8.90	5.92
Total income	8.07	10.40	8.19
Financial charges	2.03	2.30	1.93
Admin/staff Expenses	1.96	2.62	1.16
Operational profit	3.83	5.13	4.89
Prov. for Doubtful a/c	1.91	1.90	2.35
Net Profit	1.92	3.24	2.53
Net portfolio	49.99	59.41	59.98
current assets	29.42	38.11	33.98
Total assets	80.82	99.95	96.68
Term debts	32.04	43.87	39.15
Share capital	26.67	27.38	27.38
Total equity	25.50	29.42	31.99
Special funds	21.27	21.09	20.84
<b>Financial Ratios</b>			
Return on Total Assets	2.37	3.24	2.62
Return on Equity	6.99	9.91	7.34
Interest coverage Ratio	1.94	2.41	2.31
Tot. Debt as % of Equity Cap.	125.7	149.1	122.4
Tot. Debt as % Equity & Callable Cap.	18.26	24.45	21.51
Equity Capital as % of Risk Assets	48.22	46.25	48.52
Liquid Assets as % of Total Assets	32.84	33.94	28.99
Liquid Assets as % of L-Term Debt	82.85	77.33	71.60
Admin. Expenses as % of Total Assets	2.42	2.62	1.20

4.3 The financial indicators of the EADB show that the structure of capitalization, the interest coverage, the current ratio and the return on equity all look good.

## 5. ADB's INVESTMENT

5.1 The Bank subscribed, in 1970, to 35 shares in an amount of SDR 350,000. The Bank's contribution to the share capital of EADB is still valued at SDR 350,000 in the EADB's books of accounts and it amounts to 1.28 per cent of the total paid up capital of SDR 27.38 million as at the end of June 1997. Since EADB maintains its resources in hard currencies, the value of ADB's investments as recorded in the books of EADB can be considered to be realistic. Likewise, in ADB's books, the Bank's investment in EADB is valued at its nominal value of UA 350,000 as at June 30, 1997 and no provision for losses has been made on this amount.

5.2 At the time of ADB's subscription to the equity in 1970, one SDR was equivalent to about one US dollar, which means that about USD 350,000 was paid for the thirty-five shares. As at June 30, 1997, EADB's net worth was SDR 31.99 million (USD 46.1 million at the prevailing SDR/USD rate). This implies that the value of ADB's investment as at the same date, was SDR 409,472 or about USD 589,640. This is a gain of about 17 percent in SDR terms and about 65 percent in US dollar terms.

5.3 As indicated in Table 5.1 below, the EADB has declared dividend only six times since 1983. However, dividends have been declared for the last two years and based on the half yearly financial results of 1997, it is highly likely that dividends will be proposed in 1997 as well. It should be noted that as part of FMO and DEG's conditions for joining the equity capital, EADB is required to pay a minimum dividend of 6 percent on the equity of the class B (non member state) shareholders. As a result, although ADB's share of 1.28 percent in the paid up capital proportionally corresponds to SDR 5,696 and SDR 19,110 in 1995 and 1996 respectively, however, based on the 6 minimum percent return rule, the Bank received SDR 21,000 in 1995 and 1996.

Table 5.1  
Dividend Declared

<u>Period</u>	<u>Proposed(SDR)</u>	<u>Paid to ADB</u>
1983	390,000	USD 10,802
1984	390,000	GBP 8,252
1985	390,000	USD 12,740
1986	390,000	GBP 8,171
1995	445,000	USD 30,227 (SDR 21,000 or 6% ROE)
1996	1,493,000	USD 28,560 (SDR 21,000 or 6% ROE)

5.4 EADB's shares are not listed and hence not liquid. However, article 36 of EADB charter stipulates that, any member, other than the member state, may withdraw from the bank at any time by delivering a notice in writing of at least six months. Under this scenario the EADB will repurchase the shares of the member at an amount certified by auditors of high repute selected by the board of the EADB on the date the member ceases to be a member. The Bank's current exposure risk is limited to its paid in capital of SDR 350,000. Only member state shareholders or Class A shareholders have callable capital in EADB's capital structure.

5.5 As indicated previously in paragraph 2.2, EADB has formally requested the Bank to increase its equity in light of the resources requirements associated with planned expansion of its operations. The request is being examined within the context of ADB's revised policy guidelines on equity investments (document ADB/BD/WP/94/125/rev.2) approved by the Board in March 1995. The results of our preliminary review indicate that EADB fulfills some of the requirements of the revised equity investment policy guidelines. Furthermore, EADB has expressed its willingness consider any additional requirements or alternative proposals with view to having it tabled before their board of directors and governing council, if necessary.

6.

**CONCLUSION AND RECOMMENDATIONS**

6.1 Over the past three years, the objectives and the targets of the long term strategy have largely been attained as reflected in EADB's operations. During this period, the following has been implemented or achieved:

- (a) Core business has been strengthened and better quality projects have been brought into the portfolio. As a result, the larger portion of the current portfolio is now performing.
- (b) New products have been introduced in the form of asset leasing, venture capital and trade finance.
- (c) Restructuring of the organizational structure has been accomplished and manpower has been right-sized. In this regard a new department - business development has been created and charged with the responsibility of product diversification.
- (d) EADB's role as a potential key player in the regional economic/financial scene has been recognized and accorded a high profile at the secretariat of the EAC. Currently discussions are going on with regard to several regional projects.
- (e) EADB has adopted an environmental impact assessment (EIA).
- (f) Towards the end of 1996, EADB has successfully launched a local currency bond issue in Kenya. This issue raised KES 820 million (approximately equivalent to USD 15 million). Similar issues are planned for Uganda and Tanzania as a way of raising local currency resources for investment in the region.

6.2 With regards to the financial and operational performance over the past three years, EADB has achieved remarkable recovery and growth with most of the key indicators showing an upward trend. Project approval, disbursements and collections have all increased during the period under review and this has resulted in a significant improvement in profitability and liquidity for the institution. EADB's loan arrears have been drastically reduced and member states responded positively and paid off most of the arrears which had accumulated under Government guarantee obligations. Finally, the Bank has received dividends equivalent to 6 percent on its investment over the past two years. The results for the first half of this year show that the Bank will likely receive dividends for 1997.

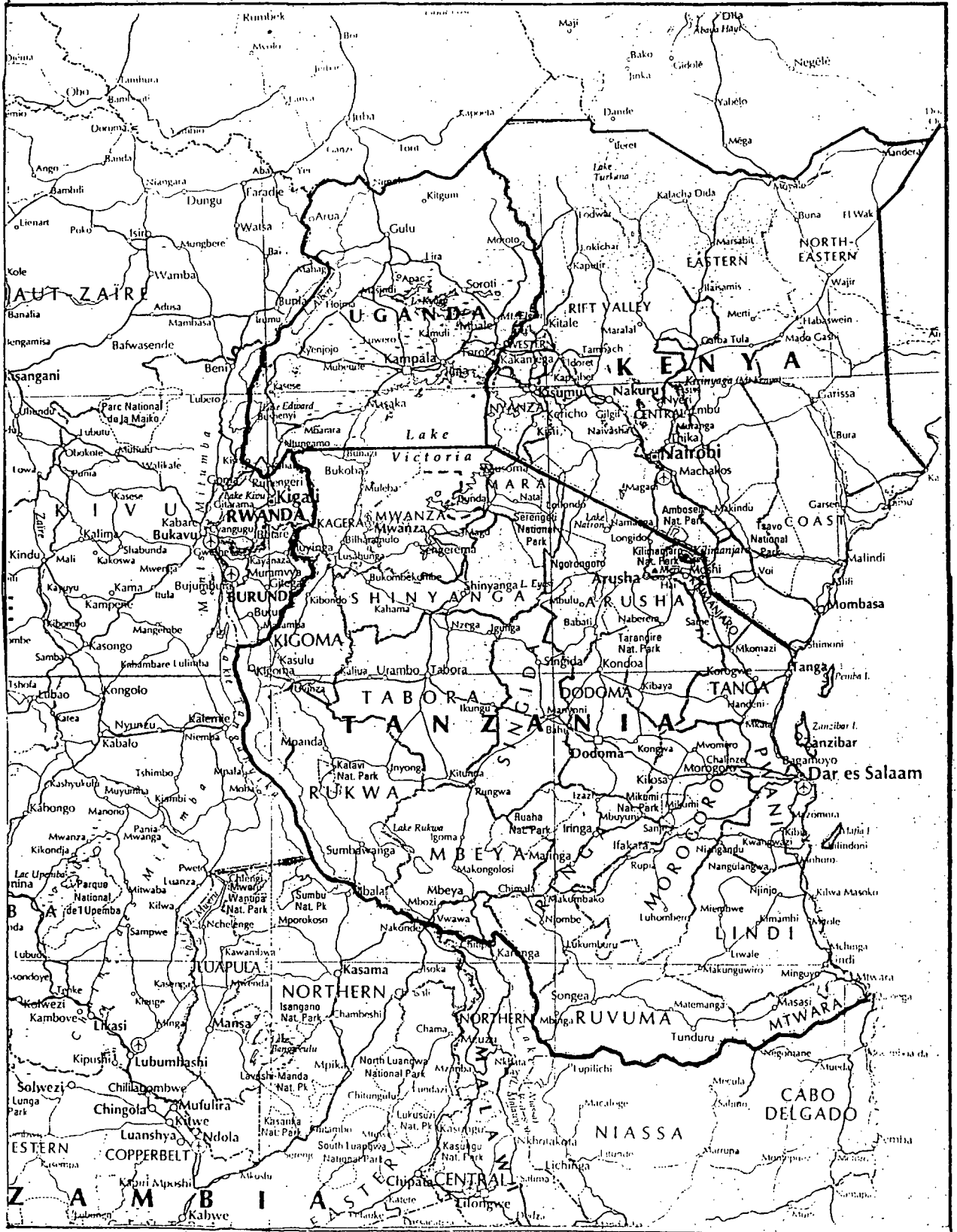
6.3 Based on the foregoing it is recommended that the Bank should continue to maintain its investment in the EADB. Furthermore, in order to assist in improving its operations and contributing efficiently to the development of the private sector of the its member states, it is recommended that:

- (i) the Bank should closely monitor EADB through its Board representation specially during the present growth phase in lending and new loan products development;
- (ii) the Bank should encourage EADB to actively pursue the search for private sector equity investors in its capital; and
- (iii) EADB should be advised to make further efforts in reducing its arrears.



EAST-AFRICAN DEVELOPMENT BANK  
MAP OF KENYA, TANZANIA AND UGANDA

BANQUE DE DEVELOPPEMENT DE L'AFRIQUE DE L'EST  
CARTE DE KENYA, TANZANIE ET OUGANDA



**GOVERNING COUNCIL, ADVISORY PANEL, BOARD OF DIRECTORS  
AND AUDITORS AS AT DECEMBER 31, 1996.**

**GOVERNING COUNCIL**

- Hon. J.S. Mayanja-Nkangi - Minister of Finance, Republic of Uganda, Chairman
- Hon. Professor G. Saitoti - Vice-President and Minister of Planning and National Development, Republic of Kenya
- Hon. Professor S. Mbilinyi - Minister of Finance, United Republic of Tanzania

**ADVISORY PANEL MEMBERS**

- Mr. Bert Lindstrom - Former President of Nordic Investment Bank
- Dr. Michael von Clemm - President, Templeton College, Oxford
- Mr. Lars Kalderen - Chairman, DevFin AB, Stockholm, Sweden
- Mr. Mahesh K. Kotecha - Vice Chairman, Capital Markets Assurance Co. New York
- Mr. Toyoo Gyöhten - Chairman, Bank of Tokyo, Japan
- Mr. Robert McNamara - Former President of the World Bank

**BOARD OF DIRECTORS**

- Mr. P.J. Ngumbullu - Director, Tanzania, Chairman
- Mr. E. Tumusiime-Mutebile - Director, Uganda, Vice Chairman
- Mr. B. Kipkulei - Director, Kenya
- Mr. D. Van der Bijl - Director, FMO/DEG
- Mr. T. Nkodo - Director, African Development Bank
- Mr. M. Christiansen - Director, DANIDA
- Mr. E.S. Osundwa - Alternate Director, Kenya
- Mr. R. Mariki - Alternate Director, Tanzania
- Mr. M. Gouled - Alternate Director, African Development Bank

**AUDITORS  
ERNST & YOUNG**

**EAST AFRICAN DEVELOPMENT BANK**  
**PROFIT & LOSS ACCOUNT AS AT (millions of SDR)**

Income	31/12/1995	31/12/1996	30/6/97
Interest Income (Projects)	5,805	8,508	5,606
Interest Income (Trade Finance)	0	0	104
Investment Income	1,666	1,359	2,105
Dividends	76	140	59
Commissions	322	249	154
Commitment Fees	31	(54)	66
Other Income	171	197	95
<b>Total Income</b>	<b>8,071</b>	<b>10,399</b>	<b>8,189</b>
<b>Expenses</b>			
Bond issuance costs	0	377	6
Interest on borrowings	2,034	1,923	1,928
Administrative expenses	1,957	2,623	1,157
Bad debts written-off	0	68	0
Depreciation	251	278	213
Provision for D/Debts	1,913	1,895	2,353
<b>Total Expenditure</b>	<b>6,155</b>	<b>7,164</b>	<b>5,657</b>
<b>Net Profit</b>	<b>1,916</b>	<b>3,235</b>	<b>2,533</b>
Transfer to Reserves	(322)	(249)	0
Proposed Dividends	(445)	(1,493)	0
<b>Retained profits</b>	<b>1,149</b>	<b>1,493</b>	<b>2,533</b>

The figures in this table are based on the accounts of the Bank as approved by the Board of Directors on 28/12/1996 and 28/6/1997.

The figures in this table are based on the accounts of the Bank as approved by the Board of Directors on 28/12/1996 and 28/6/1997. The figures are in millions of SDR. The figures for 1995 and 1996 are based on the accounts of the Bank as approved by the Board of Directors on 28/12/1996 and 28/6/1997 respectively. The figures for 1997 are based on the accounts of the Bank as approved by the Board of Directors on 28/6/1997.

**EAST AFRICAN DEVELOPMENT BANK  
BALANCE SHEET AS AT (millions of SDR)**

EAST AFRICAN DEVELOPMENT BANK  
BALANCE SHEET AS AT (millions of SDR)

	31/12/1995	31/12/1996	30/06/1997
<b>ASSETS</b>			
Cash & Bank	2,939	2,494	4,205
Deposits & Investments	23,604	31,428	23,824
Accr. interest & loan charges receivables	2,371	3,475	4,024
Other Current Assets	1,506	1,715	1,926
Loans & Equity Investments	49,997	59,412	59,984
Capital Work-in Progress	553	1,678	150
Fixed Assets	848	747	2,712
<b>Total Assets</b>	<b>80,819</b>	<b>99,949</b>	<b>96,676</b>
	8,071	10,399	8,189
<b>LIABILITIES</b>			
Dividends	445	1,624	1,624
Accrued interest payable	812	764	466
Sundry Accounts Payable	2,411	1,461	1,620
Deferred Income	1,350	2,730	1,994
Borrowings	32,038	43,869	39,145
	251	278	213
Special Funds	17,072	16,170	15,920
Capital Funds	4,196	4,916	4,916
<b>Total Liabilities</b>	<b>54,604</b>	<b>70,534</b>	<b>64,684</b>
	1,913	3,235	2,533
<b>SHAREHOLDERS FUNDS</b>	<b>(322)</b>	<b>(249)</b>	<b>0</b>
Share Capital	26,670	27,380	27,380
Retained Earnings	1,445	1,938	4,317
Exchange Adjustment Reserve	(3,689)	(2,221)	(2,177)
Special Reserve	2,069	2,318	2,472
<b>Total Shareholders Funds</b>	<b>25,495</b>	<b>29,415</b>	<b>31,992</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS FUNDS</b>	<b>80,099</b>	<b>99,949</b>	<b>96,677</b>