

# **EURASIAN DEVELOPMENT BANK**

## **Condensed Interim Financial Information (Unaudited)**

For the six-month period ended 30 June 2023

# EURASIAN DEVELOPMENT BANK

## TABLE OF CONTENTS

---

### REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Condensed interim statement of profit or loss and other comprehensive income (unaudited)	1-2
Condensed interim statement of financial position (unaudited)	3
Condensed interim statement of changes in equity (unaudited)	4
Condensed interim statement of cash flows (unaudited)	5-6
Selected explanatory notes to the condensed interim financial information (unaudited)	7-57

## REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

To the Shareholders and Members of the Board of the Eurasian Development Bank

### INTRODUCTION

We have reviewed the accompanying condensed interim financial information of Eurasian Development Bank (hereinafter – the Bank), which comprises the condensed interim statement of financial position on June 30, 2023, the condensed interim statement of profit or loss and other comprehensive income for the six months ended June 30, 2023, the condensed interim statement of changes in equity for the six months ended June 30, 2023, the condensed interim statement of cash flows for the six months ended June 30, 2023, as well as the notes to the condensed interim financial information.

The management of the Bank is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

Our responsibility is to form a conclusion on this condensed interim financial information based on our review.

### SCOPE OF THE REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of the review is substantially less than an audit conducted in accordance with International Standards on Auditing and, therefore, the review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Consequently, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information on June 30, 2023 and for the six months then ended is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

  
Bakyt Zhumadylov  
Task Manager for the review inspection

Qualification certificate of auditor  
No.MF-0001686 dated 30.06.2021.



  
Mikhail Bryukhanov  
Assignment partner

Qualification certificate of auditor  
No.06-000025 dated 20.12.2011.

  
Sholpanay Kudaibergenova  
Director General  
IAC Russell Bedford A+ Partners LLP

State license to engage  
in auditing activities on the territory of  
the Republic of Kazakhstan No.18013076 issued by the Internal  
State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan  
on July 3, 2018.

September 25, 2023  
Almaty, Kazakhstan

## EURASIAN DEVELOPMENT BANK

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(in thousands of US Dollars)

	Note	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited
Interest income, calculated using the effective interest method:			
on Investment portfolio	4	136,720	103,086
on Treasury portfolio	4	63,859	26,941
Other interest income on Treasury portfolio	4	6,420	7,030
Interest expense	4	(134,049)	(108,730)
<b>Net interest income</b>		<b>72,950</b>	<b>28,327</b>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5	103,496	(254,939)
Net (loss)/gain on transactions in foreign currencies	6	(67,970)	299,401
Net realised loss on financial assets at fair value through other comprehensive income		(14,976)	(426)
Net loss from modification, initial recognition and derecognition of financial instruments		(4,334)	(437)
Net (loss)/gain on trading with debt securities issued	19	(10)	49,217
Fee and commission income	7	10,912	7,797
Fee and commission expense		(2,402)	(979)
Loss from investments in associates		-	(395)
Net other income		4	4
<b>Net non-interest income</b>		<b>24,720</b>	<b>99,243</b>
<b>Operating income before provision for expected credit losses</b>		<b>97,670</b>	<b>127,570</b>
Recovery of/(provision for) expected credit losses on interest bearing assets	8	7,673	(210,118)
(Provision for)/recovery of expected credit losses on guarantees and letters of credit issued	8	(11,102)	526
<b>Net operating income/(loss)</b>		<b>94,241</b>	<b>(82,022)</b>
Operating expenses	9	(27,610)	(23,680)
<b>NET PROFIT/(LOSS)</b>		<b>66,631</b>	<b>(105,702)</b>

## EURASIAN DEVELOPMENT BANK

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED) (in thousands of US Dollars)

	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited
<b>OTHER COMPREHENSIVE INCOME/(LOSS):</b>		
<b>Treasury portfolio:</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net unrealised gain/(loss) on revaluation of financial assets at fair value through other comprehensive income	6,111	(90,512)
Net realised loss on financial assets at fair value through other comprehensive income transferred to profit or loss	14,976	429
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>21,087</b>	<b>(90,083)</b>
<i>Items that may not be reclassified subsequently to profit or loss:</i>		
Net realised loss on financial assets at fair value through other comprehensive income - equity instruments	6,241	-
<b>Items that may not be reclassified subsequently to profit or loss</b>	<b>6,241</b>	<b>-</b>
<b>Total other comprehensive gain/(loss) on Treasury portfolio</b>	<b>27,328</b>	<b>(90,083)</b>
<b>Investment portfolio:</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Net unrealised loss on revaluation of financial assets at fair value through other comprehensive income	(5,051)	(6,319)
Net realised gain on financial assets at fair value through other comprehensive income transferred to profit or loss	-	(3)
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>(5,051)</b>	<b>(6,322)</b>
<b>Total other comprehensive loss on Investment portfolio</b>	<b>(5,051)</b>	<b>(6,322)</b>
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<b>16,036</b>	<b>(96,405)</b>
<b>Total items that may not be reclassified subsequently to profit or loss</b>	<b>6,241</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>	<b>22,277</b>	<b>(96,405)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>88,908</b>	<b>(202,107)</b>

Authorised by the Management of the Bank

25 September 2023  
Almaty, Kazakhstan



# EURASIAN DEVELOPMENT BANK

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(in thousands of US Dollars)

	Note	30 June 2023 Unaudited	31 December 2022
<b>ASSETS</b>			
Cash and cash equivalents	10	3,534,040	1,279,281
Financial assets at fair value through profit or loss:	11	410,897	156,471
<i>in Treasury portfolio</i>		396,981	140,132
<i>in Investment portfolio</i>		13,916	16,339
Loans and amounts due from financial institutions:	12	621,965	862,270
<i>in Treasury portfolio</i>		508,068	427,145
<i>in Investment portfolio</i>		113,897	435,125
Loans to customers	13	2,225,652	2,160,885
Financial assets at fair value through other comprehensive income:	14	937,602	3,539,896
<i>in Treasury portfolio</i>		268,169	2,844,390
<i>in Investment portfolio</i>		669,433	695,506
Debt securities at amortised cost	15	334,210	384,919
Investments in associates		24	24
Property and equipment		11,449	10,583
Intangible assets		2,532	2,222
Other assets	16	44,784	32,040
<b>TOTAL ASSETS</b>		<b>8,123,155</b>	<b>8,428,591</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Loans and deposits from financial institutions	17	3,327,405	3,165,338
Financial liabilities at fair value through profit or loss	11	206,765	2,956
Deposits from customers	18	178,029	307,507
Debt securities issued	19	2,390,208	3,030,076
Other liabilities	20	105,014	86,363
<b>Total liabilities</b>		<b>6,207,421</b>	<b>6,592,240</b>
<b>EQUITY:</b>			
<b>Share capital:</b>			
Authorised share capital	21	7,000,000	7,000,000
Less: callable share capital	21	(5,484,300)	(5,484,300)
Paid-in share capital	21	1,515,700	1,515,700
Reserve fund		146,220	146,220
Technical assistance fund reserve	22	21,137	21,137
Digital initiative fund reserve	22	872	5,568
Revaluation deficit for financial assets at fair value through other comprehensive income in Treasury portfolio		(34,631)	(61,959)
Revaluation deficit for financial assets at fair value through other comprehensive income in Investment portfolio		(8,571)	(3,520)
Retained earnings		275,007	213,205
<b>Total equity</b>		<b>1,915,734</b>	<b>1,836,351</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,123,155</b>	<b>8,428,591</b>

Authorised by the Management of the Bank



25 September 2023  
Almaty, Kazakhstan

## EURASIAN DEVELOPMENT BANK

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(in thousands of US Dollars)

	Share capital			Reserve fund	Technical assistance fund reserve	Digital initiative fund reserve	Revaluation deficit for financial assets at fair value through other comprehensive income in Treasury portfolio	Revaluation deficit for financial assets at fair value through other comprehensive income in Investment portfolio	Retained earnings	Total
	Authorised share capital	Callable share capital	Paid-in share capital							
<b>31 December 2021</b>	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>	<b>146,220</b>	<b>15,569</b>	<b>4,887</b>	<b>(15,985)</b>	<b>5,864</b>	<b>188,976</b>	<b>1,861,231</b>
Net loss (unaudited)	-	-	-	-	-	-	-	-	(105,702)	(105,702)
Other comprehensive loss (unaudited)	-	-	-	-	-	-	(90,083)	(6,322)	-	(96,405)
<b>Total comprehensive loss (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90,083)</b>	<b>(6,322)</b>	<b>(105,702)</b>	<b>(202,107)</b>
Transfer to Technical assistance fund reserve (unaudited)	-	-	-	-	5,568	-	-	-	(5,568)	-
Transfer to Digital initiative fund reserve (unaudited)	-	-	-	-	-	5,568	-	-	(5,568)	-
Recognition of Digital initiative fund assets (unaudited)	-	-	-	-	-	-	-	-	1,863	1,863
<b>30 June 2022 (unaudited)</b>	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>	<b>146,220</b>	<b>21,137</b>	<b>10,455</b>	<b>(106,068)</b>	<b>(458)</b>	<b>74,001</b>	<b>1,660,987</b>
<b>31 December 2022</b>	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>	<b>146,220</b>	<b>21,137</b>	<b>5,568</b>	<b>(61,959)</b>	<b>(3,520)</b>	<b>213,205</b>	<b>1,836,351</b>
Net profit (unaudited)	-	-	-	-	-	-	-	-	66,631	66,631
Other comprehensive income/(loss) (unaudited)	-	-	-	-	-	-	27,328	(5,051)	(6,241)	16,036
<b>Total comprehensive income/(loss) (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,328</b>	<b>(5,051)</b>	<b>60,390</b>	<b>82,667</b>
Allocation to Digital initiative fund reserve (unaudited)	-	-	-	-	-	(4,696)	-	-	-	(4,696)
Recognition of Digital initiative fund assets (unaudited)	-	-	-	-	-	-	-	-	1,412	1,412
<b>30 June 2023 (unaudited)</b>	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>	<b>146,220</b>	<b>21,137</b>	<b>872</b>	<b>(34,631)</b>	<b>(8,571)</b>	<b>275,007</b>	<b>1,915,734</b>

Authorised by the Management of the Bank

25 September 2023  
Almaty, Kazakhstan



## EURASIAN DEVELOPMENT BANK

### CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 JUNE 2023

(in thousands of US Dollars)

	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received on loans to customers	100,634	69,325
Interest received on loans and amounts due from financial institutions and cash and cash equivalents	28,516	19,117
Interest received from financial assets at fair value through profit or loss	5,378	5,759
Interest received on financial assets at fair value through other comprehensive income	30,854	40,912
Interest received on debt securities at amortised cost	5,710	10,912
Interest paid on loans and deposits from financial institutions	(38,342)	(26,493)
Interest paid on financial liabilities at fair value through profit or loss	(1,099)	(18,458)
Interest paid on deposits from customers	(5,944)	(7,602)
Interest paid on debt securities issued	(83,999)	(46,592)
Fees and commissions received	9,112	9,059
Fees and commissions paid	(2,333)	(858)
Other income received	4	4
Operating expenses paid	(25,202)	(24,864)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>23,289</b>	<b>30,221</b>
<b>Changes in operating assets</b>		
Decrease/ (increase) in financial assets at fair value through profit or loss	77,233	(206,065)
Decrease in loans and amounts due from financial institutions	302,229	383,027
Increase in loans to customers	(161,198)	(28,839)
(Increase)/ decrease in other assets	(11,257)	13,793
<b>Changes in operating liabilities</b>		
Increase in loans and deposits from financial institutions	453,459	5,012,525
Decrease in deposits from customers	(119,782)	(152,620)
Increase in other liabilities	2,844	3,655
<b>Cash flows from operating activities</b>	<b>566,817</b>	<b>5,055,697</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income, Treasury portfolio	(6,712,122)	(3,505,687)
Proceeds from sale and redemption of financial assets at fair value through other comprehensive income, Treasury portfolio	9,226,395	2,108,149
Purchase of debt securities at amortised cost	-	(159,302)
Proceeds from redemption of debt securities at amortised cost	28,813	58,817
Purchase of property, equipment and intangible assets	(424)	(672)
<b>Cash flows from/ (used in) investing activities</b>	<b>2,542,662</b>	<b>(1,498,695)</b>

## EURASIAN DEVELOPMENT BANK

### CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US Dollars)

	Six-month period ended 30 June 2023 Unaudited	Six-month period ended 30 June 2022 Unaudited
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt securities (Note 19)	392,278	117,636
Repayments of debt securities (Note 19)	(895,091)	(231,821)
Proceeds from loans from financial institutions (Note 17)	25,219	14,913
Repayments of loans from financial institutions (Note 17)	(34,561)	(731,751)
Repayment of lease liabilities	(1,435)	(1,683)
<b>Cash flows used in financing activities</b>	<b>(513,590)</b>	<b>(832,706)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,595,889</b>	<b>2,724,296</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,279,281</b>	<b>430,280</b>
Effect of changes in foreign exchange rate on cash and cash equivalents	(341,130)	62,011
<b>Cash and cash equivalents at the end of the period (Note 10)</b>	<b>3,534,040</b>	<b>3,216,587</b>

Authorised by the Management of the Bank

25 September 2023  
Almaty, Kazakhstan



# **EURASIAN DEVELOPMENT BANK**

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

### **1 BACKGROUND**

#### **(a) Principal activities**

Eurasian Development Bank ("the Bank") is an international organisation, which was established in accordance with the Agreement Establishing Eurasian Development Bank, entered into between the Russian Federation and the Republic of Kazakhstan on 12 January 2006 ("the Agreement on Incorporation"). The Agreement on Incorporation became effective on 16 June 2006, since its ratification by the Russian Federation and the Republic of Kazakhstan via adoption of relevant laws.

The Bank's membership is open to new participants such that other states and international organisations that have mutual objectives with the Bank. The strategic objective of the Bank is to promote the development of the market economy in its Member states, including their economic growth and the expansion of mutual trade and economic relations through investment activity. The Bank aims to assist Member states in integrating their economies and developing their infrastructure.

In December 2008, the Council of the Bank approved the accession of the Republic of Armenia, the Republic of Belarus and the Republic of Tajikistan to the Agreement on Incorporation.

On 3 April 2009, on 22 June 2009 and 21 June 2010 the Republic of Armenia, the Republic of Tajikistan and the Republic of Belarus, respectively, have fulfilled their respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation of the Bank, made their contributions to the share capital and became Member states of the Bank.

On 28 June 2011, the Council of the Bank approved the accession of the Kyrgyz Republic to the Member states of the Bank. The Kyrgyz Republic has fulfilled its respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation, made its contribution to the share capital and became Member state of the Bank on 26 August 2011.

As at 30 June 2023, the following states were members of the Bank: the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan.

The Bank's principal activity is an engagement in investment activities for the benefit of socioeconomic development of the Member states. One of the Bank's primary functions is to provide financing for large infrastructure projects in the Member states, which it implements through the provision of loans and debt financing to private and public entities, investing in the equity of customers, participating in, or establishing, private equity funds, providing investment consulting, and providing other financial instruments. The Bank seeks to insure that all its projects are financially viable.

The headquarters of the Bank is located at: 220, Dostyk Avenue, Almaty, the Republic of Kazakhstan. The Bank has representative offices in Astana, Bishkek, Dushanbe, Minsk, Moscow, Yerevan and a branch office in St. Petersburg.

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 1 BACKGROUND (CONTINUED)

##### (a) Principal activities (continued)

In accordance with article 31 of the Charter of the Bank, which is an integral part of the Agreement on Incorporation, the Bank possesses immunity against any legal proceedings under the jurisdiction of its Member states, except in cases which do not result from its execution of its powers. Actions may be brought against the Bank only in a court of competent jurisdiction in the territory of a state in which the Bank has its principal or a branch office, a subsidiary bank or a representative office, or has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. Property and assets of the Bank located in Member states shall be immune from search, requisition, attachment, confiscation, expropriation or any other form of taking or foreclosure unless and until a final judgment is delivered against the Bank. The Bank, its income, property, assets, and its operations and transactions carried out as per this Charter in the territory of Member states shall be exempt from all taxes, duties, levies or fees, except charges for particular services.

On 30 December 2022, the Council of the Bank unanimously approved a redistribution of the Bank's charter capital among its Member states. In accordance with the Bank's Charter, Council members have obtained necessary authorisations and/or governmental resolutions to vote on this matter. A portion comprising 321,151 shares held by the Russian Federation in the Bank's paid-in capital has been evenly distributed among the other Member states. In April-June 2023 all of the Intergovernmental agreements between the Russian Federation and the other five Member states on redistribution of the Russia owned shares had come into action.

As at 30 June 2023 and 31 December 2022 shares of the Bank were owned as follows:

	<b>30 June 2023, Unaudited</b>	<b>31 December 2022,</b>
	<b>%</b>	<b>%</b>
The Russian Federation	44.79	65.97
The Republic of Kazakhstan	37.29	32.99
The Republic of Belarus	5.21	0.99
The Republic of Tajikistan	4.25	0.03
The Republic of Armenia	4.23	0.01
The Kyrgyz Republic	4.23	0.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

According to the Charter of the Bank, significant decisions like: accession of new Member states, changes in share capital of the Bank, liquidation/suspension of activity of the Bank must be approved by no less than 75% of votes. Also the Council of the Bank elects the Chairman and members of the Management Board and approves/disapproves credit risks, in case if: risk on the counterparty/the group of related counterparties is above 100 million US dollars; aggregate amount of large investment projects is above 300 percent of the Bank's equity; the Bank invests in the non-member states economies; and payback period of investments exceeds 15 years. According to the Charter at least 75% of the shareholders must be present at the Council's meeting. Thus for the decision making on key matters it is required to have  $\frac{3}{4}$  of votes, requiring both the Russian Federation and the Republic of Kazakhstan to vote similarly on most of the key decision of the Council. The Bank does not have an ultimate controlling party. All six Member states have representatives in the Council of the Bank.

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

#### **1 BACKGROUND (CONTINUED)**

##### **(b) Business environment**

The Bank's operations are primarily located in the Member states. Consequently, the Bank is exposed to the economic and financial markets of the Member states that display characteristics of emerging markets. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Member states. In particular, the current geopolitical and economic situation, the introduction of severe economic and financial restrictions against the Russian Federation by the United States, the European Union, the United Kingdom and some other states, and responsive restrictive measures by the Russian Federation against them create risks for the operations conducted by the Bank. Due to the aforementioned restrictions international credit rating agencies discontinued issuing credit ratings for the Russian Federation and entities with prime business in the Russian Federation. The European Union, the United Kingdom and the United States have also imposed sanctions on the Republic of Belarus, affecting major sectors of the economy and restricting the access of the Republic of Belarus to capital markets and imported goods. Sanction pressure has a negative impact on the economies of the Russian Federation and the Republic of Belarus and on the investment attractiveness of these countries. The condensed interim financial statements reflect the Bank's management assessment of the impact of the Member states' business environment on the operations and financial position of the Bank. The future business environment may differ from the Bank's management assessment.

The global economy in the first half of 2023 is characterized by low economic growth and high inflation. Demand in major economies is weakening but inflation is still not under control and remains well above levels of the previous decade.

In the medium term, the U.S. and Eurozone economies will have to function amid weak GDP growth and markedly higher inflation and interest rates than observed during the 2010s.

Due to domestic sources of growth, the GDP of the Eurasian Economic Union member states increased by 2.0% in the six months of 2023, after a decline of 1.5% in 2022. Rather a quick adjustment of economies to the changed operating environment in 2022 and fiscal policy support in some countries resulted in the strong economic performance in the region at the start of 2023. According to the results of first half of 2023, the economies of the Russian Federation and the Republic of Belarus returned to the positive results with GDP growth of 1.6% and 2.0%, respectively. The economies of Central Asia countries and Armenia continued to demonstrate high economic activity in 2023 due to increase in domestic demand. According to the results of six months of 2023, the GDP of the Republic of Armenia grew by 10.5%, the Republic of Kazakhstan – by 5.0%, the Kyrgyz Republic - by 3.9%, and the Republic of Tajikistan - by 8.3%.

The peak of price growth in the Bank's operating region was left behind, and inflation fell to 4.6% in June 2023 from 12.4% in December 2022. In the medium term, the economies of the Member states are expected to continue to grow, while the future development remains on the increased level.

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

#### **1 BACKGROUND (CONTINUED)**

##### **(b) Business environment (continued)**

In order to analyse and project the economic situation in Member states, the Bank uses an integrated model system comprising interrelated models of six states and the external sector. The tool allows the Bank to come up with consistent sets of forecasts of key macroeconomic indicators (GDP, inflation rate, foreign currency exchange rate, interest rate, budget deficit, money transfers) with projections being made on a quarterly basis.

The Bank plans to further refine macroeconomic forecasts and update models to assess the macroeconomic factors of the Member states on the financial results of the Bank.

#### **2 BASIS OF PREPARATION**

This condensed interim financial information has been prepared on the assumption that the Bank is a going concern and will continue in operation for the foreseeable future.

##### **(a) Statement of compliance**

This condensed interim financial information is prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. Accordingly, certain information and disclosures normally required to be included in the notes to the annual financial information have been omitted or condensed. This condensed interim financial information should be read in conjunction with the consolidated financial statements of the Bank for the year ended 31 December 2022, as this condensed interim financial information provides an update of previously reported financial statements.

The Bank operates in industries where significant seasonal or cyclical variations in operating income are not experienced during the financial year. However, since the results of the Bank's operations closely relate to and depend on changing market conditions, the results of the Bank's operations for the interim period are not necessarily indicative of the results for the year ending 31 December 2023.

These financial statements were authorised for issue on 25 September 2023 by the management of the Bank.

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

## **2 BASIS OF PREPARATION (CONTINUED)**

### **(b) Basis of measurement**

This condensed interim financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation financial instruments categorised at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI").

### **(c) Functional and presentation currency**

The functional currency of the Bank is the US dollar as it reflects the economic substance of the majority of underlying events and circumstances relevant to the Bank.

The US dollar is also the presentation currency for the purposes of this condensed interim financial information.

The Bank considered the following factors in determining its functional currency: the Bank is an international organisation, share capital is formed in US dollars, funds from financing activities are generated mainly in US dollars, and the majority of the Bank's principal activities are conducted in US dollars.

Financial information presented in US dollars is rounded to the nearest thousand.

### **(d) Use of estimates and judgements**

In preparing this condensed interim financial information, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Bank's consolidated financial statements for 2022 prepared in accordance with IFRS.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

In preparing this condensed interim financial information the Bank applied the same accounting policies as those applied in the consolidated financial statements of the Bank for the year ended 31 December 2022.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**4 NET INTEREST INCOME**

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
<b>Interest income, calculated using the effective interest method, Investment portfolio:</b>		
<i>Interest income on financial assets measured at amortised cost:</i>		
loans to customers	94,689	61,873
loans and amounts due from financial institutions	6,985	9,868
	<b>101,674</b>	<b>71,741</b>
<i>Interest income on financial assets measured at fair value:</i>		
financial assets at fair value through other comprehensive income	35,046	31,345
	<b>35,046</b>	<b>31,345</b>
<b>Total Interest income, calculated using the effective interest method, Investment portfolio</b>	<b>136,720</b>	<b>103,086</b>
<b>Interest income, calculated using the effective interest method, Treasury portfolio:</b>		
<i>Interest income on financial assets measured at amortised cost:</i>		
cash and cash equivalents	20,483	8,314
debt securities at amortised cost	6,708	5,719
	<b>27,191</b>	<b>14,033</b>
<i>Interest income on financial assets measured at fair value:</i>		
financial assets at fair value through other comprehensive income	36,668	12,908
	<b>36,668</b>	<b>12,908</b>
<b>Total Interest income, calculated using the effective interest method, Treasury portfolio</b>	<b>63,859</b>	<b>26,941</b>
<b>Other interest income on Treasury portfolio:</b>		
financial assets at fair value through profit or loss	6,420	7,030
<b>Total other interest income on Treasury portfolio</b>	<b>6,420</b>	<b>7,030</b>
<b>Total Interest income</b>	<b>206,999</b>	<b>137,057</b>
<b>Interest expense:</b>		
<i>Interest expense on financial liabilities measured at amortised cost:</i>		
debt securities issued	(84,201)	(54,281)
loans and deposits from financial institutions	(42,812)	(27,751)
deposits from customers	(5,911)	(7,375)
<b>Total interest expense on financial liabilities measured at amortised cost</b>	<b>(132,924)</b>	<b>(89,407)</b>
<i>Interest expense on financial liabilities measured at fair value:</i>		
financial liabilities at fair value through profit or loss	(1,125)	(19,323)
<b>Total interest expense on financial liabilities measured at fair value</b>	<b>(1,125)</b>	<b>(19,323)</b>
<b>Total interest expense</b>	<b>(134,049)</b>	<b>(108,730)</b>
<b>Net interest income</b>	<b>72,950</b>	<b>28,327</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**5 NET GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
<b>Treasury portfolio:</b>		
Net gain/(loss) on derivative financial instruments	102,785	(250,599)
Net gain on hybrid instruments	1,286	-
Net gain/(loss) on equity instruments	1,146	(4,657)
Net (loss)/gain on debt instruments	(1,721)	317
<b>Total net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>103,496</b>	<b>(254,939)</b>

The Bank enters into most deals with derivative financial instruments with an aim to minimise the possible gain/loss from foreign exchange revaluation of its on-balance sheet financial instruments. Consequently, the result of operations with derivative financial instruments should be considered in conjunction with the gain/loss on transactions in foreign currencies (Note 6).

**6 NET (LOSS)/GAIN ON TRANSACTIONS IN FOREIGN CURRENCIES**

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Translation differences, net	(97,092)	290,152
Dealing, net	29,122	9,249
<b>Total net (loss)/gain on transactions in foreign currencies</b>	<b>(67,970)</b>	<b>299,401</b>

**7 FEE AND COMMISSION INCOME**

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Trust management fees	7,115	5,028
Credit related fees	3,503	2,511
Other fees and commissions	294	258
<b>Total fee and commission income</b>	<b>10,912</b>	<b>7,797</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**8 PROVISION FOR EXPECTED CREDIT LOSSES**

The table below represents provision for expected credit losses:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
<b>Recovery of/(provision for) expected credit losses on interest bearing assets:</b>		
Cash and cash equivalents	(159)	(820)
Loans and amounts due from financial institutions:	(11,941)	(40,367)
<i>in Treasury portfolio</i>	(12,956)	(34,273)
<i>in Investment portfolio</i>	1,015	(6,094)
Loans to customers	19,444	(93,515)
Financial assets at fair value through other comprehensive income:		
	780	(38,670)
<i>in Treasury portfolio</i>	(439)	(21,830)
<i>in Investment portfolio</i>	1,219	(16,840)
Debt securities at amortised cost	(451)	(36,746)
<b>Total recovery of/(provision for) expected credit losses on interest bearing assets</b>	<b>7,673</b>	<b>(210,118)</b>
(Provision for)/ recovery of expected credit losses on guarantees and letters of credit issued	(11,102)	526
<b>Total (provision for)/recovery of expected credit losses on guarantees and letters of credit issued</b>	<b>(11,102)</b>	<b>526</b>
<b>Total provision for expected credit losses</b>	<b>(3,429)</b>	<b>(209,592)</b>

The movements in provision for expected credit losses on cash and cash equivalents were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(142)	(3)
Net charge	(159)	(820)
Effect of foreign currency movements	11	(55)
<b>End of the period (Note 10)</b>	<b>(290)</b>	<b>(878)</b>

The movements of provision on loans and amounts due from financial institutions in Treasury portfolio were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(51,407)	-
Net charge	(12,956)	(34,273)
<b>End of the period (Note 12)</b>	<b>(64,363)</b>	<b>(34,273)</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**8 PROVISION FOR EXPECTED CREDIT LOSSES (CONTINUED)**

The movements in provision for expected credit losses on loans and amounts due from financial institutions in Investment portfolio were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(1,756)	(8,692)
Net recovery/(charge)	1,015	(6,094)
Write-offs	-	10,976
Effect of foreign currency movements	167	304
<b>End of the period (Note 12)</b>	<b>(574)</b>	<b>(3,506)</b>

Table with details on stages is presented in Note 12.

The movements in provision for expected credit losses on loans to customers were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(163,395)	(73,896)
Net recovery/(charge)	19,444	(93,515)
Write-offs	20,509	10,662
Effect of foreign currency movements	7,277	(11,463)
<b>End of the period (Note 13)</b>	<b>(116,165)</b>	<b>(168,212)</b>

Table with details on stages is presented in Note 13.

The movements in provision for expected credit losses on debt financial assets at fair value through other comprehensive income in Treasury portfolio were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(3,586)	(632)
Net charge	(439)	(21,830)
Effect of foreign currency movements	5	(13)
<b>End of the period</b>	<b>(4,020)</b>	<b>(22,475)</b>

**EURASIAN DEVELOPMENT BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)***(in thousands of US dollars)***8 PROVISION FOR EXPECTED CREDIT LOSSES (CONTINUED)**

The movements in provision for expected credit losses on debt financial assets at fair value through other comprehensive income in Investment portfolio were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(10,939)	(4,282)
Net recovery/(charge)	1,219	(16,840)
Effect of foreign currency movements	1,401	(19)
<b>End of the period</b>	<b>(8,319)</b>	<b>(21,141)</b>

The movements in provision for expected credit losses on debt securities at amortised cost were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(6,397)	(451)
Net charge	(451)	(36,746)
Effect of foreign currency movements	3	(14)
<b>End of the period (Note 15)</b>	<b>(6,845)</b>	<b>(37,211)</b>

The movements in provision for expected credit losses on guarantees and letters of credit issued were as follows:

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Beginning of the period	(13,555)	(5,719)
Net (charge)/recovery	(11,102)	526
Effect of foreign currency movements	1,625	(306)
<b>End of the period (Note 23)</b>	<b>(23,032)</b>	<b>(5,499)</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 9 OPERATING EXPENSES

	<b>Six-month period ended 30 June 2023 Unaudited</b>	<b>Six-month period ended 30 June 2022 Unaudited</b>
Staff costs and other payments to employees	19,948	18,718
Depreciation and amortization	1,482	886
Other operating expenses	6,180	4,076
<b>Total operating expenses</b>	<b>27,610</b>	<b>23,680</b>

Other operating expenses include expenses on premises, communication, maintenance of acquired systems and programs and other operating expenses.

#### 10 CASH AND CASH EQUIVALENTS

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Cash and balances with national (central) banks of Member states of the Bank	3,148,881	671,935
Correspondent accounts with financial institutions	345,718	371,856
Term deposits in financial institutions	39,666	232,151
Cash on hand	65	42
Loans under reverse repurchase agreements with maturity less than three months	-	3,439
	<b>3,534,330</b>	<b>1,279,423</b>
Less: provision for expected credit losses (Note 8)	(290)	(142)
<b>Total cash and cash equivalents</b>	<b>3,534,040</b>	<b>1,279,281</b>

As at 30 June 2023 and 31 December 2022 all cash and cash equivalents were classified within Stage 1 of credit quality assessment. There were no movements between the stages of credit quality assessment during the six-month periods ended 30 June 2023 and 30 June 2022.

As at 30 June 2023 there were four financial institutions with the outstanding balances over 10% of equity of the Bank (31 December 2022: three).

As at 30 June 2023 there were no outstanding loans under reverse repurchase agreements (31 December 2022: carrying value of loans – 3,439 thousand US dollars, fair value of collateral with the external credit rating “BBB” – 3,288 thousand US dollars).

The information on credit ratings according to the international rating scale, of counterparties with which the Bank had balances as at 30 June 2023 and 31 December 2022, is presented in the Note 27.

There were no material non-cash transactions to disclose within the statement of cash flows.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**11 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Treasury portfolio:		
Derivative financial instruments – assets	291,184	22,654
Debt instruments	105,797	110,076
Equity instruments	-	7,402
<b>Total in Treasury portfolio</b>	<b>396,981</b>	<b>140,132</b>
Investment portfolio:		
Hybrid instruments	13,916	15,637
Equity instruments	-	702
<b>Total in Investment portfolio</b>	<b>13,916</b>	<b>16,339</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>410,897</b>	<b>156,471</b>
Derivative financial instruments – liabilities	(206,765)	(2,956)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(206,765)</b>	<b>(2,956)</b>

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount (as a US dollar equivalent) of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding and does not contain market risk and credit risk.

	<b>30 June 2023 Unaudited</b>			<b>31 December 2022</b>		
	<b>Notional amount</b>	<b>Net fair value</b>		<b>Notional amount</b>	<b>Net fair value</b>	
		<b>Asset</b>	<b>Liability</b>		<b>Asset</b>	<b>Liability</b>
<b>Derivative financial instruments:</b>						
Foreign currency forward	4,780,924	287,499	(205,864)	-	-	-
Foreign currency interest rate swap	74,890	2,169	(77)	78,763	6,034	(89)
Foreign currency swap	314,174	1,468	(399)	441,991	16,561	(2,178)
Interest rate swap	22,734	48	(425)	28,075	59	(689)
		<b>291,184</b>	<b>(206,765)</b>		<b>22,654</b>	<b>(2,956)</b>

Derivatives frequently involve a high degree of leverage and are highly volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Bank.

**EURASIAN DEVELOPMENT BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)***(in thousands of US dollars)***12 LOANS AND AMOUNTS DUE FROM FINANCIAL INSTITUTIONS**

	<b>30 June 2023</b>	<b>31 December</b>
	<b>Unaudited</b>	<b>2022</b>
Treasury portfolio:		
Amounts due from financial institutions	572,431	478,552
Less: provision (Note 8)	(64,363)	(51,407)
<b>Total in Treasury portfolio</b>	<b>508,068</b>	<b>427,145</b>
Investment portfolio:		
Loans to financial institutions	114,471	436,881
Less: provision for expected credit losses (Note 8)	(574)	(1,756)
<b>Total in Investment portfolio</b>	<b>113,897</b>	<b>435,125</b>
<b>Total loans and amounts due from financial institutions</b>	<b>621,965</b>	<b>862,270</b>

As at 30 June 2023 amounts due from financial institutions in the Treasury portfolio are comprised of the Bank's funds on account of NCO National Settlement Depository JSC in Euroclear Bank SA/NV. This account was blocked in 2022 in accordance with terms of the European Union sanctions on NCO National Settlement Depository JSC. As at 30 June 2023 the Bank has recognised provision of 64,363 thousand US dollars (31 December 2022: 51,407 thousand US dollars). This provision was calculated as a weighted average of possible time and cost of funding values till the unblocking. In 2023 the Bank, which is not subject to sanctions, has submitted asset release application to the authorities of Belgium, to remove restrictions on its assets on the account of NCO National Settlement Depository JSC and transfer them to the Bank's account in Euroclear Bank SA/NV.

As at 30 June 2023 and as at 31 December 2022 the Bank has full access and opportunity to manage other short-terms amounts due from financial institutions that are presented as part of cash equivalents in the Note 10.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**12 LOANS AND AMOUNTS DUE FROM FINANCIAL INSTITUTIONS (CONTINUED)**

The tables below summarise the movement of loans and amounts due from financial institutions in Investment portfolio between the stages of credit quality assessment during six months ended 30 June 2023 and 30 June 2022:

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
<b>Outstanding amount:</b>			
As at 1 January 2023	427,804	9,077	436,881
Net redemption	(303,177)	(4,356)	(307,533)
Transfer from Stage 2 to Stage 1	3,463	(3,463)	-
Net change in discounts/premiums	11	7	18
Effect of foreign currency movements	(13,630)	(1,265)	(14,895)
<b>As at 30 June 2023</b>	<b>114,471</b>	<b>-</b>	<b>114,471</b>
<b>Provision for expected credit losses:</b>			
As at 1 January 2023	(768)	(988)	(1,756)
Net reversal	313	702	1,015
Transfer from Stage 2 to Stage 1	(168)	168	-
Effect of foreign currency movements	49	118	167
<b>As at 30 June 2023</b>	<b>(574)</b>	<b>-</b>	<b>(574)</b>
<b>Total loans and amounts due from financial institutions</b>	<b>113,897</b>	<b>-</b>	<b>113,897</b>
<b>Unaudited</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
<b>Outstanding amount:</b>			
As at 1 January 2022	589,811	12,889	602,700
Net redemption	(465,544)	(2,500)	(468,044)
Write-offs	(10,976)	-	(10,976)
Transfer from Stage 1 to Stage 2	(1,958)	1,958	-
Net change in discounts/premiums	-	(13)	(13)
Effect of foreign currency movements	(3,931)	4,581	650
<b>As at 30 June 2022</b>	<b>107,402</b>	<b>16,915</b>	<b>124,317</b>
<b>Provision for expected credit losses:</b>			
As at 1 January 2022	(8,033)	(659)	(8,692)
Net charge	(4,969)	(1,125)	(6,094)
Write-offs	10,976	-	10,976
Transfer from Stage 1 to Stage 2	840	(840)	-
Effect of foreign currency movements	543	(239)	304
<b>As at 30 June 2022</b>	<b>(643)</b>	<b>(2,863)</b>	<b>(3,506)</b>
<b>Total loans and amounts due from financial institutions</b>	<b>106,759</b>	<b>14,052</b>	<b>120,811</b>

As at 30 June 2023 and 31 December 2022 no loans and amounts due from financial institutions were past due.

The information on credit ratings on loans and amounts due from financial institutions is presented in the Note 27.

As at 30 June 2023 loans and amounts due from financial institutions include accrued interest income amounting to 1,303 thousand US dollars (31 December 2022: 2,803 thousand US dollars).

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**13 LOANS TO CUSTOMERS**

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Stage 1 loans	1,941,930	1,890,287
Stage 2 loans	369,546	327,874
Stage 3 loans:		
not overdue	19,503	95,255
overdue more than 90 days	10,838	10,864
	<b>2,341,817</b>	<b>2,324,280</b>
Less: provision for expected credit losses (Note 8)	<u>(116,165)</u>	<u>(163,395)</u>
<b>Total loans to customers</b>	<b><u>2,225,652</u></b>	<b><u>2,160,885</u></b>

As at 30 June 2023 and 31 December 2022 there were no overdue loans to customers in Stage 1 and Stage 2.

As at 30 June 2023 and 31 December 2022 the Bank has one customer with loans overdue more than 90 days with outstanding balance of 10,838 thousand US dollars and 10,864 thousand US dollars, respectively. As at 30 June 2023 and 31 December 2022 these loans were fully provisioned.

The tables below summarise the movement of loans to customers between the stages of credit quality assessment during the six-month period ended 30 June 2023 and 30 June 2022:

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Outstanding amount:</b>				
As at 1 January 2023	1,890,287	327,874	106,119	2,324,280
Net issue/(redemption)	242,611	(33,006)	(54,682)	154,923
Write-offs	-	-	(20,509)	(20,509)
Transfer from Stage 1 to Stage 2	(69,188)	69,188	-	-
Net change in discounts/premiums	(1,975)	(458)	1,655	(778)
Effect of foreign currency movements	(119,805)	5,948	(2,242)	(116,099)
<b>As at 30 June 2023</b>	<b><u>1,941,930</u></b>	<b><u>369,546</u></b>	<b><u>30,341</u></b>	<b><u>2,341,817</u></b>
<b>Provision for expected credit losses:</b>				
As at 1 January 2023	(55,703)	(47,760)	(59,932)	(163,395)
Net reversal/(change)	(2,388)	4,433	17,399	19,444
Write-offs	-	-	20,509	20,509
Transfer from Stage 1 to Stage 2	10,065	(10,065)	-	-
Effect of foreign currency movements	6,470	(847)	1,654	7,277
<b>As at 30 June 2023</b>	<b><u>(41,556)</u></b>	<b><u>(54,239)</u></b>	<b><u>(20,370)</u></b>	<b><u>(116,165)</u></b>
<b>Total loans to customers</b>	<b><u>1,900,374</u></b>	<b><u>315,307</u></b>	<b><u>9,971</u></b>	<b><u>2,225,652</u></b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**13 LOANS TO CUSTOMERS (CONTINUED)**

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Outstanding amount:</b>				
As at 1 January 2022	1,565,649	48,163	96,192	1,710,004
Net issue/(redemption)	32,860	(11,088)	(11,160)	10,612
Write-offs	-	-	(10,662)	(10,662)
Transfer from Stage 1 to Stage 2	(282,665)	282,665	-	-
Transfer from Stage 2 to Stage 1	4,442	(4,442)	-	-
Net change in discounts/premiums	(1,126)	99	10,942	9,915
Effect of foreign currency movements	245,242	(3,590)	21,674	263,326
<b>As at 30 June 2022</b>	<b>1,564,402</b>	<b>311,807</b>	<b>106,986</b>	<b>1,983,195</b>
<b>Provision for expected credit losses:</b>				
As at 1 January 2022	(16,235)	(2,084)	(55,577)	(73,896)
Net charge	(80,993)	(299)	(12,223)	(93,515)
Write-offs	-	-	10,662	10,662
Transfer from Stage 1 to Stage 2	59,404	(59,404)	-	-
Transfer from Stage 2 to Stage 1	(162)	162	-	-
Effect of foreign currency movements	(2,374)	150	(9,239)	(11,463)
<b>As at 30 June 2022</b>	<b>(40,360)</b>	<b>(61,475)</b>	<b>(66,377)</b>	<b>(168,212)</b>
<b>Total loans to customers</b>	<b>1,524,042</b>	<b>250,332</b>	<b>40,609</b>	<b>1,814,983</b>

The Bank estimates expected credit losses for its loans to customers based on an analysis of the future cash flows and collateral realization approach.

The table below summarises the amount of loans secured by type of collateral, rather than the fair value of the collateral itself:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Loans collateralised by real estate, equipment and inventories	659,489	661,277
Loans collateralised by guarantees from:		
financial and commercial organisations	295,150	389,518
state entities	136,327	84,580
governments of the Member-states of the Bank	2,264	64,156
Loans collateralised by future cash inflows from clients' contracts	1,248,587	1,124,749
	<b>2,341,817</b>	<b>2,324,280</b>
Less: provision for expected credit losses (Note 8)	(116,165)	(163,395)
<b>Total loans to customers</b>	<b>2,225,652</b>	<b>2,160,885</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 13 LOANS TO CUSTOMERS (CONTINUED)

The table below presents the economic sector breakdown of the loans:

	<b>30 June 2023</b> <b>Unaudited</b>	<b>31 December</b> <b>2022</b>
Mining	899,487	755,438
Transport	595,099	666,202
Energy	487,930	596,745
Chemical industry	156,825	117,589
Agriculture	149,457	117,980
Infrastructure	34,965	40,839
Metallurgy	2,264	4,431
Other	15,790	25,056
	<b>2,341,817</b>	<b>2,324,280</b>
Less: provision for expected credit losses (Note 8)	(116,165)	(163,395)
<b>Total loans to customers</b>	<b>2,225,652</b>	<b>2,160,885</b>

As at 30 June 2023 loans to customers included accrued interest income amounting to 29,782 thousand US dollars (31 December 2022: 39,145 thousand US dollars). For the six-month period ended 30 June 2023, net unwinding effect (interest income on Stage 3 loans arose from discounting) resulted in gain of 308 thousand US dollars (30 June 2022: loss of 270 thousand US dollars).

The information on credit ratings on loans to customers is presented in the Note 27.

#### Concentration of loans to customers

As at 30 June 2023, the Bank has loans to three customers, whose balances exceed 10% of total equity of the Bank and amount to 395,213 thousand US dollars, 261,651 thousand US dollars and 237,720 thousand US dollars, respectively. The first customer is registered in the Republic of Uzbekistan and has credit rating «BB-» according to Internal models, the second customer is registered in the Republic of Kazakhstan and has credit rating «BB-» according to Internal models, the third customer is registered in the Russian Federation and has credit rating «B-» according to Internal models.

As at 31 December 2022, the Bank has loans to two customers, whose balances exceed 10% of total equity of the Bank, and amount to 394,612 thousand US dollars and 257,001 thousand US dollars, respectively. The first customer is registered in the Republic of Uzbekistan and has credit rating «BB-» according to Internal models, the second customer is registered in the Russian Federation and has credit rating «B-» according to Internal models.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

As at 30 June 2023 and 31 December 2022 financial instruments at fair value through other comprehensive income consist of:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Treasury portfolio:		
Debt instruments	268,169	2,834,577
Equity instruments	-	9,813
<b>Total in Treasury portfolio</b>	<b>268,169</b>	<b>2,844,390</b>
Investment portfolio:		
Debt instruments	669,433	695,506
<b>Total in Investment portfolio</b>	<b>669,433</b>	<b>695,506</b>
<b>Total financial assets at fair value through other comprehensive income</b>	<b>937,602</b>	<b>3,539,896</b>

During the six-month period ended 30 June 2023 a significant amount of debt instruments in Treasury portfolio was sold, and free funds as at 30 June 2023 were placed in cash equivalents, due to the reorientation to short-term investments in the money market.

The table below presents the breakdown of the debt instruments in Treasury portfolio:

	<b>30 June 2023 Unaudited</b>		<b>31 December 2022</b>	
	<b>Nominal interest rate</b>	<b>Fair value</b>	<b>Nominal interest rate</b>	<b>Fair value</b>
Bonds issued by governments of Member-states of the Bank	1.13%-10.50%	160,514	1.13%-10.50%	183,902
Bonds issued by non-financial organisations	1.45%-7.45%	71,798	1.45%-7.45%	115,785
Bonds issued by financial institutions	1.26%	35,857	0.00%-7.00%	1,584,532
Bonds issued by foreign state governments	-	-	0.00%-0.38%	950,358
		<b>268,169</b>		<b>2,834,577</b>

The table below summarises the distribution of debt financial instruments in Treasury portfolio between the stages of credit quality assessment as at 30 June 2023 and 31 December 2022:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Stage 1	155,222	2,673,570
Stage 2	112,947	161,007
Stage 3	-	-
	<b>268,169</b>	<b>2,834,577</b>

During the six-month period ended 30 June 2023 there were no movements between the stages of debt financial instruments in Treasury portfolio (30 June 2022: 305,959 thousand US dollars were moved from Stage 1 to Stage 2 and 5,025 thousand US dollars were moved from Stage 1 to Stage 3).

As at 30 June 2023 debt instruments at fair value through other comprehensive income in Treasury portfolio include financial assets used as collateral for loans under repurchase agreements with fair value of 80,062 thousand US dollars (31 December 2022: 96,086 thousand US dollars) (Note 17).

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME  
(CONTINUED)**

The table below presents the breakdown of the debt instruments in Investment portfolio:

	<b>30 June 2023 Unaudited</b>		<b>31 December 2022</b>	
	<b>Nominal interest rate</b>	<b>Fair value</b>	<b>Nominal interest rate</b>	<b>Fair value</b>
Bonds issued by non-financial organisations	4.38%-20.06%	547,002	4.38%-17.95%	543,880
Bonds issued by governments of Member-states of the Bank	5.40%-8.50%	73,795	5.40%-8.50%	90,782
Bonds issued by financial institutions	8.00%-9.05%	48,636	8.00%-9.05%	60,844
		<b>669,433</b>		<b>695,506</b>

The table below summarises the distribution of debt financial instruments in Investment portfolio between the stages of credit quality assessment as at 30 June 2023 and 31 December 2022:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Stage 1	601,672	611,168
Stage 2	67,761	84,338
Stage 3	-	-
	<b>669,433</b>	<b>695,506</b>

During the six-month period ended 30 June 2023 there were no movements between the stages of debt financial instruments in Investment portfolio (30 June 2022: 120,818 thousand US dollars were moved from Stage 1 to Stage 2).

As at 30 June 2023 debt instruments at fair value through other comprehensive income include accrued interest income amounting to 36,669 thousand US dollars (31 December 2022: 28,760 thousand US dollars).

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**15 DEBT SECURITIES AT AMORTISED COST**

The table below presents the breakdown of the debt instruments at amortised cost in Treasury portfolio:

	<b>30 June 2023 Unaudited</b>		<b>31 December 2022</b>	
	<b>Nominal interest rate</b>	<b>Carrying value</b>	<b>Nominal interest rate</b>	<b>Carrying value</b>
Bonds issued by governments of Member-states of the Bank	4.25%-12.75%	193,371	4.25%-12.75%	203,317
Bonds issued by non-financial organisations	2.63%-4.85%	95,423	2.25%-4.85%	135,810
Bonds issued by foreign state governments	1.50%	52,261	1.50%	52,189
		<b>341,055</b>		<b>391,316</b>
Less: provision for expected credit losses (Note 8)		(6,845)		(6,397)
<b>Total debt securities at amortised cost</b>		<b>334,210</b>		<b>384,919</b>

The table below summarises the distribution of debt securities at amortised cost in Treasury portfolio between the stages of credit quality assessment as at 30 June 2023 and 31 December 2022:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Stage 1	156,355	171,619
Stage 2	184,700	219,697
Stage 3	-	-
	<b>341,055</b>	<b>391,316</b>
Less: provision for expected credit losses (Note 8)	(6,845)	(6,397)
<b>Total debt securities at amortised cost</b>	<b>334,210</b>	<b>384,919</b>

During the six-month period ended 30 June 2023 there was no movement between the stages. During the six-month period ended 30 June 2022, financial instruments with outstanding balance of 299,173 thousand US dollars and with provision for expected credit losses of 26,449 thousand US dollars were moved from Stage 1 to Stage 2, and financial instruments with outstanding balance of 16,535 thousand US dollars and with provision for expected credit losses of 10,057 thousand US dollars were moved from Stage 1 to Stage 3.

As at 30 June 2023, debt securities at amortised cost include accrued interest income amounting to 1,733 thousand US dollars (31 December 2022: 4,301 thousand US dollars).

As at 30 June 2023 and 31 December 2022, debt securities at amortised cost were not used as collateral for loans under repurchase agreements.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**16 OTHER ASSETS**

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
<b>Other financial assets:</b>		
Receivables and accrued commission income	24,103	18,914
<b>Total other financial assets</b>	<b>24,103</b>	<b>18,914</b>
<b>Other non-financial assets:</b>		
Right-of-use assets	10,244	2,099
Non-financial assets of Digital initiative fund's projects	6,104	5,639
Prepaid expenses	1,772	1,192
Other debtors	2,574	4,210
	<b>20,694</b>	<b>13,140</b>
Less: provision	(13)	(14)
<b>Total other non-financial assets</b>	<b>20,681</b>	<b>13,126</b>
<b>Total other assets</b>	<b>44,784</b>	<b>32,040</b>

As at 30 June 2023 and 31 December 2022, receivables and other assets under Digital initiative fund's (the "DIF") projects represent prepaid expenses for development of digital projects and received rights on intellectual property on DIF's projects.

**17 LOANS AND DEPOSITS FROM FINANCIAL INSTITUTIONS**

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
Correspondent accounts of financial institutions	2,395,139	1,267,181
Loans from financial institutions	498,958	522,556
Term deposits from financial institutions	351,150	1,263,843
Loans under repurchase agreements	82,158	111,758
	<b>3,327,405</b>	<b>3,165,338</b>

The Bank has signed several loan agreements to receive financing from financial institutions to fund its investment projects. Due to the terms of such agreements, the Bank shall comply with the covenants such as maintaining financial stability, non-payment clauses, cross-default, encumbrances, court proceedings and some others. As at 30 June 2023 and 31 December 2022 the Bank was in compliance with all covenants.

The Bank concludes repurchase agreement operations in order to satisfy its need in liquidity. As at 30 June 2023 the carrying value of loans under repurchase agreements totaled to 82,158 thousand US dollars (31 December 2022: 111,758 thousand US dollars). As at 30 June 2023 debt securities in the Treasury portfolio with fair value of 79,583 thousand US dollars were used as a collateral for loans under repurchase agreements (31 December 2022: debt securities in the Treasury portfolio with fair value of 101,421 thousand US dollars).

**EURASIAN DEVELOPMENT BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)***(in thousands of US dollars)***17 LOANS AND DEPOSITS FROM FINANCIAL INSTITUTIONS (CONTINUED)**

As at 30 June 2023, loans and deposits from financial institutions included accrued interest payable amounting to 13,822 thousand US dollars (31 December 2022: 9,753 thousand US dollars).

The reconciliation of long-term loans from financial institutions movement to the statement of cash flows arising from financing activities is as follows:

	<b>30 June 2023</b> <b>Unaudited</b>	<b>30 June 2022</b> <b>Unaudited</b>
At the beginning of the period	522,556	1,371,504
Cash inflow	25,219	14,913
Cash outflow	(34,561)	(731,751)
Effect of foreign currency exchange and interest accrued movements	(14,256)	(60,719)
<b>At the end of the period</b>	<b>498,958</b>	<b>593,947</b>

**18 DEPOSITS FROM CUSTOMERS**

The tables below present the breakdown of the deposits from customers:

	<b>30 June 2023</b> <b>Unaudited</b>	<b>31 December</b> <b>2022</b>
Term deposits	120,407	163,138
Current accounts	57,622	144,369
	<b>178,029</b>	<b>307,507</b>

As at 30 June 2023 and 31 December 2022, all deposits were from customers, based in the Member states of the Bank.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**19 DEBT SECURITIES ISSUED**

				<b>30 June 2023</b>	<b>31 December</b>
				<b>Unaudited</b>	<b>2022</b>
<b>Debt securities issued and denominated in US dollars</b>					
Issue series	Next put option date	Due date	Interest rate, %		
Series 003P-003	-	Sep 2026	3.750	671,304	666,390
Series 01, programme 4 w/o	-	Mar 2026 Dec 2023	5.720 1.500	81,114 80,629	- 80,032
<b>Total debt securities issued and denominated in US dollars</b>				<b>833,047</b>	<b>746,422</b>
<b>Debt securities issued and denominated in Russian rouble</b>					
Issue series	Next put option date	Due date	Interest rate, %		
Series 003P-007	-	Apr 2028	9.260	172,721	-
Series 003P-001	-	Jul 2025	9.350	117,825	145,472
Series 001P-07	-	May 2024	5.900	114,258	141,077
Series 003P-006	-	Feb 2026	10.350	94,138	-
Series 001P-08	-	Nov 2024	11.500	80,066	98,810
Series 003P-005	-	Dec 2025	9.700	57,161	70,592
Series 11	Aug 2023	Jan 2025	7.350	24,048	29,700
Series 001P-01	Jan 2025	Jul 2028	8.200	616	8,059
Series 003P-002	-	Feb 2023	8.600	-	622,081
Series 001P-05	-	Jun 2023	6.800	-	109,915
Series 001P-06	-	Apr 2023	7.600	-	71,264
Series 001P-04	-	Jan 2023	8.000	-	71,084
Series 10	-	Jan 2023	12.250	-	29,696
<b>Total debt securities issued and denominated in Russian rouble</b>				<b>660,833</b>	<b>1,397,750</b>
<b>Debt securities issued and denominated in Kazakhstani tenge</b>					
Issue series	Next put option date	Due date	Interest rate, %		
Series 04, programme 3 w/o, EMTN programme	-	Aug 2024 Jul 2024	15.000 10.000	90,061 48,649	81,959 47,340
Series 02, programme 3	-	Sep 2024	10.500	47,895	44,424
Series 03, programme 3	-	Nov 2024	10.600	47,377	43,906
Series 06, programme 2	-	Oct 2023	9.500	45,236	44,095
Series 09, programme 2	-	May 2024	9.500	44,693	43,575
Series 05, programme 2	-	May 2024	9.500	44,693	43,575
Series 11, programme 2	-	May 2024	9.500	22,344	21,783
<b>Total debt securities issued and denominated in Kazakhstani tenge</b>				<b>390,948</b>	<b>370,657</b>
<b>Debt securities issued and denominated in Euro</b>					
Issue series	Next put option date	Due date	Interest rate, %		
w/o, EMTN programme	-	Mar 2026	1.000	243,206	239,618
<b>Total debt securities issued and denominated in Euro</b>				<b>243,206</b>	<b>239,618</b>
<b>Debt securities issued and denominated in Chinese Yuan</b>					
Issue series	Next put option date	Due date	Interest rate, %		
Series 003P-004	-	Nov 2025	3.500	262,174	275,629
<b>Total debt securities issued and denominated in Chinese Yuan</b>				<b>262,174</b>	<b>275,629</b>
<b>Total debt securities issued</b>				<b>2,390,208</b>	<b>3,030,076</b>

In January 2023, the Bank has repurchased own debt securities denominated in Russian rouble with maturity in July 2028 and the nominal value of 7,365 thousand US dollars. As a result of this operation during the six-month period ended 30 June 2023 the Bank has recognised loss on trading with debt securities issued of 10 thousand US dollars.

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 19 DEBT SECURITIES ISSUED (CONTINUED)

During March-June 2022 the Bank has repurchased own debt securities denominated in US dollars with maturity in September 2022 and the nominal value of 62,920 thousand US dollars, debt securities denominated in Euro maturing in March 2026 with the nominal value of 66,456 thousand US dollars and debt securities denominated in Kazakhstani tenge maturing in July 2024 with the nominal value of 1,059 thousand US dollars. As a result of these operations during the six-month period ended 30 June 2022 the Bank has recognised gain on trading with debt securities issued of 49,217 thousand US dollars.

As at 30 June 2023, debt securities issued included accrued interest payable amounting to 45,687 thousand US dollars (31 December 2022: 53,880 thousand US dollars).

The reconciliation of debt securities issued movement to the statement of cash flows arising from financing activities is as follows:

	<b>30 June 2023</b> <b>Unaudited</b>	<b>30 June 2022</b> <b>Unaudited</b>
At the beginning of the period	3,030,076	1,969,518
Cash inflow	392,278	117,636
Cash outflow	(895,091)	(231,821)
Effect of foreign currency movements	(133,657)	142,477
Interest accrued movement	(3,398)	3,805
<b>At the end of the period</b>	<b>2,390,208</b>	<b>2,001,615</b>

#### 20 OTHER LIABILITIES

	<b>30 June 2023</b> <b>Unaudited</b>	<b>31 December</b> <b>2022</b>
<b>Other financial liabilities:</b>		
Prepayments for trust management services	14,336	11,785
Lease liabilities	8,564	1,381
Other	2,704	3,002
<b>Total other financial liabilities</b>	<b>25,604</b>	<b>16,168</b>
<b>Other non-financial liabilities:</b>		
Payables to employees	31,669	34,428
Provision for expected credit losses on guarantees and letters of credit issued	23,032	13,555
Resources for DIF's projects	12,320	8,704
Resources for Technical assistance fund's projects	9,499	9,996
Other	2,890	3,512
<b>Total other non-financial liabilities</b>	<b>79,410</b>	<b>70,195</b>
<b>Total other liabilities</b>	<b>105,014</b>	<b>86,363</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 21 SHARE CAPITAL

	30 June 2023		
	Unaudited		
	Authorised share capital	Callable share capital	Paid-in share capital
The Russian Federation	4,296,749	(3,617,900)	678,849
The Republic of Kazakhstan	2,374,451	(1,809,300)	565,151
The Republic of Belarus	133,300	(54,300)	79,000
The Republic of Tajikistan	66,100	(1,600)	64,500
The Republic of Armenia	64,700	(600)	64,100
The Kyrgyz Republic	64,700	(600)	64,100
	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>

  

	31 December 2022		
	Unaudited		
	Authorised share capital	Callable share capital	Paid-in share capital
The Russian Federation	4,617,900	(3,617,900)	1,000,000
The Republic of Kazakhstan	2,309,300	(1,809,300)	500,000
The Republic of Belarus	69,300	(54,300)	15,000
The Republic of Tajikistan	2,100	(1,600)	500
The Republic of Armenia	700	(600)	100
The Kyrgyz Republic	700	(600)	100
	<b>7,000,000</b>	<b>(5,484,300)</b>	<b>1,515,700</b>

On 30 December 2022, the Council of the Bank unanimously approved a redistribution of the Bank's share capital among its Member states. In accordance with the Bank's Charter, Council members have obtained necessary authorisations and/or governmental resolutions to vote on this matter. A portion comprising 321,151 shares held by the Russian Federation in the Bank's paid-in capital has been evenly distributed among the other Member states. In April-June 2023 all of the Intergovernmental agreements between the Russian Federation and the other five Member states on redistribution of the Russia owned shares had come into action.

As at 30 June 2023 and 31 December 2022, the authorised share capital consists of 7,000,000 common shares with a nominal value of 1,000 US dollars each, paid-in share capital amounting to 1,515,700 thousand US dollars, callable share capital amounting to 5,484,300 thousand US dollars. One paid-in share represents one voting right. Shares, payable on call, have a nominal value of 1,000 US dollars each. In accordance with the terms and conditions for subscription to additional shares, in case of the lack of monetary resources to perform its commitments and obligations, the Bank has the right to request payment of capital, payable on call, after initiating an extraordinary meeting of the Council of the Bank.

The Bank has established a reserve fund that represents a segregation of a portion of its retained earnings. The Council of the Bank determines annually the amount of the prior year's profit to be transferred to this fund. The Council of the Bank has restricted any distributions to participants until the reserve reaches fifteen percent of the total share capital. After that happens any such distributions could be made to participants proportionately based upon the number of the shares.

**EURASIAN DEVELOPMENT BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)***(in thousands of US dollars)***22 TECHNICAL ASSISTANCE FUND AND DIGITAL INITIATIVE FUND RESERVES**

	<b>Technical assistance fund reserve</b>	<b>Digital initiative fund reserve</b>
31 December 2021	15,569	4,887
Transfer from Retained earnings to Technical assistance fund reserve (unaudited)	5,568	-
Transfer from Retained earnings to Digital initiative fund reserve (unaudited)	-	5,568
<b>30 June 2022 (unaudited)</b>	<b>21,137</b>	<b>10,455</b>
31 December 2022	21,137	5,568
Transfer from Retained earnings to Digital initiative fund reserve (unaudited)	-	(4,696)
<b>30 June 2023 (unaudited)</b>	<b>21,137</b>	<b>872</b>

Purpose of the Technical assistance fund (the "TAF") is to effectively assist to strategic objective of the Bank via financing events aimed for preparation and implementation of investment projects, supporting programs of regional integration, carrying out cross-state, interstate, industrial and innovation researches aimed at economic growth, development of market economies, expansion of mutual trade between Member states and other measures related to the mission of the Bank.

Purpose of the DIF is to assist the Bank's Member states in creating digital transformation tools and practices by integrating information resources and participating in the development and financing of projects, including those implemented under the EAEU digital agenda.

The Council of the Bank has decided to separate TAF and DIF reserves as individual parts of the equity of the Bank via transferring funds from retained earnings. After the Council of the Bank approves funding of specific TAF/DIF projects and programs, allocated sums are transferred from the equity reserve into liabilities (see Note 20).

The amount of resources available for the TAF and the DIF programs and allocated for specific projects/programs are set by the Council of the Bank on a regular basis. The unused part of the reserves is accumulated and could be used in future periods.

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 23 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the statement of financial position.

The Bank's maximum exposure to credit risk under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or pledged investment securities, is represented by the contractual amounts of those instruments. The Bank plans to fund these commitments primarily with debt securities issued. As at 30 June 2023 the maximum credit risk exposure on unused credit lines amounts to 1,448,417 thousand US dollars (31 December 2022: 971,112 thousand US dollars).

The Bank uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

As at 30 June 2023 and 31 December 2022 the nominal or contractual amounts are:

	<b>30 June 2023 Unaudited Nominal Amount</b>	<b>31 December 2022 Nominal amount</b>
Guarantees and letters of credit issued	360,587	375,205
Contingent liabilities on credit lines:		
on loans issuance	1,448,417	971,112
on guarantees and letters of credit issuance	219,385	232,910
<b>Total contingent liabilities and credit commitments</b>	<b>2,028,389</b>	<b>1,579,227</b>

The table below summarises the distribution of issued guarantees and letters of credit between the stages of credit quality assessment as at 30 June 2023:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
Guarantees and letters of credit issued	283,703	76,884	360,587
Less: provision for expected credit losses (Note 8)	(6,808)	(16,224)	(23,032)
<b>Total guarantees and letters of credit issued</b>	<b>276,895</b>	<b>60,660</b>	<b>337,555</b>

The table below summarises the distribution of issued guarantees and letters of credit between the stages of credit quality assessment as at 31 December 2022:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
Guarantees and letters of credit issued	375,205	-	375,205
Less: provision for expected credit losses (Note 8)	(13,555)	-	(13,555)
<b>Total guarantees and letters of credit issued</b>	<b>361,650</b>	<b>-</b>	<b>361,650</b>

During the six-month period ended 30 June 2023 guarantees with outstanding amount of 76,884 thousand US dollars and 16,224 thousand US dollars of provision for expected credit losses were transferred from Stage 1 to Stage 2. No movements between stage of credit quality assessment during the six-month period ended 30 June 2022.

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

#### 23 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Bank doesn't create provision for expected credit losses on commitments on unused credit lines because there are no automatic issues within the loan commitments of the Bank. Whenever the Bank receives a request from a customer for a new loan tranche within unused credit lines, it is reviewed each time on an individual and independent basis. The procedure of issuing new tranches includes an updated review of current financial position of a customer by Credit risk, Compliance and Law Departments of the Bank and is similar to the procedure of initial approval of credit line. As the Bank on a regular basis declines part of the requests for new tranches, the Bank considers that the issue of new loan tranches within its commitments is debatable, and makes provision for expected credit losses only after transfer of funds to the borrower.

#### Fiduciary activities

The Bank provides trust services to the Eurasian Fund for Stabilisation and Development (the "Fund"), whereby it holds and manages assets or invests funds received in various financial instruments as the Asset Manager of the Fund.

#### 24 TRANSACTIONS WITH RELATED PARTIES

Related parties and transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". As discussed in Note 1, the Bank's operations include the financing of projects within its Member states, which include projects undertaken by governmental entities. Accordingly, the Bank enters into numerous transactions with related parties as a result of its ownership by the Member states. The Bank decided not to apply the exemption from disclosure of individually insignificant transactions and balances with the government and parties that are related to the entity because the Member states has control, joint control or significant influence over such party.

#### (a) Transactions with key management

The remuneration of key management personnel included in staff costs and other payments to employees (Note 9) was as follows:

	Six months ended 30 June 2023 Unaudited		Six months ended 30 June 2022 Unaudited	
	Transactions with key management	Total category as per financial statements caption	Transactions with key management	Total category as per financial statements caption
<b>Staff costs and other payments to employees:</b>				
Salary expenses and other compensation costs	4,430	17,445	4,333	17,935
Retirement savings plan expenses	258	2,503	307	783
<b>Total</b>	<b>4,688</b>	<b>19,948</b>	<b>4,640</b>	<b>18,718</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

---

#### 24 TRANSACTIONS WITH RELATED PARTIES, CONTINUED

##### (a) Transactions with key management

The outstanding balances as at 30 June 2023 and 31 December 2022 for transactions with the key management personnel are as follows:

	<b>30 June 2023</b> <b>Unaudited</b>	<b>31 December</b> <b>2022</b>
<b>Condensed interim statement of financial position</b>		
Short-term payments to employees	2,030	1,436
Retirement savings plan	2,545	2,171

##### (b) Transactions with other related parties

According to IAS 24 "Related Party Disclosures" other related parties of the Bank comprise the Russian Federation and the Republic of Kazakhstan, national companies and other organisations controlled by these Member states. The Russian Federation and the Republic of Kazakhstan have significant influence over the Bank. At the same time the Russian Federation and the Republic of Kazakhstan have control over companies, which are related parties of the Bank.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**24 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**(b) Transactions with other related parties (continued)**

The outstanding balances as at 30 June 2023 and 31 December 2022 with other related parties are as follows:

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
<b>Condensed interim statement of financial position</b>		
<b>ASSETS</b>		
Cash and cash equivalents:	<b>2,961,732</b>	<b>522,638</b>
in US dollars	20,087	22,095
in Russian rouble	2,614,585	362,714
in Kazakhstani tenge	8,620	12,217
in other currencies	318,576	125,635
less: provision for expected credit losses	(136)	(23)
Financial assets at fair value through profit or loss:		
<i>in Treasury portfolio:</i>	<b>106,218</b>	<b>117,538</b>
in US dollars	93,395	100,643
in Russian rouble	12,823	16,895
Loans and amounts due from financial institutions:		
<i>in Investment portfolio:</i>	<b>95,277</b>	<b>405,000</b>
in Russian rouble	84,419	392,355
in Kazakhstani tenge	11,159	13,062
less: provision for expected credit losses	(301)	(417)
Loans to customers:	<b>671,353</b>	<b>607,748</b>
in US dollars	76,204	30,388
in Russian rouble	246,116	279,942
in Kazakhstani tenge	92,974	51,963
in Euro	293,142	292,369
less: provision for expected credit losses	(37,083)	(46,914)
Financial assets at fair value through other comprehensive income:		
<i>in Treasury portfolio:</i>	<b>216,259</b>	<b>259,032</b>
in US dollars	41,579	47,952
in Russian rouble	80,547	100,682
in Kazakhstani tenge	42,852	43,106
in Euro	51,281	67,292
Financial assets at fair value through other comprehensive income:		
<i>in Investment portfolio:</i>	<b>621,787</b>	<b>642,811</b>
in US dollars	37,760	36,643
in Russian rouble	171,485	212,226
in Kazakhstani tenge	412,542	393,942
Debt securities at amortised cost:	<b>182,876</b>	<b>228,538</b>
in US dollars	161,264	175,787
in Russian rouble	21,822	28,001
in Euro	5,817	30,336
less: provision for expected credit losses	(6,027)	(5,586)
Other assets:	<b>21,220</b>	<b>15,092</b>
in US dollars	19,278	15,089
in Russian rouble	1,941	-
in Kazakhstani tenge	9	9
in Euro	-	2
less: provision	(8)	(8)

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**24 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**(b) Transactions with other related parties (continued)**

	<b>30 June 2023</b>	<b>31 December</b>
	<b>Unaudited</b>	<b>2022</b>
<b>Condensed interim statement of financial position</b>		
<b>LIABILITIES</b>		
Loans and deposits from financial institutions:	<b>2,036,077</b>	<b>1,220,426</b>
in US dollars	24	738,904
in Russian rouble	1,835,399	158,738
in Kazakhstani tenge	200,653	220,205
in Euro	-	102,579
in other currencies	1	-
Financial liabilities at fair value through profit or loss:	<b>203,230</b>	<b>2,812</b>
in US dollars	203,175	2,745
in Russian rouble	55	67
Deposits from customers:	<b>70,473</b>	<b>60,979</b>
in US dollars	20	41,033
in Russian rouble	1,732	235
in Kazakhstani tenge	66,869	19,711
in Euro	1,852	-
Debt securities issued:	<b>419,559</b>	<b>1,057,334</b>
in Russian rouble	254,960	897,419
in Kazakhstani tenge	164,599	159,915
Other liabilities:	<b>15,074</b>	<b>12,447</b>
in US dollars	14,332	11,785
in Russian rouble	641	593
in Kazakhstani tenge	52	21
in Euro	49	48
<b>Guarantees received:</b>	<b>531,683</b>	<b>127,847</b>
in US dollars	199,457	-
in Russian rouble	172,369	104,657
in Kazakhstani tenge	159,857	23,190
<b>Contingent liabilities and credit commitments:</b>	<b>726,483</b>	<b>395,014</b>
in US dollars	297,524	154,942
in Russian rouble	345,245	130,059
in Kazakhstani tenge	44,288	68,039
in Euro	39,426	41,974

Profit or loss amounts from transactions with other related parties for the six-month periods ended 30 June 2023 and 30 June 2022 are as follows:

	<b>Six months</b>	<b>Six months</b>
	<b>ended</b>	<b>ended</b>
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Condensed interim statement of profit or loss</b>		
Interest income, calculated using the effective interest method:		
on Investment portfolio	64,618	52,795
on Treasury portfolio	10,751	15,515
Other interest income on Treasury portfolio	5,406	1,556
Interest expense	(50,580)	(36,297)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(198,385)	10,165
Net (loss)/gain on transactions in foreign currencies	(27,457)	112,880
Net realised loss on financial assets at fair value through other comprehensive income	(169)	(407)
Net loss from modification, recognition and derecognition of financial instruments	(1,887)	-
Loss from investments in associates	-	(395)
Fee and commission income	6,194	5,198
Fee and commission expense	(345)	(65)
Recovery/(provision for) of expected credit losses on interest bearing assets	7,936	(117,100)
<b>Net operating (loss)/income</b>	<b>(183,918)</b>	<b>43,845</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

## 25 SEGMENT REPORTING

### Segment performance

The Bank operates in the Russian Federation, the Republic of Kazakhstan and other countries. In presenting geographical information the allocation of revenue is based on the geographical location of customers and assets.

Segment information on net operating income for geographical segments of the Bank for the six-month period ended 30 June 2023 is set out below:

<b>30 June 2023 Unaudited</b>	<b>Russia</b>	<b>Kazakhstan</b>	<b>Belarus</b>	<b>Other Member states</b>	<b>Non- member states</b>	<b>Total</b>
Interest income, calculated using the effective interest method:						
on Investment portfolio	38,890	70,274	4,123	3,742	19,691	136,720
on Treasury portfolio	17,635	8,857	1,997	895	34,475	63,859
Other interest income on Treasury portfolio	4,743	663	-	1	1,013	6,420
Interest expense	(57,238)	(37,579)	(8,439)	(426)	(30,367)	(134,049)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	69,797	3,620	33,296	29	(3,246)	103,496
Net (loss)/gain on transactions in foreign currencies	(41,992)	5,149	(26,526)	(119)	(4,482)	(67,970)
Net realised (loss)/gain on financial assets at fair value through other comprehensive income	44	(141)	(417)	-	(14,462)	(14,976)
Net loss from modification, recognition and derecognition of financial instruments	(2,447)	(1,887)	-	-	-	(4,334)
Net loss on trading with debt securities issued	(10)	-	-	-	-	(10)
Fee and commission income	9,104	331	1,176	108	193	10,912
Fee and commission expense	(1,894)	(448)	(3)	(4)	(53)	(2,402)
Net other income	-	3	-	1	-	4
Recovery of/(provision for) expected credit losses on interest bearing assets	11,956	(6,331)	2,309	(127)	(134)	7,673
(Provision for)/recovery of expected credit losses on guarantees and letters of credit issued	(1,094)	51	(10,039)	1	(21)	(11,102)
<b>Net operating income/(loss)</b>	<b>47,494</b>	<b>42,562</b>	<b>(2,523)</b>	<b>4,101</b>	<b>2,607</b>	<b>94,241</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**25 SEGMENT REPORTING (CONTINUED)**

**Segment performance (continued)**

Segment information for geographical segments of the Bank as at 30 June 2023 is set out below:

	<b>Russia</b>	<b>Kazakhstan</b>	<b>Belarus</b>	<b>Other Member states</b>	<b>Non- member states</b>	<b>Total</b>
Cash and cash equivalents	2,920,824	353,483	215,754	4,656	39,323	3,534,040
Financial assets at fair value through profit or loss:						
<i>in Treasury portfolio</i>	394,112	13,149	1,359	108	2,169	410,897
<i>in Investment portfolio</i>	380,196	13,149	1,359	108	2,169	396,981
	13,916	-	-	-	-	13,916
Loans and amounts due from financial institutions:						
<i>in Treasury portfolio</i>	493,634	103,583	-	15,324	9,424	621,965
<i>in Investment portfolio</i>	490,339	8,305	-	-	9,424	508,068
	3,295	95,278	-	15,324	-	113,897
Loans to customers	653,787	1,034,906	77,134	64,612	395,213	2,225,652
Financial assets at fair value through other comprehensive income:						
<i>in Treasury portfolio</i>	229,757	652,868	19,121	-	35,856	937,602
<i>in Investment portfolio</i>	112,947	119,366	-	-	35,856	268,169
	116,810	533,502	19,121	-	-	669,433
Debt securities at amortised cost	178,316	37,969	-	10,841	107,084	334,210
Investments in associates	1	23	-	-	-	24
Property, equipment and intangible assets	1,684	12,120	19	158	-	13,981
Other assets	39,727	2,240	577	554	1,686	44,784
<b>Total assets</b>	<b>4,911,842</b>	<b>2,210,341</b>	<b>313,964</b>	<b>96,253</b>	<b>590,755</b>	<b>8,123,155</b>
<b>Total liabilities</b>	<b>4,051,303</b>	<b>1,023,106</b>	<b>531,688</b>	<b>45,865</b>	<b>555,459</b>	<b>6,207,421</b>
<b>Contingent liabilities and credit commitments, gross</b>	<b>946,500</b>	<b>649,935</b>	<b>172,253</b>	<b>238,465</b>	<b>21,236</b>	<b>2,028,389</b>
<b>Capital expenditure</b>	<b>102</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>424</b>
<b>Depreciation and amortisation</b>	<b>308</b>	<b>1,136</b>	<b>5</b>	<b>33</b>	<b>-</b>	<b>1,482</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**25 SEGMENT REPORTING (CONTINUED)**

**Segment performance (continued)**

Segment information on net operating income for geographical segments of the Bank for the six-month period ended 30 June 2022 is set out below:

<b>30 June 2022</b>						
<b>Unaudited</b>	<b>Russia</b>	<b>Kazakhstan</b>	<b>Belarus</b>	<b>Other Member states</b>	<b>Non- member states</b>	<b>Total</b>
Interest income, calculated using the effective interest method:						
on Investment portfolio	47,054	47,081	7,392	1,559	-	103,086
on Treasury portfolio	8,322	13,360	48	173	5,038	26,941
Other interest income on Treasury portfolio	875	681	-	-	5,474	7,030
Interest expense	(28,340)	(36,082)	(630)	(541)	(43,137)	(108,730)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(193,603)	16,152	(24,163)	(7,034)	(46,291)	(254,939)
Net gain/(loss) on transactions in foreign currencies	280,255	(296)	18,868	1,131	(557)	299,401
Net realised (loss)/gain on financial assets at fair value through other comprehensive income	(6)	(402)	-	4	(22)	(426)
Net loss from modification, recognition and derecognition of financial instruments	(212)	-	-	-	(225)	(437)
Loss from investments in associates	(395)	-	-	-	-	(395)
Net gain on trading with debt securities issued	-	415	-	-	48,802	49,217
Fee and commission income	5,276	932	1,361	-	228	7,797
Fee and commission expense	(648)	(77)	(3)	(5)	(246)	(979)
Net other income/(expense)	-	14	-	1	(11)	4
(Provision for)/recovery of expected credit losses on interest bearing assets	(197,938)	1,194	(12,152)	(864)	(358)	(210,118)
Recovery of/(provision for) expected credit losses on guarantees and letters of credit issued	39	(92)	579	-	-	526
<b>Net operating (loss)/income</b>	<b>(79,321)</b>	<b>42,880</b>	<b>(8,700)</b>	<b>(5,576)</b>	<b>(31,305)</b>	<b>(82,022)</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**25 SEGMENT REPORTING (CONTINUED)**

**Segment performance (continued)**

Segment information for the main geographical segments of the Bank as at 31 December 2022 is set out below:

	<b>Russia</b>	<b>Kazakhstan</b>	<b>Belarus</b>	<b>Other Member states</b>	<b>Non- member states</b>	<b>Total</b>
Cash and cash equivalents	370,174	280,035	181,194	1,538	446,340	1,279,281
Financial assets at fair value through profit or loss:						
<i>in Treasury portfolio</i>	117,712	16,836	15,889	-	6,034	156,471
<i>in Investment portfolio</i>	101,373	16,836	15,889	-	6,034	140,132
<i>in Investment portfolio</i>	16,339	-	-	-	-	16,339
Loans and amounts due from financial institutions:						
<i>in Treasury portfolio</i>	435,235	404,999	-	22,036	-	862,270
<i>in Investment portfolio</i>	427,145	-	-	-	-	427,145
<i>in Investment portfolio</i>	8,090	404,999	-	22,036	-	435,125
Loans to customers	774,519	832,702	94,369	64,683	394,612	2,160,885
Financial assets at fair value through other comprehensive income:						
<i>in Treasury portfolio</i>	315,759	665,752	23,494	-	2,534,891	3,539,896
<i>in Treasury portfolio</i>	170,820	138,679	-	-	2,534,891	2,844,390
<i>in Investment portfolio</i>	144,939	527,073	23,494	-	-	695,506
Debt securities at amortised cost	213,874	54,683	-	10,303	106,059	384,919
Investments in associates	1	23	-	-	-	24
Property, equipment and intangible assets	1,091	11,503	20	191	-	12,805
Other assets	24,058	4,531	701	277	2,473	32,040
<b>Total assets</b>	<b>2,252,423</b>	<b>2,271,064</b>	<b>315,667</b>	<b>99,028</b>	<b>3,490,409</b>	<b>8,428,591</b>
<b>Total liabilities</b>	<b>3,410,638</b>	<b>833,048</b>	<b>888,073</b>	<b>112,143</b>	<b>1,348,338</b>	<b>6,592,240</b>
<b>Contingent liabilities and credit commitments, gross</b>	<b>832,560</b>	<b>330,230</b>	<b>169,563</b>	<b>232,717</b>	<b>14,157</b>	<b>1,579,227</b>
<b>Capital expenditure, 30 June 2022 (unaudited)</b>	<b>116</b>	<b>295</b>	<b>11</b>	<b>60</b>	<b>-</b>	<b>482</b>
<b>Depreciation and amortisation, 30 June 2022 (unaudited)</b>	<b>193</b>	<b>655</b>	<b>2</b>	<b>36</b>	<b>-</b>	<b>886</b>

Segment performance information is presented to the management of the Bank for decision making in the way it is disclosed above. The Bank believes that more detailed disclosure of segment information will not have significant impact on segment performance of the Bank.

External operating income, assets, liabilities and capital expenditure have generally been allocated based on the domicile of the counterparty. Tangible assets (premises and equipment) have been allocated based on the country in which they are physically held.

For the six-month periods ended 30 June 2023 and 2022, there were no loans to customers with interest income individually exceeding 10% of total interest income of the Bank.

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

#### **26 FAIR VALUE OF FINANCIAL INSTRUMENTS**

##### **(a) Determining fair values**

Fair value is defined as 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 estimates presented herein are not necessarily indicative of the amounts the Bank could realise in a market exchange from the sale of its full holdings of a particular instrument.

The determination of fair value of financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

##### **(b) Valuation of financial instruments**

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair value using valuation techniques.

Valuation techniques include net present value and discounted cash flow models and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other observable information used in estimating discount rates, bond and equity prices and foreign currency exchange rates. The objective of valuation techniques is to determine fair value that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting in an arm's length transaction.

**EURASIAN DEVELOPMENT BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)***(in thousands of US dollars)***26 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)****(b) Valuation of financial instruments (continued)**

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Instruments involving significant unobservable inputs are presented by certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The table below analyses financial instruments measured at fair value as at 30 June 2023 and 31 December 2022, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the condensed interim statement of financial position:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<b>30 June 2023 Total Unaudited</b>
<b>Financial assets at fair value through profit or loss:</b>				
in Treasury portfolio:				
Debt instruments	-	105,797	-	105,797
Derivative financial instruments - assets	-	291,184	-	291,184
in Investment portfolio:				
Hybrid instruments	-	-	13,916	13,916
<b>Financial assets at fair value through other comprehensive income:</b>				
in Treasury portfolio:				
Debt instruments	26,056	242,113	-	268,169
in Investment portfolio:				
Debt instruments	37,760	631,673	-	669,433
<b>Financial liabilities at fair value through profit or loss:</b>				
Derivative financial instruments - liabilities	-	(206,765)	-	(206,765)

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**26 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Valuation of financial instruments (continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>As at 31 December 2022 Total</u>
<b>Financial assets at fair value through profit or loss:</b>				
in Treasury portfolio:				
Debt instruments	-	110,076	-	110,076
Derivative financial instruments - assets	-	22,654	-	22,654
Equity instruments	-	7,402	-	7,402
in Investment portfolio:				
Hybrid instrument	-	-	15,637	15,637
Equity instruments	-	-	702	702
<b>Financial assets at fair value through other comprehensive income:</b>				
in Treasury portfolio:				
Debt instruments	676,800	2,157,777	-	2,834,577
Equity instruments	-	9,813	-	9,813
in Investment portfolio:				
Debt instruments	-	695,506	-	695,506
<b>Financial liabilities at fair value through profit or loss:</b>				
Derivative financial instruments - liabilities	-	(2,956)	-	(2,956)

The following table shows reconciliation for fair value measurements in Level 3 of the fair value hierarchy for the six-month period ended 30 June 2023 and 30 June 2022:

	<u>Level 3</u>	
	<u>Six-months ended 30 June 2023 Unaudited</u>	<u>Six-months ended 30 June 2022 Unaudited</u>
<b>Financial assets at fair value through profit or loss</b>		
Balance at the beginning of the period	16,339	702
Revaluation	(2,423)	-
<b>Balance at the end of the period</b>	<b>13,916</b>	<b>702</b>
<b>Financial assets at fair value through other comprehensive income</b>		
Balance at the beginning of the period	-	4
Revaluation	-	(4)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Valuation of financial instruments (continued)

The Bank uses "Discounted Cash Flow" approach to value the financial instruments at Level 3. Under any scenario the above estimate is sensitive to changes in the market parameters and future expectations and may result in a change of the carrying value of the financial instruments within a one-year horizon.

The Bank is a development financial organisation and, thus, most of the loans are unique and interest rates are specific for each project and thus are less sensitive to market fluctuations. The Bank and its customers have contractual rights to review interest rates according to changes on financial markets. Due to such changes in market environment (not credit-related) some of the financial instruments of the Bank had changes in interest rate and/or were modified.

The tables below analyse the fair value of financial instruments that are not measured at fair value on a recurring basis (but fair value disclosures are required), as at 30 June 2023 and as at 31 December 2022:

	Level 1	Level 2	Level 3	As at 30 June 2023 Unaudited	
				Total fair value	Total carrying amount
<b>Financial assets:</b>					
Cash and cash equivalents	-	-	3,534,040	3,534,040	3,534,040
Loans and amounts due from financial institutions:					
<i>in Treasury portfolio</i>	-	-	625,628	625,628	621,965
<i>in Investment portfolio</i>	-	-	508,068	508,068	508,068
<i>in Investment portfolio</i>	-	-	117,560	117,560	113,897
Loans to customers	-	-	2,273,831	2,273,831	2,225,652
Debt securities at amortised cost	54,406	257,059	-	311,465	334,210
Other financial assets	-	-	24,103	24,103	24,103
<b>Financial liabilities:</b>					
Loans and deposits from financial institutions	-	-	3,273,250	3,273,250	3,327,405
Deposits from customers	-	-	170,339	170,339	178,029
Debt securities issued	-	2,148,895	49,019	2,197,914	2,390,208
Other financial liabilities	-	-	25,604	25,604	25,604

	Level 1	Level 2	Level 3	As at 31 December 2022	
				Total fair value	Total carrying amount
<b>Financial assets:</b>					
Cash and cash equivalents	-	235,590	1,043,691	1,279,281	1,279,281
Loans and amounts due from financial institutions:					
<i>in Treasury portfolio</i>	-	-	859,630	859,630	862,270
<i>in Treasury portfolio</i>	-	-	427,145	427,145	427,145
<i>in Investment portfolio</i>	-	-	432,485	432,485	435,125
Loans to customers	-	-	2,203,447	2,203,447	2,160,885
Debt securities at amortised cost	49,169	307,156	-	356,325	384,919
Other financial assets	-	-	18,914	18,914	18,914
<b>Financial liabilities:</b>					
Loans and deposits from financial institutions	-	-	3,100,332	3,100,332	3,165,338
Deposits from customers	-	-	298,752	298,752	307,507
Debt securities issued	-	1,785,770	1,201,824	2,987,594	3,030,076
Other financial liabilities	-	-	16,168	16,168	16,168

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

## **27 RISK MANAGEMENT**

### **(a) Credit risk**

#### ***Assets allocation in portfolios***

The Bank separates its assets into two portfolios which are the Investment portfolio and the Treasury portfolio. The purpose of this separation is to provide management of the Bank with the information about the portfolios' assets structure as these portfolios pursue different aims of the Bank and are managed differently. The sources of credit risk are Investment portfolio of the Bank, comprised of loans/credit lines to borrowers and securities purchased within project activity, and Treasury portfolio, comprised of cash and cash equivalents, securities, inter-bank loans, reverse REPO operations and derivative financial instruments.

Assets in the Investment portfolio pursue the strategic objectives of the Bank based on its mandate. These assets must conform with the Investment regulations, which set out the main principles that guide the Bank when considering investment projects. Origination and acquisition of these assets must be approved by the Credit Committee, the Management Board and, in certain cases, the Council of the Bank.

Assets in the Treasury portfolio are intended to protect the share capital of the Bank from the influence of risk factors, and also to maintain a sufficient level of liquidity. Assets in Treasury portfolio are managed in accordance with the Investment declaration, the Market and treasury risks and balance liquidity management rules and other internal guidelines regulation. These assets are managed by the Treasury Department, overviewed and controlled by the Assets and Liabilities Management Committee ("ALMC").

The Committees of the Bank manage the credit risk through consideration and approval investment projects and limits, and control realisation of projects and limits execution, and take corrective actions where needed.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

***Assets allocation in portfolios (continued)***

Information regarding each portfolio is presented below:

	<b>Current investment portfolio</b>	<b>Treasury Portfolio</b>	<b>Unallocated</b>	<b>30 June 2023 Total Unaudited</b>
Cash and cash equivalents	-	3,534,040	-	3,534,040
Financial assets at fair value through profit or loss:				
loss:	13,916	396,981	-	410,897
<i>in Treasury portfolio</i>	-	396,981	-	396,981
<i>in Investment portfolio</i>	13,916	-	-	13,916
Loans and amounts due from financial institutions:				
institutions:	113,897	508,068	-	621,965
<i>in Treasury portfolio</i>	-	508,068	-	508,068
<i>in Investment portfolio</i>	113,897	-	-	113,897
Loans to customers	2,225,652	-	-	2,225,652
Financial assets at fair value through other comprehensive income:				
comprehensive income:	669,433	268,169	-	937,602
<i>in Treasury portfolio</i>	-	268,169	-	268,169
<i>in Investment portfolio</i>	669,433	-	-	669,433
Debt securities at amortised cost	-	334,210	-	334,210
Investments in associates	24	-	-	24
Property, equipment and intangible assets	-	-	13,981	13,981
Other assets	-	-	44,784	44,784
	<b>3,022,922</b>	<b>5,041,468</b>	<b>58,765</b>	<b>8,123,155</b>
Adjustment to CIP*	82,931	-	(82,931)	-
<b>Total assets</b>	<b>3,105,853</b>	<b>5,041,468</b>	<b>(24,166)</b>	<b>8,123,155</b>
<b>Total liabilities</b>	<b>-</b>	<b>3,035,211</b>	<b>3,172,210</b>	<b>6,207,421</b>
Contingent liabilities and credit commitments	2,028,389	-	-	2,028,389
<b>Total current investment portfolio</b>	<b>5,134,242</b>			

\* According to the internal policies, the Bank allocates balance of current investment portfolio based on the nominal values, excluding provision for expected credit losses, accrued interest and unamortised premiums and discounts.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

***Assets allocation in portfolios (continued)***

	<b>Current investment portfolio</b>	<b>Treasury Portfolio</b>	<b>Unallocated</b>	<b>31 December 2022 Total</b>
Cash and cash equivalents	-	1,279,281	-	1,279,281
Financial assets at fair value through profit or loss:				
in Treasury portfolio	16,339	140,132	-	156,471
in Investment portfolio	-	140,132	-	140,132
in Investment portfolio	16,339	-	-	16,339
Loans and amounts due from financial institutions:				
in Treasury portfolio	435,125	427,145	-	862,270
in Investment portfolio	-	427,145	-	427,145
in Investment portfolio	435,125	-	-	435,125
Loans to customers	2,160,885	-	-	2,160,885
Financial assets at fair value through other comprehensive income:				
in Treasury portfolio	695,506	2,844,390	-	3,539,896
in Investment portfolio	-	2,844,390	-	2,844,390
in Investment portfolio	695,506	-	-	695,506
Debt securities at amortised cost	-	384,919	-	384,919
Investments in associates	24	-	-	24
Property, equipment and intangible assets	-	-	12,805	12,805
Other assets	-	-	32,040	32,040
	<b>3,307,879</b>	<b>5,075,867</b>	<b>44,845</b>	<b>8,428,591</b>
Adjustment to CIP*	128,326	-	(128,326)	-
<b>Total assets</b>	<b>3,436,205</b>	<b>5,075,867</b>	<b>(83,481)</b>	<b>8,428,591</b>
<b>Total liabilities</b>	<b>-</b>	<b>2,953,246</b>	<b>3,638,994</b>	<b>6,592,240</b>
Contingent liabilities and credit commitments	1,576,488	-	2,739	1,579,227
<b>Total current investment portfolio</b>	<b>5,012,693</b>			

***Credit risk in the investment project financing***

The process of risk management in investment project financing consists of the following stages: risk identification, risk assessment, control and monitoring of risks.

At risk identification stage the Bank makes list of risks and their description. For these purposes the Bank defines following integrated list of risks that might affect the overall credit risk in investment project financing:

- infrastructural risks;
- engineering and project risks;
- constructional and completion risks;
- resource supply risks;
- operational risks and risks related to effectiveness (technology, expenditure and management);
- industry risks;
- currency risks;
- interest rate risks;
- compliance risks;
- legal risks;
- social and ecological risks;
- country (political) risks.

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

## 27 RISK MANAGEMENT (CONTINUED)

### (a) Credit risk (continued)

#### *Credit risk in the investment project financing (continued)*

A further analysis of identified risks is performed to determine the probability of risk events occurrence (risk level) and possible consequences (financial losses). Valuation of identified risks is based on Internal Methodology, which involve analysis in relation to a wide range of quantitative and qualitative indicators. Each of methodologies includes analysis of wide range of quantitative and qualitative parameters. At this stage the Bank prepares individual counter measures for identified and evaluated risks (risk acceptance «as is», risk rejection, risk diminution, full or partial risk transfer) and sets up a list of covenants for early risk detection that is used for control and monitoring of risks.

At the project approval stage, based on the presentation and preliminary decision of the Credit Committee, either the Management Board or the Council of the Bank (in case if credit exposure on a single borrower or a group of associated borrowers exceeds 100,000 thousand US dollars) within the limits of their powers, reviews and approves investment projects and makes decisions on any changes and addenda to the existing loan agreements.

At the stage of control and monitoring of risks the Bank keeps watch over early risk detection covenants and on a regular and repetitive basis revises risk levels of investment projects. For this purpose, the Internal Methodology is used. In case of significant increase of risk levels of investment projects, the Bank prepares risk reduction measures.

For classification of financial assets according to credit ratings, external (public) credit ratings of counterparties assigned by international rating agencies (according to the international rating scale) are used as a priority. In the absence of such, or if they are withdrawn, they are replaced by credit ratings determined through the use of Internal Models.

The following tables show financial assets in the Investment portfolio by the international rating scale by credit ratings, as at 30 June 2023:

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans and amounts due from financial institutions:</b>				
with credit ratings BBB+, BBB, BBB-	84,420	-	-	84,420
with credit ratings BB+, BB, BB-	11,159	-	-	11,159
with credit ratings B+, B, B-	18,392	-	-	18,392
with credit ratings CCC+, CCC, CCC-	500	-	-	500
	<b>114,471</b>	-	-	<b>114,471</b>
Less: provision for expected credit losses (Note 8)	(574)	-	-	(574)
<b>Total loans and amounts due from financial institutions</b>	<b>113,897</b>	-	-	<b>113,897</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

***Credit risk in the investment project financing (continued)***

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to customers:</b>				
with credit ratings BB+, BB, BB-	984,039	-	-	984,039
with credit ratings B+, B, B-	867,451	259,841	-	1,127,292
with credit ratings CCC+, CCC, CCC-	90,440	109,705	-	200,145
with credit ratings CC, C, D	-	-	30,341	30,341
	<b>1,941,930</b>	<b>369,546</b>	<b>30,341</b>	<b>2,341,817</b>
Less: provision for expected credit losses (Note 8)	(41,556)	(54,239)	(20,370)	(116,165)
<b>Total loans to customers</b>	<b>1,900,374</b>	<b>315,307</b>	<b>9,971</b>	<b>2,225,652</b>

<b>Unaudited</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
with credit ratings BBB+, BBB, BBB-	167,781	-	-	167,781
with credit ratings BB+, BB, BB-	337,196	48,636	-	385,832
with credit ratings B+, B, B-	96,695	-	-	96,695
with credit ratings CC, C, D	-	19,125	-	19,125
<b>Total financial assets at fair value through other comprehensive income</b>	<b>601,672</b>	<b>67,761</b>	<b>-</b>	<b>669,433</b>

The following tables show financial assets in the Investment portfolio by the international rating scale by credit ratings, as at 31 December 2022:

<b>Loans and amounts due from financial institutions:</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
with credit ratings BBB+, BBB, BBB-	392,355	-	-	392,355
with credit ratings BB+, BB, BB-	13,062	605	-	13,667
with credit ratings B+, B, B-	21,387	-	-	21,387
with credit ratings CCC+, CCC, CCC-	1,000	8,472	-	9,472
	<b>427,804</b>	<b>9,077</b>	<b>-</b>	<b>436,881</b>
Less: provision for expected credit losses (Note 8)	(768)	(988)	-	(1,756)
<b>Total loans and amounts due from financial institutions</b>	<b>427,036</b>	<b>8,089</b>	<b>-</b>	<b>435,125</b>

<b>Loans to customers:</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
with credit ratings BBB+, BBB, BBB-	47,059	-	-	47,059
with credit ratings BB+, BB, BB-	829,964	-	-	829,964
with credit ratings B+, B, B-	917,548	224,655	-	1,142,203
with credit ratings CCC+, CCC, CCC-	95,716	103,219	-	198,935
with credit ratings CC, C, D	-	-	106,119	106,119
	<b>1,890,287</b>	<b>327,874</b>	<b>106,119</b>	<b>2,324,280</b>
Less: provision for expected credit losses (Note 8)	(55,703)	(47,760)	(59,932)	(163,395)
<b>Total loans to customers</b>	<b>1,834,584</b>	<b>280,114</b>	<b>46,187</b>	<b>2,160,885</b>

## EURASIAN DEVELOPMENT BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

## 27 RISK MANAGEMENT (CONTINUED)

### (a) Credit risk (continued)

#### *Credit risk in the investment project financing (continued)*

	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets at fair value through other comprehensive income:</b>				
with credit ratings BBB+, BBB, BBB-	172,356	-	-	172,356
with credit ratings BB+, BB, BB-	325,517	60,845	-	386,362
with credit ratings B+, B, B-	113,295	-	-	113,295
with credit ratings CCC+, CCC, CCC-	-	23,493	-	23,493
<b>Total financial assets at fair value through other comprehensive income</b>	<b>611,168</b>	<b>84,338</b>	<b>-</b>	<b>695,506</b>

As at 30 June 2023 average-weighted credit rating of financial assets in Investment portfolio was at «B+» level in accordance with S&P Global Ratings (31 December 2022: «B+» level).

#### *Credit risk in the treasury portfolio*

For credit risk management of financial assets in Treasury portfolio the Bank uses a system of limits for the whole structure of portfolio, for different types of financial instruments and individual limits for counterparties/issuers. Structural limits are set by the Management Board, other limits are set by ALMC. In a process of setting limits, the Bank conducts necessary procedures (analysis) of acceptability of credit risk quality of potential counterparties/issuers.

At the stage of control and monitoring of risks the Bank keeps watch on limits and adjusts them if necessary.

The following tables detail the credit ratings of financial assets in Treasury portfolio of the Bank (except for equity instruments) according to S&P Global Ratings as at 30 June 2023 and 31 December 2022:

	30 June 2023 Unaudited	31 December 2022
<b>Cash and cash equivalents:</b>		
with credit ratings AA+, AA, AA-	149	412
with credit ratings A+, A, A-	39,174	445,929
with credit ratings BBB+, BBB, BBB-	322,486	150,884
with credit ratings BB+, BB, BB-	183	73
with credit ratings B+, B, B-	4,401	908
with credit ratings CC, C, D	215,797	181,237
not rated	2,952,140	499,980
	<b>3,534,330</b>	<b>1,279,423</b>
Less: provision for expected credit losses (Note 8)	(290)	(142)
<b>Total cash and cash equivalents</b>	<b>3,534,040</b>	<b>1,279,281</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(a) Credit risk (continued)**

***Credit risk in the treasury portfolio (continued)***

	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
<b>Loans and amounts due from financial institutions</b>		
with credit ratings AA+, AA, AA-	4,304	4,302
with credit ratings A+, A, A-	5,119	5,119
not rated	563,008	469,131
	<b>572,431</b>	<b>478,552</b>
Less: provision (Note 8)	(64,363)	(51,407)
<b>Total loans and amounts due from financial institutions</b>	<b>508,068</b>	<b>427,145</b>
	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
<b>Debt instruments at fair value through other comprehensive income:</b>		
with credit rating AAA	-	848,559
with credit ratings AA+, AA, AA-	35,856	1,500,120
with credit ratings A+, A, A-	-	186,211
with credit ratings BBB+, BBB, BBB-	119,366	138,680
not rated	112,947	161,007
<b>Total debt instruments at fair value through other comprehensive income</b>	<b>268,169</b>	<b>2,834,577</b>
	<b>30 June 2023 Unaudited</b>	<b>31 December 2022</b>
<b>Debt securities at amortised cost:</b>		
with credit ratings AA+, AA, AA-	52,260	52,189
with credit ratings BBB+, BBB, BBB-	21,822	28,001
with credit ratings BB+, BB, BB-	16,232	26,769
with credit ratings B+, B, B-	66,041	64,660
not rated	184,700	219,697
	<b>341,055</b>	<b>391,316</b>
Less: provision for expected credit losses (Note 8)	(6,845)	(6,397)
<b>Total debt securities at amortised cost:</b>	<b>334,210</b>	<b>384,919</b>

Financial assets in Treasury portfolio that have more than one credit rating by international credit rating agencies are disclosed by the lowest of ratings.

***Maximum exposure***

The maximum exposure to credit risk is generally reflected in the carrying amounts of debt financial assets in the condensed interim statement of financial position and unused credit lines. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to credit risk on unused credit lines at the reporting date is presented in Note 23.

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(b) Market risk**

Market risk covers interest rate risk, currency and pricing risks. In order to measure price and currency risks the Bank uses a value-at-risk (VAR) methodology. In order to measure interest rate risk the Bank assesses its sensitivity to changes in interest rates. The Bank uses a system of limits to manage these risks.

***Interest rate sensitivity***

An analysis of sensitivity of net profit and equity to changes in interest rates (repricing risk) based on a simplified scenario of a 300 basis point (bp) symmetrical fall or rise in all yield curves and positions of variable interest rate assets and liabilities existing as at 30 June 2023 and 30 June 2022 is as follows:

	30 June 2023 Unaudited		30 June 2022 Unaudited	
	Interest rate +3%	Interest rate -3%	Interest rate +3%	Interest rate -3%
<b>Financial assets:</b>				
Loans and amounts due from financial institutions:				
in Investment portfolio	929	(929)	585	(585)
Loans to customers	23,166	(23,166)	16,602	(15,449)
<b>Financial liabilities:</b>				
Loans and deposits from financial institutions	(2,650)	2,650	(2,717)	1,764
<b>Net impact on net profit and equity</b>	<b>21,445</b>	<b>(21,445)</b>	<b>14,470</b>	<b>(14,270)</b>

An analysis of sensitivity of equity as a result of changes in the financial assets at fair value through other comprehensive income due to changes in interest rates based on positions existing as at 30 June 2023 and 30 June 2022, and a simplified scenario of a 300 bp symmetrical fall or rise in all yield curves is as follows:

	30 June 2023 Unaudited		30 June 2022 Unaudited	
	Interest rate +3%	Interest rate -3%	Interest rate +3%	Interest rate -3%
Financial assets at fair value through other comprehensive income:				
in Treasury portfolio	(25,980)	19,062	(71,310)	66,017
in Investment portfolio	(78,811)	87,863	(115,918)	104,649
<b>Net impact on equity</b>	<b>(104,791)</b>	<b>106,925</b>	<b>(187,228)</b>	<b>170,666</b>

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

(in thousands of US dollars)

**27 RISK MANAGEMENT (CONTINUED)**

**(b) Market risk (continued)**

***Currency risk sensitivity***

The Bank's exposure to foreign currency exchange rate risk is presented in the table below:

Unaudited	US dollars	Kazakhstani tenge	Russian rouble	Euro	Other currencies	30 June 2023 Total
	Financial assets	2,386,778	691,334	3,862,180	584,947	563,254
Financial liabilities	1,181,847	724,966	3,300,776	525,195	395,227	6,128,011
<b>Open balance sheet position</b>	<b>1,204,931</b>	<b>(33,632)</b>	<b>561,404</b>	<b>59,752</b>	<b>168,027</b>	<b>1,960,482</b>
Net spot and derivative financial instruments position	813,685	8,354	(561,399)	(21,380)	(161,459)	77,801
<b>TOTAL OPEN POSITION</b>	<b>2,018,616</b>	<b>(25,278)</b>	<b>5</b>	<b>38,372</b>	<b>6,568</b>	<b>2,038,283</b>

  

	US dollars	Kazakhstani tenge	Russian rouble	Euro	Other currencies	31 December 2022 Total
	Financial assets	4,693,132	710,595	1,809,342	660,362	529,229
Financial liabilities	2,667,564	728,857	1,799,062	884,096	442,466	6,522,045
<b>Open balance sheet position</b>	<b>2,025,568</b>	<b>(18,262)</b>	<b>10,280</b>	<b>(223,734)</b>	<b>86,763</b>	<b>1,880,615</b>
Net spot and derivative financial instruments position	(82,637)	(109)	(34,821)	227,255	(90,068)	19,620
<b>TOTAL OPEN POSITION</b>	<b>1,942,931</b>	<b>(18,371)</b>	<b>(24,541)</b>	<b>3,521</b>	<b>(3,305)</b>	<b>1,900,235</b>

Impact on net profit and equity based on asset values as at 30 June 2023 and 31 December 2022:

	As at 30 June 2023 Unaudited					
	US dollars/ Russian rouble +15%	US dollars/ Russian rouble -15%	US dollars/ Kazakhstani tenge +15%	US dollars/ Kazakhstani tenge -15%	US dollars/ Euro +10%	US dollars/ Euro -10%
	Impact on net profit	1	(1)	(3,792)	3,792	3,837
Impact on equity	1	(1)	(3,792)	3,792	3,837	(3,837)

  

	As at 31 December 2022					
	US dollars/ Russian rouble +15%	US dollars/ Russian rouble -15%	US dollars/ Kazakhstani tenge +15%	US dollars/ Kazakhstani tenge -15%	US dollars/ Euro +10%	US dollars/ Euro -10%
	Impact on net profit	(3,681)	3,681	(2,756)	2,756	352
Impact on equity	(3,681)	3,681	(2,756)	2,756	352	(352)

# EURASIAN DEVELOPMENT BANK

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

(in thousands of US dollars)

### 27 RISK MANAGEMENT (CONTINUED)

#### (c) Liquidity risk

Liquidity risk is a possibility of financial losses, emerging from insufficiency of funds to fulfil the Bank's financial obligations as they actually fall due.

An analysis of the liquidity risk, based on the contractual dates of repayment of financial assets and liabilities, is presented in the following table:

Unaudited	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	30 June 2023 Total
<b>FINANCIAL ASSETS:</b>							
Cash and cash equivalents	3.09%	44,985	-	-	-	-	44,985
Financial assets at fair value through profit or loss:		-	1,311	16	8,906	95,564	105,797
<i>in Treasury portfolio</i>	14.39%	-	1,311	16	8,906	95,564	105,797
Loans and amounts due from financial institutions:		-	3,394	41,204	69,299	-	113,897
<i>in Investment portfolio</i>	8.75%	-	3,394	41,204	69,299	-	113,897
Loans to customers	9.01%	92,061	48,991	270,270	1,367,324	447,006	2,225,652
Financial assets at fair value through other comprehensive income:		59,057	79,398	59,844	478,749	260,554	937,602
<i>in Treasury portfolio</i>	5.46%	10,967	53,858	26,286	128,419	48,639	268,169
<i>in Investment portfolio</i>	10.11%	48,090	25,540	33,558	350,330	211,915	669,433
Debt securities at amortised cost	4.22%	-	836	897	322,042	10,435	334,210
<b>Total interest bearing financial assets</b>		<b>196,103</b>	<b>133,930</b>	<b>372,231</b>	<b>2,246,320</b>	<b>813,559</b>	<b>3,762,143</b>
Cash and cash equivalents		3,489,055	-	-	-	-	3,489,055
Financial assets at fair value through profit or loss:		7,758	39,466	241,791	16,085	-	305,100
<i>in Treasury portfolio</i>		7,758	39,466	241,791	2,169	-	291,184
<i>in Investment portfolio</i>		-	-	-	13,916	-	13,916
Loans and amounts due from financial institutions:		-	-	508,068	-	-	508,068
<i>in Treasury portfolio</i>		-	-	508,068	-	-	508,068
Other financial assets		-	-	24,103	-	-	24,103
<b>Total financial assets</b>		<b>3,692,916</b>	<b>173,396</b>	<b>1,146,193</b>	<b>2,262,405</b>	<b>813,559</b>	<b>8,088,469</b>
<b>FINANCIAL LIABILITIES:</b>							
Loans and deposits from financial institutions	2.15%	2,853,304	31,328	37,463	277,095	128,215	3,327,405
Deposits from customers	5.70%	57,622	-	22,368	22,412	75,627	178,029
Debt securities issued*	6.71%	2,974	55,416	359,292	1,972,526	-	2,390,208
Other financial liabilities		163	366	1,896	6,139	-	8,564
<b>Total interest bearing financial liabilities</b>		<b>2,914,063</b>	<b>87,110</b>	<b>421,019</b>	<b>2,278,172</b>	<b>203,842</b>	<b>5,904,206</b>
Financial liabilities at fair value through profit or loss		11,394	38,107	157,187	77	-	206,765
Other financial liabilities		-	-	17,040	-	-	17,040
<b>Total financial liabilities</b>		<b>2,925,457</b>	<b>125,217</b>	<b>595,246</b>	<b>2,278,249</b>	<b>203,842</b>	<b>6,128,011</b>
<b>Liquidity gap</b>		<b>767,459</b>	<b>48,179</b>	<b>550,947</b>	<b>(15,844)</b>	<b>609,717</b>	

**EURASIAN DEVELOPMENT BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

**27 RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk (continued)**

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	31 December 2022 Total
<b>FINANCIAL ASSETS:</b>							
Cash and cash equivalents	1.28%	235,590	-	-	-	-	235,590
Financial assets at fair value through profit or loss:							
<i>in Treasury portfolio</i>	13.98%	-	1,313	825	3,950	103,988	110,076
<i>in Investment portfolio</i>		-	1,313	825	3,950	103,988	110,076
Loans and amounts due from financial institutions:							
<i>in Investment portfolio</i>	9.12%	282,525	7,586	32,463	112,551	-	435,125
<i>in Treasury portfolio</i>		282,525	7,586	32,463	112,551	-	435,125
Loans to customers	8.65%	75,850	25,595	293,165	1,344,579	421,696	2,160,885
Financial assets at fair value through other comprehensive income:							
<i>in Treasury portfolio</i>	3.67%	2,196,146	82,199	221,614	738,856	291,268	3,530,083
<i>in Investment portfolio</i>	9.92%	2,192,551	78,922	123,237	377,549	62,318	2,834,577
Debt securities at amortised cost	3.97%	3,595	3,277	98,377	361,307	228,950	695,506
		59	837	16,820	277,856	89,347	384,919
<b>Total interest bearing financial assets</b>		<b>2,790,170</b>	<b>117,530</b>	<b>564,887</b>	<b>2,477,792</b>	<b>906,299</b>	<b>6,856,678</b>
Cash and cash equivalents		1,043,691	-	-	-	-	1,043,691
Financial assets at fair value through profit or loss:							
<i>in Treasury portfolio</i>		671	16,592	7,402	21,730	-	46,395
<i>in Investment portfolio</i>		671	15,890	7,402	6,093	-	30,056
<i>in Investment portfolio</i>		-	702	-	15,637	-	16,339
Loans and amounts due from financial institutions:							
<i>in Treasury portfolio</i>		-	-	427,145	-	-	427,145
<i>in Investment portfolio</i>		-	-	427,145	-	-	427,145
Financial assets at fair value through other comprehensive income:							
<i>in Treasury portfolio</i>		-	-	9,813	-	-	9,813
<i>in Investment portfolio</i>		-	-	9,813	-	-	9,813
Other financial assets		-	-	18,914	-	-	18,914
<b>Total financial assets</b>		<b>3,834,532</b>	<b>134,122</b>	<b>1,028,161</b>	<b>2,499,522</b>	<b>906,299</b>	<b>8,402,636</b>
<b>FINANCIAL LIABILITIES:</b>							
Loans and deposits from financial institutions	2.09%	2,623,724	55,709	53,144	294,880	137,881	3,165,338
Deposits from customers	3.21%	244,398	1,053	30,663	20,095	11,298	307,507
Debt securities issued*	7.02%	117,341	633,186	343,009	1,936,540	-	3,030,076
Other financial liabilities		81	267	610	423	-	1,381
<b>Total interest bearing financial liabilities</b>		<b>2,985,544</b>	<b>690,215</b>	<b>427,426</b>	<b>2,251,938</b>	<b>149,179</b>	<b>6,504,302</b>
Financial liabilities at fair value through profit or loss		2,177	-	-	779	-	2,956
Other financial liabilities		-	-	14,787	-	-	14,787
<b>Total financial liabilities</b>		<b>2,987,721</b>	<b>690,215</b>	<b>442,213</b>	<b>2,252,717</b>	<b>149,179</b>	<b>6,522,045</b>
<b>Liquidity gap</b>		<b>846,811</b>	<b>(556,093)</b>	<b>585,948</b>	<b>246,805</b>	<b>757,120</b>	

\* For the purpose of liquidity calculations the maturity of debt securities issued is taken according to next put option dates (if any).

## **EURASIAN DEVELOPMENT BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)**

*(in thousands of US dollars)*

---

#### **28 EVENTS AFTER THE REPORTING PERIOD**

On 14 July 2023, the Bank placed on the Moscow Exchange an issue of Russian rouble-denominated bonds linked to a floating rate RUONIA (series 003P-008) in the amount of 6 billion Russian roubles, the equivalent of 66,549 thousand US dollars, with a maturity date on 7 July 2028. The spread to RUONIA was 200 b.p. at the RUONIA rate level at the time of placement – 7.3%.

On 25 July 2023, the Bank placed on the Astana International Exchange an issue of US dollars denominated bonds in the amount of 50 million US dollars, with a maturity date on 25 July 2030. The coupon rate was fixed at 6.3% per annum.

On 3 August 2023, the Bank placed on the Kazakhstan Stock Exchange an issue of Kazakhstani tenge denominated bonds in the amount of 25 billion Kazakhstani tenge, the equivalent of 56,165 thousand US dollars, with a maturity date on 3 August 2025. The coupon rate was fixed at 15.5% per annum.

On 17 August 2023, the Bank received a special permission from the General Administration of Treasury of the Ministry of Finance of Belgium to transfer its funds from the Bank's account in NCO National Settlement Depository JSC to the Bank's account directly opened in Euroclear Bank SA/NV. These funds were previously blocked by Euroclear Bank SA/NV in accordance with terms of the European Union sanctions against NCO National Settlement Depository JSC. In September 2023 in accordance with the received permission, funds were transferred to the Bank's account directly opened in Euroclear Bank SA/NV.