

REQUEST FOR PROPOSAL: VALUATION MODELS OF TDB EQUITY INVESTMENTS, SUBSIDIARIES AND ESATF'S FINANCIAL INVESTMENTS

Background

The Eastern and Southern African Trade and Development Bank, trading as Trade Development Bank (TDB), is a specialized African multilateral financial institution serving public and private sector clients in most of the Eastern and Southern African states. TDB's objective is to provide short, medium, and long-term financing to viable trade, projects and infrastructure transactions in its member states.

TDB is a Group entity comprising TDB (the Bank, which is the parent) and five subsidiaries namely: Eastern and Southern African Trade Advisers Limited (ESATAL), Trade and Development Fund (TDF), Eastern and Southern African Infrastructure Fund (ESAIF), Eastern and Southern African Trade Fund (ESATF), and TDB Captive Insurance (TCI). TDB Group prepares consolidated Financial Statements for the Group at every reporting period. An impairment assessment is carried out for each of these subsidiaries annually in line with IAS 36 - Impairment of Assets.

TDB has invested in Equity Investments which are carried in its books at Fair Value Through Other Comprehensive Income (FVOCI). The Group's main equity investments are in ZEP-RE (PTA Reinsurance Company), African Export-Import Bank, Africa Trade Insurance Agency and Gulf African Bank. For the purpose of financial reporting and in compliance with IFRS 9 – Financial Instruments, these investments are valued annually.

ESATF is a company domiciled in Mauritius that is licensed by the Mauritius Financial Services Commission (FSC) as a collective investment scheme and invests primarily in trade finance assets across Africa. It is an open-ended fund, with a portfolio of between 50 and 70 unlisted financial investments (debt instruments) with relatively short maturities, and a fund weighted average life of 1.4 years, which are carried and Fair Value Through Profit or Loss (FVPL). ESATF values the financial investments portfolio annually.

The Assignment

Given the background above and the need to have the valuation of TDB Group's investments being done by one consultant, TDB Group now seeks a consultant as per below.

- i. Review of the existing Bank subsidiaries and develop a model for assessing the subsidiaries for impairment.
- ii. Review of the Bank's equity investments and present a model that will be used for valuing these equity investments annually.
- iii. Review ESATF's financial investments portfolio and develop a model for valuation of these investments at each reporting period.
- iv. Review background documents and liaise with relevant Bank staff and ESATF representatives to ensure a participatory process in coming up with the three models outlined above.
- v. Advise on best practices and procedures to ensure data quality and relevance for these models at each reporting period.

Technical and Financial Proposal Requirements

- i. Submit a Technical proposal for the entire assignment, and the timelines proposed for the engagement.
- ii. Present a well-articulated and professional engagement approach which should include references for similar work done, deliverables, training and post-implementation support.
- iii. Proposal highlighting workplan and staffing that have relevant experience and qualifications for the assignment.
- iv. Demonstrate a good understanding of the different types of assets and investments held by TDB and its subsidiaries.
- v. Financial proposal indicating the fee allocated to each of the three areas.

Interested consultants are invited to send their bids to procurement@tdbgroup.org to be received not later than **31th July 2024** and be submitted in two separate parts, one containing the technical proposal and the other the proposed fee structure.

Should you require further information, please do not hesitate to contact:

Francis.Namboya@tdbgroup.org.