ECB
PRIVATE BANKING



CORPORATE FINANCIAL REPORT 2023

"ECB IS THE BRAND NAME OF EXIM CREDIT BANK"

www.eximcreditbank.ae



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1.0 DIRECTORS' REPORT

Dear Shareholders, on behalf of the Board of Directors, it gives me great pleasure to present the Annual Financial Report of Exim Credit Bank for which Accounts maintained by Emirates NBD together with the Financial Statements for the year ended November 2023. Despite the market and macroeconomic factors, we remained true to our commitment to strengthen the company and enhance the values accruing to our shareholders. As Exim Credit Bank, we continue to support the interest of our shareholders while maintaining adequate capital to support the sustainable growth of the business. We remain committed to delivering value to our shareholders as we continue to strengthen our balance sheet and uplift our service delivery to our customers.

1.1 Company Background

Exim Credit Bank – (ECB), located in the United Arab Emirates, is a prominent financial institution specializing in various trade finance services. Exim Credit Bank has a full international banking licenses granted and issued issues by Comoros International Banking Authority and the Comoros Finance Commission under the law of the assembly of the Union of Comoros. Exim Credit bank operates around the globe with the head office and trade finance Department in the United Arab Emirates registered under Dubai Economic Department.

The company's principal activities as per commercial license are full banking activities including but not limited to:

- Provision of structured trade finance instrument like Letter of credit, Standby Letter of credit
- Investment consultancy and company services
- Issuance of own deposit products, fixed-term deposit accounts, and current and trust accounts.
- Provision of loan and borrow funds (loan transaction)
- To carry out currency and exchange transactions
- Holding assets, capital, precision metals, bonds, shares, or another financial instrument for third parties
- Issuance of Bank references and certificates of Good standing
- Financial engineering solutions (Private banking and wealth management)
- To act as an intermediary in securities trading
- To provide other permitted financial services, export and import finance, project funding, and fund management.

1.2 Financial Performance

The bank recorded a net profit of **USD 1,037,285.00** for the year ended November 2023 with a total revenue of **USD 2,059,059.07.** This was a slight drop from the previous year's income but the performance of the company will improve in the coming year, in light of both external an d internal factors i.e. market demand and our determination to target new markets. While we are cautiously optimistic of prospects, especially due to the uncertain landscape that we are currently operating in: I am confident that Bank's strategy will continue to ensure that we can support all of our stakeholders through the challenges and opportunities in the years to come.

1.3 Directors and Management

The Board of Directors continues to oversee the task of striking the right balance between the opportunities and risks that we see. The Board of Directors remains committed to all stakeholders and maintains the highest standards of corporate governance. The Board of Directors and management team that served during the period under review, and at the date of signing the Financial Statements were as follows:

BOARD OF **DIRECTORS**

Name	Board Position
Mr. Rusana Joseph Waryoba	Group CEO
Shaama Sultan Lootah	President
Miss Mary Grace Deloy Pagal	Board Director
Omar Mohammed Awadh	Board Director
Ms. Amna Mohd Salam Basheer	Board Director
Mr. Sameer Malik Juma	Board Director
Mr. Larry Morgan Harvey	Board Director
Ms Marina Schmatova	Board Director
Mr. Willium Choe	Board Member

MANAGEMENT **TEAM**

Name	Position
Mr. Rusana Joseph Waryoba	Group CEO
Mr. Ezz Aldien Mahmoud	Head of Branch-UAE
Mr. Vivek Krishnan	Treasury Controller
Ms. Angelita P. Galano	Human Resource Officer
Ms. Cristine Reyes	Head of Trade & Corporate
Ms. Sophia Mambosasa	Trade Finance Analyst
Ms. Zenalyn Ncubi	Head of Risk/Compliance
Mr. Shamraiz Paras	Head of Legal Consultant
Mr. Gabriel Angelo Jimenea	Head of Supply chain
Mr. Ogoncho Yaros	Finance Officer



1.4 Going Concern

The Directors who served during the year have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies note in the financial statement.

1.5 Acknowledgment

I hereby present our Bank's commitment to taking full advantage of the opportunities that will be presented in 2024. Exim Credit Bank will grow its earnings, improve profitability and asset quality, and deliver good returns to our shareholders.

On behalf of the Board, I would like to express our sincere gratitude to our shareholders, our regulators, our business partners, and all our external stakeholders. The Board is grateful for your support.

To our Management, our staff and our colleagues on the Board, I say a big thank you for your diligence, hard work, passion, and commitment to achieving our collective goals.

Prepared and signed by

Vivek Krishnan
Treasury Controller

EXIM CREDIT BANK - (ECB) UNITED ARAB EMIRATES

Approved and signed by

Joseph R. Waryoba
Group CEO & Managing Director

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محاسبون قانونيون ومستشارون
Chartered Accountants & Consultants

Independent Auditor's Report

To,
The Shareholders
Exim Credit Bank

Report on the audit of the financial statements Opinion

We have audited the accompanying financial statements of Exim Credit Bank having, Trade Operation Branch Dubai, United Arab Emirates, which comprise the statement of financial position as at November 30, 2023 and the statement of profit or loss and comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Exim Credit Bank., Dubai, United Arab Emirates, as at November 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of th e financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with applicable provisions of the UAE Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whethe r a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

  However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Law, we report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- The financial statements have been prepared and comply, in all material respects, with the applicable provisions of UAE Law.
- The Company has maintained proper books of account;
- The Company did not purchase any shares during the year ended November 30, 2023.
- Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the company has contravened during the financial year ended November 30, 2023 any of the applicable provisions of the UAE Federal Law No. (2) Of 2015 or company's Articles of Association, which would materially affect its activities or its financial position as at November 30, 2023.

NBN Auditing of Accounts
Registration Number: 509
Dubai- United Arab Emirates
December 10, 202

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P.O.BOX : 14945
DUBAI - U.A.E
NBN AUDITING OF ACCOUNTS

REF: DXB/0899



Statement of Financial Position As at
November 30, 2023

Assets	Notes	2022	2023
Current Assets		**USD**	**USD**
Cash in hand & banks	2.11	1,148,758.00	841,238.27
Account receivables	2	147,176.00	306,439.69
Prepaid expenses	2	341,769.00	12,244.69
Other current assets	2	82,451.60	45,763.49
Inventory	2	489,000.00	700,000.00
Total Current Assets		**2,209,154.60**	**1,905,686.14**
Fixed Assets			
Plant, Property & Equipment	2.7	27,254.00	9,106.11
Financial Assets	2.6	181,251.58	290,182.29
Reserve assets	4.0	1,200,000,000.00	1,500,000,000.00
Total Fixed Assets		**1,200,208,505.58**	**1,500,299,288.40**
Total Assets		**1,202,417,660.18**	**1,502,204,974.54**
Liabilities & Equities			
Non-Current Liabilities			
Long Time Payables	4.0	1,198,700,310.27	1,500,000,000.00
Total Non-Current Liabilities		1,198,700,310.27	1,497,309,540.69
Current Liabilities			
Accounts Payable	2	16,135.00	19,945.04
Trust Account	2	56,154.20	83,316.50
Unearned revenue	2	11,651.00	9,809.27
Opening Balance Adjustments	2	91,251.00	70,953.68
Total Current Liabilities		**175,191.20**	**184,024.49**
Total Liabilities		**1,198,875,501.47**	**1,497,493,565.18**
Equity			
Retained Earnings	2	1,550,683.60	1,642,632.72
Regulatory Reserve	2.14	1,638,128.93	2,583,464.93
Drawings	2	-246,653.82	-114688.29
Share Capital	2.13	600,000.00	600,000.00
Total for Equity		**3,542,158.71**	**4,711,409.36**
Total Liabilities & Equities		**1,202,417,660.18**	**1,502,204,974.54**

Statement of Profit or Loss and Other Comprehensive Income For the year ended November 30, 2023

Cash Flow from Operating Activities	Notes	2022 USD	2023 USD
Sales	5(a)	1,786,780.00	1,667,565.51
Interest Fees	5(d)	257,351.95	258,422.00
Commission received	5(d)	294,802.40	56,527.56
Management Fees		206,154.00	140,657.56
Increase in Accounts Receivable		(147,146.00)	(306,439.69)
Cash paid for:			
Commission Paid	5(b)	(212,690.60)	(314,846.05)
Cost of Revenue	5(b)	(104,562.35)	(152,941.90)
Discount Paid	5(c)		(2,400.00)
Salaries and Employee Wages	5(c)	(206,124.00)	(165,654.00)
Website Hosting/Development	5	—	(116,627.90)
Staff Bonus	5	(3,412.30)	(2,316.08)
Pre-paid Rent Expense	5	(267,527.00)	(326,275.61)
Employee Reimbursements	5	(1,654.00)	(1,230.38)
Employee Advance	5	(4,879.30)	(3,869.21)
Company Software Installation	5	—	(313,411.99)
Net cash provided by Operating Activities		**1,603,917.40**	**1,255,215.62**
Cash Flow from Investing Activities			
Cash paid to:			
Investment to Subsidiaries	2	**(181,251.58)**	**(290,182.29)**
Purchase of PPE	2	**(27,254.00)**	**(9,106.11)**
Net cash from Investing Activities		**(208,505.58)**	**(299,288.40)**
Cash Flow from Financing Activities			
Drawings		-246,653.82	-114688.29
Net cash provided by Financing Activities		**-246,653.82**	**-114,688.29**
Ending Cash Balance		**1,148,758.00**	**841,238.27**

Statement of Profit or Loss and Other Comprehensive Income for the year ended November 30, 2023

Revenue	Notes	2022 USD	2023 USD
Sales	5 (a)	1,786,780.00	1,667,565.51
Interest Fees	5 (a)	257,351.95	258,422.00
Commission received	5 (d)	294,802.40	56,527.56
Management Fees	5 (d)	206,154.00	140,657.56
Total Revenue		**2,392,427.95**	**2,059,059.07**
Commission Paid	5 (b)	212,690.60	314,846.05
Cost of Revenue	5 (b)	104,562.35	152,941.90
Discount Paid	5 (b)		2,400.00
Total Cost of goods sold		317,252.95	470,187.95
Gross Profit			
Less:			
General administrative expenses	5	324.36	171.75
Advertising And Marketing	5	5,684.21	3,869.21
Company License (All Types of Licenses)	5	57,782.00	42,396.56
Consultant Expense	5	300	147.14
Courier Charge	5	786.25	562.83
DEWA	5	148.56	158.04
DHL Shipping Expense		2,154.32	1,237.87
Employee visa Expense	5	4,235.21	3,423.46
Meals and Entertainment	5	2,536.54	2,376.12
Office Supplies	5	1,200.24	1,060.90
Other Expenses	5	125.31	62.64
Printing and Stationery	5	1,235.00	45,752.72
Rent Expense	5	267,527.00	326,275.61
Salaries and Employee Wages	5	206,124.00	165,654.00
Stationery & Grocery	5	426	4,064.32
Telephone Expense	5	2,564.60	1,646.39
Total Operating Expenses		705,814.00	534,746.00
Less: Non-Operating expenses		31,658.00	16,840.00
Net Profit		**1,337,703.00**	**1,037,285.12**

Statement of Changes in Equity

	Retained Earnings	Regulatory Reserve	Owner's Fund	Share Capital	Total
Year ended 30 November 2023	470,328.60	**1,380,780.93**			
At start of year					
Total comprehensive income for the year					
Profit for the year	1,337,703.00				
Transfer From Regulatory Fund	-257,348.00	**257,348.00**			
Drawings			**246,653.82**		
At end of year	1,550,683.60	**1,638,128.9**	**246,653.82**	**600,000.00**	**3,542,158.71**
Year ended 30 November 2023					
At start of year	1,550,683.60	**1,638,128.93**	**246,653.82**	**600,000.00**	
Total comprehensive income for the year					
Profit for the year	1,037,285.12				
Transfer From Regulatory Fund	(945,336.00)	**945,336.00**			
Owner's Fund			**131,965.53**		
At end of year	**1,642,632.72**	**2,583,464.93**	**114,688.29**	**600,000.00**	**4,711,409.36**

1.0 Legal and Regulatory Compliance:



As a licensed financial institution operating in the UAE, Exim Credit Bank-(ECB) adheres to the regulatory guidelines and standards set forth by the Central Bank of the UAE (CBUAE) and other relevant regulatory bodies. Its activities in Dubai (Financing Operations) are issued by the Department of Economic Development, Government of Dubai, United Arab Emirates.

Compliance with regulatory requirements ensures the bank's adherence to legal and operational standards, safeguarding the interests of its stakeholders and maintaining trust and confidence in its operations. The Company's principal activity is providing a line of credit to companies, investors, and lenders interested in doing business within the Global.

The registered office of the company is located at Dubai, Technic Building, Office 103, Sal Al Din Deira, Dubai - United Arab Emirates.

1.1 Investment Companies

The management and control is vested with Mr. Joseph R. Waryoba as CEO and Shareholder.
The following is a list companies are the related party as per IAS fall within the definition of a related party contained in International Accounting Standard 24.

Subsidiary Companies	Nature of Business
Exim Credit Pay Inc	Remittance
ECI Trade Insurance	Insurance
Exim Development Fund	Payment services provider
Exim Wealth Management	Wealth Management
World Venture Capital Limited	Fund Manager
Infrastructure Finance Corporation	Bank Broker
Exim Credit Commercial Brokers	Real Estate



Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

2.1 Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability , assuming that market participants act in their best economic benefit.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments.
•**Level I:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
•**Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
•**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.2 Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statement.

2.3 Interest income and expenses

Interest income and expense are recognized in profit or loss for all interest-bearing instruments measured at amortized cost using the effective interest method.
When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not the expected credit loss (ECL). For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

2.3.1 Calculation of interest income

The effective interest rate of a financial asset is calculated on the initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit- impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

For financial assets that were credit-impaired on initial recognition, purchased-originated credit-impaired (POCI) assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.4 Commissions

Commission income is generally recognized on an accrual basis when the service has been provided. Commission income that is integral to the effective interest rate on a financial asset or liability is included in the calculation of the effective interest rate to arrive at the amortized cost of financial assets and financial liability.



2.5 Translation of foreign currencies

The financial statements are presented in the US Dollar, which is the Bank's presentation currency. Transactions in other foreign currencies during the year are converted into presentation currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the presentational currency using the exchange rate prevailing as at that date.

The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognized on a net basis in the income statement in the year in which they arise, except for differences arising on translation of non-monetary assets measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

Classification and measurement of financial instruments

The Bank classifies its financial assets into the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), and financial assets at amortized cost. Management determines the appropriate classification of its financial assets at initial recognition.



Exim Credit Bank classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit and loss are expensed in profit and loss. Immediately after initial recognition, an expected credit loss allowance is recognized for financial assets measured at amortized cost

and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognized in profit or loss when an asset is newly originated

The Ban k classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI

The classification requirements for equity instruments are described below:

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

The Bank assesses, on a forward - looking basis, the expected credit losses ('ECL') associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognizes a loss allowance for such losses at each reporting date.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Bank of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.



For the purposes of a collective evaluation of impairment, financial assets are Banked on the basis of similar credit risk characteristics (that is, on the basis of the Bank's grading process that considers asset type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for Banks of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated

Future cash flows in a Bank of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank.
Estimates of changes in future cash flows for Banks of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in property prices, payment status, or other factors indicative of changes in the probability of losses in th e Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and customers are classified as loan impairment charges whilst impairment charges relating to investment securities are classified in 'Net gains/ losses on investment securities.



2.7 Property and Equipment



Property and equipment are stated at historical cost less accumulated depreciation and impairment. The cost of property and equipment includes expenditures directly attributable to the acquisition or construction of the asset as well as expenditures incurred on bringing the asset to the working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which these are incurred.

Depreciation is recognized in the statement of comprehensive income on a straight-line basis, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives. The assets residual values and useful lives are reviewed and adjusted. if appropriate, at each statement of financial position date. Gains and losses on disposal of property and equipment are determined by proceeds to the carrying value of the asset disposed of and are taken into account in determining operating income / (loss).

Property and equipment in the course of construction for production, supply, or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes all direct costs a ttributable to the design and construction of the property including related staff c osts, and for qualifying assets, financing costs capitalized in accordance with the Company's accounting policy. When the assets are ready for the intended use, the capital work in progress is transferred to the appropriate property and equipment or intangible asset category and is depreciated or amortized in accordance with the Company's policies.

2.8 Intangible assets

Software acquired by the Company is stated at cost less accumulated amortization and impairment. Subsequent expenditure on software assets is capitalized only when such expenditure increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Amortization is recognized in the statement of comprehensive income on a straight-line basis, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives of 3 to 5 years.

would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

2.9 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.10 Acceptances and letters of credit

Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with Banks, other short term highly liquid investments with original maturities of three months or less, including cash and balances with Emirates NPD.

Cash at hand and balances with Banks

Cash	**2022**	**2023**
	USD	**USD**
Cash In Hand	264,583.30	175,896.00
Petty Cash	97,762.49	96,869.27
Total for Cash	**362,345.79**	**272,765.27**
BANKERS		
ECO BANK TANZANIA (EXIM - USD A/C)	125,487.00	42,651.44
EMIRATES NBD (EXIM - EUR A/C)	185,525.01	138364
EMIRATES NBD (EXIM - USD A/C)	387,615.00	286132.56
ADCB BANK (EXIM - USD A/C)	87,785.20	101325
Total for Bank	**786,412.21**	**568,473.00**
Total for Cash at hand & Bank	**1,148,758.00**	**841,238.27**

2.12 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are classified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits and balances due to banking institutions or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to customers or deposits and balances from banking institutions as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.13 Share capital

Ordinary shares are classified as equity. Any premium received over and above the par value of the shares is classified as a share premium in equity. Authorized, Issued and paid up capital of the company is USD 600,000 divided into 600,000 shares of USD, each fully paid.

Share holders

Name	% Holding	Capital (USD)
1- Exim Credit Bank Limited	**50%**	**300,000**
2-Exim Credit Limited	**40%**	**240,000**
3-Exim Development Fund	**10%**	**60,000**
Total	**100%**	**600,000**

2.14 Regulatory reserve

Where impairment losses required by the Emirates NBD Prudential Guidelines exceed those computed under IFRS, the excess is recognized as a regulatory reserve and is accounted for as an appropriation of retained earnings. The regulatory reserve is non distributable.

3.0 Financial risk management

By their nature, the Bank's activities are principally related to the use of financial instruments. The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks, measure these risks, and manage the risk positions. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products, and best market practices.

The Bank seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances; the Bank also enters into guarantees and other commitments such as issuance of letters of credit and performance, and other bonds.

Financial risk management is carried out by the treasury function under policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest r ate risk, and credit risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.



(a) Credit risk



The Bank takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Impairment provisions are provided for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration of the Bank's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk and regularly undertakes a portfolio review to vet the potential risk of each economic sector that the Bank is exposed to.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to the clients and to industry segments. Such risks are monitored on a revolving basis and are subject to annual review. Limits on the level of credit risk by product and industry sector are regularly reviewed and approved by the Board of Directors.

Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

Credit-related commitments

The primary purpose of providing these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same _credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees, or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

Significant increase in credit risk

The Bank in determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition considered reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank's historical experience, expert credit assessment, and forward-looking information.

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

Determining whether credit risk has increased significantly

The Bank has established a framework that incorporates both past due information and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Bank's internal credit risk management process

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Additionally, in certain instances, using its expert credit judgment and, where possible, relevant historical experience, the Bank may determine that an exposure has undergone a significant increase in credit risk and classify the exposure as 'watch' if particular qualitative factors indicate so and those indicators may not be fully captured by its past due status on a timely basis.

The following tables set out information about the credit quality and credit risk exposure of financial assets measured at amortized cost. Unless specifically indicated, the amounts in the table represent gross carrying amounts at 31 December 2022. For loan commitments and non- financial guarantees the amounts in the table represent the undrawn portion of amounts committed. Loan commitments are overdraft facilities.

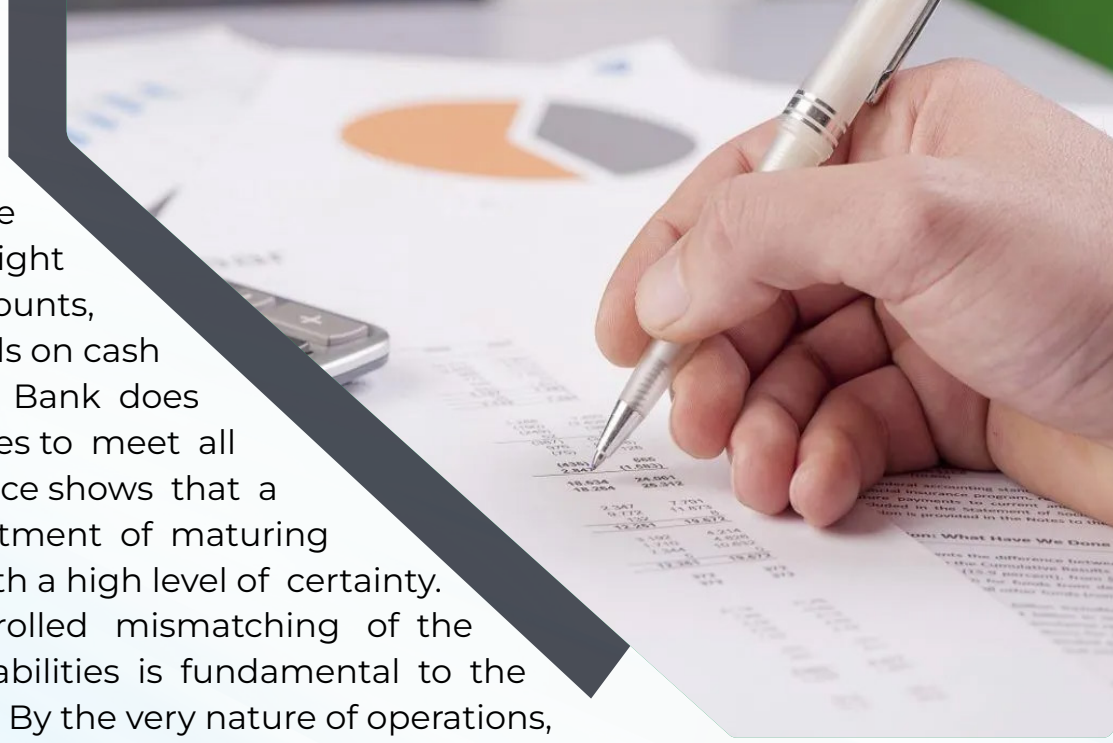
Credit risk exposure
Financial assets that are past due or impaired

In determining the classification of an account, performance is the primary consideration. Classification of an account reflects judgment about the risk of default and loss associated with the credit facility.

Accounts are classified into five categories as follows:

Guidelines	Days Past Due	IFRS 9 Stage Allocation
Normal	0-30	1
Watch	31-90	2
Substandard	91-180	3
Doubtful	181 - 365	3
Loss	Over 365 or considered uncollectible	3

(b) Liquidity risk



The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and calls on cash settled contingencies. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The matching and controlled mismatching of the maturities of assets and liabilities is fundamental to the management of the Bank. By the very nature of operations, it is unusual for banks to ever completely match assets and liabilities.

The bank's liquidity ratios assessed show the bank's ability to meet its short-term obligations. The 2023 current ratio of 1.2 indicates that the bank has more current assets placing it in a good position to settle all its current liabilities. Its quick ratio of 2 shows that the bank has sufficient liquid assets to pay off its debts twice. Adequate liquidity ensures the bank can honor withdrawal requests, settle liabilities, and fund its operations without disruptions.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

It is unusual for Banks ever to be completely matched since business transacted is often of uncertain terms and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest rates and exchange rates.

Interest rate risk

The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily.



Cash flow and fair value interest rate risk

Fixed interest rate financial instruments expose the Bank to fair value interest rate risk. Variable interest rate financial instruments expose the Bank to cash flow interest rate risk. The Bank's fixed interest rate financial instruments are government securities, deposits with financial institutions and borrowings. The Bank's variable interest rate financial instruments are loans and advances. The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date

4.0 Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheet, are:

to safeguard the Bank's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of its business

Exim Credit Bank-(ECB) holds its assets in diversified forms to ensure stability and profitability. Our strong balance sheet enables the bank to support numerous customers and business expansion. The total portfolio of $1.5 billion is primarily comprised:

Gold Reserves: Gold is a valuable asset due to its intrinsic worth and stability in financial markets. Exim Credit Bank holds a substantial portion of its assets in the form of gold, providing a hedge against market fluctuations and currency devaluation.

Bills of Exchange: Bills of exchange represent a crucial component of the bank's asset portfolio. They serve as negotiable instruments facilitating trade transactions and ensuring liquidity for the bank.

Reserve Assets composition

At start of the year:	**2022** **USD**	**2023** **USD**
Copper Wires	160,000,000.00	160,000,000.00
Bills of Exchange	450,000,000.00	750,000,000.00
Gold Reserves	590,000,000.00	590,000,000.00
Total	1,200,000,000.00	1,500,000,000.00

5.0 Critical accounting estimates and judgments in applying accounting policies

Exim Credit Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Sales Generation

At start of the year:	2022 USD	2023 USD
Issuance Of Letter of Credit	657,196.50	383,021.28
Issuance of SBLC	894,425.50	956,421.23
Issuance off Proof of Fund	235,158.00	328,123.00
Interest Fees	257,351.95	258,422.00
Total	**2,044,131.95**	**1,925,987.51**

(b) Expenses used in Sales generation	2022 USD	2023 USD
Commission Paid	212,690.60	314,846.05
Cost of Revenue	104,562.35	152,941.90
Discount Paid		2,400.00
Total	**317,252.95**	**470,187.95**

(c) Operating Expenses	2022 USD	2023 USD
Operating Expenses		
Salaries and Employee Wages	206,124.00	165,654.00
Website Hosting/Development	—	116,627.90
Staff Bonus	3,412.30	2,316.08
Pre-paid Rent Expense	267,527.00	326,275.61
Employee Reimbursements	1,654.00	1,230.38
Employee Advance	4,879.30	3,869.21
Company Software Installation	—	313,411.99
TOTAL	**483,596.60**	**929,385.17**

(d) Other Income received	2022 USD	2023 USD
Commission received	294,802.40	56,527.56
Management Fees	206,154.00	140,657.56
TOTAL	500,956.40	197,185.12

Other Disclosers	2022 USD	2023 USD
Non-Performing Loans and Advances		
Gross Non-Performing Loans and Advances	98,700,310.27	97,309,540.69
Less Interest in Suspense	8,463,525.00	954,432.00
Total Non-Performing Loans and Advances	**90,236,785.27**	**96,355,108.69**
Less Loan Losses Provision	46,879,213.21	62,571,564.00
Net Non-Performing Loans and Advances	**43,357,572.06**	**33,783,544.69**
Discounted Value of Securities	—	—
Net NPL Exposure	**43,357,572.06**	**33,783,544.69**

ECB
PRIVATE BANKING



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