

Providing innovative financing for a sustainable energy transition in Africa

Established in 1985, the Eastern and Southern African Trade and Development Bank (TDB) is an investment-grade African regional development finance group, with the mandate to finance and foster trade, regional economic integration, and sustainable development. With an asset base of USD 10 billion, TDB Group comprises 25 African Member States that, alongside non-regional member countries and institutional investors from Africa, Europe and Asia, form TDB's community of shareholders.

TDB Group counts several subsidiaries and strategic business units including the Trade and Development Bank (TDB), TDB Group Asset Management (TAM), the Trade and Development Fund (TDF), TDB Captive Insurance Company (TCI), the ESATAL fund management company and TDB Academy.

ENERGY FACTSHEET

TDB LENDING SOLUTIONS

TDB Group provides bespoke short-term trade and long-term project & infrastructure financing solutions in numerous sectors that allow its sovereign, financial institutions, and corporate clients, including SMEs, to do business and contribute to supporting activities which are critical to the economic, social and environmental sustainability of its Member States.

As part of its Environmental, Social and Governance (ESG) framework, TDB categorises its transactions according to the E&S risks that they pose, and in compliance with international standards.

TDB uses either one or a combination of modes of financing including: direct financing via senior and mezzanine debt, often in co-financing arrangements with local and foreign lenders, loan guarantees and syndications. It also provides export credit co-financing as well as a range of non-financial products such as advisory, asset management and agency services.

TDB ENERGY FINANCING

TDB provides innovative financing in the energy sector through both short-term trade finance facilities aiming to boost energy security via the importation of strategic commodities, and long-term low carbon energy projects – for a just transition in the region.

Through its project & infrastructure window, TDB finances long-term critical energy projects which contribute to reducing the electricity access gap, boosting economic activity, creating jobs, as well as to climate action via the reduction of GHG emissions – in line with SDGs, Agenda 2063 and Paris Agreement imperatives.

TDB is actively building its pipeline of long-term renewable energy projects that expand industrial, commercial and residential power access, including through off-grid and mini-grid generation.

SOLUTIONS OFFERED INCLUDE

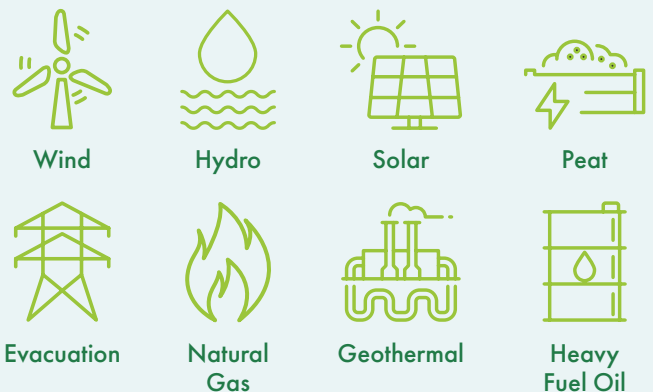
Short-Term Trade Finance – up to 3 years:

- Import and export financing
- Structured commodity finance
- Pre- and post-shipment finance
- Issuance of letters of credit
- Guarantees and bonds
- Supplier-focused working capital solutions including receivables purchase financing and invoice discounting

Long-Term Project & Infrastructure Finance – up to 15 years:

- Direct loans
- Lines of credit
- Guarantees
- Mezzanine debt
- Advisory and appraisal services
- Syndications
- Leasing

TDB ENERGY SECTORS



SPECIAL INITIATIVES

TDB OFF-GRID SME FACILITY

The TDB SME Off-Grid Facility provides access to debt financing for SMEs operating in the renewable energy space, with a special focus on the off-grid sector value chain, including those involved in the supply, construction, and operation of infrastructure projects. These include SMEs operating in Solar Home Systems (SHS) as well as those making productive use of clean energy and commercial & industrial (C&I) captive power solutions.

TDB FUNDING REQUEST CHECKLIST: MINIMUM REQUIREMENTS

- Business Plan/PIM including market study;
- Financing requirements: total project cost estimate, required debt amount and availability of equity/equity raising plan;
- ESIA: compliance with IFC's Performance Standards;
- Financial structure: corporate or project finance;
- Financial model;
- Technical and procurement documents: technical studies and site investigations, ESIA report and approval, layout drawings, specifications, statement of basis of estimates (e.g. preliminary drawings, uncertified vendor equipment drawings, supplier quotations), bill of quantities, etc.;
- Project implementation plan and team for greenfield projects;
- Personnel details for brownfield projects;
- Execution strategy: timelines, EPC/EPCM or owner managed, engineer/project manager and contractor;
- Permits, licences, approvals, land titles/leases as maybe applicable;
- Proposed source of debt repayment;
- 3 year audited financial statements for brownfield projects;
- Proposed securities and guarantees;
- KYC documents: constitutive documents, shareholders list and IDs of shareholders with 10% shareholding and above;
- Minimum deal size of USD5 million;
- Offtake Agreement: currency, tenor, tail, credit standing of offtaker and any credit; enhancements as maybe applicable;
- Indicative plan to mitigate against delays and cost overruns.

SELECT AWARDS

- African Banker Awards: African Banker of the Year: Admassu Tadesse, TDB Group President and Managing Director (2024)
- EMEA Finance: Best ECA syndicated loan (2024)
- Global Finance: Best Bank for Trade Finance in Emerging Markets (2024)
- Global Finance: Outstanding Leadership in Sustainable Finance by a Multilateral Institution in Africa (2023)
- Global Finance: Outstanding Leadership in Sustainable Finance Project in Africa (2023)
- African Banker Awards: DFI of the Year (2022)
- African Banker Awards: Sustainable Bank of the Year (2022)
- Global Trade Review: Best Development Bank – global award (2022)
- African Banker Awards: Infrastructure Deal of the Year (2021)

CASE STUDY: D.LIGHT DESIGN LTD

TDB, along with a consortium of lenders, has extended a loan facility to d.light, a leading provider and manufacturer of clean energy products, to support the development of renewable energy projects in Africa. This facility enables further expansion of d.light's solar initiatives, including through the pay-as-you-go (PayGo) consumer finance business model, which improves reach to the most vulnerable and off-grid customers. Off-grid solar energy projects have been proven to create significant environmental impact while contributing to critical outcomes such as access to electricity, job creation, economic growth, increased health benefits, improved quality of education, and more, thereby contributing to multiple SDGs. Since its foundation in 2006, d.light has sold over 25 million products, including solar lanterns, solar home systems, TVs, radios, and smart phones, impacting the lives of over 155 million people and helping offset 33 million tons of CO₂.



CASE STUDY: SUN KING FINANCING LTD

TDB has participated in a first-of-its-kind, bank-led, and entirely Kenyan-Shilling-denominated USD 130 million sustainable securitisation transaction in favour of Sun King's Kenya operations. Sun King designs, distributes, installs, and finances solar energy solutions for African and Asian households and businesses that cannot access, rely on, or afford traditional electric grid connections. Sun King's customers can purchase products using the company's technology-enabled, pay-as-you-go 'Easy Buy' financing service, which breaks payments down into regular, affordable instalments. These payments can be made via mobile money or cash for as little as USD0.15 per day. Approximately half of Sun King's registered pay-as-you-go customers in Kenya are women, most of whom are accessing formal financing products for the first time.

