British International Investment

BOLD ABOUT IMPACT

ANNUAL REPORT AND ACCOUNTS 2024

British International Investment plc
The UK's development finance institution

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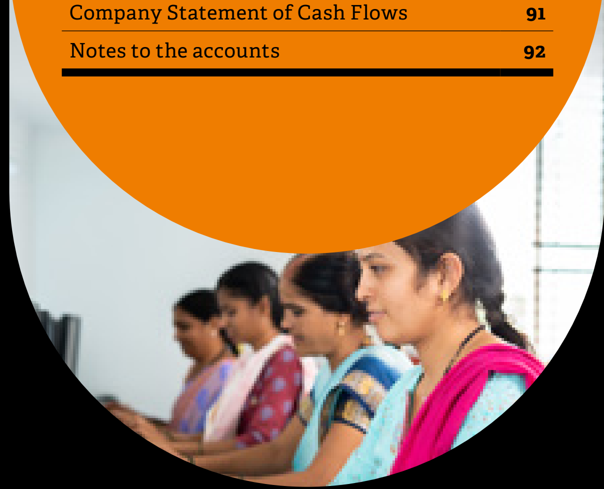


British International Investment plc (BII) is the UK's development finance institution. Our mission is to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. We invest to create more productive, sustainable and inclusive economies, enabling people to build better lives for themselves and their communities.

This report should be read in conjunction with our Annual Review 2024, which provides an overview of our development impact over the year.

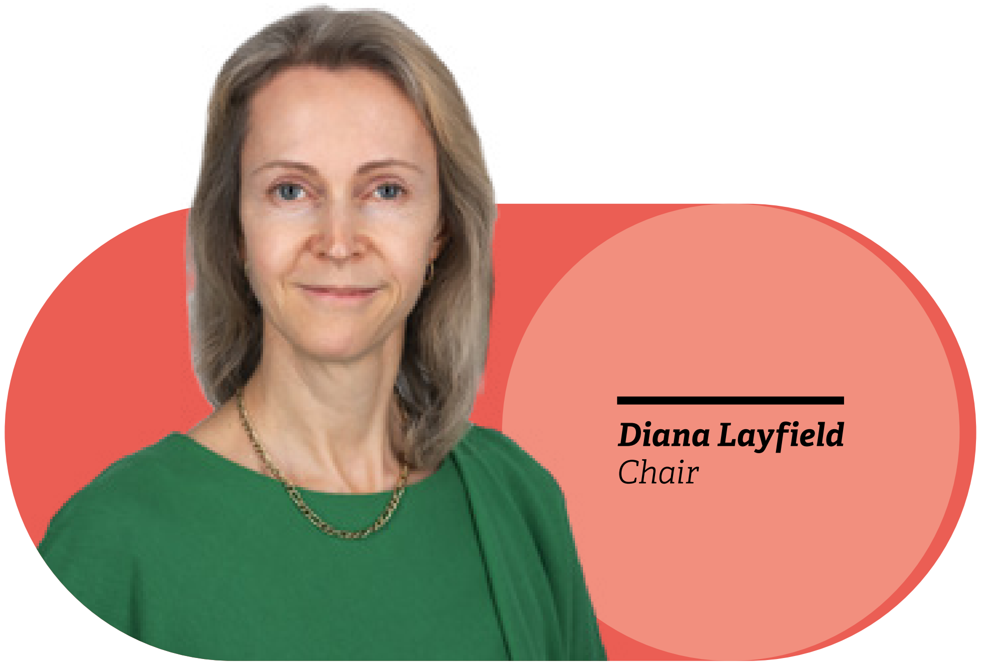
Visit bii.co.uk for more information.

STRATEGIC REPORT

2–44

Chair's statement

In an increasingly unpredictable geopolitical environment, our investments are critically important."



Diana Layfield
Chair

2024 was a year of considerable uncertainty, growing geopolitical tension and increasing macroeconomic challenges around the world. The effects of these were felt acutely in our markets, testing the relevance and responsiveness of development finance institutions. Against this backdrop I am proud that BII has demonstrated strong delivery on both its impact and investment goals.

In a constrained financial environment, BII's ability to put capital to work repeatedly to secure development impact, while also delivering a financial return for the UK taxpayer, is particularly valuable. In an increasingly unpredictable geopolitical environment, our investments – which support emerging economies to grow, create jobs, and develop sustainable infrastructure to mitigate climate change and its impacts – are critically important. These are modern partnerships that build prosperity and independence, helping to improve the lives of millions of people and create a more stable and secure world. They also create new opportunities for us to work with the City of London and beyond to mobilise private capital and multiply the impact of our investments.

2024 marked the third year of our five-year strategy to deliver productive, sustainable and inclusive development, and we have made significant strides in meeting these ambitions.

BII's focus on impact and delivery has enabled us to commit £1.7 billion in investments which will make a meaningful difference to people's lives and on the planet. In addition to this 33 per cent year-on-year increase in commitments, the wider metrics have also been strong. Critically, we again grew the impact of our investments, with our aggregate Impact Score, which helps us manage performance against our development impact objectives, rising to 7.0. We also extended our reach into lower-income markets and grew the depth and breadth of our capability in tackling the climate challenges which are impacting our markets.

I am particularly proud of our achievements in climate finance, an area of UK leadership on the international stage, and one which has a disproportionate effect on the most vulnerable markets and is central to the future of development. We are on track to meet the ambitious targets we set for ourselves – with 41 per cent of our commitments being made in climate finance last year. During the year, I witnessed first-hand the transformative impact of our investment in Zephyr Power, a renewable energy company in Pakistan that has developed a 50-megawatt wind-power plant. Not only is the company generating clean, green power to help address energy poverty and the climate emergency, it is also addressing climate adaptation and resilience by restoring and nurturing mangroves. These have transformed the landscape and livelihoods, improved fishing stocks, and created a nascent crab industry for the local community as well as guarding against tidal erosion which is predicted to increase as sea levels rise.

We exceeded our target for investing in women, with 29 per cent of our commitments qualifying as dedicated gender finance, and investments spanning an increasing array of sectors and geographies. We have also increased our focus on female representation and development across our entire investment portfolio, and continued to show leadership by further strengthening 2X Global as the recognised standard for gender-lens investing by our fellow DFIs and private capital investors.

As we move into 2025, a worsening macroeconomic environment and global geopolitical challenges are placing twin pressures of greater need but ever more constrained resources in the world of development. In the face of these challenges, it is more important than ever that we make our capital work harder, delivering even greater impact. We will do this by focusing on the core themes of climate finance, mobilisation of private capital, development in the most challenging markets, partnership and innovation. The CEO statement outlines the key highlights from 2024 in these areas, as well as how we plan to build on these achievements.

A key milestone in 2024 was appointing a successor to Nick O'Donohoe, who stepped down as CEO in November 2024. Following an extensive global search, I was delighted to welcome our new Chief Executive, Leslie Maasdorp. He will lead BII into our next strategy period, supported by our Board and the BII team. Leslie's background, which spans development finance, banking and government, and his early experience of the transition to democratic government in South Africa, position him exceptionally well to lead BII. His lived experience of many of our markets, his values and his personal passion for development will be immensely valuable as we continue to respond to the environmental, economic and social needs of our markets.

I would like to express my heartfelt thanks to Nick for his outstanding leadership and commitment to the organisation. Nick led over seven years of transformation and growth at BII. His contributions have been invaluable in shaping BII's direction and impact, and his integrity and passion for development have driven what will be an enduring legacy.

On behalf of the Board, I would like to thank our shareholder, the FCDO, as well as all our other colleagues across the UK Government for their partnership and support. Thank you also to the multiple stakeholders who take an interest in our work for your continued support, interest and robust challenge.

We take our duty as part of the UK's development strategy seriously, and that comes with a responsibility to ensure we are accountable, particularly to Parliament. Over the past year we have delivered on the commitment to be more transparent, achieving the goals set out in our 2024 Transparency Roadmap. These efforts have been recognised externally with BII placing first among bilateral development finance institutions in the World Benchmarking Alliance's recent Financial System Benchmark. The benchmark ranks institutions' efforts towards a just and sustainable economy, as well as how transparent they are. While we know there is always more to do, this achievement underlines the progress we are making.

My gratitude goes to my fellow Board members for their invaluable insights and guidance over the last year. I also want to welcome to Daniel Hanna, who joined the Board this year as a shareholder-nominated Director, bringing a wealth of experience in climate and sustainable finance.

Finally, I want to thank all the dedicated staff at British International Investment for their unwavering commitment and hard work over the past year. They are truly extraordinary. The bold thinking and tireless efforts of our employees are helping to address some of the world's biggest development problems and build a better future for all.

Diana Layfield
Chair

Chief Executive's statement

"Now more than ever, we need to be bold about the impact we can have, ensuring we bring others along with us."

Leslie Maasdorp
Chief Executive Officer

I am delighted to introduce BII's Annual Report and Accounts for the first time. I've always admired the work of BII from a distance, so to be asked to lead this institution is a huge privilege and honour. This is even more the case during this critical period when development finance can play an important role as the world faces interconnected challenges.

We all know these challenges require significantly more capital than is currently available to tackle them. Emerging and developing economies face a chronic lack of private investment. These countries need as much as $2.5 trillion per year of climate finance by 2030, according to the Independent High-Level Expert Group on Climate Finance. The annual investment gap to meet the Sustainable Development Goals in developing countries is now about $4 trillion.

Against this backdrop, development finance institutions (DFIs) have a powerful role to play. BII represents a unique platform to take development finance to the next level, at a time when that is most needed. Now more than ever, we need to be bold about the impact we can have, ensuring we bring others along with us. We need to find ways to deploy finance to drive development impact. We need to mobilise the private sector as an engine for change and transformation.

We're committed to leading the way at BII, and our investment activity in 2024 reflects this. In 2024 we committed £1.7 billion in 94 companies seeking to make a positive difference on people's lives and on the planet, with 62 per cent of those commitments in Africa, and 36 per cent in Asia.

Beyond those numbers, it's important to highlight the individual examples of exciting, innovative companies that are making a difference. Since joining the organisation in October 2024, I've been energised by the opportunity to see first-hand the difference that BII can make in supporting economies to grow, create jobs and raise living standards in Africa, Asia and beyond. I've been privileged to have the chance to touch and feel the pulse of those businesses having an impact on people's lives.

In South Africa, for example, I met customers of Too Much Wifi, which offers low-cost, high-speed internet in townships. It was remarkable to see this company, started only a few years ago by a local entrepreneur with a vision to make an impact, and to see that vision in action. This is how BII impacts people's lives. We are committed to unearthing innovative entrepreneurs and backing their companies to grow and make a difference.

As I write this statement, I reflect both on the achievements of BII and our investee companies over the last year, as well as the opportunities this offers as we move forward in these challenging global times. There are some distinct themes that emerge.

Accelerating green growth

First, we know that the climate emergency is one of the biggest challenges that humanity, and the development finance community, faces. Over the last few years, including in 2024, we have stepped up our climate finance leadership to respond to this challenge. In 2024, we exceeded our target, with 41 per cent of our commitments in climate finance. These figures serve as markers of success, but we aspire to go further. Backed by the UK's leadership on climate, there is potential for us to play an even greater role.

As part of these ambitions, addressing the clean energy transition remains a key priority, particularly in markets where decarbonisation is crucial. For example, in India, we have launched a new co-investment platform, EnerGrid, to develop 500 megawatts (MW) of utility-scale renewable energy projects and accelerate decarbonisation. Ensuring that clean energy reaches those who need it most is a central focus. 2024 has seen new investments in this area – in Nigeria, our investment in InfraCredit supports decentralised renewable energy projects, such as solar mini-grids.

A global transition to net zero requires the adoption of green solutions across all sectors, not just the energy sector. That includes investments like Africa Go Green Fund, which is expanding access to finance for e-mobility, energy efficiency and clean cooking.

Unlocking private investment

My second reflection is that if development finance institutions are not to be submerged by the enormity of today's – and future – climate and development challenges, we need to galvanise private capital at scale. The best way for BII and other DFIs to further scale our impact is to better harness private dollars. Unlocking investment opportunities for private capital and making public finance go further was a priority in 2024 and will continue to be a priority in future years.

This is why, as announced by the UK Prime Minister in 2024, we launched a new Mobilisation Facility to unlock hundreds of millions of pounds of private investment into emerging economies. Since then, as part of the facility, we've been working with investors, including from the City of London, in a call for proposals to develop solutions to boost this investment.

We're pursuing other innovative forms of finance, too. Together with GuarantCo, we've provided guarantee financing which will unlock an estimated $500 million of investment into renewable energy projects. One example is Etana Energy in South Africa, a company which supplies renewable energy to business customers.

Investing in places overlooked by others

Another key focus for BII is investing in those frontier markets that are often outside the investment horizon and geographic focus of commercial investors.

In 2024, through the Africa Resilience Investment Accelerator (ARIA), we have continued to work with development partners to de-risk private sector investments in fragile and conflict-affected regions. We were delighted to see the first investment to be made under ARIA – a new facility with Ecobank in Sierra Leone, which will provide much-needed capital for ambitious local businesses.

Another example of our work in frontier markets last year is in Ethiopia, where our investment to help establish Safaricom Ethiopia has led to 4G coverage doubling, and prices of mobile data falling by up to 70 per cent.

Collaborating for systemic change

My final reflection is the importance of collaboration and partnership, in a world where the scale of the challenges we face requires collective action. I'm pleased there are examples of where we are already doing this. Our Mobilisation Facility and our partnership with GuarantCo are just two examples. These initiatives will contribute over time to systemic change and a retooling of the business models of the development finance industry.

As we look to the future, we will build on strategic collaboration with other development finance institutions and multilateral development bank partners. To increase investment, we need to ensure

companies seeking support do not have to navigate complex metrics that take them away from running their businesses. We will continue working with our partners to explore how we can jointly simplify the investment process.

I would like to extend my gratitude to the dedicated team of professionals and creative thinkers at BII. Since joining the organisation, I have been struck by the passion of my colleagues, who I know are deeply committed to our mission of supporting sustainable development. Their dedication and hard work are the driving force behind our success.

Leslie Maasdorp
Chief Executive Officer

Strategy

British International Investment is the UK's development finance institution. Our mission is to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation.

We invest to create more productive, sustainable and inclusive economies in Africa, Asia and the Caribbean, enabling people in those countries to build better lives for themselves and their communities. We are a proud part of the UK Government's offer to support developing and emerging economies to foster long-term economic transformation.

Private sector-led growth is essential for overcoming poverty and for allowing human potential to flourish. No country can prosper or move beyond reliance on aid without it. For economic growth to have a lasting, resilient impact, it must transform economies, create jobs and private sector investment, and spread benefits across society. Successful businesses are vital to drive a country's growth, which provides a sustainable route to poverty reduction. Businesses provide jobs and tax receipts which enable a country to fund its own public services, thereby reducing dependence on aid.

We provide the flexible long-term investment that many businesses in developing countries need to grow. We measure success in two ways. First, we look at whether the businesses in which we invest can make a positive economic, environmental or social impact. Second, we look at how commercially sustainable and successful a business can be. These two measures of success, impact and financial return, go hand in hand. To create long-term impact, a business must be financially sustainable.

The proceeds from our investments are reinvested to help other businesses grow and generate further impact.

We invest through two portfolios of investments: Growth and Catalyst. Through our Growth Portfolio, we inject patient, long-term capital into businesses that have the potential to achieve sustainable growth while making a positive environmental, social and economic impact. Through our Catalyst Portfolio, we help shape nascent markets and less commercially proven business models that demonstrate significant potential to contribute to more inclusive and sustainable economies.

In addition, our more recently introduced Kinetic Portfolio has been designed to enable us to invest and manage concessional investment strategies. This portfolio has a higher risk tolerance than our existing Growth and Catalyst investment strategies and has the ability to be blended with other forms of capital to enable it to be used to make pioneering investments.

We commit capital directly or indirectly using a range of financial instruments including equity, debt, guarantees and grants. We invest to achieve returns from capital appreciation, investment income or both. Investments must have a path to exit and new ownership that will take the investment to the next level.

Our 2022–2026 strategy sets outs three strategic objectives that respond to the opportunities and challenges we see in the countries we serve. We will invest to achieve:

- productive development – by raising the productivity of an economy so that it can support a decent standard of living for all;
- sustainable development – helping transform the economy to reduce emissions, protect the environment and adapt to the changing climate; and
- inclusive development – sharing the benefits of higher productivity and greater sustainability with poor and marginalised sections of society.

Further information on our vision, ambitions and objectives is set out in our 2022–2026 strategy and 2022–2026 Investment Policy.

Our Impact Framework shapes how we originate, assess and manage individual investments. In addition, our Impact Score manages our performance against our strategic objectives, to invest in productive, sustainable and inclusive development.

We work in partnership with our portfolio companies, providing hands-on support to help them achieve good environmental, social, governance and business integrity standards. We ensure our investees comply with our Policy on Responsible Investing, and work with them to develop practical plans to reach these standards within a reasonable timeframe. We also support our investees to enhance their existing environmental, social, governance and business integrity practices.

Our ability to deliver our strategy, and meet our aspiration to be a world-class impact investor, is supported by the learning and development opportunities we offer. This includes programmes and support which provide the critical knowledge, skills and capabilities to develop world-class impact and investment professionals.

Approaches for achieving the objectives of the business

We expect our investments to achieve results that are appropriate to the opportunities and risks in the relevant market. Among the features we seek in making a decision to commit to an investment are:

- a credible thesis focused on our priority markets that aims to maximise development impact while ensuring we meet our commercial hurdle;
- prospective investment returns from capital appreciation and investment income which are commensurate with the investment risk;
- financial additionality (providing capital that is not offered by the private sector in sufficient quantity or on appropriate terms) and value additionality (providing value beyond capital that the market is not providing);
- a strong management that will apply high standards of business ethics and corporate governance; and
- a path to investment exit and new ownership that will take the investment to its next level.

Key performance indicators

We use key performance indicators (KPIs) to help measure the effectiveness of the Company in meeting our objectives and our strategy. More information on KPIs and financial metrics can be found on PAGES 8 TO 11 AND PAGE 73.

Taxation

We require our investee companies to pay the taxes due in the countries in which they operate and we pay taxes wherever they are due. However, under the Commonwealth Development Corporation Act 1999, British International Investment plc was granted exemption from UK corporation tax from May 2003. This allows us to recycle more portfolio receipts into new investments in developing countries.

Further information is set out in our Policy on the payment of taxes and the use of offshore financial centres.

Section 172

When performing their duties, BII's Directors have considered the matters set out in section 172(1) (a) to (f) of the Companies Act 2006. See the section 'How we engage with our stakeholders' on PAGES 56 AND 57.

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FINANCIAL STATEMENTS

Financial performance

"In 2024, BII made gross new commitments of £1.7 billion."

Carolyn Sims
Chief Financial Officer

British International Investment's audited financial statements are prepared in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the UK. These accounts can be found in full from **PAGE 79 onwards.** **As an investment company, BII has applied the investment entities exemption to IFRS 10 whereby all subsidiaries, other than those that provide services that relate to our activities, are accounted for as investments at fair value.**

To explain more fully BII's underlying portfolio movements, the results shown in this financial performance section on **PAGES 8 TO 11** are based on management reports. These reports look through subsidiaries that are non-consolidated investment holding companies to see underlying portfolio movements. This methodology gives the same total return and net assets as the financial results but gives rise to differences in classification. A full reconciliation of these classification differences is provided in note 2 to the accounts on **PAGES 95 TO 97**.

Consistent with those reports, the financial metrics that follow are used to track our underlying performance and financial position:

Investment pace

- **New commitments:** The financial value of new investment commitments made during the year, split between those that are set to be fully funded (via debt or equity, either directly or via intermediaries) and those that represent our maximum liability under unfunded guarantees or trade and supply chain finance programmes.
- **Drawdowns and receipts:** The actual flow of investment funds into and out of BII in the year.

Financial return

- **Portfolio return:** The total income and valuation gains or losses, both realised and unrealised, from investments in the reporting period. This will include the impact of forward foreign exchange contracts used to hedge debt investments.
- **Operating costs:** The total operating expenses incurred by the BII Group, including depreciation.
- **Weighted average portfolio return:** The seven-year weighted average annual portfolio return which we seek to be above 2 per cent.

Portfolio value and net assets

- **Portfolio value:** The total value of all equity, debt, fund and guarantee investments made by BII and our investment holding companies, including forward foreign exchange contracts undertaken to hedge debt investments.
- **Cash and short-term deposits:** The total cash and short-term deposits held by BII and our investment holding companies.

Performance in 2024 against these metrics is explained in the relevant paragraphs below. Performance against non-financial metrics is detailed in our Annual Review 2024.

Investment pace

BII's 2022–2026 strategy outlines plans to commit up to £9 billion over the period. This is an ambitious target and exceeds the £7 billion committed over the 2017–2021 strategy period. Despite the scale of this ambition, we do not set annual volume targets, as we want to be guided by the shifting needs and opportunities of the countries we invest in, as well as to retain the highest standards of investment selection.

New commitments reflect the completion of investments in the year. There is nearly always a delay between the reporting of a commitment and the disbursement of money related to it. This delay can either be linked to the necessary final steps in closing a deal (after legal commitment but before disbursement) or to the nature of the product (for example, most fund commitments will be drawn over a five-year period while project finance debt is often drawn over several years).

Some commitments are not expected to result in a cash outflow. Most notably, guarantees, in the form of unfunded trade and supply chain finance risk participation agreements, have a different dynamic and cash impact to fully funded investments. The full exposure under these programmes is disclosed in the financial statements as contingent liabilities.

New commitments

In 2024, BII made gross new commitments of £1,748.8 million (2023: £1,311.4 million), representing a 33 per cent increase from 2023 levels. During the year, we reduced the size of some trade and supply chain finance facilities by £196.3 million, in line with utilisation levels. Additionally, £27.5 million of commitments declared in 2023 were cancelled. Net new commitments were £1,525.0 million, representing a 28 per cent increase from 2023 levels (2023: £1,195.2 million). New commitments can be found on our website and in our Annual Review 2024.

	2024 £m	2023 £m
Gross new commitments	**1,748.8**	1,311.4
Trade and supply chain finance facility downsizing	**(196.3)**	(98.2)
Cancellations	**(27.5)**	(18.0)
Net new commitments	**1,525.0**	1,195.2

Drawdowns and receipts

Drawdowns for new investments are lower than 2023 levels at £1,154.4 million (2023: £1,432.6 million) reflecting the lower level of new commitments in 2022 and 2023 and that a large proportion of 2024 commitments were made in quarter four and were yet to fund at the year-end. Of new investments, 62 per cent were in Africa, 32 per cent in Asia and 6 per cent were pan-regional.

Our portfolio generated cash of £1,407.1 million (2023: £958.0 million), an increase of 47 per cent from 2023 levels due to loan investment interest and principal receipts. 63 per cent of receipts came from the direct debt and trade finance portfolio, 15 per cent from equity investments, and 22 per cent from fund distributions.

	2024 £m	2023 £m
Portfolio drawdowns	**(1,154.4)**	(1,432.6)
Portfolio cash generated	**1,407.1**	958.0
Net portfolio flows	**252.7**	(474.6)

Financial return

Total return after tax

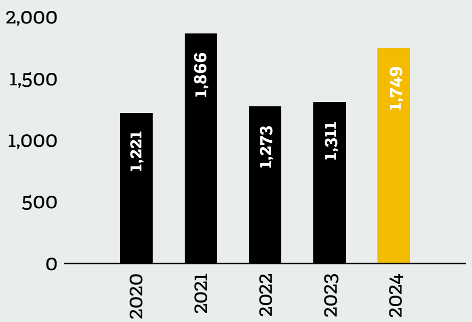
The overall result is a profit after tax of £213.3 million (2023: £44.0 million loss). As a return on opening total net assets on a valuation basis, this represents a gain for our shareholder of 2.5 per cent in 2024 (2023: 0.5 per cent loss).

	2024 £m	2023 £m
Growth Portfolio return	**337.4**	301.5
Catalyst Portfolio return	**(1.5)**	29.3
Kinetic Portfolio return	**(1.0)**	(1.3)
Foreign exchange losses	**(17.6)**	(258.0)
Total portfolio return	**317.3**	71.5
Operating costs	**(151.6)**	(146.2)
Interest income	**59.1**	54.2
Other net expense	**(11.5)**	(23.5)
Total return after tax	**213.3**	(44.0)

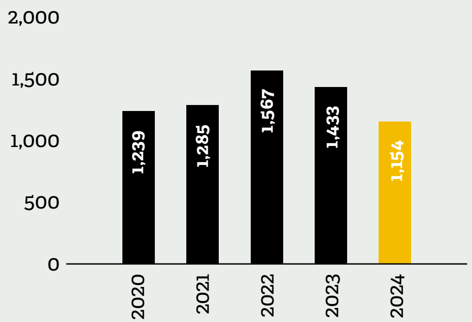
Portfolio return

We track portfolio return in US dollars as most investments are denominated in this currency. In US dollar terms, the portfolio generated a gain of $299.1 million (2023: $427.1 million) or 3.3 per cent (2023: 5.2 per cent) as we saw positive performance across our markets. In sterling terms, the portfolio generated a return of £317.3 million (2023: £71.5 million). This represents a portfolio gain on the Growth and Catalyst portfolios of 4.3 per cent (2023: 1.1 per cent) on portfolio investment assets. Our results can be significantly impacted by changes in the sterling to US dollar exchange rate. Sterling depreciated during the year moving from 1.27 at 31 December 2023 to 1.25 at 31 December 2024 causing the differential in sterling and US dollar results. More information on currency risk sensitivity can be found in note 19 on PAGE 114.

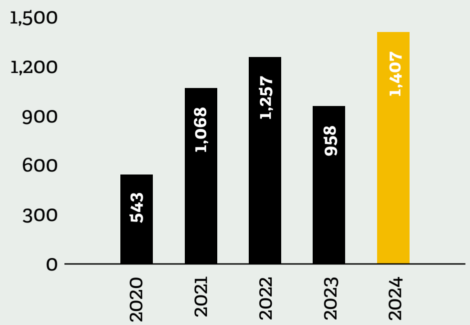
Gross new commitments (£m)



Portfolio drawdowns (£m)



Portfolio cash generated (£m)



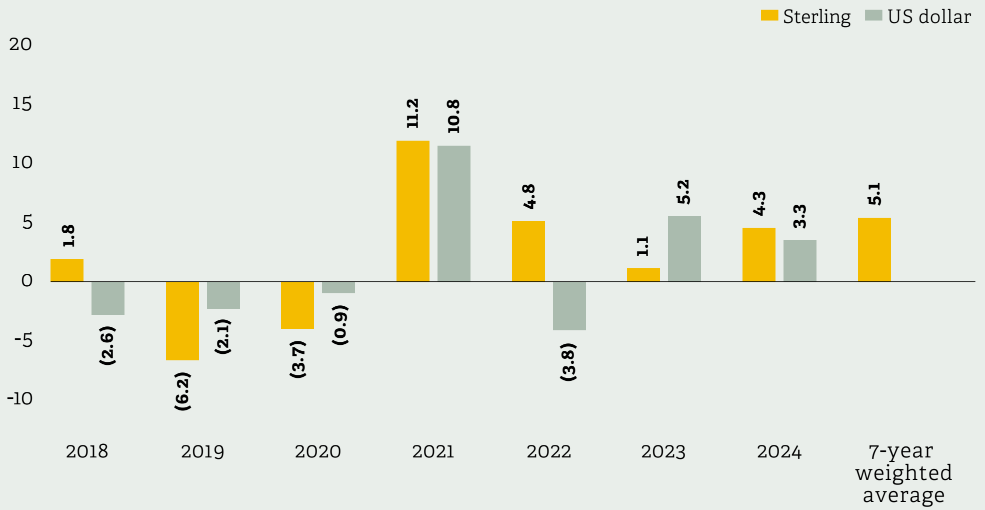
As a development finance institution, BII invests to generate returns over the long term, recognising that in any isolated year market conditions or events may drive exceptional performance. Our financial performance measure, as defined in our 2022–2026 strategy and 2022–2026 Investment Policy, articulates our appetite for financial risk and return, as well as ensuring the proper stewardship of taxpayer-owned assets. We will seek returns in excess of 2 per cent across our Growth and Catalyst portfolios, measured on a rolling seven-year basis (weighted average). This measure is consistent with our financial sustainability on a long-term basis. The measure forms one of the targets for the Company's Long-term Incentive Performance Plan, explained in more detail in the People Development and Remuneration Committee report on PAGES 65 TO 75.

The seven-year weighted average annual portfolio return is currently 5.1 per cent as shown in the chart below.

The Catalyst Portfolio invests to shape nascent markets and build more inclusive and sustainable economies. Given that we are investing in markets where there are few precedents or benchmarks, we take a flexible approach to risk in exchange for pioneering impact. In 2024 this portfolio generated a loss of £1.5 million before currency exchange and a gain of £8.1 million net of currency exchange gains (2023: £29.3 million gain before currency exchange and a £19.9 million loss net of currency exchange), representing a gain of 1.0 per cent (2023: 2.6 per cent loss) on opening portfolio value. However, it is important to note that these impact investments are innovative by design with uncertain return profiles. The value of the Catalyst Portfolio as at 31 December 2024 was £984.8 million (2023: £837.8 million).

The Kinetic Portfolio invests in concessional investment strategies and is funded by a grant from the shareholder. This portfolio has a higher risk tolerance than the Growth and Catalyst portfolios and is at a very early stage. This portfolio returned a loss of £0.9 million net of currency exchange gains (2023: £1.6 million loss). The value of the Kinetic Portfolio as at 31 December 2024 was £9.8 million (2023: £4.9 million).

Portfolio return (%)



Operating costs and other net expenses

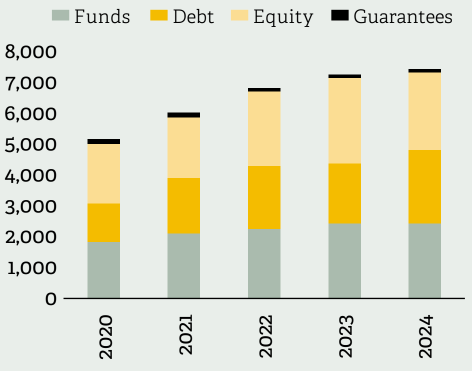
Costs have risen in a controlled manner as we have continued to invest in people and technology to support our strategic objectives and increased investment commitments in the UK and overseas. Operating costs for 2024 were £151.6 million (2023: £146.2 million) with employee numbers rising to 657 at year-end (2023: 606). We track our operating costs as a percentage of closing portfolio value and unfunded commitments and aim for them to be below 1.7 per cent. At the end of 2024, operating costs represent 1.50 per cent.

Portfolio value and net assets

The overall BII portfolio fell by £28.4 million in 2024 with similar levels of new investments and realisations. At 31 December 2024, we had investments in 249 funds, managed by 156 different fund managers, and 246 direct investments.

Portfolio	2024 £m	2023 £m
Portfolio at start of year	**7,319.6**	6,888.6
New investments	**1,154.4**	1,432.6
Realisations	**(1,151.4)**	(745.1)
Transfers	**(29.1)**	–
Value change	**5.1**	(247.4)
Allowances for guarantees	**(7.4)**	(9.1)
Portfolio at end of year	**7,291.2**	7,319.6

Portfolio history split (£m)

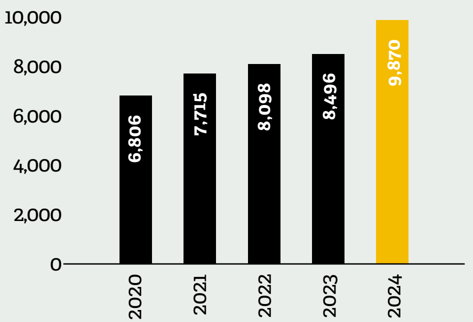


Net assets

Total net assets increased in the year from £8,496.1 million to £9,869.5 million, a rise of 16.2 per cent (2023: 4.9 per cent).

	2024 £m	2023 £m
Growth Portfolio	**6,323.6**	6,406.1
Catalyst Portfolio	**984.8**	837.8
Kinetic Portfolio	**9.8**	4.9
Hedging contracts	**(27.0)**	70.8
Total portfolio value	**7,291.2**	7,319.6
Net cash and short-term deposits	**1,480.6**	861.9
Other net assets	**1,097.7**	314.6
Total net assets	**9,869.5**	8,496.1

Net assets (£m)



Net cash and short-term deposits held

The cash balance increased from £861.9 million at the start of the year to £1,480.6 million at year-end, resulting in a net cash inflow of £618.7 million. Cash represented 14 per cent of net assets on a 12-month rolling basis (2023: 14 per cent), exceeding the liquidity policy target set by the Board of 0–10 per cent of net assets, due to lower investment disbursements as 2024 commitments were yet to be drawn, and increased income and capital receipts. As a result, 31 December 2024 cash represented 15 per cent of net assets, compared to 10.1 per cent at the end of 2023. A wholly owned non-consolidated subsidiary of BII has a standby Revolving Credit Facility of $600.0 million (£479.4 million). The facility has never been drawn or used at any time. Cash levels, together with an understanding of undrawn commitments and the position of the standby Revolving Credit Facility, are regularly reviewed by management and the Board to confirm they are in line with agreed Company policies.

In 2024, BII drew down £349.5 million of funds that had been lodged as promissory notes by the shareholder (2023: £nil). This included £60.0 million for investment in Ukraine.

Other net assets

During 2022, BII and our shareholder agreed to a new investment of capital under a series of promissory notes. These notes are essential to allow us to scale up our investment activity. As a long-term investor, BII needs long-term funding to enable it to commit to new deals that can take up to two years to conclude. These are lodged according to an agreed schedule and, in line with that, we issued 1,100 million ordinary shares of £1 each to our shareholder in the year. The shareholder subscribed to the share issuance by issuing a promissory note for £1,100.0 million. A further £60 million was lodged and 60 million ordinary shares of £1 each were issued under a separate shareholder agreement dated 17 July 2024 for investment in Ukraine. At the end of the year, £1,130.0 million remained undrawn from these notes.

Pensions

BII operates a single funded pension scheme in the UK. The scheme has been closed to new entrants since 1 April 2000. We make contributions to the defined benefits section in accordance with an agreed schedule of contributions. We have adopted International Accounting Standard 19 (revised), which shows a net pension asset of £nil (2022: £nil). The majority of the scheme's liabilities are covered by an insurance policy which substantially reduces the risk that scheme assets will diverge in value from the scheme liabilities. Further details are shown in note 17 to the audited financial statements on **PAGES 106 TO 108.**

Dividends

No dividends have been proposed, declared or paid during 2024. See **PAGE 76** for more details.

Carolyn Sims
Chief Financial Officer
17 April 2025

Risk management

Fulfilling our mission means taking risks – some of which we actively seek out and some of which arise as a result of our activities. Managing these risks supports the successful delivery of our strategic objectives. Our Risk Management Framework is designed to identify and manage risks within the agreed Risk Appetite that could threaten our ability to deliver our strategic objectives.

The Board is responsible for risk management. The responsibility for managing risk in our day-to-day operations is delegated to the Chief Executive Officer (CEO). Our Chief Risk Officer reports to the CEO and is a member of the Executive Committee.

The governance structure, and key committees with risk management responsibilities, is as follows:

Board

The Board retains the overall power to determine risk policy. It makes decisions on these matters after considering recommendations from the Risk Committee. With respect to risk management, the Board's key responsibilities are to:

- appoint the members of the Risk Committee;
- approve and review the Risk Management Policy on an annual basis, including risk appetite and top-level risk limits; and
- satisfy itself that appropriate systems are in place to identify and manage risks within the agreed Risk Appetite facing the business and to gain assurance they are working effectively.

See the Governance Report on » PAGES 45 TO 78 for further information on the Board and Committee structure, including the committees with specific risk management responsibilities: Risk Committee, Executive Committee, Operations Committee and Markets Committee. See » PAGES 54 TO 55 for further information on the Board's activities.

Risk Committee

The Risk Committee is a committee of the Board. Its role includes supporting the Board in developing the Risk Management Framework. The Risk Committee receives reports on our risk profile, considers emerging risks and oversees the design and operation of our Risk Management Framework. Further activities of the Risk Committee are set out in the Risk Chair's report on » PAGE 64.

Investment Committee

The Board delegates authority for making certain investment decisions to the Investment Committee. This Committee reviews and approves investment proposals, including the associated risks and the proposed mitigants to these risks, relative to our risk appetite. See » PAGE 53 for further details on the Investment Committee.

Executive governance

Our executive governance is designed to support effective decision-making and use the right expertise. Although overall executive responsibility for risk lies with the CEO, there are a number of executive governance committees with responsibilities for risk management. The Chief Risk Officer is a member of each of these.

Executive Committee

The Executive Committee is responsible for agreeing the overall Risk Appetite Statement proposed to the Risk Committee, and for evaluating the Chief Risk Officer's quarterly report on top risks, mitigations and planned future actions to bring risks within appetite.

Operations Committee

The Operations Committee receives reports on operational risk and monitors corporate policies and procedures.

Markets Committee

The Markets Committee is responsible for advising on limit setting, climate risk, market and credit risk review, and any proposed changes.

Reputational Risk Committee

The Reputational Risk Committee considers transactions with a heightened risk of reputational damage and provides regular reports to the Risk Committee.

Risk culture

The culture and behaviours of our staff are critical to ensuring effective risk management. We encourage a culture of openness, willingness to learn and taking pride from fixing problems when they occur. The expected behaviours related to risk are built into our overall values, policies and procedures.

Three lines of defence

We operate a 'three lines of defence' model to manage risk (as described below). This allows for distinction between areas which own risk and implement controls, which oversee risks and provide challenge, and which provide independent assurance.

First line of defence
Our first line of defence owns and manages risks in their areas of responsibility within the Board-approved appetite, where they implement and maintain controls. The first line consists of our Investment teams, Impact Group, transaction support teams, office of the Chief Investment Officer, and corporate functions.

Second line of defence
Our second line of defence, consisting of the Risk and Compliance teams, provides the frameworks and policies within which the first line identifies and manages risks.

The second line supports the management of risks within appetite by:

- providing an independent, credible and effective challenge to the first line;
- providing transparent and firm-wide risk assessments; and
- embedding risk management and championing a strong risk culture across BII.

Third line of defence
Our third line of defence is internal audit, which is concerned with the adequacy and effectiveness of systems of internal control and whether they are managed, maintained, complied with and function effectively.

Risk appetite

We define risk appetite as 'the risk BII is willing to take in pursuit of its corporate objectives'. Our Risk Appetite Statement describes the types of risk that we face and the amount of risk we are prepared to take to achieve our mission.

Our Risk Appetite Statement reflects our ability to take or retain different types of risk. The principles which inform our appetite are:

- maximising development impact while ensuring we meet our commercial hurdle;
- preserving our reputation so we can continue to operate; and
- ensuring that decisions are informed of the risks, with risk and reward appropriately balanced and unintended risk minimised.

"We are willing to take substantial risks in support of our mission and development outcomes, including investing in the riskiest markets and the riskiest part of the capital structure, insofar as they do not materially impact our licence to operate."

Risk appetite scale

The risk appetite scale is used to describe the risk appetite for each type of risk that we are exposed to.

Risk appetite scale

Risk seeking
Preference to take the risk as it is more likely to result in the successful delivery of our strategic objectives.

Accommodating
Willing to consider all potential options and choose the one most likely to result in successful delivery of BII's strategic objectives. Activities will likely have high inherent risks, but there are plans that will result in the mitigation of some of the risk.

Minimalist
Preference for activities with a low degree of inherent risk, or risks that can be transferred to an outside party to pursue an internal strategic objective.

Risk averse
Avoidance of risk and uncertainty is a key decision-making parameter. Risks that cannot be effectively managed or transferred are avoided.

Risk Appetite Statement

BII is willing to take substantial risks in support of our mission and development outcomes, including investing in the riskiest markets and the riskiest part of the capital structure, insofar as they do not materially impact our licence to operate.

This statement provides the context for the appetite for each of the risk categories we are exposed to. Each risk category has a qualitative risk appetite rating, from the risk appetite scale.

Regardless of our appetite for individual risks, we expect all exposures to be well understood and consideration given to the most appropriate way of managing that risk – risk appetite defined as 'risk seeking' doesn't necessarily mean we will not seek to manage the risk.

Our overall risk management approach takes account of emerging risks in addition to analysing past events. We take a proactive and forward-looking approach to identifying new risks, or familiar risks in a new or unfamiliar context. Once identified, we rank these risks in order of relevance to BII and assess whether we are actively addressing them or not.

We introduced our current Risk Appetite Framework in 2021 and review it annually. See » PAGE 64 for further information on the Risk Committee's activities.

Principal risks

Our business exposes us to a range of risks which could materially affect our ability to meet our strategic objectives, our licence to operate, or our reputation. The principal risks are:

- strategic risks;
- impact risks;
- financial risks; and
- operational risks.

These risks are regularly monitored and managed as we aim to remain within our risk appetite. We consider reputational damage as a potential impact of failing to manage any of these risks effectively. In addition to the processes described below, the Investment Committee may request advice from our Reputational Risk Committee on managing reputational risks for specific investment proposals or existing investments in our portfolio.

Further information on our principal risks and how we manage the risks is set out on the following pages.

Strategic risks

Impact for BII:
These risks may result in us failing to deliver on our five-year corporate strategy.

Definition	How we manage this
Strategy implementation **The risk of failure to deliver on BII's mission due to: lack of an agreed strategy with clear performance indicators; overly frequent or significant deviations from strategy without explicit agreement with the shareholder; or failure to exploit strategic opportunities due to inability to adapt an agreed strategy, while acknowledging that the outcome of many new initiatives to achieve our goals are inherently highly uncertain.**	Our strategic objectives are agreed with the shareholder at the outset of the strategy period. We regularly monitor performance against these goals and targets, principally through the CEO/Management Report, and also through the annual Corporate Objectives exercise. We provide a commentary, both in the reports and also through the CEO's Letter to the Board, where any of these targets is off-track, so that remediation can be put in place.
Stakeholder **The risk of reduced ability to operate and deliver objectives as a result of key opinion formers and political stakeholders disagreeing with our approach to delivering our strategic objectives.**	Our Global Affairs function runs a stakeholder management programme targeted at building our institutional relationships with key stakeholders including politicians, government officials, development finance institutions, trade associations, non-governmental organisations (NGOs), think tanks and academics.
Climate change **The risk of financial loss, diminished reputation or reduced ability to operate and deliver objectives as a result of climate-related transition and physical risks at BII or our investees.**	Our Climate Risk Framework defines our approach for managing climate risk in our investments and organisation. This is discussed in the Climate-related Financial Disclosures section on PAGES 21 TO 44. We integrate the assessment of climate risks across our investment process. Our Policy on Responsible Investing defines requirements and recommended practices for investees. Our Fossil Fuel Policy defines fossil fuel activities excluded from new direct investments, and obligations on financial institutions and fund investees to apply fossil fuel exclusions to their portfolios and activities. We actively monitor regulatory-related developments on climate-related disclosures.

Impact risks

Impact for BII:
These risks may result in not meeting our impact objectives by failing to invest in businesses and economies which improve people's lives and protect the planet.

Definition	How we manage this
Development impact **The risk of failing to deliver objectives on productive, sustainable and inclusive impact at the aggregate portfolio level as a result of decisions on investment selection or impact performance.**	Our Impact Framework increases our overall impact by focusing on supporting consistent decision-making and helping us spot and course-correct when we are off track and learn from our experience. Impact is considered and managed across the investment process, including origination and structuring, portfolio management and exit. We identify and manage risks to impact throughout using our Impact Score, contribution assessments and other impact management tools. This is further discussed in the Development Impact Committee report on PAGES 59 AND 60.
Environmental and social **The risk of financial loss, diminished reputation, or reduced ability to operate and deliver objectives as a result of poor environmental, social and/or governance practices, or outcomes at our investees.**	Our Policy on Responsible Investing defines requirements for investees. This is further discussed in the section on responsible investing on PAGES 18 AND 19. Environmental and social (E&S) risk is considered and managed across the investment process. Our Environmental, Social and Governance Impact team contributes to pre-investment due diligence, inputs into the Investment Committee, agrees E&S action plans, tracks progress against action plans and monitors E&S performance. We also provide proactive engagement and capacity-building to investees to support them in meeting the expected requirements.
Business integrity **The risk of financial loss, diminished reputation, or reduced ability to operate and deliver objectives as a result of financial crime at our investees.**	Our Policy on Responsible Investing defines requirements for investees. This is further discussed in the section on responsible investing on PAGES 18 AND 19. Business integrity is proactively managed throughout the investment process. Our Business Integrity and Corporate Governance team focuses on identifying potential financial crime, regulatory and corporate governance risks in the investment pipeline and portfolio. We implement policy requirements through action plans, workshops, and ongoing support to investees to improve their governance and internal controls.

Financial risks

Impact for BII:
These risks may result in the underperformance or unacceptable volatility of the investment portfolio return, including market, credit and counterparty, country and liquidity risk.

Definition	How we manage this
Credit and counterparty **The risk of financial loss due to an obligor's, investee's or counterparty's inability to repay its liabilities.**	Our Investment Committees review of investment proposals includes assessing financial soundness of our counterparties. We undertake credit risk assessment of investments as part of the portfolio review and valuations process including quarterly identification of Early Warning Signals and annual credit risk ratings. Our single obligor limit framework controls concentration risk for investments.
Country **The risk of financial loss due to unfavourable moves in country-specific macro factors. The factors include but are not limited to significant political events, fiscal measures, systemic economic deterioration, exchange rate and interest rate moves, infrastructure failure and natural disasters.**	Our Investment Committees review of investment proposals includes assessing country risk. We undertake event- driven country and portfolio risk analysis which may include placing countries on watchlist and present the results to the Country Risk Forum, Markets Committee and the Risk Committee. Our country limit framework controls undue concentration to countries. We have Coverage Directors in key markets to advise on country risk.
Market **The risk of financial loss to our investment portfolio due to unfavourable changes in underlying market conditions. At BII we are exposed to currency risk as well as price risk of our debt and equity investments.**	We are exposed to substantial market risk, notably foreign exchange. Our Investment Committee considers such market risks with related mitigants. Management of portfolio market risk follows Treasury and Risk Policy processes. All substantial foreign currency debt positions and cash balances are hedged back to sterling based on the currency and size of the exposure. Interest rate and foreign exchange risk sensitivities are measured and reported to management.
Liquidity **The risk of not having sufficient financial resources to meet commitment obligations, either in the right quantity, at the right time or in the right currency, having to secure resources at excessive cost, or being unable to readily convert assets in the portfolio to cash within a short period.**	We regularly monitor liquidity requirements against pre-agreed limits and undertake scenario testing. Cash flow forecasts are subject to regular review and update to identify current and future cash requirements.

Operational risks

Impact for BII:
These risks, if they materialise, may result in business disruption, cause financial losses, negatively impact our ability to deliver on our mission, and potentially harm our reputation.

Definition	How we manage this
People **The risk that workforce composition (which is a function of our ability to attract and manage talent) and conduct (including inappropriate behaviours and unethical practices) result in reputational, financial or operational impacts to BII.**	We have policies in place governing our hiring practices and performance management across the geographies we operate in to ensure an appropriately consistent approach to managing our people. We regularly monitor and report on attrition and other indicators of workplace culture and provide ongoing training and development to our people.
Process **The risk of loss or impact on ability to achieve our objectives due to inefficient, ineffective or poorly designed processes.**	Our internal policies and procedures set out control measures within individual processes. Our Operational Risk Framework includes event reporting, regular review of key risks and tracking of actions to identify and address process risks. Our change management process supports delivery of change projects.
Security **The risk of deliberate and/or targeted malicious threats or acts that may cause harm, loss or damage to BII assets, including its personnel, property and information.**	Our Security team sets policies and processes to identify, assess and mitigate security and cyber risks associated with our offices, business travel and information technology (IT) systems. We apply and monitor a range of measures that are designed to reduce the likelihood of a security event occurring and the impact of such an incident should it occur. We employ a defence in-depth approach to security controls and test our controls via use of external independent security firms. We require staff to complete regular security awareness training.
Legal **The risk of financial loss or diminished reputation resulting from litigation/claim raised against BII or failure to meet legal requirements.**	Our Legal team ensures contractual documents are appropriately drafted; our legal obligations are understood by our investment teams; and litigation risk is mitigated to the greatest extent possible.
Regulatory **The risk of financial loss, diminished reputation or reduced ability to operate and deliver objectives resulting from not being compliant with regulatory requirements, rules or internal standards.**	Our Compliance team sets our Compliance Policy Framework, ensuring compliance with applicable laws and regulations in the UK and overseas operating jurisdictions. The team provides regulatory advice and undertakes regular assurance and monitoring activities on implemented risk management controls, including those owned by the first line of defence. We require staff to complete regular training on core regulatory requirements, including fraud, financial crime, data protection, Financial Conduct Authority (FCA) conduct rules and whistleblowing. Our training programme continues to evolve, considering the scope of our overseas licensing arrangements and cross-border activities.
Systems **The risk of financial loss or significant business interruption from unintended/ accidental systems corruption and downtime, or corruption to IT systems arising from cyber attack against our applications and network.**	We review and update our systems regularly to include industry best practice for built-in redundancy and resilience for core systems. We include IT systems in disaster recovery and critical incident management practices including annual testing of ability to restore systems.

Responsible investing

How we support our investee partners

We support the growth of companies in the countries where we invest by applying strong environmental and social (E&S), corporate governance and business integrity standards. We help our portfolio companies manage risks and pursue opportunities to enhance performance in a way that creates positive impact and brings them tangible financial benefits.

By applying international standards for E&S, business integrity and corporate governance, and meeting relevant local legal and regulatory requirements, our investees can achieve successful outcomes. These include protecting workers, the environment and local communities, or mitigating financial crime risks, including money laundering or bribery and corruption.

Our work is guided by our Policy on Responsible Investing (PRI), which uses the International Finance Corporation (IFC) Performance Standards and other internationally recognised frameworks and standards. We also track best practice on emerging E&S and business integrity risks and expectations, such as circular economy, data privacy, cyber security and tax transparency.

1,050+

people from across our portfolio attended our responsible investing and development impact workshops in 2024

To enable our investees to meet the requirements of our PRI, we provide tailored one-on-one support as well as a programme of broader support to our portfolio. We offer guidance, tools (such as our ESG Toolkit for fund managers and for financial institutions) and capacity-building workshops which you can read more about in the pull-out box below.

Alongside our PRI, our Impact Framework shapes how we originate, assess and manage individual investments. In addition, our Impact Score manages our performance against our strategic objectives, to invest in productive, sustainable and inclusive development. This includes an increased focus on inclusive investing in support of women under the 2X Challenge initiative, alongside criteria for promoting black ownership and leadership in African businesses. It also includes a strong focus on sustainable investing to steer our portfolio towards investments contributing to the transition to net zero and climate-resilient economies (for more information, see PAGES 21 TO 44 for our annual climate disclosure).

In the section that follows, we highlight in more detail how we support our investee partners to apply strong E&S, business integrity and corporate governance standards.

How we delivered innovative approaches to responsible investing in 2024

- We have created a supply chain toolkit which supports companies and their investors to proactively manage human rights risks in supply chains. This flexible menu of templates, checklists, matrices and questionnaires will help investees strengthen any existing due diligence process and support business performance.
- We collaborated with IFC and FMO to formulate an Inclusive Business Investing Guide. This guide offers practical advice on integrating an inclusive lens into investment processes, impact measurement and advisory support.
- We published a guidance note in collaboration with anti-corruption NGO Transparency International UK on the corruption drivers of E&S risks. Since 2022, this flagship project, titled 'Investing with Integrity', has delivered a series of research reports and practical toolkits to help impact investors identify and manage corruption risks in their investment strategies and portfolios.
- We delivered responsible investment and development impact assessment training to over 1,050 people across our direct and funds' portfolios, via in-person and virtual workshops. This included bespoke sessions on proactively managing bribery and corruption risks, and on social and safeguarding risks. Furthermore, we hosted 11 regional workshops covering topics like gender-based violence and harassment and ESG for fund managers and for financial institutions. We also created E&S training modules for our venture capital and financial services portfolios.
- Given high governance risks impacting the venture capital (VC) sector globally, we published three guidance notes in partnership with FMO aimed at strengthening governance approaches for VC fund managers and providing a corporate governance roadmap for start-ups, with a focus on emerging markets.

Environmental and social

Our PRI describes how E&S risks and opportunities are embedded in the investment process and integrated into investment decisions and portfolio management. E&S requirements are split into core requirements (applicable to all businesses that we invest in), and risk-based requirements based on international industry standards and best practices, including IFC Performance Standards. As part of the core requirements, the PRI sets out requirements in relation to safeguarding (gender-based violence and sexual harassment, modern slavery and child exploitation), grievance and complaints mechanisms and compliance with our list of excluded activities. The risk-based requirements are applied depending on relevance to the underlying business activities of the investment such as supply chains or biodiversity risk management.

The PRI also includes forward-looking recommended practices that we believe will benefit or impact investees over time. Many of these practices build on both our core and risk-specific requirements, and we encourage and support investees to adopt them, where appropriate to the circumstances of the investment.

Our work is underpinned by our Climate Change Strategy to ensure our activities and portfolio are aligned with the Paris Agreement and play a meaningful role in tackling climate change. We are also guided by our Fossil Fuel Policy, which defines excluded fossil fuel investments.

Business integrity

Having strong business integrity standards is positively correlated with good governance, positive E&S outcomes and improved financial performance and development impact. Our commitment to business integrity – including managing money laundering, sanctions and fraud risks and reducing bribery and corruption in our portfolio – is reflected in our PRI. We work with our investees to ensure compliance with the business integrity-related aspects of our PRI, including agreeing business integrity action plans (BIAPs) to address any gaps in business integrity or financial crime polices or processes, or to build investees' capacity to identify and manage these risks. In 2024, approximately 25 per cent of the portfolio had an ongoing remedial action plan – and nearly half of our new commitments in 2024 had a BIAP requirement.

We have a specialised first-line function focused on business integrity and financial crime risk management, which looks at the whole investment life cycle. In addition, we have robust compliance policies and standards that are owned by a second-line Compliance team and informed by the key principles of the UK Bribery Act 2010 and UK Money Laundering and Terrorist Financing Regulations 2017 (as amended). These policies aim to ensure all staff members follow our commitment to integrity and the prevention of financial crime. We also embed anti-corruption in our approach to impact investing by identifying potential endemic corruption risks in our investees' business operations and providing guidance and trainings aimed at managing and mitigating these risks.

We publish our **Commitment to Anti-Bribery and Corruption** on our website.

Corporate governance

Our PRI recognises that corporate governance is the foundation of a well-run business and successfully managing E&S and business integrity risks. In 2024, we have continued to roll-out our integrated approach to corporate governance due diligence and monitoring across our direct investment portfolio to help identify, assess and manage governance risks and opportunities, throughout the investment life cycle.

In 2024, our capacity-building initiatives included corporate governance workshops for our fund managers with a strong focus on sustainability governance. We also worked with other development finance institutions (DFIs) and multilateral development banks (MDBs) to successfully include governance of business integrity risks (alongside other topics such as climate change, E&S and stakeholder engagement) into the DFI methodology on Corporate Governance – the DFI Corporate Governance Development Framework.

Human rights and the Modern Slavery Act

Our investments are underpinned by a firm commitment to international labour laws, and this is a consistent feature of our engagement with our portfolio.

In compliance with the UK Modern Slavery Act 2015, we assess the extent to which we are aware of, and manage risks associated with, modern slavery in our operations and investments. We publish a **Modern Slavery Act Statement** annually on our website.

How we support our employees

Delivering our mission relies on our ability to attract and retain high-quality staff. We offer a comprehensive range of support for our employees' physical and mental wellbeing. We also offer hybrid working arrangements to help our people achieve the right work–life balance. In terms of career development, we have implemented a programme available to all staff and launched our Performance Evaluation and Development Programme. We continue to monitor the engagement of our employees through our Employee Engagement Survey, our Employee Forum and our employee networks. We ensure our workforce has a diverse set of skills and backgrounds suited to our mission. We previously developed and are now implementing a three-year diversity, equity, inclusion and belonging (DEIB) strategy and plan; we mandate Inclusion Essentials training for all employees; and in late 2023 and early 2024 we ran our reverse mentoring programme to cover both gender and ethnicity, opening it to all Directors and Managing Directors. This programme will run again in 2025.

To achieve significant development impact in challenging places through high-quality investing, we aim to attract people with the same talent and expertise as those investing elsewhere in the private sector. Our commitment to good stewardship of the public money we invest means we don't hire people motivated solely by personal financial gain, and individual rewards are not tied to the financial success of particular investments.

Further discussion of our remuneration can be found in the People Development and Remuneration Committee report on PAGES 65 TO 75.

Non-financial and sustainability information statement

The non-financial and sustainability reporting requirements, including the climate-related financial disclosures contained in Sections 414CA and 414CB of the Companies Act 2006, are addressed through cross-referencing to other sections of the Annual Report and Accounts as shown in the following table.

Given the similarities between the Climate-related Financial Disclosures (required further to sections 414CA and 414CB of the Companies Act 2006), and the Task Force on Climate-related Financial Disclosures (TCFD) recommended disclosures, and to avoid unnecessary duplication and deliver concise reporting, we have chosen to present information relating to the TCFD recommended disclosures alongside the relevant Companies Act 2006 requirements. This includes our reporting obligations under the UK's Streamlined Energy and Carbon Reporting (SECR) policy.

Subject matter	Section	Pages
Business objectives and model	Strategy	7, 26–31
Principal risks	Risk appetite and principal risks	13–17
	Risk management	12–17, 23–25, 32–35
Key performance indicators	KPIs and financial performance	7, 8–11, 74
	Metrics and targets	36–44
Responsible investing/impact	Environmental matters	18–19, 56–57
	Employee and people matters	18–19, 56–57, 65–75
	Social matters	18–19, 56–57, 59–60
	Human rights and modern slavery matters	19
	Anti-bribery and corruption matters	19

Climate-related Financial Disclosures 2024

Introduction

This section of the Annual Report and Accounts summarises the progress we have made towards integrating the identification, assessment and management of climate-related risks and opportunities into our governance, business strategy and Risk Management Framework. It represents our sixth disclosure pursuant to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the second under the UK Government's Climate-related Financial Disclosure (CFD) Regulations 2022.

Information presented in this report pertains to BII plc only and not its subsidiaries, unless otherwise stated. It presents information we deemed relevant and/or material to our strategy, shareholder and external stakeholders, including our investees.

Overview of BII's TCFD and CFD implementation journey

2019
- BII committed to TCFD implementation

2020
- Launched Climate Change Strategy with Net Zero by 2050 and adaptation and resilience commitments
- Approved our Fossil Fuel Policy

2021
- Integrated climate risk assessment in the investment process and in the risk appetite statement, including the risk taxonomy
- Conducted initial transition risk analysis at the portfolio-level

2022
- Developed BII's Net Zero Transition Strategy
- Phased out all oil and gas activities in our trade and supply chain finance portfolio
- Integrated climate action into our corporate objectives and incentive structure

2023
- Enhanced our Technical Assistance offering to investees for climate action

2024
- Refined climate risk assessment methodologies
- Conducted physical risk analysis within the portfolio of direct investments in corporates and projects

2025
- Enhance the risk appetite framework for climate risk
- Climate stress testing pilot

Governance

Roles and responsibilities for overseeing, assessing, managing and disclosing climate-related risks and opportunities are integrated into our governance structure. This underpins our work to meet the CFD requirements, implement the TCFD recommendations, and deliver on our commitment to align our investments and portfolio with the goals of the Paris Agreement.

The Governance Report provides more details on our full governance structure.

Board oversight of climate-related risks and opportunities

Our Board is responsible for overseeing the management of climate-related risks and opportunities, setting strategic priorities for climate and monitoring progress against our corporate objectives.

The table below details the profile and responsibilities of the Board and the three committees assisting in this work. It also shows the frequency with which the Board and Committees consider climate-related issues, and the key climate-related discussion topics and decisions taken in 2024.

Board and Board Committees with responsibilities for climate-related risks and opportunities[1]

Governance body	Composition[1]	Purpose and responsibilities related to climate change	Climate agenda frequency	Key 2024 climate-related discussion topics and decisions
Board	**Board Chair,** CEO, Chief Financial Officer, and Non-Executive Directors	Ensures we deliver on the objectives of our shareholder, which includes delivering on our Climate Change Strategy and Net Zero Transition Strategy; it oversees our Risk Management Framework, which integrates climate-related risks and opportunities.	Annually to discuss climate-related financial disclosure, overseeing implementation of the Net Zero Transition Strategy, and as required during quarterly meetings.	› Reviewed and approved: • Climate-related financial disclosures. • Progress in the implementation of our Net Zero Transition Strategy. • Corporate objectives for 2025, which includes the delivery of our climate finance target. › Evaluated a proposal on Transition Finance. › Received training on climate-related risks and opportunities.
Development Impact Committee	**Non-Executive Director,** sub-group of Non-Executive Directors	Oversees, guides and monitors the delivery of our development impact objectives and activities, which includes monitoring progress on the implementation of our Climate Change Strategy, Net Zero Transition Strategy and climate adaptation and resilience priorities.	Quarterly.	› Reviewed and discussed: • Progress updates on the implementation of our Climate Change Strategy and performance on our corporate impact metrics, which includes our sustainability impact objectives. • Progress in the implementation of the Net Zero Transition Strategy. • Progress towards increasing investments for climate adaptation and resilience.
Audit and Compliance Committee	**Non-Executive Director**, sub-group of Non-Executive Directors	Responsible for reviewing the disclosures in Annual Report and Accounts, including the climate-related financial disclosure report and recommending their approval to the Board.	Annually to discuss the climate-related disclosure and otherwise as required during quarterly meetings.	› Reviewed and approved the climate-related financial disclosure report and recommended it to the Board.
Risk Committee	**Non-Executive Director**, sub-group of Non-Executive Directors	Oversees our climate-related risk management approach.	Quarterly updates and otherwise as required.	› Received quarterly reports on whether risk categories within our risk taxonomy, including climate change risk, were within or outside of appetite. › Received updates on progress in integrating climate-related risk into our risk management framework.

1 The Committee chair is highlighted in bold.

Management's role in assessing and managing climate-related risks and opportunities

The CEO is ultimately accountable for delivering our Climate Change Strategy. Responsibility for the delivery of our climate finance ambitions is delegated to the Chief Impact Officer, and the Managing Director and Head of the Infrastructure and Climate Business Group. Responsibilities for the management of climate-related risks are delegated to the Chief Risk Officer.

The Chief Investment Officer and Chief Impact Officer are delegated responsibility for assessing the implications of potential new investments in high-emissive businesses. This is within the context of delivering on our development impact mandate and realising net zero portfolio emissions by 2050.

The table opposite provides an overview of the management committees involved in assessing and managing climate-related risks and opportunities.

Committees and working groups with responsibility for climate-related risks and opportunities

Governance body	Composition[1]	Purpose and responsibilities related to climate change	Climate agenda frequency	Key 2024 climate-related discussion topics and decisions
Executive Committee	**CEO,** top-level senior management	Advises the CEO on all aspects of delivering our mission.	As needed during monthly meetings.	› Oversaw the delivery of our corporate objectives, which include climate-related targets. › Reviewed the status of implementation of our Net Zero Transition Strategy. › Approved the piloting of our refined climate risk assessment methodology and our approach to transition finance. › Reviewed the application of our climate-relevant policies within the context of our investments.
Investment Committee	Top-level senior management and independent members	Responsible for considering climate change matters in investment decision-making.	Weekly.	› Considered climate-related risks and opportunities of new transactions put forward for investment decision as part of its assessment on development impact and financial performance. › Independent members received training on our refined climate risk methodology.
Operations Committee	**Chief Financial Officer/ Chief Operating Officer**, top-level senior management	Advises the CEO in ensuring efficient operation and long-term organisational effectiveness.	As needed during monthly meetings.	› Reviewed the climate-related financial disclosure report as part of the Annual Report and Accounts.
Markets Committee	**Chief Investment Officer**, top-level senior management	Advises the CEO in ensuring the origination and investment process is as effective as possible.	As needed during fortnightly meetings.	› Reviewed the climate-related financial disclosure report as part of the Annual Report and Accounts. › Approved our Strategy for investing in activities generating carbon credits. › Oversaw the delivery of climate finance investments through regular review of our pipeline.
Climate Action Group	**Head of Infrastructure and Climate and Managing Director for Climate, Diversity and Advisory,** senior representatives of all the business groups and the Climate team	Oversees our investments to meet our climate goals, including our climate finance target.	Monthly.	› Discussed priority climate mitigation, adaptation and resilience investment themes and strategies. › Regularly reviewed the climate finance pipeline to oversee progress against our target.
Climate Risk Working Group	**Chief Risk Officer, MD and Head of Climate, Diversity & Advisory,** senior members and representatives of the Risk, Investment, Climate, ESGI, Compliance, Legal and Finance teams, and a representative of the Chief Investment Officer	Oversees the integration of physical and transition risks into our Governance and Risk Management Framework as well as the preparation of the annual Climate-related Financial Disclosure Report.	Bi-monthly.	› Reviewed and signed-off our Climate-related Financial Disclosure Report. › Reviewed the findings of a physical risk assessment analysis done on a portion of our portfolio. › Considered climate-related risks within risk appetite. › Involved in and regularly informed on progress in: • developing and implementing our refined climate risk assessment methodology; and • advancing climate risk integration into our Risk Management Framework including the adoption of an organisation-wide approach to climate risk management and reporting.

1 The committee chair is highlighted in bold.

The first and second line are responsible for identifying, assessing and managing climate-related risks and opportunities in day-to-day operations.[1] To support the Risk team in exercising its climate risk management function, in 2024 we increased the Risk team's capabilities through the hiring of a dedicated resource.

Climate-related Remuneration Framework

Since 2022, our Remuneration Framework for management, executives and employees integrates our climate change goals through performance metrics linked to our Impact Score system and the achievement of the climate finance target set by the Board. This ensures adequate incentives are in place for meeting our climate-related objectives over the 2022–2026 strategy period.[2]

Climate-related roles and responsibilities of our three lines of defence

Three lines of defence Identify, assess and manage climate-related risks and opportunities in day-to-day operations	
First line › Investment teams › ESG team › Climate Change team › Legal team	› Identifies, assesses and manages physical and transition risks and opportunities in new transactions and existing portfolio companies. › Implements our Policy on Responsible Investing, which covers climate-related risks, and our Fossil Fuel Policy. › Assesses Paris alignment in new investments. › Assesses and validates climate finance attribution. › Identifies and tracks climate-related legal risk in relation to climate-related disclosures.
Second line › Risk team › Compliance team	› Embeds climate into our overall risk framework to support an organisation-wide approach to managing climate-related risk and monitors whether climate risk is within risk appetite. › Develops our methodology to assess the resilience of the portfolio to climate-related risks (climate-stress testing). › Tracks developments in relation to climate change-related disclosure requirements and ensures compliance.
Third line › Internal Audit team	› Assesses the adequacy and effectiveness of climate-related internal controls across our risk management framework.

1 See also our risk management section in the Strategic Report.
2 For more information about our Remuneration Policy, please see the People Development and Remuneration Committee report. See also the metrics and targets section within this report.

STRATEGIC REPORT
GOVERNANCE REPORT
FINANCIAL STATEMENTS

Strategy

Climate-related risks and opportunities identified over the short, medium and long term

Climate action is one of the three strategic objectives guiding the allocation of our capital with the aim of supporting the net zero and climate-resilient development of the countries we invest in.

Physical and transition risks are the main drivers of climate-related risks. These can also translate into investment and/or value-add opportunities for climate finance or transition finance for new as well as existing investments in our portfolio. The visual that follows provides details of how we define them, their relevant timeframe, as well as illustrative examples of ways in which these risks can have a financial impact on our investees.

Drivers of climate risks and opportunities, time horizon considerations and potential impacts

Climate risk types

Transition risks
Financial risks that can arise from the adverse effects of climate events

Physical risks
Financial risks that can arise from the adverse effects of climate-related events

Drivers

Policy & legal	Technology	Market	Reputation	Acute events	Chronic events
› Introduction of carbon pricing or penalties in case of non-compliance with decarbonisation or disclosure requirements. › Risk of litigation from disclosures.	› New low-carbon technologies disrupt the competitiveness of existing business models.	› Shifts in supply and demand patterns for certain commodities, products and services. › Increased cost and price volatility.	› Changes in customers', investors' or communities' preferences and expectations.	› Increasing severity and frequency of extreme climate-related weather events and associated unexpected, material changes in financial performances.	› Progressive shifts in weather partners impacting companies' and assets' productivity and operating environment.
Time horizons: M L	S M L	M L	S M	S M	M L

Examples of potential climate-related risks

Potential climate-related financial risks on BII's investments, which in turn can translate into financial or development impact risks for BII

Corporates and infrastructure assets
- Increased operating cost from carbon pricing or changing costs of raw materials.
- Increased costs for transitioning high-emissive business models to low-carbon, or for replacing assets damaged by acute events.
- Reduction in revenues due to decreased production capacity or potential disruption of supply chains due to acute events.
- Diminished asset values due to increased frequency of acute events; potential increase in insurance costs.

Financial institutions
- Increase in non-performing loans due to climate shocks.
- Increased reputational risk because of the increasing scrutiny on 'greenwashing' and climate risk management.

Examples of potential climate-related opportunities

Climate mitigation solutions to reduce, avoid and sequester greenhouse gas (GHG) emissions	**Climate adaptation and resilience solutions** to prevent, respond to and recover from climate risks and impacts
Infrastructure and Climate	
› Low-carbon energy, transport and water infrastructures.	› Climate-resilient energy, transport and water infrastructures. › Climate-resilience enabling infrastructures for water and food security.
Industries, Telecom and Services	
› Manufacturing of decarbonisation-enabling technologies and products such as electric vehicles. › Green buildings and green data centres.	› Manufacturing of climate adaptation and resilience-enabling technologies and products such as climate-smart agriculture or climate services.
Financial Services	
› Financing for climate mitigation solutions via direct lending, thematic bonds or trade finance.	› Financing for climate adaptation and resilience solutions via direct lending, thematic bonds or trade finance. › Climate insurance.

Time horizons are defined as short term, i.e. current strategy period 2022–2026 (indicated with 'S'), medium term, i.e. the next strategy period (indicated with 'M'), and longer term, i.e. beyond the next strategy period (indicated with 'L'). We defined time horizons as such because: (i) we set priorities, business strategies, incentives frameworks, metrics and targets over five-year strategy periods; (ii) our investments have varying timeframes, typically spanning five years or more.

Flood, drought and extreme heat are the top drivers of physical risks in the markets in which we operate. This emerged from the annual survey of senior executives working across our portfolio of companies and funds[1] as well as relevant data and publications. The need to prevent and reduce the risks driven by these climate-related hazards, is driving an increasing demand for adaptation solutions. These represent an investment opportunity that BII is actively pursuing.

Market shifts, such as changes in energy prices, are the main drivers of transition risks and opportunities identified by the senior executives we surveyed. The European Union's Carbon Border Adjustment Mechanism (CBAM) could represent a risk or an incentive to decarbonise for the 'hard-to-abate' industries we are seeking to support. This could drive opportunities for BII to finance decarbonisation solutions.

Regional overview of the main drivers of climate-related risks and opportunities of relevance for our target markets

	South and South-East Asia	North Africa	Central Africa	East Africa	West Africa	Southern Africa
Potential physical risk drivers	› Facing increasing threat of intense heatwaves, floods and rising sea levels. Experiencing droughts in arid and semi-arid areas.	› Experiencing high temperature anomalies, with heatwave, and marked rainfall deficit. Already high water scarcity and drought, which are projected to increase in duration.	› Experiencing temperature extremes, increasing precipitation and extreme floods.	› Experiencing increasing precipitation, severe floods and droughts.	› Region highly vulnerable to extended drought. Also experiencing heavy rains and floods.	› Experiencing an increasing number and intensity of extreme precipitation events and increasing cyclones and tropical storm events resulting in extensive flooding.
Potential transition risk drivers	› A carbon market scheme is planned to be launched in India in 2026.	› The EU CBAM could have implications on companies operating in carbon-intensive export-oriented industries such as cement, steel and fertilisers.	› Carbon pricing under consideration in the region's largest economy, Cameroon.	› The EU CBAM could have implications on companies operating in carbon-intensive export-oriented industries such as aluminium.	› Carbon pricing under consideration in Nigeria, Côte d'Ivoire and Senegal.	› Carbon tax regime in place in South Africa. The EU CBAM could have implications on carbon-intensive export-oriented industries.

1 See our Emerging Economies Climate Report 2023.

The following table summarises how we are managing climate-related risks[1] and pursuing climate investment opportunities over the short term (i.e. current strategy period 2022–2026), medium term (the next strategy period) and longer term (i.e. beyond the next strategy period). We defined time horizons as such because: (i) we set priorities, business strategies, incentives frameworks, metrics and targets over five-year strategy periods; (ii) our investments have varying timeframes, typically spanning five years or more.

Strategic priorities in the short, medium and long term

Strategy pillars	Priorities	Objective	Time horizon	Potential impact	Relevant documents
Paris alignment	Climate finance.	Climate finance commitments to reach 30 per cent as a rolling average over the 2022–2026 strategy period.	Short.	Shift in portfolio exposure to climate finance qualified assets. Increased deployment of concessional finance to test, seed and scale cutting-edge technologies, businesses or investment strategies and mobilise private capital.	Climate Change Strategy 2022–2026 strategy Investment Policy Impact Score system
	Net zero by 2050.	Invest in line with a 1.5°C-aligned pathway towards a net zero GHG emissions portfolio level.	Medium to long.	Potential increase in portfolio-level emissions in the medium term as we increase exposure to high-emitting investees via transition finance opportunities to support the real economy transition, but with clear trajectory to reduce emissions over time.	Climate Change Strategy Net Zero Transition Strategy
TCFD/CFD implementation	Climate risk integration.	Mitigate climate-related risks to our dual mandate.	Short to medium.	Full integration of climate risk within overall risk assessment. Increased focus on awareness raising and training to build a stronger climate risk culture. Increased deployment of technical assistance to build our investees' ability to assess and manage climate-related risks.	Climate Change Strategy Investment Policy Policy on Responsible Investing

1 For details on the process used to manage climate-related risks and determine which risks could have a material financial impact on the organisation please refer to the risk management section.

Climate-related opportunities pursued by BII

The effects of climate change on societies, and the global response to it, can give rise to both risks and opportunities. At BII we have a two-pronged approach to identifying and pursuing climate-related opportunities: On the one hand, we invest in companies offering climate mitigation and adaptation and resilience solutions to scale their availability in the markets which we invest. On the other, we work with prospective counterparties and investees to manage climate-related risks through the adoption of solutions to decarbonise their assets and operations and/or increase their climate resilience. The latter approach is interrelated to our physical and transition risk management process as well as our advisory and technical assistance programmes.

The effects of climate-related risks and opportunities on our business strategy

Our commitment to climate action, and the evolving climate-related risks and opportunities unfolding in the markets in which we invest, influence our business strategy and how we engage with investees and other stakeholders in several ways, notably by:

- Increasing the focus of investment strategies towards greater deployment in climate-related opportunities. This is evidenced by the increasing proportion of climate-finance qualifying assets in our portfolio (see the Metrics and targets section).
- Developing a Net Zero Transition Strategy to identify opportunities both within our existing portfolio and future pipelines to support the real economy transition along a 1.5°C-aligned pathway in a way that delivers our dual mandate. This includes transition finance and investment in activities generating carbon credits as an enabler of impactful climate solutions.
- Increasing efforts towards improving our climate risk management capabilities, systems and processes.
- Securing pools of concessional capital – the Climate Innovation Facility and the Mobilisation Facility – to test, seed and scale cutting-edge climate solutions and mobilise private capital for climate action.
- Innovating our financial and non-financial product offering to investees/borrowers.
- Establishing and growing our advisory and technical assistance capabilities, with two programmes totalling about $10 million,[1] to proactively support our investees to identify, assess and manage climate-related risks and to pursue climate-related opportunities.

Given our mandate, and the needs of the markets we invest in, we do not shy away from transactions and investees that have a higher climate risk. The risk appetite we have set for climate-related risks is accommodating. For higher climate risk prospective or existing investees, we engage with them to manage these risks. This is demonstrated by our approach to transition and adaptation finance.

We have not evaluated the impact of climate-related issues on BII's financial performance as the TCFD recommends. This is because of the methodological complexities of doing so. However, we note that only a few investees have to date reported to have experienced impacts from climate-related hazards and these were deemed not material. Hence, as a result, BII has not experienced material adverse impacts on its financial nor development impact performances.

Resilience of our organisation to climate-related risks

We are still developing the necessary methodologies to undertake a quantitative climate stress test of our portfolio to assess our resilience to climate-related risks. This is being piloted in 2025.

By aligning our investments with the 1.5°C goal of the Paris Agreement, implementing our Net Zero Transition Strategy and working towards increasing the climate resilience of our investees, we have strong mitigants in place against both physical and transition risks. Additionally, the diversification of our portfolio across asset classes, sectors and geographies also acts as a risk mitigant. Further, it is worth noting:

- **Transition risk:** Our exposure to fossil fuel assets, typically most sensitive to transition risk drivers, represents a relatively small share of our portfolio and is on a declining trend. Most of these assets by dollar value are natural gas-fired power plants and mainly located in power-constrained economies in Africa such as Cameroon and Cote d'Ivoire. They represent critical electricity-generation infrastructures for the countries in which they operate by providing a significant share of their overall baseload generation.
- **Physical risk:** Our financial exposure to assets identified at higher physical risk represents a relatively small share of the portfolio of direct investments in corporates and projects we have assessed to date, which represents 30 per cent of the total 2024 portfolio or 75 per cent of our direct investment portfolio by value.[2]

1 This refers to our FSG+ and Climate Environment and Advisory Technical Assistance facilities whose remit of support also includes gender and environmental and social risks.
2 See the metrics and targets section for further details.

Risk management

Process for identifying, assessing and managing climate-related risks and opportunities

We identify and assess climate-related physical and transition risks and opportunities in the process of conducting due diligence on new investments and post-investment during monitoring activities. Our approach is risk-based and proportionate to investment-specific circumstances.

The findings from due diligence analyses help us identify the need for and the nature of potential climate risk mitigation measures[1]. The outcome of the due diligence is presented to the Investment Committee to inform its investment decision-making, while the climate risk mitigation measures identified inform our engagement approach with investees over the life of the investment.

The integration of climate-related risks in the investment process allows Investment Committees to consider their relative significance in relation to other risks within investment decisions.

To improve the consistency of climate risk assessments and climate risk management capabilities, in 2024 we developed a climate risk rating system which is being piloted in 2025.

This system assigns a physical and transition risk rating to each new investee considering both exposure and vulnerability to physical and/or transition risk drivers, and its capacity to identify, assess and manage these.

These ratings provide an indication of the potential impact of physical and/or transition risk drivers on an investee's performance.

The physical and transition risk ratings, which are to be considered in conjunction with an investee's credit risk rating, help inform how we invest and priorities for engagement, rather than whether we would invest. As noted previously, we have an accommodating risk appetite for climate-related risks which fits with our role and strategy as development finance institution to invest in a way that is consistent with the goals of the Paris Agreement. Our engagement with investees on climate risk management can take the form of training, technical assistance and/or actions formalised in the environmental and social risk management plan. It could also entail the offering of capital solutions to support the implementation of adaptation and/or decarbonisation actions.

Overview of how physical and transition risks are assessed and managed through the investment process

Stage	**Screening**	**Due diligence**	**Investment decision**	**Monitoring & reporting**	**Exit with value add**
Objective	**Identify physical/ transition risk drivers**	**Determine risk materiality and identify risk mitigants**	**Take a climate risk informed investment decision**	**Manage physical/ transition risks during the life of an investment**	**Demonstrate value add** i.e. the change enabled in investees' physical and transition risk profile
Output	**Inherent** physical and transition risk ratings	**Residual** physical and transition risk ratings Adaptation/ decarbonisation actions	**Physical/transition risk mitigants** formalised in the legal agreement and/or value add plan	**Residual** physical/transition risk updated ratings	**Responsible exit**

1 These actions, which are monitored during the holding period, can entail interventions both at an asset and/or capacity level of an investee; building an investee's capacity to identify, assess and manage climate-related risks is critical given that these risks are dynamic and evolving.

The factors assessed for determining the physical and transition risk ratings across type of investee/borrower

	Projects	Corporates	Funds	Financial institutions
Climate risk rating assessment factors	**Asset**	**Assets and operations**	**Strategy/pipeline/ portfolio**	**Portfolio**
	Sponsor's capacity	**Company's capacity**	**Fund manager's capacity**	**Financial institution's capacity**

The climate-related hazards covered by our physical risk screening process[1]

	Temperature-related	Water-related	Wind-related
Chronic	› Changing temperatures › Temperature variability › Heat stress	› Changing precipitation › Hydrological variability › Sea level rise › Water scarcity	› Changing wind speeds
Acute	› Heat wave › Cold wave/frost › Wildfire	› Drought › Heavy precipitation › Flood (coastal, fluvial, pluvial)	› Cyclone, hurricane, typhoon › Storm

1 Covers climate-related hazards and related risks on physical and biological systems (wildfire risk, for instance, is driven by a combination of high temperatures, low humidity, low rainfall and often high winds). These hazards also provide drivers for e.g. landslides. These are evaluated over multiple climate scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5) under the timeframe most applicable to the investment analysed.

The assessment of physical and transition risks is one of the climate-relevant analyses we conduct on new investments. The visual below provides an overview of the various interrelated assessments we carry out to deliver on our net zero and climate adaptation and resilience-building objectives.

Overview of our climate assessments for new investments

Type of climate assessment	Net zero	Paris alignment	Climate-related risks	Climate finance	Sustainability score
Approach	Investments with GHG emissions above certain thresholds are flagged early in the investment process to decide whether proceeding based on the scale and depth of their development impact and our ability to support decarbonisation efforts.	Assessment of whether an investment is aligned with the goals of the Paris Agreement based on our Fossil Fuel Policy, sector-specific guidance and Climate Finance Methodology.	Assessment of physical and transition risk drivers during the investment process.	Assessment of the climate finance qualification of investments based on our Climate Finance Methodology.	Assessment of an investment's contribution to our sustainability objective based on our Impact Score Framework.
Output	Chief Investment Officer and Chief Impact Officer decide on taking the investment to the Investment Committee.	Investment Committee documents feature the outcomes of the assessment.	Investment Committee documents feature the outcomes of the assessment, which can then inform portfolio risk management activities.	Investment Committee documents feature the outcomes of the assessment.	Investment Committee documents feature the outcomes of the assessment.

Finally, at BII-level, the Legal team monitors climate-related legal risks in relation to our climate-related disclosures while the Compliance team, in collaboration with the Climate and Risk teams, monitors emerging regulatory requirements related to climate change of relevance to BII, its subsidiaries and/or its investees. Relevant developments are discussed at the Climate Risk Working Group meetings.

Engagement with investees on climate-related risks and opportunities

Active engagement with investees represents a key avenue through which building our understanding of and ability to manage climate-related risks as well as pursuing climate-related opportunities. To this end, in 2024, we continued to:

- Deliver training on climate-related risks and opportunities to fund managers, to promote and support them in the implementation of the TCFD recommendations (now embedded in the IFRS climate-related standard).
- Deliver training to financial institutions in Africa and Asia to build their Scope 3 GHG emission accounting capabilities.
- Build tools to support our investees in the practical identification, assessment and management of climate- and biodiversity-related risks as well as pursue climate opportunities.[1] Notably, in 2024 we developed and launched a playbook on physical risk assessment and management for investors and a climate investment playbook.
- Offer technical assistance to strengthen investee's capabilities to understand and manage the climate-related risks they are facing and build their ability to pursue climate opportunities. To date, we provided technical assistance to 20 investees, with interventions ranging from the climate risk analysis of the portfolio of financial institutions, through to the identification of decarbonisation and climate adaptation options for agribusiness companies.

1 For more information, please see our TCFD Toolkit for fund managers. In 2025 we will further develop our Toolkit for financial institutions.

Integrating climate-related risks into our overall Risk Management Framework

Climate change risk is integrated into our Risk Management Framework. It is identified in our Risk Appetite Framework as a standalone risk category under 'strategic risks' (see » **PAGE 14**). We recognise climate-related risks can impact each of our principal risk categories (see » **PAGE 13**) and have adopted an organisation-wide approach to managing these risks. This includes the incorporation of climate-related risk assessment throughout the investment process (see the risk management section).

In 2024, we continued to work to embed climate risk management across our Risk Appetite Framework. We developed a climate risk rating approach to enhance the integration into the financial risk category of our Risk Taxonomy and further enhanced the management of climate-related risks across our operational risk category.

In 2025, we will continue this work by furthering the integration of climate change across our Risk Appetite Framework and implementing additional metrics to support our monitoring of climate-related risks.

Metrics and targets

In line with the TCFD recommendations, we have been developing and using a range of metrics and targets to assess and manage climate-related risks and opportunities in line with our strategies and Risk Management Framework. Our ability to measure them has been improving over the years, but we acknowledge that further work is required. This includes further integration within our data management systems and further encouraging and/or supporting investees to improve their measurement and reporting capabilities.

Metrics used to assess climate-related risks and opportunities

The table below provides an overview of the metrics we have in place to date, presenting them against the cross-industry climate-related metric categories recommended by the TCFD in its 2021 guidance. The following sub-sections provide further details on each of the key metrics. For each, we present data from previous financial periods to allow for trend analysis, and a description of the methodologies used to calculate them.

Metrics overview

Type of metric	TCFD cross-industry metric category	Description	Associated principal risks
Investment portfolio metrics	Climate-related opportunities	› Climate finance commitments as a share of total commitments (see PAGE 44) › Financial exposure to climate finance-qualifying assets	› Development impact risk › Strategic risk
	GHG emissions	› Financed emissions absolute and intensity (Scope 3 Category 15) › GHG emissions avoided through our investments	
	Transition risk	› Financial exposure to assets vulnerable to transition risks	› Financial risk › Development impact risk › Strategic risk
	Physical risk	› Financial exposure to assets vulnerable to physical risks	
	Remuneration	› Proportion of executive, management and employee remuneration linked to climate considerations	› Development impact risk › Strategic risk
Metrics related to BII's operations	GHG emissions	› GHG emissions of our operations (Scope 1, 2 and part of 3)	› Operational risk
	Physical risk	› Physical climate risks to our offices[1]	

1 In 2022, we screened our offices for their exposure to physical risk drivers. The analysis highlighted that the hazards identified are not material drivers of risks to our operations. These analyses will be updated in 2025.

Investment portfolio metrics

Portfolio-level exposure to climate finance-qualifying assets

Climate finance-qualifying assets accounted for $2.5 billion or 27 per cent of our overall portfolio as at year-end 2024. This represents a 13 per cent year-on-year increase and a 76 per cent increase since 2021, which marked the beginning of the 2022–2026 strategy period. The increase was mainly driven by new renewable energy assets entering our portfolio, investments into electric vehicle manufacturing companies and sustainable bonds.

The data shown covers the value of climate finance-qualifying assets via direct investments, intermediated investments through funds, and directed lending via financial institutions determined to be climate finance based on the climate sub-sectors defined by our Climate Finance Methodology.

Financial exposure to assets vulnerable to transition risks

Financial exposure to fossil fuel assets

Our total exposure to fossil fuel power-generating assets and upstream, midstream and downstream fossil fuel value chain activities via direct investments and through funds has been on a steady downward trajectory since 2020. The downward trajectory has been predominantly driven by the entry into force of our Fossil Fuel Policy in 2020, the phase-out of our financial exposure to oil and gas assets through trade and supply chain finance facilities and exits from some legacy fossil fuel investments. Data gaps still prevent us from accurately assessing the value of our indirect fossil fuel exposure via intermediated investments through financial institutions. As noted in the Strategy section, most of these assets by dollar value are natural gas-fired power plants, located in power-constrained economies. They represent critical power generation capacity for the countries in which they operate by providing a significant share of their overall baseload generation capacity. Hence, they are unlikely to be subject to transition risk from carbon restrictive regulations, changes in market demand and/or substitution by lower-carbon alternatives over the life of our investment.

Our direct investments in other high-emitting assets which could be inherently more sensitive to transition risk drivers, are mainly in the manufacturing of fertilisers, port infrastructures, and business involved in primary agriculture. These are key activities for economic development which are not subject to carbon pricing regimes in their contexts of operation. Further, it is worth noting that some of our investees in these industries are already taking actions to decarbonise or have already implemented technically feasible measures to minimise emissions.

GHG emissions: Scope 3 financed emissions

As a financial institution, the majority of our GHG emissions result from activities we finance and invest in. These are referred to as financed emissions and categorised as Scope 3 (Category 15) by the Greenhouse Gas Protocol for reporting purposes.

Our absolute financed emissions and financed emissions intensity,[1] have been on a downward trend. In 2023, our absolute financed emissions decreased by 6 per cent from the average 2019–2021 baseline used to develop our Net Zero Transition Strategy; financed emissions intensity decreased by 42 per cent. While the absolute financed emissions trajectory varies by business group, emissions intensity decreased consistently across all business groups.

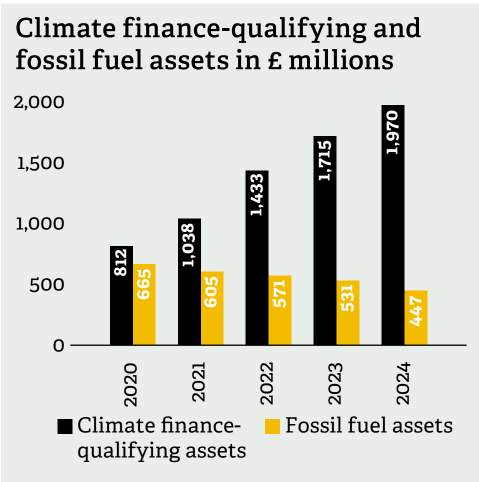
The key drivers of change identified are:

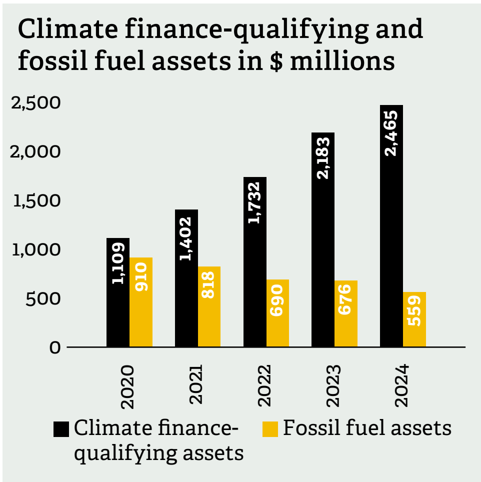
- Methodological improvements in the Joint Impact Model,[2] which we use to model financed emissions of our investments into financial services sector and intermediated investments through funds. This has significantly driven down emissions particularly from the Financial Services business group.
- New investments entering our portfolio are significantly less emissive than existing assets.
- Changes in the attribution factor, that is the portion BII is responsible for our investee's emissions, which has reduced overall due to debt being repaid.
- Increase in business activity or emissions intensity of some higher-emitting investees. However, the overall impact of this increase was mitigated by the reductions outlined above.

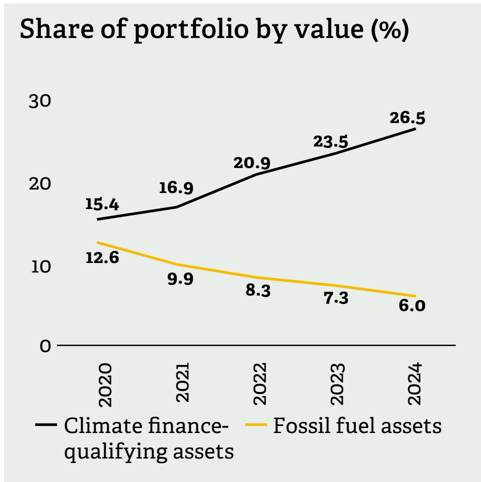
1 Financed emissions intensity refers to absolute financed emissions divided by the underlying net asset value.

2 The Joint Impact Model updated its emissions factor per economic output, mainly due to changes in the economic model used as a basis for emissions modelling, Global Trade Analysis Project (GTAP), which is updated every five years. For more information, see JIM Methodology.

Portfolio-level exposure to climate finance and fossil fuel qualifying assets at year-end 2020–2024

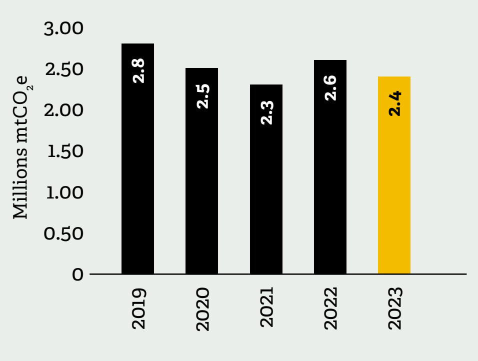




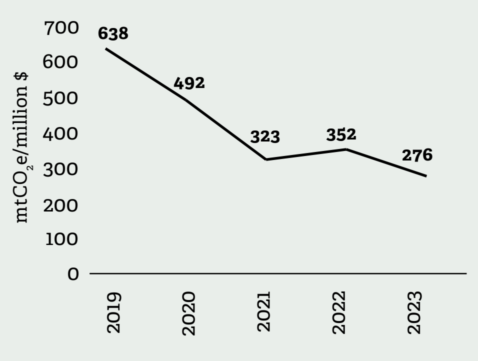


Total financed emissions at year-end 2019–2023[1]

Financed emissions



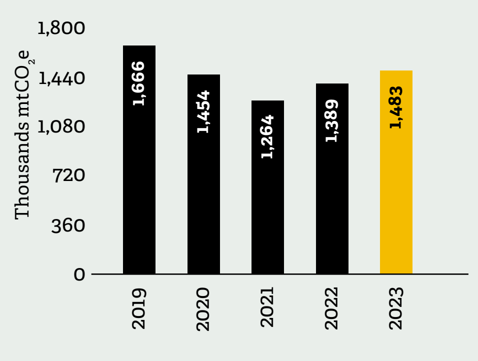
Financed emissions intensity



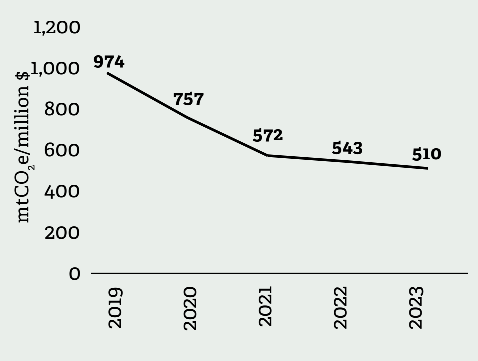
Financed emissions by business group at year-end 2019–2023

Infrastructure and climate

Financed emissions

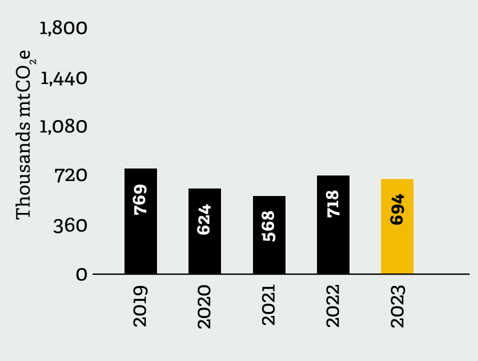


Financed emissions intensity

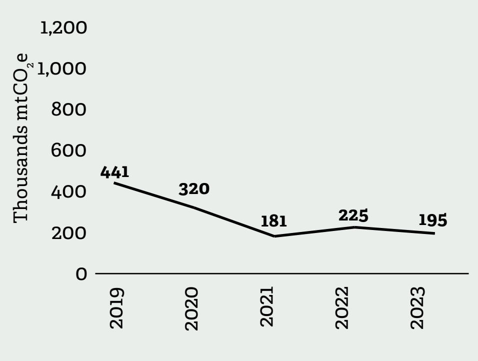


Industries, technology and services

Financed emissions

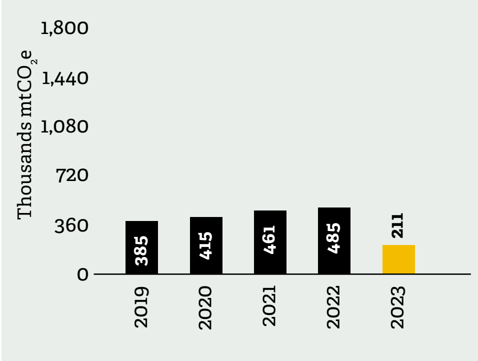


Financed emissions intensity

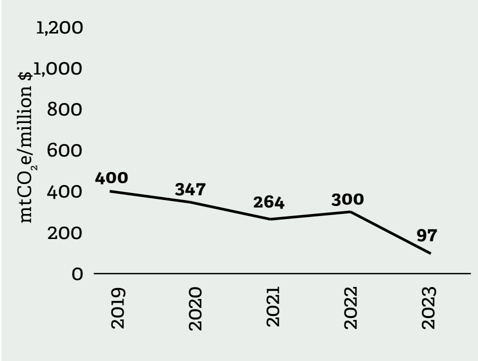


Financial services

Financed emissions



Financed emissions intensity



1 Due to the reporting cycles of our investees, the financed emissions data presented in this section is based on our portfolio composition as of the end of 2023.

Changes in our financed emissions between year-end 2022 and 2023

	2022	2023	% change over 2022	% change over 2019–2021 baseline
Financed emissions (in million mtCO₂e)	2.6	2.4	-8%	-6%
Financed emissions intensity (in mtCO₂e/million $)	352	276	-22%	-42%
Drivers of change:				**Year-on-year change ('000 mtCO₂e)**
Financed emissions				**-204**
Exits of existing assets				-50
New investments				+38
Changes in attribution factors driven by debt reaching maturity and leaving our portfolio				-60
Changes in activity and emissions intensity from existing assets				+143
Methodological changes in modelling emissions				-276

Attributed financed emissions by Partnership for Carbon Accounting Financials (PCAF) data quality score, 2019–2023

			Share of attributed emissions by PCAF score				
PCAF data quality score	PCAF option	Description	2019	2020	2021	2022	2023
1	1a	Reported verified emissions	0	0.2	1.8	2.7	2.2
2	1b	Reported unverified emissions	41.8	42.8	39.3	52.6	56.0
2	2a	Calculated emissions based on energy consumption data	1.3	1.8	2.5	0.3	1.4
3	2b	Calculated emissions based on primary physical activity data	0	0.3	0.4	0.4	0.6
4	3a	Modelled emissions based on company revenue	43.8	38.7	36.5	25.4	31.5
5	3b	Modelled emissions based on company assets per sector	0	0	0	0	0
5	3c	Modelled emissions based on company asset turnover ratio	13.1	16.2	19.6	18.7[1]	8.4

1 Reflects an improved approach to categorise the quality of the emissions of our intermediary financial institutions as compared with 2022 disclosure. The quality score for 2022 emissions data for financial institutions has been re-categorised as 3c.
2 The PCAF Accounting and Reporting Standard provides financial institutions with a standardised set of guidelines for measuring and reporting financed emissions in line with the GHG Protocol. It is the methodology recommended by the TCFD.
3 The Joint Impact Model is a publicly available tool jointly developed by several development finance institutions, including BII, that allows users to estimate financial flows through the economy and its resulting economic, social and environmental impact, including financed emissions. It has been recognised as a PCAF Standard-aligned method for estimating financed emissions. See jointimpactmodel.org for more information.
4 The analyses are based on the Net Asset Value (NAV) of BII's investment portfolio. They exclude cash and other net assets/liabilities.
5 See the risk management section for further details on our engagement approach.

Methodology

We follow the Partnership for Carbon Accounting Financials (PCAF)[2] standard to calculate the following components of our portfolio's financed emissions:

- Scope 1 and 2 GHG emissions of our direct investments.
- Scope 1 and 2 GHG emissions of our intermediated investments through funds in companies and infrastructure assets.
- Scope 1 and 2 GHG emissions of our investments in financial institutions (i.e. the financial institutions' operational emissions), excluding guarantee, trade and supply chain finance.
- Scope 3 finance enabled GHG emissions of our investments in financial institutions (i.e. the Scope 1 and 2 emissions generated by the financial institutions' underlying borrowers), excluding guarantee, trade and supply chain finance.

Data limitations

PCAF provides guidelines for assessing the data quality of emissions, resulting in a data quality score between 1 (best) and 5 (worst). Our financed emission estimates are based on the highest-quality data available for each asset class. The PCAF data quality score of our portfolio is 3.56 weighted by portfolio value, which reflects the following:

- Most of our emissions are reported (unverified) by investees in our direct investment portfolio, resulting in a data quality score of 2. We are working with our investees to improve data quality through emissions assessments.
- All emissions for funds and financial institutions are modelled using the Joint Impact Model,[3] which relies on the revenue, geography and sector/industry of the underlying companies in our funds' portfolio, and the outstanding loan book allocated by financial institutions. Using this data to calculate emissions results in a data quality score of 4 and 5 respectively. In 2023, Joint Impact Model had an update to a more recent underlying economic and emissions data which led to significant changes mostly to our financed emissions enabled by lending activities of financial institutions investees.
- Because of limitations in availability of revenue data, and in alignment with previous years, we currently model 51 per cent (by number) of our funds' portfolio companies.
- Overall, our financed emissions footprint covers 89 per cent of our portfolio by investment value.[4]

To address these data quality and limitations issues, we encourage and support fund managers and financial institutions to report on financed emissions (Scope 3 Category 15 emissions of these institutions). We also collaborate with the Joint Impact Model to enhance its modelling capabilities.

Further, to meet our net zero target, we build our investees' capabilities to invest in climate solutions through training and in some cases offer further technical assistance to help them identify and pursue decarbonisation measures.[5]

GHG emissions avoided through our investments

Based on all direct renewable energy investments in our 2023 portfolio we avoided 1.5 million tons of CO_2e emissions on an attributed basis, a 54 per cent year-on-year increase. This was driven by a growing renewable asset base in our portfolio and increases in their amount of renewable power produced.

Methodology

We calculated avoided GHG emissions based on the emissions factors from the International Financial Institutions Guideline for a Harmonised Approach to Greenhouse Gas Accounting. The estimate covers only direct investments in renewable energy assets operational as at year-end. It excludes renewable assets still under construction and those we financed through intermediated investments.

It is worth noting in 2019, investment value and avoided emissions intensity were calculated using market value. From 2020 onwards, book value was used for consistency with the PCAF Standard.

Financial exposure to assets vulnerable to physical risks

Building on the analysis undertaken in the previous year, in 2024 we further analysed a portion of our portfolio for physical risks, which represents 30 per cent of our 2024 portfolio or 75 per cent of our direct investments as at year-end 2024. We learned that our financial exposure to assets identified at potentially higher risk represents a relatively small share of the portfolio analysed, and is mainly concentrated among the energy generation and agricultural assets we hold. In 2025 we will further these analysis to gain a better understanding about the actual vulnerability of the investees identified at higher risks, as well as expand the assessment to the rest of the portfolio.

As we gain understanding we may disclose our conclusions of this analysis.

Methodology

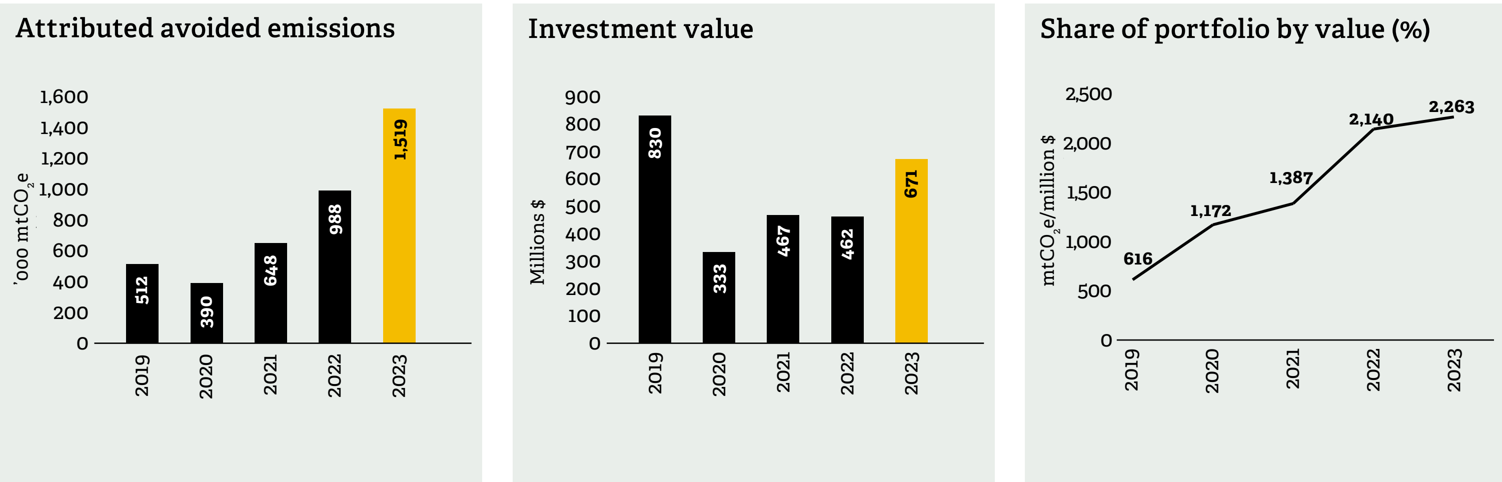
To analyse our exposure to physical risks we applied the same approach outlined in the Risk Management section. Where applicable and possible, we also engaged further with investees to gain a better understanding about their awareness and management of identified physical risk drivers.

We also provided training and technical assistance support to some of our investees to help them gain a better understanding about physical risks and identify adaptation solutions.

Data limitations

Insufficient data on the physical risk profile of our investees has affected our ability to understand and manage physical risks at the portfolio level. As we continue to improve our climate risk assessment through the consistent integration of the rating system within our investment processes and data management systems, we can gain further understanding of physical risk at the portfolio level. Further, in some instances, we have been deploying technical assistance to help our investees and us in turn to understand the materiality of physical risks and build investees' capabilities to identify, assess, manage and report on them.

Avoided GHG emissions of our direct investments, 2019-2023



Remuneration linked to climate considerations

The corporate performance-related compensation programme for Executive Committee members, Managing Director, Director, Manager and Executive-level employees is linked to our climate achievements according to the following weightings:

- 4 per cent based on our performance against our climate finance and gender targets over the 2022–2026 period.
- 40 per cent based on our development impact performance at the portfolio level as determined by the Impact Score system, which focuses on the extent to which our investments contribute to productive, sustainable and inclusive development. Climate action is covered under the sustainability impact objective.

For more information, please find details in the Governance Report.

Internal operations metrics

GHG emissions of our operations

The following tables show the energy usage and carbon emissions of our operations. The assessment covers direct emissions from the heating of our facilities (Scope 1), indirect emissions from purchased electricity (Scope 2) and other indirect emissions from business travel (Scope 3).

The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 regulations, the energy use and associated GHG emissions are for those that are within the UK operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the UK subsidiaries and exclude the non-UK-based subsidiaries that would not qualify under the 2018 regulations in their own right. The 2024 UK Government GHG Conversion Factors for Company Reporting published by the Department for Energy Security and Net Zero are used to convert energy use in our operations to emissions of CO_2e.

Carbon emission factors for purchased electricity are calculated according to the 'location-based grid average' method. This reflects the average CO_2e emissions of the grid where the energy consumption occurs. Data sources include billing, invoices and internal systems.

We purchase 100% renewable electricity for our London site and send zero waste to landfill. Consumption data at the London site was unavailable for the months of November and December 2024; as such, this was estimated.

For international sites, country-specific emissions factors were used to account for electricity emissions. Electricity consumption for the Cairo site was unavailable and so it was benchmarked based on floor area. Land-based business travel emissions have been calculated using spend data and Standard Industrial Classification (SIC) code emissions factors. Air transport emissions are calculated from supplier data and distances.

Our operational footprint shows a marginal decrease in 2024, despite a slight increase in our full-time employee numbers and after opening a new office in Cairo. We completed a refurbishment in London and all our old furniture was given to various charities.

Energy and GHG Scope 1 and Scope 2 emissions

	01 January 2021 to 31 December 2021		01 January 2022 to 31 December 2022		01 January 2023 to 31 December 2023		01 January 2024 to 31 December 2024	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities which we own or control including combustion of fuel and operation of facilities tCO_2e (Scope 1)	78	N/A	87	N/A	92	13	77	29
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO_2e (Scope 2, location-based)	117	81	190	207	186	174	190	84
Total gross Scope 1 & Scope 2 emissions tCO_2e	**195**	**81**	**276**	**207**	**279**	**187**	**267**	**113**
Total gross Scope 1 & Scope 2 emissions tCO_2e (all)	**276**		**483**		**465**		**380**	
Intensity ratio tCO_2e (Scope 1 & Scope 2) per employee	0.55		0.77		0.79		0.58	
Energy consumption used to calculate above emissions (kWh)	974,426	127,800	1,454,414	300,235	1,405,239	359,670	1,343,516	279,409
Gas (kWh)	420,824	N/A	471,076	N/A	501,532	N/A	423,538	N/A
Electricity (kWh)	551,329	127,800	981,233	300,235	898,779	310,927	919,978	164,960
Transport fuels (kWh)	2,274	N/A	2,105	N/A	4,928	N/A	N/A	N/A
Bulk fuels (Diesel) (kWh)[1]	N/A	N/A	N/A	N/A	N/A	48,743	N/A	114,449
Methodology	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) 2018 version							
Outsourced to a third party	2023 and 2024 data calculated and prepared by Beyondly Global Ltd							

The totals in this table may not match due to rounding discrepancies.

1 This refers to our office in Lagos, which we opened in 2023.

Total operational footprint

Total gross emissions have slightly decreased to 8,271 tCO_2e in 2024. BII began purchasing 100% renewable electricity for 2024. This allows BII to report on an additional net emissions figure. When looking at this statistic total annual net emissions have decreased by 4%. The largest increase shown in the previous table is the 135% increase in gas oil emissions which is attributable to the backup generator at the Lagos site.

Data accuracy improvements

We have focused on improving data accuracy when reporting. The data provided in support of this process was verifiable, with much of the information coming from primary data sources such as billing and invoicing. A portion of land transport data was unavailable and had to be estimated based on cost. Consumption data at the new Cairo site was unavailable; gathering this for future reporting will increase the integrity of this report. Further gathering of primary data for public transportation would further increase accuracies.

Serviced office exclusions

This exclusion is based on the operational control boundary, which aligns with financial reporting for the UK subsidiaries. Including serviced offices would not provide an accurate representation of our operational footprint as they do not incur direct energy use or emissions costs.

Our operational GHG emissions footprint in tonnes of CO_2 equivalent (tCO_2e) by category and year

Category	Scope	2021	2022	2023	2024
Category 1: Direct emissions	Scope 1	78	86	104	107
Category 2: Indirect emissions from imported energy	Scope 2	198	395	360	275
Category 3: Indirect emissions from transportation	Scope 3	651	4,832	8,190	8,080
Category 4: Indirect emissions from products used by organisation	Scope 3	10	31	N/A	N/A
Emissions avoided by purchasing renewable electricity (tCO_2e)		N/A	N/A	N/A	(191)
Total emissions		**937**	**5,346**	**8,654**	**8,271**
Emissions (tCO_2e) per employee		**1.86**	**8.50**	**14.7**	**12.9**

The totals in this table may not match due to rounding discrepancies.

Targets used for managing climate-related risks and opportunities

Targets overview

Target	Description	Timeline	Progress	Reference metrics (KPI)
Paris alignment	Alignment of our investments with the Paris Agreement	From 2021	Ongoing	N/A
Net zero by 2050	Invest in line with a 1.5˚C-aligned pathway towards a net zero GHG emissions portfolio level	By 2050, with tracking of interim absolute and financial intensity milestones[1]	In progress	Financed emissions absolute and intensity (Scope 3)
Climate finance	Climate finance commitments to reach 30 per cent as a rolling average[2]	2022–2026 strategy period	On track given 2022–2024 performances	Climate finance commitments as a share of total commitments (see the targets section)

Target: Paris alignment

Since 2021, new investments have been assessed for Paris alignment. According to our approach, investments assessed as climate finance are automatically considered Paris-aligned given the active contribution they make to climate mitigation and/or adaptation. Non-climate finance investments, instead, are assessed through available sector-specific guidance notes[3] to identify feasible avenues for supporting counterparties to move towards a 1.5˚C-aligned pathway.

Activities excluded based on our Fossil Fuel Policy are automatically considered as 'misaligned' and not pursued.

Our Paris alignment approach is grounded in both our Net Zero Transition Strategy and net zero target, as well as our approach to investing more in adaptation and resilience, including through our physical risk assessment to identify where we can increase the resilience of climate-vulnerable investees.

Target: Net zero portfolio GHG emissions by 2050

Our Net Zero Transition Strategy sets out the decarbonisation required and the avenues through which we are reducing emissions from our portfolio and pipeline. It highlights the active role BII can play in supporting decarbonisation efforts in the real economy and contributing to sustainable development in the markets we invest in, which face challenges to decouple economic growth from GHG emissions.

To progress towards the delivery of our net zero target, in 2024 we further steered origination efforts towards low-carbon solutions, further developed our approach to transition finance, as well as a carbon credits investment strategy for 2024–2026 (i.e. investments which generate a significant portion of revenues from carbon credits to enable impactful climate solutions). We also received approval for a technical assistance facility which may support investees in identifying and assessing decarbonisation opportunities (in addition to climate adaptation and resilience).

1 Based on the weighted average 2019–2021 baseline and the International Energy Agency (IEA) Net Zero by 2050 scenario for emerging markets and developing economies, which outlines how to achieve this temperature goal while also making progress on the Sustainable Development Goals (SDGs).
2 As determined according to our climate finance methodology, which is aligned with the Common Principles for Climate Mitigation and Adaptation Finance Tracking of the joint group of MDBs and members of the International Development Finance Club (IDFC).
3 We developed sector-specific guidance for Natural Gas Power Plants, Food and Agriculture, Manufacturing (steel, cement, chemicals, paper and forests products). The latter will be published in 2025.

We monitor our portfolio emissions performance every year against the target we set in our Net Zero Transition Strategy. Since we started tracking in 2022, we have seen our emissions trend to be in line with the target. However, we acknowledge that the downward trend of our portfolio emissions may not necessarily continue into the near future. This is because our ability to achieve our net zero target is dependent on both endogenous and exogenous factors. These include our investment choices, the rate of decarbonisation of the economies that we invest in, and technological and policy progress both within and beyond our markets. Moreover, where we invest in high-emissive businesses with strong development impact, we can help them transition to lower-carbon business models. This may lead to a short-term emissions increase in our portfolio but would be followed by a medium-term downward trajectory as we assist the investees to decarbonise. We will continue to look for opportunities to support the real economy transition by helping our investees to decarbonise and reduce financed emissions through our investments to achieve our portfolio net zero target by 2050.

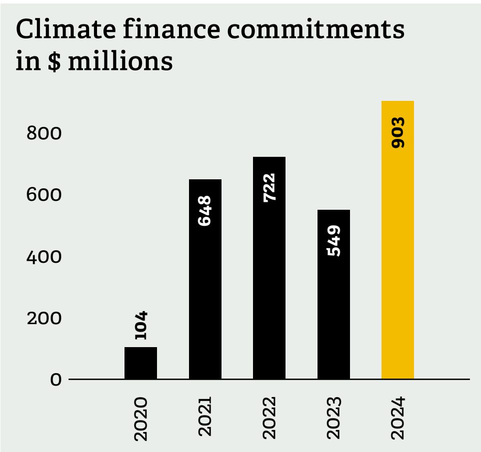
Target: Climate finance commitments

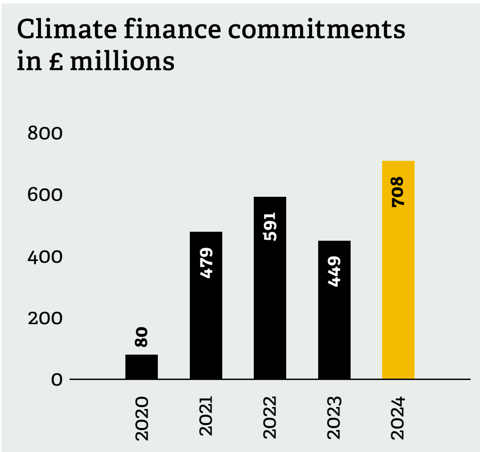
In 2024, our climate finance commitments totalled $903 million or 41 per cent of total new commitments. On average, over our current strategy period of 2022–2024, we are tracking at 41.6 per cent climate finance, which exceeds our 30 per cent climate finance target. This includes $14 million committed under the **Climate Innovation Facility**, which is an FCDO-backed pool of concessional funding aimed at enabling us to test, seed and scale-up cutting-edge climate technologies, businesses or investment strategies with the potential to deliver a transformational impact.[1]

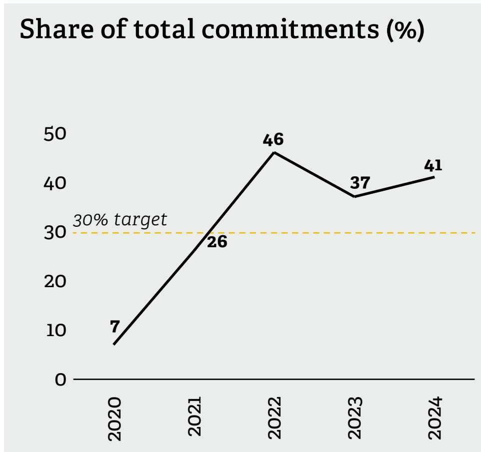
The Strategic Report was approved by the Board and signed on its behalf by

Leslie Maasdorp
Chief Executive Officer
17 April 2025

Total 2020–2024 climate finance commitments in $ and £ millions and as a share of total annual commitments







1 For a full list of our 2024 climate finance commitments, please see our **Annual Review 2024**.

GOVERNANCE REPORT

45–78

Chair's introduction

> *We were delighted to appoint Leslie Maasdorp to the Board as our new CEO."*

Diana Layfield
Chair

2024 was another busy year for BII. An important role of the Board is to oversee the delivery of BII's 2022–2026 strategy by management, and I am confident that BII has the right governance structure, values and expertise in place to achieve the successful implementation of the strategy. I am, as ever, hugely appreciative of the diligence, hard work and support shown by my fellow Directors who work tirelessly for the benefit of BII and its mission. The following pages evidence the activities of the Board Committees during 2024.

As reported last year, Nick O'Donohoe stepped down as Chief Executive Officer in November 2024. Once again, I would like to express my, and the Board's, huge gratitude to Nick for his dedication. He led us through a period of significant transformation and had a tremendous impact on BII and on development finance more broadly. A comprehensive search for his successor was carried out, following which we were delighted to appoint Leslie Maasdorp to the Board as our new CEO following regulatory approval on 15 January 2025.

Leslie's broad career across financial services and the public sector, and his proven track record of success within international development and climate finance, positions him extremely well to lead BII.

In addition, Daniel Hanna was appointed as our new shareholder-nominated Director in May 2024. Daniel brings impressive, and hugely valuable, experience in climate and sustainable finance to our Board. He will play a key role in helping BII build upon our progress as a leader in development and climate finance.

Please see further information in respect of the appointments of both Leslie and Daniel in the Nominations Committee report on » **PAGE 58**.

In January 2021, we were delighted to announce the launch of BII's Employee Forum, designed to foster continuous improvement of our working culture and to strengthen engagement between our Board and BII employees. We appointed Laurie Spengler, the Designated NED for Employee Engagement, to lead on this initiative. Since 2021, the Forum has gone from strength to strength and developed into exactly what we had hoped – a casual, informal space for open exchanges. Through this approach, the Forum has provided an additional and dynamic channel for the Board to engage with staff across the organisation. Laurie stepped down as the Designated NED for Employee Engagement at the end of December and was succeeded by Simon Rowlands. I would like to express our sincerest gratitude to Laurie for her energy, expertise and guidance as the Designated NED for Employee Engagement and for her devotion to the Forum since its inception.

We continue to have a diverse Board in terms of gender and ethnicity. 45 per cent of our members are female and 55 per cent male. In addition, 27 per cent of our Board members are based in our markets in Africa and Asia. A key area of focus for the People Development and Remuneration Committee is making BII a more diverse and a more inclusive place to work, and further details can be found in that report on » **PAGES 65 TO 75**.

Our Investment Committee, a pivotal part of our execution capability and our governance structure, has continued to be very busy during 2024 with 84 approvals. At the date of this report, our Investment Committee included 16 external members, with 38 per cent based in our markets.

On » **PAGES 56 TO 57** we explain how, as a Board, we work with our employees, partners, suppliers, other development finance institutions, NGOs and the UK Government, including our shareholder. I want to thank all our stakeholders for their continued support.

Diana Layfield
Chair
17 April 2025

Board of Directors

Chair | A Audit and Compliance Committee | D Development Impact Committee
N Nominations Committee | P People Development and Remuneration Committee | R Risk Committee | E Employee Forum

Diana Layfield

Chair

N D P

Appointed as Chair from January 2022.
Diana was General Manager of Search, International & Growth for Google, driving the internationalisation and AI dimensions of Google's Search Engine; and Google President (Europe, Middle East and Africa Partnerships). She is a Non-executive Director at AstraZeneca, a Council member at the London School of Hygiene and Tropical Medicine and was formerly the Chief Executive of Standard Chartered, Africa Region.

In addition to her international business career, Diana has also worked as a medical relief pilot in war zones in Africa. The role of Chair at BII is a public appointment. Diana has recently been reappointed for a second term, following No. 10's agreement on 9 January.

Leslie Maasdorp

Chief Executive Officer

Appointed Chief Executive and Executive Director in January 2025.
Leslie Maasdorp is the CEO of BII. He was previously Vice-President and Chief Financial Officer of the New Development Bank, based in Shanghai, for nine years.

Over the past 25 years, he held senior leadership positions at global financial institutions, including serving as International Advisor to Goldman Sachs, Vice Chairman of Barclays Capital and President of Bank of America Merrill Lynch in South Africa.

In the early years of South Africa's democratic era, he held key roles in the Government of South Africa, as Special Advisor to the Minister of Labour and Deputy Director-General responsible for Restructuring of State-owned Enterprises.

Carolyn Sims

Chief Financial Officer

Appointed in September 2020.
Carolyn Sims is the CFO of BII. Previously, Carolyn worked for Schroders, where she was Chief Financial Officer of the Wealth Management Division and a member of the Group Management Committee. Before that, she was the Chief Financial Officer for Cazenove Capital Management from 2007 until its sale to Schroders in 2013.

Carolyn started her career with Touche Ross & Co, where she qualified as a Chartered Accountant. She then joined Lazard, where her roles included Chief Operating Officer for Global Capital Markets and Finance Director in the UK. Carolyn is also a Non-Executive Director at Temple Bar Investment Trust plc.

Board of Directors continued

Chair
A Audit and Compliance Committee
D Development Impact Committee
N Nominations Committee
P People Development and Remuneration Committee
R Risk Committee
E Employee Forum

Andrew Alli
Non-Executive Director

A N P

Appointed in September 2018.
Andrew is an investor and adviser with extensive experience of investing in Africa, including in the role of President and CEO of Africa Finance Corporation, a multilateral financial institution focused on improving Africa's critical infrastructure.

A financial professional with over 30 years' experience in both developed and developing countries, Andrew spent over a decade with the IFC, where he held senior positions including as Country Manager for Nigeria and South Africa. A dual citizen of the UK and Nigeria, Andrew is a Fellow of the Institute of Chartered Accountants and has a BEng in Electronics and Electrical Engineering from King's College, University of London, and an MBA from INSEAD. Andrew was a Non-Executive Director of the Development Bank of Nigeria until January 2024. He is also a Non-Executive Director of FBN Bank (UK) Limited.

Dolika Banda
Non-Executive Director

P D N

Appointed in September 2018.
Dolika is an independent consultant with over 30 years' experience in banking and development finance.

She is a Founding Partner of Mondiale Impact and serves on several boards, including as Chair of Standard Chartered Bank Zambia and as an independent Non-Executive Director on the boards of CARE-USA and Harith General Partners.

Dolika is a member of the Leadership Panel of the Africa Center for Economic Transformation and is also a Global Ambassador for the Global Steering Group for Impact Investment. She previously served as Non-Executive Chair of ZCCM Investment Holdings Plc, Non-Executive Director at Ecobank Transnational Incorporated and the FCDO's (previously DFID's) Financial Sector Deepening Africa programme.

Dolika has held positions of CEO of African Risk Capacity Insurance Ltd, Africa Regional Director of British International Investment and Director Financial Markets at the International Finance Corporation. She has held senior positions at Barclays and Citibank in Zambia.

Kathryn Matthews
Non-Executive Director

R A N

Appointed in January 2021.
Kathryn has been involved in financial services for over 40 years. Her last executive role was as Chief Investment Officer, Asia Pacific (ex-Japan), for Fidelity International. Previously, Kathryn held senior appointments with AXA Investment Managers, Santander Global Advisers and Baring Asset Management. She has also served on the board of directors of several investment companies, including Fidelity Asian Values and JPMorgan Chinese Investment Trust. Kathryn is currently on the Board of JPMorgan Asia Growth and Income Fund and the Vietnamese Opportunities Fund. She is also Chairman of Barclays Investment Solutions Ltd. and is a Trustee of the Stowe School Foundation.

Chair | (A) Audit and Compliance Committee | (D) Development Impact Committee
(N) Nominations Committee | (P) People Development and Remuneration Committee | (R) Risk Committee | (E) Employee Forum

Krishnakumar Natarajan

Non-Executive Director

D N P

Appointed in July 2020.
A leading authority in the global IT sector, Krishnakumar co-founded Mindtree in 1999 and has played key roles in building the company's innovative approach to delivering IT services and solutions to global 2000 enterprises. A 40-year IT industry veteran, Krishnakumar held several key positions at Wipro before co-founding Mindtree. In 2013, Krishnakumar served as Chairman of the National Association of Software and Services Companies (NASSCOM), where he worked to strengthen the Indian IT industry to build a globally competitive ecosystem. He currently serves on the Board of NASSCOM Foundation.

Krishnakumar is an active partner of Social Venture Partners – an organisation involved in impactful philanthropy – and he co-runs the Mela Foundation. Krishnakumar is also an active member of the Confederation of Indian Industry. He has a BA in Mechanical Engineering from the College of Engineering, Chennai, India, and an MA in Business Administration from the Xavier Institute, Jamshedpur, India.

Simon Rowlands

Non-Executive Director

E D N R

Appointed in July 2022.
Simon was a co-founding partner of private equity firm Cinven, where he worked for over 22 years. In 2016, Simon founded Africa Platforms Capital, a new private equity firm focused on healthcare and disruptive technology in Africa. Before joining Cinven, he worked at British Coal Pension Funds, as well as at an international engineering consulting firm based in the UK and southern Africa. This included living in Zimbabwe for 2.5 years.

Simon sits on several boards, including Jacobs Holdings in Switzerland and Alfa Medical Group in Egypt. Simon also has governance experience in the not-for-profit sector, co-founding the Victoria Falls Wildlife Trust in Zimbabwe. He sits on the Council at the University of Cranfield and chairs the Advisory Board at the School of Management.

Simon was appointed as Chair of the Employee Forum and Designated Non-Executive Director for employee engagement at the end of December 2024.

Laurie Spengler

Non-Executive Director and
Senior Independent Director

A D N

Appointed in July 2016.
Laurie is an impact investment banker, board member and a recognised contributor to the impact investing industry. She has over 25 years' experience in international development finance.

Laurie is CEO of Courageous Capital Advisors, LLC and a Founding Partner of Mondiale Impact. Laurie serves as a Non-Executive Director of Lendable Inc., Delta40, BRAC Uganda Bank Limited, and SIFEM, the Swiss Development Finance Institution. She is a member of the Advisory Council of the UK Impact Investing Institute, serves as an independent trustee of the Global Steering Group on Impact Investing and is Senior Fellow and Advisory Council member at Casei3 at the Fuqua Business School. She is a member of the Council on Foreign Relations.

Laurie stepped down as Chair of the Employee Forum and Designated Non-Executive Director for employee engagement at the end of December 2024 and is set to conclude her final term as a NED of BII at the end of 2025.

Board of Directors continued

Chair | (A) Audit and Compliance Committee | (D) Development Impact Committee
(N) Nominations Committee | (P) People Development and Remuneration Committee | (R) Risk Committee | (E) Employee Forum

Chris Woodruff

Non-Executive Director

D N R

Appointed in August 2021.
Chris is Professor of Development Economics, University of Oxford. He is the Scientific Coordinator for the FCDO–Centre for Economic Policy Research (CEPR) joint research venture on Private Enterprise Development in Low Income Countries (PEDL) and a member of the Steering Committee of the International Growth Centre. In addition to his position at Oxford, he is a Research Fellow at the CEPR, and a Senior Fellow of the Bureau for Research and Economic Analysis of Development (BREAD) and a Research Fellow at the Institute of Labor Economics (IZA).

Chris's research is widely published in leading academic journals and focuses on enterprises in low-income countries, with noted work on returns to capital investments in microenterprises and the effect of formal registration on enterprise performance. He is a pioneer in the use of field experiments in firms.

Daniel Hanna

Non-Executive Director

D N

Appointed in May 2024.
Daniel has two decades of banking experience with a particular focus on climate and sustainable finance. He is currently the Group Head of Sustainable & Transition Finance at Barclays which has a commitment to mobilise a trillion dollars of sustainable and transition finance. Daniel also sits on the investment committee of Barclays Climate Ventures, which is investing £500 million in climate technology companies.

Daniel previously set up a sustainable finance team at Standard Chartered Bank growing it to 100 people, which mobilised more than $22 billion in green and transition finance in 2021, principally in Asia, Africa and the Middle East.

How the Board operates

Role of the Board

The Board's primary role is to provide leadership to the Company as a whole, and to ensure it is appropriately managed and delivers on the objectives of the Company's shareholder. This role can be broken down into the following elements:

- Work with the Executive team to determine direction and strategy in accordance with the 2022–2026 strategy and the Investment Policy.
- Monitor the achievement of its performance objectives.
- Monitor its impact is consistent with its mission.
- Ensure its responsibilities to its shareholder are met.
- Ensure that risks are identified and controls are in place.
- Ensure that employees apply appropriate ethical standards in the performance of their duties in accordance with the Policy on Responsible Investing.
- Promote its success in accordance with section 172 of the Companies Act 2006 (see also » **PAGES 56 TO 57**).

Certain matters are reserved for Board approval or decision, and there is a clear delegation of authority to the Chief Executive, the Investment Committee and other BII senior executives for other specific matters.

Board size and composition

The Board has 11 members: the Chair, two Executive Directors and eight independent Non-Executive Directors. The Board's members come from a range of backgrounds, and the Board is structured to ensure that no individual or group of individuals is able to dominate the decision-making process and no undue reliance is placed on any individual. Details of our Directors and their biographies are on » **PAGES 47 TO 50**.

Board diversity

The Board acknowledges the benefits that diversity can bring to the Board and to all levels of the Group's operations and embraces the benefits of having Directors who come from a diversity of backgrounds, bringing different perspectives and the challenge needed to ensure effective decision-making. The Board has a 45:55 split between female and male directors, and 27 per cent of our Board members are based in Africa and Asia where we invest and have a deep understanding of the continents and countries in which they live. The Board recognises the importance of having this range of skills, knowledge and experience (including direct experience of the regions in which we operate) among its members.

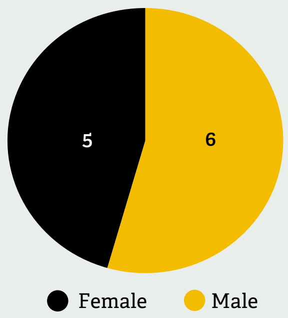
Training, support and advice

Training, where appropriate, is provided to the Board and employees. All Directors have access to the advice and services of Colin Buckley, General Counsel, and Bethany Burrow, Company Secretary, and they can take independent professional advice at BII's expense, if needed. In addition, refresher training was provided on the Directors' responsibilities under the Senior Managers and Certification Regime and on climate-related disclosures. Ad hoc teach-ins were provided on various areas of the business.

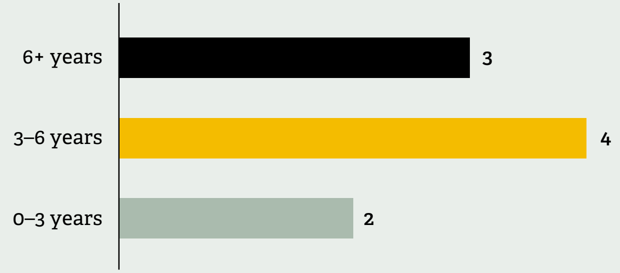
Indemnities

The Company's Articles of Association permit the Board to grant indemnities to the Directors in relation to their duties as Directors. Such indemnities are in respect of liabilities incurred by a Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company unless the Director is ultimately held to be at fault. In line with market practice, each Director benefits from an indemnity which includes provisions in relation to duties as a Director or an associated company and protection against derivative actions.

Board gender



Non-Executive Director tenure



Definitions of Board roles and responsibilities

Role of the Chair and Chief Executive

The roles of the Chair and Chief Executive are separate, and there is a clear division of responsibilities between the two.

The Chair is Diana Layfield. The Chair is responsible for leading the Board in determining BII's strategy and objectives but does not participate in day-to-day management of the Company. Diana also has responsibility for leading the Board in its development of company culture and in setting organisational tone.

The Chief Executive is Leslie Maasdorp. Leslie is primarily responsible for day-to-day management and for overseeing the adoption of organisational culture. An internal governance framework supports management oversight, led by the Executive Committee.

Role of the independent Non-Executive Directors

The Non-Executive Directors are regarded as independent and are diverse in terms of background and experience. They provide constructive challenge and independent thought in decision-making. They also contribute to strategy and policy formation and monitor financial and managerial performance.

Role of the Senior Independent Director

The Senior Independent Director is Laurie Spengler. The Senior Independent Director acts as a sounding board for the Chair and Executive Directors and leads the Chair's annual performance review. In addition to the existing channels for shareholder communications, the shareholder may discuss any issues or concerns they have with the Senior Independent Director.

Appointment and removal of Directors

The Company's Articles of Association require that all the Directors retire and offer themselves for re-election at the Annual General Meeting (AGM). Accordingly, all the Directors will offer themselves for re-election at the AGM.

The Foreign Secretary, as shareholder, appoints the Chair and two of the Company's Non-Executive Directors (currently Chris Woodruff and Daniel Hanna), who are deemed to be independent.

Governance framework

Our shareholder

The ultimate parent of the Company is the Secretary of State for Foreign, Commonwealth and Development Affairs (the Foreign Secretary).

Board governance structure

The Board has delegated responsibility in respect of the management of BII to the Chief Executive and, for certain matters, to its Committees, as set out in written terms of reference which are reviewed annually.

The Chair of each Committee reports regularly to the Board on matters discussed at Committee meetings. Reports for each of the Board's Committees are set out later in this report and include further detail on each Committee's role and responsibilities, and the activities undertaken during the year.

Investment Committee

The Board has delegated authority to make certain investment decisions to the Investment Committee, which forms an important part of BII's governance structure. The Investment Committee makes decisions on significant new investment commitments, as well as certain decisions relating to its existing portfolio. The Investment Committee considers all aspects of such investment proposals, scrutinising and calibrating development impact, additionality, financial, other commercial, business integrity and E&S matters. The membership of the Investment Committee includes independent members and members of senior management. BII has recruited highly experienced investors to complement the internal members of the Investment Committee of which 6 are female and 10 are male. As at 17 April 2025, these are Solomon Asamoah, Sriram Balasubramanyam, Anne-Marie Chidzero, Ngalaah Chuphi, Ashley Dunster, Rod Evison, Mark Gidney, Anne Glover, Anne-Marie Harris, James Heath, Nikunj Jinsi, Catharine Kimaryo, Maria Kozloski, Richard Munn, Lisa Thomas and John Walker. The Delegated Authority Framework in place enables certain lower-level decisions to be taken outside the Investment Committee process, enabling deal teams to work more quickly and efficiently.

Executive Committee

The Executive Committee advises the Chief Executive Officer on all aspects of delivering BII's mission, within the bounds of his/her authority as delegated by the Board and acts as the senior leadership team at BII to ensure that information communicated to the Board is appropriate and has the full support of the Chief Executive Officer. The Executive Committee is also responsible for agreeing the overall Risk Appetite Statement being proposed to the Risk Committee, and for evaluating the Chief Risk Officer's quarterly report on top risks, mitigations and planned future actions.

Markets Committee

The Markets Committee shapes and safeguards BII's Investment Policy. It is also responsible for advising on portfolio construction and risk-limit analysis, including limit setting, climate risk, market and credit risk review and any proposed changes.

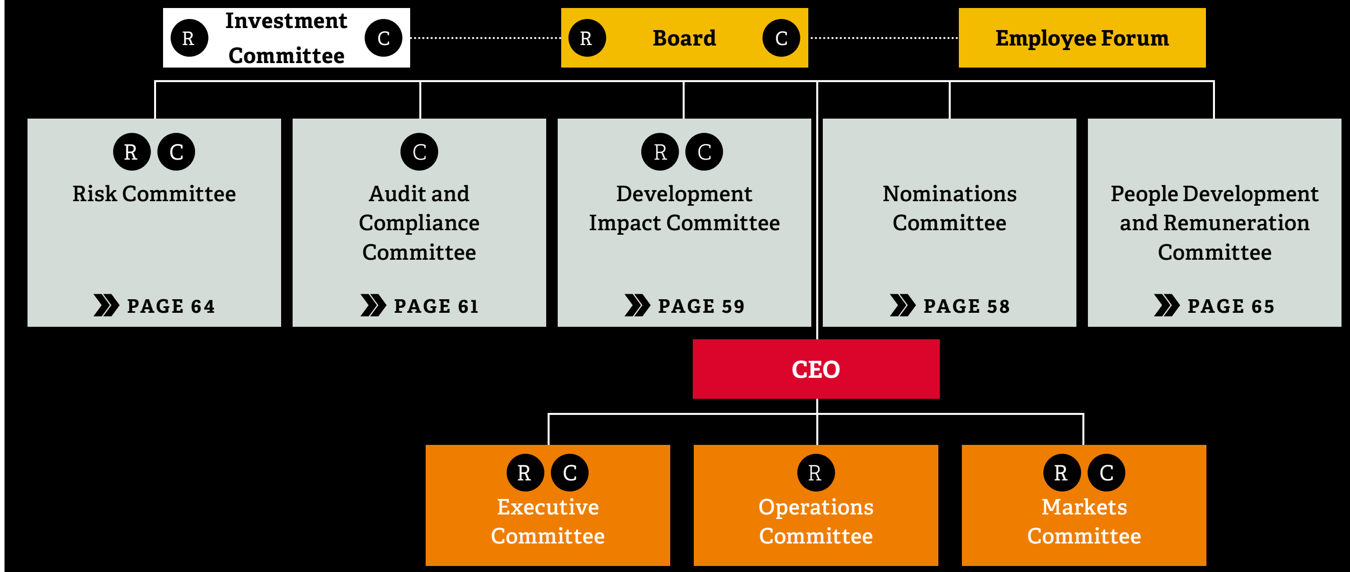
Operations Committee

The Operations Committee ensures the efficient operation and long-term organisational effectiveness of BII. The Operations Committee is also responsible for advising on operational risk and corporate policies and procedures.

Overview of governance structure

R **Risk**
Please see » **PAGE 12** of the Risk management section for further details of how these Committees relate to BII's Risk Framework.

C **Climate**
Please see » **PAGES 23 TO 24** of the Climate-related Financial Disclosures 2024 section for further details of how these Committees relate to BII's climate governance structure.



Key Board activities in 2024

During 2024, the Board monitored and reviewed the following:

Area of focus	Activity
Progress against objectives	Considered progress against 2024 objectives and approved the 2025 objectives in relation to the 2022–2026 strategy.
Investment performance	Monitored investment performance, including the approval of and enhancements to the Investment Committee process.
CEO appointment	Discussed the job description, the desired and essential skills required and the candidate profile for the CEO appointment and oversaw the appointment process, which culminated in the appointment of the new CEO.
Our people	Considered matters in relation to employee alignment with BII's values, progress on diversity, equity, inclusion and belonging, diversity and inclusion leadership targets, leadership and management, learning and development, talent and succession planning. The Board also considered the Culture Dashboard, taking into account feedback from employees provided in the 2024 survey. See **PAGE 66** for more information.
Impact Score	Considered the Impact Score performance of our 2023/24 commitments and pipeline, against the business plan and corporate objectives. The Impact Score is a tool for managing strategic impact on a portfolio basis during our 2022–2026 strategy period. It is designed to recognise and incentivise investments that are likely to contribute most to our three strategic impact objectives of productive, sustainable and inclusive development. See **PAGE 60** for more information.
Financial performance	Considered and responded to the challenging macroeconomic environment confronting BII's markets which included reviews of liquidity, valuations within the portfolio, organisational structure and financial budgets.
Investments	Considered and responded to specific investments where there may be political or reputational risk.
Team spotlights	Team spotlights were regularly shared at Board meetings to give the Board the opportunity to hear from colleagues they might not ordinarily meet and to share insights and improve understanding of the operation of our business.
Stakeholder engagement	Continued engagement with our shareholder, as well as ongoing engagement with UK parliamentarians, NGOs and other UK stakeholders.
Reports from Committee Chairs	Received reports from the Committee Chairs in respect of the activities of the Board Committees; see **PAGES 58 TO 75** for more information regarding the activities of each of the Committees.

Meetings of the Board

At each scheduled meeting, the Board receives a report from the Chief Executive Officer on the performance of the Company, including performance against the annual corporate objectives (the number of meetings held can be found in the table on **PAGE 55**). In addition, the other members of the Executive Committee attend by invitation to update the Board on performance, strategic developments and initiatives in their respective areas. An annual schedule of agenda items ensures that all matters are given due consideration and are reviewed at the appropriate point in the financial and regulatory cycle. Meetings are structured to ensure there is sufficient time for consideration and debate of all matters. In addition to scheduled or routine items, the Board also considers key issues that impact the Group, as they arise.

The Directors receive detailed papers in advance of each Board meeting. The Board agenda is carefully structured by the Chair in consultation with the Chief Executive and the Company Secretary. Each Director may review the agenda and propose items for discussion with the Chair's agreement. Additional information is also circulated to Directors between meetings as required.

Each Board meeting includes time for discussion between the Chair and Non-Executive Directors without the Executive Directors present. All Board and Committee meetings are appropriately minuted.

Key Board activities in 2024 continued

Attendance at Board and Committee meetings in 2024

The Board was scheduled to meet six times during 2024. An additional ad hoc meeting was held. Separate to this, there is regular communication between management and the Board between meetings.

	Board	Audit and Compliance	Development Impact	People Development and Remuneration	Risk	Nominations
Number of meetings during the year	7	5	5	6	4	4
Diana Layfield[1,2]	7	1	5	5	–	4
Nick O'Donohoe (Chief Executive Officer)[3]	7	4	5	6	3	–
Leslie Maasdorp (Chief Executive Officer)[4]	1	2	1	1	1	–
Carolyn Sims (Chief Financial Officer)	7	5	–	6	4	–
Andrew Alli[5]	6	5	–	5	4	4
Dolika Banda	7	–	4	6	–	4
Daniel Hanna[6]	4	–	2	–	–	2
Kathryn Matthews	7	5	–	–	4	3
Krishnakumar Natarajan	7	–	3	4	–	4
Simon Rowlands	6	–	5	–	4	3
Laurie Spengler	6	3	4	–	–	3
Chris Woodruff	7	–	5	–	4	4

1 Diana Layfield was co-opted to the Development Impact Committee on a temporary basis, pending the appointment of the second shareholder-nominated Director.
2 Diana Layfield attended a meeting of the Audit and Compliance Committee and meetings of the Development Impact Committee in addition to other Committee meetings of which she is a member.
3 Nick O'Donohoe resigned as Chief Executive Officer and Director on 29 November 2024.
4 Leslie Maasdorp was appointed as Chief Executive Officer and Director on 15 January 2025 (all Board and Committee meetings held in 2024 that he attended were as an observer).
5 Andrew Alli is not a member of the Risk Committee, but attends by invitation as Chair of the Audit and Compliance Committee.
6 Daniel Hanna was appointed as a Non-Executive Director on 1 May 2024.

How we engage with our stakeholders

The Companies Act 2006 (the Act) and the 2018 UK Corporate Governance Code (the Code) provide that the Annual Report should outline how our Directors have performed their duties under section 172 of the Act. The Act provides that our Directors must act in a way that they consider, in good faith, would be most likely to promote the success of BII for the benefit of shareholders as a whole. In doing so, our Directors must have regard, among other things, to the factors set out over the next two pages.

The likely consequences of any decision in the long term

The Directors have direct input into BII's long-term success through their leadership of our strategic direction in accordance with our strategy for the period 2022–2026 as agreed with the shareholder.

The interests of our colleagues

We would not be able to deliver our strategic objectives without our people. Ensuring that we have a dynamic workforce is critical. This is a long-term aim, and our Directors are responsible for ensuring we have the staff to deliver our strategy.

The People Development and Remuneration Committee report on **PAGES 65 TO 75** explains the Directors' work to fulfil their duties to our employees. This has included reviewing attrition rates, remuneration and reward, promotions and progressions, diversity, equity, inclusion and belonging (DEIB) as well as culture and learning. At each Board meeting, the Chair of the People Development and Remuneration Committee updates the other Directors on the key people-related issues that were reviewed and discussed by the Committee.

As set out on **PAGE 19**, we are fully committed to DEIB, and the Board is aware of its relevance in the context of its decision-making.

The Employee Forum has provided more insight to the Board by serving as a further channel of communication with the workforce. It comprises 18 members of staff representing diverse perspectives, functions and levels of seniority to further strengthen our commitment to building an inclusive culture. The Chair of the Employee Forum also provides an update at the Board meetings on topics discussed by the Employee Forum. In addition, Board members meet with Forum members.

The need to foster our business relationships with suppliers, customers and others

The Board is committed to building its understanding of the challenges and opportunities of the countries where we invest. Every year, the Board visits one or more of the countries that we invest in and meets with key stakeholders, including investee companies and government officials. In 2024, the Board visited Pakistan, learning from partners about the important role we play in ongoing development in the country.

We work and engage with a wide range of civil society organisations – from business and industry associations to think tanks and charities – recognising the role that all of these play in delivering economic development and achieving the UN SDGs. We run a proactive engagement programme with these organisations, including hosting an annual stakeholder day which provides the opportunity to understand our progress during the year and to raise questions. We also hold dialogue events on key global development challenges where participants exchange learning and best practice. As well as hosting our own programme of activities, we regularly engage in roundtables, public forums and information exchanges hosted by civil society organisations.

The impact of our operations on the community and the environment

The Board reviews and oversees the performance of our Impact Score (see PAGES 59 TO 60), a tool for managing strategic impact on a portfolio basis during our 2022–2026 strategy period. The Impact Score is designed to recognise and incentivise investments that are likely to contribute most to our three strategic impact objectives of productive, sustainable and inclusive development.

The need to maintain a reputation for high standards of business conduct

The Board is aware of the importance of business relationships with our suppliers, and we have established practices and processes in line with our Procurement and Payment Policy to ensure the continued strength of our supplier relationship management. We aim for propriety, fairness, consistency, good practice and value for money in all contracts for services, supplies and works entered into or on behalf of BII. Work with staff networks across the organisation, such as 'Green works' and 'Umoja works' (which brings together employees associated with the African continent), emphasise our continued commitment when purchasing goods, services or work, to select those which have the least negative impact on the environment, and address diversity and equality in our supply base. We work to pay our suppliers promptly by embedding a robust finance structure and providing clear and consistent guidance to all third parties.

The need to act fairly for all our stakeholders

Our Global Affairs and Communications functions, working with the Chair and Chief Executive, put together a comprehensive stakeholder engagement plan. This plan is discussed by the Board and management and sets out our approach to engaging with our stakeholder groups. We also conduct a regular stakeholder engagement survey, including UK parliamentarians, the UK Government, the third sector, businesses and investors, to ensure we are responding to and learning from external views.

As well as maintaining strong relationships with the UK Government and FCDO, we run a proactive engagement programme across a broad range of political stakeholders. This includes regular events, roundtables, meetings and briefings on our activities, as well as engagement in formal accountability mechanisms through parliamentary committees and oversight bodies.

More about how we operate is in our report on Responsible Investing on PAGES 18 TO 19. In addition, PAGES 21 TO 44 present a summary of the progress made to date towards our goal of integrating climate-related risks and opportunities into our governance, business strategy, risk management processes, metrics and targets. A summary of the Board's activities is on PAGE 54. We also publish an **Annual Review** containing more details about our development impact in our markets.

Nominations Committee report

Diana Layfield
Chair

Committee membership as at 31 December 2024

Diana Layfield (Committee Chair)
Andrew Alli
Dolika Banda
Daniel Hanna
Kathryn Matthews
Krishnakumar Natarajan
Simon Rowlands
Laurie Spengler
Chris Woodruff

Number of Committee meetings: 4

Letter from the Chair of the Nominations Committee

The main duties of the Nominations Committee are to appoint new Board members, monitor the Board's independence, structure, size and composition, and review the composition of its Board Committees. The Nominations Committee also considers succession planning and makes recommendations to the Foreign Secretary as a holder of a special share in the Company. The Nominations Committee meets as required with a quorum of two members. All Non-Executive Directors are members, and all Directors are required to stand for re-election by the shareholder at the AGM in accordance with the provisions of the Articles of Association.

During 2024, the Nominations Committee held several discussions on Board succession, including the search for a new shareholder-appointed Director and for a new Chief Executive Officer.

As reported on **PAGE 4**, Nick O'Donohoe stepped down as Chief Executive in November. During 2024 the Nomination Committee received regular updates on the recruitment of the successor to Nick. The search for Nick's replacement was led by the Chair. After an extensive search we were delighted to appoint Leslie Maasdorp as CEO. Russell Reynolds Associates were engaged to manage the search process.

In addition, during the year a recruitment process was carried out for a new shareholder-appointed Director, following which Daniel Hanna was appointed to the Board. As this appointment is shareholder-appointed, the search was conducted by the shareholder in line with the guidance issued by the Office of the Commissioner for Public Appointments (OCPA). A panel was established under the Chairmanship of a senior FCDO employee, supported by an independent member. For the appointment of Daniel Hanna I would like to thank Kelly Clark for taking on the role of independent member. Spencer Stuart were engaged to manage the search process.

"During 2024, the Nominations Committee held several discussions on Board succession, including the search for a new shareholder-appointed Director and for a new Chief Executive Officer."

The consultants engaged in the recruitment processes above do not have any connection with BII other than providing recruitment services.

Performance and evaluation

An internal evaluation of the BII Board and Committees was carried out in 2024. The evaluation was led by the Chair and facilitated by the Company Secretary, We are pleased to report that the Board continues to perform effectively. There are always areas where a Board can improve, and the evaluation identified improving Board engagement and enhancing Board papers and materials. Action was taken throughout 2024 and early 2025 to address these points.

Please see **PAGE 68** of the Annual Report for the gender balance of those in senior management and their direct reports.

I would like to thank the Directors for all their support in 2024. Each brings a unique set of skills and experience and has continued to contribute hugely to the success of the organisation.

Diana Layfield
Chair

Development Impact Committee report

Chris Woodruff
Chair

Committee membership as at 31 December 2024
Chris Woodruff (Committee Chair)
Dolika Banda
Daniel Hanna[1]
Krishnakumar Natarajan
Simon Rowlands
Laurie Spengler

1 Diana Layfield was co-opted to the Development Impact Committee pending the appointment of Daniel Hanna, the second shareholder-nominated Director, which took effect in May 2024.

Number of Committee meetings: 5

Letter from the Chair of the Development Impact Committee

I am pleased to present my report on the 2024 activities of the Development Impact Committee.

Development impact is at the core of BII's mission and at the heart of its values as an impact-led, commercially rigorous investor. As such, BII's impact strategy is a major priority for its Board which relies on the Committee's care, diligence and expertise to provide necessary elements of reflection and advice to steer strategic choices in this area. One recent example is our discussions around BII's approach to inclusion. Like all development finance institutions, BII must balance multiple investment objectives and operational constraints. Investing to meet the development needs of our target markets requires us to select the right tools and value-enhancing approaches for each particular context. The Development Impact Committee, as part of its mandate, plays a central role in the investment process by guiding, monitoring and validating BII's development impact activities.

The Committee oversees the activities of BII's Impact Group, which in 2024 was led by Maria Smith, BII's Chief Impact Officer. We discuss a variety of topics during the year, some of which follow an agreed annual plan for meeting agendas and others that are discussed as circumstances merit. A central component of each Committee meeting is the Chief Impact Officer's Development Impact Management report. This report opens a discussion with the Committee that covers the activities of the Impact Group such as performance against its corporate targets during the year and progress made on other Impact Group goals and objectives. The report also covers the current focus areas and priority activities for Impact Group teams, and how the 2022–2026 strategy is shaping its activities.

Oversight of the Impact Score continued to be a key area of focus and scrutiny for the Committee in 2024, with particular attention to the details and progress of the first year of updating impact scores post-investment. As set out in my report last year, we agreed that EY Paris be appointed to provide independent third-party assurance in respect of the

"BII's impact strategy is a major priority for its Board which relies on the Committee's care, diligence and expertise."

Impact Score. During 2024, EY Paris undertook a limited assurance in accordance with the International Standard for Assurance Engagements (ISAE) 3000, the globally recognised assurance standard for audit and review of non-financial information, including impact disclosures. Their assurance findings related to our 2023 Impact Score were scrutinised and discussed in detail by the Committee.

In addition, during the year the Committee discussed the level and scope of assurance to be provided in respect of the independent verification process to be undertaken in relation to 2024 to ensure that both these and the choice of third-party provider remained appropriate.

In addition to EY Paris's assurance report, we commissioned an external verification of BII's application of the Operating Principles on Impact Management (OPIM) on a biennial basis. This external verification looks much more widely at the whole cycle of impact investment at BII. The latest external verifier report by BlueMark can be found in the Annex of our OPIM statement published in July 2024. I am pleased to report that BlueMark gave BII the highest rating on each of our eight principles of investing in 2024, and that BII continues to be included in BlueMark's 'Practice Leaderboard' which highlights impact investors with best-in-class impact management practices.

As part of its oversight mandate, the Committee carried out a number of other activities in 2024 and considered reports regarding gender and diversity, serious incidents in BII's portfolio, and BII's Climate Strategy. The annual assurance in respect of the Policy on Responsible Investing was presented to the Committee for review before final approval by the Board. The Committee also carried out a review of its activities against its terms of reference to ensure its obligations were being discharged properly.

In addition to its oversight and guidance responsibilities, each Committee meeting includes a background and learning session, to give Committee members the opportunity to learn about specific transactions and strategic issues.

The Committee also held a number of informal meetings to discuss issues of particular complexity or importance. These sessions give Committee members more time to ask questions of management or delve into areas of interest or concern ahead of the formal discussion at the meeting.

As always, there are many other worthy initiatives and successes that could be highlighted here. Our Annual Review, published alongside these Annual Accounts, provides an opportunity to learn more about the development impact of our investments.

Development impact continues to form the very core of what we do at BII. I would like to thank all BII's employees who have contributed both to the work of the Committee and to the broader impact of BII in 2024.

Chris Woodruff
Chair

Our Impact Score

In 2021, we developed our Impact Score, a tool for managing strategic impact on a portfolio basis during our 2022–2026 strategy period. The Impact Score is designed to recognise and incentivise investments that are likely to contribute most to our three strategic impact objectives of productive, sustainable and inclusive.

Impact Score =	Productive Score +	Sustainable Score +	Inclusive Score
What does this mean?	Raising the productivity of an economy so that it can support a decent standard of living for all.	Helping transform the economy to reduce emissions, protect the environment and adapt to the changing climate.	Sharing the benefits of higher productivity and greater sustainability with poor and marginalised sections of society.
How will we measure it?	1. Degree of need 2. Intensity 3. Economic enablers 4. Catalysing markets	1. Climate mitigation 2. Climate adaptation and resilience	1. Reach to low-income populations 2. Poor and fragile countries 3. Gender and diversity
Overall Impact Score: Ranges from -1 to a maximum capped at 10	Productive Score: Ranges from 0 to 4	Sustainable Score: Ranges from -1 to 4	Inclusive Score: Ranges from 0 to 4

We give every potential investment a score for each of these three objectives and then calculate an overall investment score. The higher the score, the greater the alignment with our objectives. Each investment's expected Impact Score will be updated after two years, to reflect actual performance.

We combine individual scores to create an aggregate Impact Score for our portfolio.

Audit and Compliance Committee report

Andrew Alli
Chair

Committee membership as at 31 December 2024
Andrew Alli (Committee Chair)
Kathryn Matthews
Laurie Spengler

Number of Committee meetings: 5

Letter from the Chair of the Audit and Compliance Committee

I am pleased to present my report as Chair of the Audit and Compliance Committee. The Committee's main duties are to:

- review the financial statements;
- review the findings of the external auditor and assess the independence of the external auditor;
- direct the internal audit programme and receive regular reports from Internal Audit;
- monitor the management accounting and the policies and procedures relating to valuations;
- monitor the Group's whistleblowing procedures and outcomes; and
- oversee the Company's regulated activities and Compliance function.

The biographical information on each Committee member is set out on **PAGES 47 TO 50**. This confirms that I have recent and relevant financial experience, and that the Committee as a whole has competence relevant to the business sectors in which BII operates.

"The Committee is satisfied that, taken as a whole, the 2024 Annual Report and Accounts are fair, balanced and understandable, and has confirmed that to the Board."

Financial reporting

BII's Annual Report and Accounts are prepared in accordance with International Financial Reporting Standards (IFRS). The Committee reviewed the Annual Report and Accounts for 2024, which included supporting information from our Finance team that the going concern basis of accounting was appropriate (see note 1 on **PAGE 92** of the financial statements for more information). Following a detailed review by the Committee, it was agreed to recommend to the Board that it continues to be appropriate to adopt the going concern basis in respect of the preparation of the Group's (the Group being British International Investment plc and its subsidiaries) financial statements.

The review of the financial statements was supported by analysis and discussion provided by the Finance team and the reports of the external auditor. Having considered these inputs and the Committee's own independent judgements, the Committee recommended to the Board the approval of the Annual Report and Accounts.

Fair, balanced and understandable

The Committee undertook a comprehensive process to support the Board in reaching its conclusion that the 2024 Annual Report and Accounts is fair, balanced and understandable, and that it provides the necessary information to assess the Group's performance, business model and strategy. The process which enabled the Committee to reach this conclusion included:

Production	Ahead of the production of the Annual Report and Accounts, the Board considered the proposed themes of the report and a summary of the process for its production and sign-off. The subsequent production of the 2024 Annual Report and Accounts has been managed closely by the Chief Financial Officer. A draft of the Annual Report and Accounts was provided to the Committee and the Board for review and comment ahead of the formal meetings to approve the final version.
Cross-functional support	Cross-functional support was provided in drafting the 2024 Annual Report and Accounts, which included input from Communications, Finance, Risk, the Company Secretary, HR and wider business leaders.
Review of disclosures	A review of the 2024 Annual Report and Accounts was conducted by all contributors, to ensure disclosures were balanced, accurate and verified, with further comprehensive reviews by senior management.
Assessment of fair, balanced and understandable	A paper was provided to the Committee which detailed the 2024 year-end assessment of fair, balanced and understandable.
Audit and Compliance Committee review	In addition to the above, a formal review was carried out by the Committee of the draft 2024 Annual Report and Accounts during its meeting in advance of final sign-off by the Board.

Having carefully reviewed and considered all relevant information, the Committee is satisfied that, taken as a whole, the 2024 Annual Report and Accounts are fair, balanced and understandable, and has confirmed that to the Board.

Key accounting judgements

Management presented a paper on the key accounting judgements which the Committee reviewed and challenged ahead of the year-end. Key judgements and estimates considered by the Committee relating to the 2024 Annual Report and Accounts primarily focused on the treatment of investment valuations in respect of both equity and debt. Areas of focus included:

Areas of focus	Issue and role of the Committee
Valuation of equity and debt investments The main area of significant judgement in relation to the Annual Report and Accounts relates to investment valuations as IFRS requires investment assets to be carried at fair value, which, in cases of unquoted investments, entails a certain degree of subjectivity.	Equity investments are valued using a methodology that is appropriate in light of the nature, facts and circumstances of the investment using assumptions and estimates. Where possible, more than one valuation technique is used to benchmark against the chosen methodology. Depending on the nature of the investment, measures may include several methodologies including discounted cash flows, net asset value, realisation proceeds, earnings multiples and appropriate industry benchmarks (see notes 3, 4 and 26 of the financial statements which relate to equity investments, loan investments and the summary of significant accounting policies respectively, for more information). These methodologies are prepared in accordance with BII's Valuation Policy, which sets out the fair value principles, policies and procedures commensurate with BII's assessment of the business risk to ensure that BII complies with applicable rules, regulations and accounting standards. The purpose of the Valuation Policy is to ensure investments are valued and reported in a manner that enables BII to produce financial statements that represent a true and fair view of its portfolio in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines and IFRS requirements, as well as market best practice. It is important to recognise the subjective nature of private equity investment valuations and the application of judgement in determining key inputs such as the discount rate, multiples and cash flows of investee companies. These valuation judgements should be consistent with market participant assumptions. Debt investments are measured using discounted cash flow models. This methodology requires BII to form a view on the recoverability of expected cash flows of each debt instrument in the context of the market or company-specific credit events. The biggest judgement area in such debt valuations is the discount rates used to calculate the net present value of future expected cash flows. In addition, the Committee receives and discusses reports from the Valuations Department in accordance with the Valuation Policy, which summarises the back testing carried out by the Valuations team on at least an annual basis.

Valuations

The valuation of portfolio investments is a key area for BII, especially as there are several unlisted portfolio investments. Valuations for debt and equity are conducted quarterly, subject to materiality criteria. Valuations for all debt and equity investments are carried out as at the year-end reporting date. Fund valuations are applied quarterly in line with fund managers' reporting. Valuations are approved by the Valuations Steering Committee, which is chaired by the Chief Financial Officer.

An independent Valuations team is in place to oversee governance and reporting in this important area. In addition to this, the team has enhanced the consistency of valuation approaches and increased the rigour of interrogating the valuation judgements made.

Controls over financial reporting

It is important to demonstrate that appropriate controls are in place in respect of financial reporting and to ensure findings from internal and external audits are sufficiently addressed in a timely fashion. There are clear, documented workflows and controls in place in relation to BII's internal financial controls, which include, but are not limited to, funding investments and making payments. Workflows and finance systems have been enabled to add a layer of control for approvals to make investment disbursements and supplier payments.

The Committee continues to review the internal financial controls and governance framework that underpins our financial reporting to provide reasonable assurance on the reliability of financial reporting and the preparation of the financial statements.

Internal audit

The Committee reviews the scope, activity, resources and independence of the Company's Internal Audit function which reports to the Committee at each quarterly meeting. The Committee approves the annual Internal Audit Plan and, semi-annually, receives formal reports against this plan from the Internal Audit Director. The Internal Audit Director has a direct reporting line to the Chair of the Committee. They meet regularly throughout the year and provide a report to the Committee on the effectiveness of the internal controls environment at BII.

External audit and auditor independence

The Committee has satisfied itself as to the independence of the external auditor, Deloitte. In doing so, it looked at the following factors, and considered the views of management, internal audit and information provided by the external auditor:

- the external auditor's procedures in place for maintaining and monitoring independence, including those to ensure that the partners and staff have no personal or business relationships with BII, other than those permitted by the Financial Reporting Council's (FRC's) Ethical Standard in the UK;
- Audit Committees and the External Audit: Minimum Standard;
- the external auditor's policies for rotating the lead partner and key audit personnel; and
- adherence by management and the external auditor during the year to both BII and its subsidiaries' policies for procuring non-audit services and employing former audit staff.

The Committee has established and reviewed policies determining the non-audit services that the external auditor can provide and the procedures required for pre-approval of any such engagement. These policies provide for the auditor to be engaged only for work that is not prohibited by professional or other regulatory requirements. Even where the policy allows for the external auditor to be engaged to provide non-audit services, prior approval is required from either the Chief Financial Officer, the Committee Chair or the Committee itself. During the year, the Committee reviewed the fees paid to the external auditor. A summary of the fees paid and other services is set out in note 10 on » **PAGE 104** of the financial statements. In addition, a review of the effectiveness of Deloitte LLP as auditor was carried out and concluded in 2024. The Committee agreed that the services provided by Deloitte continued to be effective. Deloitte was re-appointed as the external auditor for the year ending 2024. A new audit partner was appointed by Deloitte following the previous partner's fifth year.

Modern Slavery Act Statement

During 2024, the Board approved our Modern Slavery Act Statement, following its review and recommendation by the Committee. The statement is published on our website; see » **PAGE 19** for more information.

Internal controls

The Committee forms an integral part of our three lines of defence model and its framework of internal controls. Further information on internal controls and the role the Committee performs in this area is given in the Risk management section on » **PAGES 12 TO 17.**

Whistleblowing, regulatory and compliance matters

I am BII's Whistleblowing Champion. The Audit and Compliance Committee reviewed and assessed the whistleblowing processes, and all staff have received training to reinforce good practice. As a financial services organisation, BII is authorised and regulated by the FCA and governed by several regulations. The Committee receives reports on ongoing compliance and data protection matters at each meeting from the Head of Compliance and Money Laundering Reporting Officer. These also include updates on regulatory developments, data protection, financial regulation and financial crime compliance. A summary of the outcomes of assurance and monitoring activities is also presented at each meeting of the Committee.

Terms of reference and governance

In addition, during the year, the Committee reviewed its activities against its terms of reference and the FRC Minimum Standards Guidance to ensure it was discharging its obligations appropriately. The Committee was also kept up to date in respect of changes to the Code and changes to financial reporting requirements in respect of sustainability disclosures. As set out above, the Committee covered a significant amount of work in 2024, and I would like to convey my thanks to all those involved.

Andrew Alli
Chair

Risk Committee report

Kathryn Matthews
Chair

Committee membership as at 31 December 2024

Kathryn Matthews (Committee Chair)
Simon Rowlands
Chris Woodruff

Andrew Alli continues to attend the Committee as an observer.

Number of Committee meetings: 4

"BII has continued to enhance its risk reporting and controls framework and reporting to the Committee which enables the Committee to be kept up to date with the principal risks facing BII and how they are mitigated or accepted."

Letter from the Chair of the Risk Committee

I am pleased to present my report as the Chair of the Risk Committee. The Committee's main duties are to develop and oversee the implementation of the Risk Management Framework and the principal risks facing BII (as set out on » PAGES 12 TO 17).

BII has continued to enhance its risk reporting and controls framework and reporting to the Committee which enables the Committee to be kept up to date with the principal risks facing BII and how they are mitigated or accepted. A typical Committee meeting follows the format of the CRO first giving the Committee a high-level introduction of the material matters to be considered at the meeting. This is followed by a review of the quarterly report which contains information regarding risks within the investment portfolio including investments on the watchlist and those being managed by the Special Situations team as well as any operational, conduct or compliance risks in the organisation as a whole. Proposed changes to the Model Risk framework and the activities of the Reputational Risk Committee are also reviewed. The Committee will also discuss any new or emerging risks that might affect BII and decide whether any action could be taken in mitigation.

At each meeting the Committee will also consider and discuss specific areas of interest or concern that are either not covered in the regular contents of the quarterly report such as BII's investment in Ukraine or are the subject of the deep dive to increase the Committee's knowledge and understanding. During 2024, specific areas of interest included: a detailed review of BII's risk culture, a review of BII's financial risk limits and country allocation, and an overview of how risk is considered in the Industries, Technology and Services Sector Group. In addition, a presentation was provided by the Head of the Special Situations team to give the Committee further insights into how risk is considered and managed by the team.

A report on developing BII's climate risk governance was considered by the Committee and it was agreed that further updates be added to the regular quarterly report to the Committee meeting. The Committee received and noted the annual report on BII's approach to managing cyber risk.

Members also consider as a regular agenda item BII's main policies and documentation relating to its risk framework, to ensure they remain fit for purpose, such as the Risk Policy and country risk reporting limits and allocations along with the Risk Appetite Statement. Some small adjustments to the Risk Appetite Statement were agreed to make sure that it remains appropriate and is consistent with the 2022–2026 strategy. Other than some enhancements to underlying metrics, no material changes were proposed to the overall Risk Appetite Statement or taxonomy.

The Committee conducted the annual self-assessment of the Risk team's activities during 2024 and the work programme for 2025 along with the annual review of its terms of reference to ensure that they are still fit for purpose.

I would like to express my gratitude to my colleagues for the work they have carried out in 2024 to ensure that a robust framework remains in place to support the 2022–2026 strategy.

Kathryn Matthews
Chair

People Development and Remuneration Committee report

Dolika Banda
Chair

Committee membership as at 31 December 2024
Andrew Alli
Dolika Banda (Committee Chair)
Diana Layfield
Krishnakumar Natarajan

Number of Committee meetings: 6

Letter from the Chair of the People Development and Remuneration Committee

I am pleased to report on the activity of the People Development and Remuneration Committee (PremCo) during 2024.

PremCo applies Board-level scrutiny to core aspects of BII's people strategy across all offices and carries out its duties in the context of its corporate strategy and with due regard to the budget and financial implications of all activity. Throughout the year, we retained PwC as independent external adviser to support our work.

PremCo continues to operate in line with three 'Guiding Principles':

- enabling the recruitment, retention and development of individuals of the calibre to allow BII to achieve its mission;
- a clear understanding of the needs of the shareholder and other key stakeholders; and
- the goal of building a team that encapsulates and is inspired by BII's values.

There are several standing topics for consideration by PremCo at each regular meeting. We set agendas referring to six core areas: (i) reward and recognition; (ii) employee engagement, culture and values; (iii) diversity, equity, inclusion and belonging (DEIB); (iv) performance evaluation, talent management and development and succession planning; (v) talent attraction and acquisition; and (vi) governance. PremCo also reviews a quarterly update from the Chief People Officer which includes people management data and analysis on headcount, attrition and the diversity profile of the workforce globally.

During 2024, additional dedicated PremCo meetings were held, first to focus on the triennial global remuneration benchmarking exercise, and second to review our main progressions and promotions cycle.

BII has a high-performance culture. To enhance this, during 2024 we successfully ran a 'learning year' for our Performance Management and Development Programme, with multiple strands of training for line managers and all employees to help facilitate great performance conversations. Performance ratings were given for the first time, following a calibration exercise. Embedding a high-performance culture linked to pay for performance has been signposted with the announcement that, from 2026, we will move the timing of our annual inflationary salary review to take effect from 1 April instead of 1 January. This is to align the timing with the confirmation of performance ratings for individuals.

In March 2024, we welcomed a Learning and Development (L&D) Manager to the HR team. As a result, an L&D strategy has been shared with PremCo, accompanied by a multi-year road map of activity. In support of BII's corporate strategy, the L&D strategy will seek to improve employee engagement, enable high performance, as well as support a positive, inclusive working culture to drive talent retention across our geographically dispersed workforce.

Another key success in 2024 was the launch of our new employer brand and Employee Value Proposition (EVP) which centres around: (i) Doing meaningful work, (ii) Taking on real challenges, and (iii) Being part of something special. As part of the launch, we invited our people to reflect on what matters most to them about our work at BII and the many ways in which we all contribute to the success of our mission.

In Summer 2024, we ran our biennial employee engagement survey. 81% of employees completed the survey and overall we had a 75% employee engagement score, reflecting the level to which people are engaged in the workplace (74% in 2022). Strengths identified included: pride in BII; rewarding roles; and recommendation as a place to work. Areas of improvements since 2022 included work–life balance, commitment to stay and line management. Employee positivity regarding their line manager has significantly improved from the 2022 survey, with a 23% improvement in how employees view their line manager. Following the survey results we have identified: (i) organisational focus areas; (ii) ExCo group focus areas; and (iii) department focus areas, bearing in mind variations in results across different offices. Follow-on firmwide actions will focus on: (i) speak up; (ii) leadership; (iii) organisational management and structure; (iv) performance management; (v) values; and (vi) reward and benefits. We are also developing group action plans and will communicate to employees using 'You said, we did'.

We used the results of the survey to inform our annual Culture Dashboard, along with people management metrics such as attrition, sickness, employee concerns and grievances. BII's cultural health remains amber, trending towards green. A range of key engagement indicators remain green, and we are committed to maintaining them as green. Some areas require further work to achieve green. As well as areas for follow-on action from the survey such as speak up and leadership, we will continue to review the number of long-term sickness cases and leavers within 12 months of joining.

We have developed four new conduct risk metrics (mandatory training completion, Risk and Compliance incidents, disciplinaries and dismissals) to supplement the existing People risk metrics. The definition of People risk has been revised to: 'The risk that workforce composition (which is a function of our ability to attract and manage talent) and conduct (including inappropriate behaviours and unethical practices) result in reputational, financial, or operational impacts to BII.' The new metrics support wider work on Risk Culture.

Diversity, equity, inclusion and belonging (DEIB) across all offices is key to our organisational cultural health. At the end of 2024, we exceeded our interim milestones for female and black leadership globally. We achieved 39.1% female leadership against an interim milestone of 37.5% and 14.3% black leadership against an interim milestone of 11.5%. As a result, we have reset our leadership targets to ensure that they will stretch us, with revised targets for the end of 2026 of 42% female leadership and 15% black leadership, the latter being in line with black representation in the firm as a whole. In 2025, we will continue to embed our four workstreams of DEIB activity to drive both gender and ethnicity representation. These are: (i) inclusive hiring and progression: practices and resources; (ii) telling our story: impactful communications; (iii) developing our leaders and colleagues; and (iv) effective DEIB governance.

Remuneration is a key responsibility of PremCo. A significant focus for PremCo during 2024 has been the triennial global benchmarking exercise, including reviewing our approach to the ongoing challenge of managing high inflation and currency volatility in some of our markets. The benchmarking exercise allows a 'sense check' on the overall BII compensation package and forms the basis for determining the salary structures within BII's bands by country for each role type. We announced the overall outcome of the benchmarking exercise to employees in Q1 2025. In 2025, PremCo will be reviewing the Long-Term Incentive Performance Plan (LTIPP) after the end-of-year three of operations, as required by the Remuneration Framework. This review will be to assess whether the LTIPP is operating in accordance with the Plan's objectives and will inform any adjustments that may be appropriate to fulfil the Plan's objectives.

Ongoing improvements in the gender diversity of our leadership were reflected in the overall reduction in the UK gender pay gap in 2024. Our UK workforce is 54% female, but it remains the case that, across BII, females are over-represented either at lower levels or in many of the roles that attract lower rates of pay. Figures for our ethnic minority employees show a mixed picture which varies depending on ethnicity. While both the mean and median pay gap has closed for black employees, the mean has increased slightly for both Asian employees and those from other ethnic minority groups, but the median has closed for both these groups. Again, this is due to distribution of Asian, black and other ethnic minority employees across various parts of our business.

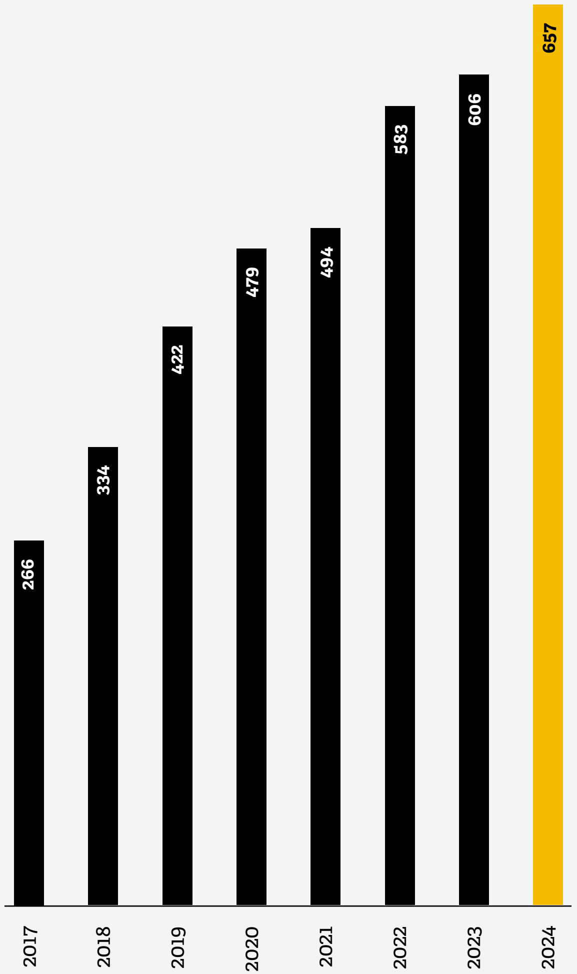
2024 has been a busy year for PremCo given the triennial benchmarking exercise. I thank the other members of PremCo for engaging with this exercise, as well as all other people matters we have overseen, with such enthusiasm and commitment. Looking forward to 2025, the focus will be on: (i) completing the triennial benchmarking exercise and undertaking the review of the LTIPP; (ii) demonstrating action in response to themes raised in the employee survey, particularly around leadership and fostering a stronger 'Speak Up' culture; (iii) enhancing firm-wide performance management skills to support our high-performance culture; (iv) implementing the L&D strategy; (v) developing a clear career development and talent management offering; and (vi) succession planning. PremCo looks forward to working with Leslie as CEO on all of these areas, alongside other members of the management team. Together we will ensure that BII is an environment in which our people can thrive while delivering the work that matters most.

Dolika Banda
Chair

BII workforce distribution and engagement

Employee headcount had reached 657 across our global locations by the end of 2024.

BII year-end headcount



BII global locations

Key

At 31 December 2024

1. Bangladesh, Dhaka
2. Egypt, Cairo
3. Ghana, Accra
4. India, Bangalore
5. India, Mumbai
6. Kenya, Nairobi
7. Nepal, Kathmandu
8. Nigeria, Lagos
9. Pakistan, Karachi
10. Singapore
11. South Africa, Johannesburg
12. UK, London
13. Zimbabwe, Victoria Falls

Workforce engagement

Cultural health remains a key focus area for PremCo as we strive to build a thriving, diverse and inclusive organisation where everyone feels they belong and it is safe to speak up.

In 2024, we ran a full employee engagement survey to help us find out how employees feel about BII, their work and career here, both to understand what we do well and to see where further improvements could be made. Our engagement score has increased slightly from the last full survey in 2022 and we saw a notable improvement across all line management scores since 2022. Our people continue to have a strong sense of mission, purpose and pride in working for BII. We have followed up on the survey with focus groups across the business to understand better what is driving the results and we continue to work with departments on action plans.

We engage with the Employee Forum and our employee networks, which include a new network for employees from or connected to South and South-East Asia. Our focus is to keep lines of communication open and support employee feedback at all levels and across all geographies.

We used 2024 as a 'learning year' for our Performance Evaluation and Development Programme (PEDP) which saw us introduce performance ratings for the first time and roll-out training for line managers and for all employees. We took feedback on PEDP through the employee engagement survey and are factoring that in to the programme in 2025.

Promoting positive wellbeing and work–life balance is a priority for us. We know that investing in wellbeing ensures we have a happy and healthy working culture, as well as improving engagement, enabling all of us to be more productive and excel in our roles. We have employee wellbeing guides for our UK employees and those in our other offices which use a Recognise, Respond, Refer approach to support employees in line with our Collaborative and Caring value.

We introduced a new hybrid working policy in 2024 to ensure we are following best practice for the type and size of our organisation, as well as providing an environment that supports employee wellbeing in line with our values.

Continuing to work collaboratively and fortifying the social fabric of the firm is a top priority, while ensuring we maintain flexibility in how we manage our family life and work commitments.

Career development

Following the launch of the 'all-BII curriculum' in 2022, we have continued to build on our career development options. This has included the early careers programme and reviewing our secondment offer across teams and internationally. The review of career options will continue to be a focus for us. This will be particularly important where there is no business case for promotion to more senior roles.

Duty of care

We recognise a duty of care towards our employees. This is grounded in our values of collaboration and caring and means taking all reasonable steps to ensure employees' wellbeing, health and safety. It covers our commitment to ensuring a good work–life balance, safeguarding employees in an atmosphere of psychological safety, free from harassment, and providing active support for their mental and physical health. We also aim to ensure the safety of employees in our offices and especially while travelling in our markets, where security can be compromised. In addition, our support for mental wellbeing is supplemented by our healthcare provider and Employee Assistance Programme. Our HR Business Partner team members are qualified mental health first aiders.

Gender and ethnicity pay reporting

We have published our UK Gender and Ethnicity Pay Gap report on our website every year since 2018. The data at 5 April 2024 shows mean and median gender pay gaps of 20 per cent and 18 per cent, respectively, in favour of men. It is encouraging that the gap is continuing to reduce over the long term.

Women make up 45.5 per cent of our Board, 52.5 per cent of our workforce, and occupy 39.4 per cent of the roles at director level and above.

The report also includes our ethnicity pay gap, ahead of any mandatory reporting requirement; we have disaggregated the data to show figures for Asian employees, for black employees and for employees from other ethnic minority groups. Our mean pay gap is narrowest for Asian employees at 6 per cent, compared to 10 per cent for black employees and 18 per cent for employees from other ethnic minority groups. Overall, our ethnicity pay gap is smaller than our gender pay gap as a result of greater ethnic diversity at all levels. Full details of our UK Gender and Ethnicity Pay Gap report, which sets out the actions we are taking to close the gaps and improve both gender and ethnic diversity, can be found online.

In addition to being signatories of HM Treasury's Women in Finance Charter, we are members of Working Families, Carers UK and the Employers Network for Equality & Inclusion (enei). We are also signatories of Business in the Community's Race at Work Charter, demonstrating our ongoing commitment to increasing our ethnically diverse employee population at all levels.

Values and culture

We are guided by three core values which underpin all aspects of our culture and the standards of behaviour we expect across the organisation globally, from Board to new hires:

- impact-led, commercially rigorous;
- tenacious in the face of challenges; and
- collaborative and caring.

These are embedded into our performance assessment and promotion processes and measured in our employee pulse surveys, in exit interviews and feedback to HR. We have developed a Values Commitment statement which makes clear the behaviours our people can expect from their colleagues, and the commitments they in turn will make to their colleagues. We now also collate and measure our cultural health in our Culture Dashboard, as mentioned on PAGE 66. The ongoing measurement of cultural health will remain a key metric for the Board to ensure we sustain alignment with our values.

Remuneration Policy

The Remuneration Policy is articulated within the Remuneration Framework, which PremCo is responsible for agreeing with the FCDO as our shareholder. The current framework was finalised in November 2021, following the Triennial Review. The key elements of the policy are captured below. The remaining sections of the Remuneration Policy are unchanged from 2021 – see **PAGES 74 TO 78** of the 2021 Annual Report and Accounts for details.

Remuneration Policy for Chief Executive

Components	Operation and implementation
Support for objectives of BII	To be successful, BII needs to attract both world-class senior investment professionals to lead it and a comparable calibre of professionals to provide operational and transactional support. It is recognised that BII cannot provide competitive market salaries for such people and that commitment to the BII mission will always be the key motivating factor for the Chief Executive. A Chief Executive remuneration cap reinforces the remuneration philosophy as being mission-driven. This cap restricts the maximum amount payable to the Chief Executive in respect of salary and BII's incentive plan (LTIPP), with a further limit of 18% of annual salary to be spent on other benefits covering pension. The Chief Executive cap is subject to an annual increase in line with and to be applied at the same time as the inflationary increase in UK salaries.
Total reward	The Chief Executive's base salary is reviewed annually by reference to inflation data, and increased in line with base salaries of employees as governed under the base salary policy below. The maximum pay-out to the Chief Executive in any one year, with respect to salary and LTIPP, will remain subject to the cap. Other benefits cannot exceed 18 per cent of base salary. The Chief Executive's remuneration will be part of the benchmarking exercise to be undertaken every three years. The Chief Executive will be eligible to participate in the benefits in kind, captured on page 77 in the 2021 Annual Report and Accounts, with the exception that while private medical insurance will be available for overseas travel, the Chief Executive will not have access to UK private medical insurance paid for by BII.

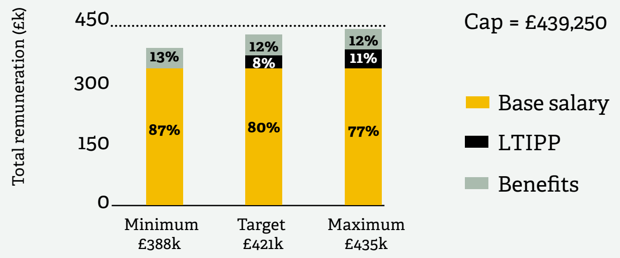
Recruitment Policy

Any new Executive Director, Non-Executive Director or Chair will be engaged on the same terms and conditions as the current incumbents described in this section unless noted otherwise, and provided that such engagement shall be consistent with the terms of the Remuneration Framework in effect at the time of such engagement.

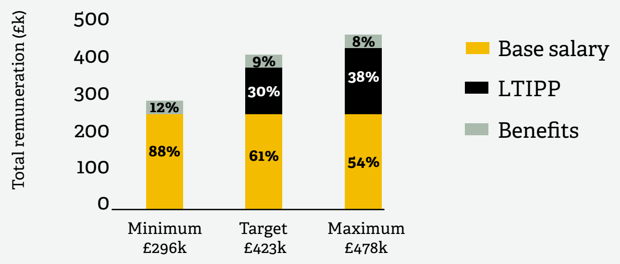
The Chief Executive has a service agreement which, as noted above under 'Remuneration Policy for Chief Executive', is subject to a cap which limits their remuneration (consisting of salary and LTIPP in respect of the same financial year), plus up to 18 per cent of annual salary for other benefits.

Executive Director scenario charts for total remuneration, 2025

Chief Executive



Chief Financial Officer



The charts above provide an indication of the level of remuneration that would be received by Executive Directors in 2025, assuming they remain in office for a full year, under the current Remuneration Policy in three different scenarios. The Chief Executive chart includes the period from 1–14 January 2025 as CEO Designate before appointment as an Executive Director on 15 January 2025, and shows the prevailing cap for the full year which limits salary and LTIPP in respect of 2025.

The following assumptions were made in preparing these charts:

Minimum	This includes only the fixed elements of pay, being base salary, benefits and pension.
Target	This includes the fixed elements and the target LTIPP award of 70 per cent as stated in the Remuneration Framework.
Maximum	This includes the fixed elements and the maximum LTIPP award.

Service agreements

The new Chief Executive's employment is terminable on either side by 12 months' notice. The Chief Executive will receive the same equivalent salary as their predecessor and be entitled to participate in BII's LTIPP in accordance with the plan rules, subject to the cap mentioned on PAGE 69.

The current Chief Financial Officer, who joined in September 2020, has a statement of written particulars of employment which is terminable on either side by six months' notice.

The Chief Financial Officer will receive a salary and is entitled to participate in BII's LTIPP.

The Non-Executive Directors have letters of appointment including the terms disclosed in the table below. Non-Executive Directors will be subject to re-election at an AGM in accordance with the provisions for retirement of Directors by rotation contained in the Articles of Association.

The employment contracts and letters of appointment of the Directors include the following terms:

Name and position	Date of appointment	Notice period (months)
Executive Directors		
Leslie Maasdorp[1]	15 January 2025	12
Nick O'Donohoe (until 29 November 2024)	19 June 2017[1]	9
Carolyn Sims[2]	23 September 2020[1]	6
Non-Executive Directors		
Andrew Alli	24 September 2018	3
Dolika Banda	24 September 2018	3
Daniel Hanna	1 May 2024	3
Diana Layfield[3]	1 December 2021	3
Kathryn Matthews	1 January 2021	3
Krishnakumar Natarajan	15 July 2020	3
Simon Rowlands	22 July 2022	3
Laurie Spengler	28 July 2016	3
Chris Woodruff	1 August 2021	3

1. Leslie Maasdorp has an employment contract dated 29 October 2024, with his initial appointment as CEO Designate. Following both the departure of the previous Chief Executive, Nick O'Donohoe, and receipt of the necessary FCA approvals, Leslie was formally appointed as an Executive Director and Chief Executive on 15 January 2025.
2. Carolyn Sims has an employment contract dated 29 October 2024.
3. Appointed Chair of the Board from 1 January 2022.

External appointments

The Company believes it can benefit from Executive Directors holding non-executive appointments, and that such appointments provide a valuable opportunity for personal and professional development. Such appointments are subject to the approval of the Board. The previous Chief Executive was a Non-Executive Director on the Board of the European Development Finance Institution until May 2024. The Chief Financial Officer is a Non-Executive Director on the Board of Temple Bar Investment Trust plc. The new Chief Executive held no external appointments during the period from joining as CEO Designate on 29 October 2024 onwards.

Annual report on remuneration

The remuneration of the Non-Executive Directors who held office during the year is shown in the following table:

Non-Executive Directors	2024 fee £	2023 fee £
Diana Layfield	70,000	70,000
Andrew Alli	28,000	28,000
Dolika Banda	28,000	28,000
Daniel Hanna (appointed 1 May 2024)	14,667	–
Kathryn Matthews	28,000	28,000
Krishnakumar Natarajan	22,000	22,000
Simon Rowlands[1]	22,000	22,000
Laurie Spengler[1]	26,000	26,000
Chris Woodruff	28,000	28,000

1 Laurie Spengler stepped down as Chair of the Employee Forum on 31 December 2024, with Simon Rowlands appointed as the new Chair with effect from 1 January 2025.

Non-Executive Directors are paid a standard fee of £22,000 per annum, an extra £6,000 per annum for chairing a Board Committee and £4,000 per annum for chairing the Employee Forum.

Non-Executive Directors do not receive any pension, benefits or long-term incentives.

2024 single total figure of remuneration for Executive Directors

The remuneration of Executive Directors who held office during the year is shown in the table below:

Executive Directors	Base salary £	Non-pension benefits £	Incentive plan £	Pension[1] £	Total[2] £
Nick O'Donohoe[3]					
2024	**300,300**	**–**	**88,870**	**39,583**	**428,753**
2023	313,490	–	94,610	41,321	449,421
Carolyn Sims					
2024	**251,830**	**2,284**	**126,410**	**33,194**	**413,718**
2023	240,990	2,308	84,501	31,765	359,564

1 Represents a cash allowance in lieu of contributions to a pension scheme, net of employer National Insurance contributions.
2 Excluding the incentive plan, there are no other variable elements to total actual remuneration.
3 The numbers in the table reflect the fact that the CEO stepped down from the Board and left BII on 29 November 2024 as well as being subject to a pro-rated chief executive remuneration cap of £389,170, which would have been £426,460 for the full year (£408,100 in 2024). Base salary and incentive plan payment together cannot exceed the cap.

Payments to the CEO Designate

Leslie Maasdorp joined BII on 29 October 2024 in the position of CEO Designate prior to his formal appointment as Executive Director on the Board on 15 January 2025. During 2024, he was on the same annual base salary of £327,600 as his predecessor Nick O'Donohoe and received salary payments of £58,380 and employer pension contributions of £8,757. BII also reimbursed one-off costs to relocate to the UK plus associated estimated taxes, of £56,500, which were incurred across 2024 and 2025.

CEO and employee pay ratios

PremCo is pleased to disclose the ratio of CEO single total figure of remuneration (shown in the preceding Executive Directors' table) in accordance with the Companies (Miscellaneous Reporting) Requirements 2018. The following table sets out the total compensation expressed as a ratio of the CEO's remuneration at each quartile, along with the total compensation and salary for the representative employee.

	Statistic	25th percentile	Median	75th percentile
2024	Pay ratio – total compensation (Option A)	5:1	3:1	2:1
	Representative employee total compensation	£91,300	£141,695	£220,785
	Representative employee salary	£81,910	£110,040	£147,600

	Statistic	25th percentile	Median	75th percentile
2023	Pay ratio – total compensation (Option A)	5:1	4:1	2:1
2022	Pay ratio – total compensation (Option A)	4:1	3:1	2:1
2021	Pay ratio – total compensation (Option A)	4:1	3:1	2:1
2020	Pay ratio – total compensation (Option A)	4:1	3:1	2:1
2019	Pay ratio – total compensation (Option A)	4:1	3:1	2:1

We elected to use the preferred method of Option A, which is based on all UK employees on a full-time equivalent basis, as the UK Government considers this produces the most statistically accurate results. The ratios are calculated on the equivalent total compensation of the 25th percentile, median and 75th percentile of UK employees. Total compensation, which is determined as at 31 December 2024 for UK employees employed throughout 2024, consists of base salary, allowances, benefits and payments relating to the 2024 LTIPP. For the purposes of consistency with prior years, the calculations assume Nick O'Donohoe, the previous Chief Executive, was paid as if in office for the full year, rather than until the leaving date on 29 November 2024.

The 2024 median pay ratio above is consistent with the pay and progression policies for our UK employees as a whole.

Performance of the LTIPP in 2024

The LTIPP's performance metrics are based on the corporate objectives set by the Board, which are linked to our mission. The first two of these objectives represent the development impact component and the financial performance measure, equally weighted (40 per cent of the LTIPP each, or 80 per cent in total). The remaining 20 per cent of the LTIPP will be awarded based on the performance of up to five other corporate objectives selected annually by the Board.

The Executive Directors are entitled to a payment as a percentage of their base salary, which depends on their level and length of time in the plan ('maximum award'), and achievement against the corporate metrics.

Calculation of the maximum LTIPP amount

The maximum amount that can be awarded to the Chief Executive is always subject to the overall CEO cap such that their pay (including base salary and LTIPP payment) cannot exceed this cap in respect of any one financial year. In addition, under the LTIPP, the maximum award percentages are capped for all participants, subject to achievement of the performance metrics, based on level and the length of participation in the plan. For the Chief Executive and Chief Financial Officer roles, the maximum award percentages year-on-year, up to a capped percentage at the end of year 5, are as shown in the table below:

Number of years' participation	0–1	1	2	3	4	5	5+
Percentage of base salary	0–14%	14%	28%	42%	56%	70%	70%

The maximum award which Executive Directors who join after 1 October are entitled to is determined from 1 January of the following year. The maximum award Directors joining before 1 October are entitled to is determined from the start of the same year, but the amount is reduced by 1.167 per cent for each full month between 1 January and the date of joining.

The LTIPP replaced the Long Term Development Performance Plan (LTDPP) in which the previous Chief Executive and current Chief Financial Officer participated and under which their maximum award potential increased with tenure in that plan. To recognise that previous tenure, in moving to the LTIPP on 1 January 2022, their maximum award as at 31 December 2021 under the LTDPP was carried forward to the LTIPP.

The maximum awards for Directors in 2024 were therefore calculated as:

Statistic	Nick O'Donohoe[1]	Carolyn Sims
Employment start date	24 April 2017	15 June 2020
Percentage of base salary as at 31 December 2023 accrued under LTIPP to date and previous LTDPP	70.00%	43.83%
Increase in maximum award in 2024	-%	14.00%
Maximum award	70.00%	57.83%

1 The Chief Executive's maximum award reached the cap of 70 per cent during 2023, and hence there was no increase in the year. The new Chief Executive, Leslie Maasdorp, only joined the plan effective 1 January 2025 in accordance with the plan rules.

Calculation of the 2024 LTIPP outcomes

Components	Corporate objectives	Deliverables	Weighting	Achievement	Weighted achievement
Impact	Maximise development impact of portfolio	Measured by the aggregate Impact Score across investments, which focuses on the extent to which they are 'productive', 'sustainable' and 'inclusive'. Refer to the Investment Policy (for the period from 1 January 2022 to 31 December 2026) on the BII website for more information.	40.0%	75.0%	30.0%
Financial	Maintain portfolio financial performance	Staying on track to meet the commercial hurdle of a weighted cumulative investment return, gross of costs, of at least 2% on the total portfolio over a seven-year period.	40.0%	100.0%	40.0%
Corporate	Maintain the commitment pace	(a) On track to commit ~$3.5 billion over a rolling two-year period, (b) have 10–15% of total portfolio value in Catalyst investments by end of 2026 and (c) have committed up to £500 million in South-East Asia by 2026 (as market conditions allow).	20.0%	84.0%	16.8%
	Meet our climate and gender finance goals	On track to have the following percentages of new commitments: 30% labelled as climate finance, 25% as 2x qualified and 30% as highly inclusive on a cumulative five-year basis over the 2022–2026 period.			
	Stay within operating cost framework	Keep operating costs within the agreed operating expenditure policy (1.7% of portfolio value plus unfunded commitments, excluding agreed cost carve-outs), and within the 2024 Board-approved budget.			
	Continue to improve people and cultural health	Successfully roll-out the Performance Development Evaluation & Development Programme (PEDP); increasing the proportion of women and black people in leadership in line with our agreed D&I milestones; continue to trend green on the Culture Dashboard.			
	Stakeholder relationships	Effectively manage shareholder priorities (including satisfactorily delivering existing programme-funded facilities and designing any new ones) and ensure wider stakeholders have strong visibility and understanding of BII's work.			
				Total weighted average achievement	**86.8%**

Calculation of the 2024 LTIPP outcomes

As such, Executive Director awards were calculated as:

Statistic	Nick O'Donohoe[1]	Carolyn Sims
Base salary at 31 December 2024	£300,300	£251,830
Maximum amount	70.0%	57.83%
Performance achievement percentage	86.8%	86.8%
LTIPP award	£182,462	£126,410
Reduction for Chief Executive capped remuneration	£(93,592)	–
Net LTIPP award	£88.870	£126,410

1 Nick O'Donohoe left BII on 29 November 2024. The base salary amount represents the pro-rated salary paid for the period worked in 2024. The Chief Executive remuneration cap was pro-rated accordingly as well. The new Chief Executive, Leslie Maasdorp, joined the plan on 1 January 2025 in accordance with the plan rules, as a result of joining BII after the 30 September 2024 cut-off date for the 2024 plan year.

Employee remuneration

BII recognises that it is important to provide full transparency over its remuneration to all its employees. The number of employees in both the total salary and total compensation bands have continued to increase slightly at the top end as expected, through inflationary salary increases and tenure-linked increases in the LTIPP, but remain relatively in proportion in the lower bands given the growth in headcount. There are no other forms of remuneration other than those set out in the annual report on remuneration above.

The number of Group employees employed for the full 12-month period in the year by remuneration band is shown below:

	Number of employees Base salary		Number of employees Total compensation	
Statistic	**2024**	**2023**	**2024**	**2023**
£450,001–£500,000	–	–	1	1
£400,001–£450,000	–	–	11	4
£350,001–£400,000	–	–	18	9
£300,001–£350,000	–	1	25	21
£250,001–£300,000	12	–	51	40
£200,001–£250,000	29	32	54	57
£150,001–£200,000	86	72	76	62
£100,001–£150,000	155	141	116	124
£50,001–£100,000	187	196	150	154
£0–£50,000	67	64	34	34
Total	536	506	536	506

Note: Nick O'Donohoe, the previous Chief Executive, is not included in the table, having left BII on 29 November 2024 and so having not been employed for the full year.

Implementation of pay in 2025

Base salary

Following a review in the year, PremCo agreed an increase of 3.0 per cent in the base salaries of the new CEO from £327,600 to £337,430 and the Chief Financial Officer from £251,830 to £259,380. This 3.0 per cent increase was in line with the wider UK workforce. The increases are effective from 1 January 2025. The CEO cap similarly increased by 3.0%, to £439,250.

LTIPP

The performance metrics for 2025, shown in the following table, are selected from the 2025 corporate objectives set by the Board.

The Board will assess the level of performance of these seven objectives annually, with the five weighted 4 per cent each representing the corporate component scored on a scale of 0 to 5, and award the LTIPP accordingly.

Corporate objectives	Deliverables	Weighting
Development impact of portfolio	Maximise development impact, as measured by the Aggregate Impact Score across investments, which focuses on the extent to which they are 'productive', 'sustainable' and 'inclusive'. Refer to the Investment Policy (for the period 1 January 2022 to 31 December 2026) on the BII website for more information.	40%
Financial performance	Maintain portfolio financial health by staying on track to meet the commercial hurdle; at least 2% return on growth and catalyst portfolios (gross of costs on a weighted seven-year trailing average basis in GBP sterling).	40%
Commitment pace	Deliver \$2.1bn – \$2.6bn of new commitments, while staying on track to have (i) 10% – 15% of total portfolio net asset value in Catalyst investments and (ii) committed £500m to SE Asia, both by 2026.	4%
Climate, gender and inclusion	On track to have the following percentages of new commitments: 30% labelled as climate finance, 25% as 2x qualified and 30% as highly inclusive on a cumulative five-year basis over the 2022–2026 period.	4%
Operating cost and budget	Keep operating cost within the agreed operating expenditure policy (1.7%), and within the 2025 Board-approved budget.	4%
People and cultural health	Make progress towards the firm's revised 2026 targets on the proportion of women and black people in leadership, by meeting revised interim milestones for 2025; use the Performance Evaluation & Development process to embed the value of cross-firm working; and continue to trend green on the Culture Dashboard.	4%
Stakeholder relationships	Achieve a favourability score of at least 45% with HM Government. Score A+ or higher in the FCDO Annual Review of BII. Deliver against a majority of the priorities set out in the annual Chair's letter.	4%

Committee adviser

The Committee's external adviser, PwC, attends each meeting to provide independent advice and updates to the Committee on relevant corporate governance and market-related developments. PwC is a signatory to the Remuneration Consultants Group's Code of Conduct; this gives the Committee additional confidence the advice received is objective and independent of conflicts of interest. During 2024, PwC also provided services to the rest of the Group on tax compliance.

On behalf of the Board

Dolika Banda
Chair

Directors' report

The Directors present their report for the financial year ended 31 December 2024.

Principal activities and Investment Policy

BII is a development finance institution that invests its capital in private sector businesses in developing countries. Our principal activity is providing the flexible long-term investment these businesses need to grow. We invest directly in companies through debt and equity instruments. We also invest in companies indirectly through fund investments and other investment vehicles managed by third-party investment fund managers.

Governance Code and Statement

BII is an unlisted public limited company which is wholly owned by the Foreign Secretary. Although it does not meet the governance reporting criteria of the Companies (Miscellaneous Reporting) Regulations 2018, as good practice, the Board has considered both the UK Corporate Governance Code issued in January 2018 and the Wates Corporate Governance Principles for Large Private Companies issued in December 2018. The Board has reviewed its governance in line with both Wates and the UK Corporate Governance Code. The Company's Corporate Governance Statement (which also forms part of this Directors' report) is set out on **PAGES 45 TO 78** of the Annual Report.

Information included in the Strategic Report and elsewhere in the Annual Report and Accounts

The Company's Strategic Report is on **PAGES 2 TO 44** and includes the following information that would otherwise be required to be disclosed in this Directors' report.

Subject matter	Section	Page reference
Likely future development in the business	Chief Executive's statement	5 to 6
Events since the end of the financial year	Note 25 to the financial statements	116
Engagement with employees	How we engage with our stakeholders	56 to 57
	People, Development and Remuneration Committee report	65 to 75
Engagement with suppliers, customers and others	Governance Report	56 to 57
Greenhouse gas emissions, energy consumption and energy efficiency action	Climate-related Financial Disclosures 2024	21 to 44
Financial risks	Risk management	16
Employee Incentive Plans (LTIPP)	People, Development and Remuneration Committee report (Remuneration Policy)	75
Financial instruments	Notes to the accounts	108 to 112

Further information on our investments, development impact and case studies can be found in our Annual Review.

Regulation

BII is authorised and regulated by the FCA under the Financial Services and Markets Act 2000. Where applicable, certain Group subsidiaries' businesses outside the UK are regulated by national regulators.

Branches

BII has no overseas branches. However, at the date of the Annual Report and Accounts, its subsidiary, British International Investment Holdings Limited, has branches, representative offices and overseas registrations, as applicable, based in South Africa, Ghana, Egypt and Nepal.

Dividends

The Directors do not recommend payment of a dividend for the year (2023: nil).

Directors

The names of the current Directors of the Company, along with their biographical details, are set out on **PAGES 47 TO 50** and are incorporated into this report by reference. The Directors have no interests in the share capital of the Company.

The powers given to the Directors are contained in the Company's Articles of Association and are subject to relevant legislation.

Directors' conflicts of interest

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company has processes to disclose and identify potential and actual conflicts of interest. Such conflicts are then considered for approval by the Board, subject, if necessary, to appropriate conditions.

Directors' indemnities

Qualifying third-party indemnities (as defined by section 234 of the Companies Act 2006) under the Articles of Association of the Company were in force during the year. See **PAGE 51** for information, which is incorporated into this report by reference. In addition, the Company maintains Directors' and Officers' Liability insurance for the benefit of its Directors.

Articles of Association
The Articles of Association may be amended in accordance with the provisions of the Companies Act 2006 by way of Special Resolution of the Company's shareholder.

Share capital and control
At the beginning of the year, the Foreign Secretary held 5,339,195,895 ordinary shares of £1 each and one special rights redeemable preference share of £1 in the capital of the Company.

During the year, a further 1,160,000,000 ordinary shares were issued to the Foreign Secretary. As at 31 December 2024, the Foreign Secretary held 6,499,195,895 ordinary shares of £1 each and one special rights redeemable preference share of £1 each.

The Foreign Secretary appoints the Chair and two of the Non-Executive Directors. The Foreign Secretary agrees the five-year strategy and BII's Investment Policy which sets five-year objectives including instruments, geographies, excluded activities, reporting obligations and performance targets linked to financial returns and development impact. The Foreign Secretary, as sole shareholder, exercises oversight and monitors performance through regular interaction with our Board. Working on a principle of openness and transparency, there is regular interaction between the senior principals at FCDO and BII. In addition, formal quarterly meetings are held with FCDO officials and the Chair, Chief Executive, Chief Financial Officer, as well as other members of the Executive team. A Permanent Under-Secretary meets with the Chair and the Non-Executive Directors each year, and the individual Board Committee Chairs meet annually with a senior member of the FCDO team to discuss the Committees' activities and priorities.

Donations
BII does not make monetary donations or gifts in kind to political parties, elected officials or election candidates.

Going concern
The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for at least 12 months from the date of approval of the financial statements (see note 1 on » **PAGE 92** of the financial statements for more information).

Annual General Meeting
The 2024 AGM was held on 5 June 2024. An AGM will be held in 2025 in accordance with the Companies Act 2006. See » **PAGE 52** for more information in respect of the reappointment of Directors at the AGM.

Auditor
Deloitte LLP is the auditor of the Company. A resolution to reappoint Deloitte was passed at the 2024 AGM and Deloitte will be seeking reappointment at the 2025 AGM.

Disclosure of information to the auditor
So far as each Director is aware at the date of approval of this report, there is no relevant audit information of which the Company's auditor is unaware, and each Director confirms they have taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Employees
BII's policy on employment is one of equal opportunity in the recruitment, training, career development and promotion of employees. Formal employee appraisals and informal discussions are principal means of updating the views and opinions of its employees. In addition, managers are responsible for keeping their employees up to date with developments and performance of the Company, which is achieved by way of regularly scheduled meetings.

Further information on the Company's approach to being a responsible employer can be found in the Strategic Report on » **PAGE 19**.

Employment of disabled persons
It is important we provide a working environment in which people can perform at their best and harmoniously with their colleagues. Our 'Dignity at work – non harassment policy' makes it clear that discrimination or harassment at work because of a protected characteristic (age, disability, gender re-assignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation) is unlawful, and will be treated as a serious disciplinary matter. We will deal with all persons with the same attention, courtesy and consideration regardless of any protected characteristic, save that we recognise our duty to make reasonable adjustments for disabled persons. In accordance with BII's equal opportunities policy, should employees of BII become disabled during the period of their employment, BII will ensure that the necessary reasonable adjustments and supporting training are provided to such employees.

Website
The maintenance and integrity of our website is the responsibility of the Directors. The work carried out by the auditor does not involve consideration of these matters, and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board and signed on its behalf by

Bethany Burrow ACG
Company Secretary
British International Investment plc
17 April 2025

Statement of Directors' responsibilities

In respect of the Annual Accounts, Strategic Report, Directors' Report, Governance Report and Financial Statements

The Directors are responsible for preparing the Annual Accounts and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with IFRS, as issued by the IASB, as adopted by the UK. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group (as defined on **PAGE 61**) and Parent company (being British International Investment plc) and of the profit or loss of the Group and Parent company for that period.
In preparing these Financial Statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- assess the Group and Parent company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Parent company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL STATEMENTS

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Independent auditor's report to the members of British International Investment plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of British International Investment plc (the 'parent company') and its subsidiaries (together the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated and Parent Company Statement of Comprehensive Income;
- the Consolidated and Parent Company Statement of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated and Parent Company Statement of Cash Flows; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the valuation of equity investments using the discounted cash flow method. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £197m which was determined on the basis of 2% of net assets.
Scoping	Our group audit scope included the audit of the parent company, which accounts for more than 99% of the net assets of the group.
Significant changes in our approach	There were no significant changes in our approach this year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included our assessment of the:

- adequacy of the liquidity position through our audit procedures performed on the balance sheet, including agreeing promissory notes receivable to the signed shareholder agreement and inspecting post year end bank statements;
- headroom available between the liquidity position and investment commitments; and
- appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period and includes the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This matter was that which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

5.1. Valuation of equity investments using the discounted cash flow method

Key audit matter description	At 31 December 2024, the group held investments totalling £5,108.5m (2023: £5,101.9m) in unquoted companies which are classified at fair value through profit and loss. Within that balance we identified a key audit matter relating to equity investments which are valued using the discounted cash flow (DCF) method totalling £860.9m (2023: £1,017.2m). The valuations of investments are required to be compliant with IFRS 13 Fair Value Measurement and IFRS 9 Financial Instruments. The complex nature of the methodologies employed, combined with the number of significant judgements, means there is a risk that the fair value of the investments could be misstated and there is an inherent risk of potential management bias associated with significant judgements. Key assumptions relating to these investments have been summarised as: › the appropriateness of the discount rates applied to the forecast cash flows in the DCF models; and › the appropriateness of the inputs into the DCF models including the timing and size of cash flows (including arrears), growth rates, and terminal values. The significant accounting policies with respect to the group's application of IFRS 9 Financial Instruments and valuation methodologies are described in note 18 to the financial statements. The sensitivity analysis of key inputs on the group's valuation methodologies are described in note 3 to the financial statements.

How the scope of our audit responded to the key audit matter	We performed the following procedures: › obtained an understanding of the relevant controls around the valuation of equity investments and tested the operating effectiveness of those controls; and › evaluated the accuracy and completeness of the valuation disclosures in the financial statements to assess whether they are compliant with IFRS 13 Fair Value Measurement, IFRS 7 Financial Instruments Disclosures and the estimation uncertainty requirements of IAS 1. For a sample of unquoted direct equity investments, we performed the following procedures to address the risk of fraud associated with significant management judgements: › considered the appropriateness of the valuation methodology selected; › performed sensitivity analysis on key inputs to understand the susceptibility of the valuations to changes in key assumptions; › worked with our valuation specialists to perform an assessment of the appropriateness of the discount rate, the growth rate and terminal value of investments where applicable; › tested the accuracy and completeness of significant inputs into the DCF model, including the timing and quantum of cash flows and their consistency with the business specific assumptions such as EBITDA/revenue growth rates; › tested the consistency of macroeconomic assumptions included in the cash flow forecasts with those used in the discount rate assumptions, with reference to observable market data and external forecasts where possible; › agreed management accounts to results from the audited financial statements to assess management's ability to report accurate information; › reviewed the historical accuracy of the cash flow forecasts against actual results in order to assess the reliability and completeness of the forecasts; and › employed audit analytic tools on the valuation models to assess complex investment valuation models for model integrity and mathematical accuracy.
Key observations	We concluded the judgements and assumptions utilised in determining the fair value of the group's equity investments valued using the discounted cash flow method, to be within an acceptable range. We also concluded that the valuation of these investments at year end is appropriate.

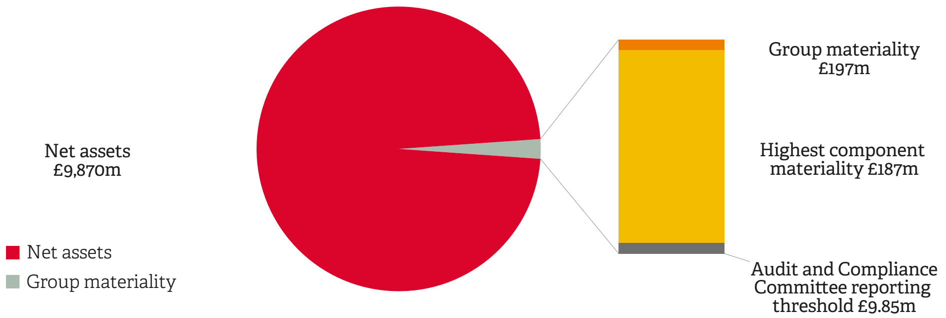
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£197m (2023: £171m)	£187m (2023: £154m)
Basis for determining materiality	2% (2023: 2%) of net assets	2% (2023: 2%) of net assets, capped at 95% of group materiality. Parent company materiality therefore equates to 1.9% of net assets.
Rationale for the benchmark applied	The group's and parent company's primary activity is making investments to support local development. The users of the financial statements will make decisions based on the performance of the assets held by the entity which ultimately impact the overall net assets of the entity.	



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2023: 70%) of group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. our assessment of the control environment and the fact that we were able to rely on key internal controls for our testing of investments; and b. the nature and level of misstatements identified during the previous years' audits.	

6.3. Error reporting threshold

We agreed with the Audit and Compliance Committee (the "Committee") that we would report to the Committee all audit differences in excess of £9.9m (2023: £8.5m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of group and its environment, including group-wide controls, and assessing the risk of material misstatement at the group level. The most significant component of the group is the parent company. Our group audit scope included an audit of the parent company and underlying information which accounted for more than 99% of net assets of the group. At the group level we also tested the consolidation process. All of the work is performed by the group audit team.

7.2. Our consideration of the control environment

We identified the financial reporting, revenue, treasury, payroll expenditure, expenses, foreign exchange gains/losses, guarantees, equity, fund and debt investment business cycles to be the most relevant to the audit. We tested relevant internal controls and adopted an internal controls reliance approach over the payroll expenditure and the equity, fund and debt investments cycles. In conjunction with our IT specialists, we performed general IT controls testing over the group's financial reporting system.

7.3. Our consideration of climate-related risks

We obtained an understanding of management's process for considering the impact of climate-related risks and climate related reporting. PAGES 21 TO 44 of the Annual Report and Accounts details the group's Climate-related Financial Disclosures. Our procedures performed included reading the climate-related disclosures in Annual Report and Accounts to consider if they are fair, balanced and comprehensive, and consistent with our understanding of the group's business. In addition, we engaged our internal climate change and sustainability specialists to review compliance with the UK Government's Climate-related Financial Disclosures (CFD). We also considered management's own assessment of the impact of climate related risks in the valuation of investments and assessed the disclosures highlighting the valuation judgements in note 3 and note 4 of the financial statements.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, internal control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board;
- results of our enquiries of management, internal audit, compliance, the directors and the Audit and Compliance Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the directors' documentation of the group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the:

- valuation of equity investments using the discounted cash flow method.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the UK Bribery Act 2010 and FCA Regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified equity investments using the discounted cash flow method as a key audit matter related to the potential risk of fraud. The key audit matter section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Compliance Committee and Chief Legal Officer concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Garrath Marshall, ACA
(Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
London, United Kingdom

17 April 2025

Consolidated Statement of Financial Position

As at 31 December

Assets	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	13	**16.3**	10.6
Intangible asset	14	**1.4**	1.3
Equity investments at FVTPL	3	**5,344.4**	5,330.1
Loan investments at FVTPL	4	**1,447.3**	1,301.4
Guarantees	5	**92.6**	79.4
Other receivables		**0.4**	0.5
Deferred tax asset	12	**0.3**	0.2
		6,902.7	6,723.5
Current assets			
Trade and other receivables	15	**752.9**	706.0
Note receivable	24	**1,130.0**	319.5
Forward foreign exchange contracts (FFECs)	8	**9.0**	73.1
Cash and cash equivalents	6	**1,331.6**	818.9
		3,223.5	1,917.5
Total assets		**10,126.2**	8,641.0
Equity and liabilities			
Attributable to the equity holders of the Company			
Issued capital	7	**6,499.2**	5,339.2
Foreign currency translation reserves		**0.7**	(0.4)
Retained earnings		**3,369.6**	3,157.3
Total equity		**9,869.5**	8,496.1
Non-current liabilities			
Expected credit loss provision on unfunded loan commitments	4	**2.0**	0.1
Long-term lease liability	22	**13.9**	7.5
Deferred government grant income	20	**145.5**	93.0
		161.4	100.6
Current liabilities			
Trade and other payables	16	**48.2**	39.6
Forward foreign exchange contracts (FFECs)	8	**43.5**	1.5
Expected credit loss provision on unfunded loan commitments	4	**0.3**	0.4
Short-term lease liability	22	**3.3**	2.8
		95.3	44.3
Total liabilities		**256.7**	144.9
Total equity and liabilities		**10,126.2**	8,641.0

Notes 1 to 27 form part of the financial statements. The accounts were approved by the members of the Board on 17 April 2025 and were signed on their behalf by:

Leslie Maasdorp
Chief Executive Officer
Company number: 3877777

Carolyn Sims
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the 12 months to 31 December

	Notes	2024 Total £m	2023 Total £m
Investment income	9	**231.8**	196.6
Fair value gains on equity investments	3	**31.9**	116.9
Fair value gains on loan investments	4	**46.1**	2.3
Fair value gains/(losses) and expected credit losses on guarantees	5	**0.7**	(0.4)
Expected credit loss on unfunded loan commitments	4	**(1.7)**	4.7
Foreign exchange gains/(losses) on equity investments	3, 11	**12.6**	(264.5)
Foreign exchange gains/(losses) on loan investments	4, 11	**25.9**	(93.4)
Foreign exchange gains/(losses) on guarantees	5, 11	**1.2**	(4.3)
Government grant income	20	**1.4**	0.9
Other income	9	**9.0**	11.8
Foreign exchange (losses)/gains arising on FFECs	11	**(46.6)**	103.2
Administrative and other expenses	10	**(156.7)**	(143.5)
Profit/(loss) from operations before tax and finance costs		**155.6**	(69.7)
Finance costs		**(1.0)**	(1.1)
Finance income		**59.3**	54.2
Foreign exchange gains/(losses) (cash and cash equivalents)	11	**4.9**	(18.2)
Profit/(loss) from operations before tax		**218.8**	(34.8)
Income tax expense	12	**(6.6)**	(9.3)
Profit/(loss) for the year		**212.2**	(44.1)
Items that will not be reclassified to profit and loss (net of tax):			
Recognised actuarial gain on pensions	17	**0.5**	0.4
Items that will be reclassified to profit and loss (net of tax):			
Foreign currency translation reserves		**0.6**	(0.3)
Other comprehensive income		**1.1**	0.1
Total comprehensive profit/(loss) for the year		**213.3**	(44.0)

Notes 1 to 27 form part of the financial statements.

Consolidated Statement of Cash Flows

For the 12 months to 31 December

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit/(loss) from operations before tax		**218.8**	(34.8)
Adjustments for:			
Depreciation of property, plant and equipment	13	**5.3**	4.9
Amortisation of intangible asset	14	**0.5**	0.5
Finance income		**(59.3)**	(54.2)
Dividend income		**(36.9)**	(21.8)
Finance costs		**1.0**	1.1
Change in fair value of equity investments	3	**(31.9)**	(116.9)
Change in fair value of loan investments	4	**(46.1)**	(2.3)
Change in fair value and expected credit losses on guarantees	5	**(0.7)**	0.4
Defined benefit pension costs	10	**0.9**	0.8
Expected credit loss on unfunded loan commitments	4	**1.7**	(4.7)
Deferred government grant income	20	**52.5**	53.7
Effect of exchange rate fluctuations on non FFEC transactions		**(36.3)**	382.6
Cash flows from operations before changes in working capital		**69.5**	209.3
Decrease in trade and other receivables		**(32.3)**	(70.3)
Increase in derivative financial instruments		**106.1**	2.6
Increase/(decrease) in trade and other payables		**5.3**	(12.1)
Cash flows from operations		**148.6**	129.5
Finance costs		**(1.0)**	(1.1)
Defined benefit pension contributions paid		**(0.4)**	(0.4)
Taxes paid		**(5.1)**	(8.0)
Cash flows from operating activities		**142.1**	120.0

	Notes	2024 £m	2023 £m
Cash flows from investing activities			
Proceeds from sale of equity investments	3	**470.2**	443.5
Acquisition of equity investments	3	**(583.1)**	(682.1)
Acquisition of property, plant and equipment	13	**(11.0)**	(3.9)
Acquisition of intangibles	14	**(0.6)**	–
Investment transfers		**0.7**	–
Interest received		**59.3**	54.2
Dividend received		**36.9**	21.8
Loan advances	4	**(579.1)**	(523.3)
Loan repayments	4	**637.6**	248.1
Guarantee advances	5	**(38.0)**	(50.1)
Guarantee repayments	5	**26.8**	53.6
Cash flows from/(used in) investing activities		**19.7**	(438.2)
Cash flows from financing activities			
Proceeds from promissory notes		**349.5**	–
Lease payments	22	**(3.5)**	(3.8)
Cash flows from/(used in) financing activities		**346.0**	(3.8)
Net increase/(decrease) in cash and cash equivalents		**507.8**	(322.0)
Effect of foreign exchange rate changes		**4.9**	(18.2)
Cash and cash equivalents at 1 January		**818.9**	1,159.1
Cash and cash equivalents at 31 December	6	**1,331.6**	818.9

Notes 1 to 27 form part of the financial statements.

Consolidated Statement of Changes in Equity

For the 12 months to 31 December

	Notes	Share capital £m	Recognised actuarial gain on pensions £m	Foreign currency translation reserves £m	Retained earnings £m	Total £m
At 1 January 2023		4,896.7	2.1	0.2	3,198.6	8,097.6
Loss for the year		–	–	–	(44.1)	(44.1)
Other comprehensive income for the year		–	0.4	(0.3)	–	0.1
Total comprehensive loss for the year		–	0.4	(0.3)	(44.1)	(44.0)
Issue of ordinary shares	7	442.5	–	–	–	442.5
At 31 December 2023		5,339.2	2.5	(0.1)	3,154.5	8,496.1
Changes in equity for 2024						
Profit for the year		**–**	**–**	**–**	**212.2**	**212.2**
Other comprehensive income for the year		**–**	**0.5**	**0.6**	**–**	**1.1**
Total comprehensive profit for the year		**–**	**0.5**	**0.6**	**212.2**	**213.3**
Issue of ordinary shares	7	**1,160.0**	**–**	**–**	**–**	**1,160.0**
At 31 December 2024		**6,499.2**	**3.0**	**0.6**	**3,366.7**	**9,869.5**

Company Statement of Changes in Equity

For the 12 months to 31 December

	Notes	Share capital £m	Recognised actuarial gain on pensions £m	Foreign currency translation reserves £m	Retained earnings £m	Total £m
At 1 January 2023		4,896.7	2.1	–	3,198.8	8,097.6
Loss for the year		–	–	–	(44.4)	(44.4)
Other comprehensive income for the year		–	0.4	–	–	0.4
Total comprehensive loss for the year		–	0.4	–	(44.4)	(44.0)
Issue of ordinary shares	7	442.5	–	–	–	442.5
At 31 December 2023		5,339.2	2.5	–	3,154.4	8,496.1
Changes in equity for 2024						
Profit for the year		**–**	**–**	**–**	**212.8**	**212.8**
Other comprehensive income for the year		**–**	**0.5**	**–**	**–**	**0.5**
Total comprehensive profit for the year		**–**	**0.5**	**–**	**212.8**	**213.3**
Issue of ordinary shares	7	**1,160.0**	**–**	**–**	**–**	**1,160.0**
At 31 December 2024		**6,499.2**	**3.0**	**–**	**3,367.3**	**9,869.5**

Notes 1 to 27 form part of the financial statements.

Company Statement of Financial Position

As at 31 December

Assets	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	13	**13.1**	6.6
Intangible asset	14	**1.4**	1.3
Equity investments at FVTPL	3	**5,359.4**	5,343.0
Loan investments at FVTPL	4	**1,447.3**	1,301.4
Guarantees	5	**92.6**	79.4
		6,913.8	6,731.7
Current assets			
Trade and other receivables	15	**743.1**	698.1
Note receivable	24	**1,130.0**	319.5
Forward foreign exchange contracts (FFECs)	8	**9.0**	73.1
Cash and cash equivalents	6	**1,316.4**	808.0
		3,198.5	1,898.7
Total assets		**10,112.3**	8,630.4
Equity and liabilities			
Issued capital	7	**6,499.2**	5,339.2
Retained earnings		**3,370.3**	3,156.9
Total equity		**9,869.5**	8,496.1
Non-current liabilities			
Expected credit loss provision on unfunded loan commitments	4	**2.0**	0.1
Long-term lease liability	22	**10.8**	4.7
Deferred government grant income	20	**145.5**	93.0
		158.3	97.8
Current liabilities			
Trade and other payables	16	**37.8**	32.7
Forward foreign exchange contracts (FFECs)	8	**43.5**	1.5
Expected credit loss provision on unfunded loan commitments	4	**0.3**	0.4
Short-term lease liability	22	**2.9**	1.9
		84.5	36.5
Total liabilities		**242.8**	134.3
Total equity and liabilities		**10,112.3**	8,630.4

Notes 1 to 27 form part of the financial statements. The accounts were approved by the members of the Board on 17 April 2025 and were signed on their behalf by:

Leslie Maasdorp
Chief Executive Officer
Company number: 3877777

Carolyn Sims
Chief Financial Officer

Company Statement of Comprehensive Income

For the 12 months to 31 December

	Notes	2024 Total £m	2023 Total £m
Investment income	9	**231.8**	196.6
Fair value gains on equity investments	3	**34.1**	119.9
Fair value gains on loan investments	4	**46.1**	2.3
Fair value gains/(losses) and expected credit losses on guarantees	5	**0.7**	(0.4)
Expected credit loss on unfunded loan commitments	4	**(1.7)**	4.7
Foreign exchange gains/(losses) on equity investments	3, 11	**12.6**	(265.0)
Foreign exchange gain/(losses) on loan investments	4, 11	**25.9**	(93.4)
Foreign exchange gain/(losses) on guarantees	5, 11	**1.2**	(4.3)
Government grant income	20	**1.4**	0.9
Other income	9	**8.7**	11.4
Foreign exchange (losses)/gains arising on FFECs	11	**(46.6)**	103.2
Administrative and other expenses	10	**(159.7)**	(147.7)
Profit/(loss) from operations before tax and finance costs		**154.5**	(71.8)
Finance costs		**(1.0)**	(0.7)
Finance income		**59.1**	54.1
Foreign exchange gains/(losses) (cash and cash equivalents)	11	**6.2**	(17.3)
Profit/(loss) from operations before tax		**218.8**	(35.7)
Income tax expense	12	**(6.0)**	(8.7)
Profit/(loss) for the year		**212.8**	(44.4)
Items that will not be reclassified to profit and loss:			
Other comprehensive income (net of tax)			
Recognised actuarial gain on pensions	17	**0.5**	0.4
Total comprehensive profit/(loss) for the year		**213.3**	(44.0)

Notes 1 to 27 form part of the financial statements.

Company Statement of Cash Flows

For the 12 months to 31 December

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit/(loss) from operations before tax		218.8	(35.7)
Adjustments for:			
Depreciation of property, plant and equipment	13	4.0	3.5
Amortisation of intangible asset	14	0.5	0.5
Finance income		(59.1)	(54.1)
Dividend income	9	(36.9)	(21.8)
Finance costs		1.0	0.7
Change in value of equity investments	3	(34.1)	(119.9)
Change in value of loan investments	4	(46.1)	(2.3)
Fair value and expected credit losses on guarantees	5	(0.7)	0.4
Defined benefit pension costs	10	0.9	0.8
Expected credit loss on unfunded loan commitments	4	1.7	(4.7)
Deferred government grant income	20	52.5	53.7
Effect of exchange rate fluctuations on non-FFEC transactions		(36.4)	379.6
Cash flows from operations before changes in working capital		**66.1**	200.7
Decrease in trade and other receivables		(34.8)	(62.5)
Increase in derivative financial instruments		106.1	2.6
Increase/(decrease) in trade and other payables		5.1	(18.3)
Cash flows from operations		**142.5**	122.5
Finance cost		(0.7)	(0.7)
Defined benefit pension contributions paid		(0.4)	(0.4)
Taxes paid		(6.0)	(8.7)
Cash flows from operating activities		**135.4**	112.7
Cash flows from investing activities			
Proceeds from sale of equity investments	3	470.1	443.5
Acquisition of equity investments	3	(583.1)	(682.6)
Acquisition of plant and equipment	13	(10.5)	(0.8)
Acquisition of Intangibles		(0.6)	–
Investment transfers		0.7	–
Interest received		59.1	54.1
Dividend received		36.9	21.8
Loan advances	4	(579.1)	(523.3)
Loan repayments	4	637.6	248.1
Guarantee advances	5	(38.0)	(50.1)
Guarantee repayments	5	26.8	53.6
Cash flows from/(used in) investing activities		**19.9**	(435.7)
Cash flows from financing activities			
Proceeds from promissory notes		349.5	–
Lease payments	22	(2.6)	(3.1)
Cash flows from/(used in) financing activities		**346.9**	(3.1)
Net increase/(decrease) in cash and cash equivalents		**502.2**	(326.1)
Effect of foreign exchange rate changes		6.2	(17.3)
Cash and cash equivalents at 1 January		808.0	1,151.4
Cash and cash equivalents at 31 December	6	**1,316.4**	808.0

Notes 1 to 27 form part of the financial statements.

Notes to the accounts

1. Corporate information and accounts preparation

Corporate information

The financial statements of British International Investment plc (BII or the 'Company') for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 17 April 2025. BII is a limited company incorporated in England and Wales whose shares are not publicly traded. The registered office is located at 123 Victoria Street, London, England, SW1E 6DE. Company registration number: 3877777. VAT registration number: 190 7041 19.

The Group's primary activity is investing in emerging markets. More details on BII's primary activities can be found on **PAGE 7** of the Strategic Report and **PAGE 76** of the Governance Report. Both the Company and some of the Group's subsidiaries make investments.

Statement of compliance

The financial statements have been prepared in accordance with the United Kingdom adopted International Accounting Standards and with International Financial Reporting Standards as issued by the IASB.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and other financial instruments that have been presented and measured at fair value in accordance with relevant accounting standards. The financial statements are presented on a going concern basis and in pounds sterling, which is the Company's functional currency. All values are rounded to the nearest one hundred thousand pounds except where otherwise indicated.

Going concern

BII's business activities are set out in the Strategic Report and Directors' Report on **PAGE 7 AND 76**, and these financial statements include information on BII's approach to managing its financial risk and its exposures to liquidity, credit and market risk.

BII is well capitalised with equity share capital of £6,499.2 million and retained earnings of £3,369.6 million. At 31 December 2024, net assets were £9,869.5 million including cash and short-term deposits of £1,480.6 million (including non-consolidated subsidiaries), and promissory notes receivable of £1,130.0 million. In 2022 BII and FCDO agreed a new capital funding programme which allows for up to £2,500.0 million to be issued up to 31 March 2026. To date, £1,542.5 million has been lodged against this with £1,100.0 million lodged in 2024. A further £60.0 million was lodged under a separate shareholder agreement dated 17 July 2024 for investment in Ukraine.

Additionally, BII has access to a £479.4 million ($600.0 million) Revolving Credit Facility (RCF) via a wholly owned non-consolidated subsidiary. Long-term liabilities mostly comprise off-balance sheet outstanding investment commitments of £2,683.8 million and investment pace in 2025 is expected to be in the region of £2.1 billion ($2.6 billion).

Regular cash flow forecasts are prepared by management and considered by the Directors. Current forecasts demonstrate there are sufficient liquid resources to maintain planned investment pace in the next 12 months without needing to call on the RCF. The Board introduced two new liquidity metrics in January 2023: 1) a cash to net asset value ratio below 10 per cent over a rolling 12-month period recognising timing and quantum uncertainties inherent in cash flows for investment disbursements and receipts; 2) a collateral coverage ratio above 100% at all times to demonstrate that we have sufficient liquid resources to meet liabilities as they fall due (this replaces the commitment coverage ratio).

Having performed the assessment on going concern, the Directors consider it appropriate to prepare the financial statements of the Group and Company on a going concern basis. The Group has adequate financial resources and liquidity and is well placed to manage business risks in the current economic environment to continue operations for a period of at least 12 months from the date of issue of the financial statements.

Key sources of estimation uncertainty and critical accounting judgements

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised. The area on which the most significant estimates and judgements are made is on the fair value of equity and debt investments. The Group's fair value methodologies for equity investments are disclosed in note 26.

Key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the use of estimates. The key accounting estimates are the carrying value of our level 3 investment assets, which are stated at fair value.

Given the importance of the valuation of investments, BII has a separate Valuations Steering Committee to discuss and review the valuation of its portfolio. However, asset valuations for unquoted investments are inherently subjective, as they are made on the basis of assumptions which may not prove to be accurate such as trading multiples, discount rates and assumptions in expected cash flows.

1. Corporate information and accounts preparation continued

There is heightened uncertainty around valuations given the macroeconomic challenges experienced by many of BII's core countries such as acceleration of inflation, raising interest rates and depreciation of currencies. As a result the Valuations Steering Committee specifically considered the impact of these macroeconomic challenges on the valuations as at year-end for each investment.

For more information refer to note 3, note 4 and note 5.

Critical accounting judgements

The preparation of financial statements in accordance with IFRS requires management to exercise judgement in applying relevant accounting policies.

The key area involving a higher degree of judgement or complexity, where assumptions are significant to the consolidated and individual financial statements, is meeting the definition of an investment entity.

Being an investment entity means that BII holds all investments at fair value and does not consolidate any investments even if BII has a controlling stake.

There is a risk that if the judgement exercised, or the estimates or assumptions used, subsequently turn out to be incorrect, this could result in material gains or losses to the Group, beyond what was anticipated or provided for.

Further development of standards and interpretations under IFRS could also materially impact the financial results, conditions and prospects of BII.

In the process of applying the accounting policies, BII has made the following judgement which has a significant effect on the amounts recognised in the financial statements:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss (FVTPL) rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services.
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both. and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

BII's purpose is to invest for capital appreciation and investment income so as to contribute to sustainable development and economic growth in markets in which we invest by creating lasting employment.

BII has one investor, FCDO. Its funds are provided by FCDO in the form of share capital with the intention that BII provides investment management services by using those funds to invest in developing countries through a mixture of direct investment and fund of funds private equity structures.

BII's mission is to invest to support the growth of all sizes of private sector businesses from the micro level right up to the largest because it believes that a balanced private sector is necessary for economic development and robust job creation. In addition to creating jobs, BII intends to demonstrate that it is possible to invest successfully in challenging environments, thereby attracting other sources of capital including, in time, fully commercial capital. While BII's mission statement does not explicitly state that BII commits to investing for capital return and/or investment income, the nature of the investments made by BII and its track record in recent years indicate that investments are being made on this basis. The core remit of all investments is that capital appreciation and investment income will be earned, alongside a sustainable return in the countries within which they are investing. Moreover, BII currently invests in a range of large and mid-market private equity funds which are clearly focused on such capital appreciation. These funds have a diverse range of investors including high net worth individuals, financial institutions and other fund of fund investors, each of whom is investing for capital appreciation and investment income.

BII also seeks to demonstrate that it is possible to invest successfully in challenging environments, thereby attracting other sources of capital. BII therefore plans a path to investment exit and a new ownership that will take the investment to its next level, as successful exits from investments have this demonstration effect.

BII manages, measures and reports its investment portfolio of over 400 investments at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (December 2022). While BII has one investor, the nature of the investor, being the UK Government, is such that it is in effect investing on behalf of the UK taxpayer.

On the basis of the above, BII has concluded that it meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

1. Corporate information and accounts preparation continued

Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries which provide services and are not themselves investment entities (non-investment subsidiaries), for the year ended 31 December 2024. The financial statements of subsidiaries are prepared for the same reporting year as the Company. Consistent accounting policies are applied, with adjustments being made to bring into line any dissimilar accounting policies. Full details of the principal subsidiaries are given in note 27.

Subsidiaries are all entities over which the Company has control. Control is defined as the rights to direct relevant activities of an entity so as to obtain benefits from its activities. This generally results from a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the Company controls another entity.

Non-investment subsidiaries are fully consolidated from the date on which control passes to the Company and consolidation ceases from the date that control ends. All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, are eliminated in full on consolidation.

All investment entity subsidiaries are accounted for at fair value through profit and loss.

Associates

Associates are entities which the Group has significant influence over, but does not control, generally accompanied by a shareholding of between 20 per cent and 50 per cent of the voting rights.

No associates are presented in the consolidated statement of financial position as the Group elects to hold such investments as fair value financial assets. This treatment is permitted by IAS 28 Investment in Associates and Joint Ventures, which permits investments held by entities that are akin to venture capital organisations to be excluded from its measurement methodology where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9 Financial Instruments. Changes in fair value are recognised in the Statement of Comprehensive Income for the period.

Foreign currency translation

Items included in the financial statements of each of the Group's non-investment subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Group's functional and presentational currency is pounds sterling.

Foreign currency transactions are translated into the functional currency of the underlying reporting entity using the exchange rate prevailing at the date of the transaction. Assets and liabilities are retranslated at spot rates at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of assets and liabilities denominated in foreign currencies at the year-end exchange rate are recognised in the Statement of Comprehensive Income.

The results and financial position of all non-investment subsidiaries that have a functional currency different from the reporting currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities: closing rate at the date of the statement of financial position.
- Income and expenses: average rate.
- Cash flows: average rate.

Resulting exchange differences on translation of subsidiary financial statements are taken to a currency translation reserve as a separate component of equity. Upon disposal of subsidiaries, the related exchange gains and losses are taken to the Statement of Comprehensive Income.

A summary of other material accounting policy information can be found in note 26.

2. Operating segments analysis

Operating segments are the components of the entity whose results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

BII operates in one segment. The Group's Chief Executive, who is the chief operating decision maker, monitors the overall operating results of the business for the purpose of making decisions and assessing performance. The business targets an annual commitment level across all product types with no capital or funding allocation given for different product types. BII's operating segment is internally reported to the Group's Chief Executive and reviewed at least quarterly.

Information related to the operating segment is set out below. Portfolio return is used to measure performance because management believes that this information is the most relevant in evaluating the results of the operating segment.

	2024 £m	2023 £m
Portfolio return	**317.3**	71.5
Assets – Portfolio value	**7,291.2**	7,319.5

Reconciliation to the Financial performance report

Within the management reports, the results of which are shown in the Financial performance report on PAGES 8 TO 11, BII consolidates investment entity subsidiaries acting as investment holding companies in order to track the underlying performance and financial position of BII. This does not impact these subsidiaries' investment entity status under IFRS 10. In the primary statements, these investment entity subsidiaries are not consolidated but are held as investments at fair value. The results in the management reports give the same total return and net assets as the primary statements but give rise to differences in classification. The classification differences relate mainly to portfolio, cash and cash flows. Forward foreign exchange contracts relating to the investment portfolio are included in portfolio return and portfolio value in the management reports.

Statement of comprehensive income

			Reconciling items		
	Notes	Primary statements 2024 £m	Reclassify portfolio items 2024 £m	Other items and reclassifications 2024 £m	Management Reports 2024 £m
Portfolio return*		**350.2**	**(32.9)**	**–**	**317.3**
Administrative expenses/ operating costs		**(156.4)**	**–**	**4.8**	**(151.6)**
Other net (expense)/income		**(32.2)**	**32.9**	**(4.8)**	**(4.1)**
Finance costs		**(1.0)**	**–**	**1.0**	**–**
Finance income/interest income		**59.3**	**–**	**–**	**59.3**
Tax		**(6.6)**	**–**	**(1.0)**	**(7.6)**
Total comprehensive income/ total return after tax		**213.3**	**–**	**–**	**213.3**

			Reconciling items		
	Notes	Primary statements 2023 £m	Reclassify portfolio items 2023 £m	Other items and reclassifications 2023 £m	Management reports 2023 £m
Portfolio return*		(46.8)	118.3	–	71.5
Administrative expenses/ operating costs		(143.4)	–	(2.8)	(146.2)
Other net income/(expense)		102.4	(118.3)	6.3	(9.6)
Finance costs		(1.1)	–	1.1	–
Finance income/interest income		54.2	–	–	54.2
Tax		(9.3)	–	(4.6)	(13.9)
Total comprehensive income/ total return after tax		(44.0)	–	–	(44.0)

* Portfolio return per the primary statements is the aggregate of the increase/(decrease) in fair value and foreign exchange of equity and debt investments in note 3 and 4, fair value and expected credit losses and foreign exchange of guarantees in note 5 and total investment income in note 9.

2. Operating segments analysis continued

Statement of financial position

	Notes	Primary statements 2024 £m	Reconciling items: Reclassify portfolio items 2024 £m	Reconciling items: Other items and reclassifications 2024 £m	Management reports 2024 £m
Portfolio value*		**7,445.6**	**(27.0)**	**(127.4)**	**7,291.2**
Net cash and short-term deposits		**1,331.6**	**–**	**149.0**	**1,480.6**
Other net assets/(liabilities)		**1,092.3**	**27.0**	**(21.6)**	**1,097.7**
Total net assets attributable to equity holders of the Company		**9,869.5**	**–**	**–**	**9,869.5**

	Notes	Primary statements 2023 £m	Reconciling items: Reclassify portfolio items 2023 £m	Reconciling items: Other items and reclassifications 2023 £m	Management reports 2023 £m
Portfolio value*		7,264.5	70.8	(15.8)	7,319.5
Net cash and short-term deposits		818.9	–	43.0	861.9
Other net assets/(liabilities)		412.7	(70.8)	(27.2)	314.7
Total net assets attributable to equity holders of the Company		8,496.1	–	–	8,496.1

* Portfolio value per the primary statements is the aggregate of equity investments in note 3, the total of current and non-current loan investments in note 4 and guarantees in note 5.

Statement of cash flows

	Primary statements 2024 £m	Reconciling items: Reclassify portfolio items 2024 £m	Reconciling items: Other items and reclassifications 2024 £m	Management reports 2024 £m
Portfolio drawdowns	**(1,200.2)**	**21.1**	**24.7**	**(1,154.4)**
Portfolio receipts	**1,134.5**	**230.9**	**41.7**	**1,407.1**
Net investment flows	**(65.7)**	**252.0**	**66.4**	**252.7**
Other cash flows	**578.4**	**(252.0)**	**(73.2)**	**253.2**
Net increase in cash and cash equivalents	**512.7**	**–**	**(6.8)**	**505.9**

	Primary statements 2023 £m	Reconciling items: Reclassify portfolio items 2023 £m	Reconciling items: Other items and reclassifications 2023 £m	Management reports 2023 £m
Portfolio drawdowns *	(1,255.5)	–	(24.1)	(1,279.6)*
Portfolio receipts	745.2	212.9	(0.1)	958.0
Net investment flows	(510.3)	212.9	(24.2)	(321.6)
Other cash flows	170.1	(212.9)	34.0	(8.8)
Net increase in cash and cash equivalents	(340.2)	–	9.8	(330.4)

* This is different to the amount shown on page 9 which includes £153.0 million to reflect the acquisition of UK Climate Investments from the shareholder.

2. Operating segments analysis continued

Geographic information

The following tables show the distribution of BII's portfolio return allocated based on the region of the investments.

	Notes	Africa 2024 £m	South Asia 2024 £m	Rest of World 2024 £m	Multi-region† 2024 £m	Total 2024 £m
Portfolio return	3,4,5&9*	**85.4**	**180.6**	**32.3**	**51.8**	**350.2**

	Notes	Africa 2023 £m	South Asia 2023 £m	Rest of World 2023 £m	Multi-region† 2023 £m	Total 2023 £m
Portfolio return	3,4,5&9*	(100.7)	50.4	(15.1)	18.6	(46.8)

* Portfolio return is the aggregate of the increase/(decrease) in fair value and foreign exchange of equity and debt investments in note 3 and 4, fair value and expected credit losses and foreign exchange of guarantees in note 5 and total investment income in note 9.
† Multi-region includes investments which span across all three of the other geographic segments.

Investment profile

Group	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m	Level 1 2023 £m	Level 3 2023 £m	Total 2023 £m
Equity	**235.9**	**5,108.5**	**5,344.4**	228.2	5,101.9	5,330.1
Loans	**36.3**	**1,411.0**	**1,447.3**	18.5	1,282.9	1,301.4
Guarantees	**–**	**92.6**	**92.6**	–	79.4	79.4
At 31 December, at fair value	**272.2**	**6,612.1**	**6,884.3**	246.7	6,464.2	6,710.9

Company	Level 1 2024 £m	Level 3 2024 £m	Shares held in Group companies* 2024 £m	Total 2024 £m	Level 1 2023 £m	Level 3 2023 £m	Shares held in Group companies* 2023 £m	Total 2023 £m
Equity	**235.9**	**5,108.5**	**15.0**	**5,359.4**	228.2	5,101.9	12.8	5,343.0
Loans	**36.3**	**1,411.0**	**–**	**1,447.3**	18.5	1,282.9	–	1,301.4
Guarantees	**–**	**92.6**	**–**	**92.6**	–	79.4	–	79.4
At 31 December, at fair value	**272.2**	**6,612.1**	**15.0**	**6,899.3**	246.7	6,464.2	12.8	6,723.8

* Amounts represent consolidated subsidiaries only.

3. Equity investments

Group	Listed shares 2024 £m	Unlisted shares 2024 £m	Total 2024 £m	Listed shares 2023 £m	Unlisted shares 2023 £m	Total 2023 £m
At 1 January, at fair value	**228.2**	**5,101.9**	**5,330.1**	238.9	4,847.3	5,086.2
Additions	**–**	**583.1**	**583.1**	–	835.1	835.1
Disposals	**–**	**(470.2)**	**(470.2)**	(45.8)	(397.7)	(443.5)
Transfers	**–**	**(143.1)**	**(143.1)**	–	–	–
Fair value gains	**9.0**	**22.9**	**31.9**	44.7	72.2	116.9
Foreign exchange (losses)/gains	**(1.3)**	**13.9**	**12.6**	(9.5)	(255.0)	(264.5)
At 31 December, at fair value	**235.9**	**5,108.5**	**5,344.4**	228.2	5,101.9	5,330.1

Company	Listed shares 2024 £m	Unlisted shares 2024 £m	Shares held in Group companies* 2024 £m	Total 2024 £m	Listed shares 2023 £m	Unlisted shares 2023 £m	Shares held in Group companies* 2023 £m	Total 2023 £m
At 1 January, at fair value	**228.2**	**5,101.9**	**12.8**	**5,343.0**	238.9	4,847.3	9.7	5,095.9
Additions	**–**	**583.1**	**–**	**583.1**	–	835.1	0.4	835.5
Disposals	**–**	**(470.1)**	**–**	**(470.1)**	(45.8)	(397.7)	–	(443.5)
Transfers	**–**	**(143.2)**	**–**	**(143.2)**	–	–	–	–
Fair value gains	**9.0**	**22.9**	**2.2**	**34.1**	44.7	72.2	3.2	119.9
Foreign exchange (losses)/gains	**(1.3)**	**13.9**	**–**	**12.6**	(9.5)	(255.0)	(0.5)	(265.0)
At 31 December, at fair value	**235.9**	**5,108.5**	**15.0**	**5,359.4**	228.2	5,101.9	12.8	5,343.0

* Amounts represent consolidated subsidiaries only.

3. Equity investments continued

Fair value gains/(losses) on equity instruments comprises:

Group	Listed shares 2024 £m	Unlisted shares 2024 £m	Total 2024 £m	Listed shares 2023 £m	Unlisted shares 2023 £m	Total 2023 £m
Realised fair value gains/(losses)	–	125.2	125.2	(7.0)	51.2	44.2
Unrealised fair value gains/(losses)	9.0	(102.3)	(93.3)	51.7	21.0	72.7
Net fair value gains on equity instruments	9.0	22.9	31.9	44.7	72.2	116.9

Company	Listed shares 2024 £m	Unlisted shares 2024 £m	Shares held in Group companies* 2024 £m	Total 2024 £m	Listed shares 2023 £m	Unlisted shares 2023 £m	Shares held in Group companies* 2023 £m	Total 2023 £m
Realised fair value gains/(losses)	–	125.2	–	125.2	(7.0)	51.2	–	44.2
Unrealised fair value gains/(losses)	9.0	(102.3)	2.2	(91.1)	51.7	20.9	3.1	75.7
Fair value gains/(losses) on equity instruments	9.0	22.9	2.2	34.1	44.7	72.1	3.1	119.9

* Amounts represent consolidated subsidiaries only.

Listed shares represent Level 1 of the fair value hierarchy, unless they are valued on a basis other than the quoted price as explained in note 26. The current value of quoted investments that are included within Level 3 is £nil (2023: £39.9 million) mainly due to a lack of activity in the markets they trade on. Unlisted shares are included within Level 3. BII holds no Level 2 equity investments.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets inclusive of cash and cash equivalents.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The Group's fair value methodology for equity investments is disclosed in note 26. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, BII uses internally developed models and methodologies based on inputs that are unobservable to derive the fair value.

BII's governance framework includes a number of controls to ensure that investments are valued and reported in a manner that enables BII to produce financial statements that represent a true and fair view. Level 3 valuations are reviewed on a quarterly basis by BII's Valuation Steering Committee. The Committee considers the appropriateness of the valuation model inputs, as well as the valuation results, using various valuation methods and techniques generally recognised as standard within the industry.

Level 3 equity investments amount to £5,108.6 million (2023: £5,101.9 million) and consist of private equity positions. Included in Level 3 equity investments are investments into private equity funds which are valued using BII's attributable proportion of the reported fund net asset value which is derived from the fair value of the underlying investments. The current value of such investments is £1,850.8 million (2023: £2,661.5 million).

Valuation uncertainty

Valuation uncertainty arises in BII's direct equity investments because they are valued based on unobservable inputs. The valuation techniques that require significant unobservable inputs are the net present value of estimated future cash flows, comparable trading multiples and net asset value.

Fossil fuel assets are potentially exposed to a particular set of financial risks driven by the ongoing decarbonisation of the economy. BII's financial exposure to fossil fuel assets is relatively limited at less than 6 per cent of total portfolio. This is also true for our debt investments. (Refer to Note 4). Most of our equity investments in these assets are contractually insulated from direct transition risks, thus having limited exposure to direct cash flow risk (see related analysis in BII's Annual Accounts 2023, » **PAGE 32**). Revenue and cost impacts from policy shifts, reduction in demand, and taxes are usually considered in the estimated future cash flows where relevant. Potential changes in investor appetite remains the primary valuation uncertainty for longer-maturity assets. Refer to » **PAGE 37** for the CFD investment portfolio metrics.

3. Equity investments continued

Discounted cash flows (DCF)

£860.9 million being 16.1 per cent (2023: £1,017.2 million, 20.0 per cent) of BII's equity investments are valued using the net present value of estimated future cash flows. This approach is mostly based on unobservable inputs, where the reliability of any measurement depends on the quality of, and support for, the assumptions used to form the cash flow projections. The discount rates adopted by BII are supported by the Capital Asset Pricing Model framework adjusted for differences in country, sector, size and project-specific risk, such as construction and technology risk. Other than the expected cash flow projections, the significant unobservable inputs in the discount rates include cost of equity, weighted average cost of capital, and capitalisation rates.

Trading multiples

£697.2 million being 13.0 per cent (2023: £828.8 million, 16.2 per cent) of BII's equity investments are valued using market-based multiples, reflected in market valuations of quoted companies or similar transactions. Management determines the set of comparable companies based on various factors, such as industry, size, country of operations, developmental stage and strategy. Management adjusts the multiple of each comparable company for differences in risk and growth prospects, liquidity and control.

The significant unobservable inputs used in the market approach are EBITDA multiples, price/book multiples and revenue multiples.

Net Asset Value (NAV)

£3,352.6 million being 62.7 per cent (2023: £2,945.0 million, 57.7 per cent) of BII's equity and fund investments are valued using the NAV approach, where the value is derived by reference to the fair value of the company's net assets. BII uses this method for going concern valuations of intermediated equity investments and non-consolidated subsidiaries. The NAV approach is also applied for the valuation of certain investments the fair-values of which are supported by independent valuation reports, listed shares and other assets. The selection of the Fund Manager and the consideration to invest in a fund follow an extensive due diligence process where the Fund Manager's valuation approach, estimation procedures, and consistency of application is gathered via initial due diligence. Based on these considerations, BII relies on the Fund Manager's reported NAV and accepts their valuations subject to internal review. In addition, BII compares the Fund Manager's reported NAV to audited fund financial statements when received, to assist in understanding the reliability of the Fund Managers' NAVs.

This method is also used to value loss-making companies and companies in liquidation.

Valuation inputs and sensitivity analysis to significant changes in the unobservable inputs

Description	Fair value at 31 December 2024 £m	Valuation technique	Unobservable inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m
Global equity securities	697.2	Comparable trading multiples	EBITDA multiple	10.4x	15.0%	+69.9 –69.9
			Price/book multiple	2.7x	15.0%	+27.3 –27.3
			Price/equity multiple	10.5x	15.0%	+2.5 –2.5
			Revenue multiple	3.2x	15.0%	+30.5 –30.5
Global equity securities	860.9	DCF	Discount rate	13.8%	4.1%	+367.0 –219.5
Intermediated equity and non-consolidated subsidiaries	3,352.6	NAV		10.0%		+335.3 –335.3
Global equity securities	433.7	Other*				–
TOTAL	**5,344.4**					832.5 –685.0

* Investments classified as other are those determined by recent actual or anticipated transactions and those where cost remains a reasonable estimate of fair value.

3. Equity investments continued

Description	Fair value at 31 December 2023 £m	Valuation technique	Unobservable inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m
Global equity securities	828.8	Comparable trading multiples	EBITDA multiple	12.9x	15.0%	+83.9
						-83.9
			Price/book multiple	3.0x	15.0%	+23.6
						-23.6
			Revenue multiple	3.9x	15.0%	+36.7
						-38.5
Global equity securities	1,017.2	DCF	Discount rate	13.8%	3.1%	+311.4
						-215.3
Intermediated equity and non-consolidated subsidiaries	2,945.0	NAV			10.0%	+294.5
						-294.5
Global equity securities	310.9	Other				–
TOTAL	**5,101.9**					+750.2
						-655.9

The Group has exposure to several unconsolidated structured entities as a result of its investment activities in equity. They are limited life private equity funds or co-investments managed by general partners under a limited partnership agreement. The risk and maximum exposure to loss arising from the Group's involvement with these entities is their fair value of £1,860.5 million and undrawn commitments of £1,116.4 million (2023: fair value of £1,863.3 million and undrawn commitments of £1,078.2 million). The Group earned investment income of £4.3 million (2023: £3.3 million) and generated fair value losses of £7.4 million (2023: gains of £77.3 million) from these entities during the year.

4. Loan investments

	Group and Company					
	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m	Level 1 2023 £m	Level 3 2023 £m	Total 2023 £m
At 1 January	**18.5**	**1,829.8**	**1,848.3**	18.2	1,645.9	1,664.1
Loan advances	**15.7**	**563.4**	**579.1**	–	523.3	523.3
Loan repayments	**–**	**(637.6)**	**(637.6)**	–	(248.1)	(248.1)
Fair value gains	**1.6**	**44.5**	**46.1**	1.1	1.2	2.3
Transfer	**–**	**142.7**	**142.7**	–	–	–
Foreign exchange gains/(losses)	**0.5**	**25.3**	**25.9**	(0.8)	(92.6)	(93.4)
At 31 December	**36.3**	**1,968.1**	**2,004.4**	18.5	1,829.8	1,848.3
Less: Loan investments due within one year (note 15)	**–**	**(557.1)**	**(557.1)**	–	(546.9)	(546.9)
At 31 December	**36.3**	**1,411.0**	**1,447.3**	18.5	1,282.9	1,301.4

Loan investments are held at fair value through profit and loss.

BII classifies the majority of its loan instruments measured at fair value under the Level 3 hierarchy: inputs that are not based on observable market data. BII holds no Level 2 loan investments.

Valuation uncertainty

Valuation uncertainty arises in BII's loan investments because they are valued based on unobservable inputs. Level 3 inputs are sensitive to assumptions when ascertaining the fair value. The valuation techniques for debt instruments that require significant unobservable inputs are the net present value of estimated future cash flows.

Most of our debt investments in these assets are contractually insulated from direct transition risks where Offtakers' Willingness to Pay is not affected by the fossil fuel portfolio. Potential increases in margins demanded by fossil fuel debt investors due to risk or shareholder pressure is a primary valuation uncertainty for longer-maturity assets which do not seem to be priced in the debt markets yet. Refer to » **PAGE 37** for the CFD investment portfolio metrics.

4. Loan investments continued

Discounted cash flows

£1,873.4 million being 93.5 per cent (2023: £1,745.7 million, 94.4 per cent) of BII's loan investments are valued using the net present value of future cash flows. At the establishment of the contractual relationship (i.e. signing date or restructure date), the discount rate for a given loan investment is calibrated based on observable risk-free rate and spreads derived from a proxy curve with similar duration and credit quality. The unobservable spread is the additional risk premium over the market-derived observable inputs and the implied discount rate at signing date. At subsequent reporting periods, the inputs are adjusted based on changes in credit quality and market conditions. Management takes into account the risk, coupon, time to maturity, call risk arising from voluntary prepayment, and exit potential in estimating the fair value.

Most of BII's loan investments are valued based on the contractual cash flows defined by the amortisation schedule. Loan investments with high market and company-specific risk, as well as investments with cash sweep structures, may be valued based on estimated future cash flows.

Valuation inputs and sensitivity analysis to significant changes in the unobservable inputs

Description	Fair value at 31 December 2024 £m	Valuation technique	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m
Loan investments at fair value through profit and loss	1,873.4	Discounted cash flows	9.1%	+2.6%	-92.6
				-2.6%	+73.7
	131.0	Other			–
Total	**2,004.4**				-92.6
					+73.7

Description	Fair value at 31 December 2023 £m	Valuation technique	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation £m
Loan investments at fair value through profit and loss	1,745.7	Discounted cash flows	10.2%	+2.0%	-76.1
				-2.0%	+62.3
	102.6	Other			–
Total	**1,848.3**				-76.1
					+62.3

Unfunded loan commitments

Expected credit losses are calculated for unfunded loan commitments in accordance with IFRS 9. Further details on the Group's methodology is disclosed in note 26.

The Group and Company's expected credit losses on unfunded loan commitments comprise:

	Group and Company 2024 £m	Group and Company 2023 £m
Current liabilities	**0.3**	0.4
Non-current liabilities	**2.0**	0.1
Total	**2.3**	0.5

5. Guarantees

	Funded 2024 £m	Unfunded 2024 £m	Total 2024 £m	Funded 2023 £m	Unfunded 2023 £m	Total 2023 £m
	Group and Company					
At 1 January	**86.3**	**(0.2)**	**86.1**	93.0	0.5	93.5
Guarantee advances	**38.0**	**–**	**38.0**	50.1	–	50.1
Guarantee repayments	**(26.8)**	**–**	**(26.8)**	(53.6)	–	(53.6)
Movement in deferred income	**(1.4)**	**(1.0)**	**(2.4)**	1.6	(0.8)	0.8
Fair value and expected credit gains/(losses)	**0.2**	**0.5**	**0.7**	(0.4)	–	(0.4)
Foreign exchange gains/(losses)	**1.2**	**–**	**1.2**	(4.4)	0.1	(4.3)
At 31 December	**97.5**	**(0.7)**	**96.8**	86.3	(0.2)	86.1
Less: deferred income due within one year (note 15)	**(2.6)**	**(1.6)**	**(4.2)**	(4.0)	(2.7)	(6.7)
At 31 December	**94.9**	**(2.3)**	**92.6**	82.3	(2.9)	79.4

Guarantees comprise funded and unfunded trade and supply chain finance risk participation agreements.

Funded guarantees are held at fair value through profit and loss and unfunded guarantees are measured using the expected credit loss model. The Group classifies guarantees under the Level 3 hierarchy: inputs that are not based on observable market data. Further details on the Group's methodology for accounting for guarantees is disclosed in note 26.

The Group and the Company had contingent liabilities in respect of unfunded risk participation agreements with a value of £127.8 million (2023: £199.2 million). These are guarantees whereby third parties can require the Company to fund loans if certain events occur. These are not accounted for on the balance sheet unless called upon.

6. Cash and cash equivalents

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Cash at bank and in hand	**32.8**	57.0	**24.4**	47.9
Short-term deposits receivable	**1,298.8**	761.9	**1,292.0**	760.1
Total cash and cash equivalents	**1,331.6**	818.9	**1,316.4**	808.0

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is £1,331.6 million (2023: £818.9 million). All cash and cash equivalents are Level 1.

7. Issued capital

	2024 Number	2024 £m	2023 Number	2023 £m
At 1 January, ordinary shares of £1 each	**5,339,195,894**	**5,339.2**	4,896,650,000	4,896.7
Issued, ordinary shares of £1 each	**1,160,000,000**	**1,160.0**	442,545,894	442.5
At 31 December, ordinary shares of £1 each	**6,499,195,894**	**6,499.2**	5,339,195,894	5,339.2

Ordinary shares

During the year ended 31 December 2024, the Company issued 1,160,000,000 ordinary shares (2023: 442,545,894 ordinary shares) to its Parent entity. Of these, 60,000,000 ordinary shares were issued for the purpose of funding BII's investment into BII Ukraine Limited; see note 24 for further details.

The number of ordinary shares reserved for issue under a subscription agreement is nil shares (2023: nil shares).

Special rights redeemable preference share

One special rights redeemable preference share of £1 is issued and fully paid. The ownership of the special rights redeemable preference share is restricted to the agents of the Crown. It has special rights to restrict changes to the Company's Memorandum and Articles of Association and changes to the Company's capital structure. The share otherwise carries no voting rights and no rights to share in the capital or profits of the Company.

Parent and ultimate parent entity

The Company's Parent and ultimate Parent and controlling party is the Secretary of State for Foreign, Commonwealth and Development Affairs.

8. Forward foreign exchange contracts

Forward foreign exchange contracts (FFECs) comprise:

	Group and Company	
	2024 £m	2023 £m
Gross FFECs in profit	**9.0**	73.1
Gross FFECs in loss	**(43.5)**	(1.5)
Net total	**(34.5)**	71.6

In the statement of financial position, these are analysed as follows:

	Group and Company	
	2024 £m	2023 £m
Current assets	**9.0**	73.1
Current liabilities	**(43.5)**	(1.5)
Total	**(34.5)**	71.6

In accordance with the fair value hierarchy described in note 3, FFECs are measured using Level 2 inputs. The fair value of the FFECs at the year-end is derived from the difference between the agreed forward rate with the counterparty bank and the forward rate at the statement of financial position date. BII uses Thomson Reuters to obtain the forward rate at the statement of financial position date. There has been no change in the valuation technique used to fair value the instruments during the year.

Contracts not designated for hedge accounting

At 31 December 2024, the Group held 85 FFECs (2023: 74 FFECs) which were not designated for the purposes of hedge accounting, but were used to mitigate the currency effects on the Group's US dollar, Euro, South African rand and Indian rupee denominated debt investments and cash balances. The tables below are presented under the weighted average spot rate method.

8. Forward foreign exchange contracts continued

The Group's sterling denominated contracts comprise:

Foreign currency	Foreign currency in millions 2024	Weighted average spot price 2024	2024 £m	Foreign currency in millions 2023	Weighted average spot price 2023	2023 £m
US dollar	**2,553.0**	**1.2772**	**1,999.0**	2,171.4	1.2319	1,762.6
Euro	**172.3**	**1.2039**	**143.1**	172.1	1.1564	148.8
South African rand	**5,469.4**	**22.8529**	**239.3**	5,630.4	23.1246	243.5
Indian rupee	**37,403.1**	**107.7115**	**347.3**	40,554.0	102.2787	396.5

The Group's non-sterling denominated contracts with investment entities comprise:

Foreign currency	Foreign currency in millions 2024	Weighted average spot price 2024	2024 US$m	Foreign currency in millions 2023	Weighted average spot price 2023	2023 US$m
Indian rupee	**589.6**	**84.2284**	**7.0**	2,924.6	83.1186	35.2

Gains or losses arising from the movement in fair values of these FFECs are taken to the statement of comprehensive income.

An explanation of the Group's objectives, policies and strategies for the role of derivatives and other financial instruments in managing the risks of the Group can be found in the Financial performance report on **PAGES 8 TO 11**.

9. Income

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Investment income				
Interest income	**183.6**	160.8	**183.6**	160.8
Loan and guarantee fee income	**11.3**	14.0	**11.3**	14.0
Dividend income	**36.9**	21.8	**36.9**	21.8
Total investment income	**231.8**	196.6	**231.8**	196.6
Other income				
Management fee income	**9.2**	10.1	**9.0**	9.4
Other operating (loss)/income	**(0.2)**	1.7	**(0.3)**	2.0
Total other income	**9.0**	11.8	**8.7**	11.4

10. Administrative and other expenses

	Group		Company	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Wages and salaries	**(67.4)**	(62.4)	**(60.4)**	(56.0)
Social security costs	**(9.9)**	(9.1)	**(9.9)**	(9.0)
Pension costs – defined benefit	**(0.9)**	(0.8)	**(0.9)**	(0.8)
Pension costs – defined contribution	**(7.1)**	(6.5)	**(6.6)**	(6.0)
Long-term Investment Performance Plan (LTIPP) accrual	**(17.0)**	(13.2)	**(13.8)**	(11.0)
Total employee benefits expense	**(102.3)**	(92.0)	**(91.6)**	(82.8)
Professional services	**(4.0)**	(6.3)	**(3.5)**	(6.0)
Auditor remuneration (see below)	**(1.0)**	(1.0)	**(0.8)**	(0.6)
Operating leases expense	**(0.0)**	(0.2)	**(0.4)**	(0.7)
Other administrative expenses	**(43.6)**	(38.6)	**(58.9)**	(53.6)
Total administrative expenses	**(150.9)**	(138.1)	**(155.2)**	(143.7)
Depreciation of plant and equipment	**(5.3)**	(4.9)	**(4.0)**	(3.5)
Amortisation of intangible asset	**(0.5)**	(0.5)	**(0.5)**	(0.5)
Total administrative and other expenses	**(156.7)**	(143.5)	**(159.7)**	(147.7)

The average monthly number of Group employees during the year was 632 (2023: 594).
The average monthly number of Company employees during the year was 537 (2023: 511).

The aggregate of Directors' remuneration in 2024 was £1.1 million (2023: £1.0 million). Refer to » PAGES 71 TO 74 for the Annual report on remuneration which gives more details on remuneration and the LTIPP.

	Group		Company	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Audit of the Group financial statements	**(0.8)**	(0.6)	**(0.8)**	(0.6)
Audit of the consolidated subsidiaries	**(0.2)**	(0.4)	**–**	–
Audit related assurance services	**–**	–	**–**	–
Other services	**–**	–	**–**	–
Total auditor remuneration	**(1.0)**	(1.0)	**(0.8)**	(0.6)

11. Net foreign exchange differences

	Group		Company	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Exchange gains/(losses) arising on equity investments	**12.6**	(264.5)	**12.6**	(265.0)
Exchange gains/(losses) arising on loan investments	**25.9**	(93.4)	**25.9**	(93.4)
Exchange gains/(losses) arising on guarantees	**1.2**	(4.3)	**1.2**	(4.3)
Exchange (losses)/gains arising on FFECs	**(46.6)**	103.2	**(46.6)**	103.2
Exchange gains/(losses) arising on cash and cash equivalents	**4.9**	(18.2)	**6.2**	(17.3)
Total foreign exchange differences	**(2.0)**	(277.2)	**(0.8)**	(276.8)

12. Income tax

	Group		Company	
	2024 £m	**2023 £m**	**2024 £m**	**2023 £m**
Current tax				
Withholding tax expense	**6.0**	8.7	**6.0**	8.7
Current UK tax charge	**–**	–	**–**	–
Current overseas tax charge	**0.6**	0.6	**–**	–
Total current tax	**6.6**	9.3	**6.0**	8.7
Foreign deferred tax				
Attributable to timing difference arising in the current year	**–**	–	**–**	–
Total income tax expense	**6.6**	9.3	**6.0**	8.7
Reconciliation of deferred tax asset				
As of 1 January	**0.2**	0.2	**–**	–
Tax expenses during the year	**0.1**	–	**–**	–
As at 31 December	**0.3**	0.2	**–**	–

12. Income tax continued

The UK corporation tax rate is reconciled to the effective tax rate for the year as follows:

	Group		Company	
	2024 %	2023 %	**2024 %**	2023 %
UK corporation tax rate	**25.0**	23.5	**25.0**	23.5
Effect of overseas taxation	**(1.7)**	59.9	**(1.7)**	0.1
Effect of UK tax exemption	**(20.3)**	(110.2)	**(20.5)**	(105.6)
Effective tax rate for the year	**3.0**	(26.8)	**(2.7)**	(82.0)

UK tax exemption

By virtue of the CDC Act, 1999, BII plc has the benefit of a statutory exemption from UK corporation tax. However, as the Company is an investment company, much of the investment income it generates is exempt under usual UK corporation tax rules. Therefore, the benefit of this statutory exemption to the Company is estimated to be £nil million on profit before tax of £218.8 million for 2024 (2023: £nil million on loss before tax of £35.7 million). This statutory exemption does not apply to the Company in jurisdictions outside the UK or the Company's subsidiaries which pay tax in the jurisdictions in which they operate.

UK corporation tax rules changed from 19 to 25 per cent on 1 April 2023. The rate of 23.5 per cent is the pro-rated rate for 2023.

13. Plant and equipment

	Group					
	Furniture and equipment 2024 £m	**Right of use asset 2024 £m**	**Total 2024 £m**	Furniture and equipment 2023 £m	Right of use asset 2023 £m	Total 2023 £m
At 1 January	**1.0**	**9.6**	**10.6**	0.7	11.0	11.7
Additions	**0.8**	**10.2**	**11.0**	0.7	3.2	3.9
Disposals	**–**	**–**	**–**	–	–	–
Depreciation charge for the year	**(0.4)**	**(4.9)**	**(5.3)**	(0.5)	(4.4)	(4.9)
Exchange differences	**0.1**	**(0.1)**	**–**	0.1	(0.2)	(0.1)
At 31 December	**1.5**	**14.8**	**16.3**	1.0	9.6	10.6

	Company					
	Furniture and equipment 2024 £m	**Right of use asset 2024 £m**	**Total 2024 £m**	Furniture and equipment 2023 £m	Right of use asset 2023 £m	Total 2023 £m
At 1 January	**0.4**	**6.2**	**6.6**	0.7	8.6	9.3
Additions	**0.8**	**9.7**	**10.5**	–	0.8	0.8
Disposals	**–**	**–**	**–**	–	–	–
Depreciation charge for the year	**(0.2)**	**(3.8)**	**(4.0)**	(0.3)	(3.2)	(3.5)
At 31 December	**1.0**	**12.1**	**13.1**	0.4	6.2	6.6

14. Intangible asset

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
At 1 January	**1.3**	1.8	**1.3**	1.8
Additions	**0.6**	–	**0.6**	–
Amortisation charge for the year	**(0.5)**	(0.5)	**(0.5)**	(0.5)
At 31 December	**1.4**	1.3	**1.4**	1.3

The intangible asset comprises the purchase and development of an investment software system.

15. Trade and other receivables

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Loan investments due within one year (note 4)	**557.1**	546.9	**557.1**	546.9
Guarantees due within one year	**4.2**	6.7	**4.2**	6.7
Amounts owed by non-consolidated investment entities	**4.2**	5.6	**4.2**	5.6
Amounts owed by non-investment subsidiaries	**–**	–	**2.7**	0.9
Prepayments	**4.0**	3.8	**3.9**	3.8
Government grant receivable	**121.2**	75.7	**121.2**	75.7
VAT recoverable	**2.3**	2.2	**1.9**	1.8
Other receivables	**59.9**	65.1	**47.9**	56.7
Total trade and other receivables	**752.9**	706.0	**743.1**	698.1

The amounts relating to other receivables and amounts owed by investment entities are repayable within 30 days.

16. Trade and other payables

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade payables*	**–**	1.2	**–**	1.2
Amounts owed to non-consolidated investment entities	**1.1**	1.0	**1.1**	1.0
Amounts owed to non-investment subsidiaries	**–**	–	**2.4**	0.6
Tax payable	**3.2**	1.7	**–**	–
LTIPP accrual**	**19.3**	14.9	**16.2**	12.7
Other accruals and deferred income	**24.6**	20.8	**18.1**	17.2
Total trade and other payables	**48.2**	39.6	**37.8**	32.7

* The average credit for trade payable is 33 days.
** Includes NI accrual. Therefore, different to LTIPP charge in administration costs.

The amount owed to investment entities in 2024 for Group and Company is £1.1 million (2023: £1.0 million) of which £nil is interest bearing.

17. Pension commitments

The Company and Group operate one funded pension scheme in the UK called the CDC Pensions Scheme (the 'Scheme'). This provides benefits on a defined benefit basis for staff who entered service prior to 1 April 2000. The Scheme has been closed and employees that joined after 1 April 2000 are eligible for membership of a separate defined contribution scheme. The Scheme is governed by a Board of Trustees which is responsible for the administration of the plan assets and for the definition of the investment strategy. The Scheme is funded by the payment of contributions directly from BII.

The vast majority of the benefits payable from the Scheme are fully secured under an insurance policy with Rothesay Life, held in the name of CDC Pensions Trust Limited (the 'Trustee'). However, this policy does not cover in full the benefits that may be awarded to dependants. The buy-in substantially reduces the chance that scheme assets will diverge in value from the scheme liabilities. For example, if the discount rate was to decrease by 0.25 per cent, scheme liabilities would increase by 4.1 per cent but this would be largely offset by an increase in scheme assets of 4.0 per cent.

Description of funding arrangements and policies

The results of the 31 March 2021 actuarial valuation showed that, including the buy-in policy, the Technical Provisions were £473.4 million and the Scheme assets were £475.9 million, giving a funding surplus of £2.5 million. Given the surplus, the Trustee and the Company agreed that a reduced rate of contributions of £0.4 million per year would be payable to the Scheme during the Scheme years ending 31 March 2022, 2023 and 2024. These contributions would be to cover ongoing expenses of the Scheme (no contributions are required in respect of accrual as there were no remaining active members as at 31 March 2021).

Annual valuations are prepared by Willis Towers Watson using the projected unit credit method. Scheme assets are stated at their market values at the respective statement of financial position dates. The weighted average duration of the defined benefit obligations is 16 years.

The discount rate has been derived after consideration of the changes in several market indicators of AA rated corporate bonds over the year at a term consistent with the Scheme's liabilities.

17. Pension commitments continued

Main assumptions:	2024 %	2023 %
Discount rate	**5.4**	4.5
RPI Inflation assumption	**3.4**	3.3
CPI Inflation assumption	**3.0**	2.9
Deferred pension revaluation		
Excess over GMP (RPI capped at 5% pa)	**3.7**	3.4
GMP	**5.3**	5.1
Pension increases in payment		
Fixed 5% pensions	**5.0**	5.0
RPI capped at 5% pa pensions	**3.2**	3.1
'Scheme Benefit Limit' (greater of 3% pa and RPI)	**4.0**	3.9
Pre 88 GMPs	**–**	–
Post 88 GMPs (CPI capped at 3% pa)	**2.5**	2.4

Life expectancy of a pensioner reaching age 65	2024	2023
for a male, currently aged 65	**23.6**	24.1
for a female, currently aged 65	**26.0**	26.2
for a male, reaching age 65 in 10 years' time	**24.5**	25.2
for a female, reaching age 65 in 10 years' time	**27.0**	27.3

Concentration risk is relatively low as Rothesay Life is required to provide a level of capital that would enable it to meet its liabilities and to hold ring-fenced collateral against BII policy obligations. In addition, BII policy falls under the Financial Services Compensation Scheme which will guarantee 100 per cent of the value of the payments promised under the buy-in arrangement should Rothesay Life be unable to.

Scheme asset information	Allocation percentage 31 Dec-24 Quoted	Allocation percentage 31 Dec-24 Unquoted	Allocation percentage 31 Dec-24 Total
Buy-in contract with Rothesay Life			
In 2024	–	**97.1%**	**97.1%**
Cash/net current assets/other			
In 2024	**2.9%**	–	**2.9%**
Fair value of scheme assets at 31 December 2024	**£7.4m**	**£250.2m**	**£257.6m**
Fair value of scheme assets at 31 December 2023	£8.1m	£287.5m	£295.6m

Assets and liabilities of the Scheme at 31 December	2024 £m	2023 £m
Buy-in contract with Rothesay Life	**250.2**	287.5
Net current assets	**7.4**	8.1
Fair value of assets	**257.6**	295.6
Defined benefit obligation	**(251.5)**	(289.0)
Surplus	**6.1**	6.6
Restriction due to asset ceiling	**(6.1)**	(6.6)
Net pension liability	**–**	–

Reconciliation of the (liability)/asset:	Defined benefit obligation £m	Fair value of assets £m	Asset ceiling £m	(Liability)/ asset £m
At 31 December 2023	**(289.0)**	**295.6**	**(6.6)**	**(0.4)**
Administration costs incurred during the year	**–**	**(0.9)**	**–**	**(0.9)**
Interest cost	**(12.6)**	**12.9**	**(0.3)**	**–**
Past service cost – plan amendments	**–**	**–**	**–**	**–**
Cost recognised in administrative expenses	**(12.6)**	**12.0**	**(0.3)**	**(0.9)**
Actuarial gain due to liability experience	**3.1**	**–**	**–**	**3.1**
Actuarial gain due to liability assumptions	**30.9**	**–**	**–**	**30.9**
Actuarial loss on assets	**–**	**(34.3)**	**–**	**(34.3)**
Change in effect of asset ceiling	**–**	**–**	**0.8**	**0.8**
Remeasurement effects recognised in the Group's Statement of Comprehensive Income	**34.0**	**(34.3)**	**0.8**	**0.5**
Employer contributions to the CDC Pensions Scheme	**–**	**0.4**	**–**	**0.4**
Benefits paid (including administration costs)	**16.1**	**(16.1)**	**–**	**–**
Cash flows	**16.1**	**(15.7)**	**–**	**0.4**
At 31 December 2024	**(251.5)**	**257.6**	**(6.1)**	**–**

17. Pension commitments continued

Reconciliation of the (liability)/asset:	Defined benefit obligation £m	Fair value of assets £m	Asset ceiling £m	(Liability)/ asset £m
At 31 December 2022	(290.1)	296.8	(6.7)	–
Administration costs incurred during the year	–	(0.8)	–	(0.8)
Interest cost	(13.6)	13.9	(0.3)	–
Past service cost – plan amendments	–	–	–	–
Cost recognised in administrative expenses	(13.6)	13.1	(0.3)	(0.8)
Actuarial gain due to liability experience	7.9	–	–	7.9
Actuarial loss due to liability assumptions	(8.4)	–	–	(8.4)
Actuarial gain on assets	–	0.5	–	0.5
Change in effect of asset ceiling	–	–	0.4	0.4
Remeasurement effects recognised in the Group's Statement of Comprehensive Income	(0.5)	0.5	0.4	0.4
Employer contributions to the CDC Pensions Scheme	–	0.4	–	0.4
Benefits paid (including administration costs)	15.2	(15.2)	–	–
Cash flows	15.2	(14.8)	–	0.4
At 31 December 2023	(289.0)	295.6	(6.6)	–

Maturity profile of defined benefit obligations at 31 December	2024 £m	2023 £m
Expected benefit payments due within 1 year	**16.1**	16.1
Expected benefit payments due within 1-2 years	**16.5**	16.5
Expected benefit payments due within 2-3 years	**16.8**	16.9
Expected benefit payments due within 3-4 years	**17.0**	17.2
Expected benefit payments due within 4-5 years	**17.1**	17.3
Expected benefit payments due within 5-10 years	**86.3**	88.3
Expected benefit payments due after 10 years	**358.8**	390.0

The Group is aware of the 25 July 2024 appeal ruling in the Virgin Media Limited v NTL Pension Trustees II Limited that may have implications for the validity of amendments made to pension schemes that were contracted-out on a salary-related basis in the period between 6 April 1997 and the abolition of contracting out in 2016. Any amendments made to these pensions schemes in the relevant period would be void unless actuarial confirmations had been provided. The Group has not evaluated or made any allowance for the potential impact of this ruling as it is currently unclear whether any additional liabilities might arise and, if they were to arise, the reliable measurement of the liabilities. The Group will continue to monitor developments including taking into consideration materiality.

18. Financial instruments

The Group's principal financial assets (as defined in IFRS 7) comprise cash, short-term deposits, foreign exchange contracts, trade receivables, notes receivable, funded guarantees, loan investments and equity investments. For the purposes of this note, the disclosure on financial assets has been split between these asset classes in order to give more meaningful information. Financial liabilities comprise trade and other payables and foreign exchange contracts. The benchmark rate for floating rate assets and liabilities is based on one-week to six-month Secured Overnight Financing Rates (SOFR).

Interest rate exposures – Group

	Fixed rate £m	Floating rate £m	No interest* £m	Total £m	Fixed rate weighted average interest rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
Financial assets: cash							
2024	**–**	**14.1**	**18.7**	**32.8**	**–**	**–**	*****
2023	–	31.0	26.0	57.0	–	–	*
Financial assets: short-term deposits receivable within 90 days							
2024	**1,298.8**	**–**	**–**	**1,298.8**	**4.69%**	**1.0**	**–**
2023	760.1	–	–	760.1	5.09%	1.0	–
Financial assets: short-term deposits receivable after 90 days							
2024	**–**	**–**	**–**	**0.0**	**–**	**–**	**–**
2023	1.8	–	–	1.8	0.08%	1.0	–
Financial assets: loan investments							
2024	605.4	1,390.7	8.3	2,004.4	9.20%	5.7	**–**
2023	541.0	1,298.5	8.8	1,848.3	8.80%	6.4	–

* The Group's no interest cash is repayable on demand.

18. Financial instruments continued

Interest rate exposures – Company

	Fixed rate £m	Floating rate £m	No interest* £m	Total £m	Fixed rate weighted average interest rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
Financial assets: cash							
2024	**–**	**14.1**	**10.3**	**24.4**	**–**	**–**	*****
2023	–	31.0	16.9	47.9	–	–	*
Financial assets: short-term deposits receivable within 90 days							
2024	**1,292.0**	**–**	**–**	**1,292.0**	**4.67%**	**1.0**	**–**
2023	760.1	–	–	760.1	5.09%	1.0	–
Financial assets: short-term deposits receivable after 90 days							
2024	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2023	–	–	–	–	–	–	–
Financial assets: loan investments							
2024	605.4	1,390.7	8.3	2,004.4	9.20%	5.7	**–**
2023	541.0	1,298.5	8.8	1,848.3	8.80%	6.4	–

* The Company's no interest cash is repayable on demand.

Currency exposures – Group

The tables below show the Group's currency exposures that give rise to exchange rate gains and losses that are recognised in the statement of comprehensive income. Such exposures comprise those monetary assets and liabilities of Group companies that are not denominated in their functional currency. In order to protect the Group's sterling statement of financial position and reduce cash flow risk, the Group uses FFECs to mitigate the risk of foreign exposures arising on forecast receipts, cash balances and payments in foreign currencies.

The following table shows the Group's foreign currency denominated cash and cash equivalents balances:

Currency	US dollars 2024 £m	Other 2024 £m	Total 2024 £m	US dollars 2023 £m	Other 2023 £m	Total 2023 £m
Pound sterling	**642.4**	**17.2**	**659.6**	156.4	22.6	179.0
Total	**642.4**	**17.2**	**659.6**	156.4	22.6	179.0

The following table shows the currency of the Group's equity investments:

Currency	Listed equity at valuation 2024 £m	Unlisted equity at valuation 2024 £m	Total 2024 £m	Listed equity at valuation 2023 £m	Unlisted equity at valuation 2023 £m	Total 2023 £m
US dollar	**8.8**	**3,914.6**	**3,923.4**	8.4	4,021.7	4,030.1
Indian rupee	**34.1**	**674.9**	**709.0**	61.3	590.6	651.9
Euro	**–**	**258.0**	**258.0**	–	254.5	254.5
Pound sterling	**–**	**180.5**	**180.5**	–	164.6	164.6
Moroccan dirham	**156.3**	**–**	**156.3**	135.8	–	135.8
South African rand	**–**	**50.2**	**50.2**	–	40.8	40.8
Pakistani rupee	**36.7**	**–**	**36.7**	22.7	–	22.7
Nepalese rupee	**–**	**25.0**	**25.0**	–	24.2	24.2
Other	**–**	**5.3**	**5.3**	–	5.5	5.5
Total	**235.9**	**5,108.5**	**5,344.4**	228.2	5,101.9	5,330.1

The following table shows the currency of the Group loan investments:

Currency	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m	Level 1 2023 £m	Level 3 2023 £m	Total 2023 £m
US dollar	**36.3**	**1,483.2**	**1,519.5**	18.5	1,380.1	1,398.6
Indian rupee	**–**	**242.0**	**242.0**	–	248.3	248.3
Euro	**–**	**122.1**	**122.1**	–	88.7	88.7
South African rand	**–**	**90.6**	**90.6**	–	87.6	87.6
Kenyan shilling	**–**	**17.6**	**17.6**	–	14.4	14.4
Tanzanian shilling	**–**	**12.6**	**12.6**	–	10.7	10.7
Other	**–**	**–**	**–**	–	–	–
Total	**36.3**	**1,968.1**	**2,004.4**	18.5	1,829.8	1,848.3

Group guarantee investments of £96.8 million are all denominated in US dollars.

18. Financial instruments continued

Currency exposures – Company

The tables below show the Company's currency exposures that give rise to exchange rate gains and losses that are recognised in the statement of comprehensive income. Such exposures comprise those monetary assets and liabilities that are not denominated in the Company's functional currency. In order to protect the Company's sterling statement of financial position and reduce cash flow risk, the Company uses FFECs to mitigate the risk of foreign exposures arising on forecast receipts, cash balances and payments in foreign currencies.

The following table shows the Company's foreign currency denominated cash and cash equivalents balances:

Currency	US dollars 2024 £m	Other 2024 £m	Total 2024 £m	US dollars 2023 £m	Other 2023 £m	Total 2023 £m
Pound sterling	**635.1**	**9.3**	**644.4**	153.7	16.5	170.2
Total	**635.1**	**9.3**	**644.4**	153.7	16.5	170.2

The following table shows the currency of the Company's equity investments:

Currency	Listed equity at valuation 2024 £m	Unlisted equity at valuation 2024 £m	Total 2024 £m	Listed equity at valuation 2023 £m	Unlisted equity at valuation 2023 £m	Total 2023 £m
US dollar	**8.8**	**3,917.8**	**3,926.6**	8.4	4,024.7	4,033.1
Indian rupee	**34.1**	**681.5**	**715.6**	61.3	595.2	656.5
Euro	**–**	**258.0**	**258.0**	–	254.5	254.5
Pound sterling	**–**	**185.7**	**185.7**	–	169.9	169.9
Moroccan dirham	**156.3**	**–**	**156.3**	135.8	–	135.8
South African rand	**–**	**50.2**	**50.2**	–	40.8	40.8
Pakistani rupee	**36.7**	**–**	**36.7**	22.7	–	22.7
Nepalese rupee	**–**	**25.0**	**25.0**	–	24.2	24.2
Other	**–**	**5.3**	**5.3**	–	5.5	5.5
Total	**235.9**	**5,123.5**	**5,359.4**	228.2	5,114.8	5,343.0

The following table shows the currency of the Company's loan investments:

Currency	Level 1 2024 £m	Level 3 2024 £m	Total 2024 £m	Level 1 2023 £m	Level 3 2023 £m	Total 2023 £m
US dollar	**36.3**	**1,483.2**	**1,519.5**	18.5	1,380.1	1,398.6
Indian rupee	**–**	**242.0**	**242.0**	–	248.3	248.3
Euro	**–**	**122.1**	**122.1**	–	88.7	88.7
South African rand	**–**	**90.6**	**90.6**	–	87.6	87.6
Kenyan shilling	**–**	**17.6**	**17.6**	–	14.4	14.4
Tanzanian shilling	**–**	**12.6**	**12.6**	–	10.7	10.7
Total	**36.3**	**1,968.1**	**2,004.4**	18.5	1,829.8	1,848.3

Company guarantee investments of £96.8 million are all denominated in US dollars.

Liquidity risk – Group

The following tables show the maturity profile of the Group's financial assets and liabilities other than cash, equity investments and guarantees:

2024 Financial assets: Maturity profile	Short-term deposits £m	Other receivables £m	Loan investments £m	Guarantees £m	FFECs £m
Due within one year, but not on demand	**1,298.8**	**59.9**	**557.1**	**91.9**	**8.9**
Due within one to two years	**–**	**–**	**328.8**	**–**	**–**
Due within two to three years	**–**	**–**	**237.4**	**–**	**–**
Due within three to four years	**–**	**–**	**252.2**	**–**	**–**
Due within four to five years	**–**	**–**	**200.3**	**–**	**–**
Due after five years	**–**	**–**	**428.6**	**–**	**–**
Total	**1,298.8**	**59.9**	**2,004.4**	**91.9**	**8.9**

18. Financial instruments continued

2023 Financial assets: Maturity profile	Short-term deposits £m	Other receivables £m	Loan investments £m	Guarantees £m	FFECs £m
Due within one year, but not on demand	761.9	478.6	546.9	79.4	73.1
Due within one to two years	–	–	220.7	–	–
Due within two to three years	–	–	260.1	–	–
Due within three to four years	–	–	168.5	–	–
Due within four to five years	–	–	184.0	–	–
Due after five years	–	–	468.1	–	–
Total	761.9	478.6	1,848.3	79.4	73.1

2024 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	**3.3**	**48.2**	**43.5**
Due within one to two years	**4.7**	**–**	**–**
Due within two to three years	**3.8**	**–**	**–**
Due within three to four years	**2.5**	**–**	**–**
Due within four to five years	**1.8**	**–**	**–**
Due after five years	**1.1**	**–**	**–**
Total	**17.2**	**48.2**	**43.5**

2023 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	2.8	39.6	1.5
Due within one to two years	2.3	–	–
Due within two to three years	2.4	–	–
Due within three to four years	2.3	–	–
Due within four to five years	0.5	–	–
Due after five years	–	–	–
Total	10.3	39.6	1.5

The Group does not net off contractual amounts of financial assets and liabilities.

Liquidity risk – Company

The following tables show the maturity profile of the Company's financial assets and liabilities other than cash, equity investments and guarantees:

2024 Financial assets: Maturity profile	Short-term deposits £m	Other receivables £m	Loan investments £m	Guarantees £m	FFECs £m
Due within one year, but not on demand	**1,292.0**	**47.7**	**557.1**	**91.9**	**8.9**
Due within one to two years	**–**	**–**	**328.8**	**–**	**–**
Due within two to three years	**–**	**–**	**237.4**	**–**	**–**
Due within three to four years	**–**	**–**	**252.2**	**–**	**–**
Due within four to five years	**–**	**–**	**200.3**	**–**	**–**
Due after five years	**–**	**–**	**428.6**	**–**	**–**
Total	**1,292.0**	**47.7**	**2004.4**	**91.9**	**8.9**

2023 Financial assets: Maturity profile	Short-term deposits £m	Other receivables £m	Loan investments £m	Guarantees £m	FFECs £m
Due within one year, but not on demand	760.1	470.7	546.9	79.4	73.1
Due within one to two years	–	–	220.7	–	–
Due within two to three years	–	–	260.1	–	–
Due within three to four years	–	–	168.5	–	–
Due within four to five years	–	–	184.0	–	–
Due after five years	–	–	468.1	–	–
Total	760.1	470.7	1,848.3	79.4	73.1

2024 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	**2.9**	**37.8**	**43.5**
Due within one to two years	**3.7**	**–**	**–**
Due within two to three years	**3.1**	**–**	**–**
Due within three to four years	**2.4**	**–**	**–**
Due within four to five years	**1.6**	**–**	**–**
Due after five years	**–**	**–**	**–**
Total	**13.7**	**37.8**	**43.5**

18. Financial instruments continued

2023 Financial liabilities: Maturity profile	Lease liabilities £m	Trade and other payables £m	FFECs £m
Due within one year, but not on demand	1.9	32.7	1.5
Due within one to two years	1.5	–	–
Due within two to three years	1.6	–	–
Due within three to four years	1.6	–	–
Due within four to five years	–	–	–
Due after five years	–	–	–
Total	6.6	32.7	1.5

The Company does not net off contractual amounts of financial assets and liabilities.

Fair value of financial assets and liabilities – Group and Company

Financial assets

Quoted and unquoted equity investments, loan investments and guarantees are included in the statement of financial position at fair value. There is no material difference between the fair value and the book value of the Group's cash, short-term deposits, notes receivable or trade and other receivables. The Group's foreign exchange contracts are held in the statement of financial position at fair value.

Reconciliation of Level 3 fair value measurement of financial assets

The following table details the movements in non-current financial assets valued using the Level 3 basis of measurement in aggregate.

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Opening value	**7,017.7**	6,586.7	**7,027.1**	6,596.4
Additions	**1,184.5**	1,408.5	**1,184.5**	1,408.5
Disposals and repayments	**(1,134.5)**	(699.4)	**(1,134.5)**	(699.4)
Transfers	**(0.5)**	–	**(0.5)**	–
Deferred income movement	**(2.5)**	0.8	**(2.5)**	0.8
Fair value movement	**68.1**	72.9	**69.0**	72.5
Foreign exchange movement	**40.6**	(351.8)	**45.4**	(351.7)
Closing value	**7,173.4**	7,017.7	**7,188.6**	7,027.1

Financial liabilities

There is no material difference between the fair value and the book value of the Group's trade and other payables. The Group's foreign exchange contracts in loss are held in the statement of financial position at fair value.

19. Financial risk management

The Group's and Company's activities expose them to a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. Market risk includes foreign currency risk, interest rate risk and price risk. The main financial risks managed by the Group and Company are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Group and Company use FFECs to manage their financial risks associated with their underlying business activities and the financing of those activities. The Group and Company do not undertake any trading activity in financial instruments.

Liquidity risk

The Group's and Company's policy on liquidity risk is to ensure that they always have sufficient funding to meet all short- to medium-term funding requirements. Liquidity risk is managed by reference to two liquidity metrics: 1) a cash to net asset value ratio below 10 per cent over a rolling 12-month period recognising timing and quantum uncertainties inherent in cash flows for investment disbursements and receipts; 2) a collateral coverage ratio above 100% at all times to demonstrate that we have sufficient liquid resources to meet liabilities as they fall due. The Group's cash balance as at 31 December 2024 was £1,331.6 million (2023: £818.9 million) and its capital commitments including long-term commitments were £2,683.8 million (2023: £1,995.3 million).

	Group		Company	
Analysis of total cash balance	2024 £m	2023 £m	2024 £m	2023 £m
Cash at bank and in hand	**32.8**	57.0	**24.4**	47.9
Short-term deposits receivable	**1,298.8**	761.9	**1,292.0**	760.1
Total	**1,331.6**	818.9	**1,316.4**	808.0

The short-term deposits receivable can easily be converted into cash. The Company has promissory notes of £1,130.0 million from its Parent entity which can be drawn down on demand.

The Group's and Company's contractual maturities of derivatives and non-derivative financial liabilities are disclosed in note 18 and risk participation commitments in note 23.

Investment commitments: Maturity profile

Fund commitments are generally drawn down over a five-year term although in some cases this may be shorter. Typically, there are restrictions to ensure that there is a ceiling on the proportion of commitment that can be drawn down in one year. Direct investment commitments are typically drawn down over a shorter term. In addition, unfunded guarantees can also be called upon at short notice.

In forecasting cash flows, BII uses industry standard models for drawdown profiles. The Board considers this regularly when reviewing BII's ability to meet these commitments.

19. Financial risk management continued

The following table shows the vintage year of the outstanding commitments to the Group's investments as at 31 December. The commitments are not accounted for as liabilities on BII's balance sheet and are only recognised when called upon. Outstanding commitments can fluctuate year-on-year when recycling is permitted.

	2024 £m	2023 £m
2014 and prior	**249.0**	243.5
2015	**50.5**	30.7
2016	**73.6**	36.6
2017	**75.5**	106.5
2018	**38.9**	61.3
2019	**234.1**	263.9
2020	**102.3**	112.2
2021	**297.4**	347.1
2022	**224.7**	359.2
2023	**360.3**	434.3
2024	**977.5**	–
Total	**2,683.8**	1,995.3

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

		Group		Company	
	Notes	2024 £m	2023 £m	2024 £m	2023 £m
Loan investments	4	**2,004.4**	1,848.3	**2,004.4**	1,848.3
Guarantees	5	**92.6**	79.4	**92.6**	79.4
FFECs in profit	8	**9.0**	73.1	**9.0**	73.1
Trade and other receivables (excluding loans)	15	**195.8**	159.1	**186.0**	151.2
Notes receivable	24	**1,130.0**	319.5	**1,130.0**	319.5
Short-term deposits	6	**1,298.8**	761.9	**1,292.0**	760.1
Cash and cash equivalents	6	**32.8**	57.0	**24.4**	47.9
Total		**4,763.4**	3,298.3	**4,738.4**	3,279.5

Credit risk on the Company's sterling cash balance is mitigated as cash not required for day-to-day operations is deposited with the UK Government Debt Management Office. Credit risk on other currency balances and FFECs is mitigated as the Group and Company transact with institutions with high credit ratings. Share certificates for listed company investments are held in custody accounts with financial institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above. As at 31 December 2024, all deposits and listed share certificates were held with such financial institutions.

There is no recourse to the Company for the debt balances within subsidiaries.

Market risk

Interest rate risk

The Group's and Company's interest rate risk arises primarily from exposure to the investment loan and bond portfolio and to a lesser degree, term deposits at financial institutions. The exposure to fixed rate assets gives rise to fair value (price) risk while the exposure to floating rate assets gives rise mostly to variations in cash flow receipts over time. Interest rate risk is monitored and reported to management on a quarterly basis. The Group currently does not hedge this risk as it is within risk appetite but will continue to evaluate and monitor its levels and impacts in the future.

The Group has a portfolio of loans valued at £2,004.4 million (2023: £1,848.3 million), of which £557.1 million (2023: £541 million) are charged interest at a fixed rate, exposing the Group to interest rate risk. Most of these loans have prepayment options for the borrower and a fall in interest rates will have a very limited impact on the fair value. However, if interest rates were to increase, the fair value of these loans will decrease. A 2.5 per cent increase in interest rates across maturities would cause a fair value loss of approximately £36.9 million based on year-end figures.

As at 31 December 2024, the weighted average interest rate earned on the Group's and Company's bank deposit was 5.06 per cent (2023: 5.15 per cent). In preparing the sensitivity analysis, a reasonable approximation of possible change is considered to be a 2 per cent increase and 2 per cent decrease (2023: 2.0 per cent increase and 2.0 per cent decrease) change in all interest rates. With all other variables held constant, a 2 per cent increase would have a £24.2 million positive impact on the Group's profit before tax (2023: 2.0 per cent increase would have a £21.5 million positive impact on the Group's profit before tax). A 2 per cent decrease would have £24.2 million negative impact on the Group's profit before tax (2023: 2.0 per cent decrease would have a £21.5 million negative impact on the Group's profit before tax). Although this is within the range the Company regards as acceptable, it is envisaged that the Company will use the majority of its cash balance in meeting its capital commitments.

19. Financial risk management continued

Foreign currency risk

The Group has exposures to foreign currency risk through its investments and foreign cash balances. In order to protect the Group's statement of financial position and reduce cash flow risk, the Group uses forward foreign exchange contracts to hedge foreign exposures arising on forecast receipts from the loan and guarantee portfolio and non-sterling cash balances on its largest exposures.

The table below shows the impact on profit of a 10 per cent increase or 15 per cent decrease (2023: 10 per cent increase or 15 per cent decrease) in the year-end exchange rate would have on the unhedged financial assets and each of the outstanding hedged positions if all other variables are held constant.

2024	+ 10%			- 15%		
Currency	Unhedged financial assets £m	FFECs £m	Total impact on profit £m	Unhedged financial assets £m	FFECs £m	Total impact on profit £m
US dollar	**(623.9)**	**(185.4)**	**(809.3)**	**935.8**	**360.0**	**1,295.8**
Indian rupee	**(97.2)**	**(31.6)**	**(128.8)**	**145.8**	**61.4**	**207.2**
Euro	**(39.5)**	**(13.0)**	**(52.5)**	**59.2**	**25.2**	**84.4**
South African rand	**(14.3)**	**(21.1)**	**(35.4)**	**21.4**	**41.0**	**62.4**
Moroccan dirham	**(15.6)**	**–**	**(15.6)**	**23.4**	**–**	**23.4**
Pakistani rupee	**(3.7)**	**–**	**(3.7)**	**5.6**	**–**	**5.6**
Other	**(2.8)**	**–**	**(2.8)**	**4.2**	**–**	**4.2**
Nepalese rupee	**(2.5)**	**–**	**(2.5)**	**3.8**	**–**	**3.8**

2023	+ 10%			- 15%		
Currency	Unhedged financial assets £m	FFECs £m	Total impact on profit £m	Unhedged financial assets £m	FFECs £m	Total impact on profit £m
US dollar	(567.9)	(151.8)	**(719.8)**	852.2	294.7	**1,146.9**
Indian rupee	(91.1)	(34.9)	**(126.0)**	142.6	67.7	**210.3**
Euro	(34.6)	(18.0)	**(52.6)**	51.8	35.0	**86.8**
South African rand	(13.0)	(22.0)	**(35.0)**	19.4	42.7	**62.1**
Moroccan dirham	(14.1)	–	**(14.1)**	21.2	–	**21.2**
Nepalese rupee	(2.4)	–	**(2.4)**	3.6	–	**3.6**
Pakistani rupee	(2.3)	–	**(2.3)**	3.5	–	**3.5**
Other	(2.2)	–	**(2.2)**	3.3	–	**3.3**

Equity price risk

The Group and Company invest in a wide range of fund investments managed by a variety of fund managers, along with a range of direct equity investments. The Group manages this risk by maintaining a diversified portfolio of assets and by using a framework of country, sector and single-party limits to avoid excessive concentrations within the portfolio.

As at 31 December 2024, the Group had equity investments of £5,344.4 million (2023: £5,330.1 million). Included in this balance is an investment in a wholly owned investment entity with a value of £1,059.1 million which represented 19.8 per cent of the Group's equity investments (2023: £ 1,138.2 million, 21.4 per cent).

A 10 per cent change in the fair value of the Group's equity investments would impact the Group's profit by £534.4 million (2023: 10 per cent change, impact £ 533.0 million).

Valuation risk

The Group values its portfolio according to BII's valuation methodology. The BII valuation guidelines have been developed in accordance with the International Private Equity and Venture Capital Valuation Guidelines (December 2022). Investments are valued at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants given current market conditions at the measurement date. The detailed valuation methodology sets out best practice with respect to valuing investments. Valuation risks are mitigated by portfolio reviews of BII's investments and the underlying investments in its private equity funds which are carried out quarterly by the relevant BII investment managers. As part of these reviews, valuations are prepared and reviewed by BII management and then approved by the Valuation Steering Committee. For more details on the valuation methodology, refer to note 26.

Capital management

BII considers its capital to be the total equity shown in the statement of changes of equity. The Company's objectives when managing capital are:

- to comply with the capital requirements set by FCDO regarding investing in eligible countries and sectors;
- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders; and
- to maintain a strong capital base to support the development of the Group's businesses.

The Board monitors the results of the Group and its financial position.

20. Government grant

The Group and Company receive capital grants from its Parent entity FCDO to make blended finance investments. Promissory notes are issued in advance of investments being made and capital is drawn down as required. On issuance, a promissory note receivable and deferred grant income creditor are recognised in the Statement of Financial Position. The receivable is reduced upon receipt of cash from the Parent entity. Grant income is recognised in the Statement of Comprehensive Income over the expected life of each investment asset. Investments made and gains or losses in fair value from the grant capital are included in the Group and Company's fair value financial assets.

	Notes	2024 £m	2023 £m
Fair value financial assets		**9.8**	4.9
Grant income recognised		**1.4**	0.9
As at 31 December			
Deferred grant income (non-current)		**(145.5)**	(93.0)
Government grant receivable (current)	15	**121.2**	75.7

21. Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £2,683.8 million (2023: £ 1,995.3 million) for investment commitments (see note 19 for further details).

22. Leases

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Right of use assets – cost	**37.2**	21.4	**31.7**	17.5
Total	**37.2**	21.4	**31.7**	17.5

Information about leases for which BII is a lessee is presented below.

Right of use assets – accumulated depreciation

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Balance at 1 January	**18.4**	14.1	**15.5**	12.3
Depreciation charged for the year	**4.9**	4.3	**3.8**	3.2
Balance at 31 December	**23.3**	18.4	**19.3**	15.5

Lease liabilities

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Current liabilities	**3.3**	2.8	**2.9**	1.9
Non-current liabilities	**13.9**	7.5	**10.8**	4.7
Total lease liabilities	**17.2**	10.3	**13.7**	6.6

During the year, total lease payments made by the Group were £3.5million (2023: £3.8 million) and £2.6million (2023: £ 3.1 million) by the Company.

Lease charges within the year

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
Interest on lease liabilities/finance costs	**1.1**	0.7	**1.0**	0.4
Depreciation	**4.9**	4.3	**3.8**	3.2
	6.0	5.0	**4.8**	3.6

23. Contingent liabilities

The Group and the Company had the following contingent liabilities as at 31 December 2024:

› In respect of unfunded risk participation agreements with a value of £127.8 million (2023: £199.2 million).
› In respect of undertakings to power distributors and governments in connection with the operation of power-generating investments with a maximum legal liability of £6.4 million (2023: £6.3 million)

These may, but probably will not, require an outflow of resources.

24. Related party transactions

Parent entity

During 2023 and 2024, the Company entered into subscription agreements with its Parent entity, in respect of the issue of ordinary shares in the Company. The Parent entity subscribed to the shares by issuing promissory notes for the value of the shares of £1,160.0 million in 2024 (2023: £289.5 million). Of these, 60,000,000 ordinary shares were issued in 2024 for the purpose of funding BII's investment into BII Ukraine Limited.

During the year, the Company received £349.5 million (2023: £nil) from its Parent entity in relation to settlement of a portion of the promissory notes receivable.

As at 31 December 2024, the Company had promissory notes of £1,130.0 million (2023: £319.5 million) due from its Parent entity. The receivable is payable on demand and without interest.

During 2024, the Company received a capital grant of £54.3 million (2023: £56.7 million) by issuance of a promissory note. As at 31 December 2024, the Company had £121.2 million (2023: £75.7 million) of promissory notes receivable (refer to note 15).

Key management personnel

BII defines its key management personnel (KMP) as the members of the Executive Committee, including the Chief Executive and Chief Financial Officer. KMP are remunerated on the basis of the PremCo report outlined on PAGES 65 TO 75. In addition to their remuneration, there are no other short or long-term benefits, post-employment benefits, termination benefits or share-based benefits given to BII's KMP.

Subsidiaries

During the year, the Company entered into transactions with its consolidated and non-consolidated subsidiary companies.

The transactions entered into and trading balances outstanding at 31 December were as follows:

	2024 £m	2023 £m
Statement of comprehensive income		
Interest income	**3.6**	3.7
Management fee income	**9.0**	9.4
Management fee expense	**(23.5)**	(12.7)
Statement of financial position		
Equity investments	**1,573.0**	1,600.2
Equity investments – non-holding companies	**269.0**	243.7
Trade and other receivables	**3.5**	6.1
Trade and other payables	**–**	–

Outstanding balances at the year-end are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

25. Subsequent events

There have been no material events since the reporting period that would require adjustment to these financial statements. Events after the reporting period that would require adjustment to these financial statements are those that provide evidence of conditions that existed at 31 December 2024. Events after the reporting period that are indicative of conditions that arose after the reporting date but which do not lead to adjustment of the financial statements are disclosed in the event that they are material.

The tariffs recently announced by the US have caused market volatility on a global scale and are expected to have a significant impact on the geographies in which the Group invests. The tariffs are likely to introduce volatility to markets and uncertainty over valuations. The quantum of the effect on the Group is difficult to determine at this time but could be material. Investee companies may also face liquidity issues that could impact their operations and ability to repay debt.

On 5 April 2025 the Group entered into a contract to sell its stake in an Indian logistics company, subject to achieving certain conditions. If the transaction completes, the Group will recognise a non-material loss against the 31/12/2024 valuation. This was driven by deteriorating market factors in 2025.

26. Summary of material accounting policy information

The accounting policies for plant and equipment and intangible asset are not specified as both are not material to the Group or Company.

Non-current assets

Investments

The Group and Company classify their loan investments and equity investments, including investments in investment entities, as financial assets at fair value through profit and loss. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit and loss

These financial assets are designated as assets held at fair value through profit and loss by management at the date of inception. FFECs are also classified as held for trading in this category unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

The Group's fair value methodology has been derived using the International Private Equity and Venture Capital Valuation Guidelines (December 2022). The valuation methodology is selected based on informed judgement considering the nature, facts, and circumstances of the investment and in the expected view of market participants. The approach to calculating the fair value of equity investments is described below:

- For equity investments in companies whose shares are publicly traded, information about pricing, trading and financial data is generally available. BII considers the level of trading activity in evaluating the relevance and reliability of the information, as price is considered fair value if it is derived from an active market.
- The market approach is used for estimating fair value of companies with significant revenues and at least twelve months of transparent and verifiable financial statements, where reasonably comparable public companies or transactions exist from which to source valuation multiples.
- The income approach is typically applied for valuation of a company in a start-up phase or that has not reached its optimal level of operations. The discount rate selected must be consistent with the benefit stream with risk profile of the cash flow estimate to be discounted.
- Net asset value is used for loss-making companies and companies in liquidation. It is also applied for going-concern fund valuations whose value derives mainly from the underlying fair value of its assets rather than its earnings.
- The price of a recent investment from an observable transaction, in most cases represents fair value as of the transaction date. At subsequent valuation dates, this price is only used as a supporting estimate for fair value that is calibrated to that price.
- Some seed, start-up or early-stage investments are valued using a milestone approach, or scenario analysis because there are no current and no short-term future earnings or positive cash flows.
- Where BII has committed capital in a fund, BII relies on valuations commissioned by the Fund Manager. It is acknowledged these valuations may not comply with IPEV because of a difference in accounting standards. BII performs back-testing to check if there are any significant differences between fund audited financial results against quarterly fund reports which are used in the valuation process.

Loan investments are recognised at the fair value of the consideration given to originate the loan and are subsequently measured at fair value. For passive co-investments, BII values its direct equity investments based on Fund Manager Valuation Methodology. Passive co-investment loans are valued at amortised cost. Specifically, BII classifies loans at fair value through profit and loss when they are managed, and their performance evaluated, on a fair value basis. Information about these loans is reported to management on that basis.

In determining the fair value of the loans, BII has elected to use the discounted cash flow method. Cash flows are discounted at a rate which is benchmarked against market data, where possible, or adjusted from the rate at the initial investment based on changes in the risk profile of the investment including past events, current market conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Non-performing loans, loans expected to be restructured because the borrower is a going concern, and loans subject to increased market risk, are valued based on the most likely cash flows discounted at the appropriate discount rate. Where the outcome is uncertain or could follow different trajectories, a probability-weighted-scenario valuation approach is adopted.

Gains and losses realised on disposal or redemption, by reference to the valuation at the previous statement of financial position date, and unrealised gains and losses from changes in the fair values of the equity portfolio are taken to the statement of comprehensive income.

Guarantees

The Group enters into risk participation agreements in return for fees. Under a risk participation agreement, the Group undertakes to meet a customer's obligations under the terms of an agreement if the customer fails to do so. Guarantees comprise funded and unfunded risk participation agreements. Funded guarantees are held at fair value through profit and loss and unfunded guarantees are measured using the expected credit loss model.

26. Summary of material accounting policy information continued

Forward foreign exchange contracts

The Group and Company use FFECs as part of their asset management activities to manage exposures to foreign currency risk. The Company does not use FFECs for speculative purposes.

The fair value of the FFECs at the year-end is based on the difference between the agreed forward rate and the forward rate at the balance sheet date.

Gains and losses on FFECs transacted as economic hedges but not qualifying for hedge accounting are taken to the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments, such as short-term deposits, with maturities of 3 months or less on initial recognition.

Trade and notes receivable

Trade and notes receivable are non-interest-bearing and are recognised when BII becomes a party to the contractual provision of the instrument. They are initially measured at fair value and subsequently at amortised cost less provision for impairment.

Impairment of assets

The carrying amounts of assets, other than deferred tax assets, financial instruments and retirement benefit assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of the Group's assets is the greater of their fair value less costs to sell and value in use, calculated as the present value of expected future cash flows. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of all assets is reversed if a subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Measurement and recognition of expected credit losses

BII considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

A '12-month expected credit loss' is recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

To meet the financial needs of BII's borrowers, BII enters into loan commitments and guarantee contracts (funded and unfunded).

While funded guarantees are recognised on balance sheet, BII's unfunded obligations are not. BII considers the unfunded obligations to share a credit risk similar to loans to the private sector. Therefore, ECLs are calculated for financial guarantees and unfunded loan commitments in accordance with IFRS 9.

ECLs reflect the probability-weighted estimate based on loss expectations resulting from default events over either a 12-month period from the reporting date or the remaining life of the financial instrument. A default event is triggered when a guarantee is called as a result of the customer failing to meet its obligations under the terms of the agreement. The method used to calculate the ECLs are based on the following inputs:

26. Summary of material accounting policy information continued

Guarantee contracts

PD: The Probability of Default is an estimate of the likelihood of default over a given time. The BII Portfolio team use two credit models (Moody's and S&P) and apply these models against the underlying obligor's most recent financial statements. An average PD is then generated and applied against a credit conversion factor in line with Basel IV.

The Loss Given Default (LGD) is an estimate of BII's loss arising in the case of a default at a given time. The LGDs are in line with Basel IV LGDs for unsecured debt instruments.

Exposure: The exposure for the guarantees is the total of the funded and unfunded underlying outstanding obligor contracts.

Unfunded loan commitments

PD: The Probability of Default is an estimate of the likelihood of default over a given time. The BII portfolio teams use a series of scorecard models which are based on quantitative and qualitative indicators to formulate a credit rating. The credit rating is then mapped to a Moody's equivalent which is then mapped to PD tables which are structured by country and sector.

LGD: The Loss Given Default is an estimate of BII's loss arising in the case of a default at a given time. It is based on the difference between the contractual cash flows due and any future cash flows.

Exposure: The exposure for unfunded loan commitments is the available remaining commitment that is expected to be drawn within the availability period.

Financial liabilities

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, contractual obligations, excluding FFECs, to deliver cash or another financial asset to another entity are measured at amortised cost using the effective interest method.

Provisions, contingent liabilities and contingent assets

Provisions are recognised if there is a present obligation, whether legal or constructive, which has arisen as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability.

Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Capital commitments

Commitments represent amounts the Group has contractually committed to pay third parties but do not yet represent a liability or impact the Group's financial results for the year. These commitments do not include potential future commitments approved by the Group that are not yet legally binding.

Investment income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Dividends

Dividend income, classified within investment income, is recognised when the right to receive payment is established. Where the right to receive a dividend is in doubt, dividends are recorded on the date of receipt.

Interest

The interest on a loan investment and guarantees is recognised on a time apportioned basis when due on the loan with investment income. Where there is objective evidence of loss of value or inability to collect loan interest, for example where loan interest remains unpaid after 90 days, a provision is recognised.

Management fee income

A fixed percentage management fee is earned for providing asset management services to subsidiaries. These fees are recognised as revenue each period in accordance with the terms of the agreements.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to the acquisition of investments are recognised as deferred income in the consolidated statement of financial position and recognised as grant income on a systematic and rational basis over the expected useful lives of the related asset. Any gains or losses arising from the investments funded by the grants will be reflected in the Group and Company Statement of Comprehensive Income as fair value gains or losses.

26. Summary of material accounting policy information continued

Employee benefits

The Company operates a funded defined benefit pension scheme in the UK, called the CDC Pensions Scheme, for staff who entered service prior to 1 April 2000. There is a defined contribution section for subsequent entrants.

The CDC Pensions Scheme is funded by the payment of contributions to a separately administered trust fund. The cost of providing benefits under the Company's funded defined benefit plan is determined using the projected unit credit actuarial valuation method, with actuarial valuations being carried out triennially.

The costs of providing defined contribution pensions are charged to the statement of comprehensive income as they become payable.

The cost of the performance related compensation programme (LTIPP) is charged to the statement of comprehensive income in the year to which the award relates.

Income tax

The CDC Act 1999 provided the Company with exemption from UK corporation tax with effect from 1 May 2003. This does not affect overseas taxation of the Company or of its subsidiaries.

Current tax is recognised as income or expense and is included in the net profit for the year, unless it relates to a transaction or event which is recognised directly in equity, whereupon the current tax is charged or credited to equity accordingly.

Current and deferred tax assets and liabilities are offset only when they arise from the same tax reporting group and relate to the same tax authority and when the legal right to offset exists.

Current and deferred taxes are recognised as a tax credit or expense in the year in which they arise except for deferred taxes recognised or disposed of upon the acquisition or disposal of a subsidiary.

Some dividend and interest income received is subject to withholding tax imposed in certain countries of origin. Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as a tax expense.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Operating leases

BII applies IFRS 16 to all leases except for licences of intellectual property, rights held by licensing agreement within the scope of IAS 38 Intangible Assets, service concession arrangements, leases of biological assets within the scope of IAS 41 Agriculture, and leases of minerals, oil, natural gas and similar non-regenerative resources. Refer to note 22 for more details.

BII recognises both: 1) a lease liability, measured at the present value of remaining cash flows on the lease; and 2) a right of use asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently, the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The right of use asset will amortise to the income statement over the life of the lease.

There is a recognition exemption in IFRS 16 for short-term leases and leases of low-value assets which allows the lessee to apply similar accounting as an operating lease under IAS 17.

BII has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets including IT equipment. BII recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Additionally, BII applies IFRS 16 on a modified retrospective basis and took advantage of the option not to restate comparative period.

Operating segments

IFRS 8 Operating Segments requires an entity to present segment information on the same basis as the financial information which is reviewed regularly by management to assess performance. The information set out in note 2 presents the summarised financial information in order to explain more fully BII's investment activities, together with the financial results that are presented under IFRS in which BII consolidates all non-investment subsidiaries.

26. Summary of material accounting policy information continued

New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the Group's financial statements.

New and revised IFRS Standards in issue but not yet effective

The accounting policies set out in these financial statements have been applied consistently to all periods presented.

The following accounting standards became effective for periods commencing on or after 1 January 2024:

- Amendments to IFRS 10 and IAS 28 – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IAS 1 Classification of liabilities as Current or Non-Current.

The following standards are issued but not yet effective and have not been applied to these financial statements. The Group intends to adopt these standards when they become effective. These are not expected to have any material impact on the Group's financial statements:

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

27. Related undertakings

The principal subsidiaries of BII at the end of the year and the percentage of equity capital are set out below.

Subsidiaries consolidated

Company and registered address	Class of share	Percentage held by BII	Principal activities
British International Investment India Advisers Private Limited^ Premise No.11, 1st Floor, 3 North Avenue, Maker Maxity, Bandra Kurla Complex, Mumbai, MH 400051 IN, India	Ordinary	100.0	Investment advisory
British International Investment Holdings Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment advisory
British International Investment East Africa Advisers Limited 3rd Floor, Westpark Suites, Ojijo Road, Parklands, Kenya	Ordinary	100.0	Investment advisory
BII West Africa Investments Limited KPMG Towers, Bishop Aboyade Cole Street, Victoria Island, Lagos, Nigeria	Ordinary	100.0	Investment advisory
Dayton Advisers Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment advisory
BII Pakistan (Private) Limited 1st Floor, Modern Motors House, Beaumont Road, Karachi 75530, South Sindh, Pakistan	Ordinary	100.0	Investment advisory
BII Bangladesh Advisers (Private) Limited C/o Locus, Tower-52, Level-4, Road-11, Block-C, Banani, Bangladesh	Ordinary	100.0	Investment advisory
British International Investment (Singapore) Pte Ltd 1 Robinson Road #17-00, AIA Tower Singapore	Ordinary	100.0	Investment advisory
BII LLC (Egypt) Unit F6, Building E, 5A The Waterway, New Cairo, Cairo, Egypt	Ordinary	100.0	Investment advisory

^ Directly held by the Company.

27. Related undertakings continued

Subsidiaries not consolidated

Company registered address and principal place of business	Class of share	Percentage held by BII	Principal activities	Currency	Profit/(loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Africa Power Group Limited 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL	Ordinary	100.0	Investment holding	USD	(121.2)	153.1
CDC Africa Cement Limited+ Company number: CMP61866 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL	Ordinary	100.0	In liquidation	USD	–	–
BII Africa Power Limited c/o IQ EQ Corporate Services (Mauritius) Ltd, Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius	Ordinary	100.0	Investment holding	USD	8.4	73.4
BII Asset Management Limited+ Company number: 03830159 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Dormant company	GBP	–	–
CDC Emerging Markets Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	2.4	–
BII Financial Services Mauritius Limited^ Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	Investment holding	GBP	–	0.6
BII Gateway Holdings LLP^ 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	15.0	236.0
BII Gateway A LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	EUR	5.5	82.7
BII Gateway B LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	1.5	5.2
BII Gateway C LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	24.7	145.3
BII Gateway D LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	–	–

Company registered address and principal place of business	Class of share	Percentage held by BII	Principal activities	Currency	Profit/(loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
BII Group Limited+ Company number: 04948863 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Dormant company	GBP	–	–
BII Holdings Guernsey Limited^x 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL	Ordinary	100.0	Investment holding	USD	(95.6)	472.4
CDC India Opportunities Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	1.2	15.2
BII Investment Holdings Limited + Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	In liquidation	GBP	–	–
BII Nepal Opportunities Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	2.0	11.4
British International Investment Overseas Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	–	–
CDC Pakistan Power Projects Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	4.7	12.3
BII Scots GP Limited^ 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	Ordinary	100.0	Investment holding	USD	–	–
BII Ukraine Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	(0.2)	–
BII South Asia Renewables Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	USD	21.4	28.4

27. Related undertakings continued
Subsidiaries not consolidated continued

Company registered address and principal place of business	Class of share	Percentage held by BII	Principal activities	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
BII Nominee No.1 Limited+ Company number: 08716966 (Previously The Africa List Limited)^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Dormant company	GBP	–	–
Dayton Investments Limited^ Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	Investment holding	USD	(3.9)	1.9
Growth Investment Partners Zambia Ltd^ Piziya Office Park, Stand No. 2374, Thabo Mbeki Road, Mass Media, Lusaka, P.O. Box 39371	Ordinary	100.0	Investment holding	USD	–	–
Gridworks Development Partners LLP^ 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	USD	(5.8)	43.0
MedAccess Guarantee Limited^ 84 Eccleston Square, Pimlico, London SW1V 1PX	Ordinary	100.0	Operating company	USD	6.4	175.2
Pan African Holdings Limited^+ Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary	100.0	In liquidation	GBP	–	–
Sinndar Holdings Limited 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL	Ordinary	100.0	Investment holding	USD	8.3	58.1
BII Scots LP^ 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ	Partnership interest	100.0	Investment holding	USD	10.5	46.3
UK Climate Investments LLP ^ 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	100.0	Investment holding	GBP	5.1	119.9

Company registered address and principal place of business	Class of share	Percentage held by BII	Principal activities	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
UK Climate Investments Apollo Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(12.1)	0.1
UK Climate Investments H1 Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	0.8	15.5
UK Climate Investments Etna Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	0.2	40.5
UK Climate Investments Lakeside Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(1.9)	–
UK Climate Investments Indigo Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	–	–
UK Climate Investments Kijani Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	(0.8)	1.7
UK Climate Investments Dazzle Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	1.2	33.9
UK Climate Investments VC Limited 123 Victoria Street, London, England, SW1E 6DE	Ordinary	100.0	Investment holding	GBP	–	–
CDC North Africa Healthcare Limited^ 123 Victoria Street, London, England, SW1E 6DE	Ordinary	98.0	Investment holding	USD	1.9	67.5

27. Related undertakings continued

Subsidiaries not consolidated continued

Company registered address and principal place of business	Class of share	Percentage held by BII	Principal activities	Currency	Profit/(loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Growth Investment Partners Ghana Ltd Ground Floor, Regimanuel Gray Head Office Building A02 Maale Dada St, PO Box 2617 Accra, Ghana	Ordinary	97.8	Investment holding	GHS	9.6	224.5
Globeleq Limited Second Floor, Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WW	Ordinary	70.0	Operating holding company	USD	20.0	491.9
BII India EV LLP 123 Victoria Street, London, England, SW1E 6DE	Partnership interest	38.11	Investment holding	USD	(0.2)	45.8

* Profit/(loss) for the year and aggregate capital and reserves for the subsidiary as at the end of its relevant financial year.
^ Directly held by the Company.
x BII Holdings Guernsey Limited is the borrower of record for the committed standby US$600m (£479.4m) Revolving Credit Facility (RCF). The assets of BII Holdings Guernsey will be used as security should there be any drawings under the RCF. With British International Investment plc being exempt from UK corporation tax there is no tax advantage to be gained from this company being incorporated in Guernsey.
+ Under sections 394, 448 and 479 of the Companies Act 2006, BII is required to disclose specified details of all its active and dormant subsidiary Companies that have made use of the exemption from preparing individual accounts. The list of subsidiaries that have made use of this provision in the Companies Act are indicated above. The respective subsidiary registration numbers have been included where applicable.

These subsidiaries are not consolidated due to the application of IFRS 10 and are carried at fair value through profit and loss. There are no restrictions on the ability of the unconsolidated subsidiaries to transfer cash to BII. There are no contractual arrangements that require BII to provide financial support to the unconsolidated subsidiaries. BII has not provided any non-contractual assistance to any of the unconsolidated subsidiaries during the reporting year.

Under section 409 of the Companies Act 2006, BII is required to disclose specified details of all its related undertakings including significant holdings. The significant holdings in undertakings of BII are equity investments including funds, carried at fair value through profit and loss, in which BII's holding amounts to 20 per cent or more of the nominal value of any class of shares in the undertaking. BII's holdings operate across several sectors including infrastructure, financial services, health and education, trade, communications, agribusiness, microfinance, business services, manufacturing, construction and real estate, and mineral extraction.

The significant holdings in undertakings of BII at the end of the year are set out below.

Company registered address	Class of share	Percentage held by BII	Currency	Profit/(loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
A4C S Feeder LP 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	Partnership interest	100.0	USD	–	21.5
Actis Energy 3C Sub-Feeder LP 2 More London Riverside, London, SE1 2JT	Partnership interest	100.0	USD	–	37.0
Actis Africa Real Estate Fund LP 2 More London Riverside, London, SE1 2JT	Partnership interest	100.0	USD	–	In liquidation
Actis Asia Real Estate 2 RX Co-Investment LP 2 More London Riverside, London, SE1 2JT	Partnership interest	100.0	USD	–	25.8
Ancile Trade Access Program Sub-Fund C/O Inoks Capital S.A., Rue de l'athénée 32, Geneva, Switzerland	Ordinary shares	100.0	USD	–	53.3
Summit Private Equity Fund II 1st Floor, The Ridge, 1 Discover Place, Sandton, 2146 South Africa	Partnership interest	100.0	USD	–	–
Pragati India Fund Limited 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	Ordinary shares	99.0	USD	–	0.2
Takura III African Century Gardens, 153 Josiah Chinamano Avenue, Harare, Zimbabwe	Partnership interest	99.0	USD	–	15.2
Happy Travel Rolling Investors LP 2 More London Riverside, London, SE1 2JT	Partnership interest	92.1	USD	–	0.3
Kotak India Affordable Housing Fund I 27 BKC, 7th Floor, Plot No C-27, Bandra Kurla Complex, Bandra, Mumbai – 400051, India	Units	90.9	INR	8.4	7.7
Actis South Asia Fund 2 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	90.7	USD	–	0.3
Actis Infrastructure 2 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	83.8	USD	–	3.3
Momentum Africa Real Estate Parallel Company The Rex Building, 62 Queen Street, 2nd Floor, London EC4R 1EB, England, United Kingdom	Ordinary shares	83.3	USD	–	3.3

27. Related undertakings continued

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Actis Latin America 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	75.5	USD	–	1.5
Kotak India Private Equity Fund III 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	Ordinary shares	75.0	USD	–	–
Actis ASEAN Fund LP 2 More London Riverside, London, SE1 2JT	Partnership interest	69.2	USD	–	0.2
IHS Green Housing Fund 54 Peter Place, Peter Place Office Park First Floor, Block C, Cardiff House, Bryanston, 2191, Gauteng, South Africa	Partnership interest	60.9	EUR	–	2.7
Altra Private Equity Fund I LP PO Box 1040, 2nd Floor, Harbour Centre, North Church Street, Grand Cayman, KY1-1102, Cayman Islands	Partnership interest	53.9	USD	–	–
Actis China 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	51.0	USD	–	0.1
NDB Venture Investment (Pvt) Ltd 7th Floor, McLarens Building, 123, Bauddhaloka Mawatha, Colombo 4, Sri Lanka	Ordinary shares	50.0	LKR	–	–
The Africa Power Platform PCC Platinum Square. Hola Road Industrial Area, Suite No. 10. Nairobi, Kenya	Ordinary shares	49.9	USD	^	^
Klinchenberg B.V. Fridtjof Nansens plass 4 N-0160, Oslo	Ordinary shares	49.9	USD	^	^
Takura II African Century Gardens, 153 Josiah Chinamano Avenue, Harare, Zimbabwe	Partnership interest	49.5	USD	^	^
Lightsource India Limited 7th Floor 33 Holborn, London, England, EC1N 2HU	Ordinary shares	49.0	GBP	^	^
14 Trees Limited c/o Holcim Group Services Ltd, im Schachen, 5113 Holderbank, AG, Switzerland	Ordinary shares	48.9	CHF	^	^
Pan African Housing Fund LLC Suite 510, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	Ordinary shares	47.7	USD	^	^
Kotak India Private Equity Fund Limited Suite 2005, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius	Ordinary shares	47.3	USD	^	^
Zephyr Power (PVT.) Limited 68-B, Sindhi Muslim Housing Society, Karachi 74400, Pakistan	Ordinary shares	46.7	USD	^	^
Actis Africa Real Estate Fund 2 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	46.6	USD	^	^
APF-II India Holdings Private Limited Unit 2, 4B, 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	Ordinary shares	45.8	USD	^	^
Insitor Impact Asia Fund Private Limited 6 Temasek Boulevard, #09-05, Suntec Tower Four, Singapore 038986	Partnership interest	45.2	USD	^	^
Aavishkaar Emerging India Fund GFin Corporate Services Ltd, Level 6, GFin Tower, 42 Hotel Street, Cybercity, Ebène 72201, Mauritius	Ordinary shares	44.6	USD	^	^
Dynamic India Fund S4 I IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	44.4	USD	^	^
IDFC Private Equity (Mauritius) Fund III Tribeca Central, 6th Floor, Two Tribeca, Trianon, 72261, Mauritius	Ordinary shares	44.2	USD	^	^
APF-I (Mauritius) Limited 33 Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	43.7	USD	^	^
Endure Capital 21 C.V. 228 Hamilton Avenue, 3rd Floor, Palo Alto, CA 94301, USA	Partnership interest	43.5	USD	^	^
Africa Logistics Properties Crossinvest Global Management Limited, Avenue Geranium and Reservoir Road, Suite 011, Grand Baia Business Park, Grand Baie, Mauritius	Ordinary shares	42.0	USD	^	^

27. Related undertakings continued

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Aureos South Asia Fund (Holdings) LLC Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	41.2	USD	^	^
ARM Cement Plc L.R. No. 209/7417/2 Chiromo Road, Westlands, Nairobi, Kenya	Ordinary shares	41.0	USD	^	^
Actis China Fund 2 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	40.0	USD	^	^
Africa Water Infrastructure Development Limited St Peter's Port, Guernsey	Partnership interest	40.0	USD	^	^
Frontier Energy II Delta K/S C/O Frontier Investment Management, Bredgade 30 Copenhagen, 1260 Denmark	Partnership interest	39.6	USD	^	^
African Forestry Impact Platform Post Office Box 434, North Sydney, New South Wales 2059, Australia	Partnership interest	37.2	USD	^	^
ShoreCap III c/o SGG Fund Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	37.0	USD	^	^
DI Frontier Market Energy & Carbon Fund c/o Bech-Brunn Law Firm, Langelinie Alle 35, 2100 Copenhagen, Denmark	Partnership interest	36.4	EUR	^	^
Adlevo Capital Africa LLC Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	35.4	USD	^	^
Actis Africa 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	35.3	USD	^	^
Faering Capital Fund III 95, Maker Chambers III, Nariman Point, Mumbai 400 021, India	Ordinary shares	35.2	USD	^	^
Saratoga Asia II LP c/o Walkers SPV Limited, Walkers House, 87 Mary Street, Grand Cayman KY 1-9002, Cayman Islands	Partnership interest	35.2	USD	^	^
Metro Wind Power Limited 7th Floor, Al-Tijarah Centre, 32-1-A, Block-6, P.E.C.H.S., Main Shahrah-e-Faisal, Karachi-75400, Pakistan	Ordinary shares	35.0	USD	^	^
Solon Capital Holdings c/o Trident Trust Company (Mauritius) Limited, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	Ordinary shares	33.4	USD	^	^
Ascent India Fund IV IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	33.0	USD	^	^
Amicus Capital Partners Private Equity I Villa 188, Adarsh Palm Retreat, Outer Ring Road, Devarabisanahalli, Bangalore 560103, India	Ordinary shares	32.3	USD	^	^
Growth Catalyst Partners – Annex Fund 318 W. Adams Street #1607 Chicago, IL 60606	Ordinary shares	31.9	USD	^	^
Ninety One Africa Credit Opportunities Fund 3A 49, Avenue J.F. Kennedy, Luxembourg, L-1855	Partnership interest	31.1	USD	^	^
Pembani Remgro Infrastructure Mauritius Fund I LP c/o Augentius Fund Administration (Mauritius) Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Partnership interest	31.1	USD	^	^
Garden City c/o International Management (Mauritius) Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	30.9	USD	^	^
Actis India Fund 2 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	30.7	USD	^	^
Injaro Agricultural Capital Holdings Limited c/o CKLB International Management Ltd, 1st Floor, 24 Dr Joseph Rivière Street, Port Louis, Mauritius	Ordinary shares	30.5	USD	^	^

27. Related undertakings continued

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Fibonacci India Fund Co Limited (Phi Capital) IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	29.9	USD	^	^
Aavishkaar Goodwell India Microfinance Development Company II Limited Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius	Ordinary shares	29.8	USD	^	^
Skye Renewables Energy Pte. Ltd. 16 Raffles Quay, Floor #09-01, Hong Leong Building, 048581, Singapore	Preference shares	29.5	USD	^	^
Adiwale Fund I c/o Ocorian Corporate Services, Tower A, 1 CyberCity Ebene Mauritius	Partnership interest	29.4	EUR	^	^
The Sierra Investment Fund 5th Floor, Barkly Wharf, La Caudan Waterfront, Port Louis, Mauritius	Ordinary shares	28.9	USD	^	^
Sawari Ventures North Africa Fund I Cooperatief U.A. One Drive Mohamed Sobhy, 4th Floor, Apartment 9, Cairo Egypt	Ordinary shares	28.7	USD	^	^
Energy Access Ventures Fund 7 Boulevard Malesherbes, 75008 Paris, France	Units	28.6	EUR	^	^
Helios Investors IV Helios Investors IV, L.P. P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands	Ordinary shares	28.2	USD	^	^
HR Food Processing Private Limited Osam Dairy, House No 448/A, Ground Floor, Near Argora Chowk, Road No. 04, Ashok Nagar Ranchi Jh 834002 India	Ordinary shares & Compulsory convertible preference shares	28.0	INR	^	^
COVID-19 Energy Access Relief Fund, B.V. Hoogoorddreef 15 ,1101 BA Amsterdam The Netherlands	Ordinary shares	28.0	USD	^	^
Insitor Impact Asia Fund 2 140B Neil Road 088869 Singapore	Ordinary shares	27.9	USD	^	^
CardinalStone Capital Advisers Growth Fund 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	Partnership interest	27.8	USD	^	^
Abraaj Pakistan Fund I LP Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Partnership interest	27.5	USD	^	^
VenturEast Proactive Fund II LLC St Louis Business Centre, Cnr Desroches & St. Louis Streets, Port Louis, Republic of Mauritius	Ordinary shares	27.5	INR	^	^
Atlantic Coast Regional Fund LLC c/o Abax Corporate Services, Level 6, One Cathedral Square, Jules Koeing Street, Port Louis, Mauritius	Ordinary shares	27.3	USD	^	^
BTS India Private Equity Fund 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	27.2	USD	^	^
Ankur Capital II N5, Jetha Compound, Dr B Ambedkar Road, Byculla (east, Mumbai 400 027	Partnership Interest	26.7	INR	^	^
Regional Education Finance Fund for Africa 2, rue d'Alsace, L-1122 Luxembourg	Ordinary shares	26.7	USD	^	^
Growth Catalyst Partners LLC 33 Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	26.5	USD	^	^
Ethos Private Equity Fund V 26 New Street, St. Helier, Jersey, JE2 3RA, Channel Islands	Partnership interest	26.5	USD	^	^
Capital Alliance Property Investment Company LP c/o Caledonian Trust (Cayman) Limited, 69 Dr. Roy's Drive, George Town, Grand Cayman, Cayman Islands KY1-1102	Partnership interest	26.2	USD	^	^
Actis Umbrella Fund LP 2 More London Riverside, London, SE1 2JT	Partnership interest	26.1	USD	^	^

27. Related undertakings continued

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Aureos West Africa Fund LLC Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	26.0	USD	^	^
Africa Forestry Fund II IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	25.9	USD	^	^
Metier AMN Partnership LP 4th Floor, Building 3, Oxford Parks 8 Parks Boulevard , Rosebank Johannesburg, 2196, South Africa	Partnership interest	25.9	USD	^	^
Ascent Rift Valley Fund II Ascent Capital Advisory Services 3rd Floor, Block E, ABC Place, Waiyaki Way, Nairobi, Kenya	Partnership interest	25.3	USD	^	^
Aureos Southern Africa Fund LLC Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	25.1	USD	^	^
Progression Eastern African Microfinance Equity Fund c/o International Management (Mauritius) Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Ordinary shares	24.9	USD	^	^
India Infrastructure Fund II (Singapore) Private Limited #04-02 112 Robinson Road, Singapore, 068902	Ordinary shares	24.8	USD	^	^
Frontier Bangladesh II LP PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Partnership interest	24.5	USD	^	^
VenturEast Life Fund III IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Preference shares	24.5	INR	^	^
Divercity Urban Property Group (Proprietary) Limited Eyethu house, 270 Marshall Street City & Surburban, Johannesburg	Ordinary shares	24.4	ZAR	^	^
Seefund2 International IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	24.2	USD	^	^

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Bangladesh Managed Account C.V. B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius	Partnership interest	24.0	USD	^	^
Aavishkaar India II Company Limited 608 St James Court, St Denis Street, Port Louis, Mauritius	Ordinary shares	23.7	USD	^	^
Lynx Food Group Level 5 Alexander House 35 Cybercity Ebene Mauritius	Ordinary shares	23.7	USD	^	^
Africa Capitalworks Level 5, Alexander House, 35 Cybercity, Ebene, Mauritius	Ordinary shares	23.3	USD	^	^
CX Partners Fund II 22 Saint Georges Street, Port Louis, Mauritius	Ordinary shares	23.2	USD	^	^
Fund for Agriculture Finance in Nigeria FAFIN c/o Trident Trust Company (Mauritius) Limited, 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	Ordinary shares	22.8	USD	^	^
Sarva Capital LLC 6, Seethammal Colony, 1st Cross Street, Teynampet, Alwarpet, Chennai, Tamilnadu 600018 India	Ordinary shares	22.7	USD	^	^
Myanmar Opportunities Fund II c/o PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands	Partnership interest	22.4	USD	^	^
Ventureast Proactive Fund LLC IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, Mauritius	Ordinary shares	22.3	USD	^	^
iMerit Inc. 985 University Avenue Suite 8, Los Gatos, CA 95032, USA	Ordinary shares	21.2	USD	^	^
TLCom TIDE Africa Fund 85 Great Portland Street W1W 7LT London United Kingdom	Partnership Interest	21.3	USD	^	^

27. Related undertakings continued

Company registered address	Class of share	Percentage held by BII	Currency	Profit/ (loss) for the year* LCY'000	Aggregate capital and reserves* LCY'000
Green Growth Feeder Fund Pte. Ltd 163 Penang Road, #08-01, Winsland House II, Singapore 238463	Partnership Interest	21.2	USD	^	^
TVS Industrial & Logistics Parks Pvt Ltd B-106,10th Floor, Mittal Tower, B Wing, Nariman Point, Mumbai, Maharashtra 400021, India	Ordinary shares	21.1	USD	^	^
Blue Sapphire Healthcare Private Limited 152, Mandakini Enclave, Alaknanda, Dehli – 110019, India	Ordinary shares	21.0	USD	^	^
Phatisa Food Fund 2 S3-S4, 2nd Floor Palm Square Complex, La Mivoie Mauritius	Ordinary shares	21.0	USD	^	^
Aavishkaar India Fund VI 13B, 6th Floor, Techniplex II, IT Park · Off Veer Sarvarkar Fly Over, Goregaon West · Mumbai, Maharashtra 400062 · India	Ordinary shares	20.7	INR	^	^
Agristar Holdings (Pty) Ltd Curlews Road, White River, Mpumalanga, South Africa	Preference shares	20.5	ZAR	^	^
UNICAF UNICAF Building, Famagusta Avenue, 6019, Larnaca, Cyprus	Partnership interest	20.0	EUR	^	^
Actis India 3 LP 2 More London Riverside, London, SE1 2JT	Partnership interest	20.0	USD	^	^
African Rivers Fund c/o Abax Corporate Services Ltd, 6th Floor, Tower A1, Cybercity, Ebene, Mauritius	Ordinary shares	20.0	USD	^	^
H1 Capital (RF) Proprietary Ltd 130 Bree St, Manhattan Place, Cape Town, South Africa	Redeemable preference shares	20.0	ZAR	^	^
India Agribusiness Fund II Limited D-41, Third Floor, Defence Colony, New Delhi, Delhi 110024, India	Ordinary shares	20.0	USD	^	^

* Profit/(loss) for the year and aggregate capital and reserves for the significant holding as at the end of its relevant financial year.
^ Information not required as British International Investment plc's holding is less than 50 per cent and undertaking's financial information is not published.

Glossary

Catalyst Portfolio	One of BII's portfolios, which takes a flexible approach to risk in exchange for creating impact
CFD	Climate-related Financial Disclosure
Commercial hurdle	A weighted cumulative investment return of at least 2% on the total portfolio over a seven-year period
the Company	British International Investment plc
DFI	Development finance institution
ESG	Environmental, social and governance
EU CBAM	European Union's Carbon Border Adjustment Mechanism
FCDO	Foreign, Commonwealth & Development Office
GHG	Greenhouse gas
the Group	British International Investment plc and its subsidiaries
Growth Portfolio	BII's largest investment portfolio, focused on providing capital to businesses with the potential to achieve sustainable growth while making positive environmental, social and economic impact
Kinetic Portfolio	One of BII's portfolios, focused on concessional investment strategies
MW	Megawatt
PCAF	Partnership for Carbon Accounting Financials
SDGs	The set of Sustainable Development Goals that the United Nations (UN) member states aim to achieve by 2030
the shareholder	Secretary of State for Foreign, Commonwealth and Development Affairs (the Foreign Secretary)
SME	Small and medium-sized enterprise
TCFD	Task Force for Climate-related Disclosure
tCO_2e	Tonnes of carbon dioxide equivalent

British International Investment

British International Investment plc
123 Victoria Street
London SW1E 6DE
United Kingdom

E enquiries@bii.co.uk

bii.co.uk

Company number: 3877777

British International Investment is
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@BritishIntInv

British International Investment plc